



SCV WATER AGENCY REGULAR BOARD MEETING

Tuesday, May 16, 2023
Meeting Begins at 6:00 PM

Members of the public may attend by the following options:

In Person

Santa Clarita Valley Water Agency
Rio Vista Water Treatment Plant
Boardroom
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

By Phone

Toll Free:
1-(833)-568-8864
Webinar ID: 160 819 2602

Virtually

Please join the meeting from your
computer, tablet or smartphone:
<https://scvwa.zoomgov.com/j/1608192602>

Have a Public Comment?

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practicable, and posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

(Public comments take place during Item 3 of the Agenda and before each Item is considered. Please see the Agenda for details.)

This meeting will be recorded and the audio recording for all Board meetings will be posted to yourscvwater.com within 3 business days from the date of the Board meeting.

Disclaimer: Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Santa Clarita Valley Water Agency
Rio Vista Water Treatment Plant
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
(661) 297-1600

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**SANTA CLARITA VALLEY WATER AGENCY
REGULAR BOARD MEETING AGENDA**

**RIO VISTA WATER TREATMENT PLANT
BOARDROOM
27234 BOUQUET CANYON ROAD
SANTA CLARITA, CA 91350**

TUESDAY, MAY 16, 2023, AT 6:00 PM

IMPORTANT NOTICES

5:15 PM DISCOVERY ROOM OPEN TO THE PUBLIC

Dinner for Directors and staff in the Discovery Room.
There will be no discussion of Agency business taking place prior to the
Call to Order at 6:00 PM.

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 819 2602 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1608192602>**. Any member of the public may listen to the meeting or make comments to the Board using the call-in number or Zoom Webinar link above.

However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting, will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENTS** – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Board’s presiding officer, be limited to three minutes for each speaker.) Members of the public wishing to comment on items covered in Closed Session before they are considered by the Board must request to make comment at the commencement of the meeting at 6:00 PM.

4. **APPROVAL OF THE AGENDA**

5. **CONSENT CALENDAR**

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5.1 *	Approve Minutes of the May 2, 2023 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	7
5.2 *	Approve, Pursuant to the Addendum to the MND for the South End Recycled Water Main Extension that was Adopted in June 2021 (1) Adopting a Resolution Authorizing the General Manager to Apply for Grant Funding Under the State Water Resources Control Board’s Water Recycling Funding Program, (2) Adopting a Resolution Executing a Grant Agreement if the State Water Resources Control Board Awards the Grant, and (3) Submitting Any Required Documents, Invoices, and Reports Required to Obtain Grant Funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project	13

6. **ACTION ITEMS FOR APPROVAL**

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6.1 *	Authorize the General Manager to (1) Approve a Contract Amendment to Pacific Tank and Construction, Inc. for Additional Change Orders and (2) Execute a Purchase Order Amendment to Cannon Corporation for Additional Construction Management and Inspection Services for the Vista Canyon Recycled Water (Phase 2B) Tank Project	25
6.2 *	Approve Adopting a Resolution Awarding a Contract for Pump and Column Replacement for Well N12	33
6.3 *	Approve a Resolution Adopting the Operating and Capital Biennial Budget for FY 2023/24 and FY 2024/25	43
6.4 *	Approve the Purchase of 4,273 AMI Compatible Meters	321

7. **GENERAL MANAGER’S REPORT ON ACTIVITIES, PROJECTS AND PROGRAMS**

8. **COMMITTEE MEETING RECAP REPORT FOR INFORMATIONAL PURPOSES ONLY**

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8.1 *	May 4, 2023 Engineering and Operations Committee Meeting Recap Report	327
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9. **PRESIDENT’S REPORT**

10. AB 1234 WRITTEN AND VERBAL REPORTS PAGE

10.1 *	April 20, 2023 Water Talks Santa Clara River Tour – Director Marks	333
10.2 *	April 26, 2023 Delta Conveyance Design and Construction Authority Tour – Director Marks	353
10.3	AB 1234 Reports	

11. DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

12. ADJOURNMENT

- * Indicates Attachment
- ◆ Indicates Handout

Note: The Board reserves the right to discuss or take action or both on all of the above Agenda items.

NOTICES

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning April Jacobs, Secretary to the Board of Directors, at (661) 297-1600, or in writing to Santa Clarita Valley Water Agency at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on May 10, 2023.

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – May 2, 2023

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 at 6:00 PM on Tuesday, May 2, 2023. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Kathye Armitage, Beth Braunstein, Ed Colley, William Cooper, Gary Martin, Piotr Orzechowski and Ken Petersen.

DIRECTORS ABSENT: Maria Gutzeit and Dirk Marks.

Also present: Assistant General Manager Steve Cole (Via Zoom), Board Secretary April Jacobs, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Rochelle Patterson, Chief Operating Officer Keith Abercrombie, Director of Operations and Maintenance Mike Alvord (Via Zoom), Director of Water Resources Ali Elhassan, Engineer Wai Lan Lee (Via Zoom), General Counsel Joe Byrne, General Manager Matthew Stone, Information Technology Technician I Jonathan Thomas, Attorney from Best Best & Krieger Lufti Kharuf, as well as additional SCV Water Agency staff (Via Zoom) and members of the public (both in person and Via Zoom).

President Martin called the meeting to order at 6:01 PM. A quorum was present.

There were no changes to the May 2, 2023 Board Amended Agenda and it was accepted as shown (Item 4).

Upon motion of Director Cooper, seconded by Vice President Orzechowski and carried, the Board approved the Consent Calendar by the following roll call votes (Item 5):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Absent	Director Marks	Absent
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

Upon motion of Director Cooper, seconded by Director Petersen and carried, the Board approved (1) adopting Resolution No. SCV-346 authorizing a purchase order to Hunsaker & Associates Los Angeles, Inc. for an amount not to exceed of \$140,000 for planning services for the N-Wells Drainage Improvements Project and (2) found that approval of the proposed action is exempt from the CEQA review, in accordance with CEQA Guidelines section 15262, because the project only involves feasibility or planning studies for possible future actions which the Agency has not approved, adopted, or funded by the following roll call votes (Item 6.1):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Absent	Director Marks	Absent

President Martin
Director Petersen

Yes
Yes

Vice President Orzechowski Yes

RESOLUTION NO. SCV-346

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA CLARITA VALLEY WATER AGENCY,
AUTHORIZING A PURCHASE ORDER
TO HUNSAKER & ASSOCIATES LOS ANGELES, INC.
FOR PLANNING SERVICES FOR THE
N WELLS DRAINAGE IMPROVEMENTS PROJECT,
AND FINDING THAT THE AUTHORIZATION IS NOT A PROJECT
SUBJECT TO CEQA GUIDELINES SECTION 15262**

<https://www.yourscvwater.com/sites/default/files/SCVWA/approved-resolutions/scv/SCV-Water-Approved-Resolution-050223-Resolution-SCV-346.pdf>

General Manager's Report on Activities, Projects and Programs (Item 7).

General Manager Stone reported on the following:

He updated the Board on the April 19-20, 2023 State Water Contractors meeting which was held in Kern County this past month. He advised that DWR provided a tour of the Edmonston Pumping Plant, which lifts water over 2,000 feet over the Tehachapi's. They were also able to visit DWR's apprenticeship training facility where they partner with community colleges to develop the specialized technical skills required to operate and maintain the massive equipment and system on the aqueduct and pumping plants.

He then mentioned that on March 26, 2023, he and President Martin, Director Marks and Assistant General Manager Steve Cole took a tour of some of the alignments and potential facility sites for the Delta Conveyance Facility. He shared that the tour included stops at the Bethany Reservoir as well as the Twin Lakes Road region where a tunnel portal shaft may be located, and where a rotating fish screen manufacturer who explained some of the potential benefits of that particular screening system. They also saw videos about the State Water Project and the potential facilities.

To hear the full report in its entirety, please refer to the Board recording at <https://www.yourscvwater.com/sites/default/files/SCVWA/board-meetings/2023/scv/Board-Recording-050223.mp3>.

Committee Meeting Recap Reports for Informational Purposes Only (Item 8).

Director Armitage had a comment on the April 20, 2023 Public Outreach and Legislative Committee Recap Report pertaining to the recent Agency hosted Arundo Tour with the City.

Vice President Orzechowski had a comment on the April 20, 2023 Public Outreach and Legislative Committee Recap Report pertaining to the water refill stations that were at both the

Cowboy Festival and the Home and Garden Show. He asked about attaching a flow meter to the refill stations so that we can capture the volume served and how that compares to how many 16 fluid oz. plastics bottles would have been used.

To hear the Directors full comments in their entirety, please refer to the Board recording at <https://www.yourscvwater.com/sites/default/files/SCVWA/board-meetings/2023/scv/Board-Recording-050223.mp3>.

There were no other comments on the recap reports.

Written reports for informational purposes only (Item 9).

Director Armitage had comments on Item 9.2 Finance, Administration and Information Technology Services Section Report pertaining to the collection of data and outreach to customers who fall in the low income category and making sure those customers are aware of the low income housing assistance program. Next, she mentioned that she was happy to see the customer care team at the Farmers Market in Canyon Country and Newhall. Lastly, she had comments on Item 9.4 Water Resources and Outreach Section report relating to the Garden Smarter Publication.

Vice President Orzechowski had comments on Item 9.2 Finance, Administration and Information Technology Services Section Report relating to shut offs. He would like to see a graph for the entire year that displays the monthly number along with an asterisk to indicate accounts that are repeating. He is interested in how that changes from fiscal year to fiscal year over the course of a 12-month period. Additionally, he wants staff to contact lawmakers about the rate increase that will take effect on July 1, 2023.

To hear the Directors full comments in their entirety, please refer to the Board recording at <https://www.yourscvwater.com/sites/default/files/SCVWA/board-meetings/2023/scv/Board-Recording-050223.mp3>.

There were no other comments on the recap reports.

President's Report (Item 10).

The President updated the Board on upcoming meetings, events and miscellaneous items.

AB 1234 Written and Verbal Reports (Item 11).

A written report was submitted by President Martin which was posted to the SCV Water website and is part of the record.

Director Armitage reported that she virtually attended the Executive Committee Meeting of the Special Districts Association of North Los Angeles County on April 19, 2023 and attended a

rescheduled field trip from the Water Talks Webinar hosted by the Tree People of the Santa Clara River Arundo on April 20, 2023.
There were no other AB 1234 Reports.

The Board went into Closed Session at 6:51 PM to discuss Item 12.1 (Item 12).

The Zoom meeting was put on hold while the Board went into Closed Session. President Martin advised the public and staff for those who wanted to stay, to remain on the current teleconference line and once Closed Session ends, the Board would reconvene for Closed Session announcements and the conclusion of the meeting.

President Martin reconvened the Open Session at 7:49 PM.

Joie Byrne, Esq., reported that there were no actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 13).

Director Reports (Item 14).

Director Armitage shared that the Tree People have been hosting informative and valuable events in our area and recommends that the Board, if interested, should get on their email list so that they can be notified of upcoming events.

Director Braunstein thanked staff for their presence at both the Cowboy Festival and the Home and Garden show both were amazing, and staff did a great job.

There were no other Director reports.

To hear the Directors full comments in their entirety, please refer to the Board recording at <https://www.yourscvwater.com/sites/default/files/SCVWA/board-meetings/2023/scv/Board-Recording-050223.mp3>.

Director Requests For Approval for Event Attendance (Item 15).

There were no requests for approval for event attendance.

The meeting was adjourned at 7:53 PM (Item 16).

April Jacobs, Board Secretary

ATTEST:

President of the Board

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BOARD MEMORANDUM

DATE: May 8, 2023

TO: Board of Directors

FROM: Courtney Mael, P.E. *CM*
Chief Engineer

SUBJECT: Approve, Pursuant to the Addendum to the MND for the South End Recycled Water Main Extension that was Adopted in June 2021 (1) Adopting a Resolution Authorizing the General Manager to Apply for Grant Funding Under the State Water Resources Control Board's Water Recycling Funding Program, (2) Adopting a Resolution Executing a Grant Agreement if the State Water Resources Control Board Awards the Grant, and (3) Submitting Any Required Documents, Invoices, and Reports Required to Obtain Grant Funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project

SUMMARY

On April 13, 2023, staff submitted a grant application for funding under the State Water Resources Control Board's (SWRCB) Water Recycling Funding Program for the South End Recycled Water Main Extension (Phase 2C Reach 1) Project (Project). The application requires that the Board of Directors (1) adopt a resolution (Attachment 1) authorizing the General Manager to apply for the grant, execute a grant agreement, and submit any required documents, invoices, and reports required to obtain grant funding, and (2) adopt a reimbursement resolution (Attachment 2) as required SWRCB.

DISCUSSION

The SWRCB issued a notification of availability of funding under the Water Recycling Funding Program (WRFP). The WRFP identifies and investigates opportunities to reclaim and reuse wastewaters in California. The WRFP includes funding for planning, design, and construction of water recycling and reuse projects in partnership with local government entities. Therefore, Santa Clarita Valley Water Agency is applying for \$2,900,000 in grant funding (approximately 24% of the total project cost). The application is due in May 2023. Staff submitted a draft copy of the attached resolutions as a placeholders in the application. Upon the Board's adoption of the authorizing resolutions, staff will submit copies of the adopted resolutions to SWRCB to complete the application.

The Project, which is included in the Agency's Capital Improvement Plan, will expand the use of recycled water to many customers along the southern service area of the Agency.

CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION

Pursuant to the California Environmental Quality Act (CEQA) the Agency prepared, and the Castaic Lake Water Agency (CLWA) Board of Directors certified, a Program Environmental Impact Report and adopted a Statement of Overriding Considerations for the Recycled Water Master Plan on March 28, 2007. On August 10, 2017, Newhall County Water District (NCWD) adopted the Mitigated Negative Declaration (MND) and the Mitigation Monitoring and Reporting

Program (MMRP) as the Lead Agency. On August 23, 2017, CLWA adopted the MND and MMRP as the Responsible Agency by Resolution 3186, since CLWA has taken the lead on applying for construction grants and aids. The Agency is the successor to CLWA and NCWD. In June 2021, the Agency adopted an Addendum to the MND that analyzed changes to potential environmental impacts due to pipeline alignment modifications of the South End Recycled Water Main Extension (Phase 2C) Project. The Agency has determined that there are no new or more severe impacts requiring additional environmental review under CEQA related to the pipeline alignment modifications.

On May 4, 2023, the Engineering and Operations Committee considered staff's recommendation to approve, pursuant to the addendum to the MND for the South End Recycled Water Main Extension that was adopted in June 2021 (1) to adopt resolutions authorizing the General Manager to apply for Grant Funding under the State Water Resources Control Board's Water Recycling Funding Program, (2) execute a grant agreement if the State Water Resources Control Board awards the grant, and (3) submit any required documents, invoices, and reports required to obtain Grant Funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project.

STRATEGIC PLAN NEXUS

This Project will help meet the Agency's Strategic Plan Objective B.1.1.4: "Complete final design of the South End Recycled Water Project (Phase 2C)" and Strategic Plan Objective C.3.4: "Pursue grant funding for recycled water projects."

FINANCIAL CONSIDERATIONS

The Project is included in the SCV Water's FY 2022/23 Capital Improvement Budget for the South End Recycled Water Main Extension (Phase 2C) Project. This Project was awarded \$3,000,000 under the Proposition 1 Round 1 IRWM grant. If successful, the WRFPP grant will reimburse an additional \$2,900,000 of construction costs associated with the project.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors, pursuant to the Addendum to the MND for the South End Recycled Water Main Extension that was adopted in June 2021, (1) adopt the attached resolution authorizing the General Manager to apply for grant funding under the State Water Resources Control Board's Water Recycling Funding Program for the South End Recycled Water Main Extension (Phase 2C Reach 1) Project, (2) adopt the attached resolution executing a grant agreement if the State Water Resources Control Board awards the grant, and (3) submit any required documents, invoices, and reports required to obtain grant funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project.

Attachments

M65

ATTACHMENT 1

RESOLUTION NO. XXX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING AN APPLICATION FOR GRANT FUNDING UNDER THE STATE WATER RESOURCES CONTROL BOARD'S WATER RECYCLING FUNDING PROGRAM FOR THE SOUTH END RECYCLED WATER MAIN EXTENSION (PHASE 2C – REACH 1) PROJECT

WHEREAS, the Santa Clarita Valley Water Agency (Agency) is a public water wholesaler and retailer in the Santa Clarita Valley in Northeastern Los Angeles County that provides potable and recycled water to its customers; and

WHEREAS, on January 1, 2018, the Santa Clarita Valley Water Agency was created under Senate Bill 634, merging operations of Castaic Lake Water Agency, Newhall County Water District and Valencia Water Company; and

WHEREAS, the proposed South End Recycled Water Main Extension (Phase 2C – Reach 1) Project (Project) is a component of the Recycled Water Master Plan; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) the Agency prepared and the Castaic Lake Water Agency (CLWA) Board of Directors certified a Program Environmental Impact Report and adopted a Statement of Overriding Considerations for the Recycled Water Master Plan on March 28, 2007; and

WHEREAS, on August 10, 2017, Newhall County Water District adopted the Mitigated Negative Declaration (MND) and the Mitigation Monitoring and Reporting Program (MMRP) as the Lead Agency; and

WHEREAS, on August 23, 2017, CLWA adopted the MND and MMRP as the Responsible Agency by Resolution 3186 since CLWA has taken the lead on applying for construction grants and aids; and

WHEREAS, in June 2021, the Agency adopted an Addendum to the MND that analyzed changes to potential environmental impacts due to pipeline alignment modifications of the South End Recycled Water Main Extension (Phase 2C) Project; and

WHEREAS, the Agency has determined that, since the adoption of the Addendum in June of 2021 there have been no changes in circumstances results in new or more severe impacts requiring additional environmental review under CEQA related to the proposed grant application for funding for the Project and associated actions; and

WHEREAS, the Agency is preparing for the construction of South End Recycled Water Expansion (Phase 2C – Reach 1) Project; and

WHEREAS, the Agency is currently completing final design for the Project; and

WHEREAS, the Project will expand the Agency's recycled water distribution infrastructure by installing up to 13,074 linear feet of recycled water pipelines within the Agency's southern service area as part of the Recycled Water (Phase 2C – Reach 1) Project; and

WHEREAS, the Project will expand the Agency's recycled water distribution capacity up to 300 acre-feet per year (AFY).

NOW THEREFORE, BE IT RESOLVED, that the Santa Clarita Valley Water Agency Board of Directors finds, declares and resolves as follows:

1. The General Manager, or designee, is hereby authorized and directed to sign and file, for and on behalf of the Santa Clarita Valley Water Agency (SCV Water), a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Recycled Water Phase 2C (Reach 1) Project (Project).
2. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
3. The Authorized Representative, or his/her designee, is designated to represent SCV Water in carrying out its responsibilities under the grant agreement, including certifying disbursement requests on behalf of SCV Water and compliance with applicable state and federal laws.

ATTACHMENT 2

RESOLUTION NO. XXX

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
REGARDING REIMBURSEMENT UNDER THE STATE WATER RESOURCES
CONTROL BOARD'S WATER RECYCLING FUNDING PROGRAM
FOR THE SOUTH END RECYCLED WATER MAIN EXTENSION
(PHASE 2C REACH 1) PROJECT**

WHEREAS, Santa Clarita Valley Water Agency (Agency) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (Project); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with monies (Project Funds) provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (Obligations), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds, the Agency desires to incur certain capital expenditures (Expenditures) with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW THEREFORE, BE IT RESOLVED, that the Santa Clarita Valley Water Agency Board of Directors finds, declares and resolves as follows:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$12,276,660.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this resolution are true and correct and this Agency so finds, determines and represents.



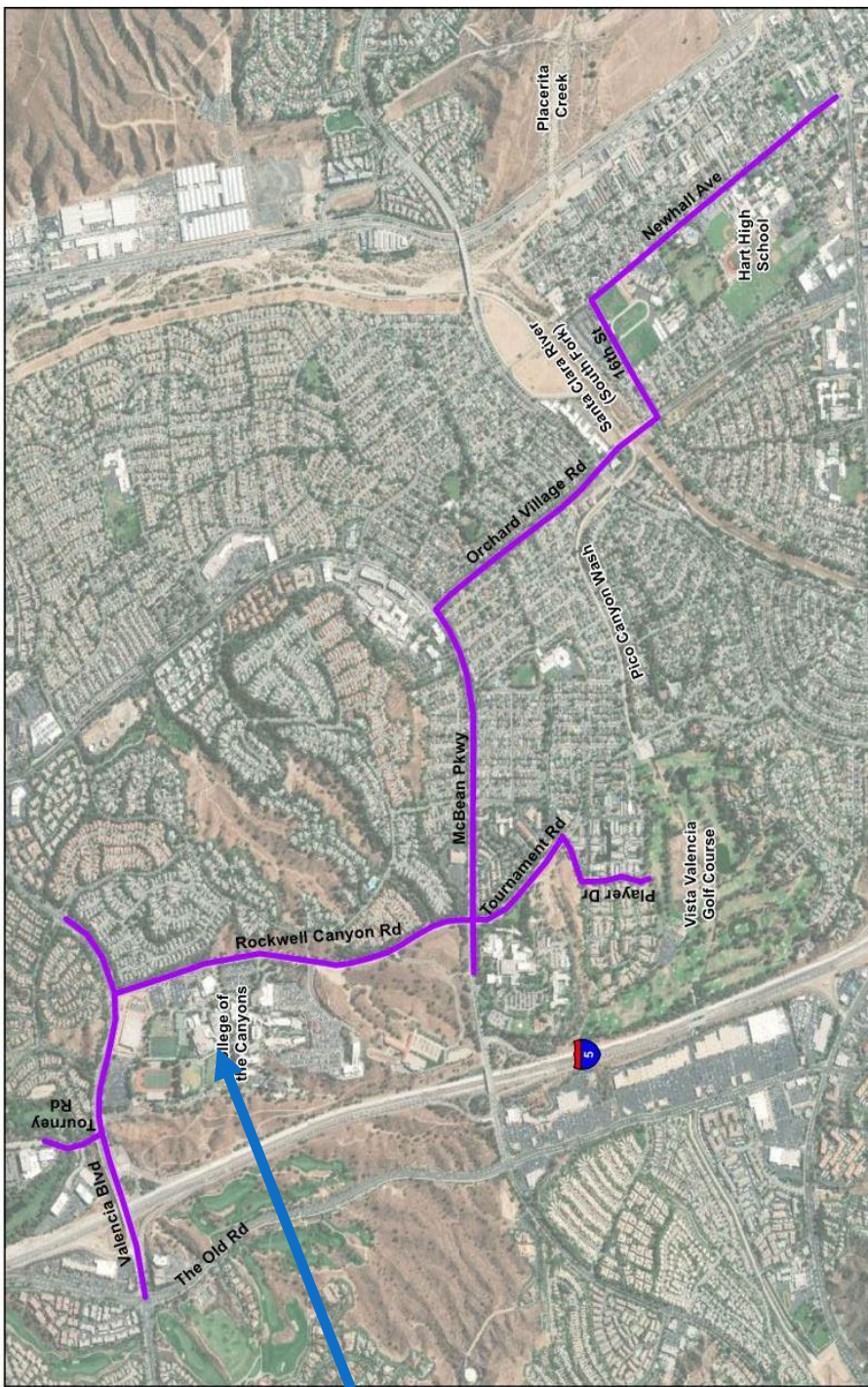
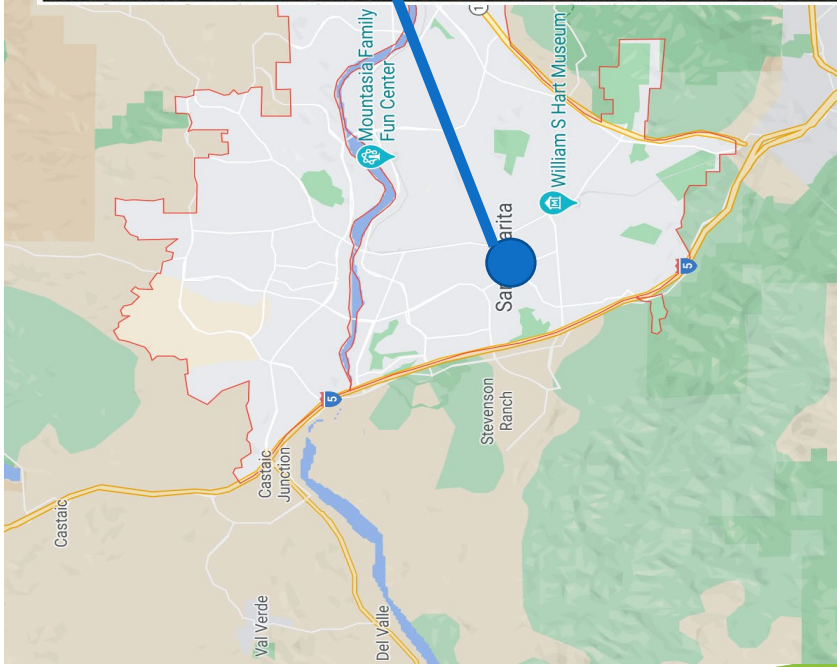
SCV
WATER

May 16, 2023

**Authorize Grant Application for
the State Water Resources Control Board's
Water Recycling Funding Program for the South
End Recycled Water Main Extension
(Phase 2C - Reach 1) Project**

Board Meeting

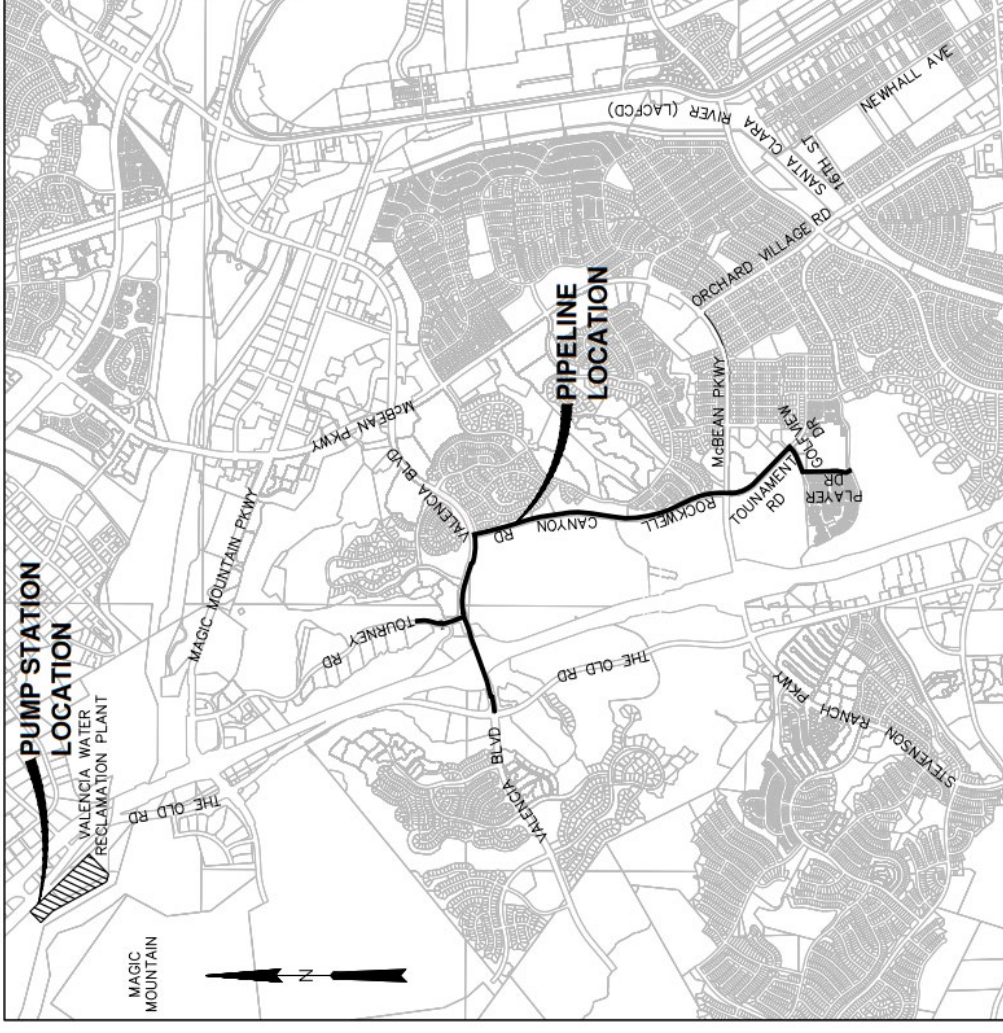
South End Main Extension (Phase 2C) Project Location Map



South End Main Extension (Phase 2C - Reach 1) Project

Project Facts

- Connects to Phase 1 Pipe at the Old Road and Valencia Blvd
- \$3,000,000 Integrated Regional Water Management (IRWM) Construction Grant
- Potential Users: College of the Canyon, Cal Arts, Valencia Golf Course, Vista Valencia Golf Course, HOA and median meters
- Construction costs ~ \$12M
- Pipeline Length = 13,074 LF



South End Main Extension (Phase 2C - Reach 1) Project State Water Resources Control Board's (SWRCB) Water Recycling Funding Program

- Grant Program has 50% matching funds requirements
- Agency applied for \$2,900,000 in grant funding (25% of total construction cost)
- Application to SWRCB were submitted on April 13, 2023
- Project must be completed by January 2025
- Upon Board approval, General Manager will execute funding agreement
- This Project will help meet the Agency's Strategic Plan Objective B.1.1.4: "Complete final design of the South End Recycled Water Project (Phase 2C)" and Strategic Plan Objective C.3.4: "Pursue grant funding for recycled water projects."



South End Recycled Main Extension (Phase 2C - Reach 1) Project Recommendation

The Engineering and Operations Committee recommends that the Board of Directors:

- 1) Adopt the resolutions authorizing the General Manager to apply for Grant Funding under the State Water Resources Control Board's Water Recycling Funding Program for the South End Recycled Water Main Extension (Phase 2C - Reach 1) Project; and
- 2) Execute a grant agreement if the State Water Resources Control Board awards the grant; and
- 3) Submit any required documents, invoices, and reports required to obtain grant funding for the South End Recycled Water Main Extension (Phase 2C - Reach 1) Project.



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BOARD MEMORANDUM

DATE: May 2, 2023

TO: Board of Directors

FROM: Courtney Mael, P.E. *CM*
Chief Engineer

SUBJECT: Authorize the General Manager to (1) Approve a Contract Amendment to Pacific Tank and Construction, Inc. for Additional Change Orders and (2) Execute a Purchase Order Amendment to Cannon Corporation for Additional Construction Management and Inspection Services for the Vista Canyon Recycled Water (Phase 2B) Tank Project

SUMMARY

Staff recommends that the Board of Directors authorize the General Manager (1) to approve a contract amendment to Pacific Tank and Construction, Inc. for additional change orders and (2) execute a purchase order amendment to Cannon Corporation for additional construction management and inspection services for the Vista Canyon Recycled Water (Phase 2B) Tank Project.

DISCUSSION

The Phase 2B Recycled Water Project (Project) will provide recycled water to the east side of SCV Water's service area by using surplus recycled water that will be available from the new water reclamation plant (termed The Water Factory) that was recently constructed as part of the Vista Canyon development. The Project includes approximately 11,600 linear feet of recycled water distribution pipeline and two (2) half-million-gallon welded steel recycled water tanks that are located at a site 600 feet west of the existing Cherry Willow Potable Water Tanks along the southern boundary of the Fair Oaks Ranch community. The tank project was constructed under a separate construction contract from the construction of the distribution pipeline and is the focus of this memorandum.

On March 16, 2021, the Santa Clarita Valley Water Agency Board of Directors adopted Resolution No. SCV-204, awarding a construction contract to Pacific Tank and Construction, Inc. for the Phase 2B Recycled Water Tanks in the amount of \$3,906,870. The Board of Directors also approved the General Manager's change order authority to be increased from four percent (4%) to ten percent (10%) of the original contract amount.

During construction, the Project incurred several large change orders, mostly as a result of additional earthwork and grading required due to a quantity error in the contract documents, removal of unforeseen landslide and unsuitable soil materials found during excavation, and as a result of a sharp increase in steel prices due to supply shortages during the pandemic. The total approved change order amount was \$390,585.76, which fell within the ten percent (10%) range of the General Manager's change order authority limit.

Additional change orders in the amount of \$165,719.62 have been received from the contractor for extra work that was required to complete the Project. Staff and the Project Construction Manager verified the change orders for accuracy and negotiated with the contractor to ensure fair pricing was applied to each change order request. The additional change order amount exceeds the ten percent (10%) authority limit and therefore requires Board approval for the General Manager to authorize the additional change orders.

On March 16, 2021, the Santa Clarita Valley Water Agency Board of Directors approved a work authorization to Cannon Corporation in the amount of \$496,015 for construction management, inspection, and material testing services for the Phase 2B Tank Project. Due to construction delays, additional construction management and inspection services were required which resulted in the total cost of service to be approximately \$670,616. A work authorization amendment in the amount of \$49,601 (10% of contract) was issued to Cannon Corporation. Approval for an additional work authorization amendment in the amount of \$125,000 is being requested from the Board of Directors to cover Cannon Corporation's remaining balance.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Santa Clarita Valley Water Agency Board of Directors adopted the Supplemental Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Phase 2B Tank Project by Resolution No. SCV-198 on March 2, 2021. Santa Clarita Valley Water Agency filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on March 17, 2021.

STRATEGIC PLAN NEXUS

This Project helps meet SCV Water's Strategic Plan Objective B.1.1.3: "Complete design and initiate construction of the Phase 2B Recycled Water backbone pipeline, distribution pipeline and tank".

FINANCIAL CONSIDERATIONS

Funding for the Phase 2B Project is included in the Agency's FY2022/23 Capital Improvement Budget. The CIP Budget includes \$2,200,000 for the completion of the Phase 2B Recycled Water Tanks. The Project received \$2,710,300 in grant funds from the Department of Water Resources as part of the Proposition 84 IRWM Grant Funding Program.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to (1) approve a contract amendment to Pacific Tank and Construction, Inc. for additional change orders in the amount of \$165,719.62 and (2) execute a purchase order amendment to Cannon Corporation for additional construction management and inspection services in the not-to-exceed amount of \$125,000 for the Vista Canyon Recycled Water (Phase 2B) Tank Project.

M65



SCV
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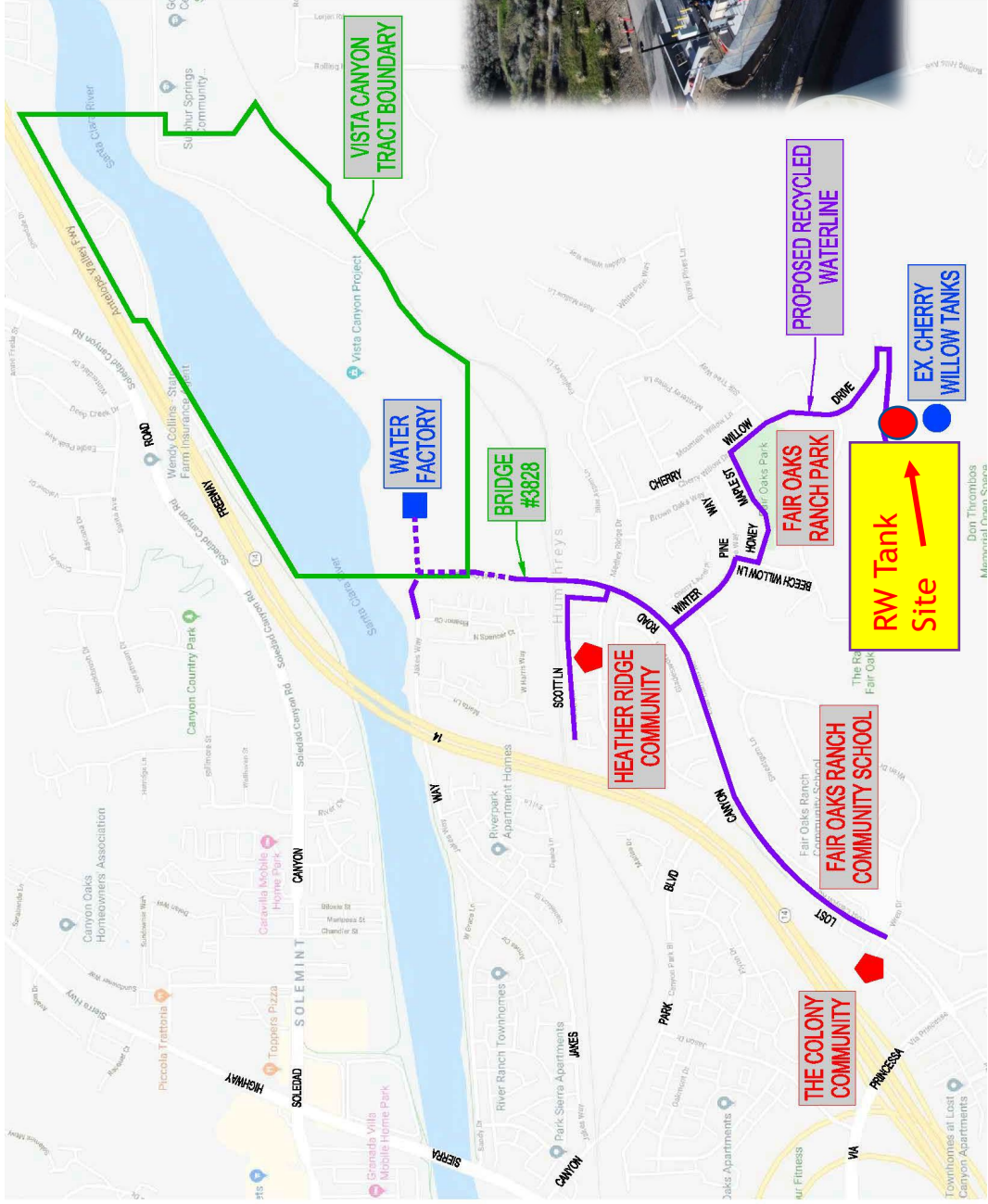
May 16, 2023

Vista Canyon Recycled Water (Phase 2B) Tank

Board Meeting

Overview of the Vista Canyon (Phase 2B) Recycled Water Project

- Vista Canyon Water Factory will supply recycled water to irrigation customers in the Fair Oaks and Vista Canyon Communities
- RW Pipeline construction complete.
- RW Tanks substantially complete and filled with Potable Water.
- Project received \$2.7 million in Prop 84 grant funding.



PH2B RW Tanks



Construction Change Orders

Change Order Description	Change Order Amount	Percent of Contract
Original Construction Contract Amount \$ 3,906,870.00		
<i>Grading and Earthwork Quantity Errors</i>	\$ 217,658.26	5.6%
<i>Unforeseen landslide and oxidized soil materials found during grading</i>	\$ 142,000.00	3.6%
<i>Additional Steel Cost (50% negotiated cost)</i>	\$ 33,500.00	0.9%
<i>Potable Water Makeup Line</i>	\$ 29,853.00	0.8%
<i>Misc. Change Orders</i>	\$ 35,932.50	0.9%
<i>Credit from Contractor</i>	\$ (68,358.00)	-1.7%
Amount Approved by Board of Directors \$ 390,585.76 10.00%		
Weather Related Slope Repair and Concrete Swales Installation	\$ 61,955.00	1.6%
Pump Skid Pad and Piping	\$ 23,029.00	0.6%
Additional Edison Related Improvements	\$ 23,052.00	0.6%
Removal of Spoils from Site	\$ 17,300.00	0.4%
Misc.	\$ 40,383.62	1.0%
Additional Change Order Amount*	\$ 165,719.62	4.24%
Total Project Change Order Amount	\$ 556,305.38	14.24%
<i>Revised Contract Amount</i>	\$ 4,463,175.38	15.82%

10.1%

* Requires Board of Director approval for amount exceeding 10% of original contract



Vista Canyon (Phase 2B) Recycled Water Project Construction Management and Inspection Additional Services

Cannon Corporation

Construction Management, Inspection and Testing Services

Original Contract Amount	\$	496,015.00
10% Additional Service Allowance	\$	49,601.50
<i>Total Authorized Amount</i>	\$	545,616.50
Additional Services Requested	\$	125,000.00
Revised Contract Amount	\$	670,616.50

~\$183,000 CM cost due to construction delays since April 2022

Strategic Plan Objective B.1.1.3: Complete design and initiate construction of the Phase 2B Recycled Water Backbone pipeline, distribution pipeline and tank



STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to:

- (1) Approve a Contract Amendment to Pacific Tank and Construction, Inc. for additional Change Orders in the amount of 165,719.62; and
- (2) Execute a Purchase Order Amendment to Cannon Corporation for additional Construction Management and Inspection Services in the not-to-exceed amount of \$125,000.




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BOARD MEMORANDUM

DATE: May 1, 2023

TO: Board of Directors

FROM: Keith Abercrombie 
Chief Operating Officer

SUBJECT: Approve Adopting a Resolution Awarding a Contract for Pump and Column Replacement for Well N12

SUMMARY

Well N12, located at the 25143 Railroad Avenue, Newhall, CA 91323, was drilled in 1985 in the Saugus aquifer. The current pump assembly was last installed by General Pump Company in 2009 to a depth of 439 ft bgs. The well is a critical source of groundwater supply and produces on average 2,000 acre-feet per year. During routine maintenance, staff recently observed loud vibration noises and operational issues with the well. General Pump Company was contacted to remove and inspect the pumping equipment and column piping. Significant wear and tear was noted within the bowl assembly and column piping. Repair and refurbishing is being recommended.

DISCUSSION

In January 2023, Santa Clarita Valley Water Agency (SCV Water) observed a loud vibration when Well N12 was running and contacted General Pump Company for a site inspection to observe the loud vibration.

During the site inspection the pump assembly was observed to be vibrating at a maximum of 7.5 mm/second from the top of the motor which is considered an “unacceptable” range for an assembly this size. An internal oscillating noise coming from below the discharge head during operation was also noted. This is commonly consistent with bearing wear somewhere along the pump assembly or in multiple locations. General Pump Company recommended the need to pull this pump assembly and review the equipment with their team of engineers to determine the cause.

SCV Water employed General Pump Company to remove the well pump, disassemble and inspect the equipment. They noted the water lubricated pump assembly to have multiple areas of mechanical issues associated with sand induced wear, bio-growth buildup, and corrosion of materials. They believe this led to the significant wear of the bowl assembly and line shaft bearings, causing limited production and the vibrations observed by both our staff. Several items can be repaired/refurbished, however there are items beyond repair and need replacement such as several pieces of column pipe due to worn joints and the line shaft assemblies and couplings.

Staff recommends repairing/refurbishing the pump assembly, to include the bowl assembly and line shaft assembly, replacing the column pipe and any other items as needed. The quote includes shop labor for the repairs, field labor for installation and materials.

Staff received an estimate from General Pump Company in compliance with the Purchasing Policy and recommends awarding the contract to General Pump Company in the amount of \$215,896.00.

Bid results are as follows:

Contractor	Bid Amount
General Pump Company	\$215,896.00

STRATEGIC PLAN NEXUS

This project supports SCV Water's Strategic Plan B.5.1 – Maintain all facilities and appurtenances in a consistent fashion to achieve operational efficiency.

FINANCIAL CONSIDERATIONS

Funding for the pump and column replacement for Well N12 is provided through the CIP Wells and Wells Facility Improvement budget and is included in the FY202/23 Budget.

RECOMMENDATION

Staff recommends that the Board of Directors adopts the attached resolution awarding the contract for pump and column replacement for Well N12 to General Pump Company for \$215,896.00.

Attachment

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RESOLUTION NO. SCV-_____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AWARDING A CONTRACT TO GENERAL PUMP COMPANY FOR PUMP AND
COLUMN REPLACEMENT FOR WELL N12**

WHEREAS, all bid proposals submitted to the Santa Clarita Valley Water Agency (Agency) pursuant to the Agency's specifications for the pump and column replacement for Well N12, were received at the Agency's offices, in full accordance with the law and the Agency's customary procedures; and

WHEREAS, this project supports the Agency's Strategic Plan B.5.1 – Maintain all facilities and appurtenances in a consistent fashion to achieve operational efficiency and functionality; and

WHEREAS, the Board of Directors finds, after considering the opinion of staff, that the total bid of General Pump Company for \$215,896 is the lowest responsible bid of three bids submitted, and that said bid substantially meets the requirements of said contract documents; and

WHEREAS, the Agency's Purchasing Policy and Bidding Policy allows for a sole source contract upon Board approval when a specific brand is the only article that will properly meet the Agency's needs and the item is one for which comparable quotations from multiple vendors could not be secured.

NOW THEREFORE, BE IT RESOLVED, that the conditions in the Purchasing and Bidding Policy that are required in order to proceed with a purchase of this magnitude on a sole source basis are found to exist in this instance.

RESOLVED FURTHER that the Agency's General Manager or its President and Secretary are thereupon authorized, upon receipt of appropriate payment and performance bonds, appropriate certificates of insurance and an executed Contract Agreement from General Pump Company for \$215,896, all of which must be approved by General Counsel, to execute the said Contract Agreement on behalf of the Agency.

RESOLVED FURTHER that the Agency's General Manager or Chief Operating Officer are thereafter authorized to execute and forward to General Pump Company the appropriate Notice to Proceed.

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Santa Clara Valley Water Agency

Regular Board Meeting
May 16, 2023

**Approve a Resolution Awarding a Contract for
Pump and Column Replacement for Well N12**

Well N12

- Drilled in 1985
- Produces on average 2,000 acre-feet per year
- Current maximum capacity approximately 2,500 gpm



Well N12 Repairs

- Significant wear of the bowl assembly
- Replace several pieces of column pipe due to worn joints
- Replace several pieces of line shaft assemblies and couplings



Well N12 Repair Estimates

- **Pump and Column Repairs**

Contractor - Pump/Motor	Project Estimate
General Pump Company	\$215,896.00

- **Strategic Plan Nexus**

- This project supports Santa Clarita Valley Water Agency's Strategic Plan B.5.1
 - Maintain all facilities and appurtenances in a consistent fashion to achieve operational efficiency.

- **Financial Considerations**

- Funding for the pump and column replacement for Well N12 is provided through the CIP Wells and Wells Facility Improvement budget and is included in the FY2022/23 Budget.



Recommendation

- Staff recommends that the Board of Directors adopts the attached resolution awarding the contract for pump and column replacement for Well N12 to General Pump Company for \$215,896.00.



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BOARD MEMORANDUM

DATE: April 18, 2023
TO: Board of Directors
FROM: Rochelle Patterson *RP*
Chief Financial and Administrative Officer
SUBJECT Approve a Resolution Adopting the Operating and Capital Biennial Budget for FY 2023/24 and FY 2024/25

SUMMARY AND DISCUSSION

Management is pleased to present the Operating FY 2023/24 and FY 2024/25 Biennial Budget (Budget) for SCV Water (Attachment 3).

In February 2019 the multi-year budget format or biennial budget process was adopted by the Board of Directors. As a reminder, the biennial budget process cycle is as follows:

- The Budget for the upcoming fiscal year is approved and the following year Budget (spending plan) is conditionally approved.
- At the following budget season, the Budget that was conditionally approved is updated and approved.
- The following year during budget season, a two-year conditional Budget is approved.
- The first year of this biennial Budget (FY 2023/24) will be formally adopted and the second year's (FY 2024/25) appropriations will be conditionally approved to be used as the spending plan for year two.

Table Definitions

- *Adopted Budget FY 2022/23* – Adopted Revised Budget (May 17, 2022)
- *Projected FY 2022/23* – Projected account balances at fiscal year-end (June 30, 2023) using actuals through December 2022 and projecting account balances through the end of the fiscal year
- *Proposed Budget FY 2023/24*
- *Proposed Budget FY 2024/25*

Proposed FY 2023/24 and FY 2024/25 Biennial Budget

The Budget has been revised to reflect planned activities to meet SCV Water's Mission Statement and remains aligned with the Strategic Plan, while also addressing new regulations and water quality mandates. This Budget represents the spending plan for the fiscal year beginning July 1, 2023, and July 1, 2024, and the revenues and resources available to fund the plan.

Organizational staffing and strategic planning information is presented by the functional areas of SCV Water:

- Management
- Finance, Administration and IT
- Customer Care
- Transmission and Distribution
- Pumping Wells and Storage
- Water Resources
- Source of Supply
- Water Quality, Treatment & Maintenance
- Engineering Services

Financial information is reported on an enterprise fund accounting basis as required by SB 634. SB 634 (section 4(l)) also allows the Agency to treat divisions as a single unit for purposes of operations and expenses to the extent that it is economically beneficial for the operations of the Agency as a whole. Outstanding preexisting indebtedness of a retail division is required to be accounted for separately. As part of the recent cost-of-service study, that indebtedness continues to be allocated to that retail division, and paid from that retail division's rates and charges.

State Mandates, Key Initiatives and Activities

Projects and programs are undertaken either due to state mandates or to achieve strategic objectives (or both). SCV Water will comply with state water mandates, integrate technology throughout the Agency and lay the groundwork for water resiliency to ensure the Agency's water resources are sustainable. This Budget enables these important activities while maintaining the financial health of the Agency.

State Mandate – Sustainable Groundwater Management Act (FY 2023/24 - \$909,000 and FY 2024/25 - \$794,000)

2014 saw the passage of the Sustainable Groundwater Management Act (SGMA), authored by State Senator Fran Pavley and State Assemblyman Roger Dickinson. The legislation, and subsequent administrative guidance developed by the State, drove large state-mandated expenditures to meet the new requirements to form groundwater sustainability agencies, requiring technical studies, governance, stakeholder engagement, and preparation of a Groundwater Sustainability Plan (GSP).

The Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) is composed of SCV Water, LA County Waterworks District #36, the County of Los Angeles, and the City of Santa Clarita. Its Board of Directors operates under a Joint Powers Agreement, and generally meets quarterly. An Administrative Services Agreement exists between SCV Water and the SCV-GSA calling for SCV Water to lead administrative and technical aspects.

GSP development was a multi-year effort, requiring significant consultant services, as well as staff time. To date, approximately \$1.3 million in GSP development costs have been reimbursed through grant revenue. The GSP was adopted by the SCV-GSA Board of Directors in early 2022.

With the GSP development completed, future costs are related to plan implementation, estimated consultant costs and staff costs. Budget updates are performed annually in line with the SCV-GSA's adoption of its annual budget. The FY 2023/24 estimated cost is \$909,000 and includes technical studies and support for implementation of the adopted GSP, facilitation support, legal services, staff time, and potential new work related to a pending Round 2 SGMA Implementation Grant application. The FY 2024/25 estimated cost similarly includes all SGMA and SCV-GSA costs.

State Mandate – Conservation Long-term Framework: AB 1668 and SB 606 (FY 2023/24 - \$2,960,000 and FY 2024/25 - \$2,918,000)

In 2018, the California State Legislature passed Assembly Bill 1668 and Senate Bill 606 which established the Conservation Long-term Framework (CLTF) following the sunset of SBx7-7 in 2020 (20% reduction in gallons per capita day by 2020). The CLTF, to formally launch in FY 2023, requires urban water suppliers to develop, measure, and comply with annual Urban Water Use Objectives (UWUO) for residential indoor and outdoor water use, commercial outdoor water use, and annual water loss standards. Additionally, urban water suppliers are to develop specific Commercial, Industrial, and Institutional (CII) performance standards, and submit annual reports on compliance.

For FY 2024/2025, the Budget provides estimated expenses for an update to the Sustainable Water Use Strategic Plan (SWUSP) (\$250,000), implementation of the conservation programs (\$2,610,000), and supplemental research and evaluation (\$100,000). The SWUSP, last updated in 2016, will provide a comprehensive analysis of the CLTF, conservation opportunities, and measures to make progress towards meeting the annual compliance targets. The conservation program budget is based on previous years' budgets and envisions increases in customer participation and programmatic uptake. To determine effectiveness and efficiency of the SWUSP, as well as ways and means to improve participation and programmatic uptake, SCV Water will conduct regular research and evaluation efforts.

For FY 2024/25, budget estimates consider similar rates of participation and activity pertinent to the Agency's conservation programs (\$2,690,000) and research and evaluation efforts (\$103,000) with an assumed 3% escalator rate. Further, the FY 2024/2025 Budget estimates expenses related to the update to the Water Shortage Contingency Plan (WSCP). The current WSCP was completed and adopted by the SCV Water Board of Directors in 2021 and this effort seeks to build upon successful implementation of the WSCP during drought years in FY 2020/21 and FY 2021/22. The WSCP update is scheduled to be completed in advance of the 2025 Urban Water Management Plan. The FY 2023/24 estimated cost coming from the operating budget for this initiative is \$2,960,000 and \$2,918,000 in FY 2024/25.

Environmental Spending – Water Resiliency Initiative (FY 2023/24 - \$1,175,000 and FY 2024/25 - \$1,025,000)

SCV Water's supplies will be subject to a wide variety of known and unknown risks and uncertainties in the coming years. To ensure a sustainable and resilient water supply for its customers, SCV Water will need to respond to more extreme droughts, floods, rising temperatures, and changing regulatory requirements. In 2020, the Board approved a multi-year Water Resiliency Initiative with the objective of taking actions that will ensure safe and resilient water supplies and healthy ecosystems for our community, economy, and the environment. The Santa Clara River's environmental resources and water supplies are interdependent, and an integrated approach is required. Further, SCV Water will face financially significant investment

decisions related to water supplies in upcoming years. The Water Resiliency Initiative seeks to provide the best possible guidance to the Board on matters of public policy by expanding Agency knowledge, developing necessary analytic tools, and preparing associated studies, planning directions and other activities to inform SCV Water's investment strategies. The FY 2023/24 estimated cost coming from the CIP (Capital Improvement Program) budget for this initiative is \$1,175,000 and \$1,025,000 in FY 2024/25.

Technology Initiative – Technology Improvements (FY 2023/24 - \$3,710,000 and FY 2024/25 - \$2,602,500)

Technology has become a quintessential pillar in delivering safe and reliable drinking water. Security, operational efficiencies, transparency, and enterprise-level solutions have become imperative to meet the expectations of the people we serve. The three areas of growth within the Agency's Technology are the creation of a new Operational Technology Department, expanding customer support platform, and continuing cross-integrations and maintenance of recently adopted and implemented enterprise systems. Operational Technology is made up of SCADA, radio communications, and remote sensing. This new department will focus on preventative maintenance and continue exploring and keeping pace with evolving technologies and security, specific to industrial control systems.

The customer support platform expansion includes adding a chat function and mobile phone application to improve the customer experience, and access to their information. Continued enterprise systems integrations involve cross-integrations between GIS and SCADA systems to support Engineering and Operations through hydraulic modeling and more advanced data reporting tools. A complex data warehousing project will serve expansive modeling and analysis, and finally, the Agency is piloting an asset management system that will benefit all Agency departments. The FY 2023/24 estimated cost coming from the CIP budget for this initiative is \$3,710,000 and \$2,602,500 in FY 2024/25.

PFAS Treatment – Water Treatment Facilities (FY 2023/24 - \$17,512,000 and FY 2024/25 \$25,338,000)

Like many communities throughout the nation, a group of chemicals known as per- and polyfluoroalkyl substances (PFAS) have been found in the Santa Clarita Valley's water supply. PFAS chemicals exceed the State's Response Level in multiple SCV Water wells, which have been removed from service while treatment facilities can be designed and installed. PFAS are a group of man-made chemicals which have been manufactured and used in a variety of industries worldwide for more than 70 years.

These chemicals are found in thousands of commonly used products, such as non-stick cookware, shampoo, food wrappers, firefighting foam, clothing, paints, and cleaning products. Additionally, these chemicals exist in the environment due to manufacturing, product use and discharge of treated wastewater. Most people have measurable amounts of PFAS in their blood and are typically exposed to PFAS through eating food grown in contaminated water/soil or consuming food from packaging that contains PFAS; breathing air with dust particles from contaminated soil, upholstery, clothing; inhaling fabric sprays containing PFAS; or from drinking water containing PFAS.

Over the last two years, SCV Water has brought online two PFAS groundwater treatment plants; N-Wells and Valley Center Well sites. As a result, the associated permitting requirements require significant water quality sampling and analysis in order to ensure safe

drinking water. In addition, the current Unregulated Contaminant Monitoring Rule 5 (UCMR5) will be increasing sampling and analysis over the next few years. While SCV Water has invested in upgrading their internal laboratory, the increase in sampling volume requires contract laboratory analytical services. Lastly, several revisions in drinking water regulations, specifically the updated Lead and Copper Rule, will require increased sampling and analysis and outside consulting services for support. Moreover, there are a number of drivers related to the increased chemical costs. The cost of chlorine gas, which the Agency uses at both surface water treatment plants, has more than doubled since the 3-year contract was signed in 2019. Other treatment chemicals have also increased over the last several years.

PFAS has and will continue to impact SCV Water and the entire country for years to come. SCV Water has already invested in more than \$20 million to construct and operate several PFAS groundwater treatment plants to meet California's PFAS Response Levels. The Agency is projected to spend \$17.5 million in FY 2023/24 with one plant under construction, another plant to begin construction, and a third plant to have final design completed in FY 2023/2024. In addition, preliminary planning and design will begin on several other plants. In FY 2024/25, final design is expected to be completed and construction started on at least two plants in FY 2024/25, as well as planning for additional plants. With the expected promulgation of Federal PFAS maximum contaminant levels by the end of 2023, which would take effect in late 2026, additional treatment facilities will be planned and constructed in the coming years. Over the next ten years, it is expected that 15 PFAS groundwater treatment plants in total will be completed at an estimated cost of approximately \$161 million.

Equipment and Vehicle Improvements & Replacements (FY2023/24 - \$1,900,000 and FY 2024/25 \$1,800,000)

The State of California's Air Resources Board proposed and adopted ambitious goals and regulations designed to reduce emissions from the transportation sector, and to accelerate the transition to zero emission vehicles (EV) and equipment beginning January 2024. These new regulations will have a significant financial and operational impact on public agencies, such as SCV Water, that provide essential services. To comply with these new regulations, SCV Water will begin transitioning its fleet to zero emissions with the anticipation of acquiring five to fifteen EV vehicles and equipment. Along with acquiring the EV vehicles and equipment, in FY 2023/24 and continuing through FY 2024/25, SCV Water will begin to build out the infrastructure to support this transition. This new infrastructure is necessary to support the Agency's daily operations and ensure that the Agency is equipped to respond during emergencies.

The FY 2023/24 estimated cost coming from the CIP budget for this initiative is \$1,900,000 and \$1,800,000 in FY 2024/25.

Operating Budget

For more than five years, SCV Water has focused on integrating the merged organizations. The Agency has synchronized business processes and functions, as well as cultures and objectives. The Operating Budget consists of revenues from water sales, one-percent property taxes, one-time water sales (if any), grants and reimbursements and other miscellaneous revenue sources. These revenue sources are used to fund operating expenses that includes expenses, debt service and pay-go capital.

Water Sales Revenues

The FY 2023/24 budgeted water sales revenues are projected at \$98 million, which is a slight increase from the FY 2022/23 revised Budget at \$92.7 million. The FY 2024/25 Budget water sales revenues are projected at \$105.1 million. Revenue projections include a 6.5% revenue increase consistent with the Retail Cost-of-Service Study, and a 3% revenue increase in Wholesale and Recycled Water revenues. It is projected that 59,073-acre feet will be sold in FY 2023/24 and 59,804-acre feet will be sold in FY 2024/25. SCV Water is expecting to add 1,068 connections in FY 2023/24 and 1,086 connections in FY 2024/25, with a total number of retail connections of 76,895 and 77,987, respectively.

Other Revenues

Other revenues consist of property taxes, communication/rental income, facility/retail capacity fees (FCF and RCF), grants and reimbursements, and investment revenues. The FY 2023/24 Budget projects approximately \$57.4 million, which is an increase of \$1.7 million from the FY 2022/23 revised Budget. The primary reason for the increase is the investment in long-term assets that have a higher rate of return based on the Agency's Investment Advisor estimate. Furthermore, Grants and Reimbursements are expected to be received for the LARC pipeline project, Rosedale Phase II Wells, AMI Projects, SRF program and Prop 1 IRWM Round 2 grants.

Property tax revenues for the FY 2023/24 Budget assumes a 2.34% increase over the FY 2022/23 projected Budget. This assumption is based on historical data (2008-2022) that was calculated using the mean, which gave a growth rate of 2.34% and included the low years of the recession and drought to estimate future property tax revenue. FCF and RCF are based on engineers' estimates.

Operating Revenues	Adopted Budget FY 2022/23	Projected 06/30/2023 FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Water Sales	\$ 92,701,626	\$ 88,006,430	\$ 98,035,469	\$105,130,713
Property Tax	30,244,543	31,773,451	30,952,265	31,676,548
Facility/Retail Capacity Fees	6,300,000	1,897,682	1,577,800	1,948,800
Misc. Revenues	3,524,824	4,697,038	9,139,486	7,089,900
Grants & Reimbursements	15,691,105	11,715,900	15,773,840	13,158,300
	\$ 148,462,098	\$ 138,090,501	\$155,478,860	\$159,004,262

Operating Expenses

Operating expenses include all departments' expenditures, debt service payments and pay-go CIP. Operating expenses are projected to be approximately \$155.5 million in FY 2023/24 and \$159 million in FY 2024/25. This reflects a \$7 million increase over the FY 2022/23 adopted Budget and a \$3.5 million increase over the FY 2023/24 proposed Budget. Inflation increases in the pricing of treatment chemicals, utilities, fuel, additional department positions, employee cost-of-living adjustments and merit increases, and other items are new drivers of operating expenses.

Total Operating Expense (Summary)	Adopted Budget FY 2022/23	Projected 06/30/2023 FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Operating Expenses	\$ 94,061,058	\$ 84,325,170	\$ 99,838,580	\$105,560,997
Debt Service	33,214,071	33,214,071	37,540,749	37,685,430
Capital Project (Pay-Go)*	21,186,966	20,551,257	18,099,530	15,757,834
	\$ 148,462,095	\$ 138,090,498	\$155,478,860	\$159,004,262

*Capital Project (Pay-Go) funded by rates and other revenues

Expenses from all departments increased by 4.7% in the FY 2023/24 proposed Budget over the FY 2022/23 adopted Budget, and 2.3% in FY 2024/25 over the FY 2023/24 proposed Budget.

Operating Expenses (by Department)	Adopted Budget FY 2022/23	Projected 06/30/2023 FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Management	\$ 5,722,541	\$ 3,824,886	\$ 3,094,046	\$ 4,210,276
Finance, Admin & IT	20,725,318	18,351,844	23,917,379	25,773,077
Customer Care	2,810,685	2,775,795	3,068,214	3,143,402
Transmission & Distribution	10,599,865	9,893,411	11,151,577	11,377,167
Pumping Wells & Storage	14,959,138	14,863,153	17,540,767	18,763,365
Water Resources	9,584,392	7,813,278	11,380,616	11,667,620
Source of Supply	12,535,000	10,517,669	11,108,816	11,632,181
Water Quality, Treatment & Maintenance	11,781,761	12,500,464	14,093,165	15,283,884
Engineering Services	5,342,361	3,784,674	4,484,004	3,699,025
	\$ 94,061,058	\$ 84,325,170	\$ 99,838,580	\$ 105,560,997

Significant expense increases greater than 10% are attributable to:

- Finance, Administration & IT – An increase in Technology Services due to expansion of applications used by Customer Care, anticipated maintenance for Agency-wide camera system, and additional security services.
- Pumping and Wells – Increased costs for parts, materials and tools, purchased power, and additional PFAS treatment facilities coming online.
- Water Quality, Treatment and Maintenance – Cost increases due to chemicals needed to treat and disinfect drinking water, purchased power, an increase in analytical supplies, a full-lab audit and NPDES permits, as well as increased employee-related expenses and benefits, training, and travel.
- Water Resources – Work deferred from FY 2022/23 includes planning components for conservation long-term framework and sustainability initiatives. This also includes additional department positions, increased employee-related expenses and benefits, training, and travel.

Debt Service

The debt service is \$37,540,749 in FY 2023/24 and \$37,685,430 in FY 2024/25 for principal and interest payments. With the new bond issue of \$75 million, the total principal outstanding is \$336,195,488 in FY 2023/24 and \$316,303,226 in FY 2024/25 (excluding the VWD Acquisition Interfund Loan and accreted 1999A interest).

Capital Projects – Pay-Go

Many projects were deferred from the adopted FY 2022/23 Budget due to timing differences, supply chain delays, inflation and other challenges. In FY 2022/23, it is expected that \$36.9 million of the \$75.8 million adopted Budget would be spent. With the \$49.7 million in carryover funds from FY 2022/23, the FY 2023/24 pay-go capital budget is \$76.3 million, and \$55.7 million in FY 2024/25. A summary of projects by category and funding source is shown below. The proposed FY 2023/24 and FY 2024/25 capital projects were presented to the Engineering and Operations Committee on April 6, 2023.

Capital Improvement Projects By Category	PAY-GO Revised Budget FY 2022/23	PAY-GO Projected FY 2022/23	PAY-GO Proposed Budget FY 2023/24	PAY-GO Proposed Budget FY 2024/25
Admin & Tech	\$ 4,716,000	\$ 2,059,220	\$ 7,160,000	\$ 5,202,500
Appurtenance Improvements	410,000	150,000	410,000	410,000
Booster Station/Turnout Improvements	4,495,000	1,275,000	4,347,000	2,141,000
Capital Planning & Studies	5,926,832	4,617,329	5,844,340	5,922,404
Disinfection System Improvements	775,000	300,000	1,100,000	1,100,000
ESFP Improvements	450,000	600,000	1,755,000	1,955,000
ESIPS Improvements	100,000	50,000	100,000	100,000
General Facility Improvements & Replacements	200,000	-	100,000	100,000
General Warehouse & Surface Improvements	850,000	-	-	-
Laboratory Improvements	400,000	25,000	75,000	125,000
Meter & Meter Infrastructure Improvements	2,075,000	1,850,000	2,775,000	2,700,000
Minor Capital	100,000	100,000	100,000	100,000
Pipelines & Pipeline Improvements	2,100,000	610,000	2,165,000	2,275,000
Pipelines & Pipeline Replacements	9,772,900	3,359,359	11,846,000	11,957,500
R&R Budget	10,000	1,208	-	-
Recycled Water Improvements	1,355,000	60,000	1,000,000	800,000
RVIPS Improvements	125,000	125,000	540,000	540,000
RVTP Improvements	875,000	946,000	2,668,000	2,693,000
Tanks & Tank Facility Improvements	8,790,000	1,591,000	10,438,000	4,332,000
Technology Improvements	300,000	300,000	300,000	300,000
Treatment Plant Improvements	475,000	1,685,000	1,583,000	290,000
Water Resources & Supply	5,289,098	656,684	6,636,800	4,810,400
Wellhead Treatment Improvements	615,000	475,000	-	-
Wells & Well Facility Improvements	15,176,000	8,111,000	15,155,000	7,633,000
Wells & Well Facility Improvements - PFAS	10,425,000	7,991,094	248,000	203,000
Total CIP	\$ 75,805,830	\$ 36,937,894	\$ 76,346,140	\$ 55,689,804

Capital Projects – Debt Funded

CAPITAL IMPROVEMENT PROJECTS BY CATEGORY	Debt Funded Adopted Budget FY 2022/23	Debt Funded Projected FY 2022/23	Debt Funded Proposed Budget FY 2023/24	Debt Funded Proposed Budget FY 2024/25
Capital Planning & Studies	\$ 3,400,000	\$ 900,000	\$ 1,400,000	\$ 1,700,000
Pipelines & Pipeline Replacements	7,700,000	3,300,000	3,417,000	8,955,000
Recycled Water Improvements	9,176,000	1,601,000	2,876,000	10,101,000
Tanks & Tank Facility Improvements	3,000,000	935,000	4,230,000	33,650,000
Treatment Plant Improvements	15,000,000	11,706,000	8,765,000	550,000
Wellhead Treatment Improvements	3,450,000	676,000	8,265,000	11,588,000
Wellhead Treatment Improvements-PFAS	-	-	17,264,000	25,135,000
Wells & Well Facility Improvements	255,000	55,000	505,000	1,100,000
Total CIP	\$ 41,981,000	\$ 19,173,000	\$ 46,722,000	\$ 92,779,000

Sources of Funding

Capital Improvement Projects	Proposed Budget FY 2023/24	Revenues	Available Funds/ Carryover ¹	Retail Capacity Fees	Bond Proceeds
Pay-Go	\$ 76,346,140	\$ 18,099,530	\$ 49,739,109	\$ 8,507,501	\$ -
Debt Funded	\$ 46,722,000	\$ -	-	-	\$ 46,722,000
Total CIP Sources of Funding	\$ 123,068,140	\$ 18,099,530	\$ 49,739,109	\$ 8,507,501	\$ 46,722,000

Capital Improvement Projects	Proposed Budget FY 2024/25	Revenues	Available Funds/ Carryover ¹	Retail Capacity Fees	Bond/Loan Proceeds	Reserves ²
Pay-Go	\$ 55,689,804	\$ 15,757,834	\$ 8,973,410	\$ -	\$ -	\$ 30,958,559
Debt Funded	\$ 92,779,000	\$ -	-	-	\$ 92,779,000	-
Total CIP Sources of Funding	\$ 148,468,804	\$ 15,757,834	\$ 8,973,410	\$ -	\$ 92,779,000	\$ 30,958,559

Reserves

Under the current Unrestricted Reserve Fund Policy, the Agency's reserve targets for FY 2023/24 are \$121.8 million and \$127 million in FY 2024/25. While reserves are expected to be fully funded at FYE 2024 (fiscal year end); a transfer of \$30,958,559 from FY 2024/25 reserves is expected to fulfill the pay-go CIP plans, reducing the FY 2024/25 reserves balance to \$96,069,054. In order to meet the capital needs of the Agency, it was expected that some reserves would need to be utilized until the next cost-of-service and rate study was adopted, which is expected to be effective July 2025. Reserve fund levels can fluctuate from year-to-year based on the reserve requirements.

Reserves	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25	End-of-Year Budget FY 2024/25
Capital Reserves	\$ 18,492,738	\$ 18,479,826	\$ -
Emergency/Disaster Reserves	32,823,644	34,704,985	34,704,985
Operating Reserves	45,165,808	47,094,716	34,615,983
Revenue Rate Stabilization Reserves	19,348,314	20,748,086	20,748,086
Water Supply Reliability Reserves	6,000,000	6,000,000	6,000,000
	\$ 121,830,504	\$ 127,027,613	\$ 96,069,054

Reserve Requirements	
Reserve	Target
Capital Reserves	Upcoming year budget for Pay-Go projects
Emergency/Disaster Reserves	120 days of Operating Expenses, excluding Debt Service
Operating Reserves	120 days of Annual Budgeted Operating Expenses, Including Debt Service
Revenue Rate Stabilization Reserves	20% of Annual Budgeted Operating Revenues
Water Supply Reliability Reserves	The cost to produce 10,000-acre feet from the Agency's banking program in a dry year

STRATEGIC PLAN NEXUS

The planning, forecasting, publication and execution of this Biennial Budget helps meet all goals of SCV Water’s entire 2019-2024 Strategic Plan, but most specifically Goal E: “Financial Resiliency – Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges.”

Noted: Formatting changes, photo and narrative additions, and minor corrections will be made in the published Budget document after the final Budget is adopted, and prior to submission to the Government Finance Officers Association for consideration of their Distinguished Budget Presentation Award.

FINANCIAL CONSIDERATIONS

The Biennial Budget is consistent with current rate studies, rate structures and financial forecasts.

RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors approve the attached resolution adopting the Operating and Capital Biennial Budget for FY 2023/24 and FY 2024/25.

RP

Attachments

RESOLUTION NO. ____

**RESOLUTION OF THE
SANTA CLARITA VALLEY WATER AGENCY BOARD OF DIRECTORS
ADOPTING THE BUDGET FOR FISCAL YEARS 2023/24 AND 2024/25**

WHEREAS, the Santa Clarita Valley Water Agency has determined under its Board Procedures Manual that the Agency shall annually adopt a budget prior to the commencement of each fiscal year; and

WHEREAS, the Board of Directors has reviewed the Fiscal Year (FY) 2023/24 and FY 2024/25 Budget, including sections on the Operating Budget and Capital Expenditures.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency hereby:

1. Adopts the FY 2023/24 and FY 2024/25 Budget (Attachments 1 and 2).
2. Appropriates the Operating Expenditures, Capital Expenditures, and Debt Principal and Interest Payment for FY 2023/24 and FY 2024/25 as shown in the Financial Summary (Attachments 1 and 2).
3. Authorizes the General Manager to adjust the appropriations within each fund, provided however, the total appropriations for the entire fund do not exceed the amounts approved in this budget resolution (or amending resolution).

