

CAMROSA WATER DISTRICT

BUILDING WATER SELF-RELIANCE



Operating & Capital Budget Fiscal Year 2023-2024



CAMROSA WATER DISTRICT



BUILDING WATER
SELF-RELIANCE

MISSION STATEMENT

“The Mission of Camrosa Water District is to provide reliable, safe, and cost-effective water and wastewater services.”

CAMROSA WATER DISTRICT

Board of Directors

Eugene F. West, President
Andrew F. Nelson, Vice-President
Jeffrey C. Brown, Director
Terry L. Foreman, Director
Timothy H. Hoag, Director

General Manager

Tony L. Stafford

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California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2022-2023

Presented to the

Camrosa Water District

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

February 10, 2023



A handwritten signature in black ink, appearing to read "Scott Catlett".

**Scott Catlett
2022 CSMFO President**

A handwritten signature in black ink, appearing to read "James Russell-Field".

**James Russell-Field, Chair
Recognition Committee**

Dedicated Excellence in Municipal Financial Reporting

List of Acronyms and Abbreviations

AF	Acre-Foot/Feet
ACWA-JPIA	Association of California Water Agencies-Joint Powers Insurance Agency
AMR	Automated Meter Reader/Reading
ASRB	Arroyo Santa Rosa Basin
AWAVC	Association of Water Agencies Ventura County
CIMIS	California Irrigation Management Information System
CIP	Capital Improvement Program
CMWD	Calleguas Municipal Water District
CSUCI	California State University of Channel Islands
CSMFO	California Society of Municipal Finance Officers
CWRF	Camrosa Water Reclamation Facility
DWR	Department of Water Resources
EDU	Equivalent Dwelling Unit
ELAP	Environmental Laboratory Accreditation Program
EWCP	Emergency Water Conservation Program
FCGMA	Fox Canyon Groundwater Agency
FTE	Full-time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Account Standards Board
GFOA	Government Finance Officers Association
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
HCF	Hundred Cubic Foot
LAIF	Local Agency Investment Fund
MG	Million Gallons
MGD	Million Gallons per Day
MOU	Memorandum of Understanding
MS	Meter Station
MSF	Meter Service Fee
MWD	Metropolitan Water District
NLs	Notification Levels
NPDES	National Pollutant Discharge Elimination Systems
PDR	Preliminary Design Report
PERS	Public Employees' Retirement System
PFAS	Polyflouroalkyl Substances
PS	Pump Station
PV	Pleasant Valley
PZ	Pressure Zone
RLs	Response Levels
RMWTP	Round Mountain Water Treatment Plant
SCADA	Supervisory Control and Data Acquisition
SGMA	Sustainable Groundwater Management Act
SRGWMP	Santa Rosa Groundwater Management Plan
SWP	State Water Project
SWPDA	State Water Project Dependent Areas
SWQCB	State Water Quality Control Board
SWRCB	State Water Resources Control Board
TCP	1, 2, 3,-Trichloropropane
THM	Trihalomethanes
UWMP	Urban Water Management Plan

Glossary

The FY2023-24 budget contains terminology that is unique to public finance and budgeting. The following Budget Glossary provides assistance in understanding these terms.

Accrual Basis of Accounting: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

Acre-Foot: The volume of water that will cover one acre to a depth of one foot. One acre-foot equals 435.6 units or 325,850 gallons.

Appropriation: The annual budget adopted by the District's Board for monitoring and control purposes, serving as a financial plan.

Balanced Budget: A balanced financial plan for a specified period of time that matches all planned revenues and expenditures with various services. The District uses a fiscal year beginning July 1 and ending June 30 for budgetary and financial reporting purposes.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. Bonds are frequently used for construction of large capital projects such as buildings, reservoirs, pipelines and pump stations.

Capital Budget: The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements. These expenditures are separate from regular operating items, such as salaries, utilities and office supplies.