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ATTACHMENT 1

SCV WATER - FINANCIAL SUMMARY FY 2023/24

Pro Forma FY24

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	<i>180,543,026</i>	<i>\$ (726,530)</i>	<i>\$ 100,591,221</i>	<i>\$ 8,507,501</i>	<i>\$ 288,915,218</i>
RESERVES:					
Capital Reserve	\$ (18,492,738)	\$ -	\$ -	\$ -	\$ (18,492,738)
Emergency/Disaster Reserve	(32,823,644)	-	-	-	(32,823,644)
Operating Reserve	(45,165,808)	-	-	-	(45,165,808)
Revenue Rate Stabilization Reserve	(19,348,314)	-	-	-	(19,348,314)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (121,830,504)	\$ -	\$ -	\$ -	\$ (121,830,504)
Net Available	\$ 58,712,522	\$ (726,530)	\$ 100,591,221	\$ 8,507,501	\$ 167,084,714
REVENUES:					
Water Sales - Retail	\$ 96,741,572	\$ -	\$ -	\$ -	96,741,572
Water Sales - Wholesale	306,698	-	-	-	306,698
Water Sales - Recycled	487,198	-	-	-	487,198
Misc Fees and Charges ¹	500,000	-	-	-	500,000
Communication and Rental	530,273	-	-	-	530,273
Property Tax	30,952,265	-	37,695,000	-	68,647,265
Facility Capacity Fees	1,577,800	-	-	-	1,577,800
Interest Income	5,893,996	1,706,250	3,192,265	-	10,792,511
Reimbursements ²	6,898,987	-	-	-	6,898,987
Grant Reimbursements - State	11,566,840	-	-	-	11,566,840
Bond/Loan Proceeds	-	75,000,000	-	-	75,000,000
Other Revenues ³	23,230	-	-	-	23,230
Subtotal	155,478,860	76,706,250	40,887,265	-	273,072,375
Transfers In - Reserves					-
	\$ 155,478,860	\$ 76,706,250	\$ 40,887,265	\$ -	\$ 273,072,375
EXPENDITURES:					
Operating	\$ (99,838,583)	\$ -	\$ (146,548)	\$ -	(99,985,131)
Capital Improvement Program	(67,838,639)	(46,722,000)	-	(8,507,501)	(123,068,140)
Department of Water Resources	-	-	(43,168,000)	-	(43,168,000)
Debt Service Principal & Interest	(37,540,749)	-	-	-	(37,540,749)
Subtotal	\$ (205,217,971)	\$ (46,722,000)	\$ (43,314,548)	\$ (8,507,501)	\$ (303,762,020)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 8,973,411	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 136,395,069

Italics = Estimated

Notes:

¹ Water Sales Misc. includes Late Charges, Misc. Retail Charges, Rebates, Drought Offense Fee and Water Sales-One time

² Reimbursements include Annexation and PERCH Reimbursements - O&M & CIP

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

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ATTACHMENT 2

SCV WATER - FINANCIAL SUMMARY FY 2024/25

Pro Forma FY25

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	\$ 136,001,023	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 263,422,681
<u>RESERVES:</u>					
Capital Reserve	\$ (18,479,826)	\$ -	\$ -	\$ -	\$ (18,479,826)
Emergency/Disaster Reserve	(34,704,985)	-	-	-	(34,704,985)
Operating Reserve	(47,094,716)	-	-	-	(47,094,716)
Revenue Rate Stabilization Reserve	(20,748,086)	-	-	-	(20,748,086)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (127,027,613)	\$ -	\$ -	\$ -	\$ (127,027,613)
Net Available	\$ 8,973,411	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 136,395,068
<u>REVENUES:</u>					
Water Sales - Retail	\$ 103,740,431	\$ -	\$ -	\$ -	103,740,431
Water Sales - Wholesale	315,901	-	-	-	315,901
Water Sales - Recycled	524,381	-	-	-	524,381
Misc Fees and Charges ¹	550,000	-	-	-	550,000
Communication and Rental	540,879	-	-	-	540,879
Property Tax	31,676,548	-	38,577,000	-	70,253,548
Facility Capacity Fees	1,948,800	-	-	-	1,948,800
Interest Income	6,055,559	390,000	2,846,718	-	9,292,277
Reimbursements ²	3,517,000	-	-	-	3,517,000
Grant Reimbursements - State	10,111,300	-	-	-	10,111,300
Bond/Loan Proceeds	-	63,206,722	-	-	63,206,722
Other Revenues ³	23,462	-	-	-	23,462
Subtotal	159,004,262	63,596,722	41,423,718	-	264,024,702
Transfers In - Reserves	30,958,559	-	-	-	30,958,559
	\$ 189,962,821	\$ 63,596,722	\$ 41,423,718	\$ -	\$ 294,983,261
<u>EXPENDITURES:</u>					
Operating	\$ (105,560,997)	\$ -	\$ (155,374)	\$ -	(105,716,371)
Capital Improvement Program	(55,689,804)	(92,779,000)	-	-	(148,468,804)
Department of Water Resources	-	-	(42,068,000)	-	(42,068,000)
Debt Service Principal & Interest	(37,685,430)	-	-	-	(37,685,430)
Subtotal	\$ (198,936,231)	\$ (92,779,000)	\$ (42,223,374)	\$ -	\$ (333,938,605)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 0	\$ 75,442	\$ 97,364,282	\$ -	\$ 97,439,724

Italics = Estimated

Notes:

¹ Water Sales Misc. includes Late Charges, Misc. Retail Charges, Rebates, Drought Offense Fee and Water Sales-One time

² Reimbursements include Annexation and PERCH Reimbursements - O&M & CIP

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

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Established in 2018
Serving Santa Clarita Valley



BIENNIAL
BUDGET

FY 2023/24
FY 2024/25

"Providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost."

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**TO BE DROPPED IN
WHEN COMPLETE**

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For the Biennium Beginning

July 01, 2021

Christopher P. Morill

Executive Director

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February 28, 2022



Marcus Pimentel

**Marcus Pimentel
CSMFO President**

Michael Manno

**Michael Manno, Chair
Recognition Committee**

Dedicated Excellence in Municipal Financial Reporting

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May 16, 2023

Santa Clarita Valley Water Agency
Honorable Board of Directors

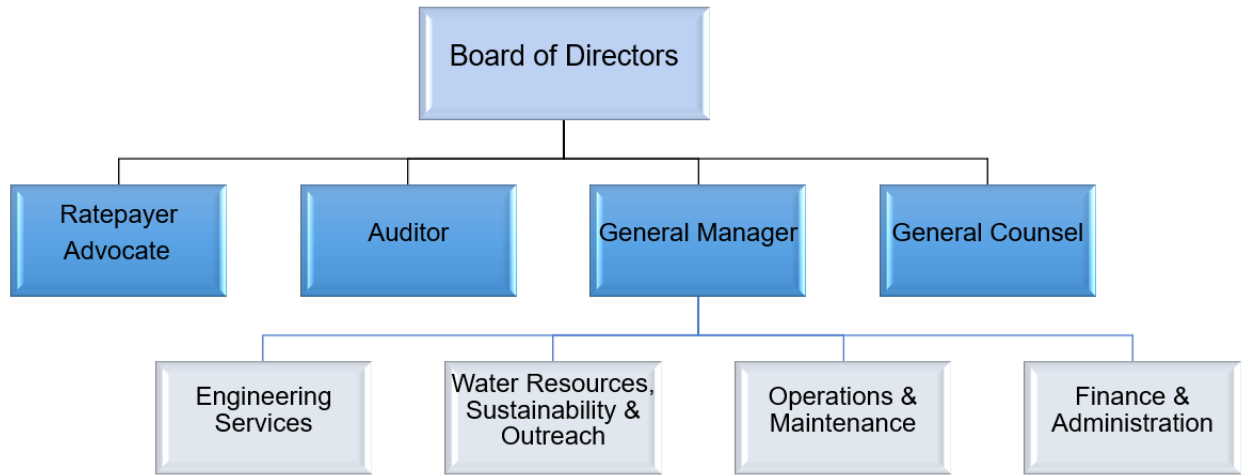
Management is pleased to present the Biennial Budget (Budget) for FY 2023/24 and FY 2024/25. The Budget document is the result of one of the most important processes the Santa Clarita Valley Water Agency (SCV Water/Agency) undertakes. In the course of building a Budget, the Agency makes policy decisions, sets priorities, allocates resources, and provides the framework for SCV Water operations.

ORGANIZATION – PAST, PRESENT & FUTURE

SCV Water was created by SB 634 (Act), which went into effect on January 1, 2018. The goal of SB 634 was to create a new Agency that can capitalize on economies of scale and reduce costs of operations, maintenance and capital investment, while enhancing integrated resource management, thereby saving customers money while at the same time improving service delivery. As articulated in the Act, the purpose of SCV Water is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale throughout SCV Water, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

To unify three retail divisions (Newhall, Santa Clarita and Valencia) and one Regional (wholesale) water division, management looked to create a new organization. That process considered both the current starting point as well as the idea of what an organization would look like, had it not evolved as separate entities. A key goal was to align functions previously organized across the three separate entities to support water services of a single organization.

This Budget is the third unified budget document for SCV Water. It reflects the reorganization that has taken place since 2018 and the continued effort from every department in the organization. On July 1, 2021, all divisions of SCV Water were financially combined, and the retail water service rates were unified. This effort occurred in conjunction with the rate design study and the implementation of the new financial system. Moreover, SCV Water's customer utility billing system was upgraded and converted to one on May 1, 2022.



Proposed FY 2023/24 & FY 2024/25 Biennial Budget

The proposed FY 2023/24 & FY 2024/25 Budget reflects planned activities to abide by SCV Water’s mission statement and the Strategic Plan fundamental decisions developed by the Board of Directors. This Budget document combines the financial presentations for all operations of SCV Water and represents the spending plan for the fiscal years beginning July 1, 2023 and July 1, 2024 with the revenues and resources available to fund the plan. The Agency continues to exercise fiscal prudence in managing its Budget and maintaining financial stability. The Budget reflects the Agency’s commitment to providing an affordable, reliable supply of high-quality water to its customers. It also serves as a financial plan and operations guide for the period.

Organizational staffing and strategic planning information is presented by the functional areas of SCV Water (Management; Water Resources, Sustainability and Outreach; Operations and Maintenance; Engineering Services; and Finance and Administration).

Maintaining existing levels of service: The Budget maintains service levels, even though the cost of providing existing levels of service continues to grow. A 6% Cost of Living Adjustment (COLA) is built into the Budget for FY 2023/24 and assumes a 3% adjustment in FY 2024/25. The Agency has managed to adopt a balanced budget for FY 2023/24 and FY 2024/25, which is consistent with the Agency’s Cost of Service and Rate Study (received and filed by the Board of Directors in April 2021).

STRATEGIC PLAN

SCV Water adopted its first Strategic Plan in June 2019 that became the Agency’s roadmap for a five-year look into the future. Agency staff are continuously trying to improve the linkage between planning and budgeting. SCV Water’s Strategic Plan will be revised or updated periodically, and the Capital Improvement Plan revised annually; therefore, they are “living” documents.

This process of revision helps to guide and inform the development of the Agency’s Budget. The Agency’s Board of Directors provides direction for development of the Strategic Plan, collaborates with Agency staff and provides guidance and oversight. Each of the Agency’s

functional section directors were involved in the development of its section work plan, and these plans help to build the Budget and operationalize the Strategic Plan.

In any organization, competing needs and priorities always determine a budget; there simply are not enough resources to meet every need or to fund every good idea. But every line item in the Agency's Budget supports the Board's strategic intent. The Budget is the primary tool for funding the goals of SCV Water, and a primary means by which the Agency exercises good stewardship of its natural resources.

STATE MANDATES, KEY INITIATIVES AND ACTIVITIES

Projects and programs are undertaken either due to state mandates or to achieve strategic objectives (or both). SCV Water will comply with state water mandates, integrate technology throughout the Agency and lay the groundwork for water resiliency to ensure the Agency's water resources are sustainable. This Budget enables these important activities while maintaining the financial health of the Agency.

State Mandate – Sustainable Groundwater Management Act (FY 2023/24- \$909,000 and FY 2024/25 - \$794,000)

2014 saw the passage of the Sustainable Groundwater Management Act (SGMA), authored by State Senator Fran Pavley and State Assemblyman Roger Dickinson. The legislation, and subsequent administrative guidance developed by the State, drove large state-mandated expenditures to meet the new requirements to form groundwater sustainability agencies, requiring technical studies, governance, stakeholder engagement, and preparation of a Groundwater Sustainability Plan (GSP).

The Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) is composed of SCV Water, LA County Waterworks District #36, the County of Los Angeles, and the City of Santa Clarita. Its Board of Directors operates under a Joint Powers Agreement, and generally meets quarterly. An Administrative Services Agreement exists between SCV Water and the SCV-GSA calling for SCV Water to lead administrative and technical aspects.

GSP development was a multi-year effort, requiring significant consultant services, as well as staff time. To date, approximately \$1.3 million in GSP development costs have been reimbursed through grant revenue. The GSP was adopted by the SCV-GSA Board of Directors in early 2022.

With the GSP development completed, future costs are related to plan implementation, estimated consultant costs and staff costs. Budget updates are performed annually in line with the SCV-GSA's adoption of its annual budget. The FY 2023/24 estimated cost is \$909,000 and includes technical studies and support for implementation of the adopted GSP, facilitation support, legal services, staff time, and potential new work related to a pending Round 2 SGMA Implementation Grant application. The FY 2024/25 estimated cost similarly includes all SGMA and SCV-GSA costs.

State Mandate – Conservation Long-term Framework: AB 1668 and SB 606 (FY 2023/24 - \$2,960,000 and FY 2024/25 - \$2,918,000)

In 2018, the California State Legislature passed Assembly Bill 1668 and Senate Bill 606 which established the Conservation Long-term Framework (CLTF) following the sunset of SBx7-7 in 2020 (20% reduction in gallons per capita day by 2020). The CLTF, to formally launch in

FY 2023, requires urban water suppliers to develop, measure, and comply with annual Urban Water Use Objectives (UWUO) for residential indoor and outdoor water use, commercial outdoor water use, and annual water loss standards. Additionally, urban water suppliers are to develop specific Commercial, Industrial, and Institutional (CII) performance standards, and submit annual reports on compliance.

For FY 2024/2025, the Budget provides estimated expenses for an update to the Sustainable Water Use Strategic Plan (SWUSP) (\$250,000), implementation of the conservation programs (\$2,610,000), and supplemental research and evaluation (\$100,000). The SWUSP, last updated in 2016, will provide a comprehensive analysis of the CLTF, conservation opportunities, and measures to make progress towards meeting the annual compliance targets. The conservation program budget is based on previous years' budgets and envisions increases in customer participation and programmatic uptake. To determine effectiveness and efficiency of the SWUSP, as well as ways and means to improve participation and programmatic uptake, SCV Water will conduct regular research and evaluation efforts.

For FY 2024/25, budget estimates consider similar rates of participation and activity pertinent to the Agency's conservation programs (\$2,690,000) and research and evaluation efforts (\$103,000) with an assumed 3% escalator rate. Further, the FY 2024/2025 Budget estimates expenses related to the update to the Water Shortage Contingency Plan (WSCP). The current WSCP was completed and adopted by the SCV Water Board of Directors in 2021 and this effort seeks to build upon successful implementation of the WSCP during drought years in FY 2020/21 and FY 2021/22. The WSCP update is scheduled to be completed in advance of the 2025 Urban Water Management Plan. The FY 2023/24 estimated cost coming from the operating budget for this initiative is \$2,960,000 and \$2,918,000 in FY 2024/25.

Environmental Spending – Water Resiliency Initiative (FY 2023/24 - \$1,175,000 and FY 2024/25 - \$1,025,000)

SCV Water's supplies will be subject to a wide variety of known and unknown risks and uncertainties in the coming years. To ensure a sustainable and resilient water supply for its customers, SCV Water will need to respond to more extreme droughts, floods, rising temperatures, and changing regulatory requirements. In 2020, the Board approved a multi-year Water Resiliency Initiative with the objective of taking actions that will ensure safe and resilient water supplies and healthy ecosystems for our community, economy, and the environment. The Santa Clara River's environmental resources and water supplies are interdependent, and an integrated approach is required. Further, SCV Water will face financially significant investment decisions related to water supplies in upcoming years. The Water Resiliency Initiative seeks to provide the best possible guidance to the Board on matters of public policy by expanding Agency knowledge, developing necessary analytic tools, and preparing associated studies, planning directions and other activities to inform SCV Water's investment strategies:

Environmental – Groundwater supplies are tied to the Santa Clara River's environmental health. Greater understanding of the ecosystems, their conditions, and the factors that influence sustainability will be required as SCV Water advances water management programs in the upcoming years.

Water Resource Integration – SCV Water has a complex array of interdependent water supply programs; however, its current modeling tools cannot fully integrate the operation of these programs, nor are they able to fully analyze the integration of alternative new water supplies. Investing in analytic tools will be important to selecting cost-effective investments in new water reliability programs.

Surface Water and Groundwater – Understanding the interconnection between surface water, groundwater and environmental resources will be vital to the Agency developing local groundwater resources. Aquifer monitoring and testing, along with integrated modeling, will afford SCV Water the capability to update the current operating plan which is based on work done in 2003.

Stakeholder Engagement – A lesson learned through implementation of the Sustainable Groundwater Management Act is the importance of involving a diverse set of stakeholders from the outset of an initiative. Staff propose to build on that experience in the Water Resiliency Initiative by incorporating a robust public outreach component into this effort.

Planning and Strategic Integration – Management of the Water Resiliency Initiative to assure alignment with the Agency’s planning and other policy initiatives utilizing strategic and legal services will be employed to produce a masterplan and its accompanying CEQA document.

The FY 2023/24 Budget includes \$7,244,340 and \$7,622,404 in FY 2024/25 in the Capital Planning, Studies and Administration Budget.

Technology Initiative – Technology Improvements (FY 2023/24 - \$3,710,000 and FY 2024/25 - \$2,602,500)

Technology has become a quintessential pillar in delivering safe and reliable drinking water. Security, operational efficiencies, transparency, and enterprise-level solutions have become imperative to meet the expectations of the people we serve. The three areas of growth within the Agency’s Technology are the creation of a new Operational Technology Department, expanding customer support platform, and continuing cross-integrations and maintenance of recently adopted and implemented enterprise systems. Operational Technology is made up of SCADA, radio communications, and remote sensing. This new department will focus on preventative maintenance and continue exploring and keeping pace with evolving technologies and security, specific to industrial control systems.

The customer support platform expansion includes adding a chat function and mobile phone application to improve the customer experience, and access to their information. Continued enterprise systems integrations involve cross-integrations between GIS and SCADA systems to support Engineering and Operations through hydraulic modeling and more advanced data reporting tools. A complex data warehousing project will serve expansive modeling and analysis, and finally, the Agency is piloting an asset management system that will benefit all Agency departments.

PFAS Treatment – Water Treatment Facilities (FY 2023/24 - \$17,512,000 and FY 2024/25 \$25,338,000)

Like many communities throughout the nation, a group of chemicals known as per- and polyfluoroalkyl substances (PFAS) have been found in the Santa Clarita Valley’s water supply. PFAS chemicals exceed the State’s Response Level in multiple SCV Water wells, and these wells have been removed from service while treatment facilities can be designed and installed. PFAS are a group of man-made chemicals which have been manufactured and used in a variety of industries worldwide for more than 70 years.

These chemicals are found in thousands of commonly used products, such as non-stick cookware, shampoo, food wrappers, firefighting foam, clothing, paints, and cleaning products. Additionally, these chemicals exist in the environment due to manufacturing, product use and discharge of treated wastewater. Most people have measurable amounts of PFAS in their blood and are typically exposed to PFAS through eating food grown in contaminated water/soil or consuming food from packaging that contains PFAS; breathing air with dust particles from contaminated soil, upholstery, clothing; inhaling fabric sprays containing PFAS; or from drinking water containing PFAS.

Over the last two years, SCV Water has brought online two PFAS groundwater treatment plants; N-Wells and Valley Center Well sites. The associated operating permits require ongoing water quality sampling and analysis in order to ensure safe drinking water. In addition, SCV water will conduct sampling under EPA's Unregulated Contaminant Monitoring Rule 5 (UCMR5) over the next few years. While SCV Water has invested in upgrading their internal laboratory, the increase in sampling volume requires contract laboratory analytical services. Lastly, several revisions in drinking water regulations, specifically the updated Lead and Copper Rule, will require increased sampling and analysis and outside consulting services for support. Moreover, there are a number of drivers related to the increased chemical costs. The cost of chlorine gas, which the Agency uses at both surface water treatment plants, has more than doubled since the 3-year contract was signed in 2019. In addition, supplies were limited when manufacturing plants in Washington and Texas were impacted by floods and fires. Other treatment chemicals have also increased over the last several years.

PFAS has and will continue to impact SCV Water and many water systems across country for years to come. SCV Water has already invested in more than \$20 million to construct and operate several PFAS groundwater treatment plants. The Agency is projected to spend \$17.5M in FY 2023/24 with one plant under construction, another plant to begin construction, and a third plant to have final design completed in FY 2023/2024. In addition, preliminary planning and design will begin on several other plants. In FY 2024/25, final design is expected to be completed and construction started on at least two plants in FY 2024/25, as well as planning for additional plants. With the expected promulgation of Federal maximum contaminant levels by the end of 2023, which would take effect by the end of 2026, additional treatment facilities will be planned and constructed in the coming years. Over the next ten years, it is expected that 15 PFAS groundwater treatment plants in total will be completed at an estimated cost of approximately \$161 million.

Equipment and Vehicle Improvements & Replacements (FY 2023/24 - \$1,900,000 and FY 2024/25 \$1,800,000)

The State of California's Air Resources Board proposed and adopted ambitious goals and regulations designed to reduce emissions from the transportation sector, and to accelerate the transition to zero emission vehicles (EV) and equipment beginning January 2024. These new regulations will have a significant financial and operational impact on public agencies, such as SCV Water, that provide essential services. To comply with these new regulations, SCV Water will begin transitioning its fleet to zero emissions with the anticipation of acquiring five to fifteen EV vehicles and equipment. Along with acquiring the EV vehicles and equipment, in FY 2023/24 and continuing through FY 2024/25, SCV Water will begin to build out the infrastructure to support this transition. This new infrastructure is necessary to support the Agency's daily operations and ensure that the Agency is equipped to respond during emergencies.

ECONOMIC CONDITIONS

In 2021, the global economy rebounded greatly from the economic disruption caused by the COVID-19 pandemic; however, 2023 shows signs of slowing growth, and forecasts a near-term recession. The Consumer Price Index (CPI) rose to 8.5% in March 2022, the greatest 12-month gain since 1981, as inflation began to ramp up in the middle of 2022. As a result, the Federal Reserve Board chose to raise interest rates more quickly in order to keep inflation under control. The CPI had since fallen to 4.6% in February 2023. In terms of unemployment, it is now lower than it was before the pandemic. The unemployment rate in Santa Clarita was 4.8% in 2019. In April 2020, the unemployment rate had reached a record high of 13.6%. The progress made in 2021 to restore the economy was favorable, with the rate dropping since then to 4.2% in March 2022. According to the Santa Clarita Valley Economic Development Corporation (SCVEDC), the number of businesses reporting employment in California increased by 9% since the beginning of the pandemic. Most of that increase occurred between 2021 and 2022. In 2023, the forecast still has the local economy creating 3,400 jobs. By 2024, less than 2,000 new jobs are forecast.

Society is also moving away from an era in which water was commonly thought of as a single-use product – something plentiful and that could be counted upon. There is no way of knowing when the next drought cycle will hit or to the degree of its intensity, which is why the Agency will continue to reach out and educate its customers regarding efficient use of water. This Budget assumes that customers will continue to expand upon their water saving efforts. Sustainable water-use efficiency must become a Santa Clarita, California way of life. The aftereffects of the statewide drought and implementation of the state water efficiency mandates embedded in the Conservation Long-term Framework continue to drive water consumption projections.

Currently, the local economy is continuing to improve, even though the housing market is in a period of slow growth. In October 2022, existing home sales rose to their highest level since the spring of 2006, and the median sale price of a home in Santa Clarita was \$730K, up 14% since 2021. The SCVEDC forecast calls for approximately 4,200 new housing starts in the greater Santa Clarita Valley between 2023 and 2027. Prior to the doubling of interest rates and the threat of impending recession, the forecast called for 7,100 units. While economic stability will allow for businesses in the Santa Clarita Valley to continue to grow and succeed, some households are still facing past-due utility bills. With the expiration of the Governor's Executive Order (N-42-20) on September 30, 2021, there are still approximately 3.8% of the Agency's customer accounts past due. Though the economy has achieved considerable gains in recent years, the Agency is mindful that some customers are still struggling to pay their utility bills. The Agency has actively sought grants and other initiatives to assist customers in paying their bills in order to avoid termination, as well as offering installment payments and waiving late fees. Furthermore, one component of these measures is the adoption of the Ratepayer Assistance Pilot Program, which is expected to go into effect on July 1, 2023.

The Agency places a tremendous effort on capital improvement planning. Utilizing master planning documents, projects are evaluated, prioritized, and scheduled. FY 2023/24 and FY 2024/25 major capital projects will be funded in accordance with the Agency's Debt Management Policy.

The adopted water rates and assumptions have been used by the Agency in the preparation of its water revenue projections. Further pressure comes from the uncertainty of the direction the State regarding future water conservation goals and how Agency customers will respond. The Budget emphasizes short and long-term planning, recognizing growth and associated costs within the Agency's fiscal constraints. It is the responsibility of the Agency to make sure expenses (outflows) do not exceed revenues (inflows) to ensure a balanced Budget.

Looking ahead, the Agency will continue to monitor and make appropriate adjustments to ensure the organization's financial integrity is maintained, while continuing to meet its obligation to provide a safe and reliable water supply.

Planning Documents

SCV Water understands the importance of aligning the Budget process with its financial policies and its planning documents. Key planning documents that have guided this Budget process include the 2019 Strategic Plan, 2020 Urban Water Management Plan (UWMP), Integrated Regional Water Management Plan (IRWMP), Conservation Long-term Framework, Communications Strategic Plan, 2019 Facility Capacity Fee Study, 2021 Cost of Service and Rate Study, Santa Clarita Valley Water Use Efficiency Strategic Plan (SCVWUESP), and finally, the existing Water Master Plans of each legacy entity. The FY 2023/24 and FY 2024/25 Budget also provides for continued development of an Asset Management Plan, completion of the first Agency-wide Master Plan, updating the UWMP, IRWMP and monitoring and participating in the development and implementation of Sacramento-San Joaquin Delta improvements, including the Delta Conveyance.

Conclusion

Management is pleased to present this unified Budget that demonstrates the Agency's continued commitment to providing quality water services, in order to protect public health and the environment at the most economical cost. Despite continued growth in the customer base within this service area, rising costs of labor and materials, aging infrastructure, and new environmental regulations, staff has assembled a Budget that allows SCV Water to meet its customers' expectations, supports economic development, and preserves and enhances the environment. While this Budget does reflect upward cost pressures, SCV Water believes it is meeting its ratepayers' and governing body's expectations. The Agency stands committed to "Service, Community, Value" and the prudent use of public funds, and looks forward to serving its community in these coming fiscal years and forward into the future.

SCV Water's success as an organization is vastly enhanced by the practices and policies put in place by the Board of Directors to ensure the strength and stability of the Agency. The Agency is fully confident that with these policies and practices, supported by dedicated and talented staff, that it will achieve continued success as an organization and thus assure the well-being of the people it serves.

The efforts invested by Agency staff in bringing together the information and working through the Budget decision process demonstrate the high level of competence and commitment of its employees, and their dedication to the customers of the Santa Clarita Valley Water Agency. This document represents the expertise and resourcefulness of the section managers, supervisors, and staff. The Budget team is a testament to its continuous effort to improve the way the Agency does business, and to assure it continues to show that SCV Water is a leader in the community.

The Biennial Budget is not only a financial document but also a planning tool for the upcoming years. The Budget provides a financial plan to address current needs and focuses on future needs while being fiscally responsible. The FY 2023/24 and FY 2024/25 Budget reflects the Agency's commitment to providing an affordable, reliable supply of high-quality water to its customers, and to supporting the priorities and policies articulated by the Board of Directors.

Respectfully submitted,

Matthew G. Stone
General Manager

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BUDGET FOREWORD

USER'S GUIDE

This FY 2023/24 and FY 2024/25 biennial Budget establishes a plan to provide for SCV Water's current customers, community, and the goals of SCV Water. In order to provide an effective foundation for the development of the biennial Budget, SCV Water staff coordinated budget-preparation workshops with key staff in its new Oracle Fusion software, to review SCV Water's overall financial condition/revenue projections.

As part of the strategic planning process, SCV Water established goals to help ensure SCV Water's overall mission is achieved. This Budget provides the resources for accomplishing the goals of the planning documents.

The Budget presents the general budget, organization, goals, and objectives by five functional areas: Management, Engineering Services, Finance and Administration, Operations and Maintenance and Water Resources, Watersheds and Outreach. Included in the document are funds presented by enterprise accounting for the operating budget, capital fund, State Water Contract fund and the facility capacity/connection fee fund.

Budget Foreword

The Budget Foreword is a "getting to know" section of SCV Water's biennial Budget and contains general information about SCV Water, its Strategic Plan, Core Values, Functional Area Performance Measures and Accomplishments, the Budget Profile, Calendar, and Budget Process.

Policies

This section includes a summary of SCV Water's Financial Policies: the Unrestricted Reserve Fund Policy, Investment Policy, Debt Management Policy, the Disclosure Procedures Policy, Derivatives Policy, Purchasing Policy, Capitalization for Fixed Assets Policy, and the Wire Transfer Policy.

Financial Summaries

This section includes an overview of SCV Water's revenues and expenditures by fund for the current fiscal year and the preceding year projected amounts. The section includes a detailed description of each of the revenue and expense categories with associated graphs.

Forecast

SCV Water completes a rate adequacy analysis study each year based on revenues, expenditures, debt, capital improvement plan (CIP), capacity fees and reserves. SCV Water also estimates each of these categories for increases/decreases for the current budget year, plus nine additional years.

Revenues and Expenditures

This section presents calculations for the estimated total revenues and expenditures for FY 2023/24 and FY 2024/25. Estimates are based on historical trend, current position, and the economic forecasts. Revenue projections are calculated using the adopted rates and charges for water sales.

Capital Budget

This section contains a detailed list of capital projects identified for FY 2023/24 and FY 2024/25 to be funded from the operating fund, capital fund, capacity/connection fee fund or reserves. This section also includes the CIP schedule, funding source and justification.

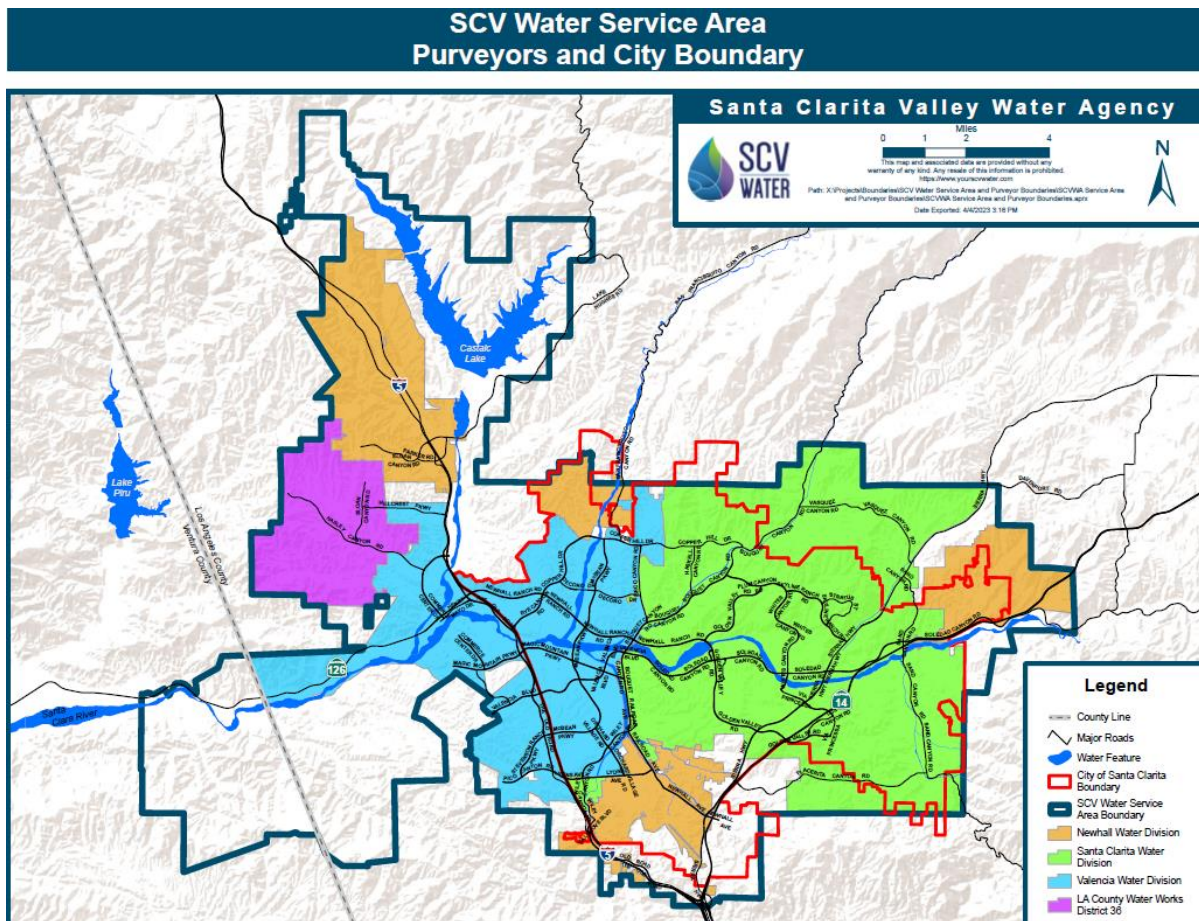
Appendix

This section includes a Glossary of budget and financial terms and a List of Acronyms used in this Budget.

BUDGET FOREWORD

About SCV Water

The Santa Clarita Valley Water Agency (SCV Water) was created January 1, 2018 by an act of the State Legislature (SB 634) through the merger of the three water agencies in the Santa Clarita Valley and serves a population of 298,731 through nearly 75,000 retail water connections. The merger included Castaic Lake Water Agency and its Santa Clarita Water Division, Newhall County Water District and the Valencia Water Company. The Castaic Lake Water Agency was formed as a wholesale water agency to acquire, treat, and deliver State Water Project water supply throughout the Santa Clarita Valley. The Santa Clarita Water Division, Newhall County Water District and the Valencia Water Company were the retail water purveyors. The SCV Water service area covers approximately 195 square miles or 125,954 acres. Population at build-out is estimated to be 432,200 (as projected in the 2020 Urban Water Management Plan). SCV Water also provides wholesale water to Los Angeles County Waterworks District #36.



On April 30, 1963, the Agency entered into an agreement with the State acting by and through its Department of Water Resources (DWR) for an original contract amount of 41,500 acre-feet (AF) of water per year (AFY) from the system. The Agency increased the contract amount by 12,700 AFY in 1991 by acquiring the Devil's Den Water District (see additional discussion in this section). It also purchased an additional 41,000 AFY of contract amount from the Kern County Water Agency and the Wheeler Ridge-Maricopa Water Storage District in March 1999. The Agency's current contract amount is 95,200 AFY. The Agency began delivering SWP water in 1980.

On May 22, 2007, the Agency entered into a 30-year agreement with the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District for the acquisition of 11,000 acre-feet (AF) of water supply per year for a 30-year period.

The reporting entity "Santa Clarita Valley Water Agency" also includes the accounts of the Santa Clarita Water Agency Financing Corporation (the Corporation). Although legally separate, the Agency exercises oversight responsibility over the Corporation. The Corporation was formed in 1990 to issue Certificates of Participation (COPs).

On October 25, 1988, the Agency purchased land and equipment owned by Producers Cotton Oil Company. Of the 8,459 acres of land purchased in Kern and Kings Counties, approximately 7,759 acres are within the Devil's Den Water District. The District encompasses 8,676 acres. The land is being leased to an outside party by the Agency under terms of an operating lease agreement.

History

Historically, residents and businesses of the Santa Clarita Valley were served by several separate water suppliers. It was an inherently fragmented structure that from time-to-time resulted in redundancies, interagency conflict and barriers to integrated regional water management. While the region's water suppliers provided reliable and cost-effective water service, there was strong consensus that even greater efficiencies, effectiveness and enhanced regional water management could be achieved on behalf of the Santa Clarita Valley's residents and thousands of businesses. This fundamental truth was the basis for pursuing Senate Bill 634 (Wilk) which created a new public water agency for the region now known as SCV Water.

Newhall County Water District was originally formed on January 13, 1953 as a County Water District. Five Directors, elected by voters to serve staggered four-year terms on its governing board, set the District's ordinances, policies, taxes, and rates for service. The District boundaries encompassed approximately 37-square miles in portions of the City of Santa Clarita and unincorporated Los Angeles County. The District provided treated water to a population of 45,000 through nearly 10,000 water service connections to areas of Newhall, Canyon Country (Pinetree), Saugus (Tesoro) and Castaic.

Santa Clarita Water Division (SCWD) began as Bouquet Canyon Water Company in 1949. In 1973, a merger of Bouquet Canyon Water Company and Solemint Water Company was approved by the CPUC and renamed the Santa Clarita Water Company (SCWC). In 1999, Castaic Lake Water Agency purchased SCWC and changed its name to Santa Clarita Water (SCWD), a Division of Castaic Lake Water Agency. The SCWD service area covers an area of approximately 55 square miles, including the unincorporated communities of Canyon Country, Saugus, Newhall and portions of the City of Santa Clarita. SCWD serves approximately 31,300 service connections.

Valencia Water Company was incorporated on April 7, 1954 in the State of California and was granted a Certificate of Public Convenience and Necessity by the CPUC in Decision No. 69744

dated October 5, 1965. Amongst other authorities, the CPUC had the authority, after conducting hearings, to set rates that are deemed just and reasonable for all utilities under its jurisdiction. Valencia Water's service area is approximately 31 square miles. Valencia Water Company currently serves approximately 31,500 connections of which 90% are residential customers, both within the incorporated City of Santa Clarita and portions of Castaic, Newhall, Saugus, Stevenson Ranch and Valencia in the unincorporated portions of Los Angeles County.

Mission Statement

Providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high-quality water at a reasonable cost.

Vision Statement

Exemplary water management for a high quality of life in the Santa Clarita Valley.

Core Values

- Integrity
 - We commit to the highest ethical standards of honesty, transparency and respect in our interactions with each other, the customers we serve and the entire community.
- Trust
 - We are dedicated to partnering with community stakeholders to pursue responsible long-term management of water resources that effectively enhance quality of life and further the Agency's mission and duty to be stewards of the water supply.
- Professionalism
 - We maintain a diverse team of highly skilled employees who are devoted to honest, courteous and accountable business practices and take their role as stewards of our resources seriously and with humility.
- Excellence
 - We strive to exceed customer expectations and deliver extraordinary service while providing a reliable, safe water supply at an affordable cost.
- Safety
 - We prioritize creating and maintaining healthy, secure conditions at our facilities and in the community by adhering to safety policies and procedures and by offering technical and preventative training to our workforce.
- Innovation
 - We are industry leaders who embrace change by finding sustainable, pioneering solutions to challenges and continuing to learn and grow in all we do.

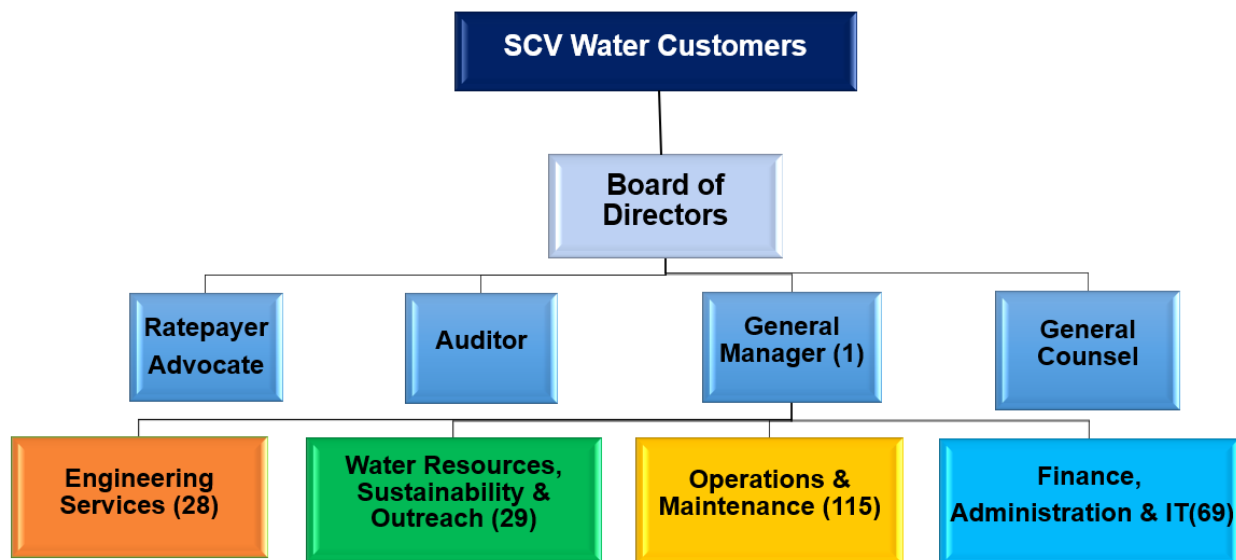
Governance

SCV Water has a three electoral division system with equal population per division. The initial Board consisted of 15 members, 5 of whom were Directors of NCWD on December 31, 2017, and 10 of whom were Directors of CLWA on December 31, 2017. In March 2018, the Board was reduced to 14 Directors, and in February 2019 was reduced to 13 Directors, after two Directors retired and moved out of the area. The initial terms of Directors whose respective terms as a member of NCWD or CLWA Board of Directors would have expired following the 2018 general election now expired following the 2020 general election, and terms of members that would have expired following the 2020 general election, expired following the 2022 general election. At the 2020 general election, two Directors were elected for each electoral division (bringing the

total number of Directors to 12), and at each subsequent election on that four-year election cycle. At the 2022 general election, three Directors were elected for each electoral division (bringing the total number of Directors to 9) and at each subsequent election on that four-year election cycle. As of January 1, 2023, there are no appointed directors.

DIRECTOR	DIVISION	TERM EXPIRES
Gary R. Martin, President	1	January 2025
Piotr Orzechowski, Vice President	2	January 2025
Ed Colley	2	January 2025
Kathye Armitage	3	January 2025
Beth Braunstein	1	January 2025
Maria Gutzeit, Vice President	3	January 2027
William Cooper	1	January 2027
Dirk S. Marks	2	January 2027
Kenneth J. Petersen	3	January 2025

Organization



SCV WATER FACILITIES

SCV Water’s surface water facilities include two water treatment plants, two pump stations, the Sand Canyon System and the recycled water system.

ESFP – The Earl Schmidt Filtration Plant, located at the southern end of the Castaic Reservoir, treats State Water Project and other imported water for domestic uses. The ESFP was completed in 1980 with an original capacity of 12.5 million gallons per day (mgd) and was expanded to a capacity of 25 mgd in 1988. In 2001, the ESFP was re-rated at 33.6 mgd. In 2005, the ESFP was expanded to 56 mgd. The treatment process includes ozonation, coagulation, contact clarification, and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is recovered, treated and returned to the headworks. The ESFP also includes sludge drying facilities, an air-water filter backwash system, and facilities for

chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two steel tanks provide a total of ten million gallons of treated water storage.

RVWTP – The Rio Vista Water Treatment Plant (RVWTP) is located in the City of Santa Clarita and treats State Water Project for domestic uses. The RVWTP was originally permitted to operate in 1999 with an original capacity of 30 mgd and was expanded to a capacity of 66 mgd in 2011. The treatment process includes ozonation, coagulation, contact clarification and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is recovered and returned to the headworks. The RVWTP also includes sludge drying facilities, an air-water filter backwash system, and facilities for chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two clearwell reservoirs provide a total of 30 million gallons of treated water storage.

The Rio Vista Plant site includes the seven-acre Water Conservatory Garden and Learning Center (the “Garden”), which informs and educates local water consumers on the source and treatment of their water supply, as well as means to conserve this resource. The Garden and other water education programs of the Agency have received numerous awards, honors and grants from the American Water Works Association, the Association of California Water Agencies, and the California Department of Education, among others.

Rio Vista Intake Pump Station – The Rio Vista Intake Pump Station pumps water from the Metropolitan Water District of Southern California (MWD) Foothill Feeder to the Rio Vista Water Treatment Plant.

Water Transmission Pipelines – The Castaic Conduit serves as the pipeline connection between the Schmidt Plant and the Rio Vista Plant. It also serves as the main pipeline for conveying treated water to the retail water facilities and District No. 36 through a series of turnouts and laterals.

The portion of the Castaic Conduit between the State outlets and the Pump Station has a nominal design capacity of 67 mgd. Southerly of the Schmidt Plant, the Castaic Conduit was designed with a nominal capacity of 50 mgd along the length of the 54-inch diameter pipeline, which extends approximately five miles southeast through the center of the Agency’s service area and eventually transitions to a 39-inch diameter pipeline with a design capacity of 27 mgd. This connects with the Honby and Newhall Laterals, which in turn provide water to the retail water facilities and District No. 36. Approximately two miles of 84-inch diameter pipeline with a nominal capacity of 124 mgd connects the Rio Vista Plant to the 39-inch diameter pipeline.

The Agency constructed the Newhall Parallel, which connects to the treated water pipeline and provides additional water to the southern portion of Valencia. The Newhall Parallel begins as a 54-inch pipeline, and reduces to a 24-inch pipeline. Additionally, the Agency constructed three phases of the Magic Mountain Pipeline, a 42-inch pipeline that connects to the Newhall Parallel and will provide water to the western portion of the Agency’s service area.

Recycled Water System – The Agency distributes recycled water from the Los Angeles County Sanitation District’s Valencia Water Reclamation Plant. The facilities include a 24-inch recycled water pipeline that runs from the Valencia Water Reclamation Plant, south to The Oaks Club at Valencia, as well as a 1.5-million-gallon recycled water reservoir located near the golf course.

Sand Canyon Pipeline System – In 2007 the Agency completed construction of the Sand Canyon Pipeline System which consists of a pump station, pipeline and reservoir to convey imported water from the end of the existing Honby Lateral to the southern Sand Canyon area. The reservoir also provides emergency storage. The Sand Canyon Pipeline is a 48-inch pipeline, approximately 5 miles in length that delivers water to retail purveyors through seven

turnouts. The Sand Canyon Pump Station has a capacity of 30,000 gallons per minute. The Sand Canyon Reservoir can store up to 7 million gallons of treated water.

Groundwater Wells – The Agency has historically had 45 permitted potable groundwater wells within the alluvial aquifer and the Saugus Formation aquifer, which are the two groundwater aquifer systems in the Santa Clarita Valley. The 45 wells have a combined permitted capacity of more than 62,000 gallons per minute (“gpm”). The Agency had taken a number of the wells out of service due to the detection of perchlorate and PFAS.

In December 2020 the Agency’s first PFAS water treatment facility opened. It was the first ion exchange PFAS treatment facility in the state. It is an investment in the Agency’s long-term water supply and will restore use of a substantial portion of groundwater that has been impacted due to PFAS chemicals, and will provide enough water to serve 5,000 families for a year. In fall of 2022 an additional PFAS water treatment facility came online. Several more treatment facilities are in the planning and design phases, and one facility is currently under construction. It is expected to have one plant online in 2023, one in 2024 and a third in 2025.

In conjunction with the surface water the Agency receives through the State Water Project and its banking and exchange programs, the Agency has sufficient pumping capacity to provide water service to all customers within the service area, with the wells that have not been taken out of service. The Agency has an ongoing well replacement and rehabilitation program to ensure that its groundwater facilities operate in an efficient and reliable manner.

Turnouts – Turnouts are locations where imported water is delivered to the distribution system. Some turnouts are located where they require pumps to supply water to a higher elevation grade. Other turnout locations supply water through gravity without the need for pumping. SCV Water provides treatment of the imported supplies through two surface water treatment plants (Earl Schmidt and Rio Vista). SCV Water has 24 turnouts with a total permitted capacity of 109,600 gpm and 40 pumps.

Storage Facilities – SCV Water has 107 storage facilities, which includes the surface water treatment plant clearwell capacity, ranging in size from 0.05 million gallons (mg) to 16 mg with total storage of 215 million gallons. In addition, there are 3 recycled water storage facilities with a combined capacity of 2.5 mg.

Booster Facilities – Due to the topography of the Santa Clarita Valley, there are 65 pumping facilities that are needed to provide service. These facilities have a flow rate range of 50 to 24,000 gallons per minute (gpm), total capacity of 162,052 gpm and 165 pumps. In addition, there are two intake pump stations, which provide raw surface water to the two surface water treatment plants. They have a combined capacity of 84,700 gpm and a total of 13 pumps. There is also one recycled water pump station with two pumps and a capacity of 4,000 gpm.

Pipelines – SCV Water has 928 miles of pipelines ranging from 2 to 102 inches in diameter. There is a mixture of pipeline materials including steel, asbestos cement, PVC and ductile iron.

Sewer Facilities – Sewer facilities are located in a portion of Canyon Country. The facilities include the Shadow Pines Lift Station (Lift Station) and sections of transmission force and gravity mainline. The plan is to upgrade the remaining sections of mainline and the Lift Station to current Los Angeles County design standards and then transfer the sewer system ownership to the City of Santa Clarita. This process is required as the County is responsible for the maintenance of the City-owned sewer system.

PERCHLORATE and BANKING

Perchlorate Treatment and Distributions Systems – In 1997 four production wells in the Saugus Formation were found to be contaminated with perchlorate (a chemical used in the manufacture of solid rocket propellants, munitions and fireworks). Three additional production wells in the alluvial aquifer tested positive for perchlorate in 2002, 2005 and 2010. Beginning in 2007 the Agency rehabilitated Saugus 1 and 2 wells and constructed a perchlorate treatment facility and distribution pipelines. The Saugus Perchlorate Treatment Facility (SPTF), which includes an ion exchange process located at the RVIPS, was placed into service in early 2010. Returning the Saugus 1 and 2 wells to service restored lost capacity and helps contain migration of groundwater contamination in the Saugus Formation emanating from the contaminated sites.

Groundwater Banking and Exchange Programs – The Agency currently has two groundwater banking programs and two water exchange programs. In May 2015, the former Castaic Lake Water Agency's (CLWA) Stored Water Recovery Program within the Semitropic Water Storage District's Groundwater Banking Program (Semitropic Banking Program) became operational. Under this agreement two short-term ten-year accounts containing 35,970 acre-feet were transferred into this new program. Under this agreement the Agency can store an additional 15,000 acre-feet. The term of the Semitropic Banking Program extends through 2035 with the option of two 10-year renewals. The Agency may withdraw up to 5,000 acre-feet annually from its accounts in the Semitropic Banking Program.

In September 2005, the former CLWA initiated participation in the Rosedale-Rio Bravo Water Storage District Groundwater Banking Program (Rosedale-Rio Bravo Banking Program). This program allows the storage of 20,000 acre-feet annually of the Agency's State Water Project Table A Amount or other State Water Project supplies, up to a maximum of 100,000 acre-feet. It has a contract term through 2035, and is renewable according to the terms of the Agency's water supply contract with DWR. In 2015, the former CLWA exercised an option under the Rosedale-Rio Bravo Banking Program agreement to construct additional extraction wells and conveyance facilities that are anticipated to increase the reliable quantities that can be withdrawn by approximately 7,500 acre-feet annually. These facilities were completed in the fall of 2019 and are available to recover the Agency's banked water, or water from the banking program.

In addition to its program with the Semitropic, the Agency has in past years gained access to additional extraction capacity from Semitropic's Banking Program through an agreement with another Semitropic Banking Program participant, Newhall Land and Farming Company (Newhall Land). In 2010 and again in 2014, the Agency withdrew approximately 4,950 acre-feet from Newhall Land's Semitropic short-term account under an agreement with Newhall Land.

In 2019, the Agency entered into a two-for-one exchange program with Antelope Valley-East Kern Water Agency and delivered 7,500 acre-feet, resulting in 3,750 acre-feet of recoverable water.

In 2019, the Agency also entered into a two-for-one exchange program with United Water Conservation District and delivered 1,000 acre-feet, resulting in 500 acre-feet of recoverable water.

EMPLOYEE COMPENSATION

Salaries – General wage increases are established by a program of cost-of-living adjustments (COLAs) and periodic market surveys. For cost-of-living adjustments, the Board of Directors reviews Consumer Price Index (CPI), Employee Cost Index (ECI) and other relevant information

and, where appropriate, grants COLA in July. SCV Water also uses other water districts and local government as a comparison for benchmark staffing positions and compensation.

Retirement – SCV Water is a member of the California Public Employee’s Retirees’ Retirement System (CalPERS), and each full-time probationary and regular full-time employee who works a minimum of one thousand (1,000) hours/fiscal year, automatically becomes a member upon his/her entry into employment. Eligible employees who are considered “classic” members of CalPERS will be enrolled in the PERS Local Miscellaneous 2% at 55 Plan. The Agency and employee contribution for this retirement plan is paid by the Agency. Employees who become “new” members of PERS on or after January 1, 2013 are enrolled in the PERS Local Miscellaneous 2% at 62 Plan in accordance with the Public Employees’ Pension Reform Act of 2013 (PEPRA). New members for this retirement plan will be required to contribute at least 50% of the expected normal cost.

Health Insurance – SCV Water provides a range of medical insurance plans through PERS. Recent increases in medical insurance costs have been relatively modest because PERS converted from statewide rates to zone rates, and rates in southern California tend to be less than in northern California. The biennial Budget conservatively assumes an increase of 5% effective January 1, 2024, and January 1, 2025. Dental and vision insurance are provided through the Joint Powers Insurance Authority (JPIA). The biennial Budget assumes no change for the Delta Dental PPO dental plan and no change for the VSP vision plan.

Retiree Benefits/Other Post-Employment Benefits (OPEB) – SCV Water offers full medical and dental insurance to eligible retirees and their dependents. The Agency has funded the Unfunded Actuarial Accrued Liability (UAAL) and will continue to fund the ARC (annually required contribution) on an annual basis.

Workers’ Compensation Insurance – SCV Water receives Workers’ Compensation insurance from JPIA. SCV Water is a member of the Association of California Water Agencies Joint Power Insurance Authority (JPIA), an intergovernmental risk-sharing joint powers authority created to provide self-insurance programs for California water agencies. Premiums are based on the Agency’s size and experience ratings. JPIA uses the same formula developed by the Workers’ Compensation Insurance Rating Bureau to generate an experience modification factor, which will reflect the Agency’s loss experience in comparison with other employers in the same classifications. Premiums are paid quarterly based on actual payroll for the previous quarter. The rates vary by employee classification.

RISK MANAGEMENT

The Agency recognizes that losses have a negative financial impact on the Agency. Minimizing the exposure to loss is a goal of the Agency, and it strives to minimize losses through its safety and training programs, and through its risk transfer program. The Agency utilizes its Risk Transfer Manual, which recognizes that a critical step in minimizing the exposure to loss is to execute effective risk transfer. The Agency uses a set of standard contracts to minimize potential liability exposures by transferring the legal and financial responsibility for losses to the party best able to control them.

Insurance – JPIA arranges and administers programs of insurance for the pooling of self-insured losses, and purchases excess insurance coverage for its members. JPIA began operations on October 1, 1979 and has continued without interruption since that time. As of June 30, 2022, Agency limits and deductibles for liability, property, and workers compensation programs of the JPIA are as follows:

- General and auto liability, public officials and employees' errors and omissions: total risk financing self-insurance limits of \$5,000,000, combined single limit per occurrence. JPIA has purchased additional excess coverage layers of \$50,000,000 for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.
- The cyber liability program covers a wide range of cyber security issues originating from both third (external) and first (internal) parties. Coverage includes defense costs and damages for security, privacy and media liability; fees and expenses incurred from cyber extortion; as well as costs to restore network business interruption and digital asset protection. Coverage limits are \$2,000,000 per occurrence with an aggregate of \$5,000,000 and a deductible of \$50,000.
- Property losses are paid at the replacement cost for buildings, fixed equipment and personal property on file, if replaced within two years after the loss; otherwise such losses are paid on an actual cash value basis, subject to a \$25,000 deductible per loss, and actual cash value for mobile equipment, subject to a \$1,000 deductible per loss, and licensed vehicles, subject to a \$1,000 deductible per loss. JPIA has purchased excess coverage for a combined total of \$500,000,000 per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100,000,000 per occurrence, subject to various deductibles depending on the type of equipment.
- Workers compensation insurance up to State statutory limits for all work-related injuries/illnesses covered by State law, and employer's liability coverage up to \$4,000,000. JPIA is self-insured up to \$2,000,000 and excess coverage has been purchased.

In addition to the above, SCV Water has the following insurance coverage:

- Crime coverage up to \$1,000,000 per loss, including public employee dishonesty, including public officials who are required by law to give bonds for the faithful performance of their service, forgery or alteration and computer fraud, subject to a \$1,000 deductible.
- Earthquake and flood insurance coverage for the Saugus Perchlorate Treatment Facility (JPIA) and SCV Water facilities (NFP). Earthquake and flood insurance for the Saugus Perchlorate Treatment Facility has annual coverage limits of \$25,000,000 per occurrence and in the aggregate. Deductibles for the Saugus Perchlorate policy are 5% of value, subject to a \$25,000 minimum, per loss of earthquake and \$25,000 per loss for flood. SCV Water has coverage limits of \$35,000,000 primary and \$35,000,000 excess, total of \$70,000,000 per occurrence. Deductibles for SCV Water facilities policy are \$100,000 or 5% per incident, whichever is greater, for earthquake or flood coverage. This coverage also includes business personal property, business income, extra expense and terrorism.
- Pollution and remediation legal liability insurance for certain NWD sewer facilities with coverage limit of \$1,000,000 for each loss and in the aggregate with a \$25,000 retention for each loss.

COMMUNITY PROFILE

The Agency is located in the northwestern portion of Los Angeles County approximately 35 miles from downtown Los Angeles. The Agency's service area has a population of approximately 298,731 and covers an area of approximately 197 square miles or 125,954 acres. The majority of the service area is located in Los Angeles County, encompassing most of the valley and adjacent hill country along the Upper Santa Clara River.

Approximately 20 square miles of the service area extends into unincorporated rural portions of Ventura County. The service area is a semi-arid region and includes the City of Santa Clarita (City), plus surrounding unincorporated portions of Los Angeles and Ventura Counties. Communities in the unincorporated areas include Castaic, Stevenson Ranch and Val Verde.

The Agency's service area, encompassing the City of Santa Clarita, is considered a premier community for raising families and building businesses. The area is known for its attractive residential neighborhoods, low crime rate and excellent schools. The City's 2022 estimated population is reported at 222,237 and is the third-largest City in Los Angeles County.

The Santa Clarita Valley is part of a comprehensive transportation network, which includes three major freeways, a commuter rail from the Antelope and Santa Clarita Valleys that serves in a typical year over 2,100 passengers daily, and allows easy access to the ports of Los Angeles and Long Beach. The three Metrolink commuter rail stations in Santa Clarita have carried over 1,100 passengers per day to and from the San Fernando Valley and Downtown Los Angeles. The City also has nearly 110 miles of bicycle and pedestrian trails.

The Santa Clarita Valley housing market is very competitive. In October 2022, the median sale price of a home in Santa Clarita was \$730K, up 14% since 2021. The average sale price per square foot in Santa Clarita is \$415, up 11.6% since 2021.

The median household income in Santa Clarita Valley, last reported in 2022 was \$121,400, which was greater than the average annual income of \$88,967 across the entire state of California. Compared to the median income of \$66,717 in 2000 this represents an increase of 82%. The per capita income in 2022 was \$39,897, which means an increase of 48.6% compared to 2000 when it was \$26,841.



4 William S. Hart Union School District high schools made U.S. News and World Report's list of 2017 Best High Schools.



Golden Valley High School
Diversity is our Strength. Unity is our Goal.



Academy Of The Canyons



80 MILES



of hiking/biking trails

30 MILES



of pedestrian paseos

4,000 ACRES



of protected open space

280 DAYS



of sunshine with avg. daily temperatures in the 70s and 80s

Source: SCV Economic Development Corporation (SCVEDC)

There are a number of recreational and historical facilities located in the Santa Clarita Valley, including the Six Flags Magic Mountain amusement park and Gene Autry's Melody Ranch. The service area is adjacent to the Angeles National Forest, and includes nearby Castaic Lake, the Placerita Canyon Nature Center and Vasquez Rocks County Park.

Also located in the Santa Clarita Valley are the College of the Canyons (COC) Performing Arts Center; Canyon Theatre Guild, Disney Studios, Santa Clarita Repertory Theater, as well as the Friendly Valley, Valencia Country Club, Sand Canyon Country Club, The Oaks Club at Valencia and Vista Valencia golf courses.

Filming in Santa Clarita continues to grow. Santa Clarita's varied topography, 20+ sound stages, 10+ movie ranches, and thousands of film-friendly locations combined with the City's location within the "30-Mile Zone," make it one of the most filmed areas in California. Filming benefits the local economy in several ways. Productions spend several millions of dollars each year on rentals and goods from businesses (small and large), local agencies, school districts, homeowners and non-profits. Hotels, restaurants, attractions, shopping centers and hardware stores, among others, receive direct compensation and generate tax revenue that contributes heavily to the quality of life in Santa Clarita by helping fund roads, programs, recreation and public safety.

The City of Santa Clarita's strong and diverse economy continues to expand, making Santa Clarita the ideal destination for Southern California businesses. Maintenance of a highly supportive environment for business development is achieved through the cooperation of the

local Chamber of Commerce and the City government. In addition, companies benefit greatly from the area's land and leasing opportunities, as well as from the highly-skilled labor pool, variety of transportation choices, housing, quality of life, climate, and scenery. Santa Clarita's top employers are Six Flags Magic Mountain, Princess Cruises, Henry Mayo Newhall Memorial Hospital, College of the Canyons, U.S. Postal Service, Boston Scientific, the William S. Hart, Saugus Union, and Newhall School Districts, and the City of Santa Clarita.

Growth in the Community and Impacts to SCV Water

The Agency evaluates land-use data and housing construction in the service area in conjunction with retail water purveyors and projections from the "One Valley One Vision" (OVOV), a joint planning effort by the City of Santa Clarita and the Los Angeles County Department of Regional Planning. The OVOV general plan amendments are the basis of the Agency's 2020 Urban Water Management Plan (UWMP). The 2020 UWMP indicates the rate of growth in the service area.

The Agency's 2020 UWMP provides information on water use, water resources, recycled water, water quality, reliability planning, demand management measures and water shortage contingency planning. It projects future demands for residential, industrial, institutional, landscape, agricultural and other purposes, and lists available and planned supplies to meet that demand. The 2020 UWMP has found that, based on conservative water supply and demand assumptions over the next forty years in combination with conservation of non-essential demand during certain dry years, and additional investments in recycled water and water banking programs, the Agency's total projected water supplies will be sufficient to meet the Agency's projected water demands in the Agency's service area through the year 2050.

Comparison Entities

SCV Water often surveys its "benchmark" entities for comparison purposes, to ensure that the Agency aligns its offerings within the market. They are as follows:

Burbank Water and Power
Calleguas Municipal Water District
City of Santa Clarita
Cucamonga Valley Water District
Eastern Municipal Water District
Glendale Water and Power
Irvine Ranch Water District
Los Angeles Department of Water and Power
Las Virgenes Municipal Water District
Metropolitan Water District of Southern California
Palmdale Water District
Torrance Municipal Water

The Agency, however, does not compare its financial status to these entities, because SCV Water is the only water provider in the area and its operations are unique and unlike other "local" jurisdictions. For example, nearby Metropolitan Water District serves 26 public water agencies; other entities provide water, power and sewer services. SCV Water, on the other hand, pumps, imports, treats and distributes only water to both residents and businesses, and does not offer sewer services.

Top Ten Customers

Fiscal Year 2021/22			
	Customer Name	Annual Revenues	% of Water Sales
1	City of Santa Clarita	\$ 4,325,547	4.90%
2	GH Palmer Development	1,435,968	1.63%
3	LA County Public Works	1,325,649	1.50%
4	Six Flags Magic Mountain	689,608	0.78%
5	Hart School District	592,480	0.67%
6	Friendly Village HOA	560,770	0.64%
7	West Creek/West Hills HOA	436,617	0.49%
8	Rockne Construction	427,358	0.48%
9	Equity Residential	377,330	0.43%
10	Westridge Valencia	349,139	0.40%
	Total (10 Largest)	10,520,467	11.91%
	Others	77,783,101	88.09%
	Grand Total	\$ 88,303,568	100.00%

Projected Availability and Reliability of State Water Project Supplies

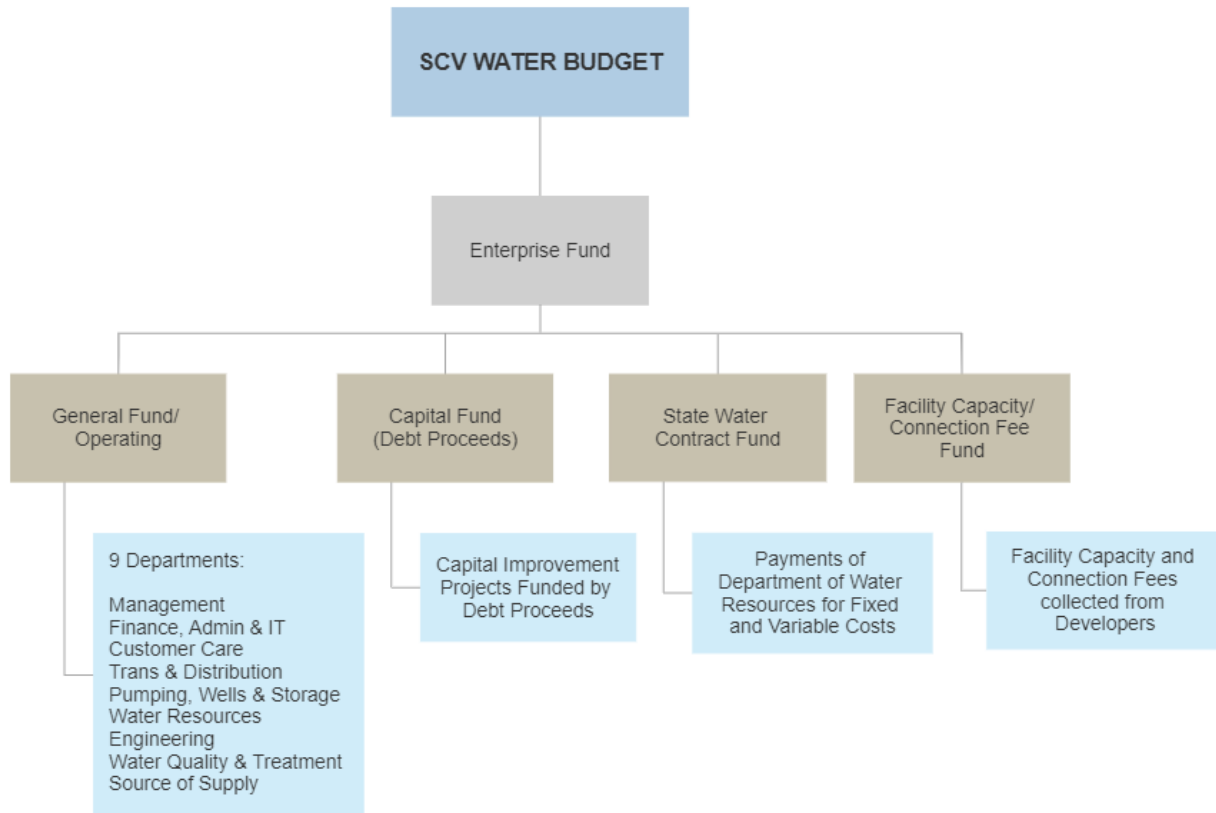
In 2022, DWR released its Final 2021 State Water Project Delivery Capability Report. This report incorporated updated regulatory requirements and operating constraints and indicates that under current climate conditions the average reliability for SCV Water would be 56%, which is a 2% decrease in average reliability from the 2019 report. The 2021 report also analyzes the impacts of future climate change and projects the average reliability would be reduced to 52% by 2040. The 2019 report was utilized for the Agency's 2020 UWMP and 2021 Water Supply Reliability Report Update. The 2020 UWMP concluded that with implementation of planned water supply projects SCV Water would continue to achieve long-term water supply reliability.

BUDGETARY CONTROL

The Board of Directors annually adopts a balanced operating and capital budget prior to the new fiscal year. The Budget authorizes and provides the basis for reporting and control of financial operations and accountability for the Agency's operations and capital projects. The Board of Directors monitors the Budget and financial conditions through Monthly Financial Reports, Midyear and Yearend Budget reports and the Comprehensive Annual Financial Report. The Board of Directors must approve all supplemental appropriations to the Budget and transfers between major funds not identified in the Budget. The legal level of budgetary control is at the fund level. The General Manager is authorized to direct the Assistant General Manager and Chief Financial and Administrative Officer to transfer within individual fund budgets.

FUND STRUCTURE

A Fund Balance is fund equity in governmental funds. The difference between the assets and liabilities equal the fund balance. The current funds on hand, resulting from historical collection and use of monies. The difference between assets and liabilities reported in the Operating Fund, plus residual equities or balances or changes therein, from the results of operations.



General Fund – Fund used to account for and report all financial resources not accounted for and reported in another fund.

Capital Project Fund – Capital projects that are financed.

State Water Contract Fund – Funds received from ad valorem property taxes for payment of DWR fixed and variable costs.

Facility Capacity/Connection Fees – Funds that are collected from development or developers.

BUDGET BASIS

The Agency records budget and financial documents based on the accrual-basis of accounting generally accepted in the United States of America, which is consistent with the Agency’s independent audit report.

SCV Water uses the accrual basis of accounting, which means that revenues and expenses are recorded in the periods in which the transactions occur, regardless of the timing of cash flows.

Expenditures are recognized as encumbrances when a commitment is made, and revenues are recorded at the time they are earned.

The Annual Comprehensive Financial Report (ACFR) shows the status of the Agency’s finances in accordance with “generally accepted accounting principles” (GAAP). In most cases, this conforms to the way the Agency prepares its Budget. One exception is the compensated absence liabilities that are expected to be liquidated with expendable available financial

resources that are accrued as earned by employees (GAAP) as opposed to being expended when paid (Budget).

The Agency's Budget is balanced when for a specified period of time, the total sum of money collected in a year is equal to the amount it spends on goods, services, capital and debt. The FY 2023/24 and FY 2024/25 Budget are balanced. Portions of the Pay-go capital plan are funded by previous year carryover funds and in FY 2024/25 there will be some utilization of reserves to complete the plan.

	Budget FY 2023/24		Budget FY 2024/25	
	Revenues	Expenses	Revenues	Expenses
Water Sales	\$ 98.0		\$ 105.1	
Property Tax	\$ 31.0		\$ 31.7	
Grants	\$ 11.6		\$ 10.1	
Reimbursements	\$ 6.9		\$ 3.5	
Misc Revenue	\$ 6.4		\$ 6.6	
Facility/Retail Capacity Fees	\$ 1.6		\$ 1.9	
Operating Expenses		\$ 99.8		\$ 105.6
Capital Pay-go (Operating)*		\$ 18.1		\$ 15.8
Debt Service		\$ 37.5		\$ 37.7
	\$ 155.5	\$ 155.5	\$ 159.0	\$ 159.0

*Pay-go generated from revenue sources

BUDGET PROCESS

The SCV Water budget process starts in February of each year and proceeds with a series of meetings involving section directors and/or managers. The budget planning and preparation process is an important Agency activity and provides an opportunity for the Board of Directors, management and staff to reassess goals and objectives for the upcoming and future years. The budget process is a comprehensive team effort from every level within the organization. The foundation of the budget process continues the goals and objectives as set in the Strategic Plan and related priorities established by the Board of Directors. The Budget is designed to support each of them. Each section's budget narrative discusses the ways in which the organization is furthering those goals and objectives.

The first phase in the budget process is for the section directors and managers to prepare new requests for capital equipment, construction projects and staff positions for the new fiscal year. The second phase consists of preparing department operating budgets, including payroll and related expenditures. Estimating payroll and related expenditures are based on current approved positions and factors based on historical adjustments throughout the year. The third phase involves department directors, managers and supervisors submitting their budgets to the Finance Department to justify expenditure requests. After all the departments' budgets have been reviewed by the Finance Department, the Budget is consolidated for the Agency and an initial proposed Budget document is submitted to the Finance and Administration (F&A) Committee.

For expenses, each section has the ability to review historical trends, past year's budgeted and audited expenses, current year's transactions and projected balance. Significant changes from the previous year's Budget need to be accompanied by backup documents from each section to justify the increased or decreased expense. Inflation assumptions are added into the budget calculation to project expenses for future years. For some recurring expenditures (labor,

benefits, power, chemicals), an inflation assumption is used for future years projections. By planning three to five years in advance, the Agency provides the opportunity to smooth future rate adjustments.