Calleguas Municipal Water District: The District has access to Metropolitan Water District (MWD) imported water through Calleguas Municipal Water District's entitlement as a member agency of MWD.

Capital Improvement Program: A long-range plan for the construction, rehabilitation and modernization of District owned and operated infrastructure.

Class of Service: All customers are classified based on the primary use of water on their parcel; broad classifications include (but are not limited to) residential, industrial, agriculture, etc. The water rate per unit is determined by this classification.

Debt Service Coverage Ratio: The ratio of net revenue to annual interest and principal payments on debt.

Debt Service: The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.

Depreciation: An expense recorded to allocate a tangible asset's cost over its useful life.

Enterprise Fund: Fund that provides goods or services to the public for a fee that makes the entity self-supporting.

Equivalent Dwelling Unit: A one single-family dwelling unit or its equivalent. An equivalent dwelling unit is assumed to discharge wastewater at a flow and strength equal to that of an average single-family dwelling unit.

Expenditure: These terms refer to the outflow of funds paid or to be paid for assets, goods or services obtained regardless of when actually paid. *Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended in a future period.

Fiscal Year: Twelve-month term designating the beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.

Fixed Asset: Items with an original cost greater than \$1,000, and less than or equal to \$5,000. Typically, a fixed asset has an economic useful life longer than three years; maintains its identity, either as a separate item or as identifiable component; is not a repair part or supply item; and is used to conduct District activities.

Fund Balances: The current funds on hand resulting from the historical collection and use of monies. The difference between assets and liabilities reported in the District's Operating Fund plus residual equities or balances and changes therein.

Interest Income: Earnings from the investment portfolio.

Late Charges/Penalties: Charges and penalties are imposed on customer accounts for late payments, returned payments, and other infringement of the District's Rules and Regulations.

Meter Service Charge: Each water service customer pays a monthly meter service charge for water system replacement, maintenance and operation expenses. The charge is based on the size of the meter and class of service.

Metropolitan Water District: MWD is one of 30 agencies that have contracted for imported water service from the State Water Project, owned by the State and operated by the California Department of Water Resources.

Set-up Fees for Accounts: A charge is added for each new account, and whenever an existing account is transferred to another customer. This fee contributes to the administrative costs associated with establishing new accounts.

State Water Project: The State Water Project (SWP) transports water from the Sacramento-San Joaquin Delta via the California Aqueduct to four delivery points near the northern and eastern boundaries of the MWD service area. The SWP is owned by the State and operated by the California Department of Water Resources.

Unit: 748 gallons of water equals a single Hundred Cubic Feet (HCF) Unit. The District bills its customers in HCF Units.

Water Connection Fees: Charges paid by customers to connect to a District water system for water service. Connection fees are the cost of buying into the existing distribution system, and are determined by the meter size, the District capacity fee, and zone charge.

Water Rates: Rates vary among classes of service and are measured in HCF Units. Most rates in the District are based on a two-tier accelerated block structure. Tier 1 is the first 12 HCF Units and Tier 2 is water use above 12 HCF Units.

Budget Message

Camrosa Water District (District) is pleased to present its Fiscal Year (FY) 2023-24 Operating and Capital Budget. The purpose of this document is to identify and allocate the resources necessary to accomplish the District's mission: to deliver reliable, safe, and cost-effective water and wastewater service to its varied customer base. It is also intended to present the financial health of the District in a clear and concise manner for the Board of Directors, our customers, and other interested parties.

The California Water Crisis

Although this past winter was extremely wet, California's wet-to-dry swings have shown the importance of planning ahead for the next drought. For example, 2019 was one of the wettest calendar years in the past two decades, but it was followed by three very dry years. During this time, the California Department of Water Resources (DWR) and Metropolitan Water District (MWD) ended up not having sufficient supply to meet normal demands. This demonstrates the need to accelerate Camrosa's timeline for self-reliance and significantly reduce Camrosa's dependence on unreliable imported water supplies.