The method used to determine revenue projections takes into account significant factors such as projected growth, conservation and usage history. For FY 2023/24 and FY 2024/25 the projected water sales revenue was taken from the April 2021 Cost of Service and Rate Study. The Agency also has other revenue sources that are calculated for the fiscal year. The other revenues include property taxes, grants, reimbursements, communication site rentals and interest earnings.

Once all the components have been calculated, those numbers are presented to the F&A Committee and the Board of Directors from April through June. Typically, staff conducts a working session with the F&A Committee to review the proposed Budget in detail. The F&A Committee will recommend approval to the Board of Directors. The Budget is approved by motion and majority vote of the Board. If the Budget is not adopted in May, the Board may direct staff to revise and update the Budget and resubmit it in June for Board review and adoption. Any major changes in excess of the adopted policies are presented to the Board of Directors for future Budget amendments. A Budget amendment is defined as a procedure for increasing appropriations of a fund with the express intent of employing unbudgeted resources to carry out the purpose for the increased appropriations.

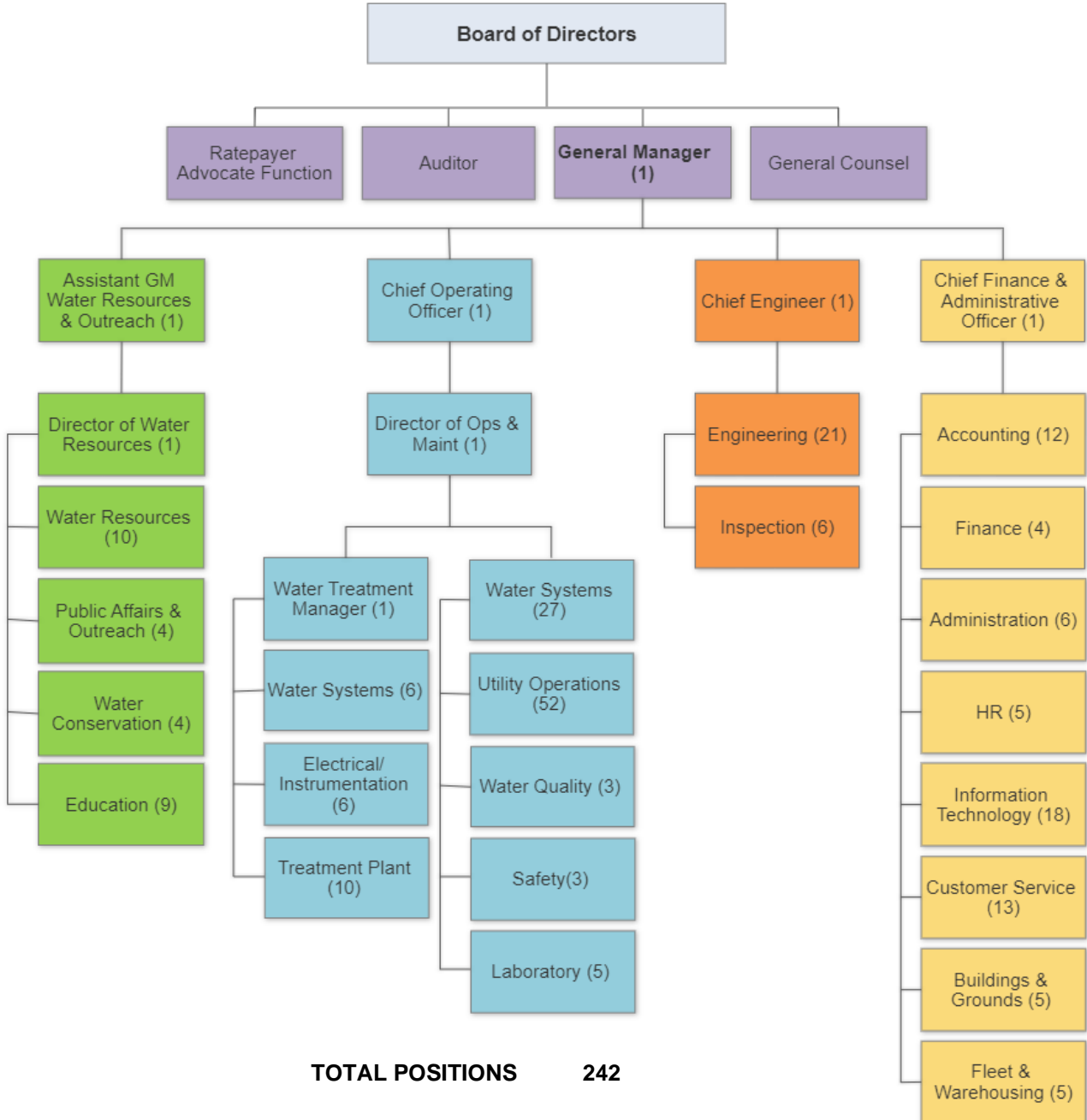
All of these meetings are posted for public participation. In addition, the Budget is posted on the Agency’s website to allow for public review. The final Budget is also posted on the Agency’s website after it is adopted.

Budget Calendar

BUDGET CALENDAR FY 2023/24 and FY 2024/25	
February 2023	Key staff discuss Operating and Capital Budget directives with Section Managers and Supervisors
February 27, 2023	<i>Finance and Administration Committee</i> FY 2022/23 Mid-Year Budget Review
February 27, 2023	<i>Finance and Administration Committee</i> Review Draft of FY 2023/24 and FY 2024/25 Biennial Budget Calendar
March 13, 2023	Section Managers submit their proposed Operating and Capital Budgets
April 6, 2023	<i>Engineering and Operations Committee</i> Review proposed major and significant Capital Improvement Projects (CIP)
April 17, 2023	<i>Finance and Administration Committee</i> Review and Recommend Approval of FY 2023/24 and FY 2024/25 Biennial Budget
May 16, 2023	<i>Board of Directors</i> Approve FY 2023/24 and FY 2024/25 Biennial Budget



ORGANIZATIONAL CHART



TOTAL POSITIONS	242
FULL-TIME	231
PART-TIME	10
LIMITED DURATION EMPLOYEES	1
FTE EQUIVALENTS	237

**SCV WATER
POSITION CONTROL FY 2023/24**

Position Control FY 2023/24	# of Positions
Engineering	28
Administrative Technician	4
Assistant Engineer	2
Associate Engineer	1
Chief Engineer	1
Engineer	3
Engineering Technician II	1
Executive Assistant	1
Inspector II	3
Inspector Supervisor	1
Principal Engineer	2
Right of Way Agent	1
Senior Administrative Technician	1
Senior Engineer	4
Senior Engineering Technician	1
Senior Inspector	2
Finance, Administration & IT	67
Accountant I	2
Accountant II	3
Accounting Supervisor	1
Accounting Technician I	1
Accounting Technician II	1
Administrative Services Manager	1
Administrative Technician	3
Buyer	1
Chief Financial and Administrative Officer	1
Controller	1
Customer Service Manager	1
Customer Service Representative I	3
Customer Service Representative II	6
Customer Service Supervisor	1
Director of Technology Services	1
Facilities Maintenance Technician II	2
Facilities Supervisor	1
Finance Manager	1
Fleet And Warehousing Supervisor	1
GIS Analyst	3
GIS Manager	1
GIS Technician I	1
Human Resources Analyst	3
Human Resources Manager	1
Human Resources Specialist	1
Information Technology Specialist	1

**SCV WATER
POSITION CONTROL FY 2023/24**

Position Control FY 2023/24	# of Positions
Finance, Administration & IT - continued	
Information Technology Supervisor	1
Information Technology Technician I	1
Information Technology Technician II	3
Management Analyst I	1
Management Analyst II	1
Office Assistant II	1
Payroll Specialist	1
Purchasing and Warehouse Technician	2
SCADA Supervisor	1
SCADA Technician I	1
Security Specialist	1
Senior Accountant	2
Senior Administrative Technician	1
Senior Customer Service Representative	1
Senior Facilities Maintenance Technician	2
Senior Financial Analyst	1
<i>Senior Fleet Mechanic</i>	1
Senior Information Technology Technician	1
Senior Purchasing & Warehouse Tech	1
Management	3
Administrative Technician	1
Board Secretary/Executive Assistant	1
General Manager	1
Operations	92
Administrative Technician	3
Chief Operating Officer	1
Director of Operations and Maintenance	1
Emergency Preparedness and Safety Coordinator	1
Environmental Health & Safety Supervisor	1
Executive Assistant	1
Field Services Supervisor	1
Field Services Worker I	2
Field Services Worker II	7
<i>Lead Utility Operations Technician</i>	2
Lead Water Systems Technician	1
Safety Specialist I	1
Senior Administrative Technician	1
Senior Field Services Worker	2
<i>Senior Utility Operations Technician</i>	8
Senior Water Quality Scientist	1
Senior Water Systems Technician	5
Utility Supervisor	2

**SCV WATER
POSITION CONTROL FY 2023/24**

Position Control FY 2023/24	# of Positions
Operations - continued	
<i>Utility Operations Technician I</i>	18
<i>Utility Operations Technician II</i>	4
<i>Utility Operations Technician III</i>	2
Water Quality Laboratory Manager	1
Water Quality Scientist I	1
Water Quality Scientist II	2
Water Quality Specialist	2
Water Systems Supervisor	2
Water Systems Technician I	7
Water Systems Technician II	11
Senior Recycled Water Coordinator2	1
Treatment	23
Administrative Technician	1
Electrical/Instrumentation Technician	1
Senior Electrical Technician	3
Senior Instrumentation Technician	2
Senior Treatment Plant Operator - 84 hour shift	5
Senior Water Systems Technician	3
Treatment Plant Operator I - 80 hour shift	2
Treatment Plant Operator II - 84 hour shift	2
Treatment Plant Operator Supervisor	1
Water Systems Supervisor	1
Water Systems Technician II	1
Water Treatment Manager	1
Water Resources	29
Administrative Technician	1
Assistant General Manager	1
Communications Manager	1
Director of Water Resources	1
Event Coordinator	1
Executive Assistant	1
Management Analyst II	1
Principal Water Resources Planner	1
Public Affairs Specialist II	1
Senior Public Affairs Specialist	1
Senior Water Resource Specialist	1
Senior Water Resources and Data Scientist	1
Senior Water Resources Planner	1
Sustainability Manager	1
Water Conservation Specialist II	4
Water Education Instructor	8
Water Education Supervisor	1

**SCV WATER
POSITION CONTROL FY 2023/24**

Position Control FY 2023/24	# of Positions
Water Resources - continued	
Water Resources Planner	2
Total Positions	242
Full-Time	231
Part-Time	10
Limited Duration Employees	1
Full-Time Equivalents	237

STRATEGIC PLAN GOES HERE

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PERFORMANCE MEASURES

PERFORMANCE MEASURES

The Santa Clarita Valley Water Agency uses performance measures as a quantifiable indicator used to assess how well the Agency is achieving its desired objectives. The Agency will routinely review various performance measure types to assess such things as results, production, demand and operating efficiency in order to get a more objective sense of how the Agency is operating and whether improvement is required.

OBJECTIVES

Improvement in individual, group, or organizational performance cannot occur unless there is some way of getting performance feedback. Feedback is having the outcomes of work communicated to the employee or work group. For an individual employee, performance measures create a link between their own behavior and the organization's goals. For the organization or its work unit's performance measurement is the link between decisions and organizational goals.

It has been said that before you can improve something, you have to be able to measure it, which implies that what you want to improve can somehow be quantified. Additionally, it has also been said that improvement in performance can result just from measuring it. Whether or not this is true, measurement is the first step in improvement. While measuring is the process of quantification, its effect is to stimulate positive action.

TYPES OF PERFORMANCE MEASURES

Performance measures can be grouped into two basic types: those that relate to results (outputs or outcomes such as competitiveness or financial performance) and those that focus on the determinants of the results (inputs such as quality, flexibility, resource utilization, and innovation). This suggests that performance measurement frameworks can be built around the concepts of results and determinants.

MEASUREMENT APPROACH

Standard performance measures could be productivity measures, quality measures, inventory measures, lead-time measures, preventive maintenance, performance to schedule, and utilization. In determining the Agency's performance measures, several fundamental, but interlinking areas were identified:

- Fiscal responsibility
- Output/input relationships or productivity
- Customer emphasis such as quality
- Innovation and adaptation to change
- Human resources
- Cost of quality measured as budgeted versus actual
- Variances measured as cost versus actual expenses
- Period expenses measured as budgeted versus actual expenses
- Safety measured on some common scale such as number of hours without an accident

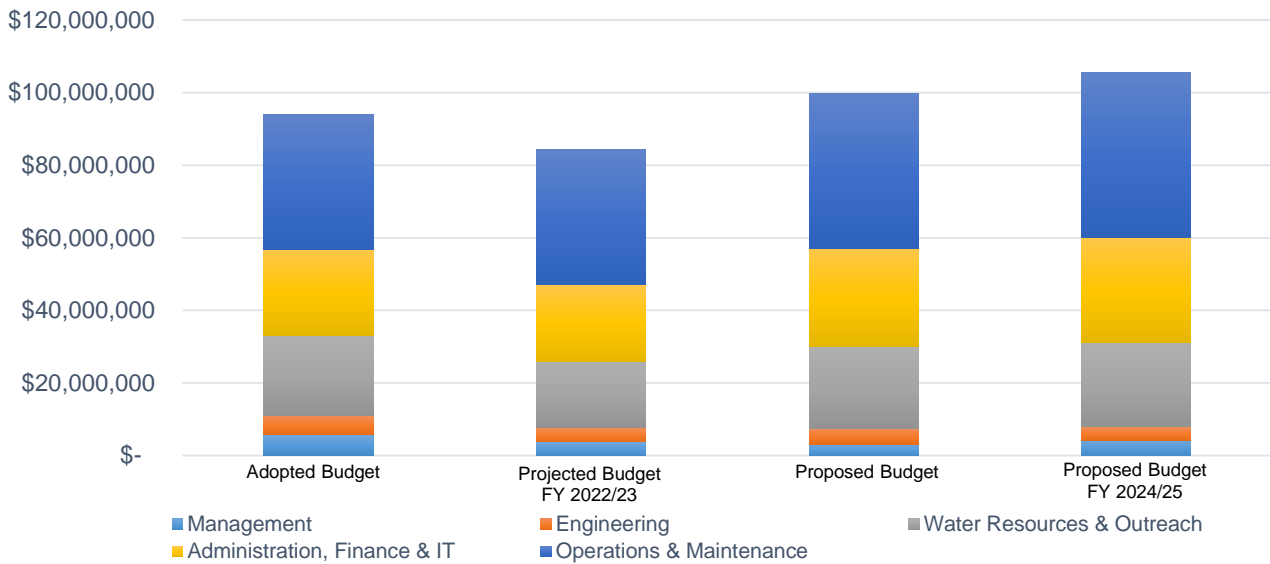
While financial measures of performance are often used to gauge Agency performance, some rely on traditional measures. It is good practice for the Agency to not rely on one set of measures, but to provide a clear performance target. To be effective, performance measures should continuously evolve in order to properly assess performance and focus resources on continuous improvement and motivating personnel.

Each section of the Agency has established their priorities, goals and strategies, and those desired outcomes were reviewed and considered. As a whole, objectives are dynamic and provide a living action plan for the section management team to identify, track and report on the progress toward identified goals.

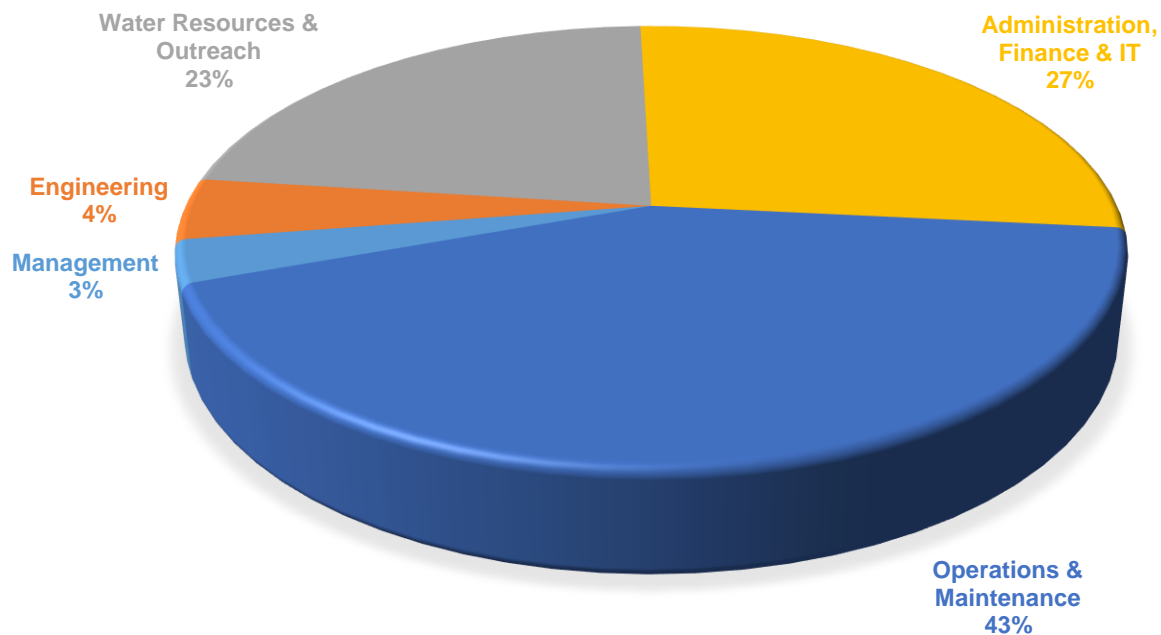
**SCV WATER - TOTAL OPERATING EXPENDITURES BY SECTION
FY 2023/24 and FY 2024/25**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Management	\$ 5,722,541	\$ 3,824,886	\$ 3,094,046	\$ 4,210,276
Engineering	5,342,361	3,784,674	4,484,004	3,699,025
Water Resources & Outreach	22,119,392	18,330,946	22,489,432	23,310,802
Administration, Finance & IT	23,536,003	21,127,638	26,985,594	28,916,479
Operations & Maintenance	37,340,764	37,257,028	42,785,509	45,424,417
Total Operating Expenditures	\$ 94,061,061	\$ 84,325,173	\$ 99,838,583	\$ 105,560,997

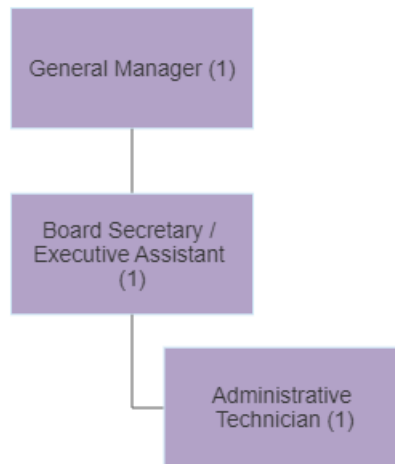
EXPENDITURES BY SECTION



OPERATING EXPENSES FY 2023/24



**SCV WATER – PERFORMANCE MEASUREMENT
MANAGEMENT SECTION
FY 2023/24 AND FY 2024/25**










Management – Purpose Statement

Santa Clarita Valley Water Agency is committed to being a leader and a partner in providing high quality water at a reasonable cost. The mission of the management section is to provide strategic and innovative leadership to the organization, support the organization’s human capital and implement the Board of Directors' vision and goals in a professional, cost effective, and sustainable manner.







Management – Primary Services

- The Board of Directors is the governing body of the Santa Clarita Valley Water Agency. As elected officials for the Agency, the Board establishes the policies.
- In addition to general governance responsibilities, the Board of Directors guides the operations of the General Manager.
- The Board also holds public hearings at which official Agency business is conducted.
- Management strives to create a safe and healthy workplace environment that demonstrates the Agency’s commitment to valuing and respecting employees.
- Management encourages participation through regional and local partnerships.












FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Ensured Agency, Division/Department and capital budgets were appropriately expended by actively managing and controlling expenditures
-  Continued to look for ways to gain efficiency and economies of scale
-  Continued to provide detailed information to Board of Directors through Board, Committee, Department and General Counsel reports
-  Continued team-building workshops
-  Continued to provide employees with "bottom-up" communication through all employee meetings
-  Ensured the Agency was properly represented on all legal matters
-  Continued succession planning efforts to ensure that employees were recruited and developed to fill key roles with the Agency

**SCV WATER – PERFORMANCE MEASUREMENT
MANAGEMENT SECTION
FY 2023/24 AND FY 2024/25**

-  Provided education and training opportunities to all employees to develop them for future higher level and broader responsibilities
-  Continued planning, design, permitting and construction for additional PFAS treatment facilities
-  Purchased, installed, trained and certified in-house lab equipment for PFAS testing
-  Continued efforts to recover costs of Perchlorate, VOC, and PFAS water quality actions from responsible parties
-  Continued developing and implementing COVID-19 policies and covid-related operations, adjusting to changing requirements, conditions, precautions and risk factors
-  Evaluated, developed and implemented an internship program

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Ensure Agency, Division/Department and capital budgets are appropriately expended by actively managing and controlling expenditures
-  Continue to look for ways to gain efficiency and economies of scale
-  Continue to evaluate and pursue grant funding opportunities to reduce the burden on rate payers
-  Continue to provide detailed information to Board of Directors through Board, Committee, Department and General Counsel reports
-  Continue to provide employees with "bottom-up" communication through all employee meetings
-  Ensure the Agency is properly represented on all legal matters
-  Continue planning, design, permitting and construction for additional groundwater treatment projects, including PFAS, Perchlorate and VOC treatment facilities
-  Continue efforts to recover costs of Perchlorate, VOC, and PFAS water quality actions from responsible parties
-  Continue to evaluate and pursue key water resources reliability programs and projects
-  Review organizational needs for the next 3 to 5 years – including succession planning, changing needs and mandates, and asset management activities – and make appropriate staffing and organizational adjustments over time going forward
-  Conduct Strategic Plan update and refresh with Board and staff in FY 2023/24

**SCV WATER - PERFORMANCE MEASUREMENT
MANAGEMENT SECTION
FY 2023/24 and FY 2024/25**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
MANAGEMENT SECTION				
Professional Services	\$ 3,860,000	\$ 2,131,775	\$ 1,650,000	\$ 1,940,000
Election	550,000	550,000	-	800,000
Salary and Benefits	912,381	749,934	965,820	987,050
Directors Compensation & Expenses	400,160	393,177	478,226	483,226
TOTAL MANAGEMENT	\$ 5,722,541	\$ 3,824,886	\$ 3,094,046	\$ 4,210,276

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
General Manager	1	1	1	0
Board Secretary	1	1	1	0
Administrative Assistant	1	1	1	0
Total	3	3	3	0

* Total Change from FY 2022/23 to FY 2024/25

**TO BE DROPPED IN
WHEN COMPLETE**

**SCV WATER – PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2023/24 AND FY 2024/25**

(Erika will insert org chart here)









Finance, Administration and Technology Services – Purpose Statement

The mission of the Administration, Finance and Technology Services Section is to provide strategic and innovative leadership to the organization; support the organization's human capital, and implement the Board of Directors' vision and goals in a professional, cost effective and sustainable manner; to provide transparent and accountable information that is presented in a professional manner and support the Agency with excellent customer service; and finally, to manage the development, maintenance and use of computer systems, software and networks for the processing and distribution of the Agency's data.

Finance, Administration and Technology Services – Primary Services

























- Budget – To provide the highest quality financial planning, resource management and analytical services to support effective decision making and organization accountability throughout the Agency
- Innovation and Sustainability – To provide sustainable, practical and innovative solutions through being proactive by engaging staff, improving processes and providing the resources needed to create measurable and meaningful results across the organization
- Finance – This function provides the Agency with accurate financial services including governmental accounting, managing investments, handling special projects, debt issuance, grant analysis, annual audits and preparation of the Annual Comprehensive Financial Report (formerly known as the Comprehensive Annual Financial Report)
- Purchasing/Contract Administration – Manages the purchasing and contract administration of the Agency. Works with Agency operations and recommends, manages and ensures that the procurement policies, processes and procedures are followed to minimize risk and maximize value
- Technology Services – Primary goals are to provide a stable, secure and user-centric computing environment while maintaining and improving support services and needs
- Customer Service – To deliver an outstanding customer experience by providing accurate service data, timely billing and professionalism in resolving customer concerns

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Went live in Oracle Fusion as of July 2021, allowing all financial transactions for the four legacy divisions, to be consolidated into one financially integrated Agency
-  Upgraded enQuesta Utility Billing System and integrated former Santa Clarita Water Division (SCWD) customer records
-  Launched a new integrated online Customer Portal and uniform bill format for all customers
-  Approved a revised Customer Service Policy
-  Performed an organizational study for the Finance & Administration department
-  Developed interim financing plan for PFAS treatment facilities
-  Completed bond issuance (2023A-July 2023), including completion of the Official Statement and work with the rating agencies
-  Submitted the Agency's FY 2021/22 & FY 2022/23 Biennial Budget to GFOA and CSMFO for award consideration, and received awards





**SCV WATER – PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS – continued




















-  Submitted the Agency's FY 2020/21 & FY 2021/22 ACFR to GFOA for award consideration, and received award
-  Completed the FY 2023/24 and FY 2024/25 Biennial Operations and Capital Budget
-  Filed the FY 2020/21 and FY2021/22 Santa Clarita Valley Water Agency Financing Authority Corporate Tax Returns
-  Filed the State Controller's Office Government Compensation in California reports for calendar years 2021 and 2022
-  Filed the State Controller's Office Financial Transaction Reports for FY 2020/21 and FY 2022/23. These reports are filed after completion of the annual audit
-  Entered into a contract for Investment Advisory Services
-  Received Board approval to adopt a 10-year CIP Long-Term Financial Plan
-  Acquired an Asset Management Pilot Program
-  Completed Letter of Interest (LOI) to apply for a Water Infrastructure Finance and Innovation Act (WIFIA) loan, and received approval to apply for financing
-  Completed a review of and revised the Agency's financial policies (Debt Management and Asset Capitalization)
-  Maintained as-builts; migrated to GIS, tracked, and distributed
-  Developed a network security plan including a cyber-security policy and threat response plan
-  Implemented integrated applications across organization
-  Improved integration of tech systems/platforms
-  Evaluated and implemented mobile solutions for certain field job tasks
-  Maintained regular and routine computer replacement program and management of technology through an asset management approach
-  Maintained, audited, tested and updated network security plan to meet continual threat landscape
-  Development, configuration, and deployment of an Enterprise GIS
-  Developed and deployed a GIS-based pipeline system assessment and inspection program
-  Consolidated, upgraded, and deployed an Agency-wide cloud-based video surveillance system
-  Set up and configured new cloud-hosted backup for Azure Office 365 platform
-  Created new Employee Manual policies: Flexible Workplace Program and Fleet Management Policy
-  Developed a quarterly financial report and presentation
-  Implemented a new Internship Program and updated various Employee Manual Policies

**SCV WATER – PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS – continued

-  Developed and approved a pilot Ratepayer Assistance Program policy
-  Implemented a new inventory system (Oracle) with a new standardized parts numbering system
-  Implemented a new fleet management system (Fleetio) and received board approval for deploying fleet telematics
-  Received an honorable mention in the Fleet Management Association's (NAFA) 100 Best Public Fleets Contest








FY 2023/24 and FY 2024/25 OBJECTIVES

-  Implement Soft Skills and Supervisory Training for Employees
-  Provide Prevention of Sexual Harassment Training to Supervisors and Managers
-  Provide Prevention of Sexual Harassment Training to All Employees
-  Continue recruiting talented and qualified employees
-  Develop a leadership and mentoring program
-  Conduct an Agency-Wide Classification and Compensation Study on the benchmark positions
-  Conduct a Classification Plan Study to streamline Agency classifications
-  Consolidated SCADA (Supervisory Control and Data Acquisition) into new Operational Technology Department under Technology Services
-  Development and deployment of a data warehouse to feed advanced analytics
-  Assembly and maintenance of Agency-wide data governance
-  Adoption and deployment of asset management application
-  Submit a loan application to the EPA to apply for the WIFIA loan program
-  Update financial forecast on a recurring basis
-  Implement and deploy an integrated meter data management system
-  Integrate and launch a Customer Engagement Portal providing customers near-real time access to their water usage
-  Integrate and deploy a customer-facing mobile application
-  Integrate and deploy chat functionality for customers
-  Develop RFP to add Human Capital Management to Oracle Fusion software
-  Implement an Asset Management Pilot Program

 **FY 2023/24 and FY 2024/25 OBJECTIVES**

**SCV WATER – PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES – continued

-  Develop a Cost-of-Service Study and Rate Model for Retail rates with an effective date of July 2025
-  Perform an update of the Facility Capacity Fee study and implement new fees
-  Update financial and administrative policies, including the Purchasing Policy
-  Develop a Request for Proposal for Ratepayer Advocate services and implement a new contract
-  Implement an action plan to comply with new regulations from the California Air Resources Board and construct charging infrastructure for zero emission vehicles
-  Implement in-house fleet maintenance and repairs to reduce costs and vehicle downtime
-  Implement Phase 2 of the Oracle inventory system by automating warehousing processes

**SCV WATER - PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2021/22 and FY 2022/23**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
FINANCE, ADMINISTRATION AND IT SECTION				
Maintenance & Services	\$ 12,120,471	\$ 10,713,816	\$ 13,632,066	\$ 14,539,605
Insurance (non-employee related)	2,282,000	1,258,164	2,600,000	2,800,000
Salary and Benefits	9,133,532	9,155,658	10,753,527	11,576,874
TOTAL FINANCE, ADMINISTRATION AND IT	\$ 23,536,003	\$ 21,127,638	\$ 26,985,594	\$ 28,916,479

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Accountant**	3	0	0	-3
Accountant I**	0	2	2	2
Accountant II**	0	3	3	3
Accounting Manager**	1	0	0	-1
Accounting Supervisor**	0	1	1	1
Accounting Technician I**	0	1	1	1
Accounting Technician II**	0	1	1	1
Administrative Service Manager**	0	1	1	1
Administrative Technician	4	3	3	-1
Buildings and Grounds Supervisor**	1	0	0	-1
Buyer**	0	1	1	1
Chief Financial and Administrative Officer	1	1	1	0
Controller	1	1	1	0
Customer Service Manager	1	1	1	0
Customer Service Representative I	3	3	3	0
Customer Service Representative II	6	6	6	0
Customer Service Supervisor	1	1	1	0
Director of Finance and Administration**	1	0	0	-1
Director of Technology Services	1	1	1	0
Facilities Maintenance Technician II	2	2	2	0
Facilities Supervisor	0	1	1	1
Finance Manager**	0	1	1	1
Financial Analyst	2	0	0	-2
Fleet & Warehousing Supervisor**	0	1	1	1
GIS Analyst	3	3	3	0
GIS Manager	1	1	1	0
GIS Technician I	0	1	1	1
GIS Technician II	1	0	0	-1
Human Resources Analyst	2	3	2	0
Human Resources Manager	1	1	1	0
Human Resources Specialist**	1	1	2	1
Information Technology Specialist	1	1	1	0
Information Technology Supervisor	1	1	1	0
Information Technology Technician I	1	1	2	1
Information Technology Technician II	2	3	3	1

**SCV WATER - PERFORMANCE MEASUREMENT
 FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
 FY 2021/22 and FY 2022/23**

Personnel - cont'd				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Limited Duration Employee**	4	0	0	-4
Management Analyst I	1	1	1	0
Management Analyst II	1	1	1	0
Office Assistant II**	0	1	1	1
Payroll Specialist	1	1	1	0
Purchasing & Warehouse Technician I**	0	2	2	2
SCADA Supervisor	0	1	1	1
SCADA Technician I	0	1	2	2
Security Specialist	1	1	1	0
Senior Accountant	2	2	2	0
Senior Administrative Technician**	0	1	1	1
Senior Customer Service Representative	1	1	1	0
Senior Facilities Maintenance Technician	1	2	2	1
Senior Financial Analyst**	0	1	1	1
Senior Fleet Mechanic	0	1	1	1
Senior Information Technology Technician	1	1	1	0
Senior Management Analyst**	2	0	0	-2
Senior Purchasing and Warehouse Technician**	0	1	1	1
Total	57	67	69	12

* Total Change from FY 2022/23 to FY 2024/25










**Changes due to Finance Class and Comp Study




**SCV WATER - PERFORMANCE MEASUREMENT
FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
FY 2021/22 and FY 2022/23**

Department Finance, Administration & Technology Services
Finance, Accounting, Technology & GIS, Procurement, Human Resource, Customer Service,
Service Area Fleet & Warehousing, and Buildings and Grounds

Cost Center Goal			Outcome Indicator		
To take the lead in setting policies and procedures that enhance the Agency's financial position, and to promote efficient use of water resources by adopting rate designs that are fair and reasonable. To also provide excellent and efficient customer service, respond to customer inquiries quickly, participate in community events and continue to find different programs to offset costs.			To enhance policies and procedures that will secure the Agency's financial position and to gain service and cost improvements.		
Objective: To continue to improve financial reporting and to find ways to reduce expenses by maximizing value to become a best-in-class Agency.					
	Input Indicators	Output Indicators	Efficiency Indicator	Service Quality Indicator	Outcome Indicator
Indicator	Budget and Projections	Budget and Actual	Cost/Service Improvement	Percent of Service Improvement	Percent of Cost/Service Improvement
Indicator Calculation	Personnel Services + Operating Expenses and Equipment	Total costs	Percent of Budget	Percent of Service Improvement	Percent of Cost Improvement

Performance Indicators

KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
A2	Input	Length of time to resolve customer issues	< 24 hours		< 24 hours	< 24 hours
B4	Input	Develop and implement an asset management program ¹	Develop plan		Continued into 23/24	Implement plan
E1	Output	Maintain existing bond ratings (Fitch)	>= AA-		>= AA	>= AA
E2	Output	Maintain debt service coverage ratio	> 1.50%		> 1.40%	> 1.40%
E3	Output	Meet reserve fund targets	> 85%		> 85%	> 70%
E4	Outcome	Actual costs compared to projected budget	< 100%		< 100%	< 100%
F2	Service	Keep pace with technology, tools and equipment relative to work-flow demand	Improve stability & security		Improve stability & security	Improve stability & security
F5	Service	On-time completion of annual performance evaluations	Completion		Completion	Completion
F10	Service	Network availability - high availability	99%		99%	99%

 Target Met  On Target, but not yet achieved  Target not met

¹Plan is being developed, but in process.

**SCV WATER – PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2023/24 AND FY 2024/25**

(Erika will insert org chart here)















Engineering Services – Purpose Statement

The mission of the Engineering Services Section is to provide excellence in the field of engineering, construction inspection and related support services for a reliable and cost-effective water system. It is also responsible for the planning, design and construction of capital improvements necessary to meet water demands, comply with regulatory requirements, take advantage of technological advancements, ensure the integrity of the Agency's infrastructure, and achieve operational efficiencies. These improvements include construction of new facilities, rehabilitation and replacement of existing infrastructure and incorporating needs identified through the planning process.

Engineering – Primary Services















- To prepare and review water plans for proposed development to ensure that they meet the Agency's construction standards and provide adequate pressures and fire flow
- To manage the planning, design and construction phases of capital improvement projects
- To provide construction inspection services
- To provide cross-connection control protection services and ensure recycled water system compliance
- To perform long-term capital improvement project planning and develop future project cost projections
- To coordinate with the Operations and Maintenance section in providing design and construction services for many of the Agency's projects

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS











-  Completed construction of the Recycled Water Phase 2B Vista Canyon Tank Project
-  Completed construction of the Recycled Water Phase 2B Vista Canyon Pipeline Project
-  Completed Grant Funding Agreement for Los Angeles Residential Community (LARC) and Lily of Valley (LOV) Pipeline
-  Initiated construction of LARC and LOV Pipeline
-  Completed design and initiated construction of Deane Pump Station at Sand Canyon Plaza
-  Completed design and initiated construction of first Deane Tank at Sand Canyon Plaza
-  Initiated design of Deane Pump Station and Soledad Pipeline at SC-6
-  Initiated design of Friendly Valley and Golden Valley Pipelines at Via Princessa (at Crossroads)
-  Initiated planning of Newhall Water Division Zone 4 Tank at Wiley Canyon
-  Initiated design of U4, U6 & T7 Wells (PFAS) and Saugus 1 & 2 Wells (VOCs)
-  Initiated design of S6, S7 & S8 Wells (PFAS)
-  Constructed a portion of the Magic Mountain Pipeline Phase 4 Project
-  Constructed a portion of the Magic Mountain Pipeline Phase 5 Project
-  Constructed a portion of the Magic Mountain Pipeline Phase 6A Project

**SCV WATER – PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS – Continued

























-  Constructed a portion of the Magic Mountain Pipeline Phase 6B Project
-  Completed construction of the Valley Center Well PFAS Groundwater Treatment Improvements Project
-  Completed construction of the Earl Schmidt Filtration Plant (ESFP) Standby Generator Project
-  Completed design and initiated construction of the Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements Project
-  Completed design and initiated construction of the ESFP Washwater and Sludge System Improvement Project
-  Completed design and construction of the Newhall Tanks 1 and 1A Stair Improvement Project
-  Completed design of the Valencia Marketplace Pipeline Replacement Project
-  Completed design of the Rio Vista Water Treatment Plant (RVWTP) Underground Storage Tank Replacement Project
-  Completed a portion of the design of the Recycled Water Phase 2C South End Project
-  Completed planning and initiated design of the Well 205 Perchlorate Removal Facility Project
-  Completed planning and initiated design of the Magic Mountain Reservoir Project
-  Completed planning and initiated design of the Magic Mountain Pump Station Project
-  Initiated planning of the Saugus Wells 5 & 6 (Dry Year Reliability Wells) Project
-  Initiated Master Plan

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Complete construction of the Magic Mountain Pipeline Phase 4 Project
-  Complete construction of the Magic Mountain Pipeline Phase 5 Project
-  Complete construction of the Magic Mountain Pipeline Phase 6A Project
-  Complete construction of the Magic Mountain Pipeline Phase 6B Project
-  Complete construction of the Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements Project
-  Complete construction of the Well 201 VOC Groundwater Treatment Improvements Project
-  Complete construction of the ESFP Washwater and Sludge System Improvement Project
-  Complete construction of the Valencia Marketplace Pipeline Replacement Project
-  Complete construction of the RVWTP Underground Storage Tank Replacement Project
-  Complete construction of the Smyth Drive Water Line Improvements Project

**SCV WATER – PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES – Continued

-  Complete construction of the Abdale, Maplebay, Beachgrove Water Line Improvements Project
-  Complete construction of the Saugus Wells 3 & 4 Well Drilling Project
-  Complete design and initiate construction of the Backcountry Pump Station Project
-  Complete design and initiate construction of the Backcountry Reservoir Project
-  Complete design and initiate construction of the Castaic Conduit Pipeline Project
-  Complete design and initiate construction of the Recycled Water Fill Station Project
-  Complete design and initiate construction of the Recycled Water Phase 2C South End Project
-  Complete design and initiate construction of the Saugus Wells 3 & 4 Well Equipping Project
-  Complete design and initiate construction of the Well 205 Perchlorate Removal Facility Project
-  Complete design of the Honby Parallel Pipeline Project
-  Complete planning and design of the RVWTP Sewer Line Improvements Project
-  Complete planning and design of the Sand Canyon Sewer Line Relocation Project
-  Complete planning and design of the N Wells Drainage Improvements Project
-  Complete planning of the Saugus Wells 5 & 6 (Dry Year Reliability Wells) Project
-  Complete planning and initiate design of the Catala Pump Station Project
-  Complete planning and initiate design of the Catala Pipeline Project
-  Complete planning and initiate design of the Honby Pipeline Bottleneck Project
-  Complete planning and initiate design of the Magic Mountain Parkway & The Old Road Recycled Water Relocation Project
-  Complete planning and initiate design of the Magic Mountain Pipeline, Phases 1 – 3 Inspection Access Modifications Project
-  Complete planning and initiate design of the Sand Canyon Reservoir Expansion Project
-  Complete planning and initiate design of the Recycled Water Pump Station PS-1 Upgrades Project
-  Complete planning and initiate design of the RVWTP Turbidity Improvements Project
-  Complete planning and initiate design of the E-Wells PFAS Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the North Oaks Wells Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Clark Well Groundwater Treatment Improvements Project

**SCV WATER – PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES – Continued

-  Complete planning and initiate design of the Sierra Well Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well D Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well W9 Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well W10 Groundwater Treatment Improvements Project
-  Complete Master Plan
-  Plan, design, and/or construct Water Treatment and/or Distribution Improvement Projects
-  Work with the developers on project planning and construction
-  Complete design of the Saugus Wells 1 & 2 VOC Groundwater Treatment Improvements Project
-  Complete design of U4, U6 & T7 Wells (PFAS)
-  Begin construction of the U4, U6, & T7 Wells
-  Begin construction of Saugus Wells 1 & 2
-  Complete the LARC pipeline installation
-  Complete the Dean Zone Reservoir as part of Skyline Ranch
-  Complete the Dean Zone Pump Station as part of Skyline Ranch

**SCV WATER - PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2021/22 and FY 2022/23**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
ENGINEERING SERVICES SECTION				
Maintenance & Services	\$ 2,937,750	\$ 632,091	\$ 2,198,556	\$ 1,145,950
Salary and Benefits	2,404,611	3,152,584	2,285,447	2,553,075
TOTAL ENGINEERING SERVICES	\$ 5,342,361	\$ 3,784,674	\$ 4,484,004	\$ 3,699,025

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Administrative Technician**	3	4	4	1
Assistant Engineer**	2	2	1	-1
Associate Engineer**	0	1	1	1
Chief Engineer	1	1	1	0
Engineer	3	3	5	2
Engineering Technician II**	3	1	1	-2
Executive Assistant	1	1	1	0
Inspector I**	1	0	0	-1
Inspector II**	2	3	2	0
Inspector Supervisor	1	1	1	0
Limited Duration Employee**	1	0	0	-1
Principal Engineer**	3	2	2	-1
Right of Way Agent	1	1	1	0
Senior Administration Technician	1	1	1	0
Senior Engineer**	3	4	4	1
Senior Engineering Technician**	0	1	1	1
Senior Inspector**	1	2	3	2
				0
				0
Total	27	28	29	2

* Total Change from FY 2022/23 to FY 2024/25

**Changes due to Class & Comp Study

**SCV WATER - PERFORMANCE MEASUREMENT
ENGINEERING SERVICES SECTION
FY 2021/22 and FY 2022/23**

Department Engineering Services





Service Area Engineering




Cost Center Goal	Outcome Indicator
The Engineering Services Section (ESS) will use their problem solving skills to discover new ways or alternate approaches to plan, design and construct facilities to meet the needs of the Agency and the general public. ESS goals and objectives revolve around successful project implementation, creating efficient processes and designs, as well as maintenance of necessary skills in a variety of different disciplines.	Efficient implementation of capital improvement projects, oversee new development-related infrastructure and development of best-in-class Engineering policies and procedures.

Objective: Successfully plan, design and construct capital improvement and developer-related projects.

	Input Indicators	Output Indicators	Efficiency Indicator	Service Quality Indicator	Outcome Indicator
Indicator	Budget and Projections	Budget and Actual	Cost/Service Improvements	Percent of Service Improvement	Percent of Cost/Service Improvement
Indicator Calculation	Personnel Services + Operating Expenses and Equipment	Total costs	Percent of Budget	Percent of Service Improvement	Percent of Cost Improvement

Performance Indicators

KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
B2	Outcome	Annual Major Capital Improvement Program (CIP) actual expenditures against planned ¹	> 75%		> 75%	> 75%
D7	Outcome	Impacted Well Capacity ²	Return wells to service and/or design or construct new wells		Continued advancement	Continued advancement
E6	Outcome	Magnitude of change orders for major CIP projects	< 10% of contracts		< 10% of contracts	< 10% of contracts
B2	Input	Develop and maintain a long-term Capital Improvement Program	Develop program		Maintain program	Maintain program

 Target Met  On Target, but not yet achieved  Target not met

¹Target not met due to regulatory delays, supply chain issues and limited available resources

²Constructed planned treatment facilities, additional treatment facilities planned in order to return wells to service

**SCV WATER – PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2023/24 AND FY 2024/25**

(Erika will insert org chart here)










Treatment, Distribution, Operations and Maintenance – Purpose Statement

The mission of the Treatment, Distribution, Operations and Maintenance Section is to provide a safe and reliable water supply through well-maintained facilities to meet the needs of our customers by providing this service in a responsible, efficient and cost-conscious manner. The section empowers a well-trained, experienced and self-directed team that employs advanced technology and innovative thinking to operate and maintain the water distribution systems which deliver water to over 70,000 residents and businesses.

Treatment, Distribution, Operations and Maintenance – Primary Services












- Distribution System – responsible for the day-to-day maintenance and successful operation of all Agency distribution facilities. The Agency employs a highly skilled team of individuals committed to excellence and customer satisfaction.
- Treatment System – responsible for the operation and maintenance of two surface water treatment facilities: Rio Vista Treatment Plant and Earl Schmidt Filtration Plant, and two groundwater treatment systems. Combined, they have a design treatment capacity of 127 million gallons per day.
- Facility Maintenance – ensure the continued effective operation of all division facilities with an aggressive asset management program and scheduled preventative maintenance.
- Water Quality – oversee and perform a variety of activities to ensure that the Agency's water system meets current and future regulations regarding water quality, treatment and other regulatory matters.
- Safety – ensure organizational compliance with all applicable statutes; maintain the safety and security of our employees and facilities while fostering a high performance environmental, health and safety culture; development of strategies and programs to eliminate or mitigate risk and financial exposure.

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Rehabilitated Well 160
-  Expanded infrastructure by completing the replacement of more than 6,000 AMI meters
-  Began Dickason Drive PVC pipeline replacement
-  Began design of Abdale St, Maplebay Ct, and Beachgrove Ct pipeline replacement
-  Replaced Ferric Chloride Storage Tank
-  Continued rehabilitation of Well 160
-  Rehabilitated Guida Well
-  Completed Warmspring Dr pipeline improvements
-  Completed Replacement of Polymer Storage Tank

**SCV WATER – PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Continue expanding AMI meters and infrastructure
-  Obtain perchlorate treatment operating permit from DDW for Well 201
-  Complete construction of Dickason Drive PVC pipeline replacement
-  Rehabilitate Saugus 2 Well
-  Recoat Westridge Recycled Water Tank
-  Complete Smyth Dr PVC pipeline replacement
-  Construct Well C1 drain line
-  Complete Vasquez Canyon Road pipeline improvements
-  Complete Abdale Street, Maplebay Court and Beachgrove Court pipeline replacement
-  Complete Beneda Lane pipeline improvements
-  Rehabilitate Saugus 1 Well
-  Recoat Stevenson Ranch Tank
-  Complete Newhall Ranch Road at Avenue Tibbitts PVC pipeline replacement
-  Complete Simay Lane pipeline improvements

**SCV WATER - PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2021/22 and FY 2022/23**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
TREATMENT, DISTRIBUTION, OPS & MAINT				
Purchased Power	\$ 8,500,000	\$ 10,579,676	\$ 10,000,000	\$ 10,500,000
Maintenance & Services	14,838,785	11,078,538	16,104,285	17,352,885
Salary and Benefits	14,001,979	15,598,814	16,681,224	17,571,532
TOTAL TREATMENT, DIST, OPS & MAINT	\$ 37,340,764	\$ 37,257,028	\$ 42,785,509	\$ 45,424,417

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Administrative Technician	3	4	4	1
Chief Operating Officer	1	1	1	0
Director of Operations and Maintenance	1	1	1	0
Electrical/Instrumentation Supervisor***	1	0	0	-1
Electrical/Instrumentation Technician	3	1	1	-2
Emergency Preparedness & Safety Coordinator	1	1	1	0
Environmental Health & Safety Supervisor	1	1	1	0
Executive Assistant	1	1	1	0
Field Services Supervisor	1	1	1	0
Field Services Worker I	4	2	2	-2
Field Services Worker II	5	7	7	2
Fleet & Warehousing Supervisor**	1	0	0	-1
Lead Utility Operations Technician***	0	2	2	2
Lead Utility Worker***	2	0	0	-2
Lead Water Systems Technician	1	1	1	0
Purchasing & Warehouse Technician**	3	0	0	-3
Safety Specialist I***	1	1	1	0
Safety Specialist II	1	0	0	-1
SCADA Technician II**	1	0	0	-1
Senior Administration Technician	1	1	1	0
Senior Electrical Technician	2	3	3	1
Senior Field Services Worker	2	2	2	0
Senior Instrumentation Technician	2	2	2	0
Senior Treatment Plant Operator - 84 hour shift	4	5	5	1
Senior Recycled Water Coordinator	0	1	1	1
Senior Utility Worker***	8	0	0	-8
Senior Utility Operations Technician***	0	8	8	8
Senior Water Quality Scientist	1	1	1	0
Senior Water Systems Technician	6	8	8	2

**SCV WATER - PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2021/22 and FY 2022/23**

Personnel - cont'd				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Treatment Plant Operator I - 80 hour shift	1	2	2	1
Treatment Plant Operator II - 84 hour shift	4	2	2	-2
Treatment Plant Operator Supervisor***	0	1	1	1
Utility Supervisor	2	2	2	0
Utility Operations Technician I***	0	18	18	18
Utility Operations Technician II***	0	4	4	4
Utility Operations Technician III***	0	2	2	2
Utility Worker I***	9	0	0	-9
Utility Worker II***	13	0	0	-13
Water Quality Laboratory Manager	1	1	1	0
Water Quality Scientist I	1	1	1	0
Water Quality Scientist II	2	2	2	0
Water Quality Specialist	2	2	2	0
Water Quality Supervisor***	1	0	0	-1
Water Quality Technician I***	4	0	0	-4
Water Quality Technician II***	1	0	0	-1
Water Systems Supervisor	2	3	3	1
Water Systems Technician I	2	7	7	5
Water Systems Technician II	12	12	12	0
Water Treatment Manager	1	1	1	0
Total	116	115	115	-1

* Total Change from FY 2022/23 to FY 2024/25

**Positions moved from Operations to Administration Section

***Changes due to Class & Comp Study

**SCV WATER - PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2021/22 and FY 2022/23**

Department Operations and Maintenance Services Section

Service Area Transmission & Distribution, Pumping Wells & Storage, Water Quality, Treatment & Maintenance

Cost Center Goal		Outcome Indicator			
To preserve existing assets and facilities, and plan for future needs and demands while pursuing alternatives with the most sustainable, efficient and cost-effective approach to meet customer expectations; and to operate and maintain facilities to surpass drinking water regulations with a margin of safety.		To gain service and cost improvements.			
Objective: To improve costs through innovation and technology and/or maintain water quality conditions that support health standards.					
	Input Indicators	Output Indicators	Efficiency Indicator	Service Quality Indicator	Outcome Indicator
Indicator	Budget and Projections	Budget and Actual	Cost/Service Improvement	Percent of Service Improvement	Percent of Cost/Service Improvement
Indicator Calculation	Personnel Services + Operating Expenses and Equipment	Total costs	Percent of Budget	Percent of Service Improvement	Percent of Cost Improvement

Performance Indicators

KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
B5	Efficiency	Leaks affecting more than 350 service connections	<1		<1	<1
B5	Efficiency	Number of mainline breaks per 20 miles of mainline	<1		per 40 miles <1	per 40 miles <1
B7	Efficiency	Number of valves exercised	>500		>5000	>5000
B9	Efficiency	Number of meters replaced	>2500		>5,000	>5,000
C4	Efficiency	Maintain <0.20 NTU in 95% of all samples	<0.20		<0.20	<0.20
D2	Service	Number of reportable water quality results	0		0	0
D1	Service	Maintain a distribution system disinfectant residual of 0.2 mg/L or greater in 99% of samples collected	>=0.2 mg/L		>=0.2 mg/L	>=0.2 mg/L

Target Met On Target, but not yet achieved Target not met

**SCV WATER – PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2023/24 AND FY 2024/25**

(Erika will insert org chart here)












Water Resources and Outreach – Purpose Statement

The mission of the Water Resources and Outreach Section is to ensure adequate water resources are available to meet the community's current and future water needs in the face of climate uncertainty. The Water Resources and Outreach Section manages the Agency's water resource portfolio and seeks to influence water consumption behavior to ensure a reliable water supply for the community. Through Outreach and Legislative Affairs, the section engages a wide variety of stakeholders to communicate the overall mission and vision of the Agency, and effect understanding of the complexity of a water utility.

Water Resources and Outreach – Primary Services
















- Management of existing water supplies, the acquisition of new water supplies and water demand management
- Conduct forward planning for water resource needs and assess future water supply risks
- Administer regional water conservation programs
- Develop Agency sustainability initiatives, improve efficient use of resources, and reduce greenhouse gas emissions
- Implements policy initiatives on the State Water Project and Groundwater Sustainability planning and other mandates as they arise
- Track legislation impacting the water industry as a whole, and the Agency specifically, weighing in with support/opposition as appropriate
- Conduct a variety of outreach, engagement and marketing campaigns in support of programs, projects and messages from across the Agency

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Completed Groundwater Sustainability Plan (GSP)
-  Implemented GSP Monitoring
-  Completed assessment of potential Groundwater Recharge Site in Castaic
-  Finalized Annexation of the Tesoro Del Valle Development
-  Developed water supply assessments for Entrada/VCC development, Lyons Trail Development, Shadowbox Studios, Castaic Mountainview Apartments and Wiley Canyon Mixed Use Development
-  Initiated contracts/CEQA documentation for future reliability program(s)
-  Obtained State Water Resources Control Board approval of the New Drop concept allowing the use of New Drop supplies for recycled water use
-  Completed a Monitoring Report update for the Salt and Nutrient Management Plan
-  Maximized use of dry year reserve programs to meet demands through record drought conditions and local supply constraints from PFAS regulations
-  Executed unbalanced water exchange with Metropolitan Water District of Southern California
-  Completed Santa Clara River Habitat Condition Analysis




**SCV WATER – PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2023/24 AND FY 2024/25**

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS – continued
















-  Initiated the application of the California Environmental Flows Framework (CEFF) to the East Basin Santa Clara River
-  Completed LiDAR acquisition of the Santa Clara River for the development of a Habitat Suitability Model in support of the CEFF analysis
-  Developed a Water Resources Integration Model for the Agency to evaluate new and refined operating strategies and quantify the reliability of its water supply portfolio, as well as analyze the tradeoffs between different adaptation strategies
-  Conducted Aquifer Monitoring and Testing Program
-  Initiated update to groundwater management plan
-  Applied for and secured state and federal grant funding for multiple CIP projects
-  Developed a draft work plan for the Watershed Resilience Initiative, which maps out technical work and stakeholder engagement and outreach for the next several years
-  Partnered with Los Angeles County Sanitation Districts (LACSD) to align discussions, analysis, and stakeholder outreach related to the Regional Water Quality Control Board's (RWQCB) new discharge requirements from the Valencia and Saugus Water Reclamation Plants
-  Implemented Water Use Efficiency Strategic Plan in advance of Long-Term Framework
-  Developed and implemented conservation program performance management system
-  Developed and launched Home Water Use Efficiency Reports
-  Integrated WaterSAVING Targets with Customer Information System
-  Completed draft Sustainability Plan
-  Implemented long-term solar array operations, maintenance, and performance
-  Updated conservatory garden design and launched construction of the Bridgeport Park Sustainable Landscape Demonstration Garden (pocket park)
-  Finalized Local Watershed and Aquifer Exhibit
-  Implemented Recycled Water Customer Conversion Pilot Program (Purple PREP)
-  Implemented annual Public Outreach Plan
-  Implemented annual legislative advocacy program
-  Hired a Public Affairs Specialist II
-  Implemented inaugural Water Academy, and Water Matters Virtual Webinar Series
-  Completed SCV Water/USC Dornsife Public Exchange Water Conservation and Water Use Efficiency Communications Study
-  Received EPA WaterSense Excellence Awards in 2021 and 2022 (three consecutive years)
-  Successfully implemented Stages 1 and 2 of the Water Shortage Contingency Plan

**SCV WATER – PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2023/24 AND FY 2024/25**

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS – continued

















-  Launched and facilitated the Sustainable Water Action Taskforce with the City and County collaborators.
-  Completed evaluation of the Agency’s Lawn Replacement Program and implemented updates for improved outcomes
-  Received incentive eligibility for Agency Battery Storage Projects via the Self-Generation Incentive Program

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Advance demand management and make progress towards State conservation urban water use objectives (AB 1668 and SB 606)
-  Develop and implement commercial, industrial, and institutional performance measures (AB 1668 and SB 606)
-  Develop and implement the SCV Water Sustainable Water Use Efficiency Strategic Plan (SWUESP)
-  Support local, State, and federal regulations consistent with the goals of the SCV SWUESP
-  Work with community stakeholders to further enhance collaborative sustainable water use efficiency and water conservation activities
-  Evaluate and update, as identified, Ordinance No. 2 to include smart practices in water use efficiency and water conservation in accordance with SWRCB regulatory action
-  Work with Santa Clarita Sustainable Water Action Taskforce to further enhance Agency, City and County drought water conservation activities
-  Develop capacity, infrastructure, processes and procedures to support sustainable water use efficiency and water conservation support to retail purveyor customer service efforts
-  Monitor, measure, and evaluate programs, outreach targets, and methods to maximize conservation program effectiveness and efficiency
-  Develop consumer education of smart practices, landscape designs, and demonstration of drought tolerant landscapes at SCV Water locations
-  Promote and optimize engagement and education efforts at the Bridgeport Park Sustainable Landscape Demonstration Garden
-  Promote healthy and efficient landscape programs, practices, and irrigation efficiency technologies
-  Monitor, measure, evaluate, and coordinate SCV Water Non-Revenue Water Loss Audits
-  Promote various conservation programs
-  Engage customers on the benefits and values of converting potable dedicated irrigation meters to recycled water

**SCV WATER – PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES – continued

-  Assist customers with onsite recycled water conversion projects
-  Educate public on benefits and values of recycled water and showcase successful recycled water conversion projects
-  Lead and facilitate SCV Water Green Team activities
-  Finalize SCV Water Sustainability Plan and develop and implement cost-effective program expression to accomplish stated goals
-  Optimize utility and benefit of Agency solar assets
-  Develop and implement performance measurement and management system/processes for Agency's sustainability initiatives
-  Expand internal communications and employee engagement efforts through monthly team building opportunities
-  Conduct biannual customer satisfaction/communication preference survey
-  Support internal and external engagement and understanding of Strategic Plan update
-  Implement GSP including
 - monitoring of Groundwater Dependent Ecosystems (GDE), land subsidence, private well water quality,
 - developing policy for well registration and metering for larger wells, equipment maintenance, repair, and installation,
 - grant administration, well permit review.
 - Annual regulatory reporting, database management, flow model maintenance
-  Develop a scope and complete assessments of both the Groundwater Recharge Study locations in Pinetree and Castaic to determine the feasibility of implementing a full-scale recharge project
-  Develop technical tools needed for updating the Salt and Nutrient Management Plan and model on an annual basis, supporting GSP monitoring and reporting efforts as well as future SNMP plan updates
-  Complete an Agency-wide data mapping and consolidation study to determine how information is gathered, stored, managed, and disseminated throughout the Agency
-  Integrate the New Drop online portal into Customer Service's EnQuesta management system
-  Develop technical tools, formulate outreach strategy and activities for next update, and develop policy directions for updating Urban Water Supply Management Plan Evaluate beneficial land use options for Devil's Den to maximize benefits to SCV Water including solar leasing options for property, water sales, farming leases, and easements for neighboring farms
-  Pursue and manage grant funding for Capital Improvement Projects and other Agency initiatives

**SCV WATER – PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2023/24 AND FY 2024/25**

FY 2023/24 and FY 2024/25 OBJECTIVES – continued



Watershed Resilience Initiative:

- Evaluate new groundwater management actions and corresponding testing and monitoring plans to support the Agency's objectives in developing and enhancing local water supplies and improving water supply reliability
- Finalize the California Environmental Flows Framework (CEFF) for the Santa Clara River East Basin to understand flow/ecology relationships
- Finalize the GoldSim Water Resources Integration Model and evaluate potential benefits of new water supply investment programs
- Develop a stakeholder outreach and engagement work plan
- Manage water supply portfolio to ensure sustainable water supplies from different sources including imported and local sources. Including coordinating with operations team, maximizing banking recharge opportunities, seeking partners for long-term exchange agreements, and managing carryover supply to minimize risk of shortage

**SCV WATER - PERFORMANCE MEASUREMENT
WATER RESOURCES AND OUTREACH SECTION
FY 2021/22 and FY 2022/23**

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
WATER RESOURCES & OUTREACH SECTION				
Source of Supply	\$ 12,535,000	\$ 10,517,669	\$ 11,108,816	\$ 11,632,181
Maintenance & Services	5,790,792	4,414,143	6,990,688	6,617,468
Salary and Benefits	3,793,600	3,399,134	4,389,928	5,061,152
TOTAL WATER RESOURCES & OUTREACH	\$ 22,119,392	\$ 18,330,946	\$ 22,489,432	\$ 23,310,802

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Administrative Technician	0	1	1	1
Assistant General Manager	1	1	1	0
Communications Manager	1	1	1	0
Data Scientist	1	0	0	-1
Director of Water Resources	1	1	1	0
Event Coordinator	1	1	1	0
Executive Assistant	1	1	1	0
Management Analyst II	1	1	1	0
Principal Water Resources Planner	4	1	1	-3
Public Affairs Specialist II	1	1	1	0
Senior Public Affairs Specialist	1	1	1	0
Senior Water Resources Specialist	0	1	1	1
Senior Water Resources Data Scientist	0	1	1	1
Senior Water Resources Planner	0	1	1	1
Sustainability Manager	0	1	1	1
Water Conservation Specialist I	1	0	0	-1
Water Conservation Specialist II	3	4	4	1
Water Education Instructor	8	8	8	0
Water Education Supervisor	1	1	1	0
Water Resources Planner	0	2	2	2
Total	26	29	29	1

* Total Change from FY 2022/23 to FY 2024/25

**TO BE DROPPED IN
WHEN COMPLETE**

RESERVES

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POLICIES, RULES AND REGULATIONS	
Title: UNRESTRICTED RESERVE FUND POLICY	
Approval Date: December 2020	Effective Date: December 2020
Approved By: Board of Directors	DMS #23967

UNRESTRICTED RESERVE FUND POLICY

1.0 INTRODUCTION

There are two types of cash reserves, Restricted and Unrestricted. Restricted reserves are established and utilized for narrowly defined purposes as specified by legal restrictions, bond covenants, and other regulations or ordinances. The Santa Clarita Valley Water Agency (SCV Water, or Agency) at times may have restricted reserves for:

- Unspent Bond Proceeds
- Bond Redemption
- Water Conservation
- Grants

As a specific example, unrestricted reserves do not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code.

This policy does not apply to Restricted reserves.

This policy has been developed to maintain prudent management of the Agency water system, which requires that unrestricted reserve funds be established and maintained to fund scheduled and unscheduled expenses including operation and maintenance, debt service, emergencies, capital investment including repair and replacement, and for the stabilization of water rates. This policy has been revised to integrate the unrestricted cash reserves of the four divisions of the Agency: Regional (formerly wholesale), Newhall Water Division (NWD), Santa Clarita Water Division (SCWD) and Valencia Water Division (VWD).

This policy describes the prudent unrestricted reserve fund needs of the Agency, identifies the sources of funding for such reserves, and target amounts for each reserve. Reserves are highly regarded by credit rating agencies, credit providers and investors. Although there are numerous methods to establish reserve funding levels, the Agency considers metrics utilized by the credit rating agencies, which provide guidance on liquidity and provides peer review through the assignment of credit ratings for bond issues. Funding the unrestricted reserves come from Agency net cash from operations.

2.0 POLICY STATEMENT

The Agency will have sufficient unrestricted reserves to maintain or improve its credit ratings, ensure that operating and maintenance costs will be paid in a timely manner, to pay debt service obligations, and to invest in needed capital improvements and equipment replacement on a timely basis. In addition, the Agency will maintain sufficient reserves to minimize rate increases due to sales volatility resulting from matters



POLICIES, RULES AND REGULATIONS	
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including, weather and regulatory impacts on demands, emergencies (such as local and natural disasters, catastrophic events), and regulatory changes.

3.0 MANAGEMENT OF RESERVES

Unrestricted reserves are to be managed utilizing the following criteria:

- Distinguish between legally restricted and unrestricted amounts.
None of the reserves covered by this policy are legally restricted. Should a significant event occur that requires immediate funding to minimize damage or health risk, all funds covered in this policy are legally available.
- Contain a defined and distinct purpose.
Sections 4.1 through 4.5 of this policy describes each reserve, the events or conditions that prompt the use of the reserves, and the target balance to be maintained in the reserve.
- Method to replenish reserves to Target levels.
A priority for allocating net cash from operations from the prior year will be determined annually, based on prior year use of reserves and expectations of need in the near term.
- Specify periodic review dates of reserve balances and projected needs.
Unrestricted reserve balances will be reviewed annually as part of the budget process.
- Balances should be maintained in amounts sufficient to meet reserve targets.
To the extent that unrestricted reserves are above the target level, the Board has the flexibility to direct staff to utilize those available funds to pay for capital projects (reducing the need for future debt), pay down unfunded liabilities such as pension obligations, defease outstanding debt, or fund specific strategic objectives.
- Reserve levels below the minimum targeted amounts would leave the Agency exposed to significant operational risks. Should reserves be drawn down below the targeted level (except for the Capital Pay-go reserve that has its own criteria as explained in Section 4.2), the Agency will implement plans to return reserves to their targeted levels within three years. Such plans will be presented to the Finance & Administration Committee within twelve (12) months.



POLICIES, RULES AND REGULATIONS	
Title: UNRESTRICTED RESERVE FUND POLICY	
Approval Date: December 2020	Effective Date: December 2020
Approved By: Board of Directors	DMS #23967

4.0 UNRESTRICTED RESERVES The Agency will maintain the following unrestricted reserves:

- Operating
- Capital (Pay-go)
- Water Supply Reliability
- Revenue Rate Stabilization
- Emergency

4.1 Operating Reserve

The purpose of this reserve is to maintain the financial viability and stability of the Agency by providing a safeguard against unplanned events including fluctuations in budgeted expenses and revenues, timing differences between revenues and expenses, and the variability of water supply and demand.

Recommended Target Level –The Operating Reserve Fund shall have a minimum amount equal to 120 days of annual budgeted operating expenses including debt service. Note that the calculation of 120 days of annual budgeted operating expenses including debt service is made by dividing the annual total by 360 days then multiplying by 120. This method is commonly used to determine an average daily or number of days of expenditure but does not consider the actual timing of any specific expenditures.

Events or Conditions Prompting Use of the Reserve –This Reserve may be routinely used by the Agency to cover temporary cash flow deficiencies caused by timing differences between revenues and incurring expense obligations and unexpected increases in operating expenses.

Replenishment – If at any time the amount on deposit declines below 120 days of annual budgeted operating expense including debt service, the Agency will take steps to restore the amount on deposit within one year.

Source of funding – Net cash from operations.

4.2 Capital (Pay-go) Reserve

This reserve is established to fund the Agency’s non-debt funded capital expenditure. Funds from this reserve are to be used in both “Pay-go” capital projects and major capital projects. Bond proceeds are not included in this reserve as bond proceeds are legally restricted funds. The Agency will track planned future use of Capital Reserve amounts for projects that are also debt funded in an annual update to the financial forecast.



POLICIES, RULES AND REGULATIONS	
Title: UNRESTRICTED RESERVE FUND POLICY	
Approval Date: December 2020	Effective Date: December 2020
Approved By: Board of Directors	DMS #23967

Target Level – The balance of this fund at the end of a fiscal year is the maximum that may be spent on pay-go capital projects during the following fiscal year. The purpose of this target is to ensure that at the start of each fiscal year, funds are available to pay for the planned pay-go capital costs. This requirement prevents the Agency from relying on unearned revenues to pay for short term construction obligations and helps to enhance the Agency’s capital project and financial planning processes.

Events or Conditions Prompting Use of the Reserve – Upon the approval by the Agency Board of the capital improvement plan budget, staff is authorized to use funds from the Capital (Pay-go) Reserve to pay for the projects approved in the budget.

Source of funding – Pay-go funding is built into retail rates and is also funded with other non-operating revenue; additional allocations to this reserve may be made from Agency net cash from operations.

4.3 Water Supply Reliability Reserve

This reserve is maintained to provide a source of funding for the extraction of water from groundwater banking programs or acquisition of other necessary water supply during dry years that will help to further mitigate rate increases.

Recommended Target Level – The target balance for the Water Supply Reliability Reserve will be equal to the cost to produce 10,000-acre feet from the Agency’s banking program in a dry year.

Events or Conditions Prompting Use of the Reserve – Upon the recommendation of the General Manager, or designee, the Agency Board may authorize the use of Water Supply Reliability Reserves for the purpose intended by this section 4.3.

Source of funding – Net cash from operations.

4.4 Revenue Rate Stabilization Reserve

This reserve is maintained to provide the Agency with the ability and flexibility to avoid sharp increases in customers’ rates or to smooth out rate increases over an extended time frame. Revenue Rate Stabilization Reserve funding is targeted at 20% of annually budgeted operating revenues.



POLICIES, RULES AND REGULATIONS	
Title: UNRESTRICTED RESERVE FUND POLICY	
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Recommended Target Level –The Revenue Rate Stabilization Reserve shall have an amount equal to 20% of annually budgeted operating revenues. Upon the recommendation of the General Manager and notwithstanding the recommended minimum level, the Agency Board may approve the use of all the funds on deposit in the Revenue Rate Stabilization Reserve towards offsetting a proposed rate increase.

Events or Conditions Prompting Use of the Reserve – Upon the approval by the Agency Board, such amounts shall be transferred to the Agency’s revenue fund.

Source of funding – Net cash from operations.

4.5 Emergency Reserves

This reserve is established to provide additional liquidity in the event of a natural disaster, financial crisis, various economic uncertainties or financial hardships, loss of significant revenue sources, local disasters or capital obligations, cash flow requirements, unfunded mandates including costly regulatory requirements and other such needs. These amounts should supplement monies received from insurance policies and by state and federal programs.

Recommended Target Level - The Agency shall maintain an Emergency Reserve equal to 120 days of operating expenses, exclusive of (not including) depreciation, amortization of intangibles and debt service. Note that the calculation of 120 days of operating expenses exclusive of depreciation, amortization of intangibles and debt service is made by dividing the annual total by 360 days then multiplying by 120. This method is commonly used to determine an average daily or number of days of expenditure but does not consider the actual timing of any specific expenditures.

Replenishment – Upon the amount on deposit declining below 60 days on deposit, the Agency will take steps to restore the amount on deposit within two years to the recommended target level.

Events or Conditions Prompting Use of the Reserve – At the recommendation of the General Manager, or designee, the Agency Board may authorize the use of funds from the Emergency Reserve. Upon the occurrence of an event identified above and until such time that the Board can act, the General Manager is authorized to approve the use of an amount of funds equal to 15 days of operating expenses.



POLICIES, RULES AND REGULATIONS	
Title: UNRESTRICTED RESERVE FUND POLICY	
Approval Date: December 2020	Effective Date: December 2020
Approved By: Board of Directors	DMS #23967

Source of funding –Net cash from operations.

5.0 REPORTING

The annual Budget document will include a reserve analysis, showing reserve amounts and targets for each reserve. Staff will identify any major change in conditions which may threaten reserve levels and the General Manager will provide an analysis to the Board of Directors. This analysis would include an explanation of why reserve levels are below targeted levels and/or a recommended course of action to improve reserve levels.

The following table summarizes the Unrestricted Reserve Fund Policy target levels:
Table 1.0

Reserve Requirements	
Reserve	Target
Operating	120 days of annual budgeted operating expense, including debt service
Capital (Pay-go)	Upcoming year budget for pay-go projects
Water Supply Reliability	The cost to produce 10,000-acre feet from the Agency's banking program in a dry year
Revenue Rate Stabilization	20% of annually budgeted operating revenues
Emergency	120 days of operating expenses, excluding debt service

(Originally adopted November 2018; revised December 2020)

SCV WATER
UNRESTRICTED CASH RESERVES

	FY 2023/24	FY 2024/25
Cash Reserve Balance As of June 30	113,990,701	121,830,504
Details of Cash Reserve Balance		
Capital	16,028,922	18,479,826
Emergency/Disaster	31,353,687	34,704,985
Operating	42,425,044	47,094,716
Revenue Rate Stabilization	18,183,048	20,748,086
Water Supply Reliability	6,000,000	6,000,000
Total	113,990,701	127,027,613
Beginning Balance	113,990,701	127,027,613
Plus		
Capital	2,463,816	(12,912)
Emergency/Disaster	1,469,957	1,881,341
Operating	2,740,764	1,928,908
Revenue Rate Stabilization	1,165,266	1,399,772
Water Supply Reliability	-	-
Less		
Transfer to General Fund		
Capital Expenditures		(30,958,559)
Ending Balance	121,830,504	101,266,163
Projected Cash Reserve Balance @ June 30	121,830,504	101,266,163
Details of Cash Reserve Balance		
Capital	18,492,738	-
Emergency/Disaster	32,823,644	34,704,985
Operating	45,165,808	34,615,983
Revenue Rate Stabilization	19,348,314	20,748,086
Water Supply Reliability	6,000,000	6,000,000
Total	121,830,504	96,069,054

Details of Cash Reserve Target	Reserve Balance	Target
Capital	18,492,738	18,479,826
Emergency/Disaster	32,823,644	34,704,985
Operating	45,165,808	47,094,716
Revenue Rate Stabilization	19,348,314	20,748,086
Water Supply Reliability	6,000,000	6,000,000
	121,830,504	127,027,613
Days Cash Ratio	446	332

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LONG-TERM COMMITMENTS

LONG-TERM COMMITMENTS

LONG-TERM WATER SUPPLY CONTRACTS

State Water Project Contract Commitment

On April 30, 1963, the Agency entered into a water supply contract with the Department of Water Resources (DWR). The State bills the Agency annually for the “fixed” charges of providing water. Provision is made in the contract for two major charges – a Delta Water Charge and a Transportation Charge – that are divided into additional components. The Delta Water Charge is intended to return to the State all costs of project conservation facilities. The Transportation Charge is for facilities necessary to deliver water to the contractors. Both charges include a capital component and a minimum operations, maintenance, power and replacement component (capital and minimum OMP&R). These are charged to the Agency based on the Table A amount. Also included in the bill is a Devil Canyon Castaic Charge, an Off Aqueduct Power Charge, a Water Systems Revenue Bond Surcharge and a Tehachapi Second Afterbay Facilities Charge. These bills are divided into monthly payments with the January and July payments being the largest.

The Agency also pays a transportation variable operations, maintenance, power and replacement charge to the DWR. This bill is paid monthly based upon the amount of water purchased in the preceding month.

The Agency-set property tax fully funds both the fixed and variable components of State Water Contract Commitment.

Buena Vista/Rosedale-Rio Bravo Water Acquisition Commitment

On May 22, 2007, the Agency entered into a 30-year agreement with the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District for the acquisition of 11,000 acre-feet (AF) of water supply per year for a 30-year period. This supply is from a program that provides for the capture, spreading, storage, recovery and export of water, including high-flow Kern River water, which is a pre-1914 appropriative water right. The term of the Agreement is from January 1, 2007 through December 31, 2036. When the original term expires, the Agreement will be extended to a date certain consistent with any extensions of the Agency’s Water Supply Contract with DWR.

The purchase price was established in FY 2006/07 at \$486.85 per AF, or \$5,335,350. The purchase price is adjusted each calendar year by the Consumer Price Index (CPI; All Urban Consumers – All Items – Southern California Area). In addition, the adjusted price is also subject to “look-ins” at the end of every 10-year period. This look-in compares the actual adjustments with potential adjustments using a melded index consisting of an average of (i) the actual CPI adjustments and (ii) the increase in State Water Project (SWP) costs to the Buena Vista and Rosedale-Rio Bravo Storage Districts (billed through the Kern County Water Agency).

The annual payments are due in advance of deliveries in two installments, 50% on January 1st and 50% on July 1st of each year. The current purchase price is projected in FY 2023/24 at \$975.53 per AF and \$1,024.31 in FY 2024/25.

Under the agreement with the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District, should the Agency lose all or a portion of its share of one percent property tax revenues, the obligation to purchase the 11,000 AF may be adjusted. In any fiscal year, in which a reduction in excess of 15% of the one percent property tax revenues occurs, for each 0.1% reduction in the Agency's share of the one percent property tax revenues in excess of 15%, the regional division may reduce the annual purchase by 110 AF. In no event is the Agency allowed to reduce the annual purchase amount to less than 5,500 AF.

The acquisition of 11,000 AFY supply was originally intended, among other reasons, to supplement the SWP supplies, which are committed to users in SCV Water's existing service area, by providing water for parties seeking to annex to the service area. In order to be eligible for annexation to SCV Water's service area, a potential annexing party would be required to enter into Deposit and Funding Agreement with SCV Water and pay for a proportionate share of the 11,000 AFY supply.

During FY 2007/08, due to certain state and federal court rulings that potentially impacted SWP supplies, the Agency deferred consideration of potential annexations to retain for the time being the 11,000 AFY supply for the existing service area. At this time, the Agency has determined that up to 3,000 AFY may be used for annexations, including the Tesoro and Tapia developments.

DEBT ISSUANCE

Bond Ratings

The Bond ratings for the Agency's outstanding Debt reflect high-grade investment quality debt. They are based on the Agency's good financial management, strong financial policies and diverse water supply portfolio. Debt issued at these ratings results in lower interest rates and correspondingly lower debt service payments. The most recent bond issue in July 2020 (2020A) had a Fitch rating of AA-, with a positive outlook (upgraded in July 2022 to AA) and a Standard & Poor's rating of AA.

Debt Capacity

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Agency. The Agency's borrowing capability is limited by the debt coverage ratio required by the existing bond covenants.

Total Outstanding Debt

Total debt includes Certificates of Participation (COPs) and Revenue Bonds of \$336 million on June 30, 2023. Scheduled annual debt service for FY 2023/24 is \$37.5 million and \$37.7 million in FY 2024/25. The source of debt service repayment is a combination of Facility Capacity Fees, one percent property tax revenues and water rates. Debt proceeds are used to fund the Agency's capital improvement program and facilities that are allocated to future users are paid by Facility Capacity Fees and existing users are paid by one percent property tax revenues and water rates.

There is a new debt issuance (2023A) in the amount of \$75 million projected in FY 2023/24. Also, in November 2022, the Agency sent a Letter of Interest to the Environmental Protection Agency (EPA) to be considered to apply for a loan through the Water Infrastructure Financing Innovation Act (WIFIA). In January 2023, the Agency received an invitation to apply. The Agency is seeking a 10-year master agreement with a total CIP cost of approximately \$1.2 billion with approximately \$554 million of the total project cost expecting to be funded by the WIFIA loan program for projects identified through FY 2031/32. The first WIFIA disbursement is projected in FY 2024/25.

There are several different types of debt that the Agency can acquire, which includes revenue bonds, Certificates of Participation, commercial paper, capital leases, lease-purchase financing and loans. The table below shows the outstanding debt issuances:

Series	Outstanding Principal June 30, 2023	Debt Service FY 2023/24	Debt Service FY 2024/25
2020A&B Revenue Bonds ¹	\$179,140,000	\$ 15,960,097	\$15,973,632
2023A Revenue Bonds	-	\$ 3,773,750	\$ 3,773,750
2018A Revenue Bonds ²	\$26,735,000	\$ 1,618,038	\$ 1,614,541
2017A Revenue Bonds (2020B) ³	\$37,745,000	\$ 5,743,865	\$ 5,878,507
1999 COPs	\$17,575,488	\$10,445,000	\$10,445,000
Total	\$261,195,488	\$37,540,749	\$37,685,430

¹Excludes 2017A

²Paid by customers of the legacy Valencia Water Division

³Paid by customers of the legacy Santa Clarita Water Division

On January 9, 2018, the Agency adopted Resolution No. SCV-09 and authorized the Valencia Water Division Acquisition Interfund Loan for the Valencia Water Division to reimburse the Agency for moneys advanced to acquire the common stock of the Valencia Water Company. This was done as part of the dissolution of the Valencia Water Company and to comply with certain requirements in the Santa Clarita Valley Water Agency Act (SB 634). On April 6, 2021 (Resolution No. SCV-205), the Agency approved the restructure of the VWD Acquisition Interfund Loan. As part of the Agency's Rate Plan Study, it was determined that a restructure of the VWD Acquisition Interfund Loan would benefit the customers of the legacy VWD while still achieving full recovery of the principal at loan maturity. The restructure will reduce the interest rate to reflect the Agency's recent cost of capital, modify the payment structure and extend the maturity of the loan by five years.

	Outstanding Principal June 30, 2023	Debt Service FY 2023/24	Debt Service FY 2024/25
Acquisition Interfund Loan ¹	\$64,090,662	\$2,217,595	\$2,217,595

¹Paid by customers of the legacy Valencia Water Division

Planned Issuance for the Ten-Year CIP

In July 2023, the Agency is expected to issue \$75 million in revenue bonds to fund the ongoing CIP for capital projects, including funds to pay for the PFAS capital cost for treatment at the Agency's impacted wells. The current debt-funded CIP projects shows 40 projects to be constructed over the next ten years. SCV Water is actively seeking grant funding for eligible projects that will reduce future fundings. At this time, the 10-year forecast includes the previously noted debt issuance of \$75 million in 2023 and two disbursements from the WIFIA

loan, one in August 2024 for approximately \$266 million, and the second in August 2027 for approximately \$288 million. The remaining funds to cover project funding over the next ten years will come from Pay-go funds or other revenue sources, such as grants or reserves. Currently, the ten-year financing forecast shows sufficient funds to support annual debt service payments for the bond issue in 2023 and the two WIFIA disbursements in 2024 and 2027. The approved financing plan will require the Agency to prepare and receive approval of a new cost of service and rate study in FY 2024/25, with an effective date of July 2025 to ensure the Agency’s debt coverage ratios are met and to generate sufficient revenues to continue with the Agency’s annual Pay-go forecasted projects.

These projections are based on the ten-year debt funded CIP and does not include projects for future infrastructure, water supply and water supply reliability projects discussed in the Facility Capacity Fee Study, the Recycled Water Master Plan, the Urban Water Management Plan and other planning documents.

Bond covenants require that the Agency maintain a minimum 1.20 debt coverage ratio on all bonds. The Agency’s current projections for debt coverage ratios are as follows:

FY 2023/24	1.30
FY 2024/25	1.41
FY 2025/26	1.59
FY 2026/27	1.71
FY 2027/28	1.85

Agency Certificates of Participation (COPs) and Bonds

1999 COPs

In August 1999, the Agency issued \$75.8 million in COPs to provide funds to (a) reimburse the Agency for the acquisition of approximately 41,000 acre-feet of supplemental water from DWR and (b) to acquire certain capital improvements to the Agency’s system. The 1999 COPs are capital appreciation certificates. Interest on capital appreciation certificates is compounded annually and added to the principal amount outstanding. These obligations are allocated 77.45% to future users (Facility Capacity Fees) and 22.55% to existing users.

Interest on the capital appreciation (CAB) certificates is compounded semi-annually in February and August and is payable at maturity. Principal on the capital appreciation certificate matures annually on August 1 from 2021 through 2030. Annual installments of \$10,445,000 of principal and interest are payable in August with yield to maturity ranging from 5.76% to 5.8%.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principal & Interest June 30, 2025
1999 COPs	\$ 83,560,000	\$73,115,000

2010A (2020A)

In March 2001, the Agency issued \$80 million in COPs to provide funds to acquire certain capital improvements to the Agency’s system. Primary expenditures were for the Sand Canyon Pipeline and Reservoir Project, the ESFP Expansion Project and banking programs. In June 2010, the Agency advance refunded all of the certificates (2010 Series A). These obligations are allocated 87.7% to future users (Facility Capacity Fees) and 12.3% to existing users. In July 2020, the 2010A issuance (\$30 million) was advanced refunded into the 2020A issuance.

The revenue bonds are payable in semi-annual installments with annual payments ranging from \$1.1 million to \$6.1 million of principal and interest at an average coupon rate of 4.26% payable February and August each year with a final maturity of August 2046.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principal & Interest June 30, 2025
2010A (2020A)	\$44,157,675	\$ 40,835,675

2015A (2020B)

In December 2006, the Agency issued \$89.8 million in COPs to provide funds to acquire certain capital improvements to the Agency’s system. Primary expenditures were for the RVWTP Expansion Project, the Sand Canyon Pipeline and Reservoir Project, the Perchlorate Distribution and Treatment projects and a portion of the stock of the Valencia Water Company. On April 28, 2015, the Agency advanced refunded \$77,685,000 of the 2006C certificates with refunding revenue bonds (2015 Series A). These obligations are allocated 62.7% to future users (Facility Capacity Fees) and 37.3% to existing users. In July 2020, the 2015A issuance (\$63.9 million) was advanced refunded into the 2020B issuance.

The Series 2015A (2020B) bonds are payable in semi-annual installments with annual payments ranging from \$9.1 million to \$11.8 million of principal and interest at an average coupon rate of 1.51% payable in February and August each year with a final maturity of August 2028.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principal & Interest June 30, 2025
2015A (2020B)	\$43,830,391	\$34,201,355

2016A (2020B)

In May 2016, the Agency issued \$30.7 million in new revenue bonds to acquire certain capital improvements to the Agency’s system and refunded the 2006A COPs (\$25.7 million). The new issue primary expenditures were for ESFP Clearwell/CT Improvements, ESFP Sludge Collection System, Foothill Feeder Connection, Recycled Water Program Phase II and the Saugus Formation Dry Year Reliability Wells. These obligations will be allocated 58.48% to future users (Facility Capacity Fees) and 41.52% to existing users. In July 2020, the 2016A issuance (\$60.2 million) was advanced refunded into the 2020B issuance.

The bonds are payable in semi-annual installments with annual payments ranging from \$1 million to \$12.8 million of principal and interest at an average coupon rate of 1.51%, payable in February and August each year, with a final maturity of August 2034.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principal & Interest June 30, 2025
2016A (2020B)	\$67,175,079	\$66,176,968

2020A

In July 2020, the Agency issued \$48.3 million in new revenue bonds to acquire certain capital improvements to the Agency’s system. Primary expenditures are anticipated to be for ESFP Improvements, Recycled Water Program Phase II, the Saugus Formation Dry Year Reliability Wells, the buyout of the solar panel purchase power agreement and PFAS treatment facilities. It

is anticipated these obligations will be allocated 23.97% to future users (Facility Capacity Fees) and 76.03% to existing users.

The bonds are payable in semi-annual installments with annual payments ranging from \$2 million to \$7 million of principal and interest at an average coupon rate of 4.26%, payable in February and August each year, with a final maturity of August 2050.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principal & Interest June 30, 2025
2020A	\$93,246,175	\$91,235,225

2023A

It is expected that in July 2023, the Agency will issue a \$75 million new revenue bond to pay for certain capital improvements in the Agency’s system. The main projects that will be funded by this issuance is the completion of the ESFP Sludge Collection System, groundwater treatment improvements, new PFAS treatment facilities, a water storage tank, Recycled Water Phase II 2C project and several pipeline improvements. It is anticipated these obligations will be allocated 30% to future users (Facility Capacity Fees) and 70% to existing users.

The bonds will be payable in semi-annual installments. As these bonds have yet to be priced, the annual payments are unknown, but have been projected at \$3.8 in FY 2023/24 and FY 2024/25.

Variable Rate Debt

SCV Water’s Debt Management Policy limits variable rate debt to no more than 25 percent of the Agency’s total debt portfolio. The Agency has no variable rate debt in its portfolio.

LEGACY DEBT LONG-TERM COMMITMENTS

The legacy (VWD & SCWD) division’s long-term commitments include the 2017A bond for SCWD and the VWD 2018A bond and Acquisition Interfund Loan. The Santa Clarita Valley Water Agency enabling act SB 634 requires that the indebtedness of the legacy (retail) water supplier that exists before the integration, shall be borne by the customers in the area that corresponds with the boundaries of the legacy (retail) water supplier, and paid for from the revenues in that area (SB 634, Section 4(h)(k)).

Total Outstanding Legacy Debt

Currently, there are three outstanding bond/loans for the legacy (retail) divisions with a principal remaining balance on June 30, 2023 of \$128,570,662 million. The retail divisions will gradually retire each bond/loan per scheduled principal and interest payments.

Series	Outstanding Principal June 30, 2023	Debt Service FY 2023/24	Debt Service FY 2024/25
2017A (2020B) SCWD	37,745,000	5,743,865	5,878,507
2018A VWD	26,735,000	1,618,038	1,614,541
Acquisition Interfund VWD	64,090,662	2,217,595	2,217,595
Total	\$ 128,570,662	\$ 9,579,498	\$ 9,710,643

2017A SCWD (2020B)

In September 2017, the SCWD refunded the 2011A Refunding Bonds and the 2010B Certificates of Participation in to one bond issuance, 2017A. The 2011A Bonds were issued on July 1, 2011 and were used to repay an interfund loan from the Agency. The 2010B Certificates of Participation were issued on March 1, 2010 and were used to finance certain capital improvement projects. In July 2020, the 2017A issuance (\$48.5 million) was advanced refunded into the 2020B issuance.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principle & Interest June 30, 2025
2017A SCWD	\$41,199,068	\$35,455,204

2018A VWD

In January 2018, the Agency issued \$26.7 million in revenue bonds to refinance the existing debt carried by Valencia Water Company. An Interfund Loan was established between the VWD and the regional division for the payment of the annual debt service associated with the 2018A Refunding Revenue Bonds. All payments will be funded by the VWD.

The bonds are payable in semi-annual installments with annual payments ranging of \$976,975 to \$1.6 million of principal and interest at an average taxable coupon rate of 3.75%, payable in February and August each year, with a final maturity of August 2048.

	Outstanding Principle & Interest June 30, 2024	Outstanding Principle & Interest June 30, 2025
2018A VWD	\$41,986,213	\$40,368,175

The legacy (retail) division covenants state that it shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the divisions during each fiscal year, and are at least equal to 120% of the aggregate amount of the installment payments.

Acquisition Interfund Loan VWD

In January 2018, an Interfund Loan was established between VWD and the regional division to reimburse the Agency for the purchase of the stock of the Valencia Water Company. The Agency purchased the stock in 2012 at a price of \$58.6 million.

The loan is payable from the water sales revenues collected by the legacy VWD. Annual payments range from \$2.2 million to \$4.2 million of principal and interest at an interest rate of 2.55%, with a final maturity of June 2048.

	Outstanding Principal & Interest June 30, 2024	Outstanding Principle & Interest June 30, 2025
Acquisition VWD	\$88,066,538	\$85,788,943

**SCV WATER - ANNUAL DEBT SERVICE
FY 2023/24 and FY 2024/25**

Period Ending	2020A	2015A	2016A	SCWD Legacy 2017A	VWD Legacy 2018A	1999A	Annual Debt Service	2023A	Annual Debt Service
6/30/2024	5,332,950	9,629,036	998,111	5,743,865	1,618,038	10,445,000	33,766,999	3,773,750	37,540,749
6/30/2025	5,391,325	9,584,197	998,111	5,878,507	1,614,541	10,445,000	33,911,680	3,773,750	37,685,430
6/30/2026	3,120,950	11,823,504	998,111	6,008,323	1,614,706	10,445,000	34,010,594	8,801,250	42,811,844
6/30/2027	3,120,950	11,837,123	998,111	6,151,421	1,613,856	10,445,000	34,166,461	8,801,250	42,967,711
6/30/2028	3,120,950	956,531	11,862,898	6,717,781	1,616,875	10,445,000	34,720,036	13,828,750	48,548,786
6/30/2029	3,120,950	-	12,800,361	828,544	1,613,281	10,445,000	28,808,136	13,828,750	42,636,886
6/30/2030	3,120,950	-	12,793,178	823,609	1,613,016	10,445,000	28,795,753	18,817,442	47,613,195
6/30/2031	3,120,950	-	12,765,787	827,876	1,616,353	10,445,000	28,775,967	18,817,442	47,593,409
6/30/2032	3,120,950	-	5,047,639	826,121	1,613,244	-	10,607,953	23,779,474	34,387,427
6/30/2033	3,120,950	-	5,038,142	823,360	1,613,669	-	10,596,121	23,779,474	34,375,595
6/30/2034	5,275,700	-	2,874,631	824,685	1,617,397	-	10,592,412	23,779,474	34,371,886
6/30/2035	8,148,700	-	-	823,495	1,613,831	-	10,586,026	23,779,474	34,365,499
6/30/2036	8,138,700	-	-	820,082	1,613,488	-	10,572,270	23,779,474	34,351,743
6/30/2037	4,571,575	-	-	826,145	1,616,738	-	7,014,458	23,779,474	30,793,931
6/30/2038	4,575,950	-	-	826,619	1,613,581	-	7,016,150	23,779,474	30,795,624
6/30/2039	4,584,325	-	-	816,699	1,614,019	-	7,015,043	23,779,474	30,794,517
6/30/2040	4,581,575	-	-	816,386	1,617,163	-	7,015,124	23,779,474	30,794,598
6/30/2041	4,587,450	-	-	815,550	1,612,988	-	7,015,987	23,779,474	30,795,461
6/30/2042	5,399,200	-	-	-	1,617,069	-	7,016,269	23,779,474	30,795,742
6/30/2043	5,402,200	-	-	-	1,614,309	-	7,016,509	23,779,474	30,795,983
6/30/2044	5,399,200	-	-	-	1,614,709	-	7,013,909	23,779,474	30,793,383
6/30/2045	5,400,000	-	-	-	1,613,172	-	7,013,172	23,779,474	30,792,645
6/30/2046	5,404,200	-	-	-	1,614,600	-	7,018,800	23,779,474	30,798,274
6/30/2047	5,406,500	-	-	-	1,613,897	-	7,020,397	23,779,474	30,799,870
6/30/2048	5,401,800	-	-	-	1,615,966	-	7,017,766	23,779,474	30,797,239
6/30/2049	5,399,900	-	-	-	1,615,709	-	7,015,609	23,779,474	30,795,083
6/30/2050	7,017,400	-	-	-	-	-	7,017,400	23,779,474	30,796,874
6/30/2051	7,017,600	-	-	-	-	-	7,017,600	23,779,474	30,797,074
Total	\$ 137,403,850	\$ 43,830,391	\$ 67,175,079	\$ 41,199,068	\$ 41,986,213	\$ 83,560,000	\$ 415,154,601	\$ 566,031,856	\$ 981,186,456

**SCV WATER - OUTSTANDING PRINCIPAL
FY 2023/24 and FY 2024/25**

Period Ending	Agency*	SCWD 2017A	VWD 2018A	SubTotal	VWD Acquisition Interfund Loan	Total Principal Outstanding
6/30/2024	257,733,226	32,485,000	26,085,000	316,303,226	59,533,375	375,836,601
6/30/2025	243,720,981	27,050,000	25,420,000	296,190,981	57,460,122	353,651,103
6/30/2026	229,728,177	21,435,000	24,735,000	275,898,177	55,291,986	331,190,163
6/30/2027	215,732,933	15,615,000	24,030,000	255,377,933	53,024,625	308,402,558
6/30/2028	201,732,730	9,150,000	23,300,000	234,182,730	50,653,498	284,836,228
6/30/2029	187,694,824	8,525,000	22,550,000	218,769,824	48,173,857	266,943,681
6/30/2030	173,582,635	7,895,000	21,775,000	203,252,635	45,580,735	248,833,370
6/30/2031	159,395,000	7,250,000	20,970,000	187,615,000	42,868,938	230,483,938
6/30/2032	151,140,909	6,595,000	20,140,000	177,875,909	40,033,035	217,908,944
6/30/2033	142,801,818	5,930,000	19,280,000	168,011,818	37,067,347	205,079,165
6/30/2034	134,337,727	5,250,000	18,385,000	157,972,727	33,965,934	191,938,661
6/30/2035	125,658,636	4,555,000	17,460,000	147,673,636	30,722,585	178,396,221
6/30/2036	116,719,545	3,845,000	16,500,000	137,064,545	27,330,804	164,395,349
6/30/2037	111,155,455	3,110,000	15,500,000	129,765,455	23,783,797	153,549,252
6/30/2038	105,476,364	2,355,000	14,465,000	122,296,364	20,074,461	142,370,825
6/30/2039	99,672,273	1,590,000	13,390,000	114,652,273	16,195,367	130,847,640
6/30/2040	93,748,182	805,000	12,270,000	106,823,182	12,138,746	118,961,928
6/30/2041	87,689,091	-	11,110,000	98,799,091	7,896,474	106,695,565
6/30/2042	80,680,000	-	9,900,000	90,580,000	3,460,055	94,040,055
6/30/2043	73,520,909	-	8,645,000	82,165,909	-	82,165,909
6/30/2044	66,211,818	-	7,340,000	73,551,818	-	73,551,818
6/30/2045	58,742,727	-	5,985,000	64,727,727	-	64,727,727
6/30/2046	51,103,636	-	4,575,000	55,678,636	-	55,678,636
6/30/2047	43,289,545	-	3,110,000	46,399,545	-	46,399,545
6/30/2048	35,300,455	-	1,585,000	36,885,455	-	36,885,455
6/30/2049	27,126,364	-	-	27,126,364	-	27,126,364
6/30/2050	17,107,273	-	-	17,107,273	-	17,107,273
6/30/2051	6,818,182	-	-	6,818,182	-	6,818,182

*Principal estimated for 2023A Revenue Bond - Projected funding July 2023

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CAPITAL IMPROVEMENT

INTRODUCTION

The Capital Improvement Program (CIP) concentrates on the development of a long-range framework in which physical projects are planned and implemented within the Agency's financial capabilities. Capital Improvements include the purchase, construction, replacement, addition, or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of Agency requirements, forecasts of growth within the Agency's service area, the ability to make estimates, and the consideration of historical perspectives. A "Capital Project" has a monetary value of at least \$5,000, has a useful life of more than one year, and results in the creation or revitalization of a fixed asset. A major capital project is usually relatively large compared to other capital projects and is typically funded by debt proceeds.

PURPOSE

The primary purpose of the Capital Improvement Program includes:

- Development of a long-range framework in which physical projects are planned, evaluated and presented in an order sequence
- Coordination of the capital-related projects of each of the Agency's divisions to ensure equitable distributions of projects with regard to the needs of the Agency
- Timing of related projects and the fiscal ability of the Agency to undertake projects
- Review by Agency staff and Board of Directors in the determination of project requests
- Determine adequate funding with regard to short and long-range plans

DEFINITIONS

Capital Improvement: Any major expenditure on physical assets, which generally falls into one of the following categories: land and non-structural improvements; new reservoir, booster or well facilities; major pipelines; treatment plant expansions or upgrades; major repairs; and major equipment.

Capital Improvement Project: Accounts for the acquisition, construction, and maintenance of the Agency's physical assets. Capital assets are land, structures, equipment, and intellectual property, including associated planning and design work related directly to an individual project. Capital assets are identified in the Capitalization Policy for Fixed Assets and exclude items that are acquired during the normal course of operations, such as operating material and supplies to maintain existing assets.

Capital Improvement Budget: A list of projects, together with cost amounts and sources of funds for the coming fiscal year, regardless of project status. Includes the acquisition cost of a capital asset, its purchase price and all other costs incurred to bring it to a form and location suitable for its intended use.

Debt Funded Capital Projects: The acquisition of land, facilities, works, improvements and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. Debt-funded capital projects are typically included in the Agency's Capital Improvement Program (CIP) and Facility Capacity Fee (FCF) Study, and are typically new facilities.

Pay-go Capital Projects: Pay-go capital projects include the acquisition of land, facilities, works and improvements; and enhancements or enlargements to existing capacity and facilities. Pay-go capital projects take less time to develop and are not generally included in the Agency's Facility Capacity Fee Study. Pay-go capital projects typically maintain, repair or replace existing assets.

Capital Planning, Studies and Administration: Non-operating expenses, including but not limited to studies in support of capital projects.

New Capital Equipment: The purchase of fixed asset equipment with a cost of \$5,000 or more. New Capital Equipment has all of the following characteristics: (1) normal useful life of at least one year or more; (2) an acquisition cost of at least \$5,000; and (3) generally is facility or plant specific and not portable or used in various locations.

Repair and Replacement: Minor changes or additions to existing Agency-owned grounds or buildings and the electrical, lighting, plumbing, air conditioning or heating systems contained therein, which correct unsafe or unhealthful working conditions, increase operating efficiency, promote improved service to the public, and provide for the installation of equipment and security devices. Repair and Replacement also includes equipment that are installed components of Repair and Replacement Projects, and the cost including tax is \$5,000 or greater. Generally, this includes replacement of equipment after end of mechanical or electrical service life for impellers, circuit breakers, transformers, stator coils, valves or HVAC components.

It also includes repairs or modifications that will bring plant or facility equipment back to normal functioning level. Repair and Replacement equipment has all of the following characteristics: (1) replacement of spare parts and components initially furnished by a contractor or manufacturer, not included with the original machinery; (2) equipment that will be attached to original machinery throughout its useful life and (3) plant, facility or building specific electrical or mechanical components. The capital budget for repair and replacement generally excludes portable equipment and small tools that can be used in various locations.

METHODOLOGY

Projects included in the CIP were derived from needs assessments performed by Agency staff and planning documents. Staff submit projects that encompass both the improvement of the Agency's physical needs, as well as the improvement of the particular programs and services they provide. Each division estimates project costs, gives an explanation and justification of the project, identifies costs that would span five years, and identifies any annual impact on the operating budget. After initial compilation, the projects are organized. The Engineering Services Section provides the assessment and priority ranking of projects for the Engineering Committee and ultimately consideration of the Board of Directors. After Board of Director review and approval, funded projects are implemented.

THE CAPITAL IMPROVEMENT PROGRAM AND SHARED PLANNING

It is important for the Agency to coordinate the timing of its capital projects with the City of Santa Clarita (City), County of Los Angeles (County), private developers and other agencies in an effort to avoid duplication, which will save the cost of inefficiencies. For example, pipeline projects are coordinated with the City or County, when possible, to minimize the amount of asphalt repair costs.

CIP DEVELOPMENT

The Agency provides water service to an estimated population of over 298,731, through nearly 75,000 retail water connections. Population at build-out is expected to be 432,200. The Agency is proposing to invest more than \$123 million in new infrastructure and infrastructure replacement in FY 2023/24, and more than \$148 million in FY 2024/25.

The FY 2023/24 CIP plan includes \$46.7 million in debt-funded capital projects and \$76.3 million in pay-go capital projects. The FY 2024/25 CIP plan includes \$92.8 million in debt-funded capital projects and \$55.7 million in pay-go capital projects. A majority of the debt-funded capital projects include a justification for each project, including the impact on the operating budget.

FINANCIAL PROJECTIONS

The financial projections used to develop the CIP are based on staff's best prediction of future needs of Agency facilities. They are updated annually to reflect changes in the economic environment.

For this Biennial Budget, the CIP plan is financially balanced. This means the plan identifies the sources of revenue to complete the project list. There are years when the Agency will have "carryover" capital funds. Due to timing of completion of certain projects there may be funds remaining at the end of the fiscal year. Those funds are transferred to the Capital Fund or Capital Reserve and are used to complete the remaining projects. The Agency is responsible for providing water service to the public, including the construction of needed improvements or infrastructure. The Agency must furnish and maintain capital facilities and equipment.

Future financial constraints make it challenging for the Agency to fund every project on its priority list. Therefore, implementation timetables are established to stagger projects over time based on the Agency's goals and the estimated financial resources expected for the future. As projects are completed and placed into service, there may be an impact on the operating budget by increasing costs in the areas of maintenance, energy or chemicals. The FY 2023/24 Budget projects the need to acquire bonds/loans to fund the current plan.

The rate structures established are designed to provide sufficient revenue to meet the cash requirement and to meet the long-term commitments incurred to finance the CIP plan. Growth projects are funded through Facility/Retail Capacity Fee revenues, either by reimbursing capital investments made under the terms of a Developer Agreement, or by direct appropriation to the Agency capital projects. Facility/Retail Capacity Fee revenue is considered cash for purposes of meeting the cash test.

The Agency is increasing its utilization of state and federal grants to fund some Capital Improvement Projects in part or in whole. The CIP is a multiyear plan used to identify and coordinate capital needs in a way that maximizes the return to the ratepayers. Advance

planning of all Agency projects helps the Board, staff, and public make choices based on rational decision making, rather than reacting to events as they occur.

The Agency's Capital program is comprised of different categories of projects, each with its own funding guidelines. The debt-funded projects are funded by bond or loan proceeds, whereas pay-go CIP is funded by recurring revenues generated from the rate structure and other non-operating revenues. Timing of some CIP may be funded from available revenue and/or reserve sources. The system of CIP management is important because: (1) the consequences of investments and capital improvements extend far into the future; (2) decisions to invest are often irreversible; (3) such decisions significantly influence a community's ability to grow and prosper.

As shown in the financial forecast section of the Budget, the Agency has and will continue to meet its bond covenants, even with the additional required funding as described in the Long-term Commitment section of this Budget.

PROJECT RANKING & PRIORITIZATION

The Agency evaluates each potential Capital Project based on nine (9) criteria to determine priority and ranking of all projects requested in the CIP. The criteria are:

- Department/Organization Priority – the ranking provided by the project's originating/supervising department out of all potential projects for that department and project type and compared to all of the Agency projects for other departments
- Ongoing Operating Impact – the annual recurring impact to the operations budget of the Agency as estimated by the originating department
- Consistency with Strategic Planning/Vision – measures the fit with the Agency's mission, vision, goals and objectives, including assets exceeding their useful life
- Disaster Prevention – provides a means of mitigating Agency loss or injury, or provides a means of minimizing the areas or situations affected by a disaster
- Environmental Impact – the factors which a construction project would have on the environment
- Federal/State Mandates – the requirement of Federal or State law(s) and regulations (including water quality requirements), which will be met by the project
- Inter-Governmental Cooperation or Public/Private Potential – project provides opportunity for funding contributions or shared resources
- Funding Availability/Viability – the fund balance available now or in the future for the allocation of project costs over time and critical need
- Available Grant Funds – the relative amount of grant funding from all sources available with reasonable certainty in order to offset project costs
- Growth – Ability to manage the planning, design and construction to meet growth and new demands

This plan represents a comprehensive and direct statement of the physical asset policies of the Agency. The program has great significance in that it touches the life of each person we service through the provision of health, safety and infrastructure. By their nature, capital assets impose incremental costs of use and ownership in the future, requiring use of public funds.

Santa Clarita Valley Water Agency CIP serves to:

- Build and maintain capital infrastructure economically
- Complete projects on schedule and within budget

- Provide for an annual update on the CIP schedule
- Allow for additions of projects and adjustments due to changing priorities
- Work with the City of Santa Clarita, County of Los Angeles, and other agencies to prioritize projects
- Address community needs
- Coordinate department resources and equipment
- Effectively communicate the justification, description and costs of projects
- Identify funding sources, capital and ongoing expenditures for all projects
- Allow sufficient time to identify project funding

Only projects that meet the definition of a capital improvement project are included in the CIP. Capital improvements are defined as physical assets, constructed or purchased, generally exceeding \$5,000 and has an expected useful life of one (1) year or more. Each year, the capital plan is not reconstructed; it is reviewed and updated to reflect changes in the physical or economic environment. This technique assists the Agency with its planning process and setting long-term capital goals.

LINKING THE CAPITAL PLAN TO THE VISION

Planning for capital improvements is a matter of prudent financial management as well as a sound development plan. The extent to which an infrastructure improvement meets the goals and vision for the future of the Agency is a crucial factor in determining priority of the overall plan. The blueprint for the Agency's CIP is a long-term plan that will be consistently updated. Each update will include detailed requirements for program development and project scope, schedule, budget, justification and alternatives.

**SCV WATER - SUMMARY
CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 and FY 2024/25**

CAPITAL IMPROVEMENT PROJECTS BY CATEGORY	PAY-GO Adopted Budget FY 2022/23	PAY-GO Projected FY 2022/23	PAY-GO Proposed Budget FY 2023/24	PAY-GO Proposed Budget FY 2024/25
Admin & Tech	\$ 4,716,000	\$ 2,059,220	\$ 7,160,000	\$ 5,202,500
Appurtenance Improvements	410,000	150,000	410,000	410,000
Booster Station/Turnout Improvements	4,495,000	1,275,000	4,347,000	2,141,000
Capital Planning & Studies	5,926,832	4,617,329	5,844,340	5,922,404
Disinfection System Improvements	775,000	300,000	1,100,000	1,100,000
ESFP Improvements	450,000	600,000	1,755,000	1,955,000
ESIPS Improvements	100,000	50,000	100,000	100,000
General Facility Improvements & Replacemen	200,000		100,000	100,000
Laboratory Improvements	400,000	25,000	75,000	125,000
Meter & Meter Infrastructure Improvements	2,075,000	1,850,000	2,775,000	2,700,000
Minor Capital	100,000	100,000	100,000	100,000
Pipelines & Pipeline Improvements	2,100,000	610,000	2,165,000	2,275,000
Pipelines & Pipeline Replacements	9,772,900	3,359,359	11,846,000	11,957,500
Recycled Water Improvements	1,355,000	60,000	1,000,000	800,000
RVIPS Improvements	125,000	125,000	540,000	540,000
RVTP Improvements	875,000	946,000	2,668,000	2,693,000
Tanks & Tank Facility Improvements	8,790,000	1,591,000	10,438,000	4,332,000
Technology Improvements	300,000	300,000	300,000	300,000
Treatment Plant Improvements	475,000	1,685,000	1,583,000	290,000
Water Resources & Supply	5,289,098	656,684	6,636,800	4,810,400
Wells & Well Facility Improvements	15,176,000	8,111,000	15,155,000	7,633,000
Wells & Well Facility Improvements - PFAS	10,425,000	7,991,094	248,000	203,000
Total CIP	\$ 75,805,830	\$ 36,937,894	\$ 76,346,140	\$ 55,689,804

¹ General Facility Improvements, General Warehouse & Surface Improvements, Laboratory Improvements

² Operations, ESFP Improvements, ESIPS Improvements, Minor Capital, R&R Budget, RVIPS Improvements, RVTP Improvements

CAPITAL IMPROVEMENT PROJECTS BY CATEGORY	Debt Funded Adopted Budget FY 2022/23	Debt Funded Projected FY 2022/23	Debt Funded Proposed Budget FY 2023/24	Debt Funded Proposed Budget FY 2024/25
Capital Planning & Studies	\$ 3,400,000	\$ 900,000	\$ 1,400,000	\$ 1,700,000
Pipelines & Pipeline Replacements	7,700,000	3,300,000	3,417,000	8,955,000
Recycled Water Improvements	9,176,000	1,601,000	2,876,000	10,101,000
Tanks & Tank Facility Improvements	3,000,000	935,000	4,230,000	33,650,000
Treatment Plant Improvements	15,000,000	11,706,000	8,765,000	550,000
Wellhead Treatment Improvements	3,450,000	676,000	8,265,000	11,588,000
Wellhead Treatment Improvements-PFAS	-	-	17,264,000	25,135,000
Wells & Well Facility Improvements	255,000	55,000	505,000	1,100,000
Total CIP	\$ 41,981,000	\$ 19,173,000	\$ 46,722,000	\$ 92,779,000
	\$ 117,786,830	\$ 56,110,894	48%	

**SCV WATER - SUMMARY
CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 and FY 2024/25**

SOURCES OF FUNDING

Capital Improvement Projects	Proposed Budget FY 2023/24	Revenues	Available Funds/ Carryover ¹	Retail Capacity Fees	Bond Proceeds
Pay-Go	\$ 76,346,140	\$ 18,099,530	\$ 49,739,109	\$ 8,507,501	\$ -
Debt Funded	\$ 46,722,000				\$ 46,722,000
Total CIP Sources of Funding	\$ 123,068,140	\$ 18,099,530	\$ 49,739,109	\$ 8,507,501	\$ 46,722,000

Capital Improvement Projects	Proposed Budget FY 2024/25	Revenues	Available Funds/ Carryover ¹	Retail Capacity Fees	Reserves ²	Bond/Loan Proceeds
Pay-Go	\$ 55,689,804	\$ 15,757,834	\$ 8,973,410	\$ -	\$ 30,958,559	\$ -
Debt Funded	\$ 92,779,000					\$ 92,779,000
Total CIP Sources of Funding	\$ 148,468,804	\$ 15,757,834	\$ 8,973,410	\$ -	\$ 30,958,559	\$ 92,779,000

¹FYE 2024 Carryover available from prior year

²FYE 2025 Transfer from Capital Reserve to complete Pay-go CIP


SCV WATER - CAPITAL PROJECT FUND - DEBT
FY 2023/24 and FY 2024/25

	Adopted Budget FY 2022/23	Projected FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Fund Balance, Beginning	\$ 18,071,470	\$ 18,071,470	\$ (726,530)	\$ 29,257,720
REVENUES				
Bond Proceeds	75,000,000		75,000,000	
WIFIA Loan Proceeds		-		63,206,722
Grant Reimbursements	-	-	-	-
Investment Revenues	375,000	375,000	1,706,250	390,000
Total Revenues	\$ 75,375,000	\$ 375,000	\$ 76,706,250	\$ 63,596,722
EXPENDITURES				
Capital Projects*	(41,981,000)	(19,173,000)	(46,722,000)	(92,779,000)
Total Expenditures	\$ (41,981,000)	\$ (19,173,000)	\$ (46,722,000)	\$ (92,779,000)
Available Fund Balance, Ending	\$ 51,465,470	\$ (726,530)	\$ 29,257,720	\$ 75,442

*Portion of FY 2024/25 Capital Projects is expected to be funded by the WIFIA loan

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Castaic Conduit Bypass Pipeline

STRATEGIC GOAL:	B.1.1.6 - Complete Land Acquisition for Castaic Conduit Project	LOCATION:	Agency wide
STATUS:	Design	 <p style="text-align: center; font-size: small;">Castaic Conduit Pipeline Alignment</p>	
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of a 54-inch diameter pipeline to replace the existing 36-inch diameter sections of the Castaic Conduit			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	\$ 370,000	\$ 8,080,000	\$ 8,600,000	\$ 50,000	\$ -	17,100,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 370,000	\$ 8,080,000	\$ 8,600,000	\$ 50,000	\$ -	17,100,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ 119,000
Materials						-		\$ 1,236,604.00
Labor/Equipment						-		
Outsource	200,000	8,080,000	8,600,000	50,000		16,930,000		
TOTAL	\$ 370,000	\$ 8,080,000	\$ 8,600,000	\$ 50,000	\$ -	\$ 17,100,000	\$ -	\$ 1,355,604

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	07/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 50,000	Completion Date:	06/30/26
Personnel Costs	-	-	-	15,000	15,000	30,000	Account Number:	2300016
TOTAL	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 80,000	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Honby Parallel Phase 2

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Agency wide
STATUS:	Design		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of a 60-inch diameter pipeline to replace the existing 33-inch and 36-inch diameter pipelines from the end of the Honby Parallel Phase 1 pipeline to the Sand Canyon Pump Station			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	\$ 225,000	\$ 475,000	\$ 7,800,000	\$ 12,000,000	\$ 5,000,000	25,500,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 225,000	\$ 475,000	\$ 7,800,000	\$ 12,000,000	\$ 5,000,000	\$ 25,500,000	\$ -	\$ -

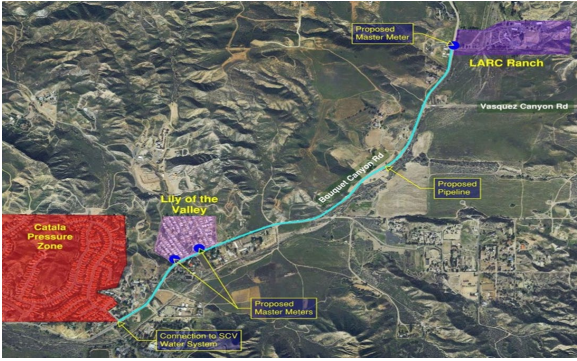
PROJECT COSTS	BUDGET						Previously Budgeted	Total Expended Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total		
Planning/Design	\$ 225,000	\$ 475,000	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ 1,538,440
Materials						-		
Labor/Equipment						-		
Outsource			7,800,000	12,000,000	5,000,000	24,800,000		\$ 1,264,337
TOTAL	\$ 225,000	\$ 475,000	\$ 7,800,000	\$ 12,000,000	\$ 5,000,000	\$ 25,500,000	\$ -	\$ 2,802,777

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	Completion Date:	01/01/28
Personnel Costs					\$ 5,000	\$ 5,000	Account Number:	1000346
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	Service Area:	Agency wide

NOTES:	

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Los Angeles Residential Community (LARC) Pipeline

STRATEGIC GOAL:	B.1.1.15 - Complete design and construction of water pipeline to LARC Ranch	LOCATION:	Bouquet Canyon
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Brent Payne		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct 9,500 linear feet of 12-inch diameter ductile iron pipeline in Bouquet Canyon Road from Shadow Valley Lane to LARC (Agency's portion only)			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 49,334
Bond/Loan	1,500,000	250,000	-	-	-	1,750,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 1,500,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 1,750,000	\$ 1,500,000	\$ 49,334


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 49,334
Materials								
Labor/Equipment								
Outsource	1,500,000	250,000					\$ 1,500,000	
TOTAL	\$ 1,500,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000	\$ 49,334

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	
Personnel Costs							Account Number:	1000036
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	SCWD

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Magic Mountain Pipeline No. 4

STRATEGIC GOAL:	B.1.1.8 - Complete construction of Magic Mountain Mountain Pipeline Phase 4 Project	LOCATION:	Magic Mountain Parkway
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Elizabeth Sobczak		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of a 42-inch diameter pipeline to convey imported water from the end of the existing Magic Mountain Pipeline Phase 3 to the beginning of the proposed Magic Mountain Pipeline Phase 5			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	\$ 216,000	-	-	-	-	\$ 216,000	\$ 250,000	\$ 153,473
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 216,000	\$ -	\$ -	\$ -	\$ -	\$ 216,000	\$ 250,000	\$ 153,473


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	\$ 12,000	-	-	-	-	\$ 12,000	\$ 45,700	\$ 20,698
Outsource	\$ 204,000	-	-	-	-	\$ 204,000	\$ 204,300	\$ 132,775
TOTAL	\$ 216,000	\$ -	\$ -	\$ -	\$ -	\$ 216,000	\$ 250,000	\$ 153,473

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ 20,000	\$ 5,000	\$ 25,000	Account Number:	200525
Personnel Costs	-	-	-	8,000	5,000	13,000	Service Area:	Agency wide
TOTAL	\$ -	\$ -	\$ -	\$ 28,000	\$ 10,000	\$ 38,000		

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Magic Mountain Pipeline No. 5

STRATEGIC GOAL:	B.1.1.9 - Complete construction of Magic Mountain Mountain Pipeline Phase 5 Project	LOCATION:	Magic Mountain Parkway
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Elizabeth Sobczak		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of a 42-inch diameter pipeline to convey imported water from the end of the existing Magic Mountain Pipeline Phase 4 to the beginning of the proposed Magic Mountain Pipeline Phase 6			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	\$ 198,000	-	-	-	-	-	\$ 250,000	\$ 99,110
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 198,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 99,110

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	\$ 12,000	-	-	-	-	\$ 12,000	\$ 45,000	\$ 19,948
Outsource	\$ 186,000	-	-	-	-	\$ 186,000	\$ 205,000	\$ 79,162
TOTAL	\$ 198,000	\$ -	\$ -	\$ -	\$ -	\$ 198,000	\$ 250,000	\$ 99,110

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ 20,000	\$ 5,000	\$ 25,000	Completion Date:	
Personnel Costs	-	-	-	8,000	5,000	13,000	Account Number:	200526
TOTAL	\$ -	\$ -	\$ -	\$ 28,000	\$ 10,000	\$ 38,000	Service Area:	Agency wide

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Magic Mountain Pipeline No. 6

STRATEGIC GOAL:	B.1.1.10 & 11 - Complete construction of Magic Mountain Mountain Pipeline Phase 6A and 6B Projects	LOCATION:	Magic Mountain Parkway, Westridge Parkway
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Elizabeth Sobczak		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of a 42-inch diameter pipeline to convey imported water from the end of the existing Magic Mountain Pipeline Phase 5 to the proposed Backcountry Reservoir			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	\$ 908,000	-	-	-	-	-	3,400,000	455,378
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 908,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 455,378


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	\$ 65,000	-	-	-	-	65,000	114,000	49,216
Outsource	\$ 843,000	-	-	-	-	843,000	3,286,000	406,161
TOTAL	\$ 908,000	\$ -	\$ -	\$ -	\$ -	\$ 908,000	\$ 3,400,000	\$ 455,377

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ 30,000	\$ 8,000	\$ 38,000	Completion Date:	
Personnel Costs	-	-	-	9,000	8,000	17,000	Account Number:	200527
TOTAL	\$ -	\$ -	\$ -	\$ 39,000	\$ 16,000	\$ 55,000	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Recycled Water Fill Station

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Agency wide
STATUS:	New		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new facilities to expand recycled water service from the Valencia Water Reclamation Plant using a fill station			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	225,000	1,400,000	-	-	-	1,625,000		\$ -
Grants	-	-	-	-	-	-		
TOTAL	\$ 225,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,625,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,966
Materials								
Labor/Equipment								
Outsource	225,000	1,400,000						
TOTAL	\$ 225,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,966

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/25
Operating Expenses	\$ -	\$ -	\$ 15,000	\$ 20,000	\$ 25,000	\$ 60,000	Completion Date:	12/31/24
Personnel Costs		-	5,000	5,000	6,000	16,000	Account Number:	1001080
TOTAL	\$ -	\$ -	\$ 20,000	\$ 25,000	\$ 31,000	\$ 76,000	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Recycled Water Program Phase 2A - Central Park

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Agency wide
STATUS:	New		
PRIORITY:	Low		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new facilities to expand recycled water service from the Valencia Water Reclamation Plant to Central Park, and serve users in central Valencia and Saugus portions of the service area			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	1,000	1,000	1,000	1,000	1,000	5,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000	\$ -	\$ -

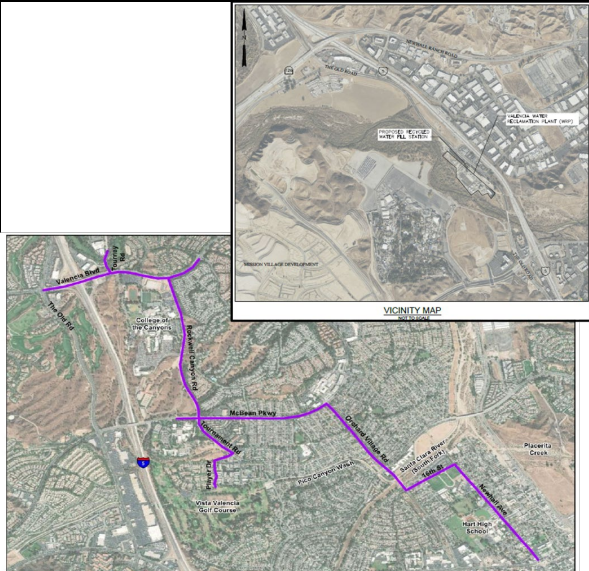
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000	\$ -	\$ 271,476
Materials								
Labor/Equipment								
Outsource								
TOTAL	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000	\$ -	\$ 271,476

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	
Personnel Costs							Account Number:	200453
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Recycled Water Program Phase 2B - Vista Canyon

STRATEGIC GOAL:	B.1.1.3 - Complete design and construction of the Phase 2B Recycled Water backbone pipeline, distribution pipeline and tank	LOCATION:	Agency wide
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:			
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new facilities to expand recycled water service from the proposed Vista Canyon Water Factory to customers in the eastern portion of the service area			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	-	-	-	-	-	-	2,200,000	553,888
Grants	-	-	-	-	-	-		
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000	\$ 553,888

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,888	\$ 533,888
Materials								
Labor/Equipment								
Outsource	1,000,000	200,000					1,666,112	
TOTAL	\$ 1,000,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000	\$ 533,888

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Personnel Costs							Account Number:	200454
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:

SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

Recycled Water Program Phase 2C - South End

STRATEGIC GOAL:	B.1.1.4 - Complete final design of the South End Recycled Water Project (Phase 2C)	LOCATION:	Agency wide
STATUS:	Design and Construction		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new facilities to expand recycled water service from the Valencia Water Reclamation Plant toward the south end of the Agency's service area			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	1,000,000	6,500,000	2,350,000	-	-	9,850,000		
Grants	1,000,000	1,000,000	1,000,000	-	-	3,000,000		
TOTAL	\$ 2,000,000	\$ 7,500,000	\$ 3,350,000	\$ -	\$ -	\$ 12,850,000	-	-



PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,243,903
Materials								
Labor/Equipment								
Outsource	2,000,000	7,500,000	3,350,000			12,850,000		
TOTAL	\$ 2,000,000	\$ 7,500,000	\$ 3,350,000	\$ -	\$ -	\$ 12,850,000	\$ -	\$ 1,243,903

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	12/31/25
Operating Expenses	\$ -	\$ -		\$ 5,000	\$ 5,000	\$ 10,000	Completion Date:	12/31/20253
Personnel Costs				5,000	5,000	10,000	Account Number:	230455
TOTAL	\$ -	\$ -		\$ 10,000	\$ 10,000	\$ 20,000	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Earl Schmidt Filtration Plant (ESFP) Sludge Collection System

STRATEGIC GOAL:	B.1.1.7 - Complete design and initiate construction of the Earl Schmidt Sludge Collection System Project	LOCATION:	32700 N. Lake Hughes Road
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Mark Aumentado		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Improves the operational reliability of the wash water return system and the maintenance of the sludge collection system.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	8,510,000	-	-	-	-	8,510,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 8,510,000	\$ -	\$ -	\$ -	\$ -	\$ 8,510,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials								
Labor/Equipment								
Outsource	8,510,000					8,510,000		\$ 6,673,573
TOTAL	\$ 8,510,000	\$ -	\$ -	\$ -	\$ -	\$ 8,510,000	\$ -	\$ 6,673,573

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	05/23/22
Operating Expenses	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 40,000	Completion Date:	11/13/23
Personnel Costs							Account Number:	2300251
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:	
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SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

Additional Wells (T7, U4, U6 - Saugus 1 & Saugus 2, VOC Treatment & Flexlend)

STRATEGIC GOAL:	D.2: Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply	LOCATION:	RVIPS
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct PFAS and VOC groundwater treatment improvements and new disinfection facility. Well upgrades and Bouquet Cyn Bridge Flexlend upgrades.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan*	3,400,000	6,200,000	-	-	-	9,600,000		
Grants	3,800,000	3,800,000	-	-	-	7,600,000		
TOTAL	\$ 7,200,000	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 17,200,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000	\$ 385,903
Materials	2,500,000	2,500,000				5,000,000		
Labor/Equipment	3,500,000	5,700,000				9,200,000		
Outsource	1,200,000	1,800,000				3,000,000		
TOTAL	\$ 7,200,000	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 17,200,000	\$ 1,400,000	\$ 385,903

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	12/01/23
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	05/01/25
Personnel Costs							Account Number:	230042
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES: Total construction cost esimated to be \$14 million. Construction inspection and support services estimated to be \$3 million. Cost includes VOC Treatment for Saugus 1 and 2. \$7.6 million grant expected from SWRCB and DWR. * 0% interest loan from SWRCB as part of the LARC incentive funds.

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

E Wells (E-14, E-15, E-16, E-17)

STRATEGIC GOAL:	D.2: Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply	LOCATION:	Valencia
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Provide PFAS groundwater treatment improvements for the E Wells			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)							\$ -	\$ -
Bond/Loan	1,650,000	985,000	10,000,000	12,000,000	2,500,000	27,135,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 1,650,000	\$ 985,000	\$ 10,000,000	\$ 12,000,000	\$ 2,500,000	\$ 27,135,000	\$ -	\$ -

PROJECT COSTS	BUDGET							Previously Budgeted	Total Expensed Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total			
Planning/Design	\$ 400,000	\$ 935,000	\$ -	\$ -	\$ -	\$ 1,335,000	\$ -	\$ 9,018	
Materials									
Labor/Equipment									
Outsource	1,250,000	50,000	10,000,000	12,000,000	2,500,000	\$ 25,800,000			
TOTAL	\$ 1,650,000	\$ 985,000	\$ 10,000,000	\$ 12,000,000	\$ 2,500,000	\$ 27,135,000	\$ -	\$ 9,018	

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	01/01/28
Personnel Costs							Account Number:	2300422
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:

SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

S Wells (S6, S7 and S8)

STRATEGIC GOAL:	D.2: Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply	LOCATION:	Bridgeport Park
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Provide PFAS groundwater treatment improvement and Disinfection Facility. Includes well pump upgrades and offline piping and landscaping.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -
Bond/Loan	2,000,000	8,700,000	1,500,000	-	-	12,200,000		
Grants	-	2,500,000	2,500,000	-	-	5,000,000		
TOTAL	\$ 2,000,000	\$ 11,200,000	\$ 4,000,000	\$ -	\$ -	\$ 17,200,000	\$ 750,000	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 750,000	\$ 199,137
Materials		3,000,000	1,000,000			4,000,000		
Labor/Equipment		6,000,000	3,000,000			9,000,000		
Outsource		2,200,000				2,200,000		
TOTAL	\$ 2,000,000	\$ 11,200,000	\$ 4,000,000	\$ -	\$ -	\$ 17,200,000	\$ 750,000	\$ 199,137

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	12/01/24
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	05/01/26
Personnel Costs							Account Number:	2300437
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES: Total construction cost estimated to be \$12 million. Construction inspection and support services estimated to be \$3 million. Final Design Estimated at \$2 million. BOR Grant in the amount of \$5million expected to be awarded.

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Santa Clara and Honby Wells

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Wai Lan Lee		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct PFAS groundwater treatment improvements and facilities			
			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 481,787
Bond/Loan	3,091,000	-	-	-	-	3,091,000		
Grants	1,202,000	-	-	-	-	1,202,000		418,594
TOTAL	\$ 4,293,000	\$ -	\$ -	\$ -	\$ -	\$ 4,293,000	\$ -	\$ 900,381


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials								
Labor/Equipment	35,000					35,000		32,058
Outsource	4,258,000					4,258,200		868,323
TOTAL	\$ 4,293,000	\$ -	\$ -	\$ -	\$ -	\$ 4,293,200	\$ -	\$ 900,381

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	11/7/202
Operating Expenses	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,750,000	Completion Date:	08/31/23
Personnel Costs	\$ 25,000	\$ 25,000	\$ 35,000	\$ 35,000	\$ 45,000	\$ 165,000	Account Number:	2300434
TOTAL	\$ 775,000	\$ 775,000	\$ 785,000	\$ 785,000	\$ 795,000	\$ 3,915,000	Service Area:	Agency wide

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Water Banking Program (AVEK / Mid-Valley / Rosedale)

STRATEGIC GOAL:	C1.2; C 3.5; C.6	LOCATION:	Agency wide
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Water Resources		
MANAGER:	Steve Cole		
PROJECT TYPE:	Groundwater Banking		
DESCRIPTION/JUSTIFICATION			
Provides for funding to cover planning, land acquisition and initial construction costs for one of three alternative groundwater banking programs.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)						\$ -	\$ -	\$ -
Bond/Loan	500,000	750,000	2,000,000	2,000,000	3,250,000	8,500,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 500,000	\$ 750,000	\$ 2,000,000	\$ 2,000,000	\$ 3,250,000	\$ 8,500,000	\$ -	\$ -

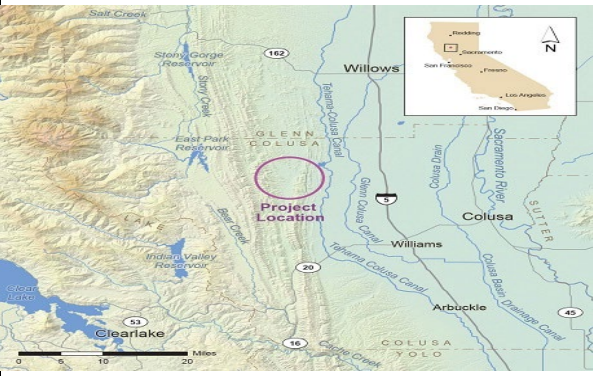
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Materials						-		
Labor/Equipment						-		
Outsource		750,000	2,000,000	2,000,000	3,250,000	\$ 8,000,000		
TOTAL	\$ 500,000	\$ 750,000	\$ 2,000,000	\$ 2,000,000	\$ 3,250,000	\$ 8,500,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	
Personnel Costs							Account Number:	1001081
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Sites Reservoir

STRATEGIC GOAL:	B 1.1; B2.1; C 1.2; C 2.1	LOCATION:	Agency wide
STATUS:	Ongoing		
PRIORITY:	High		
DEPARTMENT:	Water Resources		
MANAGER:	Steve Cole		
PROJECT TYPE:	Additional Water Supply		
DESCRIPTION/JUSTIFICATION		<p>Sites Reservoir Location</p> <p>Project number: FY24 - 2400598</p>	
<p>Construction of a 1.5 million acre/foot off-stream reservoir near Maxwell, CA. SCV Water's share of costs is approximately 3% and subject to change. Contract terms are still being negotiated among multiple agencies.</p> <p>This project is partnering with the Sites Authority, the Bureau of Reclamation, State of California Dept of Water Resources & the State Water Project, the State Water Contractors, and other local agencies.</p> <p>Website: https://sitesproject.org/</p>			
<p>Website: https://sitesproject.org/</p>			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan/WIFIA	800,000	900,000	1,278,000	2,048,000	2,920,000	7,946,000	1,000,000	500,000
Grants	-	-	-	-	-	-		
TOTAL	\$ 800,000	\$ 900,000	\$ 1,278,000	\$ 2,048,000	\$ 2,920,000	\$ 7,946,000	\$ 1,000,000	\$ 500,000


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ 800,000					\$ 800,000	\$ 1,000,000	\$ 500,000
Materials								
Labor/Equipment								
Outsource		900,000	1,278,000	2,048,000	2,920,000	7,146,000		
TOTAL	\$ 800,000	\$ 900,000	\$ 1,278,000	\$ 2,048,000	\$ 2,920,000	\$ 7,946,000	\$ 1,000,000	\$ 500,000

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Construction Start Date:	Approx 2025
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	Approx 2030
Personnel Costs	-	-	-	-	-	-	Account Number:	55502
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Backcountry (fka Magic Mountain) Reservoir

STRATEGIC GOAL:	B.1.1.7 - Complete design and initiate construction of the Backcountry Reservoir Project	LOCATION:	Western Service Area
STATUS:	Final Design		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Mark Aumentado		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Design and Construction of potable water storage reservoir with operational volume of 7.9 MG to serve western service area.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	2,620,000	23,260,000	9,340,000	-	-	35,220,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 2,620,000	\$ 23,260,000	\$ 9,340,000	\$ -	\$ -	\$ 35,220,000	\$ -	\$ -



PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 45,215
Materials						-		
Labor/Equipment	20,000					20,000		
Outsource	1,500,000	23,260,000	9,340,000			34,100,000		
TOTAL	\$ 2,620,000	\$ 23,260,000	\$ 9,340,000	\$ -	\$ -	\$ 35,220,000	\$ -	\$ 45,215

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ 8,000	\$ 8,000	\$ 8,000	\$ 24,000		Mar. '23
Personnel Costs								June. '26
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		2300395
								Agency wide

NOTES: operating expenses - chloramination generation consumables and electricity RMS.

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Backcountry (fka Magic Mountain) Pump Station

STRATEGIC GOAL:	B.1.1.7 - Complete design and initiate construction of the Backcountry Pump Station Project	LOCATION:	Western Service Area
STATUS:	Final Design		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Mark Aumentado		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Design and Construction of potable water pump station to serve the western service area.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	750,000	11,500,000	5,850,000	-	-	18,100,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 750,000	\$ 11,500,000	\$ 5,850,000	\$ -	\$ -	\$ 18,100,000	\$ -	\$ -

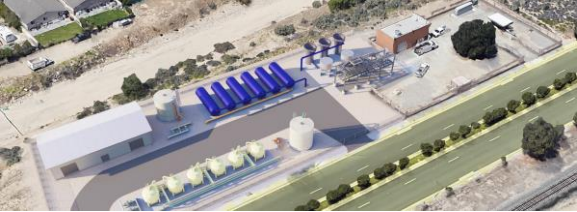

PROJECT COSTS	BUDGET							Previously Budgeted	Total Expensed Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total			
Planning/Design	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	
Materials						-			
Labor/Equipment	50,000					50,000			
Outsource		11,500,000	5,850,000			17,350,000			
TOTAL	\$ 750,000	\$ 11,500,000	\$ 5,850,000	\$ -	\$ -	\$ 18,100,000	\$ -	\$ -	

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000	Mar. '23	June. '26
Personnel Costs							Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	West

NOTES:	operating expenses - electricity for booster pump motors
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SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

Newhall Wells (N11, N12, N13) Groundwater Treatment Improvements

STRATEGIC GOAL:	B.1.1.7 - Complete planning, CEQA, design, and initiate construction of the Saugus Wells (N11, N12, N13) Groundwater Treatment Improvements	LOCATION:	25143 Railroad Avenue
STATUS:	Planning	 	
PRIORITY:	Mld		
DEPARTMENT:	Engineering		
MANAGER:	Mark Aumentado		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Complete planning, CEQA, design, and construction of groundwater treatment improvements for existing groundwater wells N11, N12, and N13 at a central location.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	500,000	9,250,000	-	-	10,000,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 500,000	\$ 9,250,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -



PROJECT COSTS	BUDGET							Previously Budgeted	Total Expensed Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total			
Planning/Design	\$ 100,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ 25,418	
Materials						-			
Labor/Equipment	50,000					50,000			
Outsource	100,000		9,250,000			9,350,000			
TOTAL	\$ 250,000	\$ 500,000	\$ 9,250,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ 25,418	

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	Jan. '23	June. '26
Personnel Costs							Account Number:	2300251
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Sand Canyon Reservoir Expansion

STRATEGIC GOAL:	B.1.1.7 - Complete planning, CEQA, design, and initiate construction of the Sand Canyon Reservoir Expansion	LOCATION:	East Service Area
STATUS:	Planning	 	
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Mark Aumentado		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Complete planning, CEQA, design, and construction of new potable water reservoir to an existing water storage facility to serve SCVWA's eastern service area.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	800,000	1,000,000	18,620,000	9,340,000	-	29,760,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 800,000	\$ 1,000,000	\$ 18,620,000	\$ 9,340,000	\$ -	\$ 29,760,000	\$ -	\$ -

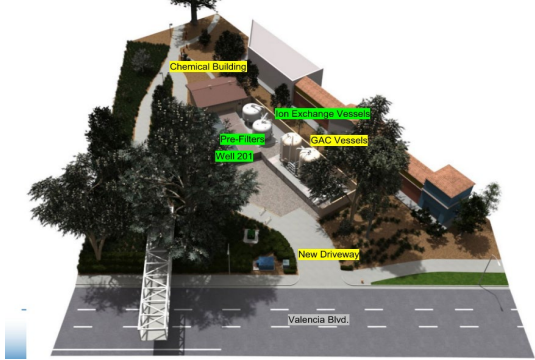
PROJECT COSTS PROJECT COMPONENTS:	BUDGET						Previously Budgeted	Total Expensed Thru 12/31/22
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total		
Planning/Design	\$ 800,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,800,000	\$ -	\$ 6,982
Materials						-		
Labor/Equipment						-		
Outsource			18,620,000	9,340,000		27,960,000		
TOTAL	\$ 800,000	\$ 1,000,000	\$ 18,620,000	\$ 9,340,000	\$ -	\$ 29,760,000	\$ -	\$ 6,982

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ 8,000	\$ 8,000	\$ 16,000		Jan2 '23
Personnel Costs								June. 27
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Account Number:	2302049
							Service Area:	East

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well 201 VOC Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Construction		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Wai Lan Lee		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct additional treatment improvements to treat Volatile Organic Compounds (VOCs) at Well 201			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,056
Bond/Loan	5,615,000	2,838,000	-	-	-	8,453,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 5,615,000	\$ 2,838,000	\$ -	\$ -	\$ -	\$ 8,453,000	\$ -	\$ 228,056


PROJECT COSTS	BUDGET							Previously Budgeted	Total Expensed Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22	
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Materials									
Labor/Equipment		\$ 30,000				30,000			
Outsource	\$ 5,615,000	\$ 2,808,000				8,423,000			
TOTAL	\$ 5,615,000	\$ 2,838,000	\$ -	\$ -	\$ -	\$ 8,453,000			

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	03/01/23
Operating Expenses	\$ -	\$ 400,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,650,000	Completion Date:	04/15/24
Personnel Costs		\$ 18,000	\$ 35,000	\$ 35,000	\$ 45,000	\$ 133,000	Account Number:	2301146
TOTAL	\$ -	\$ 418,000	\$ 785,000	\$ 785,000	\$ 795,000	\$ 2,783,000	Service Area:	Agency wide

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well E-14 Site Improvements

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Castaic/Valencia
STATUS:	New		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Equipping for Well E-14			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	500,000	1,000,000	4,000,000	500,000	6,250,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 4,000,000	\$ 500,000	\$ 6,250,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 750,000	\$ -	
Materials								
Labor/Equipment								
Outsource			1,000,000	4,000,000	500,000	5,500,000		
TOTAL	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 4,000,000	\$ 500,000	\$ 6,250,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	01/02/28
Personnel Costs							Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well E-16 Site Improvements

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Castaic/Valencia
STATUS:	New		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Equipping for Well E-16			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	500,000	1,000,000	4,000,000	500,000	6,250,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 4,000,000	\$ 500,000	\$ 6,250,000	\$ -	\$ -

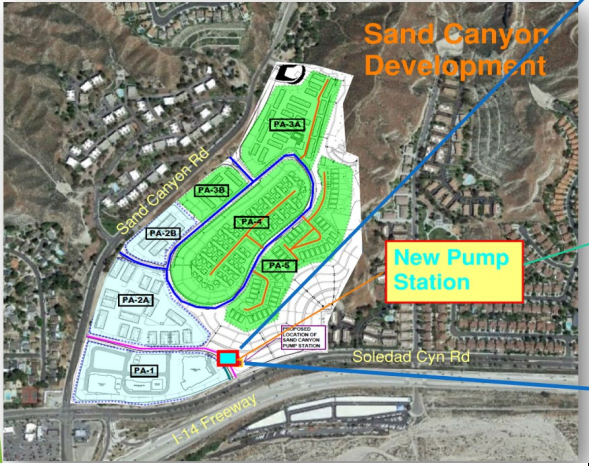
PROJECT COSTS PROJECT COMPONENTS:	BUDGET							
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 750,000	\$ -	
Materials								
Labor/Equipment								
Outsource			1,000,000	4,000,000	500,000	5,500,000		
TOTAL	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 4,000,000	\$ 500,000	\$ 6,250,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	01/02/28
Personnel Costs							Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:

SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

Sand Canyon Pump Station

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Sand Canyon & Soledad Cyn
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new Sand Canyon Plaza Pump Station to serve new Sand Canyon Plaza Development and to address Deane pressure zone.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Bond/Loan	2,750,000					2,750,000		
Grants				-	-	-		
TOTAL	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -	\$ 2,750,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 8,123
Materials						-		
Labor/Equipment	2,200,000					2,200,000		
Outsource	550,000					550,000		
TOTAL	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -	\$ 2,750,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		05/01/23
Personnel Costs								06/01/24
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Account Number:	Service Area:
							2300068	Santa Clarita

NOTES: This is a fair share project. Agency to Pay 74% of total project cost. Budget above are Agency contributions only. Total Construction is \$3.0 million. Construction Inspection and Support services is estimated \$650,000. Agencies portion is \$2.2 million for construction and \$550,000 for support services.