California's water supply crisis is an outcome of decades of substandard State water policy: California turned away from supporting major water infrastructure projects and towards perpetual demand management. DWR stood by while litigants and legislators whittled away its ability to fulfill its contractual obligations on the State Water Project. MWD has applied a portion of every dollar it ever collected from its ratepayers to build out and maintain its Colorado River Aqueduct system. However, despite this massive investment, MWD's conveyance is still unable to move significant quantities of Colorado River water to certain areas within its service region. These areas have been categorized as State Water Project Dependent Areas (SWPDA) because most—or all—of their imported water supplies are from the State Water Project. As a result of MWD's failed water policy, MWD's Board of Directors adopted the Emergency Water Conservation Program (EWCP) on April 26, 2022. These extreme conservation requirements applied only to the agencies within SWPDA but not to other MWD customers. The next day, Calleguas adopted the same EWCP, passing through mandatory conservation restrictions to its customers. MWD's EWCP went into effect June 1, 2022, and was removed by the MWD board in March 2023 following heavy winter precipitation.

Being within a SWPDA and continuing to be dependent on the imported water that MWD and Calleguas provide, Camrosa was compelled to choose between one-day-a-week watering of what is deemed "non-functional" turf and an allocation system that would leave the District with even less supply. On May 26, 2022, the District declared a Stage Two Water Supply Shortage, moving to one-day-a-week watering for residential and ornamental turf, requesting a 30% reduction from customers with parks, ballfields, and other community turf uses and a 20% reduction from potable agricultural users. As a result of the wet rainy season and heavy snowpack DWR announced a 100% state water project allocation resulting in MWD, CMWD and Camrosa removing all emergency water supply water conditional plans and watering restrictions for residential customers.

Providing a reliable source of water for our ratepayers is Camrosa's core mission, and we have long been focused on building the District's self-reliance to buffer against this cycle of planning failures and reactive edicts by MWD and the state. **The Board of Directors does not believe that conservation should become "a way of life," as recent state legislation would have it, or that "brown is the new green."** Efficiency is important—in water as in the other resources of which we are stewards, including energy and public funds—but the District's purpose is to provide the water our customers need. We have slashed our dependence on imported water over the last twenty years, developing local projects like a brackish groundwater desalter and non-potable distribution systems to achieve greater control over our supply portfolio.

Doubling down on self-reliance will form the backbone of Camrosa's planning efforts for years to come. We're starting this fiscal year with feasibility studies and design for additional wells, backup wells, and treatment plants to increase our local production.

Externalities

Equipment and material delays continued, translating to longer lead times on orders and longer timelines on projects. This scarcity, as well as shipping constraints and general materials market volatility, has led to significant escalations in project costs. Dodge Data and Analytics reports that despite significant manufacturing increases in 2022, production is expected to see sharp declines in 2023. In addition, fuel cost increases impacted the availability and cost of materials, equipment, and shipping. The general construction and materials industries continue to see rising prices across the globe as well as material shortages on certain items.

The Impact of Weather

In the last ten years, Southern California has seen the wettest and driest months on record. These dramatic weather swings, depicted in Figure 1 below, exemplify the difficulty of forecasting water sales and highlight the necessity of maintaining a conservative financial outlook.

On April 20, 2023, DWR announced a 100 percent allocation as a result of reservoirs nearing capacity and snowmelt runoff starting to occur. This is up from 75 percent announced in March, 30 percent in January, and the initial 5 percent announced on December 1, 2022. The last time the SWP allocated 100 percent was in 2006.

This wet winter and strong runoff conditions has allowed the SWP to make additional water available to any contractor that has the ability to store the water in its own system, including through groundwater recharge. DWR is maximizing the capture and storage of this abundance of snowpack across the state. Formally known as Article 21 water, this additional water does not count toward SWP allocation amounts.