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Recycled Water Pump Station PS-1 MCC Upgrades

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Agency wide
STATUS:	New		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of Motor control center (MCC) upgrades at the recycled water pump station PS-1			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	800,000	1,200,000	-	-	-	2,000,000		\$ -
Grants	-	-	-	-	-	-		
TOTAL	\$ 800,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -

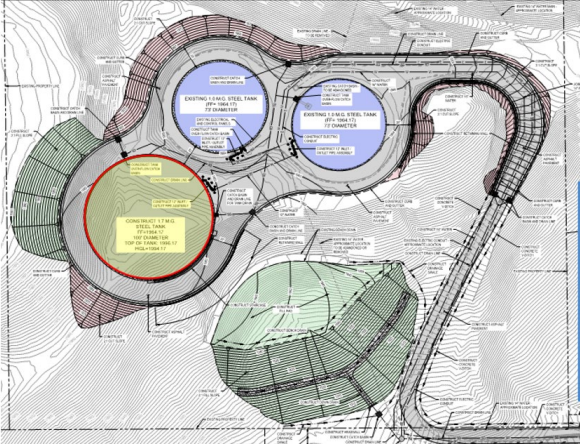
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ 47,525
Materials								
Labor/Equipment								
Outsource	400,000	1,200,000				1,600,000		
TOTAL	\$ 800,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 47,525

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/25
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/31/24
Personnel Costs		-	-	-	-	-	Account Number:	New
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Sand Canyon Pump Station

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Existing Deane Tank Site
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new 1.58 MG Concrete Tank and site improvements at the existing Deane Tank Site.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Bond/Loan	4,750,000	1,000,000				5,750,000		
Grants								
TOTAL	\$ 4,750,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 5,750,000	\$ -	\$ -

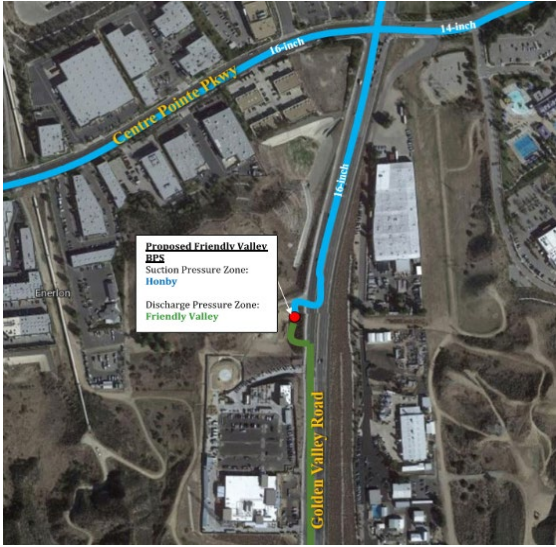
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000	\$ 86,489
Materials							-	
Labor/Equipment	4,750,000	1,000,000				5,750,000		
Outsource								
TOTAL	\$ 4,750,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 5,750,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	09/01/23
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	09/30/24
Personnel Costs							Account Number:	2300097
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES: This is a fair share project. Total Construction is \$6.5 million. Construction Inspection and Support services is estimated \$1,300,000. Agency to Pay 68.2% of total project cost. Budget above are Agency contributions only

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

FRIENDLY VALLEY BOOSTER STATION (CROSSROADS)

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Golden Valley and Commerce Pointe
STATUS:	New		
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new Friendly Valley Pump Station to service the new Crossroads Development and address pumping deficiency by pumping water from the Honby Zone			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000		\$ -
Bond/Loan		275,000	1,200,000	1,200,000		2,675,000		
Grants				-	-	-		
TOTAL	\$ 100,000	\$ 275,000	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 2,775,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 100,000	\$ 275,000			\$ -	\$ 375,000	\$ -	\$ -
Materials						-		
Labor/Equipment			\$ 1,200,000	\$ 1,200,000	\$ -	2,400,000		
Outsource						-		
TOTAL	\$ 100,000	\$ 275,000	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 2,775,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/01/26
Personnel Costs							Account Number:	2301025
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES: This is a fair share project. Agency to Pay 62% of total project cost. Budget above are Agency contributions only

SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25

Well 205 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Design		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for Perchlorate and Volatile Organic Compounds (VOCs) at Well 205			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	2,650,000	6,750,000	9,500,000	50,000	-	18,950,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 2,650,000	\$ 6,750,000	\$ 9,500,000	\$ 50,000	\$ -	\$ 18,950,000	\$ -	\$ -

PROJECT COSTS PROJECT COMPONENTS:	BUDGET						Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28				
Planning/Design	\$ 400,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 450,000	\$ -		
Materials									
Labor/Equipment									
Outsource	2,250,000	6,750,000	9,500,000			16,250,000			
TOTAL	\$ 2,650,000	\$ 6,750,000	\$ 9,500,000	\$ 50,000	\$ -	\$ 18,950,000	\$ -	\$ -	

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/26
Operating Expenses	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	Completion Date:	06/30/26
Personnel Costs				\$ 125,000	\$ 125,000		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ 1,625,000	\$ 1,625,000	\$ -	Service Area:	Valencia

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

FRIENDLY VALLEY PIPELINE (CROSSROADS)

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New	<p style="text-align: center; font-size: small;">Figure 1 – Crossroad Project Area</p> <p style="text-align: center; font-size: x-small;">LEGEND: PROP. 12" WATER PIPE, GOLDEN VALLEY PROP. 16" WATER PIPE, GOLDEN VALLEY PROP. 12" WATER PIPE, FRIENDLY VALLEY PROP. 16" WATER PIPE, FRIENDLY VALLEY</p>	
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new Friendly Valley Pipeline along Golden Valley Road and connecto to Via Princessa Extension.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000		\$ -
Bond/Loan		75,000	75,000			150,000		
Grants				-	-	-		
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	50,000	75,000			\$ -	\$ 125,000	\$ -	\$ -
Materials						-		
Labor/Equipment			75,000			75,000		
Outsource						-		
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		12/01/26
Personnel Costs							Account Number:	2301023
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

GOLDEN VALLEY PIPELINE (CROSSROADS)

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New	<p style="text-align: center; font-size: small;">Figure 1 – Crossroad Project Area</p>	
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new golden Valley Pipeline along Golden Valley Road and connect to Via Princessa Extension.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000		\$ -
Bond/Loan		75,000	75,000			150,000		
Grants				-	-	-		
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	50,000	75,000			\$ -	\$ 125,000	\$ -	\$ -
Materials						-		
Labor/Equipment			75,000			75,000		
Outsource						-		
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	01/01/26	12/01/26
Personnel Costs							Account Number:	2301021
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

GOLDEN VALLEY TANK (CROSSROADS)

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New		
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION	Construct new 1.6 MG golden Valley tank		

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000		\$ -
Bond/Loan		100,000	100,000			200,000		
Grants				-	-	-		
TOTAL	\$ 75,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 275,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	75,000	100,000			\$ -	\$ 175,000	\$ -	\$ -
Materials						-		
Labor/Equipment			100,000			100,000		
Outsource						-		
TOTAL	\$ 75,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 275,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	Completion Date:
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	01/01/26	12/01/26
Personnel Costs							Account Number:	2301027
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

FRIENDLY VALLEY TANK (CROSSROADS)

STRATEGIC GOAL:	B.1.1 Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New		
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Orlando Moreno		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new 3.25 MG friendly Valley tank			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 100,000	\$ -	\$ -	\$ -		\$ 100,000		\$ -
Bond/Loan	-	375,000	5,750,000	5,750,000		11,875,000		
Grants				-	-	-		
TOTAL	\$ 100,000	\$ 375,000	\$ 5,750,000	\$ 5,750,000	\$ -	\$ 11,975,000	\$ -	\$ -


PROJECT COSTS PROJECT COMPONENTS:	BUDGET						Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28				
Planning/Design	100,000	375,000			\$ -	\$ 475,000	\$ -	\$ -	
Materials						-			
Labor/Equipment			5,750,000	5,750,000		11,500,000			
Outsource						-			
TOTAL	\$ 100,000	\$ 375,000	\$ 5,750,000	\$ 5,750,000	\$ -	\$ 11,975,000			

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Start Date:	01/01/26
Personnel Costs							Completion Date:	12/01/26
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Account Number:	2301026
							Service Area:	Santa Clarita

NOTES: This is a fair share project. Agency to Pay 97% of total project cost. Budget above are Agency contributions only

**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

North Oaks Wells Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for North Oaks Wells			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-	6,000,000	6,000,000	12,000,000		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Sierra Well Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for Sierra Well			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-	6,000,000	6,000,000	12,000,000		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Clark Well Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for the Clark Well			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS PROJECT COMPONENTS:	BUDGET						Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28				
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -		
Materials									
Labor/Equipment									
Outsource	-	-	-	6,000,000	6,000,000	12,000,000			
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000			

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well W9 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for the Well W9			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-	6,000,000	6,000,000	12,000,000		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well W10 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for the Well W10			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-	6,000,000	6,000,000	12,000,000		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well 207 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for Well 207			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	250,000	250,000	700,000	6,000,000	7,450,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ 6,000,000	\$ 7,450,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ -	\$ 1,450,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-		6,000,000	6,000,000		
TOTAL	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ 6,000,000	\$ 7,450,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Well D Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2: "Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)".	LOCATION:	Agency wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Shadi Bader		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS for Well D			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000		
Grants	-	-	-	-	-	-		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000		\$ -	\$ 1,400,000	\$ -	
Materials								
Labor/Equipment								
Outsource	-	-	-	6,000,000	6,000,000	12,000,000		
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000		

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	06/30/28
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs				\$ -	\$ -		Account Number:	
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

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**SCV WATER
CAPITAL IMPROVEMENT BUDGET - LARGE CAPITAL PROJECTS
FY 2023/24 AND FY 2024/25**

Wells & Facility Improvements - GSA

STRATEGIC GOAL:	C.3.1 Lead implementation of SGMA for the SCV-GSA., D.3.2 Maintain interagency water quality communication collaboration	LOCATION:	Agency wide
STATUS:	New	Insert Photo here	
PRIORITY:	High		
DEPARTMENT:	Water Resources		
MANAGER:	Rick Viergutz		
PROJECT TYPE:			
DESCRIPTION/JUSTIFICATION			
Installation of Deep Monitoring Wells - GSA This Project will only move forward if Grant Funding is secured.		Identify projects	

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 1,250	\$ 124,512	\$ 119,539	\$ -	\$ -	\$ 245,301	\$ -	\$ -
Bond/Loan	-	-	-	-	-	-		
Grants	23,750	2,375,000	2,270,500	-	-	4,669,250		
TOTAL	\$ 25,000	\$ 2,499,512	\$ 2,390,039	\$ -	\$ -	\$ 4,914,551	\$ -	\$ -

PROJECT COSTS	BUDGET					0		
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 25,000	\$ 225,000		\$ -	\$ -	\$ 250,000	\$ -	\$ -
Materials		697,000	697,000			1,394,000		
Labor/Equipment		1,271,140	1,295,727			2,566,867		
Outsource		306,372	397,312			703,684		
TOTAL	\$ 25,000	\$ 2,499,512	\$ 2,390,039	\$ -	\$ -	\$ 4,914,551	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	
Personnel Costs							Account Number:	NEW
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency wide

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**SCV WATER - DEBT FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

New Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description	FY2023/24	FY2024/25
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Additional Wells (T7, U4, U6) (includes S1&S2 Wells VOC Treatment & FlexTend)	\$ 7,200,000	\$ 10,000,000
2301147	Debt	ESS	Capital Planning & Studies	As-Needed Regulatory Support for Non-Potable Recycled Water Permitting	\$ 100,000	\$ 50,000
	Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Pump Station	\$ 760,000	\$ 9,340,000
2300395	Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Reservoir	\$ 2,660,000	\$ 23,260,000
	Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Reservoir 2		
2300016	Debt	ESS	Pipelines & Pipeline Replacements	Castaic Conduit	\$ 370,000	\$ 8,080,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Clark Well Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	E Wells (E-14, E-15, E-16, E-17)	\$ 1,650,000	\$ 985,000
2300251	Debt	ESS	Treatment Plant Improvements	ESFP Sludge Collection System	\$ 8,510,000	
2300346	Debt	ESS	Pipelines & Pipeline Replacements	Honby Parallel	\$ 225,000	\$ 475,000
2300036	Debt	ESS	Pipelines & Pipeline Replacements	LARC Pipeline*	\$ 1,500,000	\$ 250,000
2300389	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 4	\$ 216,000	
2300045	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 5	\$ 198,000	
2300051	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 6	\$ 908,000	
2301082	Debt	ESS	Wellhead Treatment Improvements	Mitchell 5A Replacement	\$ -	\$ -
	Debt	WR	Capital Planning & Studies	New Water Banking Program (AVEK/Mid Valley/Rosedale)(Could possibly go to Lrg CAP)	\$ 500,000	\$ 750,000
2302045	Debt	ESS	Treatment Plant Improvements	Newhall (fka Saugus) Wells (N11, N12, N13) Groundwater Treatment Improvements	\$ 255,000	\$ 550,000
	Debt	ESS	Pipelines & Pipeline Replacements	Newhall Ave Railroad Crossing		\$ 150,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	North Oaks Wells Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
2301080	Debt	ESS	Recycled Water Improvements	Recycled Water Fill Station	\$ 225,000	\$ 1,400,000
2300468	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2A - Central Park	\$ 1,000	\$ 1,000
2300474	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2B - Vista Canyon Backbone	\$ 200,000	
2300480	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2C - South End Backbone Reach 1 (Grant deadline: April 30, 2025)	\$ 2,000,000	\$ 7,500,000
	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2C - South End Backbone Reach 2	\$ -	\$ -
2300480	Debt	ESS	Recycled Water Improvements	Recycled Water Pump Station PS-1 Upgrades	\$ 450,000	\$ 1,200,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	S Wells (S6, S7 and S8)	\$ 2,000,000	\$ 11,200,000
	Debt	ESS	Tanks & Tank Facility Improvements	Sand Canyon Reservoir Expansion	\$ 810,000	\$ 1,050,000
2302028	Pay Go	ESS	Tanks & Tank Facility Improvements	Sand Canyon Sewer Line Relocation	\$ 212,000	\$ 1,056,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Santa Clara and Honby Wells	\$ 4,664,000	
2300493	Debt	ESS	Wells & Well Facility Improvements	Saugus Dry Year Reliability Wells 5 & 6	\$ 5,000	\$ 100,000
2302030	Debt	ESS	Wells & Well Facility Improvements	Saugus WRP Recycled Water Fill Station		
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Sierra Well Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
2300598	Debt	WR	Capital Planning & Studies	Sites Reservoir	\$ 800,000	\$ 900,000
	Debt	ESS	Tanks & Tank Facility Improvements	Southern Service Area Reservoir		
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Valley Center Well		
2301146	Debt	ESS	Wellhead Treatment Improvements	Well 201 VOC Groundwater Treatment Improvements	\$ 5,615,000	\$ 2,838,000
	Debt	ESS	Wellhead Treatment Improvements	Well 205 (Perchlorate)	\$ 2,650,000	\$ 8,750,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Well 207 Groundwater treatment Improvements	\$ 250,000	\$ 250,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Well D Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
	Debt	ESS	Wells & Well Facility Improvements	Well E-14 Site Improvements	\$ 250,000	\$ 500,000
	Debt	ESS	Wells & Well Facility Improvements	Well E-16 Site Improvements	\$ 250,000	\$ 500,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Well W10 Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS	Well W9 Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
	Debt	ESS	Wellhead Treatment Improvements-PFAS		\$ 46,934,000	\$ 93,835,000

**SCV WATER - PAY-GO FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

New Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description	FY2023/24	FY2024/25
2301072	Pay Go	ESS	Pipelines & Pipeline Replacements	Abdale Street, Maplebay Court, Beachgrove Court Water Line Improvements	\$ 1,000,000	\$ 1,400,000
2302014	Pay Go	TDOMS	Appurtenance Improvements	Appurtenance Improvements & Replacements	\$ 410,000	\$ 410,000
New	Pay Go	ESS	General Facility Improvements & Replacements	Asset Management	\$ 100,000	\$ 100,000
Various	Pay Go	WR	Water Resources & Supply	Battery Energy Storage Project - SGIP	\$ 3,250,000	
2300190	Pay Go	TDOMS	Booster Station/Turnout Improvements	Booster Station/Turnout Improvements & Replacements	\$ 700,000	\$ 750,000
2300191	Pay Go	WR	Water Resources & Supply	Bridgeport Pocket Park	\$ 25,000	
2302015	Pay Go	WR	Capital Planning & Studies	BVRRB Storage and Recovery Program	\$ 3,250,000	\$ 3,400,000
2302013	Pay Go	ESS	Pipelines & Pipeline Replacements	Catala PS Pipelines (Bouquet & Central Park)	\$ 333,000	\$ 243,000
2300068	Pay Go	ESS	Booster Station/Turnout Improvements	Catala Pump Station	\$ 247,000	\$ 266,000
2300022	Pay Go	ESS	Booster Station/Turnout Improvements	Deane Pump Station @ Sand Canyon Plaza*	\$ 2,750,000	\$ 50,000
2300010	Pay Go	ESS	Booster Station/Turnout Improvements	Deane Pump Station @ Skyline Ranch*	\$ 350,000	\$ 50,000
2300097	Pay Go	ESS	Tanks & Tank Facility Improvements	Deane Tank (One 2.08 MG Tank) @ Skyline Ranch*	\$ 3,500,000	\$ 100,000
New	Pay Go	ESS	Tanks & Tank Facility Improvements	Deane Tanks - One 1.5 MG Tank @ Sand Canyon Plaza*	\$ 4,750,000	\$ 1,000,000
2300600	Pay Go	WR	Wells & Well Facility Improvements	Deep Monitoring Wells (GSA)	\$ 25,000	\$ 2,500,000
2301158	Pay Go	WR	Minor Capital	Devil's Den Property Solar Project	\$ 100,000	\$ 100,000
2301046	Pay Go	ESS	Pipelines & Pipeline Replacements	Dickason Pipeline Replacement	\$ 2,500,000	
2300897	Pay Go	TDOMS	Disinfection System Improvements	Disinfection System Improvements & Replacements	\$ 1,100,000	\$ 1,100,000
2301044	Pay Go	ESS	Pipelines & Pipeline Replacements	Dockweiler-Sierra Hwy Pipeline*	\$ 75,000	\$ 150,000
2301073	Pay Go	Administration Admin & Tech	Equipment and Vehicle Improvements	Equipment and Vehicle Improvements & Replacements	\$ 1,900,000	\$ 1,800,000
2301019	Pay Go	TDOMS	ESFP Improvements	ESFP Improvements & Replacements	\$ 1,755,000	\$ 1,955,000
2301076	Pay Go	ESS	Tanks & Tank Facility Improvements	ESFP Two 5 MG Tanks Improvements	\$ 1,000	\$ 1,000
2302070	Pay Go	TDOMS	ESIPS Improvements	ESIPS Improvements & Replacements	\$ 100,000	\$ 100,000
2301025	Pay Go	ESS	Pipelines & Pipeline Replacements	External Agency Mandates - Pipeline Relocations	\$ 1,000,000	\$ 1,000,000
2301020	Pay Go	ESS	Pipelines & Pipeline Replacements	Foothill Feeder Service Connection CLWA-0101T and CLWA-01 Pipe Repair	\$ 55,000	\$ 1,000
2301026	Pay Go	ESS	Booster Station/Turnout Improvements	Friendly Valley Booster Station (Crossroads)*	\$ 100,000	\$ 275,000
2301021	Pay Go	ESS	Pipelines & Pipeline Replacements	Friendly Valley Pipeline @ Via Princesa (Crossroads)*	\$ 50,000	\$ 75,000
2302020	Pay Go	ESS	Tanks & Tank Facility Improvements	Friendly Valley Tank (3.25 MG) @ Crossroads*	\$ 100,000	\$ 375,000
2300352	Pay Go	ESS	Pipelines & Pipeline Replacements	Golden Valley Pipeline @ Via Princesa (Crossroads)*	\$ 50,000	\$ 75,000
2301079	Pay Go	ESS	Pipelines & Pipeline Replacements	Golden Valley Road Bore & Jack	\$ 350,000	
2301048	Pay Go	ESS	Tanks & Tank Facility Improvements	Golden Valley Tank (1.6 MG) @ Crossroads*	\$ 75,000	\$ 100,000
2301021	Pay Go	ESS	Pipelines & Pipeline Replacements	Horby Pipeline Bottleneck	\$ 360,000	\$ 575,500
2301026	Pay Go	WR	Capital Planning & Studies	Invasive Species Management	\$ 265,000	\$ 279,575
2301021	Pay Go	TDOMS	Laboratory Improvements	Laboratory Improvements & Replacements	\$ 75,000	\$ 125,000
2301021	Pay Go	ESS	Pipelines & Pipeline Replacements	McBean/Orchard Village Pipeline Replacements	\$ 250,000	
2302081	Pay Go	TDOMS	Meter & Meter Infrastructure Improvements	Meter & Meter Infrastructure Improvements & Replacements	\$ 2,775,000	\$ 2,700,000
2302050	Pay Go	ESS	Recycled Water Improvements	MM Pkwy & The Old Rd Recycled Water Relocation	\$ 150,000	\$ 200,000
2301021	Pay Go	ESS	Pipelines & Pipeline Replacements	MMP Inspection Access Modifications	\$ 125,000	\$ 125,000
2301021	Pay Go	ESS	Wellhead Treatment Improvements-PFAS	N Wells Drainage Improvements Project	\$ 248,000	\$ 203,000
2301021	Pay Go	ESS	Tanks & Tank Facility Improvements	Newhall Tank 4 (1.5 MG Tank @Wiley Canyon)*	\$ 150,000	\$ 250,000
2301021	Pay Go	ESS	Tanks & Tank Facility Improvements	Newhall Zone 1 Tank (3 MG) (ShadowBox Studios)*	\$ 150,000	\$ 250,000
2301013	Pay Go	ESS	Booster Station/Turnout Improvements	Newhall Zone 4 Pump Station Revamp (Wiley Canyon)*	\$ 200,000	\$ 750,000
2300060	Pay Go	Administration Admin & Tech	Office Improvements	Office Improvements - Various	\$ 1,550,000	\$ 800,000
Various	Pay Go	ESS	Pipelines & Pipeline Replacements	Pipeline Relocations/Modifications	\$ 1,000,000	\$ 6,000,000
2301156	Pay Go	TDOMS	Pipelines & Pipeline Improvements	Pipelines & Pipeline Improvements & Replacements	\$ 2,165,000	\$ 2,275,000
2301034	Pay Go	ESS	Pipelines & Pipeline Replacements	Pitchess Pipeline Modifications Project	\$ 236,000	\$ 20,000
2301035	Pay Go	WR	Recycled Water Improvements	Recycled Water Program Phase II, 2B - Vista Cyn Customer Conversion	\$ 250,000	\$ 100,000
	Pay Go	WR	Recycled Water Improvements	Recycled Water Program Phase II, 2D - West Ranch Customer Conversion	\$ 600,000	\$ 500,000

**SCV WATER - PAY-GO FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

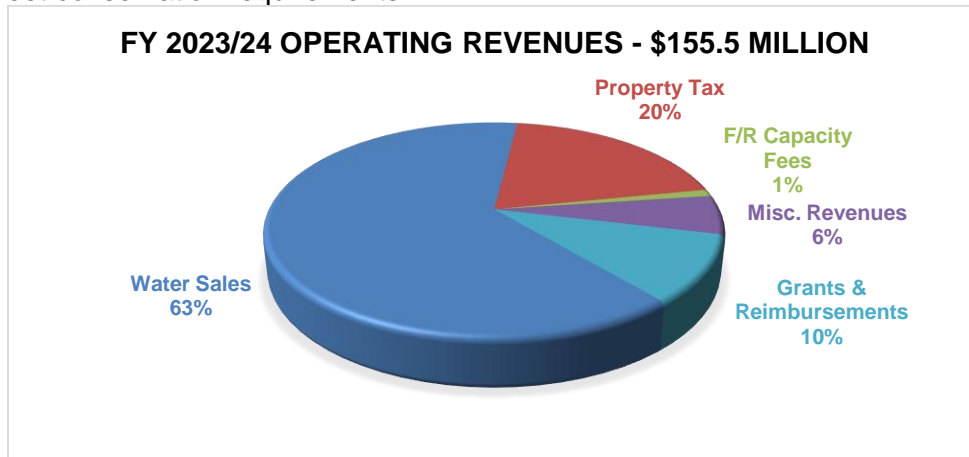
New Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description	FY2023/24	FY2024/25
2300487	Pay Go	WR	Capital Planning & Studies	Resiliency Water Master Plan	\$ 1,175,000	\$ 1,025,000
New	Pay Go	WR	Water Resources & Supply	Rosedal Phase 2 Wells	\$ 1,061,800	\$ 2,485,400
2301075	Pay Go	TDOMS	RVIPS Improvements	RVIPS Improvements & Replacements	\$ 540,000	\$ 540,000
2301074	Pay Go	TDOMS	RVTP Improvements	RVTP Improvements & Replacements (includes Access Gate Improvements)	\$ 2,495,000	\$ 2,465,000
	Pay Go	ESS	RVTP Improvements	RVWTP Sewer Line	\$ 173,000	\$ 228,000
2300563	Pay Go	ESS	Treatment Plant Improvements	RVWTP Underground Storage Tank Replint	\$ 1,583,000	\$ 290,000
2302028	Pay Go	ESS	Tanks & Tank Facility Improvements	Sand Canyon Sewer Line Relocation	\$ 212,000	\$ 1,056,000
2300080	Pay Go	ESS	Wells & Well Facility Improvements	Saugus 3 & 4 Replacement Wells (Complete by 7/1/25)	\$ 12,330,000	\$ 4,458,000
2301049	Pay Go	TDOMS	Technology Improvements	SCADA Improvements & Replacements	\$ 300,000	\$ 300,000
2301155	Pay Go	ESS	Pipelines & Pipeline Replacements	Sierra Hwy Bridge Expansion Water Pipelines	\$ 262,000	\$ 93,000
2302060	Pay Go	ESS	Pipelines & Pipeline Replacements	Smyth Drive Water Line Improvements	\$ 1,000,000	\$ 1,200,000
	Pay Go	WR	Water Resources & Supply	Solar Array Improvements and Replacements	\$ 150,000	\$ 150,000
2301071	Pay Go	TDOMS	Tanks & Tank Facility Improvements	Tanks & Storage Facility Improvements & Replacements	\$ 1,500,000	\$ 1,200,000
2301033	Pay Go	Administration	Admin & Tech	Technology Improvements and Replacements	\$ 3,710,000	\$ 2,602,500
2300571	Pay Go	WR	Water Resources & Supply	Update Water Conservation and Education Garden	\$ 2,000,000	\$ 2,000,000
2301029	Pay Go	ESS	Pipelines & Pipeline Replacements	Valencia Marketplace Pipeline Replacement	\$ 3,200,000	\$ 1,000,000
New	Pay Go	WR	Water Resources & Supply	Water Demand Factor Software Development	\$ 50,000	\$ 75,000
New	Pay Go	WR	Water Resources & Supply	WaterSMART Targets Software Development	\$ 100,000	\$ 100,000
Various	Pay Go	TDOMS	Wells & Well Facility Improvements	Wells & Well Facility Improvements	\$ 2,800,000	\$ 675,000
2300679	Pay Go	WR	Capital Planning & Studies	Yuba Accord Water	\$ 1,154,340	\$ 1,217,829
					\$ 76,346,140	\$ 55,689,804

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FINANCIAL SUMMARY

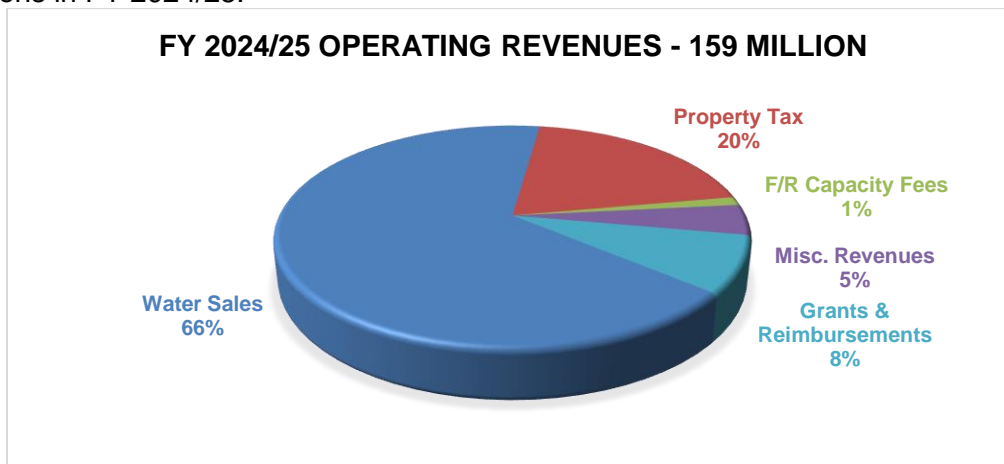
FY 2023/24 OPERATING REVENUE BUDGET

The total revenues of \$155.5 million are comprised of \$98 million in water sales, \$31 million in one-percent property tax revenues, \$15.8 million in grants and reimbursements, \$1.6 million in facility/retail capacity fee, and \$9.1 million in miscellaneous revenues. This is 4.7% or \$7 million over the adopted Budget of FY 2022/23. The Agency is expecting growth of approximately 1.36% or 1,068 equivalent retail service connections but has also accounted for a reduction in sales to meet conservation requirements.



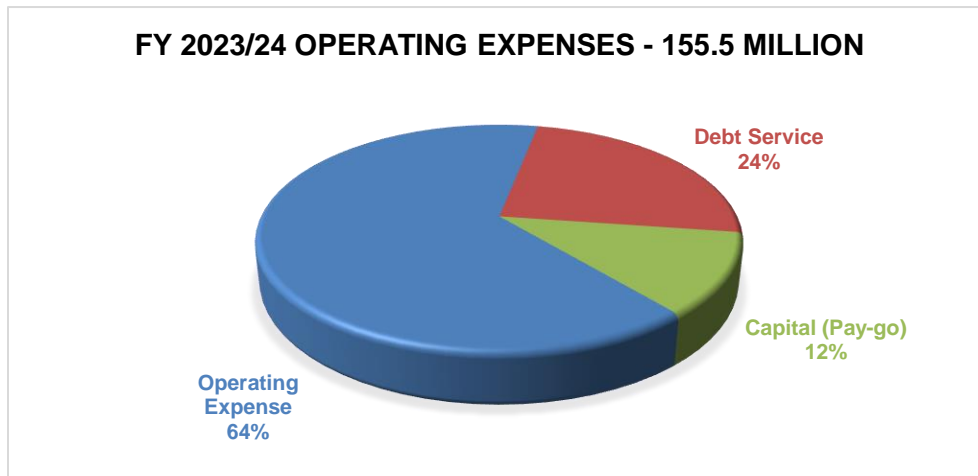
FY 2024/25 OPERATING REVENUE BUDGET

The total revenues of \$159 million are comprised of \$105.1 million in retail water sales, \$31.7 million in one-percent property tax revenues, \$13.2 million in grants and reimbursements, \$2 million in facility/retail capacity fees, and \$7.1 million in miscellaneous revenues. This a 2.3% or \$3.5 million overall increase over FY 2023/24. Of the \$3.5 million, the most significant increase is attributed to a \$7.1 million increase water sales revenue due to a 6.5% planned revenue increase, the increase of approximately \$0.7 million of property taxes, the decrease of \$2.6 million of grants and reimbursements, and the decrease of approximately \$1.7 million in miscellaneous revenues. The Agency is expecting to add 1,086 equivalent retail service connections in FY 2024/25.



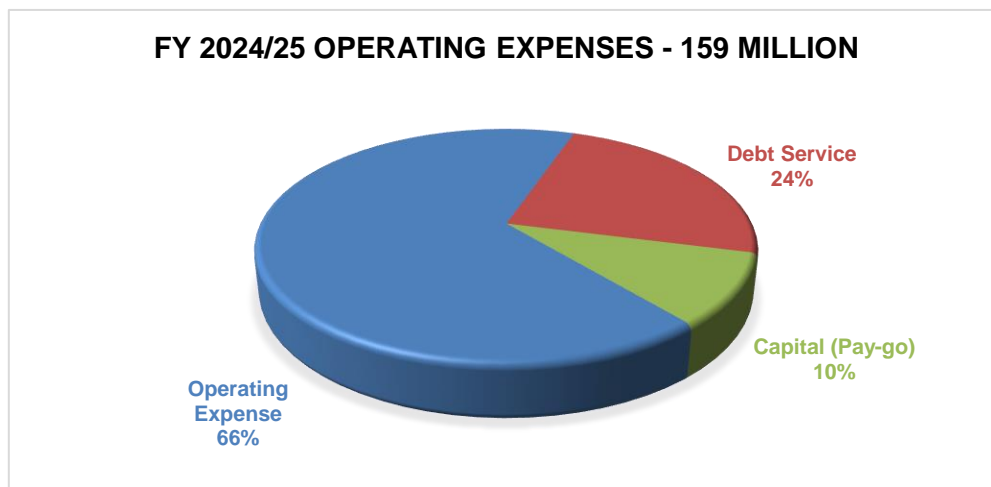
FY 2023/24 OPERATING EXPENSE BUDGET

Total operating expenditures for FY 2023/24 are budgeted at \$155.5 million and are comprised of General Fund/Operating Budget expenditures of \$99.8 million, debt service payments of \$37.5 million and pay-go capital improvement program (CIP) expenditures (funded by operating budget) of \$18.1 million. Overall, there was a 4.7% (\$7 million) increase in operating expenditures over the adopted FY 2022/23 budget. The most significant increases are due to \$4.5 million in debt service payments; \$3.1 million in Finance, Administration & IT primarily due to increases in Technology Services and Liability Insurance; and \$2.6 million in Pumping due to PFAS treatment operations and maintenance, as well as additional purchased power costs.



FY 2024/25 OPERATING EXPENSE BUDGET

Total expenditures for FY 2024/25 are budgeted at \$159 million and are comprised of General Fund/Operating Budget expenditures of \$105.6 million, debt service payments of \$37.7 million and capital improvement program (CIP) expenditures of \$15.8 million. Overall, there was a 2.3% (\$3.5 million) increase in operating expenditures over FY 2023/24 budget. The most significant increases are due to \$1 million for in Management for the election, \$1.9 million in Finance, Administration & IT primarily due to increases in Technology Services and Liability Insurance; \$0.5 million for increases in treatment and chemical costs; and \$1.2 million in Pumping due to PFAS treatment operations and maintenance, as well as additional purchased power costs.



MAJOR SOURCES OF REVENUES

Water Sales Revenues

The FY 2023/24 projected water sales revenues of \$98 million is an increase of \$5.3 million from the FY 2022/23 adopted Budget and the water sales revenues in FY 2024/25 are projected at \$105 million, which is an increase of \$7 million from FY 2023/24. The increase in water sales revenues is due to the 6.5% planned revenue increase in each fiscal year, which projects adding 1,068 connections in FY 2023/24 and 1,086 connections in FY 2024/25, with a total number of retail connections of 76,895 and 77,987, respectively.

Other Revenues

Other revenues consist of property taxes, facility/retail capacity fees, grants and reimbursements, communication/rental income, and investment revenues. In FY 2023/24 other budgeted revenues are projected at \$57.4 million, which is an increase of \$0.7 million from the FY 2022/23 adopted Budget and other revenues in FY 2024/25 are projected at \$53.9, which is a decrease of \$3.5 million from FY 2023/24. The primary decreases are due to a reduction in annexation reimbursements and a projected decrease in grant and reimbursement revenue.

One -Percent Property Tax Revenues

Property tax revenues are unrestricted and can be used to pay for operating expenses, capital projects or debt service for existing users. If these funds were limited or unavailable, it is likely that the Agency water rates would have to increase, or projects would need to be deferred. Based on current trend, SCV Water property tax revenue is projected to increase by 2.34% in both FY 2023/24 and FY 2024/25.

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Property Tax	\$30,244,543	\$31,773,451	\$30,952,987	\$31,676,548

Facility/Retail Capacity Fees

Facility/Retail Capacity Fee revenues are projected to decrease from \$6.3 million in the FY 2022/23 adopted Budget to \$1.6 million in the proposed FY 2023/24 Budget, and \$2 million in FY 2024/25. This is based on engineers estimates of development activity.

MAJOR SOURCES OF EXPENDITURES

General Fund/Operating Budget

The FY 2023/24 projected operating expenses of \$99.8 million has increased approximately \$5.8 million from the FY 2022/23 adopted Budget of \$94 million, and the FY 2024/25 operating expense is projected to increase to \$105.6 million. General Fund/Operating expenses include all departmental expenses (excluding debt service and Pay-go funded by revenues).

Capital Improvement Program – Pay-Go

The proposed CIP “pay-go” (pay-as-you-go) in FY 2023/24 is projected at \$76.4 million and FY 2024/25 is projected at \$55.7 million. The pay-go CIP plan is funded by retail water rates, a

portion of the one-percent property taxes, retail capacity fees and transfers from the capital reserve. Significant increases are primarily due scheduling delays from the prior year, which include construction of dry year replacements wells, pipeline replacements, construction of storage tanks and pump stations, technology service improvements, water resiliency master plan and upgrades to the water conservation garden at the Rio Vista Water Treatment Plant.

In FY 2023/24, \$18.1 million of Pay-go CIP projects will be funded by revenues, \$49.7 million from prior year carryover funds and 8.5 million from the Retail Capacity Fee fund. In FY 2024/25, \$15.8 million will be funded by revenues, \$9 million from prior year carryover funds and \$31 million from the Capital and Operating Reserve.

NON OPERATING FUNDS

Capital Improvement Program

The FY 2023/24 Budget for debt funded Capital Projects is \$46.7 million and \$92.8 million in FY 2024/25, based on significant construction on the Earl Schmidt Filtration Plant (ESFP) sludge collection system, Backcountry storage tank and pump station, Castaic conduit, Vista Canyon recycled water project and PFAS treatment facilities.

The Agency's current CIP for debt funded projects shows approximately 40 projects being constructed over the next ten years. The Agency is assuming some grant funding will be awarded to offset some of the project costs. The current projection shows a need of funding for \$608 million of projects through FY 2031/32. The FY 2023/24 Budget projects a \$75 million revenue bond to fund all of FY 2023/24 projects and a portion of FY 2024/25 projects. The Agency has been accepted to apply for a Water Infrastructure Financing Innovation Act (WIFIA) loan through the EPA in FY 2024/25 in order to complete the debt funded projects through FY 2031/32. The exact timing and amounts of future debt issuance would depend on the progress of the CIP, availability of grant proceeds and market conditions. No new debt would be issued without thorough review and approval by the Board of Directors.

State Water Contract Fund

The FY 2023/24 Expense Budget for the Agency's SWP supply is \$43.3 million. This is based on projected costs to maintain an aging system and increasing power costs. The Budget also includes funding of \$2.5 million for work on the Delta Conveyance, previously known as California WaterFix or Twin Tunnels. The FY 2024/25 Expense Budget is projected at \$42.2 million, with another \$2.5 million being allocated for the Delta Conveyance project. The projected FY 2023/24 revenues are projected at \$40.9 million, which consists of \$37.7 million from the ad valorem property tax and \$3.2 million of interest income. In FY 2024/25, projected revenues of \$41.4 million consist of \$38.6 million from the ad valorem property tax and \$2.9 million in interest income.

RESERVES

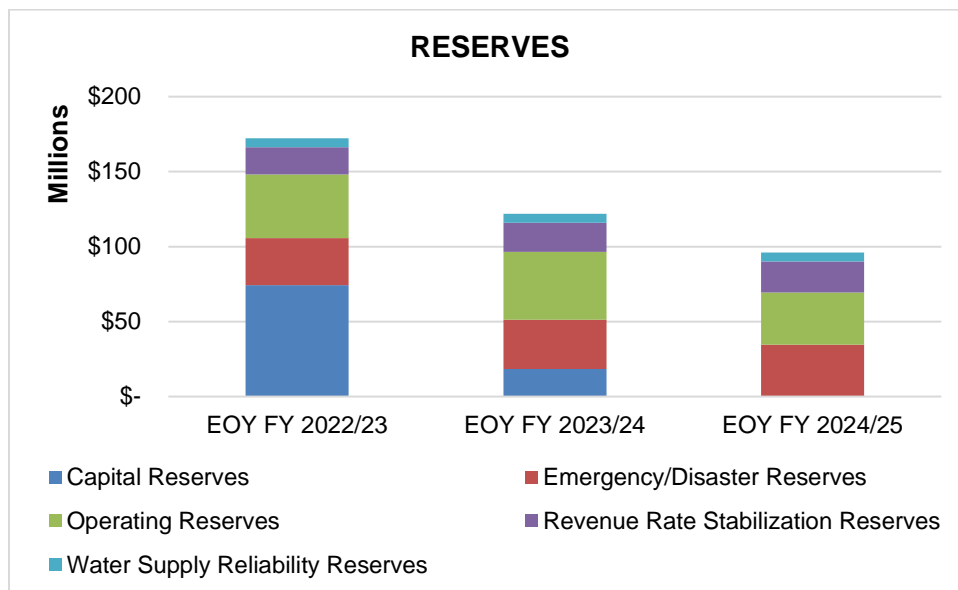
The purpose of SCV Water's Reserve Fund Policy is to ensure the Agency's financial stability, and to have sufficient funding available to meet its operating, capital and debt service cost obligations. The plan establishes the level of reserves necessary for maintaining the Agency's creditworthiness and ratings.

At the beginning of FY 2023/24, the carryover funds from the prior year (per policy) will be added to the Capital Reserve to be used to complete the Pay-go projects in FY 2023/24 (\$49.7 million) and FY 2024/25 (\$9 million). In order to complete the Pay-go projects as planned, \$31

million of the reserves will need to be utilized. By the end of FY 2024/25, the reserves will be 76% funded and have a day's cash ratio of 332. As part of the approved financing plan, it was expected that the Agency would need to utilize a portion of its reserves until the WIFIA financing was received and the timing of when the next cost of service and rate study could be implemented.

Adequate reserves provide for:

- Cash flow requirements and working capital
- Economic uncertainties and other financial hardships, including performance of the regional economy and water supply reliability
- Infrastructure replacements
- Emergency repairs
- Local disasters, natural disasters or catastrophic events
- Loss of significant revenue sources due to variations in water sales resulting from variable weather conditions or conservation
- Unfunded mandates including costly regulatory requirements



**SCV WATER - SUMMARY BUDGET
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING REVENUES						
Water Sales - Residential	\$ 51,449,640	\$ 49,633,514	\$ 54,993,689	6.9%	\$ 59,316,439	7.9%
Water Sales - Commercial	4,926,889	4,752,974	5,275,848	7.1%	5,689,800	7.8%
Water Sales - Industrial	1,615,373	1,558,352	1,729,786	7.1%	1,865,508	7.8%
Water Sales - Irrigation	19,303,711	17,107,378	20,670,945	7.1%	22,292,824	7.8%
Water Sales - Public Authority & Other	3,473,053	4,059,729	3,719,040	7.1%	4,010,843	7.8%
Water Sales - Fire	669,515	632,780	722,743	8.0%	780,220	8.0%
Legacy Debt Revenue - VWD	3,603,809	3,532,651	3,630,349	0.7%	3,657,045	0.7%
Legacy Debt Revenue - SCWD	5,873,249	5,434,140	5,999,173	2.1%	6,127,751	2.1%
Water Sales - WWR Variable	1,045	-	1,076	2.9%	1,108	3.0%
Water Sales - WWR Fixed	296,729	292,344	305,622	3.0%	314,793	3.0%
Water Sales - Recycled	468,612	432,408	487,198	4.0%	524,381	7.6%
Misc Fees and Charges	1,020,000	570,160	500,000	-51.0%	550,000	10.0%
Lab Revenues	23,000	21,320	23,230	1.0%	23,462	1.0%
Communication & Rental	752,174	521,744	530,273	-29.5%	540,879	2.0%
Property Tax 1%	30,244,543	31,773,451	30,952,265	2.3%	31,676,548	2.3%
Annexation Reimbursements	2,099,650	2,140,287	2,691,987	28.2%	470,000	-82.5%
Interest Income	650,000	2,013,687	5,893,996	806.8%	6,055,559	2.7%
PERCH Reimbursements - O&M & CIP	8,900,000	8,215,000	4,207,000	-52.7%	3,047,000	-27.6%
Grants & Reimbursements	6,791,105	3,500,900	11,566,840	70.3%	10,111,300	-12.6%
Transfer In - Facility/Retail Capacity Fees	6,300,000	1,897,682	1,577,800	-75.0%	1,948,800	23.5%
Total Operating Revenues	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING EXPENSES						
Management	5,722,541	3,824,886	3,094,046	-45.9%	4,210,276	36.1%
Finance, Administration & IT	20,725,318	18,351,844	23,917,379	15.4%	25,773,077	7.8%
Customer Care	2,810,685	2,775,795	3,068,214	9.2%	3,143,402	2.5%
Transmission & Distribution	10,599,865	9,893,411	11,151,577	5.2%	11,377,167	2.0%
Pumping Wells & Storage	14,959,138	14,863,153	17,540,767	17.3%	18,763,365	7.0%
Water Resources	9,584,392	7,813,278	11,380,616	18.7%	11,678,620	2.6%
Source of Supply	12,535,000	10,517,669	11,108,816	-11.4%	11,632,181	4.7%
Water Quality, Treatment & Maintenance	11,781,761	12,500,464	14,093,165	19.6%	15,283,884	8.4%
Engineering Services	5,342,361	3,784,674	4,484,004	-16.1%	3,699,025	-17.5%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
Capital (Pay-go)	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Total Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

Total Operating Expenses	118,215,995	105,240,492	120,402,915	1.8%	121,254,579	0.7%
Total Salaries and Benefits	30,246,104	32,850,009	35,075,945	16.0%	37,749,682	7.6%
Net Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

Available Fund Balance, July 1	\$ 75,010,273	\$ 72,056,728	\$ 58,712,522	-21.7%	\$ 8,973,411	-84.7%
Capital Pay-go	(54,618,864)	(16,386,637)	(58,246,610)	6.6%	(39,931,970)	-31.4%
Transfer from Capital Reserve	-	-	-	0.0%	30,958,559	0.0%
CF Transfer to Offset CIP Pay-go	7,260,170	1,304,000	8,507,501	17.2%	-	-100.0%
FCF Transfer to Offset Debt Payments	5,606,225	1,738,431	-	-100.0%	-	0.0%
Ending Fund Balance, June 30	\$ 33,257,803	\$ 58,712,522	\$ 8,973,411	-73.0%	\$ -	-100.0%

(1) Changes of more than 10% and \$20,000 (Revenue only - Expense variances noted in Department schedules)

- (a) Residential water sales were reduced by \$100K each year to allocate Ratepayer Assistance Program
- (b) Misc Fees changed with the adoption of SB 998
- (c) Acquisition Costs paid in FY2023/24 and only carrying costs in FY2024/25 for Tapia and Tesoro Developments
- (d) Investments in long term assets that have a higher rate of return based on Investment Advisor estimate
- (e) Remainder of Saugus 3&4 balance of construction reimbursement and annual O&M costs
- (f) Executed grants, awarded grants, grants due under SRF Program, and Prop 1 IRWM Round 2 Grant
- (g) Based on Engineers Estimate

**SCV WATER - FINANCIAL SUMMARY
FY 2023/24**

Pro Forma FY24

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	180,543,026	\$ (726,530)	\$ 100,591,221	\$ 8,507,501	\$ 288,915,218
<u>RESERVES:</u>					
Capital Reserve	\$ (18,492,738)	\$ -	\$ -	\$ -	\$ (18,492,738)
Emergency/Disaster Reserve	(32,823,644)	-	-	-	(32,823,644)
Operating Reserve	(45,165,808)	-	-	-	(45,165,808)
Revenue Rate Stabilization Reserve	(19,348,314)	-	-	-	(19,348,314)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (121,830,504)	\$ -	\$ -	\$ -	\$ (121,830,504)
Net Available	\$ 58,712,522	\$ (726,530)	\$ 100,591,221	\$ 8,507,501	\$ 167,084,714
<u>REVENUES:</u>					
Water Sales - Retail	\$ 96,741,572	\$ -	\$ -	\$ -	96,741,572
Water Sales - Wholesale	306,698	-	-	-	306,698
Water Sales - Recycled	487,198	-	-	-	487,198
Misc Fees and Charges ¹	500,000	-	-	-	500,000
Communication and Rental	530,273	-	-	-	530,273
Property Tax	30,952,265	-	37,695,000	-	68,647,265
Facility Capacity Fees	1,577,800	-	-	-	1,577,800
Interest Income	5,893,996	1,706,250	3,192,265	-	10,792,511
Reimbursements ²	6,898,987	-	-	-	6,898,987
Grant Reimbursements - State	11,566,840	-	-	-	11,566,840
Bond/Loan Proceeds	-	75,000,000	-	-	75,000,000
Other Revenues ³	23,230	-	-	-	23,230
Subtotal	155,478,860	76,706,250	40,887,265	-	273,072,375
Transfers In - Reserves					-
	\$ 155,478,860	\$ 76,706,250	\$ 40,887,265	\$ -	\$ 273,072,375
<u>EXPENDITURES:</u>					
Operating	\$ (99,838,583)	\$ -	\$ (146,548)	\$ -	(99,985,131)
Capital Improvement Program	(67,838,639)	(46,722,000)	-	(8,507,501)	(123,068,140)
Department of Water Resources	-	-	(43,168,000)	-	(43,168,000)
Debt Service Principal & Interest	(37,540,749)	-	-	-	(37,540,749)
Subtotal	\$ (205,217,971)	\$ (46,722,000)	\$ (43,314,548)	\$ (8,507,501)	\$ (303,762,020)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 8,973,411	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 136,395,069

Italics = Estimated

Notes:

¹ Water Sales Misc. includes Late Charges, Misc. Retail Charges, Rebates, Drought Offense Fee and Water Sales-One time

² Reimbursements include Annexation and PERCH Reimbursements - O&M & CIP

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

SCV WATER - FINANCIAL SUMMARY
FY 2024/25

Pro Forma FY25

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	\$ 136,001,023	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 263,422,681
<u>RESERVES:</u>					
Capital Reserve	\$ (18,479,826)	\$ -	\$ -	\$ -	\$ (18,479,826)
Emergency/Disaster Reserve	(34,704,985)	-	-	-	(34,704,985)
Operating Reserve	(47,094,716)	-	-	-	(47,094,716)
Revenue Rate Stabilization Reserve	(20,748,086)	-	-	-	(20,748,086)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (127,027,613)	\$ -	\$ -	\$ -	\$ (127,027,613)
Net Available	\$ 8,973,411	\$ 29,257,720	\$ 98,163,938	\$ -	\$ 136,395,068
<u>REVENUES:</u>					
Water Sales - Retail	\$ 103,740,431	\$ -	\$ -	\$ -	103,740,431
Water Sales - Wholesale	315,901	-	-	-	315,901
Water Sales - Recycled	524,381	-	-	-	524,381
Misc Fees and Charges ¹	550,000	-	-	-	550,000
Communication and Rental	540,879	-	-	-	540,879
Property Tax	31,676,548	-	38,577,000	-	70,253,548
Facility Capacity Fees	1,948,800	-	-	-	1,948,800
Interest Income	6,055,559	390,000	2,846,718	-	9,292,277
Reimbursements ²	3,517,000	-	-	-	3,517,000
Grant Reimbursements - State	10,111,300	-	-	-	10,111,300
Bond/Loan Proceeds	-	63,206,722	-	-	63,206,722
Other Revenues ³	23,462	-	-	-	23,462
Subtotal	159,004,262	63,596,722	41,423,718	-	264,024,702
Transfers In - Reserves	30,958,559	-	-	-	30,958,559
	\$ 189,962,821	\$ 63,596,722	\$ 41,423,718	\$ -	\$ 294,983,261
<u>EXPENDITURES:</u>					
Operating	\$ (105,560,997)	\$ -	\$ (155,374)	\$ -	(105,716,371)
Capital Improvement Program	(55,689,804)	(92,779,000)	-	-	(148,468,804)
Department of Water Resources	-	-	(42,068,000)	-	(42,068,000)
Debt Service Principal & Interest	(37,685,430)	-	-	-	(37,685,430)
Subtotal	\$ (198,936,231)	\$ (92,779,000)	\$ (42,223,374)	\$ -	\$ (333,938,605)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 0	\$ 75,442	\$ 97,364,282	\$ -	\$ 97,439,724

Italics = Estimated

Notes:

¹ Water Sales Misc. includes Late Charges, Misc. Retail Charges, Rebates, Drought Offense Fee and Water Sales-One time

² Reimbursements include Annexation and PERCH Reimbursements - O&M & CIP

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

**SCV WATER - STATE WATER CONTRACT FUND
FY 2023/24 AND FY 2024/25**

	Approved Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Budget FY 2025/26	Budget FY 2026/27
Revenues						
Agency Set Property Tax	\$ 36,833,262	\$ 36,833,262	\$ 37,695,000	\$ 38,577,000	\$ 39,479,934	\$ 40,403,765
Interest Revenue	430,000	5,417,137	3,192,265	2,846,718	3,756,285	3,625,571
	\$ 37,263,262	\$ 42,250,399	\$ 40,887,265	\$ 41,423,718	\$ 43,236,219	\$ 44,029,336
	Approved Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Budget FY 2025/26	Budget FY 2026/27
Expenses						
Salaries & Compensation	\$ 46,000	\$ 8,101	\$ 68,942	\$ 72,123	\$ 74,287	\$ 76,515
Benefits & Burden	23,000	2,255	49,606	51,251	52,789	54,372
Employee Expenses	100,000	-	18,000	22,000	22,660	23,340
Legal Consulting	15,000	-	10,000	10,000	10,300	10,609
State Water Cont/SWPCA Dues	250,000	439,282	260,000	270,000	283,500	297,675
SWC Audit Finance Commit.	33,000	64,812	34,000	35,000	36,750	38,588
DWR Variable	11,000,000	5,749,672	11,550,000	12,128,000	12,734,400	13,371,120
State Water Contract Payment	24,768,000	24,584,516	29,324,000	27,635,000	30,674,850	34,049,084
Delta Conveyance	2,413,339	17,333	2,500,000	2,500,000	2,500,000	2,500,000
Refund of Excess SWC Fixed Chgs	(2,000,000)	-	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Contingencies	2,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000
	\$ 35,048,439	\$ 30,865,971	\$ 43,314,548	\$ 42,223,374	\$ 45,889,535	\$ 49,921,302
Annual Change in Net Position	2,214,823	11,384,428	(2,427,283)	(799,656)	(2,653,316)	(5,891,967)
Estd Beginning Net Position July	86,945,848	89,206,793	100,591,221	98,163,938	97,364,282	94,710,966
Estd Ending Net Position June	\$ 89,160,671	\$ 100,591,221	\$ 98,163,938	\$ 97,364,282	\$ 94,710,966	\$ 88,819,000

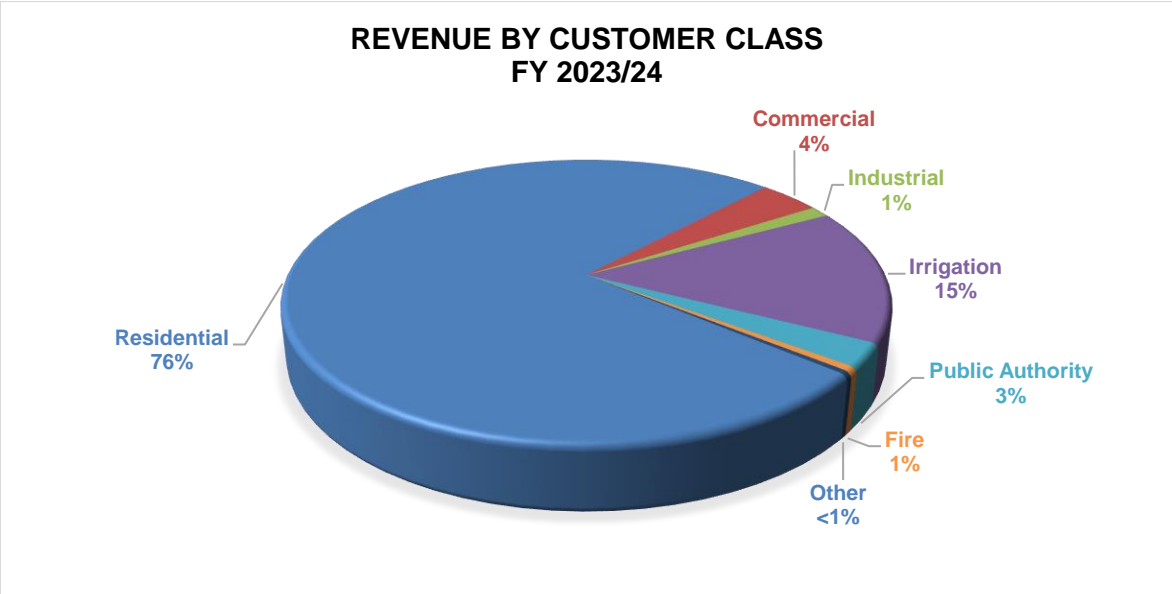
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REVENUES

Water Sales

Developing accurate demand forecasts is one of the biggest challenges in creating long-term financial forecasts. There are many factors that influence customer demand projections. Climate and weather conditions, economic drivers, and conservation are a few of the factors that must be considered. Different factors affect consumption trends of each customer class, and therefore, consumption data is primarily analyzed and forecast by class.

SCV Water will provide water service to approximately 76,000 customers by the end of fiscal year (FY) 2023/24. Of the Agency’s water sales, 65% of the revenues come from residential customers, 21% from landscaping/irrigation and the remaining 14% are comprised of commercial, public authority and industrial. Retail water sales also include private fire services, including private fire hydrants. Retail water sales account for 63% of the Agency’s total revenues. SCV Water is expecting to add 1,068 service connections in FY 2023/24 and 1,086 service connections is FY 2024/25, an approximate 1.36% growth rate.



Residential revenue has been reduced by \$100,000 to fund the pilot Ratepayer Assistance Program. Eligible residential customers (those customers that are enrolled in the Southern California Edison or So Cal Gas, California Alternate Rates for Energy (CARE) program), on a first-come, first-served basis, could receive \$10 per month off the customers fixed charge in ratepayer assistance. If more than 833 customers applied, a lottery system could select 833 customers. Priority is given to eligible senior citizens age 62 and older, disabled persons or veterans.

The amount of funding would be approved through the budget process each year and may be increased or decreased on an annual basis.

SCV Water is planning to receive approximately 63% of its FY 2023/24 retail revenue from metered sales and approximately 66% in FY 2024/25. The remaining 37% and 34% of other revenues come from property taxes, communication/rental leases, investment income, grants and reimbursements as depicted below:

Other Revenues	FY 2023/24	FY 2024/25
Lab Revenues	\$ 23,230	\$ 23,462
Communication & Rental	\$ 530,276	\$ 540,879
Property Tax 1%	\$ 30,952,265	\$ 31,676,548
Annexation Reimbursements	\$ 2,691,987	\$ 470,000
Interest Income	\$ 5,893,996	\$ 6,055,559
PERCH Reimbursements - O&M & CIP	\$ 4,207,000	\$ 3,047,000
Grant Reimbursements	\$ 11,566,840	\$ 10,111,300
Total Other Revenues	\$ 55,865,591	\$ 51,924,748

Billing units (CCF = 748 gallons) are expected to increase by approximately 1% from the previous year’s budget. Even though there is an addition of 1,068 service connections in FY 2023/24, the Agency has included additional conservation to address conservation mandates by the state. Growth projections were incorporated with historical trends of customers’ reactions to weather and drought to determine the average consumption by meter size and class. As a result of the most recent drought, subsequent mandate, and consistent with previous years, the Agency is projecting its water sales revenues based on State AB 1668 and SB 606, that gives us conservation long-term framework for annual water use objectives. Using the old target from SB x7-7, which required the Agency to achieve a 20% reduction in urban per capita water use, we are maintaining an interim strategy of reaching 25% by FY 2024/25 until the conservation long-term framework gets finalized.

SCV Water is continuing to promote conservation and water efficiency targets in order to meet the conservation goals established by the State. The Agency is not expecting customers to return to their pre-drought usage, we are expecting that customers will continue to voluntarily conserve, but we may see a slight rebound in usage over the summer months due to the above average rainfall received in the area.

Recycled Water

The Agency began recycled water sales during FY 2003/04. To-date, recycled water has only been sold to the Valencia Water Division to provide service for the TPC (now The Oaks Club) golf course and median landscaping in the Westridge development, and sales are estimated to be 294,736 ccf in FY 2023/24 and 314,465 ccf in FY 2024/25 at an estimated rate of \$676/AF in FY 2023/24 and \$721/AF in FY 2024/25. Revenue is estimated to be \$487,198 and \$524,381, respectively. When Vista Canyon comes online or should recycled water be used for grading for Mission Village in the Newhall Ranch development, revenues would be higher.

One-Time Water Sales

In the past, the Agency has been able to sell water from the Buena Vista/Rosedale-Rio Bravo water supplies. As we recover from the drought, it is unlikely that the Agency would sell any of its surplus water in FY 2023/24 and FY 2024/25, instead, we will replenish our banking supplies so that water will be available when needed. This revenue is known as one-time water sales

and in the event that the Agency has the ability to sell any supply, it will be allocated to the Operating Fund.

One-Percent Property Tax Revenues

One-percent property tax revenues are unrestricted and can be used to fund operating expenses, as well as debt service dedicated to fund existing users’ share of the Agency debt (excluding Legacy debt), the pay-go portion of the capital improvement program, as well as a portion of core non-SWP water supplies. FY 2023/24 revenues are estimated at \$31 million, assuming a 2.3% annual increase, the FY 2024/25 revenues are projected at \$31.7 million. This assumption is based on the 13-year average of property tax revenues.

This budget estimate also assumes the State does not divert these funds. During FY 2004/05 and FY 2005/06, the State of California diverted over 65% of the Agency’s one-percent property tax revenues. The Agency was able to absorb the two-year loss due to sufficient cash and reserves to maintain debt coverage and to fund the capital budget. During FY 2009/10, the State invoked a Proposition 1A borrowing of 8% of the Agency’s allocation of one-percent tax revenues, or approximately \$1.7 million, intended to be repaid by FY 2012/13. The Agency participated in the State of California Proposition 1A Receivables Program to securitize the receivable and received the entire repayment during FY 2009/10.

Any future diversions by the State will impact the Agency’s ability to fully fund existing users’ share of the debt service and pay-go capital improvement projects. At this time, it seems unlikely the State will again shift some amount of property tax revenue away from the Agency in FY 2023/24 or FY 2024/25. If the property tax formula is permanently changed in the future, it would impact the Agency’s ability to maintain debt coverage and fund the capital budget.

Agency-Set Property Tax Revenues (SWC Fund)

The Agency-set property tax revenues are estimated to total \$37.7 million in FY 2023/24 and \$38.6 million in FY 2024/25. These revenues are restricted to pay for the Agency’s share of the cost of operating and administering the State Water Project supply. This revenue estimate is based on an increase of a 2.3% annual property tax revenue increase and no change in the current tax rate of 7.06 cents per \$100 valuation.

Agency-Set Property Tax Revenues – Last Ten Fiscal Years

Fiscal Year	Los Angeles County	Ventura County	Total
2011/12	\$ 22,897,145	\$ 24,913	\$ 22,922,058
2012/13	23,117,274	27,904	23,145,178
2013/14	24,090,084	25,790	24,115,874
2014/15	26,044,550	25,800	26,070,350
2015/16	27,076,572	22,783	27,099,355
2016/17	28,343,916	22,887	28,366,803
2017/18	31,245,039	22,670	31,267,709
2018/19	31,973,100	22,900	31,996,000
2019/20	32,094,246	27,587	32,121,833
2020/21	35,127,914	32,905	35,160,819
2021/22	35,535,006	34,107	35,569,113
2022/23*	36,798,222	35,040	36,833,262

*Estimated

Facility/Retail Capacity Fee Revenues

Facility Capacity Fee revenues are estimated at \$1.6 million in FY 2023/24 and \$2 million in FY 2024/25. The estimated capacity fee revenue is based on engineers' estimates. FCF's are used to pay for the portion of debt that has been allocated to future users.

Perchlorate Reimbursements

In May 2007, legacy divisions of SCV Water settled a long-running lawsuit against the current and past owners of the former Whittaker-Bermite industrial site and approved a settlement agreement to remove perchlorate from the Santa Clarita Valley's groundwater aquifers. The Agency estimates this settlement, when added to past settlements, will provide up to \$100 million on an undiscounted basis. Settlement Agreement revenues in FY 2023/24 are \$4.2 million, and \$3.1 in FY 2024/25 for operations and maintenance (O&M) and for the construction of the Saugus #3 & #4 replacement wells.

Grants

Grants and reimbursements for Capital Improvement Programs are provided by Proposition 1 Round 2, Proposition 84 Rounds 1 and 2 Planning and Implementation Grants and Prop 68 Round 3 through the Department of Water Resources for a variety of water studies, implementation, administration of the grants and updating various programs and plans. Reimbursements are provided for the processing of annexations.

Project	FY 2023/24	FY 2024/25
Prop 84 R1 Imp Grant	\$ -	\$ -
Prop 1 & 68 SGWP Grant	\$ 130,000	
Prop 1 Round 1 IRWM Grant (Grant Admin, Santa Clara Honby PFAS, RW Phase 2C)	\$ 3,213,500	\$ 1,051,500
SWRCB Grant - LARC Ranch	\$ 2,500,000	\$ 750,000
T&U Wells (EPA EC + LARC Incentive)	\$ 3,850,000	\$ 2,250,000
Prop 1 Round 2 Grant (Grant Admin, Sand Cyn Sewer Relocation, T&U Wells)	\$ 552,340	\$ 1,089,800
Rosedale Phase II Wells	\$ 280,000	\$ 842,000
S Wells PFAS	\$ 441,000	\$ 3,528,000
AMI Project	\$ 600,000	\$ 600,000
ESTIMATED GRANT REIMBURSEMENTS	\$ 11,566,840	\$ 10,111,300

The above table includes executed grants, awarded grants, grants due under SRF Program, and Prop 1 IRWM Round 2 Grant (award assured). Does not include grants applied for where awards have not been announced. Below is a list of Grant applications submitted or in progress. As these Grants have not been awarded, the Grant request is not included in Grant revenue.

Grant Program	Project	Grant Request
2022 Urban Drought Relief GR	Saugus 3&4 Equipping; S Wells PFAS	\$5.9M
Recycled Water Grant Program	RW Phase 2C	\$2.9M
Watersmart WEEG	Conservation Program Funding	\$2.0M
Sustainable Groundwater Management	GSA (Monitoring Wells, etc.)	\$5.1M

Other Sources of Revenue

Laboratory Revenues

The Agency performs laboratory work for DWR, UCLA and various other entities. FY 2023/24 and FY 2024/25 laboratory revenues are estimated at \$23,230 and \$23,462, respectively, per year based on the current workload.

Communications Revenues

The Agency has several agreements with communication companies for lease of communication sites at Agency facilities. In addition, the Agency receives rent from a commercial property. FY 2023/24 revenues are estimated at \$487,198 and \$540,879 in FY 2024/25 based on existing contracts.

Investment Revenues

FY 2023/24 investments revenues are estimated to be \$10,792,511 and \$9,292,277 in FY 2024/25 across all funds. The breakdown by funding source for the FY 2023/24 and FY 2024/25 Budget is as follows:

Fund	FY 2023/24	FY 2024/25
General Fund/Operating	\$ 5,893,996	\$ 6,055,559
Capital Improvement Program	1,706,250	390,000
State Water Contract Fund	3,192,265	2,846,718
Facility/Retail Capacity Fees	0	0
Total	\$ 10,792,511	\$ 9,292,277

SCV WATER - REVENUES
FY 2023/24 and FY 2024/25 BUDGET

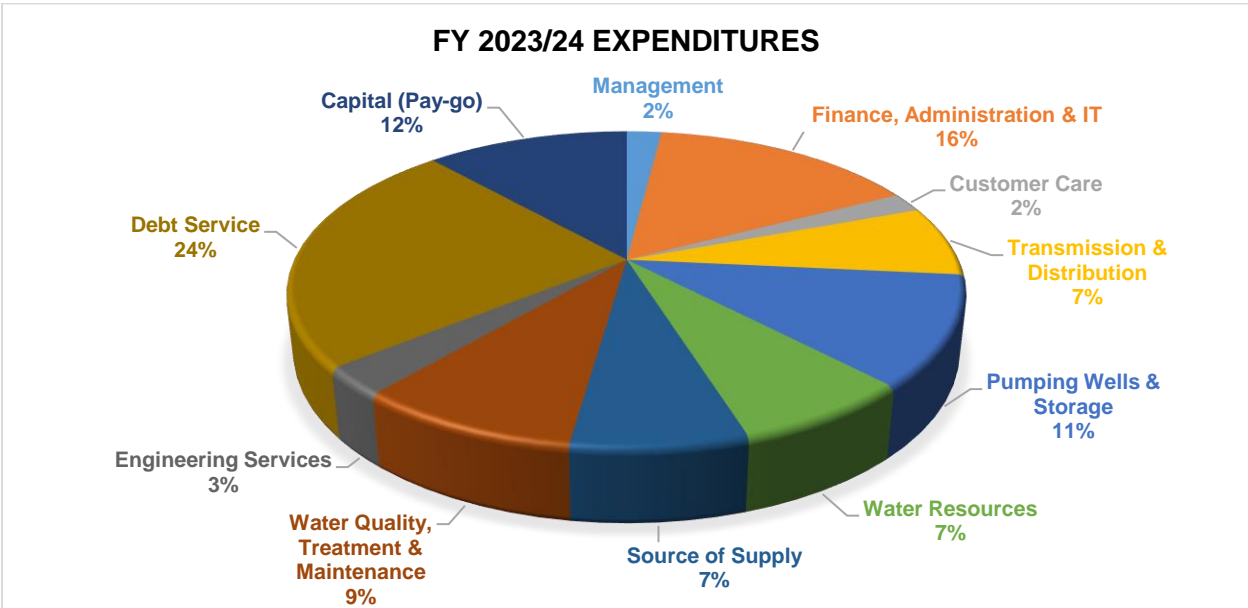
	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
OPERATING REVENUES							
Water Sales - Residential	\$ 51,449,640	\$ 49,633,514	\$ 54,993,689	6.9%	\$ 59,316,439	7.9%	(a)
Water Sales - Commercial	4,926,889	4,752,974	5,275,848	7.1%	5,689,800	7.8%	
Water Sales - Industrial	1,615,373	1,558,352	1,729,786	7.1%	1,865,508	7.8%	
Water Sales - Irrigation	19,303,711	17,107,378	20,670,945	7.1%	22,292,824	7.8%	
Water Sales - Public Authority & Other	3,473,053	5,800,369	3,719,040	7.1%	4,010,843	7.8%	
Water Sales - Fire	669,515	632,780	722,743	8.0%	780,220	8.0%	
Legacy Debt Revenue - VWD	3,603,809	3,532,651	3,630,349	0.7%	3,657,045	0.7%	
Legacy Debt Revenue - SCWD	5,873,249	5,434,140	5,999,173	2.1%	6,127,751	2.1%	
Water Sales - WWR Variable	1,045	-	1,076	2.9%	1,108	3.0%	
Water Sales - WWR Fixed	296,729	292,344	305,622	3.0%	314,793	3.0%	
Water Sales - Recycled	468,612	432,408	487,198	4.0%	524,381	7.6%	
Misc Fees and Charges	1,020,000	570,160	500,000	-51.0%	550,000	10.0%	(b)
Lab Revenues	23,000	21,320	23,230	1.0%	23,462	1.0%	
Communication & Rental	752,174	521,744	530,273	-29.5%	540,879	2.0%	
Property Tax 1%	30,244,543	31,773,451	30,952,265	2.3%	31,676,548	2.3%	
Annexation Reimbursements	2,099,650	2,140,287	2,691,987	28.2%	470,000	-82.5%	(c)
Interest Income	650,000	2,013,687	5,893,996	806.8%	6,055,559	2.7%	(d)
PERCH Reimbursements - O&M & CIP	8,900,000	8,215,000	4,207,000	-52.7%	3,047,000	-27.6%	(e)
Grant & Reimbursements	6,791,105	3,500,900	11,566,840	70.3%	10,111,300	-12.6%	(f)
Transfer In - Facility/Capacity Fees	6,300,000	1,897,682	1,577,800	-75.0%	1,948,800	23.5%	(g)
Total Operating Revenues	\$ 148,462,098	\$ 139,831,141	\$ 155,478,860	4.7%	\$ 159,004,261	2.3%	

(1) Changes of more than 10% and \$20,000 (Revenue only - Expense variances noted in Department schedules)

- (a) Residential water sales were reduced by \$100K each year to allocate Ratepayer Assistance Program
- (b) Misc Fees changed with the adoption of SB 998
- (c) Acquisition Costs paid in FY2023/24 and only carrying costs in FY2024/25 for Tapia and Tesoro Developments
- (d) Investments in long term assets that have a higher rate of return based on Investment Advisor estimate
- (e) Remainder of Saugus 3&4 balance of construction reimbursement and annual O&M costs
- (f) Executed grants, awarded grants, grants due under SRF Program, and Prop 1 IRWM Round 2 Grant
- (g) Based on Engineers Estimate

EXPENDITURES

The FY 2023/24 and FY 2024/25 Biennial Budget’s use of funds (including debt service and Pay-go CIP) is projected to be \$155.5 million and \$159 million, respectively. There is a 4.7% increase in expenditures in FY 2023/24 compared to the FY 2022/23 budget, and an increase of 2.3% in FY 2024/25 compared to FY 2023/24. A significant factor in the rise in use of funds in FY 2023/24 is due to a 13% increase in the debt service payments for the 2023A bonds; a 17.3% increase in Pumping, Wells & Storage for the PFAS treatment and purchased power expense; 19.6% increase in Water Quality, Treatment and Maintenance for employee expense and treatment chemicals; and a 15.4% increase in Finance, Administration and IT due to increases in technology services and liability insurance.



Certain types of expenses are combined into spending categories for easier management. These categories combine several similar line items to facilitate analysis by Agency management. A brief description of use in each category is as follows:

Source of Supply

The Source of Supply department represents approximately 7% of the Agency’s expense budget and includes the cost of acquiring water supplies, outside of the State Water Project or the Agency’s groundwater wells. This department includes the purchase of recycled water from the Los Angeles County Sanitation District, the cost for the Buena Vista/Rosedale-Rio Bravo water supply contract and firming supplies in order to have funds to draw from the Agency’s water banking programs due to dry weather years.

Pumping, Wells and Storage

The Pumping, Wells and Storage department represents 11% of the Agency’s expense budget and provides funds for the cost of power to the Agency’s wells, booster stations, storage tanks

and sewer lift station. This category also provides funds for labor and maintenance of pumping equipment, structures, Cla-Vals (automatic control valves) and the groundwater treatment of Perchlorate and PFAS. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$17.5 million and \$18.8 million, respectively. This is an increase of 17.3% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 7% in FY 2024/25 compared to FY 2023/24. The change in both years is primarily due to the increase of purchased power and treatment costs for the current facilities and new facilities, including perchlorate and PFAS, that will be maintained or coming online during this budget period.