Locally, rainfall was 22.32 inches, recorded from the Camrosa Water District station, which is more than the ten-year average rainfall for the District of 11.05 inches a year and below the historical average of 15.2 inches a year. Local precipitation can impact demand, especially among agricultural customers and those with large landscapes, and it is important for recharging groundwater basins, which we produce our local supplies from and plan to increasingly rely on in the near future. Whether or not the trend towards lower precipitation we've seen over the last couple decades continues, Camrosa plans to adaptively manage its groundwater basins to maximize aquifer storage and recharge water—whether it's rainwater or another source. Camrosa will continue to develop local and regional water resource projects to build self-reliance. Many of these projects will be identified in the Master Plan that will be completed in Summer 2023.

Average Rainfall Fiscal Years 2014-2023

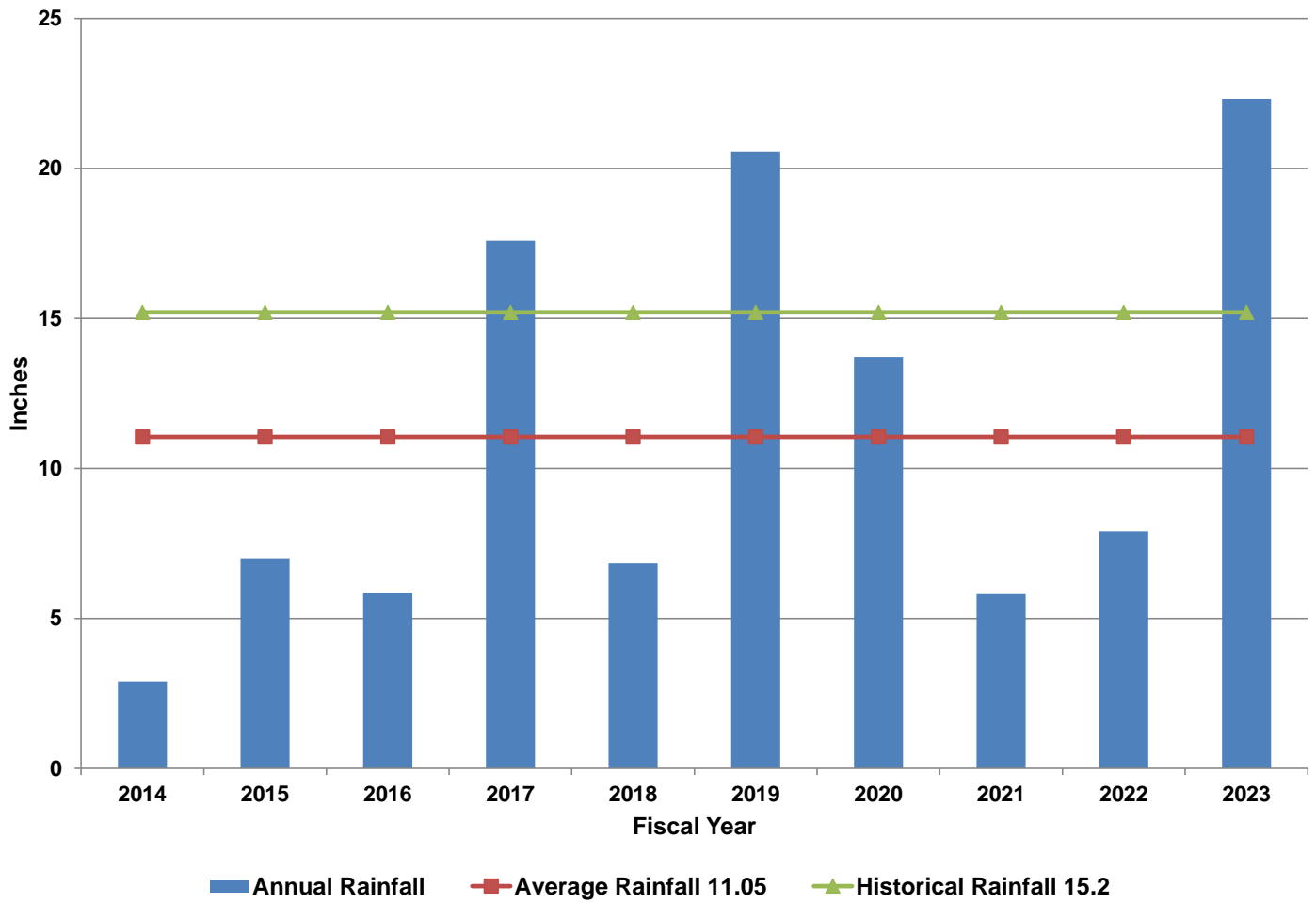


Figure 1 – Average Rainfall

In general terms, the District went from delivering approximately 17,000 AFY before the FY2014-15 drought to slightly less than 11,000 AFY in FY2022-23. Variable weather in the years since make it difficult to determine the cause for water-use patterns in the District service area, but generally speaking the trend is towards less per capita water use than in previous decades. The FY2023-24 budget was developed using a three-year average of water sales to arrive at a projection of 12,614 AF. This is a modest increase from the FY 2022-23 budget of 12,257 AF and projected end of year sales of 10,159 AF.