Water Quality and Treatment

The Water Quality and Treatment department represents 9% of the Agency's expense budget and provides funds for costs associated with laboratory testing, bacteriological sampling and special analysis as noted in Title 22 of the California Code of Regulations, as well as State Water Resources – Division of Drinking Water. This category also includes labor, maintenance and power for the Agency's treatment facilities and purchase of treatment chemicals and salt, etc., necessary for water treatment operations. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$14.1 million and \$15.3 million, respectively. There is a 19.6% increase in FY 2023/24 compared to the FY 2022/23 Budget due to increased treatment chemical costs and a reallocation of labor, and an increase of 8.4% in FY 2024/25 compared to FY 2023/24. The change in both years is primarily due to an increase in cost and amount of chemicals for the treatment process, and additional sampling and testing to comply with new regulations.

Transmission and Distribution

The Transmission and Distribution department represents 7% of the Agency's expense budget and provides funds for labor and maintenance of the Agency's mains, recycled water system, services, meters and hydrants. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$11.2 million and \$11.4 million, respectively. This is an increase of 5.2% in FY 2023/24 compared to the FY 2022/23 budget and an increase of 2% in FY 2024/25 compared to FY 2023/24. The primary increase is due to the increase in labor and benefits, as well as overtime, as this Department is responsible for after hour repairs.

Customer Care

The Customer Care department represents 2% of the Agency's expense budget and provides funds for labor and supervision for billing, collecting, connects, disconnects, investigations, meter reading support and applications. It also includes funds for the outsourcing of printing and mailing water bills, meter reconstruction, testing, repairs and calibrations. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$3.07 million and \$3.14 million, respectively. This is an increase of 9.2% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 2.5% in FY 2024/25 compared to FY 2023/24. The primary increase in FY 2023/24 is due to an increase in labor and benefits, as well as cost increases to outsource, print and mail customer bills.

Engineering

The Engineering department represents 3% of the Agency's expense budget and provides funds for planning, design and construction management of the Agency's capital projects, and oversees developer activities to ensure that capital facilities meet Agency standards. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$4.5 million and \$3.7 million, respectively. This is a decrease of 16.1% in FY 2023/24 compared to the FY 2022/23 Budget and a decrease of 17.5% in FY 2024/25 compared to FY 2023/24. The

decrease is primarily due to the completion of the Master Plan. Although this department will add staffing positions, those positions will offset engineering consulting costs.

Water Resources

The Water Resources department represents 7% of the Agency's expense budget and provides funds to ensure there is adequate water resources available to meet the community's current and future water needs, and to provide outreach to communicate the overall mission and vision of the Agency. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$11.4 million and \$11.7 million, respectively. This is an increase of 18.7% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 2.6% in FY 2024/25 compared to FY 2023/24. Several planning documents, such as, the Conservation Long-term Framework and Sustainability Initiatives have increased the FY 2023/24 Budget.

Management

The Management department represents 2% of the Agency's expense budget and provides funds for the Board of Director stipends, benefits and activities, General Manager labor, benefits, and activities, as well as the biennial election expense, litigation, and general legal costs. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$3.1 million and \$4.2 million, respectively. This is a decrease of 45.9% in FY 2023/24 compared to the FY 2022/23 Budget and an increase of 36.1% in FY 2024/25 compared to FY 2023/24. The primary changes from year to year are due to the biennial election cycle.

Finance, Administration and IT

The Finance, Administration and IT department represents 16% of the Agency's expense budget and provides funds for: administrative and general salaries, office supplies, technology supplies and service, supplies and contracts (procurement), human resources recruitment and services, facilities maintenance, fleet and warehousing, liability insurance, professional services, conferences and seminars, professional development, training and other general office expenses. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$23.9 million and \$25.7 million, respectively. This is an increase of 15.4% in FY 2023/24 compared to the FY 2022/23 Budget and an increase of 7.8% in FY 2024/25 compared to FY 2023/24. The primary increase to this department are labor and benefits for additional positions, as well as an increase in technology services and an increase in liability insurance.

The safety needs of the Agency's customers and employees, as well as compliance with regulatory agencies are of utmost importance to the Agency, and these costs are considered necessary expenses. Some of the administration and general expenses are more discretionary than others, such as insurance or regulatory fees, which are mandatory; whereas the Agency may be better able to control other expenses such as training or business meetings to some extent.

Salaries and Related Costs

The Board authorizes all regular full-time positions. All requests for new positions must contain justification and an evaluation of total costs, including benefits. There were five (7) additional positions added in FY 2023/24 and an additional (7) in FY 2024/25. The FY 2023/24 budget provides funding for 231 full-time employees, 10 part-time employees and one (1) limited duration employee for a total full-time equivalent (FTE) of 237 employees. A 6% cost of living adjustment (COLA) has been included in FY 2023/24 and a 3% COLA is estimated for FY 2024/25.

Portions of salaries and related costs (benefits) that occur in one department may be applied to another, and costs associated with developer funded projects or capital improvements projects are directly charged to those projects. Employee benefits include expenses for workers compensation, group medical insurance, disability insurance and retirement.

Eligible full-time employees become members of the California Public Employees Retirement System (CalPERS).

For the FY 2023/24 and FY 2024/25 Biennial Budget, salaries and related costs are projected to be \$35.1 million and \$37.8 million, respectively. This is an increase of 16% in FY 2023/24 compared to the FY 2022/23 Budget and an increase of 7.6% in FY 2024/25 compared to FY 2023/24.

Capital Improvement Projects “Pay-Go”

The “Pay-go” (pay-as-you-go) capital improvement projects (CIP) category represents 12% of the Agency’s expense budget that is funded by revenues and provides funds to enhance asset management, maintenance, water system improvements, equipment replacements and technology improvements. Additional information can be found in the Capital Improvement Program section of the Budget. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$18.1 million and \$15.8 million, respectively. This is a decrease of 14.6% in FY 2023/24 compared to the FY 2022/23 Budget, and a decrease of 12.9% in FY 2024/25 compared to FY 2023/24.

Debt Service

The debt service category represents 24% of the Agency’s expense budget. Debt is used for financing the Agency infrastructure and project needs. Debt is issued and managed prudently in order to maintain a sound financial position and protect credit quality. The Agency pays its debt service (Legacy debt is paid by those Legacy agencies who incurred the debt, per SB 634) from Facility Capacity Fees (FCF), 1% property tax revenues, and water sales. The Agency anticipates issuing revenue bonds in FY 2023/24 in the amount of \$75 million to fund major capital improvements. Current FCF, 1% property tax revenues and water rates will be sufficient to pay for the projected issuance as was included in the Cost of Service and Rate Study. Additional long-term debt information can be found in the Long-Term Commitment and Forecast sections of the Budget. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$37.5 million and \$37.7 million, respectively. The Agency continues to monitor its bond covenants to ensure there is sufficient funds to cover its debt service obligations.

**SCV WATER - TOTAL EXPENSES
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING EXPENSES						
Management	5,722,541	3,824,886	3,094,046	-45.9%	4,210,276	36.1%
Finance, Administration & IT	20,725,318	18,351,844	23,917,379	15.4%	25,773,077	7.8%
Customer Care	2,810,685	2,775,795	3,068,214	9.2%	3,143,402	2.5%
Transmission & Distribution	10,599,865	9,893,411	11,151,577	5.2%	11,377,167	2.0%
Pumping Wells & Storage	14,959,138	14,863,153	17,540,767	17.3%	18,763,365	7.0%
Water Resources	9,584,392	7,813,278	11,380,616	18.7%	11,678,620	2.6%
Source of Supply	12,535,000	10,517,669	11,108,816	-11.4%	11,632,181	4.7%
Water Quality, Treatment & Maintenance	11,781,761	12,500,464	14,093,165	19.6%	15,283,884	8.4%
Engineering Services	5,342,361	3,784,674	4,484,004	-16.1%	3,699,025	-17.5%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
Capital (Pay-go)	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Total Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

SCV Water Expense Detail by Account

Salary	20,412,753	21,836,870	23,610,203	15.7%	25,599,541	8.4%
Overtime	733,243	1,924,307	1,325,057	80.7%	1,280,169	-3.4%
Burden & Benefits	9,100,106	9,343,285	10,140,685	11.4%	10,869,972	7.2%
51301 - Election	550,000	550,000	-	-100.0%	800,000	0.0%
51326 - Directors Compensation	236,160	344,421	271,026	14.8%	271,026	0.0%
51327 - Directors Expenses	70,000	20,645	76,000	8.6%	76,000	0.0%
51328 - Directors Travel	40,000	7,954	50,000	25.0%	55,000	10.0%
51329 - Directors Training	35,000	10,258	52,000	48.6%	52,000	0.0%
51505 - Employee Expense	192,305	131,756	256,125	33.2%	264,031	3.1%
51515 - Employee Travel	144,310	46,312	195,075	35.2%	188,221	-3.5%
52005 - Safety Training & Expense	300,000	367,184	326,000	8.7%	336,000	3.1%
52006 - Safety Emergency Supplies	-	-	75,000	100.0%	75,000	0.0%
52010 - Supplies & Services	547,500	335,730	443,000	-19.1%	468,000	5.6%
52024 - Internal Relations	86,600	86,012	120,000	38.6%	120,000	0.0%
52030 - DD Landowner Expenditures	176,500	200,000	300,000	70.0%	300,000	0.0%
52050 - Analytical Supplies	305,000	320,649	365,000	19.7%	400,000	9.6%
52085 - Small Tools, Materials and Supplies	720,300	810,977	635,000	-11.8%	641,000	0.9%
52605 - Gases	5,000	6,826	5,000	0.0%	5,000	0.0%
52611 - Chemicals	2,307,000	1,695,881	2,625,000	13.8%	3,125,000	19.0%
52651 - Fuel	576,500	583,008	550,000	-4.6%	550,000	0.0%
52654 - M&R - Vehicles & Equipment	824,000	1,325,001	700,000	-15.0%	700,000	0.0%
53101 - Employee Education/Seminars	295,400	162,219	361,100	22.2%	360,200	-0.2%
53104 - Uniforms & Apparel	106,700	125,000	140,000	31.2%	150,000	7.1%
53105 - Outside Service/Contracting	3,290,000	2,786,269	3,990,000	21.3%	4,280,000	7.3%
53120 - M&R Surface Restoration	1,800,000	1,118,498	1,800,000	0.0%	1,800,000	0.0%
53121 - M&R - Storage - Potable Water	180,000	58,506	180,000	0.0%	200,000	11.1%
53122 - M&R - Mains	900,000	1,146,840	900,000	0.0%	900,000	0.0%
53123 - M&R City/County Overlay Projects	250,000	257,210	250,000	0.0%	250,000	0.0%
53124 - M&R - Hydrants	185,000	269,083	250,000	35.1%	250,000	0.0%
53126 - M&R Meters	610,000	329,248	500,000	-18.0%	500,000	0.0%
53127 - M&R - Wells and Structures	150,000	285,274	200,000	33.3%	250,000	25.0%
53128 - M&R - Pumping Stations & Structures - Potable Water	200,000	153,062	225,000	12.5%	250,000	11.1%
53129 - M&R - Sewer Lift Station & Structures	45,000	1,086	60,000	33.3%	60,000	0.0%
53130 - M&R - Equipment Water Treatment	65,000	90,457	100,000	53.8%	125,000	25.0%
53131 - M&R - Pumping Equipment & Structures - Recycled Water	30,000	-	30,000	0.0%	30,000	0.0%
53132 - M&R - Storage - Recycled Water	20,000	-	75,000	275.0%	20,000	-73.3%
53133 - M&R - Groundwater PFAS Treatment	1,810,000	1,535,461	2,000,000	10.5%	2,500,000	25.0%
53134 - M&R - Groundwater Perchlorate Treatment	1,554,785	343,427	1,554,785	0.0%	1,554,785	0.0%
53135 - M&R - Mains & Services - Recycled Water	200,000	7,585	200,000	0.0%	200,000	0.0%
53136 - M&R - Valves	300,000	39,259	300,000	0.0%	300,000	0.0%
53137 - M&R - Control Valves	200,000	310,578	250,000	25.0%	250,000	0.0%
53138 - M&R - Air Vac / Blow Offs	100,000	119,064	100,000	0.0%	100,000	0.0%
53139 - M&R - Warehouse & Yard	180,000	54,847	50,000	-72.2%	50,000	0.0%

**SCV WATER - TOTAL EXPENSES
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING EXPENSES						
53140 - M&R Treatment Plants and Intake Pump Stations	160,000	99,647	350,000	118.8%	350,000	0.0%
53202 - Legal General	1,110,000	650,401	700,000	-36.9%	725,000	3.6%
53204 - Litigation Perchlorate	2,000,000	1,050,644	200,000	-90.0%	500,000	150.0%
53205 - Litigation Other	200,000	28	200,000	0.0%	200,000	0.0%
53210 - Professional Services Accounting	111,000	105,000	119,000	7.2%	128,000	7.6%
53212 - Licenses & Fees	206,000	90,000	95,000	-53.9%	97,000	2.1%
53213 - Office Storage and Rent/HOA Dues	150,000	121,069	150,000	0.0%	155,000	3.3%
53214 - Technology Services	4,503,129	3,967,355	5,777,315	28.3%	6,154,768	6.5%
53215 - Recruitment Expenses	51,000	80,193	75,000	47.1%	75,000	0.0%
53216 - Security & Alarm Services	-	(0)	193,000	100.0%	200,700	4.0%
53218 - Printing & Publications	47,100	9,085	25,000	-46.9%	17,000	-32.0%
53219 - BMP Implementation	2,535,860	2,050,000	2,610,000	2.9%	2,690,000	3.1%
53222 - Public Affairs & Partnerships	110,000	70,000	105,000	-4.5%	105,000	0.0%
53223 - Public Outreach Consultants	120,000	120,000	100,000	-16.7%	100,000	0.0%
53226 - Engineering Consulting	2,810,000	560,473	2,059,456	-26.7%	1,000,000	-51.4%
53228 - Pipe Inspection Program Services	175,000	16,720	200,000	14.3%	210,000	5.0%
53229 - Hazardous Waste Disposal	255,000	570	25,000	-90.2%	25,000	0.0%
53232 - Tools & Equipment Rental	75,000	22,838	75,000	0.0%	75,000	0.0%
53236 - Professional Services - Other	2,442,017	1,336,654	2,910,488	19.2%	2,769,968	-4.8%
53239 - Other - Misc Permits	100,000	76,290	125,000	25.0%	125,000	0.0%
53241 - Temporary Personnel Services	546,000	182,356	395,000	-27.7%	388,100	-1.7%
53242 - Legislative Advocate Services	350,000	284,862	350,000	0.0%	315,000	-10.0%
53243 - Groundwater Sustainability Agency	450,000	577,500	909,000	102.0%	794,000	-12.7%
53244 - Website Online Presence	61,000	61,000	52,000	-14.8%	52,000	0.0%
53245 - Campaigns & Messaging	100,000	60,000	100,000	0.0%	100,000	0.0%
53246 - Regulatory Fees	365,000	534,194	565,000	54.8%	615,000	8.8%
53301 - Uncollectible Accounts	150,000	115,197	175,000	16.7%	175,000	0.0%
53303 - Amortization Expense	-	22,738	-	0.0%	-	0.0%
53304 - Dues & Memberships	120,000	133,300	153,000	27.5%	155,000	1.3%
53329 - Other General Expenses	135,000	135,000	140,000	3.7%	145,000	3.6%
54300 - DD Variable DWR Charges	100,000	100,000	100,000	0.0%	100,000	0.0%
54310 - Refuse Disposal	40,000	59,856	68,000	70.0%	70,000	2.9%
54401 - Electricity - Wells, Pump Stations, and Potable Water Facilities	7,500,000	8,779,676	9,000,000	20.0%	9,500,000	5.6%
54402 - Electricity - Treatment Plant & Intake Pump Stations	1,000,000	1,800,000	1,000,000	0.0%	1,000,000	0.0%
54405 - Electricity - Sewer Lift Station	20,000	11,390	30,000	50.0%	30,000	0.0%
54407 - Electricity - Recycled Water Pump Stations & Facilities	70,000	53,316	90,000	28.6%	110,000	22.2%
54408 - Electricity - Other	250,000	209,799	250,000	0.0%	257,000	2.8%
54415 - Natural Gas	30,000	48,248	50,000	66.7%	50,000	0.0%
54426 - Recycled Water Purchase	335,000	17,669	108,816	-67.5%	121,181	11.4%
55200 - Retiree Med/Dental Insurance	808,792	827,500	914,251	13.0%	955,934	4.6%
55205 - Unemployment Insurance	63,000	49,808	55,000	-12.7%	55,000	0.0%
55215 - Liability Insurance	2,282,000	1,251,086	2,600,000	13.9%	2,800,000	7.7%
55501 - Core Water Supplies	8,200,000	8,200,000	8,600,000	4.9%	9,011,000	4.8%
55502 - Firming Programs	4,000,000	2,300,000	2,400,000	-40.0%	2,500,000	4.2%
57501 - Real Property Taxes	90,000	5,860	3,200	-96.4%	3,400	6.3%
58030 - Overhead Allocated to Projects	-	(1,378,191)	-	0.0%	-	0.0%
58101 - Lease Clearing (GASB 87)	-	(8,308)	-	0.0%	-	0.0%
59001 - Transfer Out	-	324,302	-	0.0%	-	0.0%
56020 - Capital/Other	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
SCV Water Expense Detail by Account	148,462,098	138,090,501	155,478,860	4.7%	159,004,262	2.3%

**SCV WATER - OPERATING EXPENSE
MANAGEMENT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ 519,756	\$ 493,932	\$ 555,338	7%	\$ 566,715	2%
OVERTIME	2,708	249	580	-79%	564	-3%
BENEFITS	389,916	255,753	409,902	5%	419,771	2%
51301 - Election	550,000	550,000	-	-100%	800,000	0%
51326 - Directors Compensation	236,160	344,421	271,026	15%	271,026	0%
51327 - Directors Expenses	70,000	20,645	76,000	9%	76,000	0%
51328 - Directors Travel	40,000	7,954	50,000	25%	55,000	10%
51329 - Directors Training	35,000	10,258	52,000	49%	52,000	0%
51505 - Employee Expense	8,000	5,814	11,200	40%	11,200	0%
51515 - Employee Travel	5,000	1,438	10,000	100%	10,000	0%
53101 - Employee Education/Seminars	6,000	2,648	8,000	33%	8,000	0%
53202 - Legal General	1,110,000	650,401	700,000	-37%	725,000	4%
53204 - Litigation Perchlorate	2,000,000	1,050,644	200,000	-90%	500,000	150%
53205 - Litigation Other	200,000	28	200,000	0%	200,000	0%
53236 - Professional Services - Other	200,000	145,840	200,000	0%	200,000	0%
53241 - Temporary Personnel Services	-	-	-	0%	-	0%
53242 - Legislative Advocate Services	350,000	284,862	350,000	0%	315,000	-10%
Total Management	\$ 5,722,541	\$ 3,824,886	\$ 3,094,046	-46%	\$ 4,210,276	36.1%

(1) Changes of more than 10% and \$20,000

(a) Potential Director stipend increase and increase of meeting attendance due to lifting of COVID restrictions

**SCV WATER - OPERATING EXPENSE
FINANCE, ADMINISTRATION and IT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 5,285,656	\$ 5,333,745	\$ 6,295,248	19%	\$ 6,853,472	9%	(a)
OVERTIME	57,866	169,845	128,743	122%	124,384	-3%	(b)
BENEFITS	2,272,824	2,149,611	2,612,821	15%	2,807,117	7%	(c)
51505 - Employee Expense	51,150	44,104	68,925	35%	72,031	5%	
51515 - Employee Travel	23,800	8,722	36,575	54%	39,971	9%	
52010 - Supplies & Services	420,000	236,633	328,000	-22%	353,000	8%	
52085 - Small Tools, Materials and Supplies	150,000	100,000	150,000	0%	155,000	3%	
52651 - Fuel	576,500	583,008	550,000	-5%	550,000	0%	
52654 - M&R - Vehicles & Equipment	824,000	1,325,001	700,000	-15%	700,000	0%	
53101 - Employee Education/Seminars	96,900	70,843	137,300	42%	131,200	-4%	(d)
53104 - Uniforms & Apparel	106,700	125,000	140,000	31%	150,000	7%	(e)
53105 - Outside Service/Contracting	1,005,000	771,481	1,170,000	16%	1,380,000	18%	(f)
53210 - Professional Services Accounting	111,000	105,000	119,000	7%	128,000	8%	
53212 - Licenses & Fees	206,000	90,000	95,000	-54%	97,000	2%	
53213 - Office Storage and Rent/HOA Dues	150,000	121,069	150,000	0%	155,000	3%	
53214 - Technology Services	4,503,129	3,967,355	5,777,315	28%	6,154,768	7%	(g)
53215 - Recruitment Expenses	51,000	80,193	75,000	47%	75,000	0%	(h)
53216 - Security & Alarm Services	-	0	193,000	100%	200,700	4%	(i)
53218 - Printing & Publications	15,000	85	10,000	-33%	2,000	-80%	
53228 - Pipe Inspection Program Services	175,000	16,720	200,000	14%	210,000	5%	(j)
53236 - Professional Services - Other	600,000	332,341	600,000	0%	800,000	100%	(k)
53241 - Temporary Personnel Services	255,000	40,000	197,000	-23%	193,100	-2%	
53304 - Dues & Memberships	120,000	134,890	153,000	28%	155,000	1%	(l)
53329 - Other General Expenses	135,000	135,211	140,000	4%	145,000	4%	
54310 - Refuse Disposal	40,000	59,856	68,000	70%	70,000	3%	(m)
54408 - Electricity - Other	250,000	209,799	250,000	0%	257,000	3%	
55200 - Retiree Med/Dental Insurance	808,792	827,500	914,251	13%	955,934	5%	(n)
55205 - Unemployment Insurance	63,000	49,808	55,000	-13%	55,000	0%	
55215 - Liability Insurance	2,282,000	1,258,164	2,600,000	14%	2,800,000	8%	(o)
57501 - Real Property Taxes	90,000	5,860	3,200	-96%	3,400	6%	
Total Finance, Administration and IT	\$ 20,725,318	\$ 18,351,844	\$ 23,917,379	15%	\$ 25,773,077	7.8%	

(1) Changes of more than 10% and \$20,000

- (a) Additional department positions, COLA increases, and merit increases
- (b) Overtime increased due to hybrid meetings, on-call overtime for Technology Services and Buildings and Grounds
- (c) Increase to burden and benefits for additional staff, health premium increase
- (d) Increase in employee expenses, travel, and education/seminars due to lift of COVID restrictions and increase with in-person conferences and meetings
- (e) Uniform contract and apparel
- (f) Yard and facility maintenance, new landscaping services, additional security patrol
- (g) Increase due to expansion of applications used by CCare, and anticipated maintenance for Agency-wide Camera system
- (h) Increase to recruitment expense due to additional positions and internship program
- (i) Additional security services to seven locations throughout the agency, increase security services for after hour meetings and additional alarm services to buildings
- (j) Ongoing Pipe inspection services
- (k) WIFIA application and consultant costs, Ratepayer Advocate, Studies, Investment Services Fees
- (l) Centralizing Dues & Memberships under one department
- (m) Price adjustments to services, services to new location(s), and increase in cost of fuel
- (n) Additional retirees and health premium increase
- (o) Anticipated premium increase of 14%

**SCV WATER - OPERATING EXPENSE
CUSTOMER CARE
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 1,053,582	\$ 994,195	\$ 1,182,230	12%	\$ 1,239,035	5%	(a)
OVERTIME	4,389	43,538	26,377	501%	25,623	-3%	(b)
BENEFITS	459,213	464,725	508,107	11%	527,243	4%	(c)
51505 - Employee Expense	1,500	2,604	1,500	0%	1,500	0%	
51515 - Employee Travel	1,500	695	4,500	200%	4,500	0%	
53101 - Employee Education/Seminars	10,500	12,502	10,500	0%	10,500	0%	
53105 - Outside Service/Contracting	1,110,000	1,051,676	1,140,000	3%	1,140,000	0%	
53241 - Temporary Personnel Services	20,000	90,663	20,000	0%	20,000	0%	
53301 - Uncollectible Accounts	150,000	115,197	175,000	17%	175,000	0%	(d)
Total Customer Care	\$ 2,810,685	\$ 2,775,795	\$ 3,068,214	9%	\$ 3,143,402	2.5%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Increase in overtime due to new software implementations and staff participation in community events
- (c) Burden and benefit, health premium increases
- (d) Customer accounts - bad debt write-offs

**SCV WATER - OPERATING EXPENSE
TRANSMISSION and DISTRIBUTION
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 3,013,315	\$ 3,468,989	\$ 3,485,200	16%	\$ 3,665,771	5%	(a)
OVERTIME	315,409	839,521	528,562	68%	513,307	-3%	(b)
BENEFITS	1,521,141	1,603,101	1,702,815	12%	1,763,089	4%	(c)
51505 - Employee Expense	10,000	12,530	20,000	100%	20,000	0%	
51515 - Employee Travel	15,000	358	15,000	0%	15,000	0%	
52085 - Small Tools, Materials and Supplies	245,000	157,777	245,000	0%	245,000	0%	
53101 - Employee Education/Seminars	30,000	1,200	30,000	0%	30,000	0%	
53120 - M&R Surface Restoration	1,800,000	1,118,498	1,800,000	0%	1,800,000	0%	
53122 - M&R - Mains	900,000	1,146,840	900,000	0%	900,000	0%	
53124 - M&R - Hydrants	185,000	269,083	250,000	35%	250,000	0%	(d)
53126 - M&R Meters	610,000	329,248	500,000	-18%	500,000	0%	
53135 - M&R - Mains & Services - Recycled Wat	200,000	7,585	200,000	0%	200,000	0%	
53136 - M&R - Valves	300,000	39,259	300,000	0%	300,000	0%	
53137 - M&R - Control Valves	200,000	310,578	250,000	25%	250,000	0%	(d)
53138 - M&R - Air Vac / Blow Offs	100,000	119,064	100,000	0%	100,000	0%	
53139 - M&R - Warehouse & Yard	180,000	54,847	50,000	-72%	50,000	0%	
53229 - Hazardous Waste Disposal	255,000	570	-	-100%	-	0%	
53232 - Tools & Equipment Rental	75,000	22,838	75,000	0%	75,000	0%	
53239 - Other - Misc Permits	100,000	76,290	125,000	25%	125,000	0%	(e)
53241 - Temporary Personnel Services	75,000	-	85,000	13%	85,000	0%	
54415 - Natural Gas	30,000	48,248	50,000	67%	50,000	0%	(f)
Total Transmission and Distribution	\$ 10,599,865	\$ 9,893,411	\$ 11,151,577	5%	\$ 11,377,167	2.0%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Overtime increased due to main and service leak repairs and on-call overtime
- (c) Increase to burden and benefits, health premium increase
- (d) Additional planned maintenance
- (e) Increase to regulatory permits
- (f) Increase to So Cal Gas rates

**SCV WATER - OPERATING EXPENSE
PUMPING, WELLS and STORAGE
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 1,861,312	\$ 1,918,916	\$ 2,153,716	16%	\$ 2,241,426	4%	(a)
OVERTIME	217,158	373,057	289,133	33%	278,044	-4%	(b)
51505 - Employee Expense	5,000	884	7,000	40%	7,000	0%	
51515 - Employee Travel	5,000	1,505	7,000	40%	7,000	0%	
52085 - Small Tools, Materials and Supplies	50,000	83,484	100,000	100%	100,000	0%	(c)
53101 - Employee Education/Seminars	25,000	5,127	25,000	0%	25,000	0%	
53105 - Outside Service/Contracting	200,000	256,496	400,000	100%	425,000	6%	(d)
53121 - M&R - Storage - Potable Water	180,000	58,506	180,000	0%	200,000	11%	
53127 - M&R - Wells and Structures	150,000	285,274	200,000	33%	250,000	25%	(e)
53128 - M&R - Pumping Stations & Structures - Potable Water	200,000	153,062	225,000	13%	250,000	11%	(e)
53129 - M&R - Sewer Lift Station & Structures	45,000	1,086	60,000	33%	60,000	0%	
53130 - M&R - Equipment Water Treatment	65,000	90,457	100,000	54%	125,000	25%	(e)
53131 - M&R - Pumping Equipment & Structures - Recycled Water	30,000	-	30,000	0%	30,000	0%	
53132 - M&R - Storage - Recycled Water	20,000	-	75,000	275%	20,000	-73%	(f)
53133 - M&R - Groundwater PFAS Treatment	1,810,000	1,535,461	2,000,000	10%	2,500,000	25%	
53134 - M&R - Groundwater Perchlorate Treatment	1,554,785	343,427	1,554,785	0%	1,554,785	0%	
54401 - Electricity - Wells, Pump Stations, and Potable Water Facilities	7,500,000	8,779,676	9,000,000	20%	9,500,000	6%	(g)
54404 - Electricity - Treatment Wells	-	-	-	0%	-	0%	
54405 - Electricity - Sewer Lift Station	20,000	11,390	30,000	50%	30,000	0%	
54407 - Electricity - Recycled Water Pump Stations & Facilities	70,000	53,316	90,000	29%	110,000	22%	
Total Pumping Wells and Storage	\$ 14,959,138	\$ 14,863,153	\$ 17,540,767	17%	\$ 18,763,365	7.0%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Overtime increased due to facility repairs and on-call overtime
- (c) Increased cost to tools, speciality tools
- (d) Increased due to panel cleaning and miscellaneous improvements
- (e) Parts and material costs increases, and additional planned maintenance
- (f) Additional facilities coming online
- (g) Edison rate increases and contingency for reduced solar offsets

**SCV WATER - OPERATING EXPENSE
WATER RESOURCES
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 2,842,424	\$ 2,545,027	\$ 3,372,391	19%	\$ 3,861,845	15%	(a)
OVERTIME	1,065	8,647	13,709	1187%	13,320	-3%	(b)
BENEFITS	950,111	828,992	1,003,828	6%	1,185,987	18%	(c)
51505 - Employee Expense	54,755	24,741	66,900	22%	69,200	3%	
51515 - Employee Travel	55,960	22,725	71,500	28%	59,600	-17%	
52010 - Supplies & Services	127,500	99,000	115,000	-10%	115,000	0%	
52024 - Internal Relations	86,600	86,012	120,000	39%	120,000	0%	(d)
52030 - DD Landowner Expenditures	176,500	200,000	300,000	70%	300,000	0%	(e)
53101 - Employee Education/Seminars	34,500	24,000	45,800	33%	47,700	4%	
53105 - Outside Service/Contracting	-	-	115,000	100%	120,000	4%	(f)
53218 - Printing & Publications	32,100	9,000	15,000	-53%	15,000	0%	
53219 - BMP Implementation	2,535,860	2,050,000	2,610,000	3%	2,690,000	3%	
53222 - Public Affairs & Partnerships	110,000	70,000	105,000	-5%	105,000	0%	
53223 - Public Outreach Consultants	120,000	120,000	100,000	-17%	100,000	0%	
53236 - Professional Services - Other	1,642,017	858,473	2,110,488	29%	1,769,968	-16%	(g)
53241 - Temporary Personnel Services	104,000	51,693	55,000	-47%	60,000	9%	
53243 - Groundwater Sustainability Agency	450,000	577,500	909,000	102%	794,000	-13%	(h)
53244 - Website Online Presence	61,000	61,000	52,000	-15%	52,000	0%	
53245 - Campaigns & Messaging	100,000	60,000	100,000	0%	100,000	0%	
54300 - DD Variable DWR Charges	100,000	100,000	100,000	0%	100,000	0%	
Total Water Resources	\$ 9,584,392	\$ 7,813,278	\$ 11,380,616	19%	\$ 11,678,620	2.6%	

(1) Changes of more than 10% and \$20,000

- (a) Additional department positions, COLA increases, and merit increases
- (b) Increase in overtime due to new conservation program implementation and staff participation in community events
- (c) Increase in attending in-person conferences and meetings
- (d) Reflects added efforts in employee relations and morale; with monthly team building activities
- (e) Increase due to anticipated legal expenses re-name/title change to SCVWA and anticipated maintenance & water quality analysis
- (f) Solar corrective, and continued maintenance
- (g) Work deferred from FY 2022/23, includes planning components for Conservation Long-term Framework and Sustainability initiatives
- (h) Includes 15% budget contingency and initiation of new grant funded work (if grant is awarded); and the need to replace field equipment.

**SCV WATER - OPERATING EXPENSE
SOURCE OF SUPPLY
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ -	\$ -	\$ -	0%	\$ -	0%
OVERTIME	-	-	-	0%	-	0%
BENEFITS	-	-	-	0%	-	0%
54426 - Recycled Water Purchase	335,000	17,669	108,816	-68%	121,181	11%
55501 - Core Water Supplies	8,200,000	8,200,000	8,600,000	5%	9,011,000	5%
55502 - Firing Programs	4,000,000	2,300,000	2,400,000	-40%	2,500,000	4%
Total Source of Supply	\$ 12,535,000	\$ 10,517,669	\$ 11,108,816	-11%	\$ 11,632,181	4.7%

(1) Changes of more than 10% and \$20,000

**SCV WATER - OPERATING EXPENSE
ENGINEERING
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ 1,718,737	\$ 2,202,142	\$ 1,637,048	-5%	\$ 1,836,331	12%
OVERTIME	7,689	14,636	5,974	-22%	5,877	-2%
BENEFITS	678,185	935,806	642,424	-5%	710,867	11%
51505 - Employee Expense	28,400	22,086	40,100	41%	42,000	5%
51515 - Employee Travel	16,050	6,489	23,000	43%	24,150	5%
52085 - Small Tools, Materials and Supplies	30,300	14,958	20,000	-34%	21,000	5%
53101 - Employee Education/Seminars	43,000	28,085	56,000	30%	58,800	5%
53226 - Engineering Consulting	2,810,000	560,473	2,059,456	-27%	1,000,000	-51%
53241 - Temporary Personnel Services	10,000	-	-	-100%	-	0%
Total Engineering Services Expenses	\$ 5,342,361	\$ 3,784,674	\$ 4,484,004	-16%	\$ 3,699,025	-17.5%

(1) Changes of more than 10% and \$20,000

**SCV WATER - OPERATING EXPENSE
WATER QUALITY and TREATMENT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 4,117,970	\$ 4,170,189	\$ 4,929,031	20%	\$ 5,334,946	8%	(a)
OVERTIME	126,957	436,751	331,979	161%	319,050	-4%	(b)
BENEFITS	1,877,833	1,876,260	2,246,655	20%	2,405,788	7%	(c)
51505 - Employee Expense	33,500	18,993	40,500	21%	41,100	1%	(d)
51515 - Employee Travel	22,000	4,380	27,500	25%	28,000	2%	(d)
52005 - Safety Training & Expense	300,000	367,184	326,000	9%	336,000	3%	
52006 - Safety Emergency Supplies	-	-	75,000	100%	75,000	0%	(e)
52010 - Supplies & Services	-	97	-	0%	-	0%	
52050 - Analytical Supplies	305,000	320,649	365,000	20%	400,000	10%	(f)
52085 - Small Tools, Materials and Supplies	245,000	454,758	120,000	-51%	120,000	0%	
52605 - Gases	5,000	6,826	5,000	0%	5,000	0%	
52611 - Chemicals	2,307,000	1,695,881	2,625,000	14%	3,125,000	19%	(g)
53101 - Employee Education/Seminars	49,500	17,814	48,500	-2%	49,000	1%	
53105 - Outside Service/Contracting	785,000	696,839	975,000	24%	1,025,000	5%	(h)
53140 - M&R Treatment Plants and Intake Pump Stations	160,000	99,647	350,000	119%	350,000	0%	(i)
53229 - Hazardous Waste Disposal	-	-	25,000	0%	25,000	0%	(j)
53241 - Temporary Personnel Services	82,000	-	38,000	-54%	30,000	-21%	
53246 - Regulatory Fees	365,000	534,194	565,000	55%	615,000	9%	(k)
54402 - Electricity - Treatment Plant & Intake Pump Stations	1,000,000	1,800,000	1,000,000	0%	1,000,000	0%	
Total Water Quality, Treatment and Maintenance	\$ 11,781,761	\$ 12,500,464	\$ 14,093,165	20%	\$ 15,283,884	8.4%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases, distribution of positions
- (b) Overtime increased due to facility repairs and on-call overtime
- (c) Increase to burden and benefits, health premium increase
- (d) Increase in attending in-person meetings conferences
- (e) Moved from Transmission & Distribution Department
- (f) Cost of analytical supplies have increased. We will also be sampling more facilities
- (g) Chemical costs have increased significantly. We will have more disinfection facilities brought online
- (h) Increased lab costs, lead service line inventory requires additional consulting costs, compliance with UCMR5 monitoring and cost for vendor to print and mail backflow
- (i) Anticipated price increases
- (j) Allocate funds for hazardous waste supplies and disposal fees to Safety as we schedule pickups, order supplies, and maintain manifests for regulatory reporting
- (k) Increased permit fees and more permits for recycled water. Also, recycled water review by regulators included

**SCV WATER - OPERATING EXPENSE
SALARY and BENEFITS
FY 2023/24 and FY 2024/25**

DEPARTMENT	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
Management						
Salary	\$ 519,756	\$ 493,932	\$ 555,338	7%	\$ 566,715	2%
Overtime	2,708	249	580	-79%	564	-3%
Burden & Benefits*	389,916	255,753	409,902	5%	419,771	2%
Finance, Administration and IT						
Salary	5,285,656	5,333,745	6,295,248	19%	6,853,472	9%
Overtime	57,866	169,845	128,743	122%	124,384	-3%
Burden & Benefits	2,272,824	2,149,611	2,612,821	15%	2,807,117	7%
Customer Care						
Salary	1,053,582	994,195	1,182,230	12%	1,239,035	5%
Overtime	4,389	43,538	26,377	501%	25,623	-3%
Burden & Benefits	459,213	464,725	508,107	11%	527,243	4%
Transmission and Distribution						
Salary	3,013,315	3,468,989	3,485,200	16%	3,665,771	5%
Overtime	315,409	839,521	528,562	68%	513,307	-3%
Burden & Benefits	1,521,141	1,603,101	1,702,815	12%	1,763,089	4%
Pumping Wells and Storage						
Salary	1,861,312	1,918,916	2,153,716	16%	2,241,426	4%
Overtime	217,158	373,057	289,133	33%	278,044	-4%
Burden & Benefits	950,882	912,029	1,014,132	7%	1,050,111	4%
Water Resources						
Salary	2,842,424	2,545,027	3,372,391	19%	3,861,845	15%
Overtime	1,065	8,647	13,709	1187%	13,320	-3%
Burden & Benefits	950,111	828,992	1,003,828	6%	1,185,987	18%
Source of Supply						
Salary	-	-	-	0%	-	0%
Overtime	-	-	-	0%	-	0%
Burden & Benefits	-	-	-	0%	-	0%
Water Quality, Treatment & Maintenance						
Salary	4,117,970	4,170,189	4,929,031	20%	5,334,946	8%
Overtime	126,957	431,849	331,979	161%	319,050	-4%
Burden & Benefits	1,877,833	1,876,260	2,246,655	20%	2,405,788	7%
Engineering Services						
Salary	1,718,737	2,202,142	1,637,048	-5%	1,836,331	12%
Overtime	7,689	14,636	5,974	-22%	5,877	-2%
Burden & Benefits	678,185	935,806	642,424	-5%	710,867	11%
Total						
Salary	20,412,753	21,127,135	23,610,203	16%	25,599,541	8%
Overtime	733,243	1,881,341	1,325,057	81%	1,280,169	-3%
Burden & Benefits	9,100,106	9,026,277	10,140,685	11%	10,869,972	7%
Total Personnel Costs	\$ 30,246,103	\$ 32,034,753	\$ 35,075,945	16%	\$ 37,749,682	7.6%
Burden & Benefits as a % of Salary	43.28%	39.23%	40.59%		40.36%	

* In FY 2023/24 and FY 2024/25 Budget, Director Benefits have been allocated to the Burden and Benefit section of the Management Department

Salary Charged to CIP	4,144,027	3,824,215	4,010,580
Burden & Benefits Charged to CIP	1,845,100	1,534,050	1,596,070
Total Salary, Benefits incl CIP	36,235,229	40,434,211	43,356,332

SCV WATER LONG-TERM FINANCIAL PLAN FY 2023/24 – 2032/33

OVERVIEW

1. Executive Summary

A long-term financial plan (LTFP or Plan) is not a static, one-time document, but represents a process where the Board and Management review financial strategies to help achieve the Agency’s overall strategic plan. The objective of this LTFP for the fiscal year (FY) commencing 2023/24 through FY 2032/33 represents an updated look at individual financial strategies for SCV Water, as well as a look at the Agency as a whole and serves as the basis for future analysis and decision making. Since the merger on January 1, 2018, the Agency has undergone significant changes in operations, which may have substantial and foreseeable financial impacts. The intent of this document is to develop and implement an LTFP through a process that emphasizes transparency, accountability and feasibility. The LTFP helps identify potential financial issues and risks.

This plan is to ensure that SCV Water is financially sustainable in the short-to-medium-term (1-5 years) and beyond, with the ability to provide at least the current level of services over the ten (10) years of the plan and achieve the goals as stated in its 2019 Strategic Plan. Based on the decisions and guidance provided by the Board, the LTFP is a rolling “look-ahead” to help identify priorities and focus. To this end, the Agency will annually review its LTFP using the latest available financial and service level data and cost indices and incorporate all known future projects and variations to ensure that a realistic forecast is presented.

2. Overview

This LTFP continues to build upon current practices and incorporates recent long-term planning efforts including the Agency’s Strategic Plan, the 2020 Urban Water Management Plan (UWMP) process, the Integrated Regional Water Management Plan (IRWMP), the 2019 Facility Capacity Fee study, the Santa Clarita Valley Water Use Efficiency Strategic Plan (SCVWUESP) and the adopted 2021 Cost of Service and Rate Study.

Past Budgets and LTFPs have been significantly influenced by long-term drought and water supply conditions, as well as state mandates for major reductions in per capita water use. Looking back, FY 2022/23 was a “wet” year and provided some relief, but it is a short-lived situation. Long-term drought and water supply conditions will continue to be influenced by various mandates, regulations and climate change. Current and future Budgets and LTFPs will be heavily influenced by the Agency’s ability to finance the major capital improvement program to maintain water supply reliability.

This LTFP is separate from the Agency’s Strategic Plan and its objectives, goals and action items. This plan is intended to discuss financial strategies to achieve the Agency’s strategic

plan, as well as respond to challenges and opportunities presented by economic, demographic, regulatory, political and environmental conditions.

The LTFP is not intended to address every fiscal issue, but to identify high priority fiscal programs and strategies to be monitored so that the Agency is positioned to address them at the appropriate time. The LTFP is a companion piece to the Budget line items, which include estimates for the near-term. The LTFP addresses broader, more strategic issues that will impact the forecast over time. None of these issues can be definitively answered nor fully addressed now. However, ongoing review of the LTFP will help keep the Agency focused on high priority financial issues.

Year 1 and Year 2 are the third and fourth years of the Retail Rate Study and serve as the baseline. From Years 3–10 of the LTFP revenue adjustments revert to a number of assumptions ranging from 1% to 8% annually. While maintaining and renewing existing assets at a safe and functional standard to meet community needs and expectations, water sales revenue is vital for the delivery of the Agency’s current services over the next 10 years and beyond.

The Agency’s 10-year water revenue forecasts are explained in detail later in this Plan. The actual increase payable by any individual ratepayer may be more or less than the forecasted water sales revenue increase, depending on the customer’s demand. Other sources of income remain flat or increase slightly based on property values and investment returns. The Agency will continue to seek grants to offset expenditures.

Continuing with the increased focus on renewal of existing assets, the Agency, from Year 1 to Year 5, is proposing to allocate approximately \$468.7 million in debt funded capital projects and \$187.9 million of pay-as-you-go (“pay-go”) projects. In order to complete the capital projects as proposed, the Agency is expecting that its application with the Environmental Protection Agency’s (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) will be approved and the Agency will also need to complete a cost of service and rate study, with changes from that study becoming effective July 2025. Individual projects will be determined by the Engineering and Operations Departments and are subject to final approval by the Board of Directors. Based on the proposed revenue and expenditure forecasts in the LTFP, the Agency will achieve a balanced Plan to ensure availability of funds to meet asset renewal targets. Several debt issuances are forecast in this Plan in order to meet the Agency’s capital needs. Any proposal in the future to borrow for specific purposes will be evaluated using the LTFP model prior to any decision being made.

3. Key Challenges and Opportunities

The key challenges and opportunities facing the Agency regarding its long-term financial position are:

- Diversity and certainty of revenues ensuring ongoing financial sustainability of the Agency
- Meeting ongoing expectations of our customers for a safe and reliable water supply at a fair cost to the customer
- Managing water conservation and water-use efficiency
- Maximizing funding for renewal and replacement of aging assets in line with improved asset management principles and practices
- Managing political and legislative changes and their financial impact
- Recycled water program and groundwater management
- Minimizing the impact of economic instability

- Monitoring impact of decisions made outside the Plan
- Facility Capacity/Connection Fees (FCF)
- The use of debt to leverage funding for asset renewal and the Capital Improvement Program (CIP)
- Review of operations to reduce expenditure, increase efficiency, effectiveness and ratepayer transparency
- Use of technology to reduce costs and increase productivity, efficiency and effectiveness

4. Planning Framework

The financial basis of this Plan is consistent with the audited Annual Financial Statements from June 30, 2022 and the FY 2023/24-2024/25 Biennial Budget. The LTFP forecasts have been based on the FY 2023/24 Budget along with strategic financial policies and a set of assumptions necessary, given the high level of this Plan and the long-term nature of all forecasts proposed.

Once adopted, the LTFP is then primarily used as a tool to establish and communicate the Agency's general financial direction over the long-term. It is also used to assist in the assessment of the Agency's current financial position in conjunction with its FCF study and Biennial Budget preparation, together with ongoing semi-annual Budget reviews.

This is intended to be a "live" document requiring adjustment and assessment as the Agency makes financial decisions that may impact its long-term financial position. The Agency will review this Plan annually, post an audit of its Financial Statements and in conjunction with the development of its Budget. Other updates will be made when considered necessary.

The Agency's FCF study and Budget will be prepared on the basis of a LTFP, taking into account new information at hand regarding economic, political and water reliability factors at the time of preparation. The LTFP is prepared using a number of assumptions (starting on page 7), especially with regard to projected water sale revenues, property taxes, fees, charges, grants, debt, and future operational and capital expenditure requirements. Given the long-term nature of this Plan and forecasts derived from an estimate of future demand, it should be noted that actual results are likely to vary from the information contained in this Plan. Some of these variations, as a result of Agency decisions or changes to regulations, could be material.

The accuracy of predictions over the long-term becomes less certain. The FCF study is updated periodically for its major capital assets to assist in determining the funding impact of maintaining and replacing assets when required. These projections are based on current understanding of asset management needs over the life of this Plan and ensure that assets are constructed and maintained to meet ratepayer needs within the funding available, all while keeping water rates at a reasonable cost. The Plan relies on debt issuances to fund major capital projects and is a strategic tool to be used for the acquisition of new assets and upgrading or renewal of existing assets.

Ideally, the Agency should collect enough operating revenues to cover all operating expenditures, including the portion of debt services funded by water rates and pay-go capital on an annual basis. This means it has a positive or balanced budget, and ratepayers in that year are paying for all resources consumed. However, mindful of the ratepayer's ability to pay – hence in order to avoid excessive rate increases – the Agency has planned to reach a positive or balanced budget over the rate-setting period. Operating deficits are not sustainable

or equitable in the long-term, as they result in costs incurred by current ratepayers being paid for by future ratepayers. The LTFP forecasts are presented in summary.

Water Supply Reliability

The Agency's service area has a diversified water supply portfolio. The alluvium aquifer and Saugus Formation provide approximately 40% of the current supplies during a normal year. Imported supplies are primarily comprised of State Water Project (SWP), which are funded from a separated ad valorem tax, and purchased Buena Vista/Rosedale-Rio Bravo water. SWP supplies are subject to significant near-term variations due to hydrology and are subject to a general longer-term decline due to climate change and regulatory decisions. To a lesser degree, alluvium supplies can be impacted by dry hydrology. To deal with hydrologic variations, the Agency has made significant investments in water banking programs with Semitropic and Rosedale-Rio Bravo water storage districts. In addition, the Agency is planning the installation of two dry-year wells to increase pumping capacity in the Saugus Formation. These wells, along with installation of treatment at Valencia Water Division's Well V-201, will make significant additional Saugus water available during dry periods.

The Agency's service area is over 60% built out. While the impact of new development will be mitigated by increases in water-use efficiency, most of this new demand will be met by existing supplies not required for current residents, as well as the repurposing of agricultural supplies into urban supplies and significant increases in the use of recycled water. A great deal of the demand for the Newhall Ranch project and the other planned Westside communities will be met by a reduction in agricultural pumping on Newhall Land's current operations. These and other factors are addressed in the 2020 Urban Water Management Plan update.

Looking forward, the Agency will have to manage its supplies in an environment of increasing fiscal and regulatory uncertainty, some of which is identified below and some that is currently unknown and not included in this Plan. Water supply reliability items to be monitored include: Recycled Water, Groundwater Management, State Water Project and the Delta Conveyance Project.

Banking Programs

The Agency currently participates in two long-term banking programs, the Rosedale-Rio Bravo Exchange program (RRB) and the Semitropic Stored Water Recovery Unit (SWRU). The Agency is also currently participating in two exchange programs.

The Agency has funded the capital costs for the existing programs but will incur significant costs for future withdrawals from the programs, as well as for the development of emergency storage within the Agency's service area. Funding sources have not been identified for these programs.

The Agency can currently extract approximately 15,000 – 25,000 acre-feet per year (AFY) from banking programs, of which 5,000 comes from the SWRU program. In 2019, the Agency completed a major capital project to increase the extraction capacity at RRB by 7,000 AFY for an interim total of 10,000 AFY, at an estimated cost of \$6.7 million. The 2020 UWMP identifies additional capital investments to occur before 2033 to increase the extraction capacity by an additional 10,000 AFY. This is estimated to cost approximately \$13 million in current dollars.

5. Measuring Financial Sustainability

The LTFP identifies financial indicators that allow assessment of the Agency's long-term financial performance, position and eventually long-term financial sustainability. The assumptions forecast over the life of the Plan are based on expected trend and projections.

The expectation of the Plan is to achieve a positive or balanced budget over the term of the Plan, with the aim of building a solid foundation beyond Year 10 (FY 2032/33), and to minimize the impact of any risks and uncertainty while maintaining current levels of service without excessive rate increases.

6. Key Assumptions and Influences

The Plan is based on a “business as usual” model, including any impacts of the completed cost-of-service study. Based on the most recent 2020 UWMP results for the Agency’s service area, it has been assumed that demand in the area will increase by approximately 10.8% by the end of Year 10 (FY 2032/33). Influences that impact this Plan are listed below. A number of assumptions have been made for these influences and are detailed later in the Plan. The influences are as follows:

- Cost of water
- Diversity and security of revenues
- Water supply reliability
- Facility Capacity/Connection Fees
- Recycled Water
- Debt financing of major capital projects
- Water conservation and water-use efficiency
- Groundwater management
- Technology
- Operations and maintenance
- Water sales
- Energy costs
- Interest rates and current fiscal environment
- Legislative compliance cost increases and policy changes
- Climate change
- Risk management and insurance

Debt Issuance

As stated earlier, there are several debt issuances forecast for the life of this Plan; however, the option remains to borrow as the need arises for strategic capital projects. Any such borrowings will need to be modeled through the Plan in order to determine the impact on the Agency’s ongoing financial performance and position. As mentioned earlier in this Plan, the Agency is seeking funding through the EPA’s WIFIA program. The Agency’s application needs to be submitted to the EPA by December 2023, and if excepted, the first disbursement of the loan would be received in the fall of 2024.

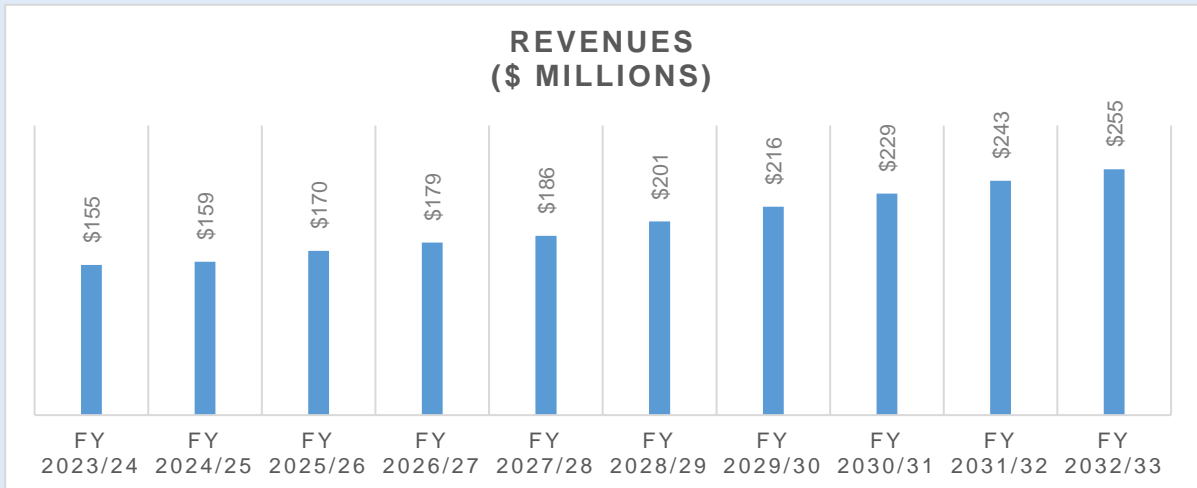
Operating Income

The Agency is fortunate to have multiple sources of revenue. In general, each revenue stream faces different risks, so it is rare for all to be negatively impacted at the same time.

Potential risks to the Agency include high annual debt service, risk of technical default on debt covenants should the Agency not have sufficient revenues, lower-than-projected Facility/Retail Capacity Fee revenue or water sales, and potential diversion of

one-percent property tax revenues by the State. In addition, the Agency should continue to consider new revenue sources, such as outside water sales when water supplies are sufficient to meet Agency needs.

The Agency’s revenue (including transfers from other funds) based on which this Plan is built is currently \$159.5 million, of which approximately 63% is derived from Rates and Service charges. At the end of the Plan, revenues are forecast to be \$254.7 million (keeping in mind that \$1 today will not be worth that in Year 10: FY 2032/33). Values as presented in this LTFP are in future (nominal) values, i.e., they have been adjusted each year by the forecast assumption rate.



Revenue

Water sales revenue (\$98 million base) includes retail water service (service charges, water usage, recycled water, and miscellaneous charges) revenue and fixed and variable wholesale rate revenues (Waterworks District No. 36).

Rate revenue forecasts are based on demand and growth to ensure targets are likely to be met. Year 1 is the third year of the rate study and forecast. In the near-term (2–5 years), fixed and water usage (variable) revenue are expected to increase as follows:

Revenue Assumptions

Key Assumptions	YEAR 1 FY 2023/24	YEAR 2 FY 2024/25	YEAR 3 FY 2025/26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28
Water Sales	X	6.5%	12.0%	11.0%	10.0%
Water Sales - WWR	X	3.0%	3.0%	3.0%	3.0%
Water Sales - Recycled	X	8.0%	3.0%	3.0%	3.0%
Misc. Fees & Charges	X	10.0%	10.0%	10.0%	10.0%

The table below provides detail of the assumptions that make up the proposed annual water sales assumption for Years 6-10. Actual changes to rates may vary, depending on growth and demand.

Key Assumptions	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Water Sales	9.0%	8.0%	6.0%	5.0%	4.0%
Water Sales - WWR	3.0%	3.0%	3.0%	3.0%	3.0%
Water Sales - Recycled	3.0%	3.0%	3.0%	3.0%	3.0%
Misc. Fees & Charges	10.0%	10.0%	10.0%	10.0%	10.0%

The proposed revenue increase is the minimum required in order to meet the criteria to achieve financial sustainability in the medium-to-long-term and maintain it for the remainder of this Plan and beyond. Water rate revenue is used to provide the funds to deliver water and maintain infrastructure.

Property Taxes

One-percent property tax revenues are unrestricted and are available to fund existing users' share of the bond debt, pay-go CIP, operating expenses, as well as a portion of core non-SWP water supplies. Based on current trend, the assumption is that the property tax revenues will increase at a rate of 2.34% per year. The property tax revenue base in Year 1 (FY 2023/24) is \$30.9 million and is projected to increase in Year 10 (FY 2032/33) to \$38.1 million.

Facility Capacity Fees (including Retail Capacity Fees)

FCFs are fees collected at the time new development occurs within the Agency's water service area to recover the appropriate growth-related costs for facilities that are built to serve future water users. The 2020 UWMP projects a much smaller increase in growth in population and water demand, resulting in annual revenues that will be insufficient to pay for the future users' debt service. It is necessary to renew the FCF study periodically in order to capture and update changes from the previous plan. If FCF's are not sufficient to cover future user's debt service it will be supplemented with other revenue sources, including one-percent property tax revenue.

The FCF base is approximately \$21.6 million for Years 1 – 10. FCF revenues are contingent on development. This Plan assumes a 3%-4% revenue increase for each year of the Plan.

Investment Income

Investment Income (\$5.9 million base) is derived from interest on Agency investments and surplus cash, and the forecast assumes an increase of approximately 2.5%-3% per year. Investment income has been forecast based on cash flow projections over the life of the Plan. The current cash rate and investment rates have also been used as a guide. The Agency's Investment Policy ensures that available funds are managed on a regular basis to maximize returns.

Grants and Reimbursements

Grants and reimbursements for Capital Improvement Programs are provided by Proposition 1 IRWM Round 2, Proposition 84 Rounds 1 and 2 Planning and Implementation Grants and Prop 68 Round 3 through the Department of Water Resources for a variety of water studies, implementation, administration of the grants and updating various programs and plans. In addition, grants are expected from the State Water Resources Control Board for the LARC ranch pipeline and PFAS

treatment facilities, as well as Bureau of Reclamation (BOR) grants for PFAS treatment facilities, Rosedale Phase II Wells, and the AMI Project. Reimbursements are provided for the processing of annexations. This income source has a current base (FY 2023/24) of \$11.6 million, \$10.1 million in Year 2 (FY 2024/25), \$9.6 million in Year 3 (FY 2025/26) and \$6.6 million in Year 4 (FY 2026/27) then decreases to zero in Year 5 (FY 2027/28). The Agency will continue to search for additional grants, but additional revenue is unknown after Year 4. This trend is maintained for the remainder of this Plan, resulting in overall stagnation over the 10-year period.

Other Revenue

All income that cannot be classified in the categories above is included here. The current base is \$4.2 million with the biggest item being the Perchlorate CIP and operations and maintenance (O&M) reimbursement. After Year 2 (FY 2024/25), the CIP portion of the Perchlorate Replacement Well project will drop and only reimbursements for O&M are forecasted.

Operating Expenditure

The Agency’s operating expense base upon which this Plan is built is \$155.5 million (including debt service and pay-go CIP funded by revenues), of which approximately 64% or \$99.8 million consists of purchased power, materials, supplies and labor and benefits; 24% consists of bond/debt payments and 12% consists of pay-go CIP. At the end of the Plan, operating expenditure is forecast to be \$146.1 million (keeping in mind that \$1 today will not be worth that in Year 10: FY 2032/33). Values as presented in this LTFP are in future (nominal) values, i.e., they have been adjusted each year by the forecast assumption rate. The forecast for operating expenditure for Year 1 - 5 this Plan is best shown by the following table:

Expense Assumptions

Key Assumptions	YEAR 1 FY 2023/24	YEAR 2 FY 2024/25	YEAR 3 FY 2025/26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28
Overall Inflation	X	4.86%	3.64%	3.64%	2.69%
Utility/Chemical Inflation	X	6.95%	4.93%	4.93%	4.93%
Treatment Inflation	X	5.00%	5.00%	5.00%	5.00%
Pumping and Wells Inflation	X	5.00%	5.00%	5.00%	5.00%
Employee Expenses Inflation	X	3.96%	3.96%	3.96%	3.96%
Equipment Inflation	X	3.78%	3.78%	3.78%	3.78%
Fuels & Automobile Inflation	X	8.27%	8.27%	8.27%	3.57%
Construction Inflation	X	6.12%	5.33%	5.33%	3.94%

Variations from year-to-year are primarily due to the fluctuations of pay-go capital. A majority of the operating expenses, with the exception of pay-go capital and debt service, have been increased by the assumption factor. The table above details the annual variations to operating expenditures and the annual amounts forecast and are consistent each year over the life of this Plan.

Materials, Services and Other Expenses

Materials, services and other expenses cover payments for physical goods including the purchase of power for the treatment plants and distribution system, regulatory compliance, chemicals, fuel and office consumables. This category also includes payments to consultants, as well as legal fees incurred. The total materials, services and other expenses base is approximately \$million. As mentioned earlier, while an underlying assumption is

built into most expense lines in this category of expenditure, some expense lines in Year 3 have changed by more than the assumption or have had to be adjusted to reflect their one-off nature. Year 1 and Year 2 are the base years (not shown).

	YEAR 3 FY2025/ 26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28	YEAR 6 FY 2028/29	YEAR 7 FY 2029/30	YEAR 8 FY 2030/31	YEAR 9 FY 2031/32	YEAR 10 FY 2032/33
Source of Supply	5%	5%	5%	5%	5%	5%	5%	5%
Pumping, Wells & Storage	5%	5%	5%	5%	5%	5%	5%	5%
Water Quality & Treatment	4%	4%	4%	4%	4%	4%	4%	4%
Transmission & Distribution	5%	5%	4%	4%	4%	4%	4%	4%
Customer Care	4%	4%	3%	3%	3%	3%	3%	3%
Management	-16%	27%	-16%	26%	-15%	25%	-15%	24%
Engineering	4%	4%	4%	4%	4%	4%	4%	4%
Finance, Admin & IT	2%	5%	4%	4%	4%	4%	4%	4%
Water Resources	4%	4%	3%	3%	3%	3%	3%	3%

The Agency’s infrastructure is expanding and will continue to expand. The number and complexity of Agency facilities have grown in recent years and will continue to do so. Each CIP project that becomes operational adds new complexity and costs to the Agency’s overall system. As this additional infrastructure is implemented, the Agency will require additional staff resources and will incur additional costs to operate and maintain the infrastructure. Future development of the recycled water program will have significant operating costs that should be identified as part of the planning process but is not included in this Plan.

Employee Costs

Employee costs include all labor costs and are inclusive of salaries, wages and benefits such as insurance, pensions, allowances and workers compensation insurance. Wage costs (including allocation of staff overheads) relating to capital projects are included in the total capital expenditure for renewal and replacement of existing assets or projects funded by developers. The split between operating and capital can vary from year-to-year depending on capital projects approved by the Engineering and Operations Departments; however overall, the LTFP assumes the trend on this split remains consistent across the life of this Plan. Approximately \$5.4 million (indexed annually) has been allocated in capital wages every year. The total employee cost base (operating and capital) is approximately \$40.4 million.

Salary and wage increases are forecast reflective of the current year Budget and increases at approximately 3%-5% every year for reclassifications, step increments and cost-of-living adjustments, and approximately 5% for employee benefits. The FY 2023/24 budgeted employee costs are driven by a full-time equivalent (FTE) base of 237.

Long-Term Commitments

The Agency’s Debt Management Policy states that the “Agency will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term investments and thus ensure that existing and future users pay their fair share (“generational equity”)”. Long-term investments include the acquisition of land, facilities, public works, water treatment, improvements and supplies of water, as well as enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water.

Debt spreads out the cost of capital improvements over time. In general, public agencies find that debt financing is an appropriate use for one-time projects, generally with a project life of 20 years or more. To-date, a significant portion of the Agency’s major capital programs are required for future needs. This makes the use of debt appropriate for two reasons: (1) debt financing allows each generation to pay for what it uses and (2) Facility Capacity Fees collected in one year may not be expended until future years. Likewise, in some years, there will not be sufficient FCF collected to cover that year’s debt service. However, at this time, as discussed above, there is uncertainty about the FCF revenue stream and its ability to pay for its share of debt service. The flexibility of the WIFIA loan program will allow the Agency to complete its major capital projects, as well as its planned pay-go projects until the rates can generate enough revenue for each year of pay-go projects.

Near-Term

Management has identified a need to invest in the Agency infrastructure and the Capital Improvement Program. Management recommends moving forward with certain critical elements of the Agency’s CIP. In July 2023, the Agency will issue \$75 million in revenue bonds to fund the ongoing CIP for Major Capital projects. In addition, as mentioned previously, the Agency plans to participate in the WIFIA loan program, with its first disbursement from the WIFIA loan program in the Fall of 2024. If the Agency’s loan application is accepted by the EPA, certain projects, such as PFAS treatment facilities will be prioritized as well as additional treatment facilities that will be needed to comply with new regulations. The Agency’s ten-year forecast shows sufficient funds to pay debt service and maintain bond covenants.

	Year 1 FY 2023/24	Year 2 FY 2024/25	Year 3 FY 2025/26	Year 4 FY 2026/27	Year 5 FY 2027/28
Total CIP	\$130,514,353	\$169,728,349	\$187,742,270	152,850,811	\$108,196,607
<i>Funding Sources:</i>					
Pay-go	12,594,000	1,410,000	840,000	877,800	912,912
Pay-go WIFIA	35,641,438	35,563,404	32,619,149	35,057,116	32,407,695
WIFIA Loan #1	23,672,800	79,164,900	103,980,350	51,141,124	6,581,000
WIFIA Loan #2	-	-	28,420,000	50,340,000	51,170,000
2023 Bond	37,890,500	36,376,000	-	-	-
Grants	11,566,840	10,111,300	9,628,000	6,610,000	-
SWRCB Loan	2,009,660	6,160,200	-	-	-
Future Bond	-	-	11,887,750	8,457,750	17,125,000
Outside Funding	7,139,115	942,545	367,021	367,021	-

Long-Term

A more long-term aspect of this issue is the Agency’s transition to “build-out.” Debt service incurred for future users is funded by FCFs, and that incurred for existing users is funded by other non-operating revenues. The Agency is at a transition point where existing users represent about half of total users, which consist of the combination of existing and future users. Over time, debt service funding will transition to existing users. Should other non-operating revenues or water rates not be sufficient to fund increasing debt service, other mechanisms to fund the existing users’ share would need to be identified.

The exact timing and amounts of debt will depend on the progress of the CIP, availability of grant proceeds and market conditions. Management will review the situation with its financial advisor and report to the Board as needed. No new debt will be issued without thorough review and approval by the Board of Directors.

**SCV WATER - LONG-TERM FINANCIAL FORECAST
FY 2023/24 to FY 2032/33**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
OPERATING REVENUES										
Water Consumption Sales and services	\$ 97,535,468	\$ 104,580,713	\$ 117,387,745	\$ 130,835,147	\$ 144,776,111	\$ 158,944,057	\$ 173,081,699	\$ 184,905,725	\$ 196,891,580	\$ 207,179,281
Water Sales	96,741,572	103,740,431	116,822,254	129,943,691	143,857,912	157,998,312	172,107,581	183,902,384	195,858,139	206,114,837
Water Sales - WWR	306,698	315,901	325,378	335,140	345,194	355,550	366,216	377,203	388,519	400,174
Water Sales - Recycled	487,198	524,381	540,113	556,316	573,006	590,196	607,902	626,139	644,923	664,270
Other charges and services	\$ 2,631,303	\$ 3,063,141	\$ 3,197,411	\$ 3,339,965	\$ 3,485,009	\$ 3,638,634	\$ 3,802,028	\$ 3,976,001	\$ 4,161,437	\$ 4,359,304
Facility/Connection Fees	1,577,800	1,948,800	2,017,017	2,087,801	2,154,801	2,223,499	2,294,415	2,367,619	2,443,188	2,521,198
Misc. Fees and Charges	500,000	550,000	605,000	665,500	732,050	805,255	885,781	974,359	1,071,794	1,178,974
Lab Revenues	23,230	23,462	23,697	23,934	24,173	24,415	24,659	24,905	25,154	25,406
Communication & Rental	530,273	540,879	551,697	562,731	573,985	585,465	597,174	609,118	621,300	633,726
1% Property Tax	30,952,265	31,676,548	32,417,779	33,176,355	33,952,682	34,747,175	35,560,259	36,392,369	37,243,950	38,115,459
Interest Income	5,893,996	6,055,559	3,864,755	3,196,102	1,837,220	1,683,402	1,933,299	2,474,672	2,902,115	3,287,732
Other Revenue	\$ 18,465,827	\$ 13,628,300	\$ 13,377,124	\$ 8,161,378	\$ 1,582,405	\$ 1,614,053	\$ 1,646,334	\$ 1,679,261	\$ 1,712,846	\$ 1,747,103
Annexation Reimbursements	2,691,987	470,000	2,228,165	-	-	-	-	-	-	-
PERCH Reimbursements - O&M & CIP	4,207,000	3,047,000	1,520,959	1,551,378	1,582,405	1,614,053	1,646,334	1,679,261	1,712,846	1,747,103
Grant Reimbursements	11,566,840	10,111,300	9,628,000	6,610,000	-	-	-	-	-	-
Total Operating Revenues	\$ 155,478,860	\$ 159,004,261	\$ 170,244,814	\$ 178,708,947	\$ 185,633,427	\$ 200,627,321	\$ 216,023,619	\$ 229,428,028	\$ 242,911,929	\$ 254,688,879
OPERATING EXPENSES										
Source of Supply	\$ 11,108,816	\$ 11,632,181	\$ 12,213,791	\$ 12,824,480	\$ 13,465,704	\$ 14,138,989	\$ 14,845,939	\$ 15,588,236	\$ 16,367,647	\$ 17,186,030
Pumping Wells & Storage	17,540,767	18,763,365	19,657,619	20,594,800	21,570,428	22,563,176	23,601,911	24,688,776	25,826,014	27,015,972
Water Quality, Treatment & Maintenance	14,093,165	15,283,884	15,927,198	16,597,936	17,285,906	17,967,815	18,677,599	19,416,424	20,185,507	20,986,117
Transmission & Distribution	11,151,577	11,377,167	11,893,010	12,432,771	12,923,717	13,419,529	13,934,545	14,469,513	15,025,209	15,602,440
Customer Care	3,068,214	3,143,402	3,259,053	3,379,098	3,492,075	3,609,055	3,730,184	3,855,615	3,985,506	4,120,020
Management	3,094,046	4,210,276	3,539,114	4,501,949	3,791,809	4,766,212	4,041,907	5,047,635	4,309,143	5,347,410
Engineering Services	4,484,004	3,699,025	3,842,268	3,991,066	4,135,430	4,284,725	4,439,546	4,600,101	4,766,607	4,939,289
Finance, Administration & IT	23,917,379	25,773,077	26,391,226	27,625,153	28,790,587	30,015,227	31,307,129	32,671,105	34,112,386	35,636,651
Water Resources	11,380,616	11,678,620	12,120,675	12,579,491	12,990,594	13,415,634	13,855,102	14,309,504	14,779,364	15,265,227
Debt Service*	35,272,820	37,045,180	37,418,089	39,465,706	40,019,281	34,755,212	38,630,579	38,610,793	48,089,189	48,092,732
Total Operating Expenses	\$ 135,111,404	\$ 142,606,177	\$ 146,262,043	\$ 153,992,452	\$ 158,465,532	\$ 158,935,576	\$ 167,064,442	\$ 173,257,703	\$ 187,446,572	\$ 194,191,888
Total Debt Service Coverage	1.58	1.44	1.64	1.63	1.68	2.20	2.27	2.45	2.15	2.26
CIP Total Expenditures	\$ 130,514,353	\$ 169,728,349	\$ 187,742,270	\$ 152,850,811	\$ 108,196,607	\$ 92,956,849	\$ 119,643,261	\$ 113,129,593	\$ 46,231,697	\$ 44,877,928

*The annual debt service amount for the 2023A bond issuance is an estimate only and continues to fluctuate. Once final pricing is concluded, the annual debt service will be updated.

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RESOLUTIONS GO HERE

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POLICIES GO HERE

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GLOSSARY

Accounts Receivable: The Agency extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at fiscal year-end. Retailers extend credit to customers in the normal course of operations. Management deems at least 99% of all accounts receivable as collectible at fiscal year-end.

Accrual: The basis of accounting in which revenues are recognized as soon as they are earned. Expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

Accrual Basis of Accounting: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time), and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at the time).

Acre-Foot/Acre-Feet (AF): A unit of measure equivalent to 325,851 gallons of water.

Advanced Metering Infrastructure (AMI): This technology includes hardware, meter data management software, communications equipment and smart meters that provide real-time meter reads and consumption to the customer and the utility. This information will then allow the customer to be more aware of water usage, identify problems sooner, and allows the Utility to improve meter reading accuracy and efficiency.

Agency: Refers to Santa Clarita Valley Water Agency (SCV Water).