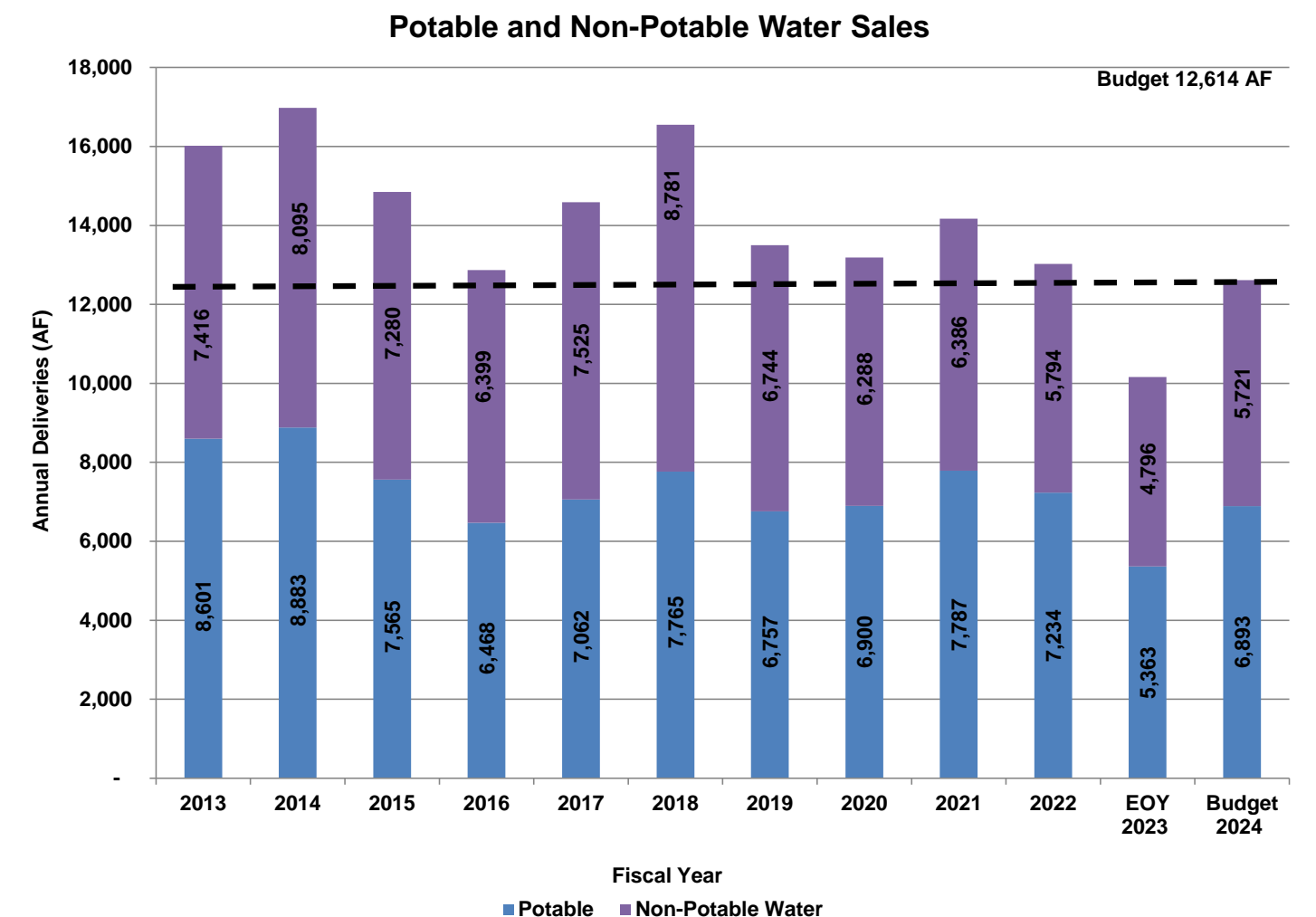


Figure 2 – Potable and Non-Potable Water Sales

Increase of Imported Water Costs

Where Camrosa lies in the Metropolitan Water District service area, the “imported water” we purchase from them, via Callegaus, is primarily State Water Project (SWP) water from the Sacramento-San Joaquin Delta. It is the most expensive water in Camrosa’s supply portfolio. The District’s primary strategy for decades has been to reduce dependence on imported water by developing local resources. Reducing the proportion of Camrosa’s water supply that we have to import helps mitigate the costs of imported water. Figure 3 reflects the District’s efforts to develop self-reliance over the last 20 years.

The trend was temporarily reversed in 2019, when the District’s largest local resource, the Conejo Wellfield, was taken offline ahead of building a treatment plant to treat for the newly-regulated contaminant, 1,2,3–Trichloropropane (TCP), a synthetic organic compound that was an impurity in certain soil fumigants used in agriculture. The Camrosa Board of Directors insisted that Camrosa ratepayers should not bear the costs of treatment for the contamination and successfully persuaded the manufacturers of the offending pesticides to pay for the construction of the treatment plant.

In the meantime, we have worked hard to bring other new sources online (PV Well #2) and increase local groundwater production. The FY2023-24 budget assumes that imported water will constitute 50% of Camrosa’s potable water supply, with 50% coming from local groundwater. Upon the completion of the GAC Treatment Plant in late 2023, the Conejo Wellfield will be put back into production reducing the demand for imported water, thus reducing the percentage of imported water in the District’s Total Water Supply.

In FY2022-23, imported water comprised 32% of total water supply. The new PV Well #2 came online in September 2020, providing a much-needed boost to local production. Adjustments to the well in the fall of 2021 doubled production. Other local water sources produced within range of the budgeted amounts. Work to increase production from the Tierra Rejada and Penny wells is expected to be complete in the first half of FY2023-24. It is anticipated that once the Conejo Wellfield project is online the District can expect local groundwater to continue to offset imported water purchases. The fiscal year will also see investigations into the redundancy of the University Well and a third Pleasant Valley Basin well.