Alluvial Aquifer or Alluvium: The shallow aquifer that generally underlies the Santa Clara River and its several tributaries within the Santa Clarita Valley.

Alternative Water Resources Management (AWRM): A program that will attempt to achieve a total daily maximum load for chloride in the Santa Clara River by blending high chloride and low chloride waters. The Agency has signed a MOU and is helping the Sanitation District (the lead agency) implement the plan.

American Water Works Association (AWWA): An international scientific and educational society dedicated to the improvement of drinking water quality and supply. The Agency is a member of AWWA.

Appropriation: An amount of money in the budget authorized for expenditure or obligation within organizational units for specific purposes.

Aquifer: An underground layer of permeable rock, sediment (usually sand or gravel), or soil that yields water.

Arbitrage: the simultaneous buying and selling of securities, currency or commodities in different markets or in derivative forms in order to take advantage of differing prices for the same asset.

Assessed Valuation: An official government value placed upon real estate or other property as a basis for levying taxes.

Asset Management: A set of systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organizational strategic plan.

Assets: Resources having monetary and economic value that are owned or held by the Agency.

Association of California Water Agencies (ACWA): A statewide organization comprised of a coalition of public water agencies. The Agency is a member of ACWA.

Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA): A statewide organization dedicated to consistently and cost-effectively providing the broadest possible affordable insurance coverage, as well as training and related services to its member agencies. The Agency is a member of ACWA/JPIA.

Audit: An audit is the process of evaluation or analysis of something to determine its accuracy. Governmental audits are typically performed by independent Certified Public Accountants. Financial statement audits are designed to provide users of financial statements with assurance on their reliability. Auditing is important in public sector finance and is essential to the credibility of government financial reporting.

Automated Meter Reading (AMR): Automatic collection of water meter data using remote reading devices.

Backbone: Refers to all infrastructure necessary to deliver recycled water into the distribution system.

Balanced Budget (General Fund – Operating): A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means for a specific period.

Board of Directors: The governing body of the Santa Clarita Valley Water Agency (SCV Water). The Agency is divided into three elective divisions; the governing board is currently made up of 13 members.

Bond: A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service.

Budget: A balanced financial plan for a given period, which matches proposed expenditures to the expected revenues for that same period.

Buena Vista Water Storage District (BVWSD): The Agency acquires 11,000 acre-feet (AF) of water supply per year for a 30-year period from the BVWSD.

California Aqueduct: The main conveyance facility of the State Water Project which brings water via a series of pumping plants from northern California to the Bay Area, San Joaquin Valley, Central Coast area and Southern California.

California Public Utilities Commission (CPUC): Commission governing the business operations of private utilities in so much as they affect the rates of the services sold.

Delta Conveyance: Formerly known as California Water Fix and the Bay Delta Conservation Plan (BDCP), it is one part of the California Water Action Plan to bolster self-sufficiency, reduce consumption, improve water management, and reduce dependence on the Delta to meet future needs. It is the product of decades of deliberation and the evolution of California's twin goals of protecting and securing water resources to meet growing demand, while maintaining a healthy environment.

Capacity Fees: Fees imposed when a customer requests a new service connection. The Capacity Fee funds (also referred to as Expansion Fund or Connection Fees) are used by the Agency to plan, design and construct new facilities to support the additional demand placed on the water system by new and future service connections.

Capital Equipment: Fixed assets such as vehicles, computers, furniture, technical instruments which have a life expectancy of more than one year and a value over \$5,000.

Capital Improvement Plan (CIP): A long-range plan of the Agency for the construction, rehabilitation and modernization of the Agency-owned and operated infrastructure.

Capital Planning, Studies and Administration: Non-operating expenses, including but not limited to: (1) studies in support of major capital projects; and (2) non-recurring studies.

Capital Project: A non-operating expense item of the budget, which includes expenditures for fixed asset / equipment purchases, as well as the accumulation of expenditures associated with construction projects. Capital projects typically have a life of five years or more.

Castaic Lake Water Agency (CLWA): A former entity of SCV Water. The Castaic Lake Water Agency, formerly known as the area's wholesaler, imported water from the State Water Project that is used to supplement the local retailers' groundwater supply. CLWA acquired SCWD in 1999, and, along with VWC and NWD, merged into SCV Water in January 2018 by an act of legislation, SB 634.

Castaic Lake Water Agency Financing Corporation: A corporation the former CLWA formed in 1990 to issue Certificates of Participation, now known as SCV Water Financing Corporation.

Catalytic Project: High leverage, high impact activity, project or program which will achieve the greatest positive impact on the performance measures. A catalytic project may also be a collection of programs and activities.

ccf: The ccf is the standard rate of billing for retail water service. One ccf is equal to 100 cubic feet of water, which is equal to 748 gallons of water.

Certificate of Participation (COP): The financing technique that provides long-term financing through a lease (with an option to purchase) or installment agreement that does not constitute indebtedness under the state constitutional debt limit, and does not require voter approval.

CIP Fund: Funds allocated for projects through Retail Water sales excluding COP financed projects and expansion projects due to development.

Collateralization: Occurs when a borrower pledges an asset as recourse to the lender in the event that the borrower defaults on the initial loan.

Commodity Charge: A charge per ccf that includes retail water usage charges and pass-through charges for purchased water.

Computerized Maintenance Management System (CMMS): A CMMS software package maintains a computer database of information about an organization's maintenance operations. This aids in making informed decisions regarding preventative maintenance and helps maintenance workers do their jobs more efficiently.

COP Fund: Funds allocated for specific projects through COP financing.

CSMFO: California Society of Municipal Finance Officers.

Customer Class: Retail divisions have three customer class categories: Residential, Industrial and All Others.

Customer Information System (CIS): Computer database and information system that contains all billing and personal data pertaining to utility customers usually combined with Utility Billing (UB).

Dead End Flushing: Dead end water mains are often found at the end of cul-de-sac streets, and may not provide enough flow to maintain disinfectant levels. Therefore, a preventative maintenance program has been set up for flushing dead end water mains to ensure high quality water and acceptable disinfection residual.

Department of Water Resources (DWR): The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation: Reduction in value of an asset with the passage of time, due in particular to wear and tear.

Derivative: A financial security with a value that is reliant upon or derived from an underlying asset or group of assets; a benchmark.

Developer: A person or entity that invests in and develops potentialities of real estate, especially by subdividing the land into home sites and then building houses and selling them.

Developer Refundable Deposit: Initial funds received from developers to do engineering studies and construction related to a retailer's water system for their specific development. Any unused amount is refundable.

Devil's Den Ranch: Agricultural land in Kern and Kings Counties that the Agency owns and operates.

Devil's Den Water District: A California Water District in Kern and Kings Counties (the Agency is the primary landowner).

Disbursements: Payments made on obligations.

Earl Schmidt Filtration Plant (ESFP): One of two treatment plants operated by SCV Water.

Earl Schmidt Intake Pumping Station (ESIPS): SCV Water pumping station that pumps water up to the ESFP.

EIR: Environment Impact Report prepared in compliance with the California Environmental Quality Act.

EIS: Environmental Impact Statement prepared in compliance with the National Environmental Protection Act.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to business enterprises where (1) the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) the governing body or higher governmental authority has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control and accountability for other purposes.

Equipment: The purchase, replacement, maintenance and upgrading of equipment essential to supporting administrative and service needs with a cost of \$5,000 or more.

Equipment Purchases: The purchases of office equipment, furniture, automobiles, trucks, pumps, shop equipment and other items.

Expenditure: An amount of money disbursed or obligated. Expenditures include current operating expenses and capital improvements requiring the present or future use of net current assets and the current year portion of debt service.

FICA: Federal Insurance Compensation Act.

Finance and Administration Committee: A committee of the Board of Directors consisting of six Board members, that meets monthly to discuss finance, administration, budget and rate issues for regional and retail functions.

Financial Management Information System (FMIS): An accounting software that records and processes accounting transactions.

Fiscal Year: The timeframe in which the Budget applies. This is the period from July 1 through June 30 of the following year.

Fixed Assets: Long-term tangible assets that have a normal use expectancy of more than three years and do not lose their individual identity through use. Fixed assets include buildings, equipment and improvements other than buildings and land.

Fund: A set of accounts used to account for a specific activity, such as a water enterprise fund. A fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Fund Balance: Fund equity in governmental funds. The difference between the assets and liabilities equal the fund balance. The current funds on hand, resulting from historical collection and use of monies. The difference between assets and liabilities reported in the Operating Fund, plus residual equities or balances or changes therein, from the results of operations.

General Fund: Fund used to account for and report all financial resources not accounted for and reported in another fund.

General Obligation Bonds: Bonds, the payment for which the full faith and credit of the issuing government are pledged.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic Financial Statements of an entity. The responsibility for setting GAAP for state and local governments rests with the Governmental Accounting Standards Board (GASB).

Geographic Information System (GIS): GIS is a system designed to capture, store, manipulate, analyze, manage and present all types of geographically referenced data.

GFOA: Government Finance Officers Association of the United States and Canada.

Goal: A description of a desired end state, condition or outcome expressed in qualitative terms.

Governmental Accounting Standards Board (GASB): The organization that sets the standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports. and guide and educate the public, including issuers, auditors, and users of those financial reports.

Governmental Fund: Fund category used to account for tax-supported (governmental) activities. These are the funds through which most governmental functions typically are financed.

Grant Administration: Grant funds that are used only for intended purposes and are subject to Single Audit requirements (OMB Super Circular – Subpart F of the federal Uniform Grant Guidance).

Integrated Regional Water Management (IRWM): A collaborative, stakeholder-driven process to integrate planning and implementation efforts and facilitate regional cooperation with the goals of reducing water demands, improving operational efficiency, increasing water supply, improving water quality and promoting resources stewardship over the long term. The Upper Santa Clara River IRWM plan, adopted in July 2008 (and updated February 2014), examines current and future water-related needs, identifies regional objectives for water-related resource management, develops strategies to address identified needs and then evaluates and offers

various projects to meet the regional objectives.

Integrated Regional Water Management Plan (IRWMP): A plan for upper Santa Clara River watershed management that was adopted in July of 2008. The Agency is a stakeholder and on the Regional Water Management Group, which leads the IRWMP effort. The IRWMP is critical for identifying programs for possible state grant funding under Propositions 50, 84, and 1.

Interfund Loan: Payments from SCWD and VWD to SCV Water.

Internal Control: Agency management is responsible for the establishment and maintenance of internal control structure that ensures that the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

LAIF: Local agency investment fund.

Los Angeles County Waterworks District No. 36. (LACWD No. 36.): A retail purveyor of SCV Water.

Major Capital Improvement Projects: Projects associated with the expansion of service due to growth or increase in demand which cost more than \$250,000.

Major Capital Project: The acquisition of land, facilities, works, improvements and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. Major capital projects are typically included in the Agency's Capital Improvement Program and Data Document, and cost more than \$500,000.

Major Fund: Funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise), and 5 percent for the aggregate of all governmental and enterprise funds in total.

Materials and Supplies: Cost of the various materials and supplies purchased to operate and maintain the Agency. Examples of supplies include office, computer, engineering, janitorial and gardening. Materials include glass, lumber, concrete, painting and small tools.

Meter Service Charge: A monthly charge for water availability based on meter size.

Minor Capital Improvement Projects: Projects associated with the expansion of service due to growth or increase in demand that cost \$250,000 or less.

Minor Capital Project: Minor capital projects include the acquisition of land, facilities, works and improvements, enhancements or enlargements to existing capacity and facilities. Minor capital projects take less time to develop and are not generally included in the Agency's Capital Improvement Program. Minor capital projects cost \$500,000 or less.

Modified Accrual Basis of Accounting: The basis of accounting under which revenues are recognized when they become "susceptible to accrue," (i.e., measurable and available to finance expenditures of the current period). The Agency considers property taxes to be available and subject to accrual if they are levied for and due within the fiscal year and collected

within 60 days after fiscal year end. Expenditures are recorded when the liabilities are incurred, except that principal and interest payments on general long-term debt are recognized as an expenditure when due.

Newhall Water District (NWD): One of the four SCV Water retail divisions, formerly known as Newhall County Water District.

Objective: A description of the result that is expected to be achieved. An objective is time specific and measurable. Fiscal year objectives are the yearly organizational levels of achievement expected.

Operating Budget: The normal, ongoing operating costs to operate the Agency, including salaries, employer expenses, professional and outside services, and other operating expenses.

Other Post-Employment Benefits (OPEB): Post-employment benefits that an employee will begin to receive at the start of retirement. OPEB does not include pension benefits paid to the retired employee.

Perchlorate: Compounds used in the manufacturing of explosives, munitions and rocket fuel.

Performance Measurement: A qualitative or quantitative indicator of successful goal attainment. A “good” performance measure is a reasonable approximation or representation of goal attainment. The performance measure cited should also be one that the Agency can affect, gather data on and measure.

Planning and Engineering Committee: A committee of the Board of Directors consisting of five Board members that meets monthly to discuss planning and engineering issues affecting regional and retail functions.

Potable Water: Water that meets the drinking water standards of the US Environmental Protection Agency.

Public Employees Retirement System (PERS). An agent, multiple-employer, public retirement system to which the Agency contributes that acts as a common investment and administrative agent for participating public entities within the State of California.

Public Employees’ Pension Reform Act (PEPRA): In September 2012, the legislature passed and the Governor signed into law the “California Public Employees’ Pension Reform Act of 2013” (PEPRA) (Government Code Sections 7522, *et seq.*): PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees:

Purchased Water: Water purchased from the regional division to supplement the retail divisions’ groundwater supplies.

Recycled Water: Beneficial use of treated wastewater for such planned uses as irrigation, industrial cooling, recreation, groundwater recharge, environmental enhancement, and other uses permitted under California law.

Redundancy: A fail-safe in the water distribution system to ensure continued service when a critical portion of the water system is out of service due to unforeseen conditions.

Regional: A term, formerly known as “wholesale,” used to describe a combined source of imported water, recycled water and groundwater.

Reliability: Providing a consistent level of water.

Repair and Replacement: Minor changes or additions to existing Agency-owned grounds or buildings and the electrical, lighting, plumbing, air conditioning or heating systems contained therein, which correct unsafe or unhealthful working conditions, increase operating efficiency, promote improved service to the public, and provide for the installation of equipment and security devices.

Repair and Replacement Projects: Any repair or replacement to the existing water infrastructure that extends the life a minimum of five years or more and costs \$5,000 or more.

Replacements: Projects related to replacement of existing infrastructure.

Revenue: Income generated by taxes, notes, bonds, investment income, land rental, user charges and water rates.

Rio Vista Intake Pumping Station (RVIPS): SCV Water pumping station that supplies water to the RVWTP.

Rio Vista Water Treatment Plant (RVWTP): One of two treatment plants operated by SCV Water.

Rosedale-Rio Bravo Water Storage District (RRBWS): The Agency participates in the Groundwater Banking Program through RRBWS which allows the storage of 20,000 acre-feet annually of the Agency’s State Water Project Table A amount or other State Water Project supplies.

Santa Clarita Valley Sanitation Districts (SCVSD): The public agency tasked with managing wastewater in the Santa Clarita Valley including the conversion of said wastewater into recycled water for further beneficial use.

Santa Clarita Water Division (SCWD): One of SCV Water’s retail divisions. Santa Clarita Water Company was acquired by the Agency in 1999.

Saugus Formation: The deep aquifer that underlies the Alluvial Aquifer.

Semitropic Water Storage District (SWSD): The Agency participates in the Groundwater Banking Program through SWSD which includes two short-term accounts that distribute excess State Water Project Table A water.

Service Charge: A flat monthly charge based on the meter size to cover the cost of reading, billing, maintaining meters and services.

Services: The normal, ongoing operating costs incurred to operate the Agency. Examples include repair, maintenance, auditing, security and engineering.

Southern California Edison (SCE): The primary electricity supply company for most of Southern California.

Southern California Water Committee, Inc. (SCWC): A nonprofit, nonpartisan, public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources. The Agency is a member of SCWC.

State Water Project (SWP): A water development and distribution system owned and operated by the State of California Department of Water Resources, which transports water from northern California. It entails the operation and maintenance of the collection and transportation facilities.

State Water Resources Control Board (SWRCB): Also known as the State Water Board. Along with the nine Regional Water Quality Control Boards, the SWRCB is tasked with preserving California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations. The SWRCB plays a key role in the State's response to current drought conditions.

Strategic Goal: A discrete aim for future achievement that is necessary to meet a component of the Agency's mission.

Strategic Plan: A long-term plan defining the Agency's mission, goals, objectives and implementing actions.

Strategy/Tactic/Action/Program/Project/Activity: Means by which we will achieve an objective and move towards a goal. A tactic is a specific action whereas a strategy is a broader concept to gain leverage and solve a problem.

Studies and Administration: Expenses related to planning, feasibility studies and other non-recurring reports, evaluations or tests.

Supervisory Control and Data Acquisition (SCADA): The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water and facilities throughout SCV Water's service area.

Total Budget: The sum of the total operating budget, debt service, water purchases and total capital budget requests.

Total Capital Budget: The total budget requests for equipment purchases and construction projects.

Treated Water: Water treated at the Agency's ESFP and RVWTP and delivered to retail divisions.

Upgrades: Projects related to the repair or refurbishment of existing infrastructure.

Upper Santa Clara Valley Joint Powers Authority (USCVJPA): A joint exercise of powers between the former Castaic Lake Water Agency, now successor agency SCV Water, and the Devil's Den Water District.

Urban Water Management Plan (UWMP): A water management planning document required by the “California Urban Water Management Planning Act.” This Plan provides a description of supplies and demands for existing and future conditions over a 20-year time horizon.

Utilities: This includes gas, electricity, water, sewer, sanitation, and telephone service.

Utility Billing System (UB): Billing software system for utilities usually combined with a Customer Information System (CIS).

Valencia Water Division (VWD): One of SCV Water’s retail divisions, formerly known as Valencia Water Company (VWC).

Water Conservation / Water Use Efficiency: Encompasses the policies, strategies and activities made to manage fresh water as a sustainable resource, to protect the water environment and to meet current and future demand.

Water Infrastructure Finance and Innovation Act (WIFIA) – The Water Infrastructure Finance and Innovation Act of 2014 established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. WIFIA and the WIFIA implementation rule outline the eligibility and other requirements for prospective borrowers.

Water Master Plan: An engineering study that recommends and prioritizes capital improvements based on long-range planning efforts through analysis and assessment of the capacity of existing and planned infrastructure, with respect to established design criteria.

Water Purchases: Water purchased from the Department of Water Resources.

Water Rates: Retail water rates charged to SCV Water customers. The water rates consist of two main components: a fixed monthly Service Charge and a variable water usage Commodity Charge. The Service Charge rates vary based on meter size, whereas the Commodity Charge is based on the amount of water used in ccf.

Water Resources and Outreach Committee: A Committee of the Board of Directors consisting of five Board members that meets monthly to discuss water resource issues and outreach efforts.

Water System: The whole and each part of the water system of SCV Water, comprising all facilities for the supply, storage, treatment and distribution of water, together with all additions, extensions and improvements to such system.

Water Use Efficiency Strategic Plan (WUESP): A comprehensive long-term conservation plan for the Santa Clarita Valley which provides objectives, policies and programs designed to promote proven and cost-effective conservation practices. The plan was first adopted in 2008 and subsequently updated in 2015.

Weather-based Irrigation Controller (WBIC): An irrigation controller that adjusts watering patterns based on real-time weather conditions.

BUDGET ACRONYMS

AB	Assembly Bill
ACFR	Annual Comprehensive Financial Report
ACWA	Association of California Water Agencies
ACWA/JPIA	Association of California Water Agencies/Joint Powers Insurance Authority
ACOE	U.S. Army Corps of Engineers
Act	California Urban Water Management Planning Act
AF	acre-foot/acre-feet
AFY	acre-feet per year
Agency	Santa Clarita Valley Water Agency (SCV Water)
AWRM	Alternative Water Resources Management Program
AWWA	American Water Works Association
AWWARF	American Water Works Association Research Foundation
BDCP	Bay Delta Conservation Plan
BMPs	Best Management Practices
BO	Biological Opinion
BOD	Board of Directors
BVWSD	Buena Vista Water Storage District
CCF	One Hundred Cubic Feet
CCR	Consumer Confidence Report
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CIP	Capital Improvement Plan
CLWA	Castaic Lake Water Agency
COLA	Cost-of-Living Adjustment
COPs	Certificates of Participation
CSMFO	California Society of Municipal Finance Officers
CPI	Consumer Price Index
CVP	Central Valley Project
DBP	Disinfection by-products
D/DBP	Disinfectants and Disinfectant By-Products
DDW	Division of Drinking Water
Delta	Sacramento-San Joaquin Delta
DFW	California Department of Fish and Wildlife
DHS	California Department of Health Services
DOF	Department of Finance
DPH	Department of Public Health
DTSC	Department of Toxic Substances Control
DWR	Department of Water Resources
Edison	Southern California Edison
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
ESA	Endangered Species Act
ESFP	Earl Schmidt Filtration Plant
ESIPS	Earl Schmidt Intake Pump Station
ETo	evapotranspiration
FEMA	Federal Emergency Management Agency
FWS	United States Fish and Wildlife Service
GAAP	Generally Accepted Accounting Principles

GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GPCD	gallons per capita per day
GPD	gallons per day
GPM	gallons per minute
GWMP	Groundwater Management Plan
IRWMP	Integrated Regional Water Management Plan
IT	Information Technology
KCWA	Kern County Water Agency
L.A. Co. WWD #36	Los Angeles County Water Works District #36
LACDRP	Los Angeles County Department of Regional Planning
LACSD	Sanitation Districts of Los Angeles County
LADWP	Los Angeles Department of Water and Power
LAIF	Local Agency Investment Fund
Metropolitan	Metropolitan Water District of Southern California
MAF	Million Acre-Feet
MG	Million Gallons
MGD	Million Gallons per Day
<i>mg/l</i>	milligrams per liter
MOU	Memorandum of Understanding
NCWD	Newhall County Water District
NEPA	National Environmental Protection Act
NMFS	National Marine Fishery Service
NPDES	National Pollutant Discharge Elimination System
NWD	Newhall Water Division
O&M	Operations and Maintenance
OMB	Federal Office of Management and Budget
OVOV	One Valley One Vision
PFAS	Per- and polyfluoroalkyl substances
PUC	California Public Utilities Commission
RWQCB	Regional Water Quality Control Board
RVIPS	Rio Vista Intake Pump Station
RVWTP	Rio Vista Water Treatment Plant
RRB	Rosedale-Rio Bravo
RRBWSD	Rosedale-Rio Bravo Water Storage District
SB 634	Senate Bill 634
SBX7-7	Senate Bill SBX7-7
SCV Water	Santa Clarita Valley Water Agency
SCVGSA	Santa Clarita Valley Groundwater Sustainability Agency
SCVWUESP	Santa Clarita Valley Water Use Efficiency Strategic Plan
SCWC	Southern California Water Committee
SCWD	Santa Clarita Water Division
SGMA	Sustainable Groundwater Management Act
SPTP	Saugus Perchlorate Treatment Plant
SWP	State Water Project
SWRCB	State Water Resources Control Board
SWSD	Semitropic Water Storage District
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
USCR	Upper Santa Clara River
UWMP	Urban Water Management Plan
VWD	Valencia Water Division
Valley	Santa Clarita Valley
WIFIA	Water Infrastructure Finance and Innovation Act

**TO BE DROPPED IN
WHEN COMPLETE**

**TO BE DROPPED IN
WHEN COMPLETE**



SCV Water - Customer Care

24631 Avenue Rockefeller
Valencia, CA 91355

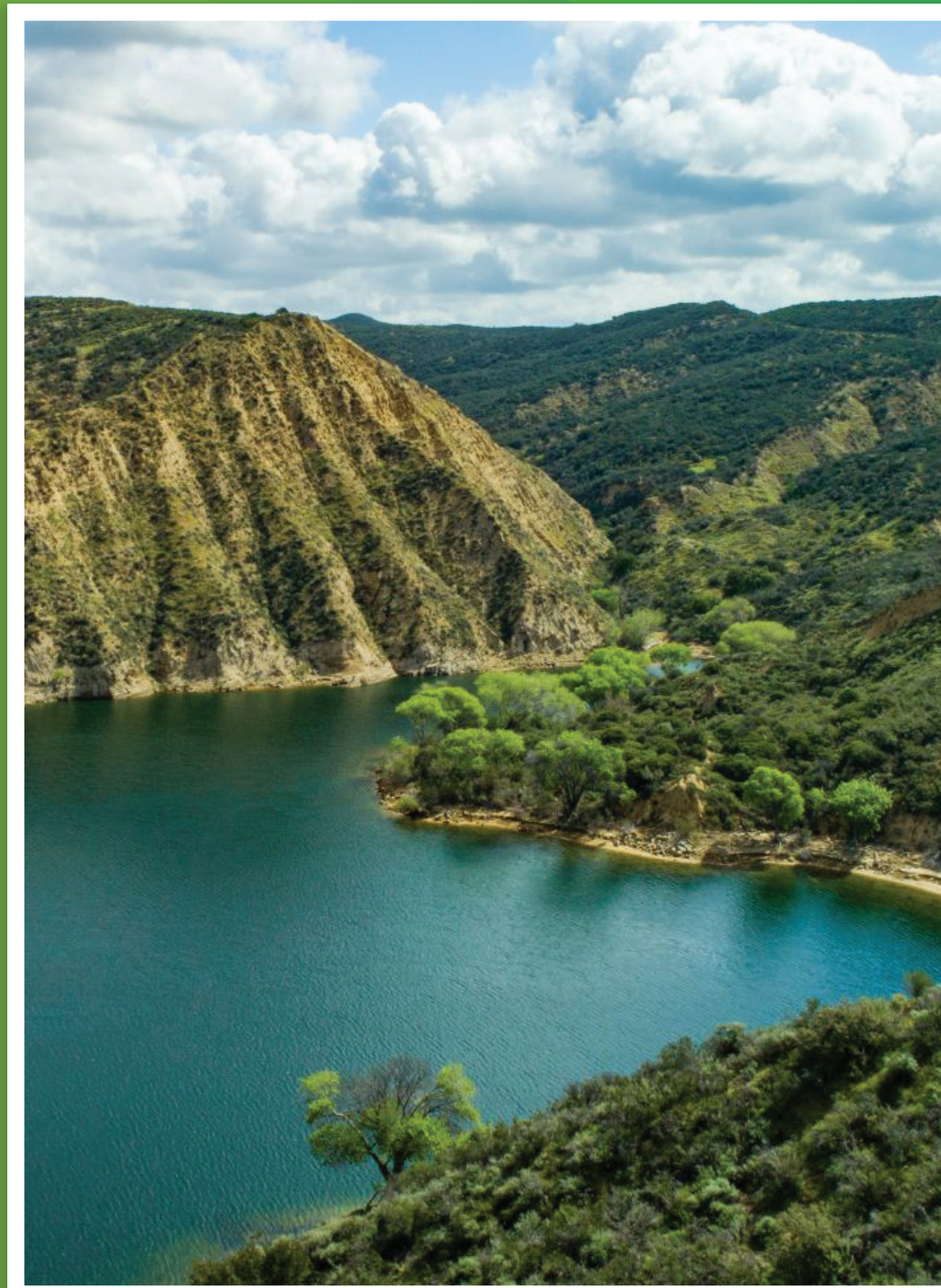
661-294-0828
ccare@scvwa.org

SCV Water - Administration

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173

661-297-1600

YOURSCVWATER.COM



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**FY 2023/24 and FY 2024/25
Biennial Budget**



SCV
WATER

Board of Directors Meeting

May 16, 2023

Biennial Budget



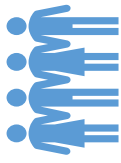
Seeking approval of FY 2023-24 spending plan; Conditional approval of FY 2024-25



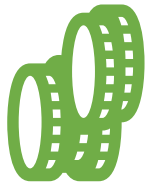
Consistent with the approved Cost of Service and Rate Study



Staff settling into new Departmental Budgets



Staffing at 242 (includes 10 Part Time and 1 Limited Duration)



Funding for state mandates and strategic objectives

Major Components

Operating and Other Revenues

- Water Sales Revenues
- Property Taxes
- Other Revenues

Operating Expenses

- General Operating Expenses
- Debt Service
- Pay-Go Capital (funded by revenue sources)

Other Components

Debt Funded CIP

- \$55.7 million plan (in FY 2023/24)

State Water Contract Fund

- Revenues \$40.9 million
- Expenses \$43.3 million

Capacity Fees

- Regional \$1.3 million
- Retail \$.26 million

Key Assumptions

Revenue Projections from Cost of Service

- Projected account growth consistent with COS
- Assumes normal year for sales volumes
- Accounted for conservation guidelines

FY 2023/24 budget + current operating conditions = budgeting starting points

- Operating Expense increase due in part to Debt Service, Technology Services, Treatment Chemicals, Fleets, Water Resources & Sustainability initiatives

Includes a 6.5% revenue increase as outlined in the COS

- Reduced residential water sales by \$100 K for the Pilot Ratepayer Assistance Program

No change in existing standard of service



Balanced Budget (in millions)

	Proposed Budget FY 2023/24		Proposed Budget FY 2024/25	
	Inflows	Outflows	Inflows	Outflows
Water Sales	\$ 98.0		\$ 105.1	
Property Tax	\$ 31.0		\$ 31.7	
Grants	\$ 11.6		\$ 10.1	
Reimbursements	\$ 6.9		\$ 3.5	
Misc. Revenue	\$ 6.4		\$ 6.6	
Facility/Retail Capacity Fees	\$ 1.6		\$ 1.9	
Operating Expenses		\$ 99.8		\$105.6
Capital Pay-go (Operating)*		\$ 18.1		\$ 15.8
Debt Service		\$ 37.5		\$ 37.7
	\$155.5	\$155.5	\$ 159.0	\$159.0

A balanced budget is a budget in which inflows equal or exceed outflows.

*Balance of Capital Pay-go plan will be funded from carryover reserve funds



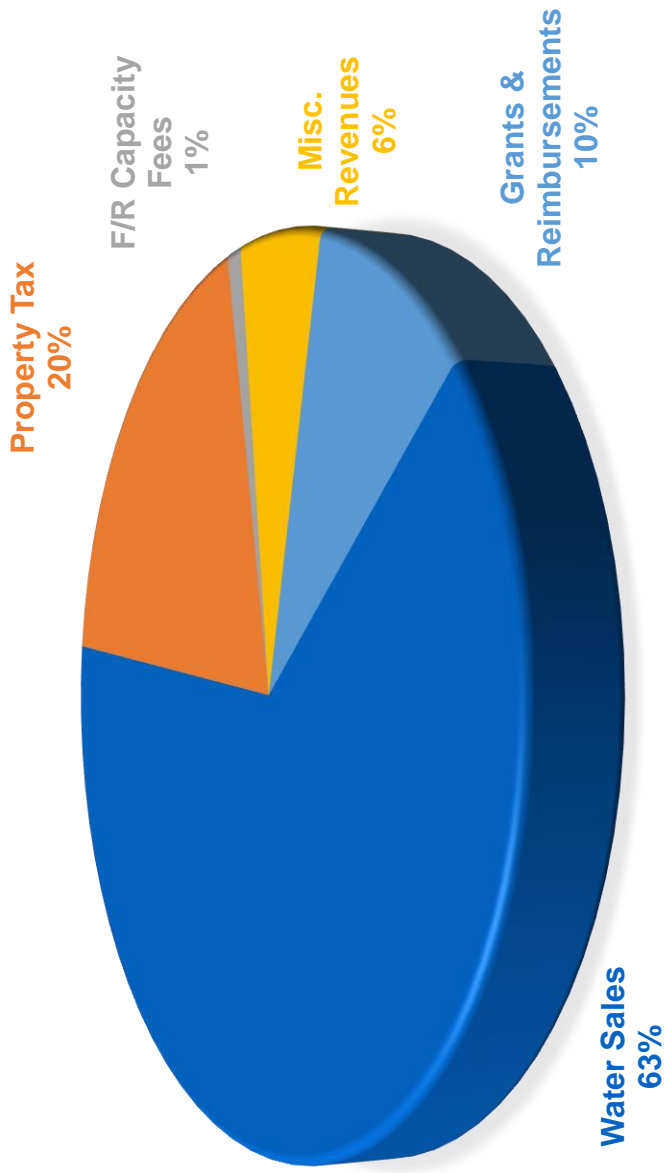
Proposed Budget Revenue

	Adopted Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Operating Revenues			
Water Sales	\$ 92,701,626	\$ 98,035,469	\$ 105,130,713
Property Tax	30,244,543	30,952,265	31,676,548
Facility/Retail Capacity Fees	6,300,000	1,577,800	1,948,800
Misc. Revenues ¹	3,524,824	9,139,486	7,089,900
Grants & Reimbursements	15,691,105	15,773,840	13,158,300
Total Operating Revenues	\$ 148,462,098	\$ 155,478,860	\$ 159,004,262

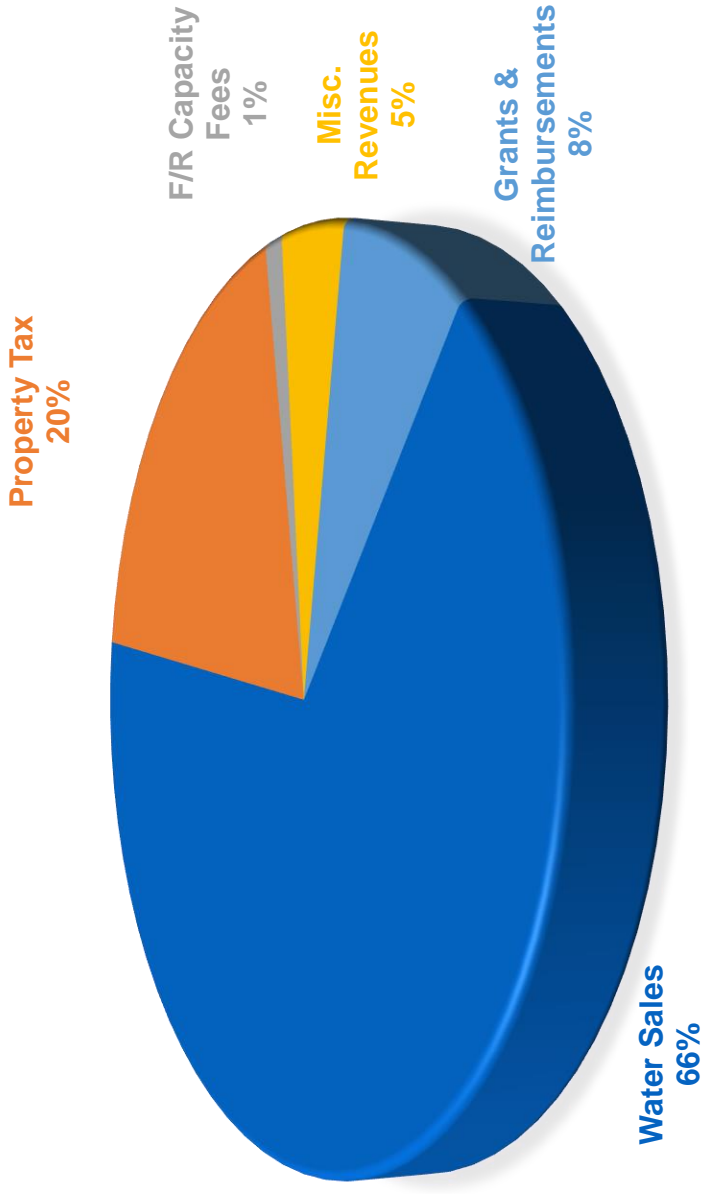
¹ Includes Communication Leases, Rental Income, Investment Revenues and Laboratory Revenues

Proposed Budget Revenue

FY 2023/24 OPERATING REVENUES - \$155.5 MILLION



FY 2024/25 OPERATING REVENUES - 159 MILLION



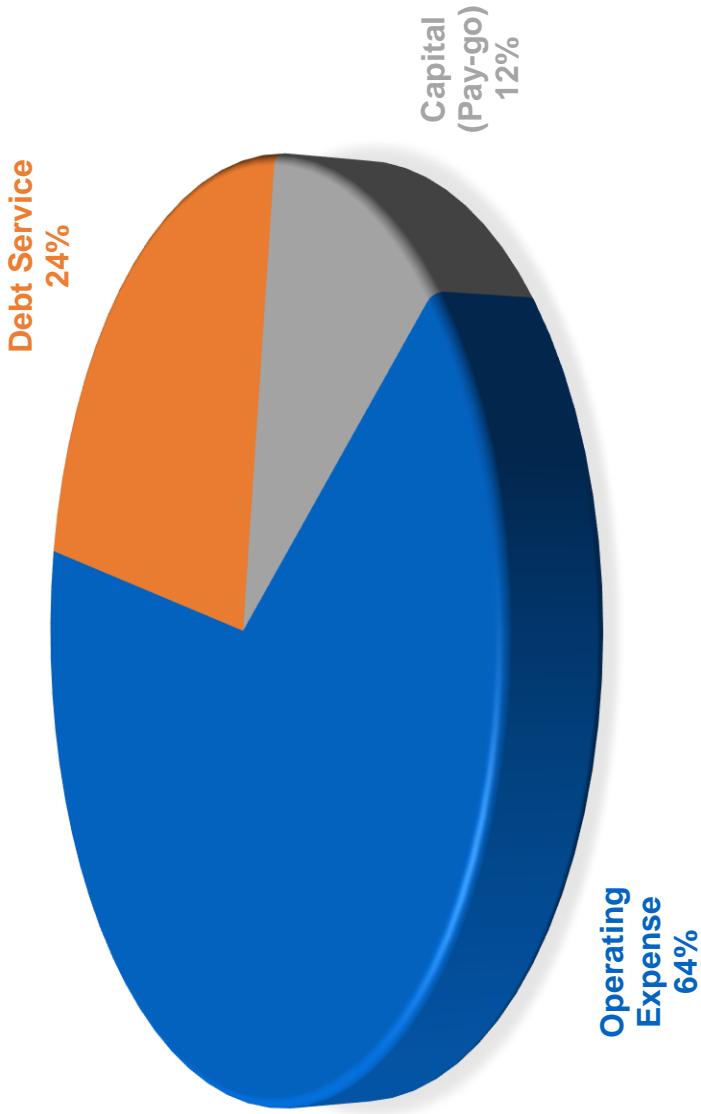


Proposed Budget Expenses

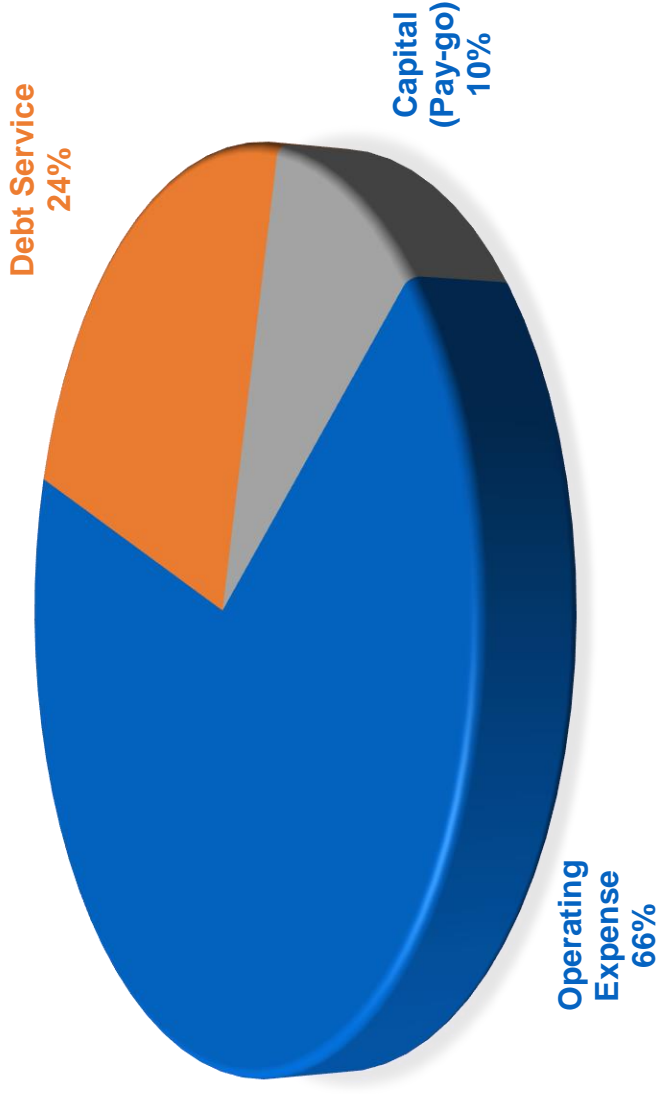
Operating Expenses	Adopted Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Management	\$ 6,722,541	\$ 3,094,046	\$ 4,210,276
Finance, Administration & IT	20,725,318	23,917,379	25,773,077
Customer Care	2,810,685	3,068,214	3,143,402
Transmission & Distribution	10,599,865	11,151,577	11,377,167
Pumping Wells & Storage	14,959,138	17,540,767	18,763,365
Water Resources	9,584,392	11,380,616	11,678,620
Source of Supply	12,535,000	11,108,816	11,632,181
Water Quality, Treatment & Maintenance	11,781,761	14,093,165	15,283,884
Engineering Services	5,342,361	4,484,004	3,699,025
Debt Service	33,214,071	37,540,749	37,685,430
Capital (Pay-go)	21,186,966	18,099,530	15,757,834
Total Operating Expenses	\$ 148,462,098	\$ 155,478,860	\$159,004,262

Proposed Budget Expenses

FY 2023/24 OPERATING EXPENSES - 155.5 MILLION



FY 2024/25 OPERATING EXPENSES - 159 MILLION





Reserves

Reserves	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25	End-of-Year Budget FY 2024/25
Capital Reserves	\$ 18,492,738	\$ 18,479,826	\$ -
Emergency/Disaster Reserves	32,823,644	34,704,985	34,704,985
Operating Reserves	45,165,808	47,094,716	34,615,983
Revenue Rate Stabilization Reserves	19,348,314	20,748,086	20,748,086
Water Supply Reliability Reserves	6,000,000	6,000,000	6,000,000
	\$ 121,830,504	\$ 127,027,613	\$ 96,069,054



State Water Contract

Revenues	Approved Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Budget FY 2025/26	Budget FY 2026/27
Agency Set Property Tax	\$ 36,833,262	\$ 36,833,262	\$ 37,695,000	\$ 38,577,000	\$ 39,479,934	\$ 40,403,765
Interest Revenue	430,000	5,417,137	3,192,265	2,846,718	3,756,285	3,625,571
	\$ 37,263,262	\$ 42,250,399	\$ 40,887,265	\$ 41,423,718	\$ 43,236,219	\$ 44,029,336
Expenses	Approved Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Budget FY 2025/26	Budget FY 2026/27
Salaries & Compensation	\$ 46,000	\$ 8,101	\$ 68,942	\$ 72,123	\$ 74,287	\$ 76,515
Benefits & Burden	23,000	2,255	49,606	51,251	52,789	54,372
Employee Expenses	100,000	-	18,000	22,000	22,660	23,340
Legal Consulting	15,000	-	10,000	10,000	10,300	10,609
State Water Cont/SWPCA Dues	250,000	439,282	260,000	270,000	283,500	297,675
SWC Audit Finance Commit.	33,000	64,812	34,000	35,000	36,750	38,588
DWR Variable	11,000,000	5,749,672	11,550,000	12,128,000	12,734,400	13,371,120
State Water Contract Payment	24,768,000	24,584,516	29,324,000	27,635,000	30,674,850	34,049,084
Delta Conveyance	2,413,339	17,333	2,500,000	2,500,000	2,500,000	2,500,000
Refund of Excess SWC Fixed Chgs	(2,000,000)	-	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Contingencies	2,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000
	\$ 35,048,439	\$ 30,865,971	\$ 43,314,548	\$ 42,223,374	\$ 45,889,535	\$ 49,921,302
Annual Change in Net Position	2,214,823	11,384,428	(2,427,283)	(799,656)	(2,653,316)	(5,891,967)
Estd Beginning Net Position July	86,945,848	89,206,793	100,591,221	98,163,938	97,364,282	94,710,966
Estd Ending Net Position June	\$ 89,160,671	\$ 100,591,221	\$ 98,163,938	\$ 97,364,282	\$ 94,710,966	\$ 88,819,000



Pay- Go Capital

Capital Improvement Projects By Category	PAY-GO Proposed Budget FY 2023/24	PAY-GO Proposed Budget FY 2024/25
Admin & Tech	\$ 7,160,000	\$ 5,202,500
Appurtenance Improvements	410,000	410,000
Booster Station/Turnout Improvements	4,347,000	2,141,000
Capital Planning & Studies	5,844,340	5,922,404
Disinfection System Improvements	1,100,000	1,100,000
ESFP Improvements	1,755,000	1,955,000
ESIPS Improvements	100,000	100,000
General Facility Improvements & Replacements	100,000	100,000
Laboratory Improvements	75,000	125,000
Meter & Meter Infrastructure Improvements	2,775,000	2,700,000
Minor Capital	100,000	100,000
Pipelines & Pipeline Improvements	2,165,000	2,275,000
Pipelines & Pipeline Replacements	11,846,000	11,957,500
Recycled Water Improvements	1,000,000	800,000
RVIPS Improvements	540,000	540,000
RVTP Improvements	2,668,000	2,693,000
Tanks & Tank Facility Improvements	10,438,000	4,332,000
Technology Improvements	300,000	300,000
Treatment Plant Improvements	1,583,000	290,000
Water Resources & Supply	6,636,800	4,810,400
Wells & Well Facility Improvements	15,155,000	7,633,000
Wells & Well Facility Improvements - PFAS	248,000	203,000
Total CIP	\$ 76,346,140	\$ 55,689,804



Engineering CIP Overview - Pay-Go

Capital Projects	FY 2023/24 Projected	FY 2024/25 Projected
Saugus 3 & 4 Replacement Wells (C)	\$ 12,330,000	\$ 4,458,000
RWWTP Underground Storage Tank Replacement (C)	\$ 1,583,000	\$ 290,000
Dickason Pipeline Replacement (C)	\$ 2,500,000	\$ 0
Smyth Pipeline Replacement (C)	\$ 1,000,000	\$ 1,200,000
Abdale St, Maplebay Ct, Beachgrove Ct Water Pipeline Replacement (C)	\$ 1,000,000	\$ 1,400,000
Valencia Marketplace Pipeline Replacement (C)	\$ 3,200,000	\$ 1,000,000
Sand Canyon Sewerline Relocation	\$ 212,000	\$ 1,056,000
Pipeline Relocations (C)	\$ 1,000,000	\$ 6,000,000



Engineering CIP Overview - Pay-Go

Capital Projects Continued	FY 2023/24 Projected	FY 2024/25 Projected
Deane Tank - One 2.08 MG Tank @ Skyline Ranch* (C)	\$ 3,500,000	\$ 100,000
Deane Tank - One 1.5 MG Tank @ Sand Canyon Plaza* (C)	\$ 4,750,000	\$ 1,000,000
Deane Pump Station @ Sand Canyon Plaza* (C)	\$ 2,750,000	\$ 50,000
Total of Projects less than \$1 M	\$ 5,190,000	\$ 5,405,500
Total Engineering Capital Projects - PayGo	\$ 39,015,000	\$ 21,959,500

Saugus Wells 3 & 4

- Construction
 - New Wells drilled in the Saugus Formation
 - These wells are replacing other wells impacted by PFAS *
 - Currently in the isolated aquifer zone testing phase for Saugus well #3. (Completed 4 out of 14 zones)

- Project Details
 - Drilling New wells estimated at 2,000 gpm each
 - Total of approximately 6,500 AFY
 - Associated pipelines installation



RVWTP Underground Storage Tank Replacement

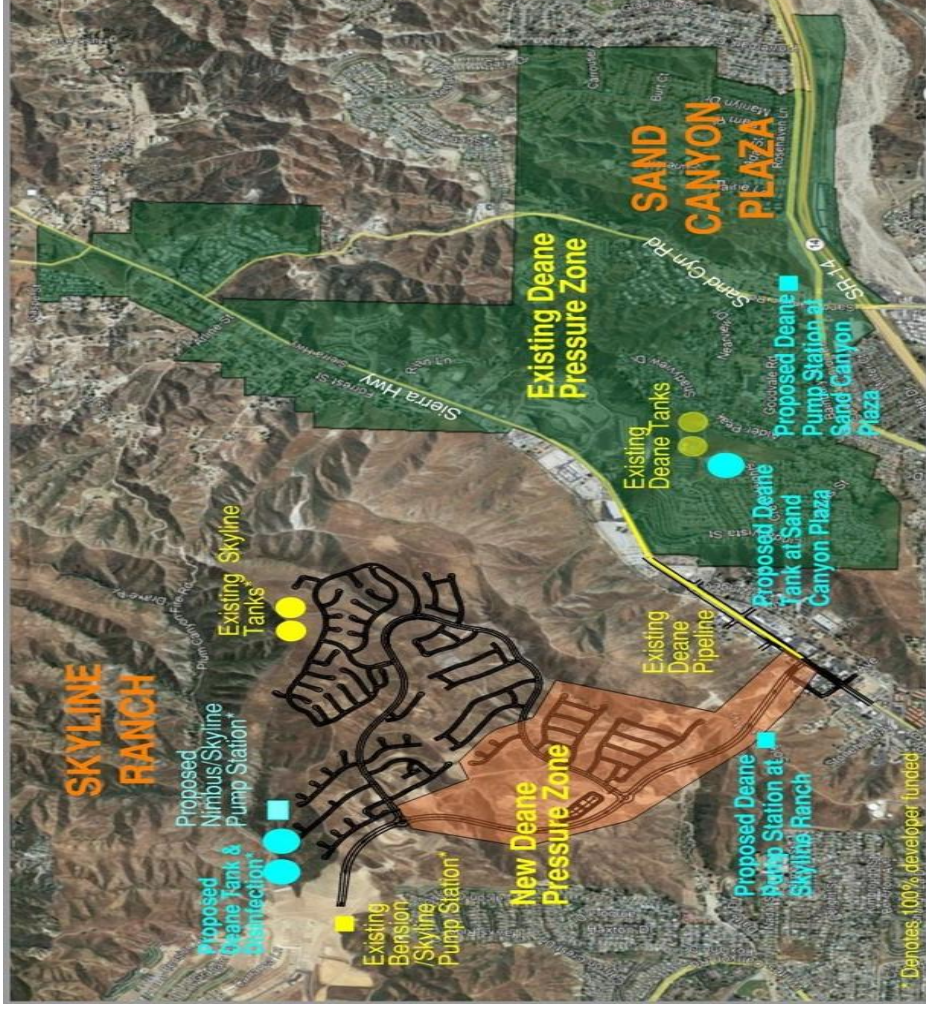
- Construction
 - Replace existing underground storage tank that provides diesel fuel storage for the standby generator at the Rio Vista Water Treatment Plant (RVWTP)

- Project Details
 - Existing underground storage tank in-service for about 25 years and industry average lifespan is 20 years.
 - Remove existing 8,000-gallon underground storage tank and install new above ground 8,000-gallon diesel fuel storage tank
 - Provide temporary fuel during construction to keep the standby generator operational



Deane Zone Improvements

- Construction
 - 2.08 MG Tank @ Skyline Ranch
 - Pump Station @ Skyline Ranch
 - 1.5 MG Tank @ Sand Canyon Plaza
 - Pump Station/Pipelines @ Sand Canyon Plaza
- Funding
 - Developer pays their fair share of facilities plus facility capacity fees
 - Capacity Fees fund a portion of CIP for new system capacity
- Benefits of Participation
 - Developer contributed land
 - Developer conducted environmental review (CEQA)
 - Economies of scale for design & construction
 - Addresses deficiencies in existing system





Engineering & Operations – Pay-Go

Pipeline Improvements and Replacements

- Engineering and Operations work collaboratively on pipeline improvement projects
- Projects are based on several criteria
 - Age, material and failure rate, location and criticality, unforeseen and unexpected projects
 - Budgeted \$14,011,000 for FY 23/24
 - Budgeted \$14,232,500 for FY 24/25

Pipeline Improvements and Replacements

- Total miles of pipe = ~920
- Projects
 - Planning/Design:
 - RVTP Sewer
 - Sand Canyon Sewer
 - Vasquez Cyn
 - Construction:
 - Dickason Drive (PVC)
 - Smyth Drive (PVC)
 - Abdale St/Maplebay Ct/Beachgrove Ct
 - Valencia Marketplace (PVC)
 - McBean Pkwy (Henry Mayo Hospital) (ACP)
 - Poe Pkwy (ACP)



Pipeline Improvements and Replacements

- Total miles of pipe = ~920
- TDOMS Projects
 - Design/Construction:
 - Beneda Lane
 - Vasquez Canyon/Gaspe Street
 - Simay Lane
 - Via Princesa/Weyehauser
 - Newhall Avenue
 - Begonias Lane
 - Wiley Elementary (Powell St)



Operations CIP Overview

- Require limited engineering support
- Consist of several general categories, each with specific individual projects
- A portion of each budget is held for unforeseen failures and unexpected projects





Operations CIP Overview – Pay-Go

Capital Project Description	FY 2023/24 Projected	FY 2024/25 Projected
Appurtenance Improvements & Replacements	\$ 410,000	\$ 410,000
Booster Station/Turnout Improvements & Replacements	\$ 700,000	\$ 750,000
Disinfection System Improvements & Replacements	\$ 1,100,000	\$ 1,100,000
ESFP Improvements & Replacements	\$ 1,755,000	\$ 1,955,000
ESIPS Improvements & Replacements	\$ 100,000	\$ 100,000
Laboratory Improvements & Replacements	\$ 75,000	\$ 125,000
Meter & Meter Infrastructure Improvements & Replacements	\$ 2,775,000	\$ 2,700,000
Pipelines & Pipeline Improvements & Replacements	\$ 2,165,000	\$ 2,275,000
RVIPS Improvements & Replacements	\$ 540,000	\$ 540,000
RVTP Improvements & Replacements (includes Access Gate Improvements)	\$ 2,495,000	\$ 2,465,000
SCADA Improvements & Replacements	\$ 300,000	\$ 300,000
Tanks & Storage Facility Improvements & Replacements	\$ 1,500,000	\$ 1,200,000
Wells & Well Facility Improvements	\$ 2,800,000	\$ 675,000
Total Operations Capital Projects – Pay-Go	\$ 16,715,000	\$ 14,595,000

Storage Tank Improvements & Replacements

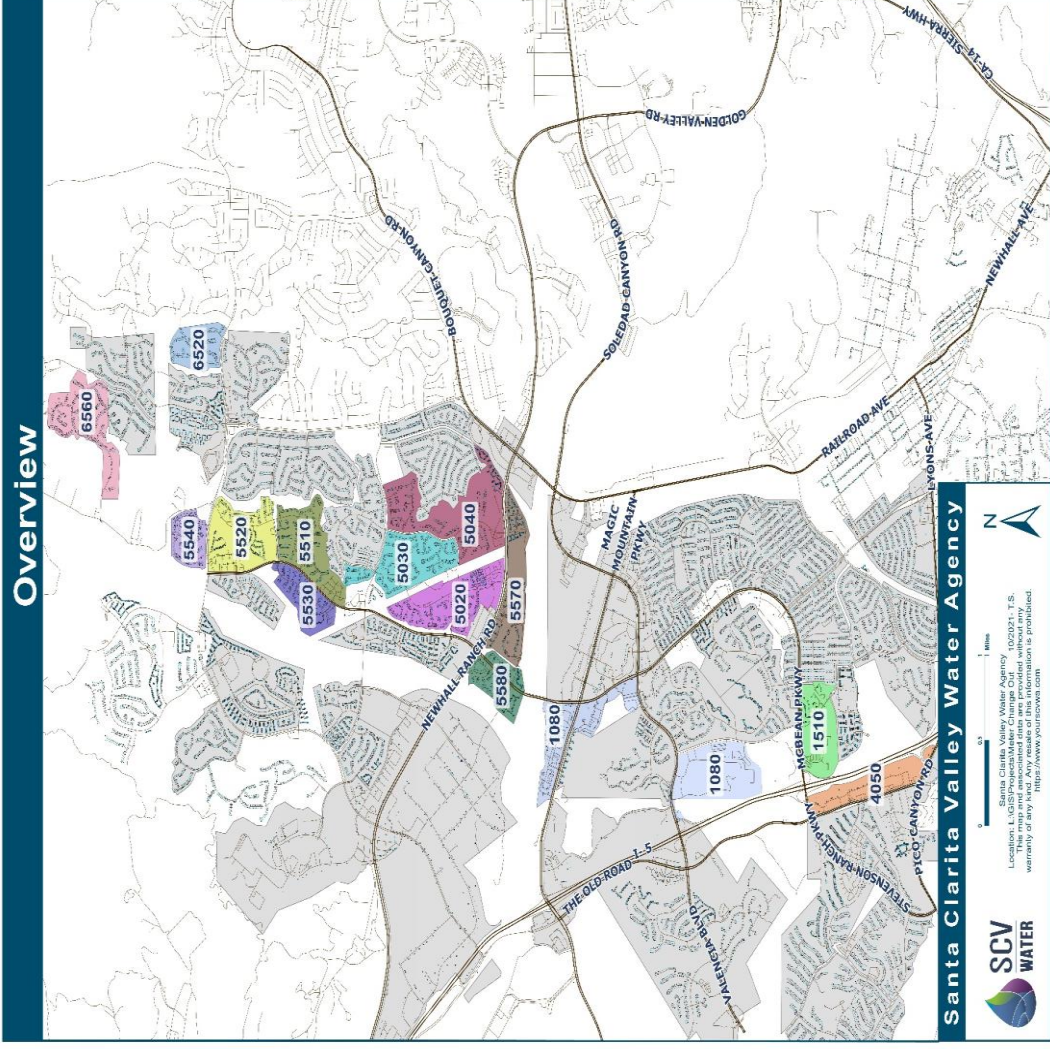
- Total Storage Tanks = 102*
- Storage Improvement Criteria
 - • 3–5-year dive inspections
- Key Projects
 - Copper Hill 1
 - North Oaks 1
 - North Oaks 4



*Includes RW, concrete reservoir and plant water tank

Meter Improvements & Replacements

- Meter Replacement Criteria
 - Age
 - Volume
 - Read Style
- AMI Target Areas
 - Grant proposed area - 7,500
 - General replacements - 3,700



Well Improvements & Replacements

- Total Wells = 55*
- Well Rehabilitation Criteria
 - Specific capacity
 - Production
 - Age
 - PFAS Treatment

• Key Projects

- Saugus 1
- Saugus 2
- Guida



*includes inactive, standby, non-potable

Equipment Replacements

- **Equipment Replacement Criteria**
 - Age, mileage, maintenance costs and regulatory requirements
- **Equipment Totals**
 - 115 Vehicles
 - 31 \geq 10 years old
 - 10 \geq 110,000 miles
 - 10 Mobile Generators
 - Age range 2000 - 2012
 - Heavy Equipment
 - 6 Backhoes – 1996 – 2019
 - 6 Dump Trucks – 2000 - 2018





Administration, Technology & Fleet – Pay-Go

Capital Project Description	FY2023/24 Projected	FY2024/25 Projected
Office Improvements - Various	\$ 1,550,000	\$ 800,000
Equipment and Vehicle Improvements & Replacements	\$ 1,900,000	\$ 1,800,000
Technology Improvements and Replacements	\$ 3,710,000	\$ 2,602,500
Total Administration, Technology & Fleet Pay-Go CIP	\$ 7,160,000	\$ 5,202,500



Water Resources – Pay-Go

Capital Projects	FY 2023/24 Projected	FY 2024/25 Projected
BVRRB Storage & Recovery Program	\$ 3,250,000	\$ 3,400,000
Invasive Species Management	\$ 265,000	\$ 279,575
Resiliency Water Master Plan	\$ 1,175,000	\$ 1,025,000
Devil's Den Property Solar Project	\$ 100,000	\$ 100,000
Recycled Water Program – Vista Cyn & West Ranch Customer Conversions	\$ 850,000	\$ 600,000
Yuba Accord Water	\$ 1,154,340	\$ 1,217,829
Battery Energy Storage Project - SGIP	\$ 3,250,000	\$ 0
Bridgeport Pocket Park	\$ 25,000	\$ 0
Solar Array Improvements	\$ 150,000	\$ 150,000
Update Water Conservation & Education Garden	\$ 2,000,000	\$ 2,000,000
Water Demand Factor Software Development (Water Demand Factor & WaterSMART)	\$ 150,000	\$ 175,000
Rosedale Phase 2 Wells	\$ 1,061,800	\$ 2,485,400
Deep Monitoring Wells (GSA)	\$ 25,000	\$ 2,500,000
Total Water Resources Pay-go CIP	\$ 13,456,140	\$ 13,932,804



Debt Funded Capital

CAPITAL IMPROVEMENT PROJECTS BY CATEGORY	Debt Funded Proposed Budget FY 2023/24	Debt Funded Proposed Budget FY 2024/25
Capital Planning & Studies	\$ 1,400,000	\$ 1,700,000
Pipelines & Pipeline Replacements	3,417,000	8,955,000
Recycled Water Improvements	2,876,000	10,101,000
Tanks & Tank Facility Improvements	4,230,000	33,650,000
Treatment Plant Improvements	8,765,000	550,000
Wellhead Treatment Improvements	8,265,000	11,588,000
Wellhead Treatment Improvements-PFAS	17,264,000	25,135,000
Wells & Well Facility Improvements	505,000	1,100,000
Total CIP	\$ 46,722,000	\$ 92,779,000



Bond/Loan Funded CIP Overview

Engineering & Water Resources Capital Projects	FY 2023/24 Projected	FY 2024/25 Projected
ESFP Sludge Collection System (C)	\$ 8,510,000	\$ 0
Santa Clara & Honby Wells (C)	\$ 4,664,000	\$ 0
Well 201 VOC Groundwater Treatment Improvements (C)	\$ 5,615,000	\$ 2,838,000
Well 205 Perchlorate & VOC Groundwater Treatment Improvements (C)	\$ 2,650,000	\$ 8,750,000
Recycled Water Fill Station (C)	\$ 225,000	\$ 1,400,000
Recycled Water Program Phase II, 2C - South End Backbone (C)	\$ 2,000,000	\$ 7,500,000
Recycled Water Program Phase II, 2C – Vista Canyon Backbone (C)	\$ 200,000	\$ 0
Recycled Water Pump Station Upgrades (C)	\$ 450,000	\$ 1,200,000
Backcountry (fka Magic Mountain) Pump Station (C)	\$ 760,000	\$ 9,340,000
Backcountry (fka Magic Mountain) Reservoir (C)	\$ 2,660,000	\$ 23,260,000
Castaic Conduit (C)	\$ 370,000	\$ 8,080,000
Sand Canyon Reservoir Expansion	\$ 810,000	\$ 1,050,000
E Wells (E-14, E-15, E-16, E-17) Groundwater Treatment Improvements	\$ 1,650,000	\$ 985,000



Bond/Loan Funded CIP Overview (cont'd)

Engineering & Water Resources Capital Projects	FY 2023/24 Projected	FY 2024/25 Projected
LARC Pipeline	\$ 1,500,000	\$ 250,000
Additional Wells (T7, U4, U6, S1, and S2)	\$ 7,200,000	\$ 10,000,000
S Wells (S6, S7, and S8)	\$ 2,000,000	\$ 11,200,000
Pipeline & Pipeline Improvements	\$ 1,322,000	\$ 0
Honby Parallel	\$ 225,000	\$ 475,000
Newhall (fka Saugus) Wells (N11, N12, N13) Groundwater Treatment	\$ 255,000	\$ 550,000
Well Site Improvements	\$ 500,000	\$ 1,000,000
Additional Groundwater Treatment Improvements	\$ 1,750,000	\$ 2,950,000
New Water Banking	\$ 500,000	\$ 750,000
Sites	\$ 800,000	\$ 900,000
Total Misc Projects	\$ 106,000	\$ 301,000
Total Bond/Loan Funded CIP	\$ 46,722,000	\$ 92,779,000

Earl Schmidt Filtration Plant (ESFP) Sludge Collection System



- Construction
 - Sludge Collection System
- Project Details
 - Upgrade of ESFP wash water return and sludge collection system.
 - 2 wash water basins
 - 1 sludge thickener tank
 - 1 sludge drying bed



Proposed Improvements

1. Two New Washwater Return (WWR) basins
2. New WWR Basin Effluent Wetwell
3. New Sludge Valve Vault
4. New Sludge Thickener Tank
5. New Sludge Drying Bed

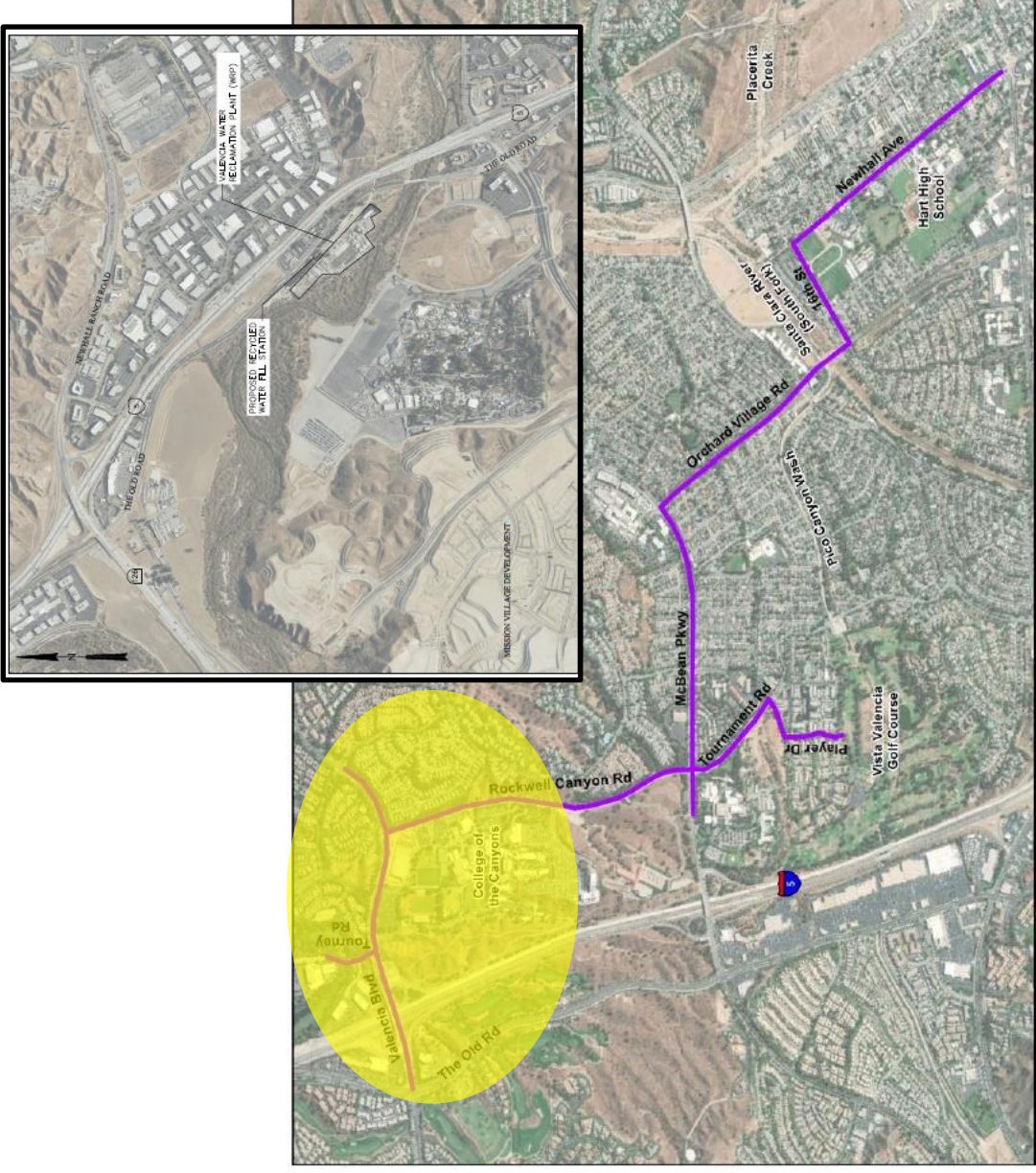
Groundwater Treatment Improvements

- Construction
 - Santa Clara/Honby Wells, Well 201, Well 205, T7, U4, U6 Wells and VOC Treatment for Saugus 1 and 2 Wells
- Planning and Design
 - S Wells, E Wells, Newhall Wells (N11, N12, N13), North Oaks Wells, Sierra Well, Clark Well, Well 207, Well W9, Well W10, and Well D
- Project Details
 - Construct treatment facilities for various Wells.
 - Santa Clara/Honby restore production up to 3,875 AFY
 - Well 201 production up to 3,225 AFY
 - Well 205 production up to 4,350 AFY
 - E Wells production up to 7,700 AFY
 - Wells T7*, U4*, U6* restore production up to 5,500* AFY
 - **Total production of approximately 24,650 AFY**



Recycled Water Improvements

- Design and Construction
 - Construct a new recycled water fill station at the Valencia Water Reclamation Plant.
 - Upgrade the existing recycled water electrical components at the Valencia Water Reclamation Plant
 - Expand the recycled water system to the College of the Canyons.
- Project Details
 - Construct a recycled water fill station with two overhead pipe stands.
 - Install recycled water pipelines from Valencia Boulevard and The Old Road Intersection to the College of the Canyons (highlighted in yellow).



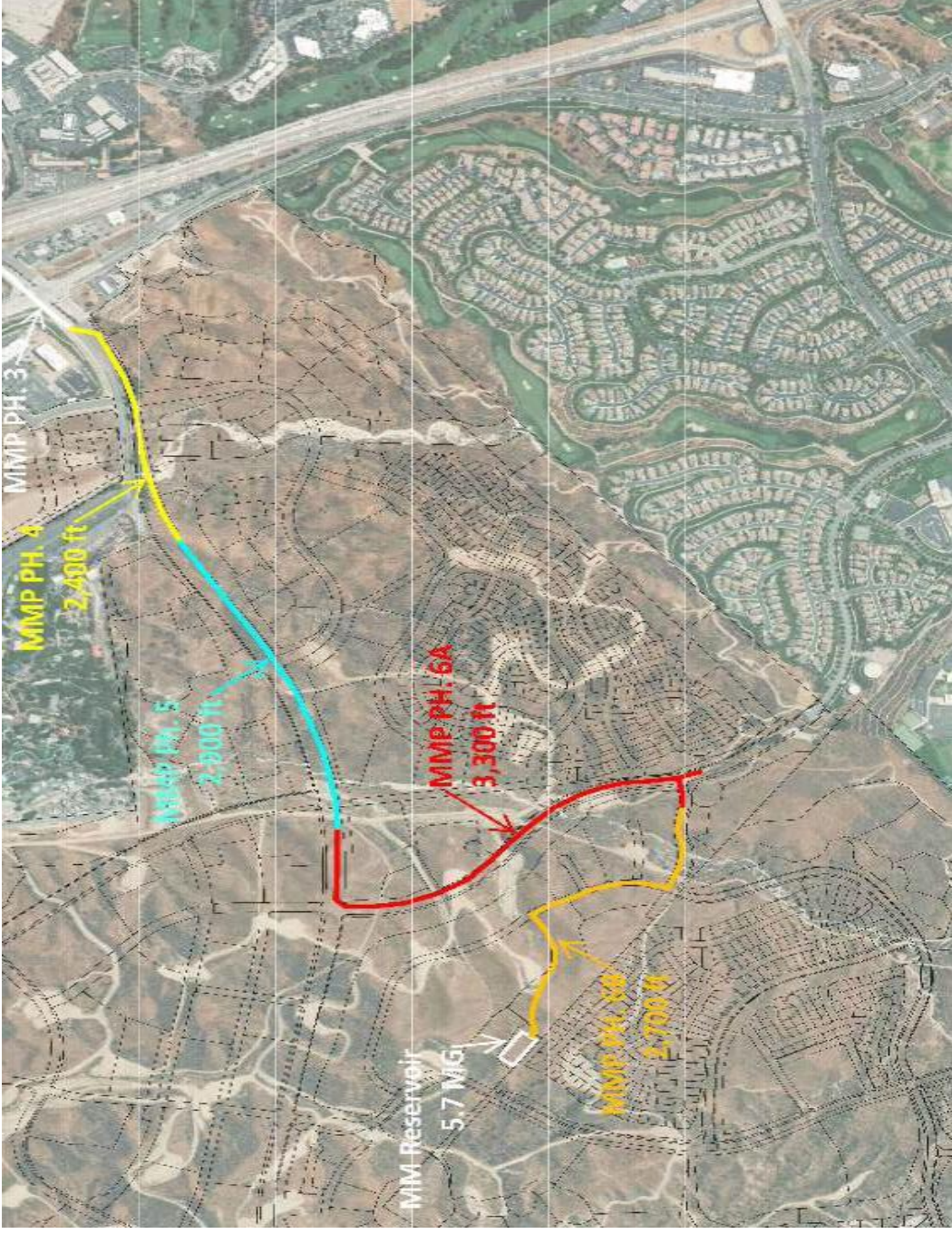
Backcountry (fka Magic Mountain) Pump Station

- Design and Construction
 - Pump Station
- Project Details
 - Construction of a 24,000 gpm Pump Station



Backcountry (fka Magic Mountain) Reservoir

- Project Details
 - Construction of a 7.9 MG Regional Reservoir



Sand Canyon Reservoir Expansion

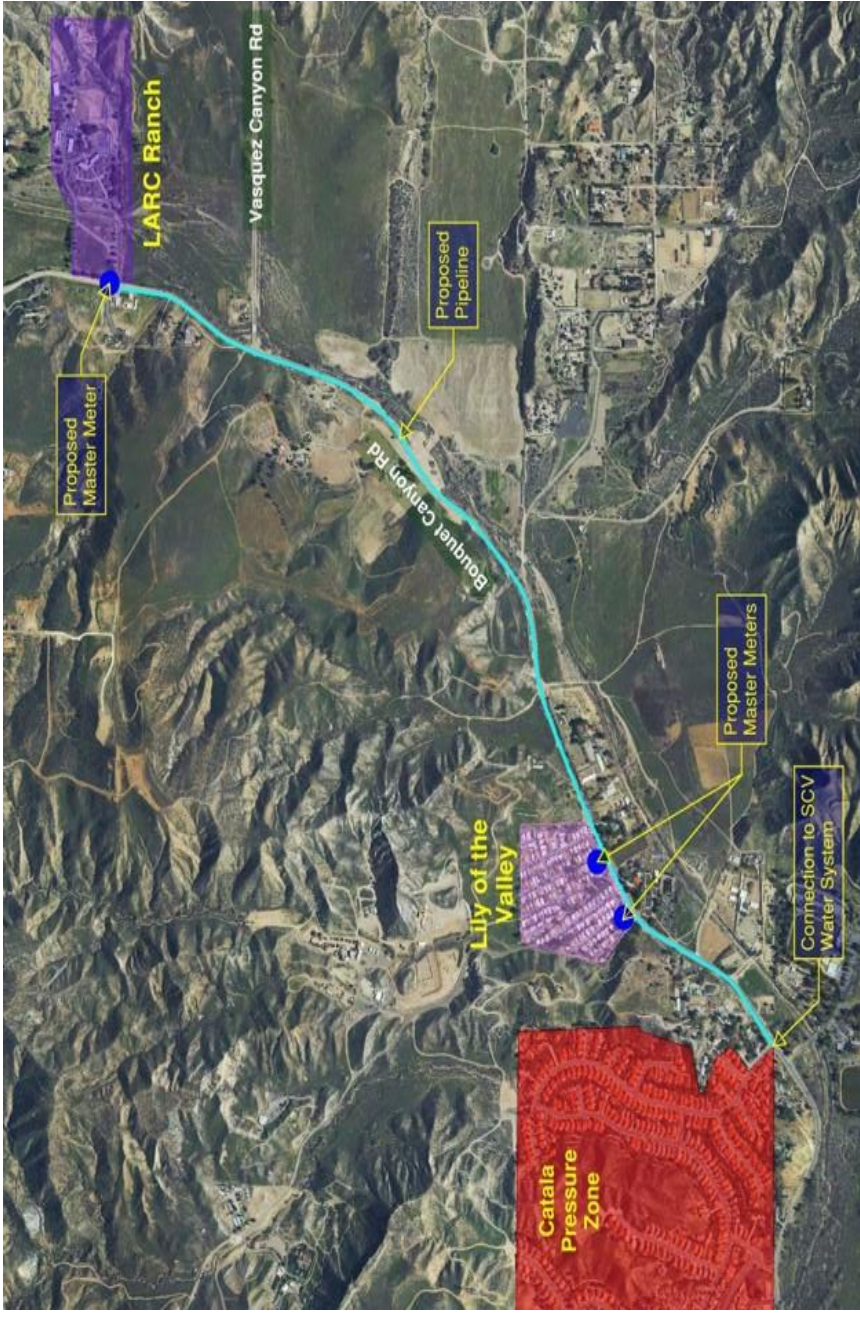
- Planning and Design
 - Existing Sand Canyon Reservoir storage capacity is 7 million gallons.
 - Construct new reservoir to increase water storage at the Sand Canyon Reservoir site.
 - New reservoir storage capacity is being identified as part of the planning work that started in FY 2022/23.



Los Angeles Residential Community (LARC) Pipeline Project



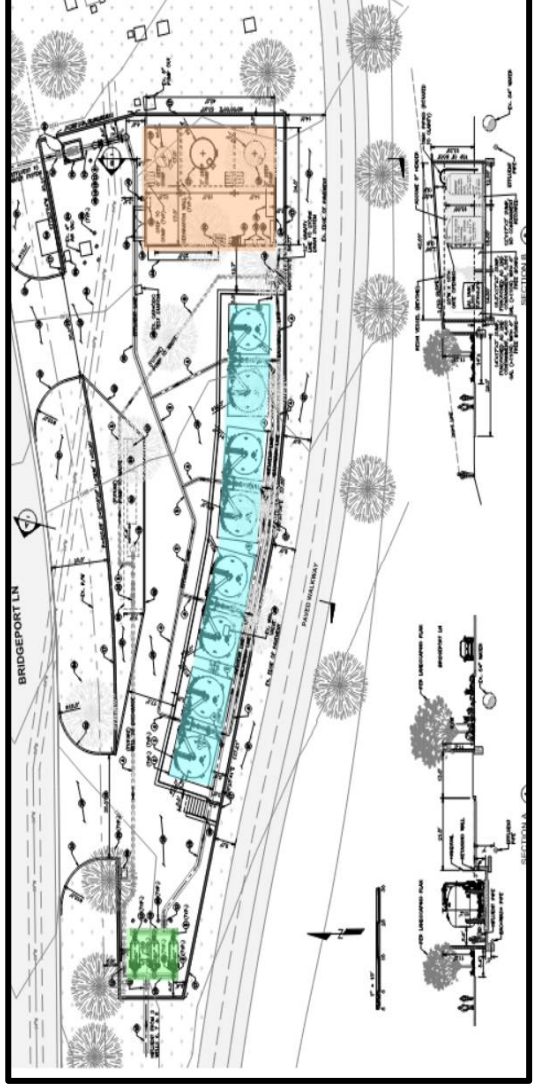
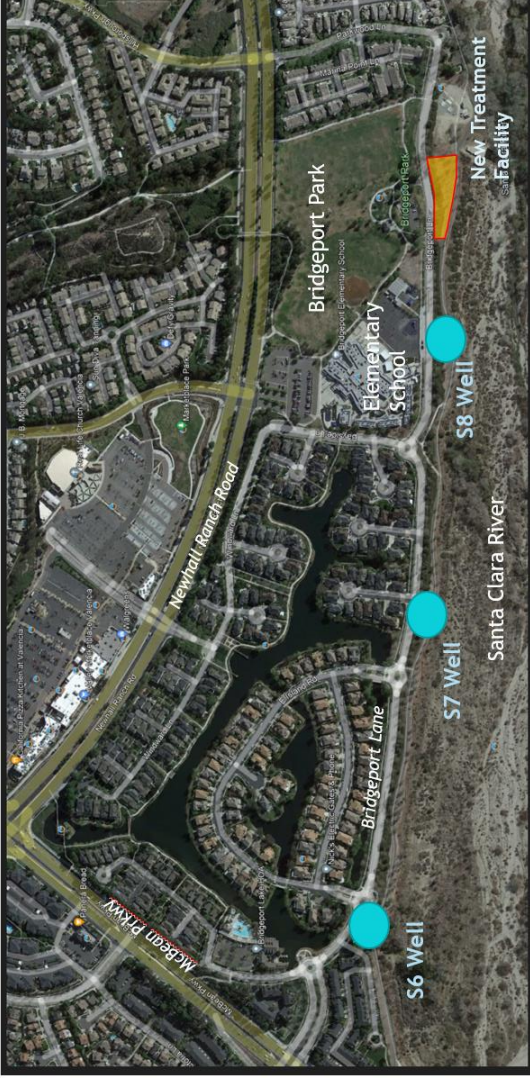
- Funding
 - \$3.9M Grant for 8-inch pipeline
 - \$1.5M FY23 to upsize to 12-inch pipeline for existing residents
- Construction
 - 12-inch ductile iron pipeline extends 9,600 feet to LARC
 - Master Meters will serve LARC & Lily of the Valley
 - Onsite Pump Station at LARC



S Wells PFAS Treatment and Disinfection Facility



- **Construction**
 - Groundwater Treatment for existing S Wells 6, 7 and 8
 - New Disinfection Building
 - Off-site pipeline improvements and landscaping
 - Location for future S9 Well
- **Grant Funding**
 - \$5 m from the Bureau of Reclamation's DRP Funds





Capital Plan (Pay- Go)

	Adopted Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Revenues	\$ 148,462,098	\$ 155,478,860	\$ 159,004,262
Expenses	(94,061,061)	(99,669,580)	(105,547,997)
Debt Service	(33,214,071)	(37,540,749)	(37,685,430)
Transfer - Other Fund/Cash*	54,618,864	58,246,610	8,973,410
Transfer from Reserves		-	30,958,559
Total CIP Pay-Go	\$ 75,805,830	\$ 76,346,140	\$ 55,689,804
Total CIP Pay-GO	\$ 75,805,830	\$ 76,346,140	\$ 55,689,804
Transfer --Other Fund/Cash*	(54,618,864)	(58,246,610)	(8,973,410)
Transfer from Reserves		-	(30,958,559)
Funded by Rates/ Other Revenues	\$ 21,186,966	\$ 18,099,530	\$ 15,757,834

*Transfer in from connection fee fund and unspent funds from the current year



Capital Plan (DEBT Funded)

	Adopted Budget FY 2022/23	Projected FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Fund Balance, Beginning	\$ 18,071,470	\$ 18,071,470	\$ (726,530)	\$ 29,257,720
REVENUES				
Bond Proceeds	75,000,000		75,000,000	
WIFIA Loan Proceeds		-		63,206,722
Grant Reimbursements	-	-	-	-
Investment Revenues	375,000	375,000	1,706,250	390,000
Total Revenues	\$ 75,375,000	\$ 375,000	\$ 76,706,250	\$ 63,596,722
EXPENDITURES				
Capital Projects	(41,981,000)	(19,173,000)	(46,722,000)	(92,779,000)
Total Expenditures	\$ (41,981,000)	\$ (19,173,000)	\$ (46,722,000)	\$ (92,779,000)
Available Fund Balance, Ending	\$ 51,465,470	\$ (726,530)	\$ 29,257,720	\$ 75,442

317

*Portion of FY 2024/25 Capital Projects is expected to be funded by the WIFIA loan

In Summary

A Balanced Budget

Utilization of approved Rate Study

- 6.5% Revenue Adjustment as approved in the Rate Study in FY 2023/24 & FY 2024/25

Utilization of carryover funds to complete the 2-year Capital Pay-Go plan

7 New Positions

Funding for Strategic Initiatives

- Groundwater Management Act
- Water Resiliency Initiative
- Technology Improvements
- EV Vehicles and Equipment Improvement
- PFAS Treatment

Recommendation

**That the Board of Directors approve
a resolution adopting the
FY 2023/24 and FY 2024/25
Biennial Budget**




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BOARD MEMORANDUM

DATE: May 2, 2023

TO: Board of Directors

FROM: Keith Abercrombie 
Chief Operations Officer

SUBJECT: Approve the Purchase of 4,273 AMI Compatible Meters

SUMMARY

The Agency has more than 73,000 service connections ranging in sizes from 5/8" to 12". In 2022, the Agency was awarded a Federal Bureau of Reclamation Water Smart Water Energy Efficiency Grant (WEEG) in the amount of \$2,000,000 to replace more than 20,000 meters, convert an additional 11,000 meters and implement a customer engagement portal. These meters and customer portal are all compatible with Automated Metering Infrastructure (AMI) technology. Staff is requesting the purchase of 4,273 AMI Compatible Meters.

DISCUSSION

In November 2021, the Agency applied for a Federal Bureau of Reclamation Water Smart Water Energy Efficiency Grant (WEEG) in the amount of \$2,000,000. In the summer of 2022, the Agency was awarded the grant and was subsequently provided a notice to proceed. Currently, there are more than 30,000 AMI compatible meters and by the conclusion of the WEEG period, more than 2/3 of all meters will be AMI compatible. Phase 1 (Northpark+) was completed in January 2023 and consisted of replacing approximately 5,000 manual read meters with AMI meters. Due to the long lead time of acquiring meters, staff is requesting the approval to order 4,273 meters in the amount of \$1,531,400.65 for a future phase of the AMI conversion project.

STRATEGIC PLAN NEXUS

This project supports SCV Water Strategic Plan Objective C.4.7 "Evaluate infrastructure technology (AMI/AMR) and operational strategies to better manage demands".

FINANCIAL CONSIDERATIONS

Funds for the purchase are included in the Capital Improvement FY 2023/24 Meter Replacement Budget.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to purchase 4,273 meters in the amount not exceeding \$1,532,000.

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Santa Clara Valley Water Agency

Approve the Purchase of 4,273
AMI Compatible Meters

**Regular Board Meeting
May 16, 2023**

WEEG

- Federal Bureau of Reclamation WaterSmart Water Energy Efficiency Grant
 - Awarded \$2,000,000 grant in 2022
 - 3-year grant (July 2022 - June 2025)
 - Replace ~21,000 meters
 - Convert ~11,000 meters
 - Customer engagement portal



Project

- Grant Year 1 (still in progress)
 - Purchased ~6,500 meters
 - Replaced ~5,800 meters
 - Converted ~10,000 meters
- Grant Year 2
 - Purchase ~6,500 meters
 - Replace ~6,500 meters
 - Convert additional meters
- Grant Year 3
 - TBD



Recommendation

- The Board of Directors authorize the General Manager to purchase 4,273 meters in the amount not to exceed \$1,532,000
- Financial Considerations
 - Funds for the purchase are included in the Capital Improvement FY24 Meter Replacement Budget
- Strategic Plan Nexus
 - This project supports SCV Water Strategic Plan Objective C.4.7 “*Evaluate infrastructure technology (AMI/AMR) and operational strategies to better manage demands.*”





BOARD MEMORANDUM

DATE: May 8, 2023
TO: Board of Directors
FROM: Courtney Mael, P.E., Chief Engineer *CM*
Keith Abercrombie, Chief Operating Officer *KA*
SUBJECT: May 4, 2023 Engineering and Operations Committee Meeting Recap Report

The Engineering and Operations Committee met at 5:30 PM on Thursday, May 4, 2023 in the Summit Circle Engineering Services Section Boardroom located at 26521 Summit Circle. In attendance were Committee Chair William Cooper and Directors Gary Martin, Piotr Orzechowski and Kenneth Petersen. Staff members present were Assistant General Manager Steve Cole; Associate Engineer Elizabeth Sobczak; Chief Engineer Courtney Mael; Director of Operations & Maintenance Mike Alvord; Manager Matthew Stone; Emergency Preparedness & Safety Coordinator Joe Diaz; Environmental Health & Safety Supervisor Rebecca Lustig; Executive Assistants Elizabeth Adler and Leticia Quintero; Senior Engineers Shadi Bader and Orlando Moreno; Water Quality Laboratory Manager Jeff Koelewyn and additional SCV Water Agency staff. Legal Counsel Joe Byrne and Guillermo Frias and three members of the public were present. A copy of the agenda is attached.

Item 1: Pledge of Allegiance – Vice President Orzechowski led the Committee in the Pledge of Allegiance.

Item 2: Public Comments – There was public comment.

Item 3: Quarterly Safety Presentation – Rebecca Lustig reviewed the Agency's Safety Program for the third quarter of FY 2022/23.

Item 4: Laboratory Regulations and Quality Assurance Presentation – Jeff Koelewyn reviewed the Laboratory Regulations and Quality Assurance presentation with the Committee.

Item 5: Recommend Approval of Adopting a Resolution to Approve the Initial Study-Mitigated Negative Declaration Under the California Environmental Quality Act and a Purchase Order to Hazen and Sawyer for Final Engineering Services for the S Wells PFAS Treatment and Disinfection Facility Project – There was public comment. The Committee and staff briefly discussed how rainwater will clear the depressed area and how staff addressed the concerns of the public. Staff assured the Committee they are doing their best to address all comments. The Committee recommended a short presentation of the item at the June 6, 2023 regular Board meeting.

Item 6: Recommend Approval, Pursuant to the Addendum to the MND for the South End Recycled Water Main Extension that was Adopted in June 2021 (1) To Adopt a Resolution Authorizing the General Manager to Apply for Grant Funding Under the State Water Resources Control Board's Water Recycling Funding Program, (2) Execute a Grant Agreement if the State Water Resources Control Board Awards the Grant, and (3) Submit Any Required Documents, Invoices, and Reports Required to Obtain Grant Funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project – The Committee and staff briefly discussed the project. The Committee recommended the item be placed on the Consent Calendar at the May 16, 2023 regular Board meeting.

Item 7: Recommend Adopting a Resolution Authorizing the General Manager to Execute, Pursuant to The City of Santa Clarita’s Mitigated Negative Declaration for The Sierra Highway Bridge Widening Project, an Agreement on Behalf of the Santa Clarita Valley Water Agency with the City of Santa Clarita for the Sierra Highway Bridge Pipelines Protection and Installation Project – There was public comment. The Committee and staff briefly discussed the protection of the pipeline, why the City is requesting to widen the bridge and who will be inspecting the bridge. The Committee recommended the item be placed on the Consent Calendar at the June 6, 2023 regular Board meeting.

Item 8: Monthly Operations and Production Report – Staff and the Committee reviewed the Operations and Production Report.

Item 9: Capital Improvement Projects Construction Status Report – Staff and the Committee reviewed the Capital Improvement Projects Construction Status Report.

Item 10: Third Party Funded Agreements Quarterly Report – Staff and the Committee reviewed the Third Party Funded Agreements Quarterly Report.

Item 11: Committee Planning Calendar – Staff and the Committee reviewed the FY 2022/23 and FY 2023/24 Committee Planning Calendar.

Item 12: General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities – Mike Alvord recognized recent retiree Mike Steves and shared with the Committee a brief overview of the progress on the consolidated water permits that the Agency is working on with DDW.

Item 13: General Report on Engineering Services Section Activities – Courtney Mael briefly updated the Committee on the engineering projects throughout the SCVWA service area.

Item 14: Adjournment – The meeting adjourned at 7:55 PM.

The meeting recording is available on the SCV Water Website or by clicking the following link:
<https://www.yourscvwater.com/sites/default/files/2023-05/May%204%2C%202023%20Engineerig%20and%20Operations%20Committee%20Meeting%20Audio.mp3>

CM/MA

Attachment



Date: April 25, 2023

To: **Engineering and Operations Committee**
William Cooper, Chair
Gary Martin
Piotr Orzechowski
Kenneth Petersen

From: Courtney Mael, Chief Engineer *CM*
Keith Abercrombie, Chief Operating Officer *KA*

The **Engineering and Operations Committee** meeting is scheduled on **Thursday, May 4, 2023 at 5:30 PM at 26521 Summit Circle, Santa Clarita, CA 91350 in the Engineering Services Section (ESS) Boardroom**. Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 161 573 2228 Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1615732228>**. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Committee meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to eadler@scvwa.org or by mail to Elizabeth Adler, Executive Assistant, Santa Clarita Valley Water Agency, 26521 Summit Circle, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting, will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	<u>PLEDGE OF ALLEGIANCE</u>	
2.	<u>PUBLIC COMMENTS</u> – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
3.	* Quarterly Safety Presentation	1
4.	* Laboratory Regulations and Quality Assurance Presentation	11
5.	* Recommend Approval of Adopting a Resolution to Approve the Initial Study- Mitigated Negative Declaration Under the California Environmental Quality Act and a Purchase Order to Hazen and Sawyer for Final Engineering Services for the S Wells PFAS Treatment and Disinfection Facility Project	37
6.	* Recommend Approval, Pursuant to the Addendum to the MND for the South End Recycled Water Main Extension that was Adopted in June 2021 (1) To Adopt a Resolution Authorizing the General Manager to Apply for Grant Funding Under the State Water Resources Control Board’s Water Recycling Funding Program, (2) Execute a Grant Agreement if the State Water Resources Control Board Awards the Grant, and (3) Submit Any Required Documents, Invoices, and Reports Required to Obtain Grant Funding for the South End Recycled Water Main Extension (Phase 2C – Reach 1) Project	71
7.	* Recommend Adopting a Resolution Authorizing the General Manager to Execute, Pursuant to The City of Santa Clarita’s Mitigated Negative Declaration for The Sierra Highway Bridge Widening Project, an Agreement on Behalf of the Santa Clarita Valley Water Agency with the City of Santa Clarita for the Sierra Highway Bridge Pipelines Protection and Installation Project	83
8.	* Monthly Operations and Production Report	109
9.	* Capital Improvement Projects Construction Status Report	119
10.	* Third Party Funded Agreements Quarterly Report	121
11.	* Committee Planning Calendar	129
12.	General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities	
13.	* General Report on Engineering Services Section Activities	137

14. Adjournment

- * Indicates Attachment
- Indicates Handout

NOTICES:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Elizabeth Adler, Executive Assistant, at (661) 297-1600, or in writing to Santa Clarita Valley Water Agency at 26521 Summit Circle, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on April 27, 2023.

M65

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AB 1234 Report

Director name: Dirk Marks

Meeting attended: Water Talks – Santa Clara River Tour

Date of Meeting: 4/20/23

Location: Santa Clara River

SCV Water Board Meeting to be presented at: May 16, 2023

Points of Interest:

On April 20th I participated in the Water Talks - Santa Clara River Tour that covered two sites. The first an Arundo removal project just upstream of the Iron Horse Bridge and the second an ecosystem restoration project near the Filmore fish hatchery.

The City of Santa Clarita staff reviewed It's most recent Arundo removal project upstream of the Iron Horse Bridge. This was identified as a high priority location through the Watershed-Wide Arundo Management program. The city's annual budget for Arundo removal is about \$50,000 annually and this money is largely used to pursue grant opportunities. This removal was partially funded through an Upper Santa Clara River Integrated Regional grant.

Arundo removal can be quite expensive ranging from \$6,000 to 50,000 per acre depending on the density and the amount of native vegetation intermixed at the site. This site was on the more expensive side as hand cutting was required to protect intermixed native plants.

Because Arundo's root structure, made of rhizomes, which remains in place after the initial cutting, follow up treatment with herbicides is required for up to five years in order to fully kill the Arundo.

The second site was the Habitat Restoration and Public Access Project at the Cienega Springs Ecological Reserve near the Filmore Fish Hatchery. Most of the 296-acre site was once farmed, most recent crop being watercress. With over \$7 Million in grant funding from the Wildlife Conservation Board, the Santa Clara River Conservancy and University of California Santa Barbara has made significant progress in reestablishing natural ecosystems. One of the early projects was a native plant interpretive pathway. Additionally, they have established a native plant nursery propagating over 9,000 plants and setting several thousand willow and cottonwood pole plantings. The master plan calls for establishing 13 different ecological zones as shown on the attached map, as well as providing public access. Significant progress has been made toward achieving the goal of reestablishing an extensive wetland complex and appears to be well on the way to becoming a significant ecological asset.

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Arundo Removal Site (Looking north from Iron Horse Bridge)



Stand of Arundo Removed in the Fall of 2022. (Note sprout of new Arundo on left side of photo that will require treatment. Repeat treatment of up to five years are required finally kill the plant.)



Small stand of Arundo not removed in order to protect beehive in the log on the left side of photo.



Cienega Springs Ecological Area - Native Nursery Growing Area



Cienega Springs Ecological Reserve - Recently Planted Pole Cuttings



Cienega Springs Ecological Reserve – Stand of Native Trees that Withstood 2023 High Flows Events Along with Significant Debris

Managing Invasive Arundo for the Santa Clara River

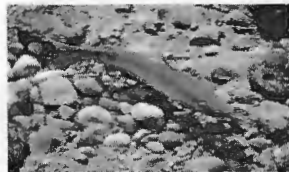
A project of the Santa Clara River Conservancy and partners (City of Santa Clarita, UC Santa Barbara, Stillwater Sciences, Santa Clarita Valley Water Authority, TreePeople)

Support: Integrated Regional Water Management (IRWM) program

A program to conserve water, reduce threats of natural disasters, protect biodiversity and connect communities with Nature



The **Santa Clara River** is 90 miles in length, crossing Los Angeles and Ventura Counties from the interior mountains to the Pacific. This is the largest river system in Southern California still in a relatively natural state, connecting 5 Bioregions and supporting two



dozen protected animal and plant species such as yellow-billed cuckoo, least Bell's vireo, Townsend's long-eared bat, and southern steelhead trout. The ecological integrity of this ecosystem is threatened by invasive plants, particularly **Arundo donax** (known as giant reed or Arundo), infesting over 14,500 acres of the River, or roughly three-fifths of total riparian acreage.



Arundo is a long-lived, bamboo-like grass from Eurasia that can reach 30 feet tall, as is one of the fastest growing plants. Arundo tolerates drought and flooding, its growth stimulated by fertilizer in our waters. It produces no seed, but instead reproduces only from shallow ginger-like rhizomes that are dislodged by floods and deposited downstream where they expand into new invasive stands.



Arundo transpires prodigious amounts of water, drying out soils, depleting groundwater and displacing native plants. Under good growing conditions, the water demand can be as high as 11 feet, translating roughly to between 5,000 and 18,000 acre-feet of high quality water lost to the atmosphere, depending on weather and soil conditions. Furthermore, while native vegetation acts as a moisture-laden barrier to wildfire spread, Arundo ignites readily and has been fuel for many dangerous wildfires crossing the River in recent years.



To address the Arundo problem at the appropriate scale, the **Watershed-Wide Arundo Management program (WWAM)** was developed by conservationists, local governments, researchers and stakeholders with the goal of removing Arundo from the Santa Clara River and its tributaries (<https://restorethescr.com/wwam/>). An initial effort is underway with support through the **Upper Santa Clara River – Integrated Regional Water Management** program to map the extent of Arundo in the SCR, and build a framework for targeting weed removal from priority sites to get the most environmental Bang for the Buck.

To demonstrate the benefits that come from Arundo removal and replacement with native riparian trees and shrubs, this project also involves a publicly accessible removal project from a High Priority location at the Iron Horse Trail. The project will be similar to the removal illustrated below, freeing native willows and other trees from competition. The cost of Arundo removal can be very high: in the

Ventura River the County Watershed Protection District reported costs ranging from about \$6,000 to \$30,000 per managed acre, depending on Arundo density and associated native vegetation to protect, method applied, difficulty of access, and total acreage treated. Focusing first on High Priority infestations, the estimated cost of Arundo removal would be \$40 to \$200 million.



Permitting costs can also be very substantial, and highly variable which highlights the need for updated policies that minimize such costs through progressive measures like the Cutting the Green Tape initiative which will reduce the delays and costs associated with beneficial natural resource protection actions.



This year's 'Atmospheric River' floods have played an important role, Nature having removed much of the Arundo biomass in the channel making future efforts more cost-effective. However, the flows mostly just knocked down stems leaving the rhizomes in place. We need to treat residual rhizomes and stems before Arundo grows back more dominant than before. With guidance from the City of Santa Clarita professional crews along with community volunteers will be involved in this effort in the latter part of 2023.



Goals of the WWAM partners:

- Create a framework to connect stakeholders and coordinate actions to remove Arundo from, and restore native biota to, the Santa Clara River watershed
- Protect, conserve and augment local water-supply and increase local water sustainability
- Protect and improve water quality
- Protect communities, properties, infrastructure, and the environment from natural disasters such as wildfires and floods
- Sustain and restore natural ecosystem function to support native riparian and aquatic inhabitants, particularly sensitive and special status species
- Promote convenient recreational access to nature for the community
- Engage with public and educational groups regarding the biodiversity and ecological relationships associated with the Santa Clara River
- Prepare for and adapt to climate change



How to Reach Us: <https://restorethescr.com/>

Tom Dudley, UC Santa Barbara / Restoration Science LLC - tdudley@msi.ucsb.edu

Shawn Kelly, Director, Santa Clara River Conservancy - skelly@santaclarariver.org

Heather Merenda, City of Santa Clarita - hmerenda@santa-clarita.com



Habitat Restoration and Public Access Project at the Cienega Springs Ecological Reserve

Santa Clara River Conservancy

University of California, Santa Barbara

Ongoing Restoration and Schedule Apr 2023

- A restoration plan was completed in late 2021 with funding from CDFW and the State Coastal Conservancy.
- The restoration implementation is underway with generous grants received from the Wildlife Conservation Board (WCB):
 - WCB Pacific Flyways grant: \$990,000
 - WCB California Riparian Habitat Conservation Program grant: \$6.5 million
- A native plant nursery created at the Cienega has resulted in the propagation and installation of over 9,202 plants and 3,558 pole cuttings with another 2,500 plants and pole cuttings scheduled to be planted in early 2023.
- SCRC and UCSB staff are continuously removing invasive weeds found in the Cienega.
- Creation of a new public access trail has begun and will allow the visitor to view the abundant waterfowl found across the site.
- Volunteer events and help from Ventura High School students have facilitated trash clean up and further revegetation across the site.
- Ongoing hydrological modifications to the site will further aid in restoring the riparian landscape to its natural setting.

Vision

Public Access

The surrounding communities are currently isolated from the Santa Clara River and desire increased public access to the river. SCRC and CDFW hope to address some of that demand in the envisioned public access improvements planned for the Reserve. The plans for public access improvements will include design of interpretative displays and walking trails that will allow for public access to the river, ultimately increasing the public access options along the Santa Clara River.

Restoration

Santa Clara River Conservancy, UCSB, CDFW, and Stillwater Sciences collaboratively developed a plan to restore riparian and wetland habitats on the property to a functioning state. The designation of the Cienega as an ecological reserve provides a tremendous opportunity to return this degraded agricultural landscape to an extensive wetland complex that mimics, if not fully re-creates, the rare ecological function that was historically present.

Site History

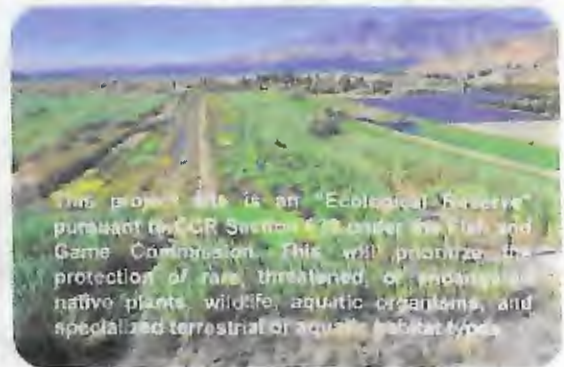
Historically, artesian flows in the Santa Clara River near the city of Fillmore supported one of the most extensive freshwater wetland complexes in the lower watershed, referred to as the "Cienega" or "Sespe Cienega." The California Watercress property, the 289-acre planning area for this project, has been extensively farmed since the early 1900s. By 2005, the majority of the wetland area had been converted to farmland. Few patches of cottonwood-willow forest remained on the property. Once these areas are restored, they will have high habitat value for wildlife, including listed species such as Least Bell's vireo, Southwestern willow flycatcher, and Western yellow-billed cuckoo.

Site Description

The Santa Clara River is one of the least altered river systems in all of California and is one of the only river systems in southern California that remains in its natural state without significant channelization. The river flows over 100 miles from the San Gabriel Mountains in Los Angeles County to the Pacific Ocean between the cities of Oxnard and Ventura. The Cienega Springs Ecological Reserve is an approximately 283-acre site that was a historically perennial freshwater marsh located just upstream of the confluence of Sespe Creek with the Santa Clara River near Fillmore. The wetlands were a major landmark and water source in the relatively dry Santa Clara River Valley. A larger area referred to as the Sespe Cienega is made up of five properties: the California Watercress site, the Fish Hatchery site, a Nature Conservancy-owned property, and the Roth and Nature Park properties. Since 2017, the California Department of Fish and Wildlife (CDFW) has owned a majority of the Sespe Cienega, consisting of the California Watercress property and the Fillmore Fish Hatchery.

About Santa Clara River Conservancy

The Santa Clara River Conservancy (SCRC) is a non-profit focusing on restoring native habitat to one of California's most dynamic watersheds. SCRC encourages the community to join the organization's mission through donating or participating in volunteer efforts.



For more information visit: santaclarariver.org



Mission

The Santa Clara River Conservancy (SCRC) represents the diverse interests of the watershed, from its headwaters in the Angeles and Los Padres forests, through its floodplain and to the Pacific at the Santa Clara Estuary. SCRC seeks to:

- Secure, hold and manage lands and waters that provide habitat for native biodiversity;
- Sustain and restore ecosystem services provided by healthy riparian areas;
- Promote public access to the river, including community members, local growers, students and educators, recreationalists, and resource specialists;
- Strengthen the alliance between agricultural and conservation communities to further common goals and create an integrated working landscape that stems the tide of urban encroachment.



Field crew removing invasive giant reed



How We Work

SCRC focuses on the floodplain, tributaries, and upland linkages of the Santa Clara River watershed with the intent of protecting and restoring biodiversity and natural ecosystem function in a working lands context. To achieve this SCRC works closely with:

- Regional stakeholders and conservation organizations;
- The agricultural sector
- The public at large and communities surrounding the river including local schools, clubs, municipal entities, and businesses.

SCRC encourages the community to join us in our mission through outreach, education, recreation events, and activities.



The River's Significance

The Santa Clara River is the last major coastal river system in southern California that retains much of its natural hydrology. Some of the more notable attributes of the river basin are that it:

- Supports some of the most valuable agricultural resources in the world, and provides water resources for surrounding urban populations in Ventura and Los Angeles counties
- Provides ecosystem functions necessary to sustain more than 20 protected plant and animal species
- Encompasses critical habitat linkages between 5 unique bioregions, banded by the Sierra Madre and Sierra Pelona ranges to the north and Santa Susana and Santa Gabriel ranges to the south

Threats to the River

Although the Santa Clara River contains extensive natural areas, it was identified as 'critically endangered' by American Rivers in 2005 due to:

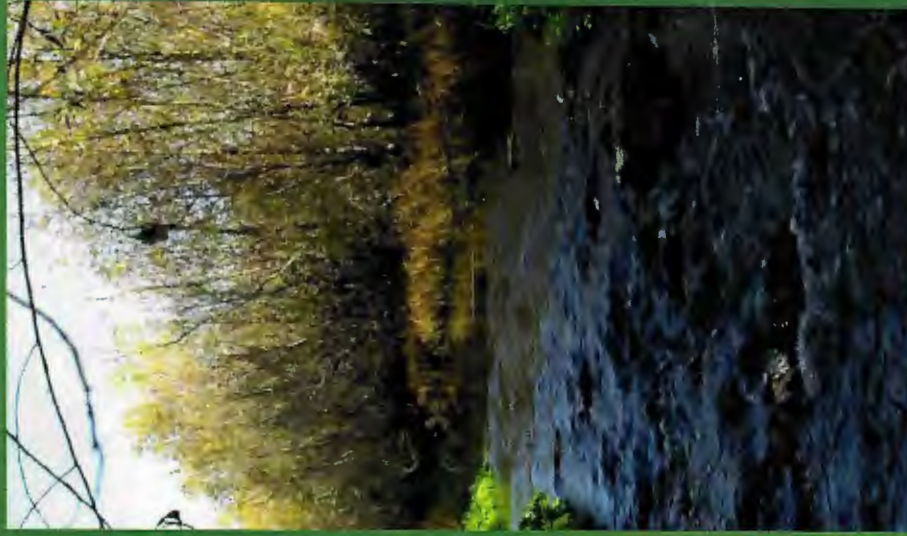
- Urban encroachment
- Impairment by industrial and agricultural effluents
- Increase in wildfires
- Invasion of non-native species such as giant reed (*arundo donax*)
- Hotter and warmer conditions due to climate change



Want to find out more about the Santa Clara River Watershed?

Visit: santaclarariver.org

Santa Clara River Conservancy



Conserving the Santa Clara River for our community and our environment





DATA SOURCES
Imagery: NAD 2011
Roads: Esri, Esri 2016

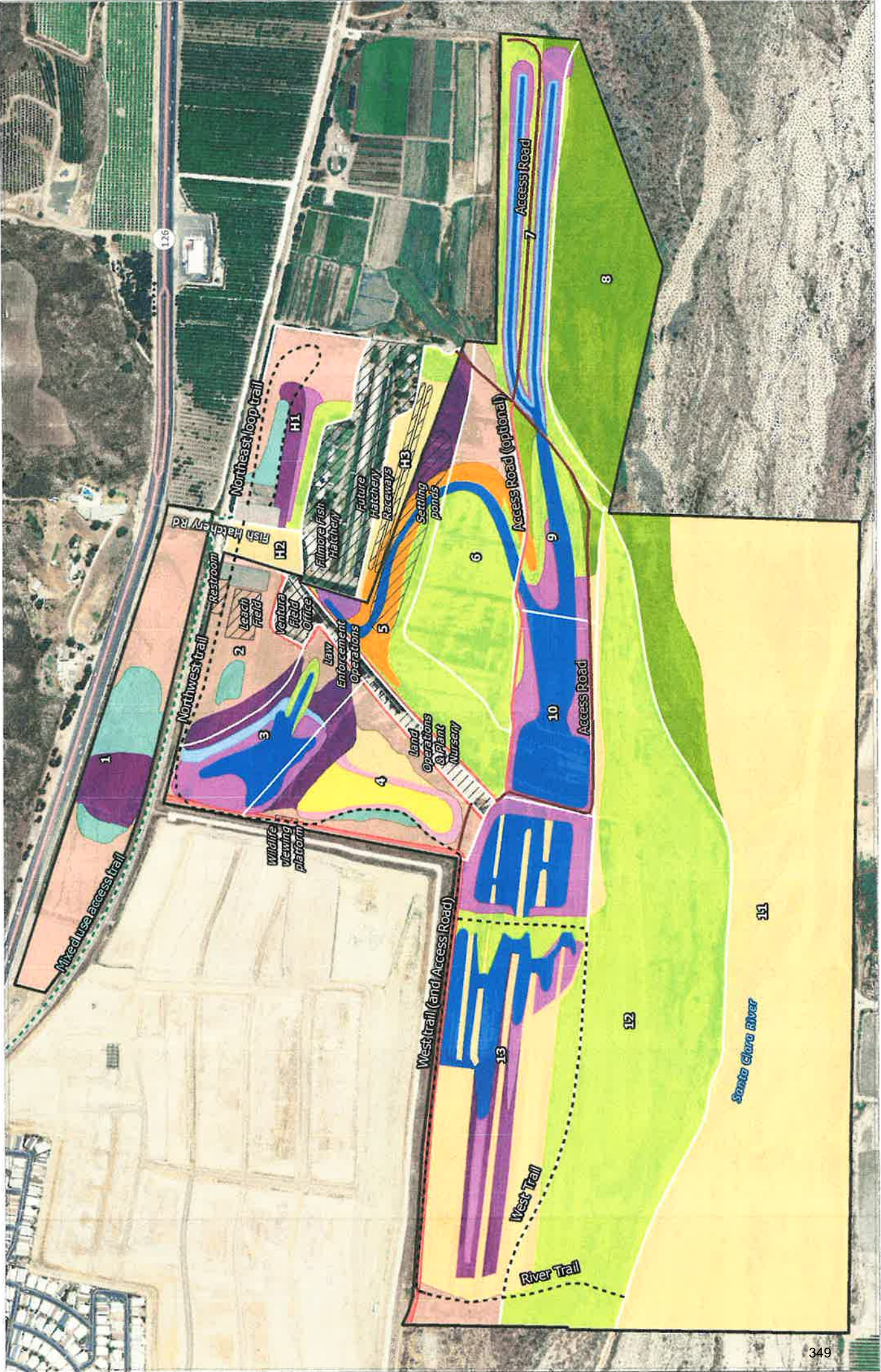
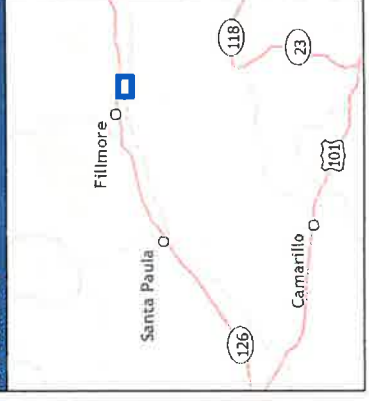
SCALE & NORTH ARROW



LEGEND

- Sespe Cienega boundary
 - Proposed management unit
 - CDFW infrastructure
 - TNC parcel
 - Access road
 - Access road (optional)
 - Public access trail (walking)
 - Public access trail (walking & biking)
 - Habitat types/features
 - Perennial pond/channel/wetland
 - Seasonal pond/channel/wetland
 - Emergent marsh
 - Wet meadow
 - Mixed riparian scrub
 - Willow-cottonwood woodland
 - Sycamore-alder woodland
 - Coast live oak riparian forest
 - Oak savannah
 - Coastal sage scrub
 - Alkali scrub
 - Alkali wet meadow
 - Buffer boundary planting
 - Parking lot
- Stillwater Sciences**

MAP LOCATION



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Table 4-1. Sespe Cienega Restoration Site—proposed management units and target habitat.

Unit	Proposed target habitat	Current vegetation and hydrology	Opportunities and constraints, design considerations	Notes	Acres
1	Oak savanna w/coastal sage scrub and grassland understory; central area of wet meadow	Fallow field, recently high levels of soil saturation. Invasive weeds include prickly Russian thistle, shortpod mustard, horseweed, and castor bean.	Look for indications of seasonal ponding that might affect survival of woody plantings. Consider modest amounts of excavation and mounding to increase topographic complexity for revegetation. Enhance for pollinators (native milkweeds and other flowering plants).	Oak savanna areas could include a mix of valley oak and coast live oak, with elderberry, walnut, and native grasses and forbs. Patches of coastal sage scrub.	15.6
2	Oak savanna w/coastal sage scrub and grassland understory; transitioning to wet meadow near western edge; buffer boundary planting adjacent to planned Ventura Field Office	Fallow field, high levels of soil saturation. Invasive weeds include prickly Russian thistle, shortpod mustard, horseweed, castor bean, and perennial pepperweed.	Use excavated material from Unit 3 to create more topographic complexity for range of vegetation plantings. A second parking lot could be constructed at east end to complement the main lot at west end of Unit H1.	Similar planting mix to Unit 1. Possible small overflow parking lot at NR corner of the unit. Exclude the raised pad area that CDFW wants to use for offices, etc. in the southeast corner and the area designated for CDFW's septic field in the eastern end.	7.5
3	Mixed wetland: Emergent marsh, perennial and seasonal wetland; oak savanna/native grassland around margins on higher relative elevation sites; buffer boundary planting along west and east edge	Standing water appears to be natural artesian springs feeding this area. Includes excavated ditches that at some time might have had connection to hatchery outflow, but no sign of that now. Emergent aquatic vegetation including cattails, sedges, rushes. Invasive weeds common in drier areas.	Consider some additional excavation in western end to create deeper area for perennial wetland - connect to linear ditches, grading to seasonal wetland at eastern end. Use excavated material to create more topographic complexity in Unit 2.	Try to design a perennial wetland at western end that would stay inundated in most years, with elevation transition slope to seasonal marsh and then upland at eastern edge.	8.2
4	Oak savanna w/coastal sage scrub and grassland understory; northern portion includes wet meadow and small portions of emergent marsh and perennial wetland associated with Unit 3; buffer boundary planting along west and east edges	Drier than fields to the north. Dominated by Bermuda grass, annual weeds, and perennial pepperweed.	Similar to Unit 1. Consider locating restoration plant growth facility at eastern end of unit. Larger trees (oaks and sycamores) at western end to provide visual screen from residential development.	Similar planting mix to Unit 1. This may also be an appropriate area for planting a diversity of genetic stock of riparian vegetation for restoration.	12.1
5	Stream and Riparian Woodland; mix of sycamore-alder, willow-cottonwood, wet meadow, and emergent marsh; buffer boundary planting along west edge adjacent to CDFW infrastructure area	Heavily modified stream channel for hatchery outflow conveyance. Mix of native riparian vegetation. Heavily infested with non-native species including Eucalyptus, palms, castor bean. Bordered by former agricultural fields (row crops) with annual weeds.	Remove Eucalyptus and other nonnative vegetation (with consideration of existing wildlife use). Reconstruct a more sinuous and natural looking stream channel, lined with alder, red willow, and cottonwood (Fremont and black cottonwood) with enhanced native understory of shrubs, forbs, and grasses.	Remove/reduce artificial structures. Consider removing concrete pads in southern end. Location for future construction of hatchery settling ponds.	12.5
6	Oak savanna w/coastal sage scrub and grassland understory in the eastern portion; cottonwood-willow in western portion; with stream aquatic and sycamore-alder-willow along banks of the new channel	Moist to very dry. Primarily weedy annual vegetation, rows of pomegranate trees.	May be sufficiently moist for boxelder and sycamore at northern end. Reconstructed stream channel with riparian vegetation	Similar planting mix to Unit 1 for oak savanna and Unit 5 for the riparian habitats	13.7
7	Riparian, willow, and seasonal to perennial flowing and standing water features throughout	Former watercross beds. Currently flowing water from artesian features. Vegetation includes giant reed, watercross, cattails, and sedges.	Plant former watercross beds with cottonwood-willow forest. Emergent marsh surrounding seasonal and perennial water fed by artesian features. Potential to add water during drought years via the well in the NE corner of this unit	Retain existing access road between former watercross beds. Willow-cottonwood woodland surrounding road to promote SWFL habitat in the areas least likely to be disturbed by the road.	13.5
8	Mixed riparian forest	Recently was a giant reed monoculture, but has since been mowed with one herbicide retreatment. Can be wet, but also drier during the drought.	Both cottonwoods and willows in wetter areas, with more walnut, elderberry, and sycamore in drier portions. Consider alder (if wet enough - they died in this area during the drought), or possibly ash.		18.0

Unit	Proposed target habitat	Current vegetation and hydrology	Opportunities and constraints, design considerations	Notes	Acres
9	Mixed riparian forest surrounding seasonal and perennial water features; Oak woodland with riparian scrub at northern edge.	Former watercress beds. Currently flowing water from artesian features. Vegetation includes tamarisk, watercress, cattails, and sedges.	Target habitat and planting palette will depend, in part, on how wet this area is likely to be after rerouting flow from both the reconfigured hatchery effluent channel to the north and from artesian sources to the east.	Install flow control structure to convey artesian water from Unit 7 during wet periods. Scarify decommissioned road for seeding/planting.	7.3
10	Open water ponds and emergent wetland with seasonal wetland fringe	Open water ponds and emergent wetland; former watercress beds.	Enhance existing pond and wetland habitat in western portion, excavate to increase open water area; modify/remove berms to increase connectivity, use excavated soil to create islands, create seasonal wetland transition in eastern end.	Scarify decommissioned road for seeding/planting.	9.0
11	Riparian scrub with interspersed patches of alluvial scrub	Active channel/floodplain - riparian scrub with <i>Arundo donax</i> ; includes patches of alluvial scrub.	Maintain more open alluvial scrub habitat suitable for horned lizards and kangaroo rats.	Attention will need to be paid to the river access trail at western end and ways to limit unintended impacts of human use in this area.	79.3
12	Cottonwood-willow forest in floodplain and towards toe of the slope on south side of the berm at northern edge of unit, mixed riparian scrub interspersed; scattered ephemeral wetlands	Formerly giant reed monoculture; masticated and receiving second herbicide treatment.	Consider locating willow mitigation here.	Berm along northern border, with west loop trail along the western portion.	47.9
13	Perennial and seasonal wetland, suitable for water quality treatment and infiltration for groundwater recharge; riparian scrub and oak savannah at western edge; willow-cottonwood woodland surrounding potential public access trail between perennial wetlands	Formerly water cress beds; currently mix of native and non-native aquatic and weedy plant species, some tamarisk. Stinging nettle and yellow monkeyflower abundant.	Emergent marsh with some open water in lower elevation areas to the east grading to emergent marsh and then upland riparian to the west.	Maintain topographic complexity in the former water cress beds to promote more diverse habitats and increased resiliency to variable hydrology	37.1
H1	Wetland swale in center with willow-cottonwood to south; parking lot and native species plantings at northwest end; remainder as open coastal sage scrub/oak savanna	Open field with aquatic vegetation at southern end.	Provide a kiosk area at west end near parking lot to orient and educate visitors. Include map of site with some background on native species and habitats, plus rules for use of the CESR.	Consider picnic options and a short loop nature trail. Hatchery facility considering relocating houses to field.	8.8
H2	Riparian scrub with interspersed patches of alluvial scrub	Castor bean and other weeds with some remnant native shrubs and trees.	Consider some native tree plantings around margins, perhaps mainly at southern edge if there is a desire to provide visual screening of the fish hatchery.	Connector trail across northern end. Could also expand riparian habitats' demonstration plantings.	1.6
H3	Cottonwood-willow and sycamore-alder woodland with mixed riparian scrub	Extensive native aquatic and riparian vegetation; some palms, tamarisk and shama ash. Giant reed has been treated.	Consider red willow, both cottonwood species, sycamore, box elder.	Potential source of propagules for restoration. Future hatchery raceway location.	4.0
Total					296.2

AB 1234 Report

Director name: Dirk Marks

Meeting attended: Delta Conveyance Design and Construction Authority Tour

Date of Meeting: 4/26/23

Location: Sacramento and Various Delta Locations

SCV Water Board Meeting to be presented at: May 16, 2023

Points of Interest:

On April 26th I participated in the Delta Conveyance Design and Construction Authority (DCA) tour Delta Conveyance Project Alignment Tour.

As indicated on the attached agenda, the Tour started at what preferred alternative alignment's terminus at Bethany Reservoir. The group saw the location of the outlet structure and the location of a proposed pumping plant that would lift water from the tunnel to the reservoir. The pumping plant is located near a Western Area Power Administration (WAPA) switching facilities that could be the source of power for the facility.

Along the tour DCA staff pointed out various tunnel launch and recovery shafts along with areas where tunnel spoil would be stored. They discussed how various project impacts would be mitigated. Particular attention was paid to the traffic mitigation where some streets would be widened, and several bypasses would be constructed to minimize traffic disruptions.

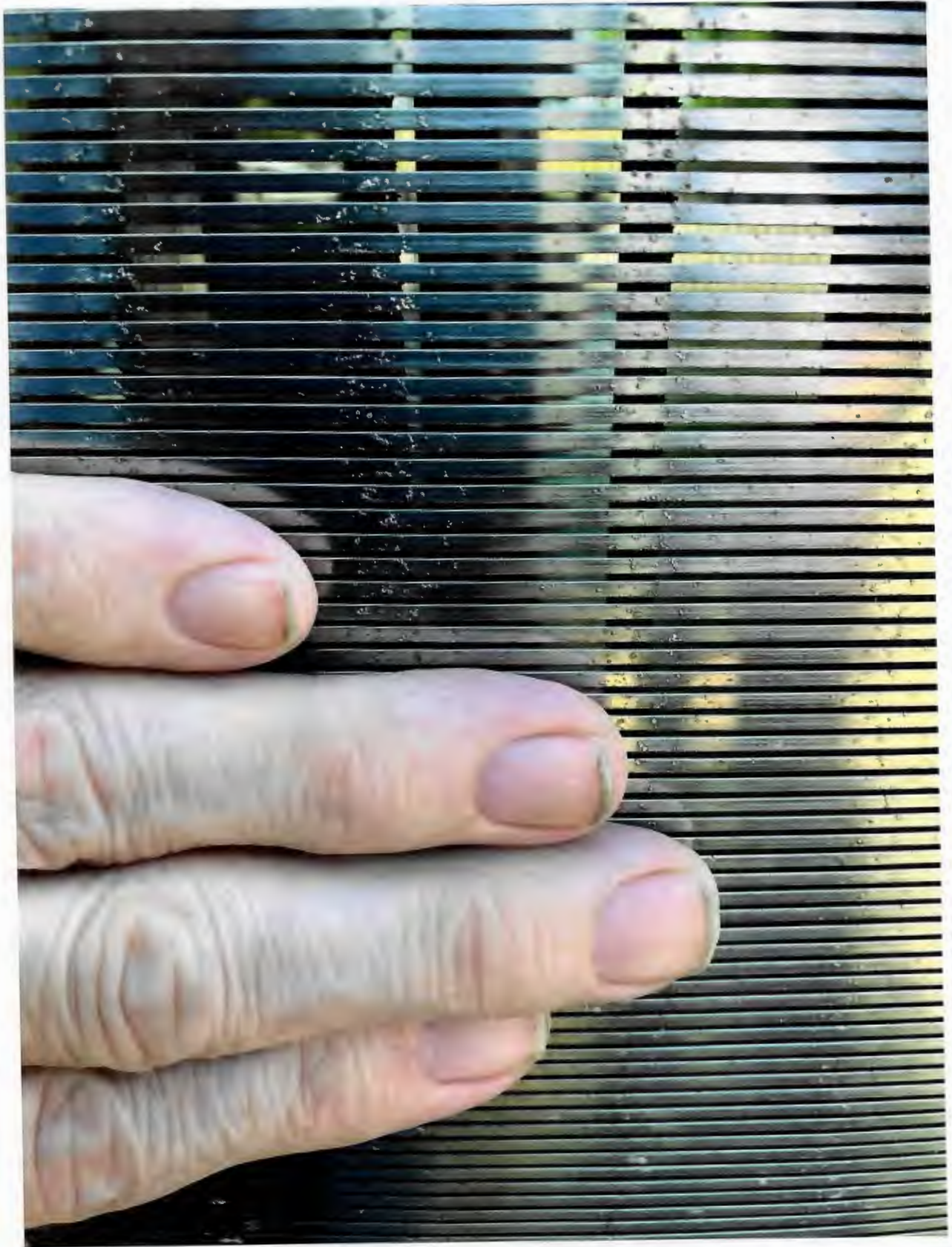
The tour ended at the proposed tunnel intakes near the city of Hood. The group stopped at Intake Screens Inc to get a briefing on the use of proposed cylinder screens. Pictures showing similar screens are attached.

The tour was quite informative and facilitated greater understanding of the proposed Delta Conveyance Project.

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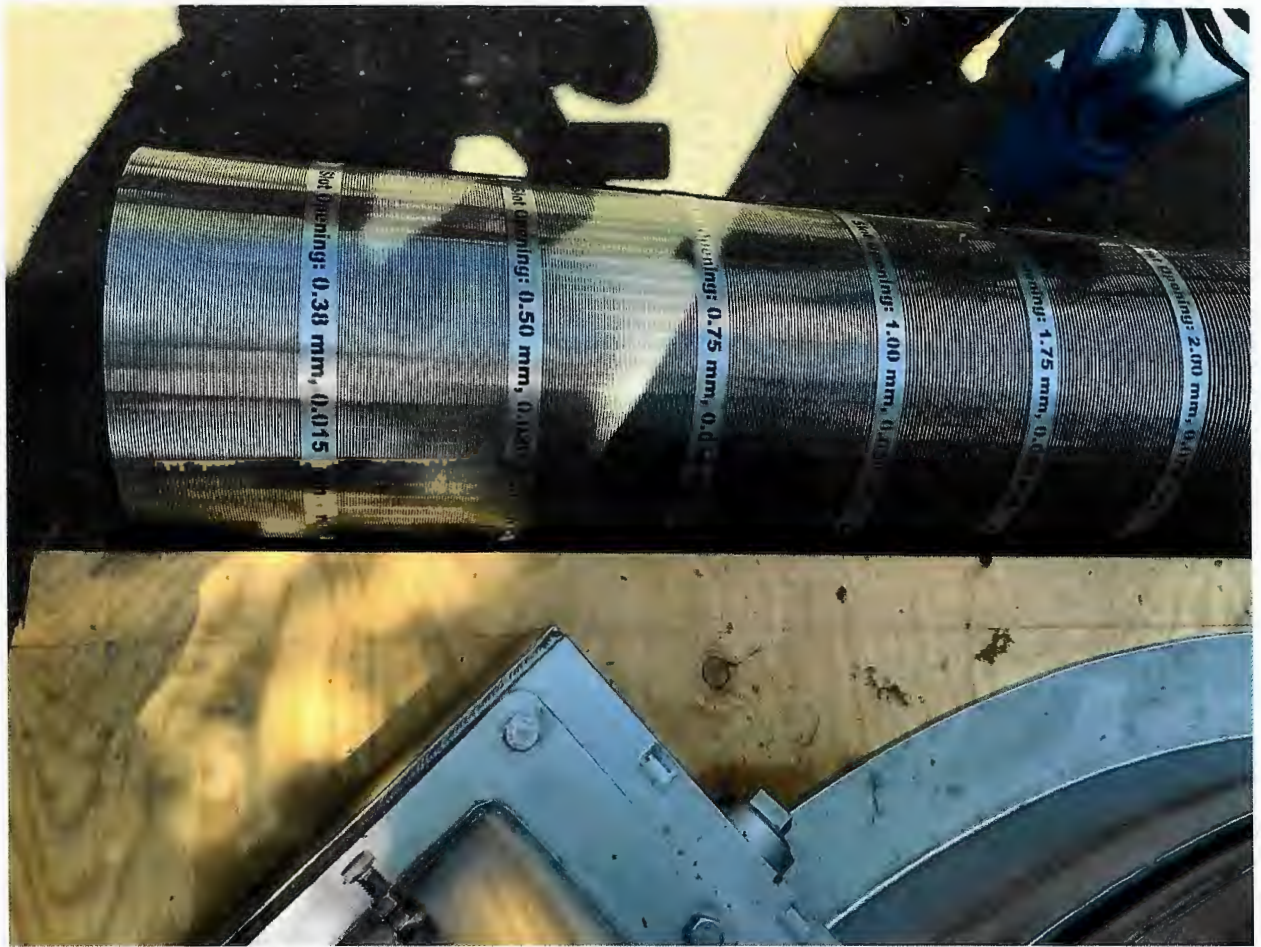
Schematic of proposed cylindrical screens



Close up of competed screen



Nylon brush used to periodically clean screens



Sample of various gaps that screens can be constructed to.



Overview and Update

Essential Climate Adaptation Strategy

- California faces a future of water instability, more rain, less snow, and more frequent extreme events like drought and flood
- The Delta Conveyance Project protects against future water supply losses caused by climate change, sea level rise and earthquakes
- The Delta Conveyance Project helps ensure that the State Water Project can capture, move and store water by making the most of big, but infrequent, storm events



Prudent Public Policy

- **27 million Californians** rely on the State Water Project
 - **That's 1 in 12 Americans**, including about 6 million disadvantaged community members
- Communities must have confidence in the stability and efficiency of the State Water Project in the face of climate change
- Local resiliency requires a stable State Water Project to support recycling, groundwater management, storage and conservation
- Water managers need functional water infrastructure to meet all water supply needs, including health and safety, economy, environment and water quality

DROUGHT RELIEF

MISSED OPPORTUNITY

If the DCP was operational during the high rain events in January, we could have moved

228,000 acre-feet of water

into the San Luis Reservoir

228,000 acre-feet of water = enough water to supply:



Over **2.3 MILLION** people for one year



or

Nearly **800,000** households for one year

The theoretical DCP diversion of 228,000 acre-feet is about

40% of the total volume exported by the SWP in water year 2022.



Delta Conveyance Project

January 2023



Proposed Project: Bethany Alignment

6,000 cfs

2 intakes

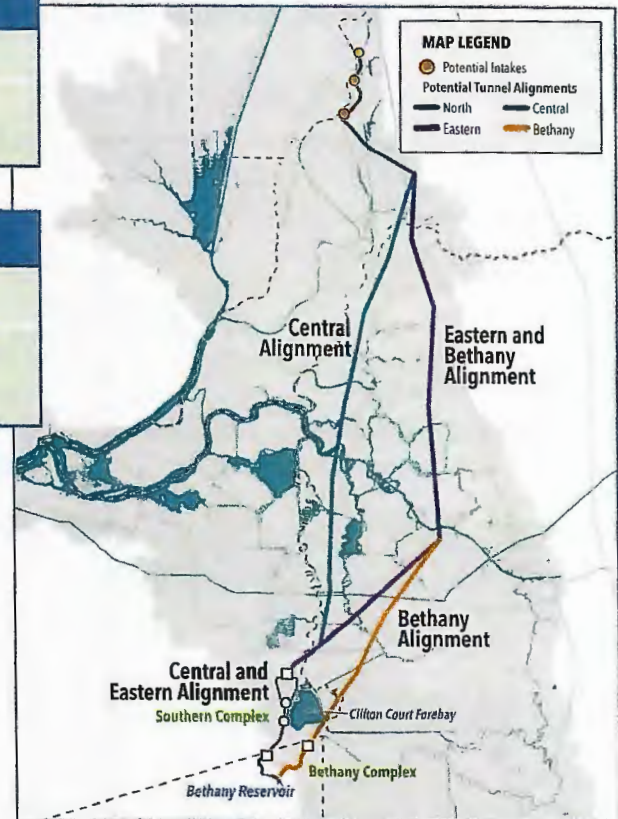
Pumping plant connects the tunnel directly to the existing Bethany Reservoir

Alternatives: Central or Eastern Alignment

3,000, 4,500 or 7,500 cfs

1, 2, or 3 intakes

Southern complex with pumping plant and forebay that connects to existing SWP south Delta pump facilities



A Very Different Project

Changing from 2 tunnels to 1 tunnel opened the door to many design and engineering innovations

- The project is downsized, rerouted, redesigned and is responsive to community needs
- Considered ways to minimize noise, traffic, power needs, aesthetic effects, boating and waterway effects, land disturbance
- Launch shafts moved away from intakes, the proposed route avoids the central Delta, acreage needed to store tunnel material has been minimized, avoids using Highway 160, power near sandhill crane habitat has been undergrounded, there are no barge landings and no need for forebays

Robust Community Engagement

- Environmental Justice/Disadvantaged Communities focus using dedicated consultant and based on guidance about best practices from statewide outreach experts
- Extensive coordination with Tribes
- Delta community engagement to obtain local insight during conceptual design/engineering to avoid and minimize impacts

Committed to a Comprehensive Community Benefits Program

Acknowledge and address the reality that impacts are local to the Delta, but direct project benefits accrue to other parts of the state

- Overarching Delta Fund
- Leave-behind infrastructure
- Targeted hiring, job training and business participation expectations
- Open to town-by-town community benefits agreements

Status Update

- Draft Environmental Impact Report (EIR) 142-day public comment period: July 27, 2022 – December 16, 2022
- EIR finalized in late 2023
- Additional environmental planning and permitting processes underway



Modernizing the State Water Project requires construction activity in parts of the northern Sacramento-San Joaquin Delta. Construction activities for this type of project necessarily require the movement of both workers and materials. An important objective within the Delta is the reliable and unimpeded mobility along its key roads for both visitors and residents. The Delta Conveyance Design and Construction Authority (DCA), working at the direction of the Department of Water Resources (DWR), is developing a detailed traffic management approach for the Proposed Delta Conveyance Project with the objective of maintaining existing road reliability and mobility.

Three Centers of Construction Activity

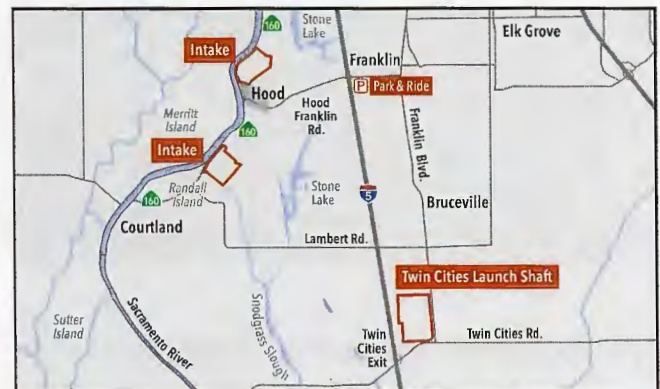
In the North Delta, the Proposed Delta Conveyance Project will construct two new intakes along the Sacramento River, located to the north and south of the community of Hood. Construction of a 150-foot-deep shaft east of Interstate 5 will launch tunnel boring machines toward the intakes to the north and the California Aqueduct to the south.

Traffic Management: Preserving Delta Mobility

Constructing a large infrastructure project while maintaining traffic mobility in the area requires two basic management strategies: Reduce overall trips while avoiding or minimizing use of key Delta arteries. The traffic management plan for the Proposed Delta Conveyance Project relies on these strategies in multiple ways. Construction traffic related to the intake sites, for example, will be confined to weekday hours, except for limited moments requiring continuous concrete pours.

Avoidance of Highway 160 and Major Feeders for Construction Traffic

- No construction vehicles are planned for Highway 160 between State Route 12 and Cosumnes River Boulevard, save for about a week near the beginning and the end of construction and temporary work to relocate the highway away from the intake sites and workers who live directly on these roads heading to a project site.
- Cosumnes River Boulevard, a key road connecting Highway 160 to Interstate 5, will be avoided.
- Traffic on Hood-Franklin Road will be limited to employee shuttles and small pickup and utility trucks. Construction traffic on Twin Cities Road will be confined to the interchange at Interstate 5.



Traffic Directed onto Interstate 5 and a Less-Used Road

The selection of a tunnel launch site near Interstate 5 and Twin Cities Road avoids related traffic impacts within any Delta community. Trips to the intakes will use this interchange exit but avoid this road as part of the proposed project to the Sacramento River. Instead, transit to the intakes will use a less-used road to the north that does not have a freeway interchange, Lambert Road.

New Intake Haul Roads – Isolating Construction Traffic

A new road solely for construction-related traffic will be constructed as part of the proposed project from Lambert Road north to the two intake locations. Separating the construction traffic on this new road from the existing road system will help maintain mobility for Delta residents and visitors.



No Worker Commutes into North Delta



Workers involved in construction at the two intakes will be required to use a new park-and-ride facility to be constructed as part of the proposed project near the interchange of Interstate 5 and Hood Franklin Road.



Between 150 and 400 construction employees per day would be transported to the construction sites in electric vans and buses.



To further reduce traffic, workers will be offered financial incentives to carpool to the park and ride lot, with a goal of reducing commute-related traffic.

Engineering a Reliable Water Supply for California

The DCA's mission is to plan, permit, design and, if the proposed project is approved by DWR, build a modernized state-of-the-art sustainable, resilient, environmentally responsive, and cost-effective Delta Conveyance Project that resolves the long-standing need to assure affordable State Water Project reliability serving future generations of Californians in a way that respects the uniqueness of the Delta as a place and its communities.

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1.10.2023

Piles are a common construction material for major infrastructure. Driving piles into place through traditional impact driving can create considerable noise. The Delta Conveyance Design and Construction Authority (DCA), working at the direction of the Department of Water Resources (DWR), will limit impact pile driving by relying primarily on other installation technologies or construction methods.

Driving Methods

Impact pile driving involves an apparatus with a ram or hammer that moves up and down and rapidly strikes a pile, driving it deeper into the ground with each strike. While the Delta Conveyance Project (DCP) would utilize impact pile driving where necessary, the Project would emphasize two other driving methods that create far less noise:

Vibratory Driving: Where soil types and densities permit, machines that use a vibratory form of hammer will drive down piles, which are designed to work with subsurface materials to bear the load of a structure.

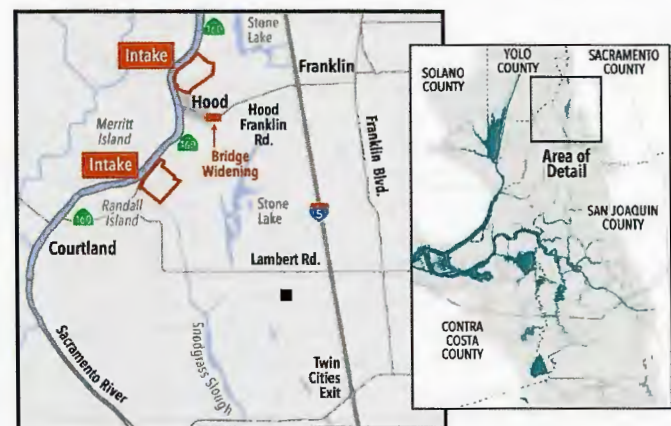
Drilling: A rotating auger in some instances is suitable for loosening or removing soil to install piles or piers that are designed to bear the load of the new structure.



Driving steel sheet piles with an impact hammer

Three Pile Driving Locations

Pile driving is necessary to widen the bridge on Hood-Franklin Road bordering the Stone Lakes National Wildlife Refuge. Pile and pier installation is also necessary to construct the two intakes to be located north and south of the community of Hood. Construction is planned for weekday, daytime hours.

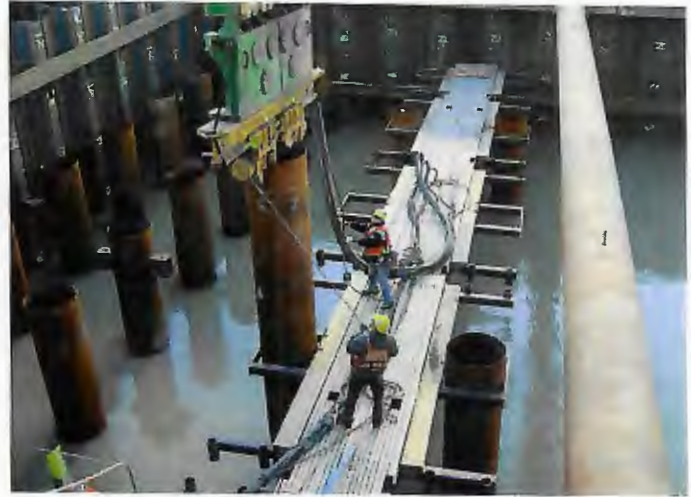


First Step: A Pilot Study

Prior to intake construction, field investigations would be conducted at an intake site involving temporary installation and testing of piles. Noise will be measured and monitored. The effectiveness of the different pile driving methods will be examined as well. This initial on-site experience will lead to actual construction practices that will lessen the noise as much as possible.

The Intakes: Limiting Cofferdam Impact Pile Driving

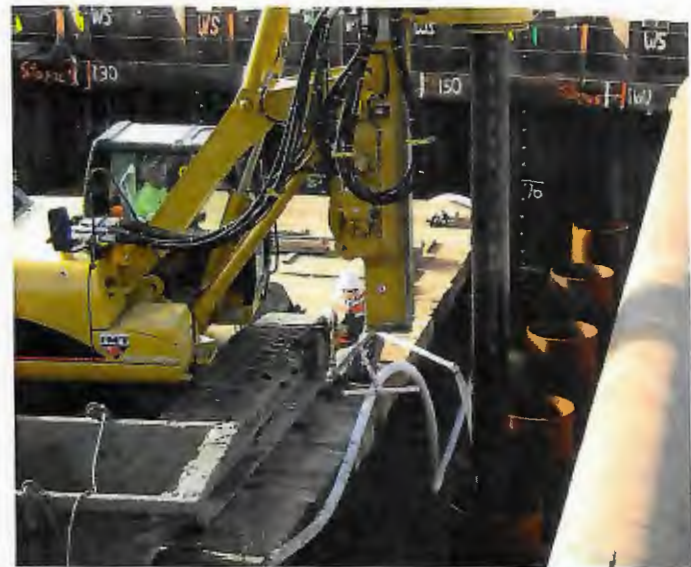
Intake construction begins with sealing off and later dewatering the immediate riverbank work area using a temporary cofferdam of approximately 1,000 feet in length. The cofferdam is secured into the river floor using a network of sheet piles typically measuring about 2.3 feet wide by about 1-inch thick and about 100 feet long. If vibration does not fully drive the sheet piles into place, approximately two minutes of impact driving would be required to complete the installation of each pile. The maximum amount of impact pile driving would total up to 18 hours at each location over a period of roughly five weeks. Impact pile driving would be staggered by one year at each respective intake location to avoid key migratory periods for important fish species, such as salmon.



Installing a drilled pier casing with a vibratory hammer

Intake Structures: Drilled Foundation Piers and Log Boom Piles

Foundation piers for the intake structures and flow control structures at each intake would be installed as drilled piers using augured excavations. The piers would be constructed of reinforced concrete measuring 42-inches in diameter by about 85 feet long and placed using steel starter casings that would be driven into place by vibration. No impact pile driving would be needed for the starter casings. Approximately 1,200 piers would be installed at each intake location over a period of about 18 months. During the last summer construction season at each intake, vibratory and impact driving would secure 32 piles measuring about 110 feet to help construct log booms to protect the intakes. Impact driving would take place for five-plus hours at the intake north of Hood and about an hour south of Hood over three to four work days in total.



Auger drilling a pier inside a steel casing

Hood-Franklin Bridge Widening: About A Week of Pile Driving

In order to transport construction workers via electric buses to the intake construction sites and to construct a new dedicated haul road, the existing Hood-Franklin Road bridge bordering the Stone Lakes National Wildlife Refuge would be widened for 180 feet. An estimated 46 piles measuring 16 inches by 50 feet need to be driven by the impact method to support bridge abutments, taking seven to eight construction days as the road remains open.

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