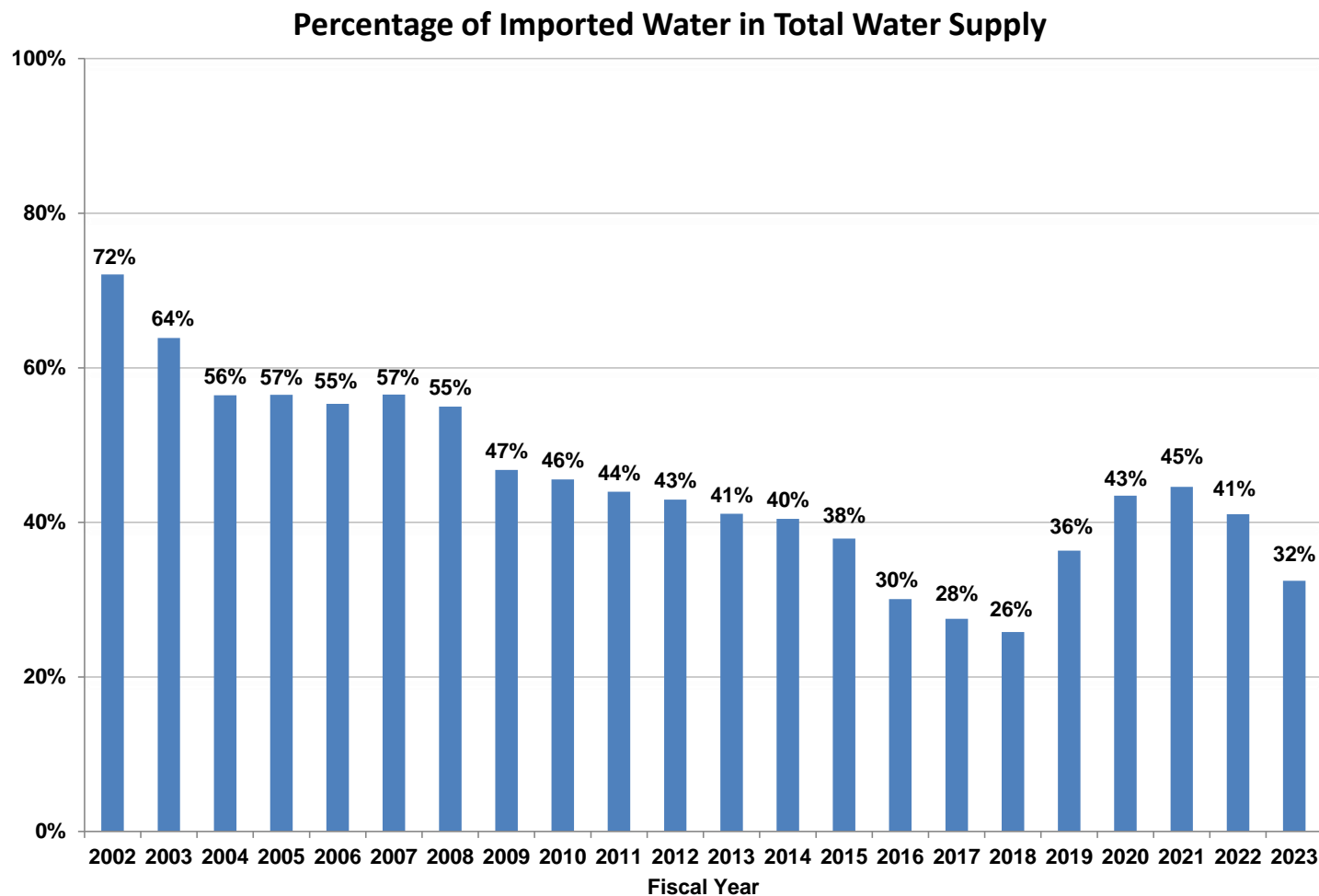


Figure 3 – Percentage of Imported Water in Total Water Supply

The following graph demonstrates the effects of Camrosa’s commitment to building self-reliance over the last 20 years. As the diversity of supply sources increases, the percentage of the portfolio filled by imported water has decreased. Since the Conejo Creek Project came online in 2003, Camrosa’s demand on imported water has fallen off dramatically. Optimizing operations—filling reservoirs, moving water, blending water—has also allowed us to further reduce imports. Reductions in total water use since 2014 reflect conservation measures that have now become common practice by many of Camrosa’s customers.

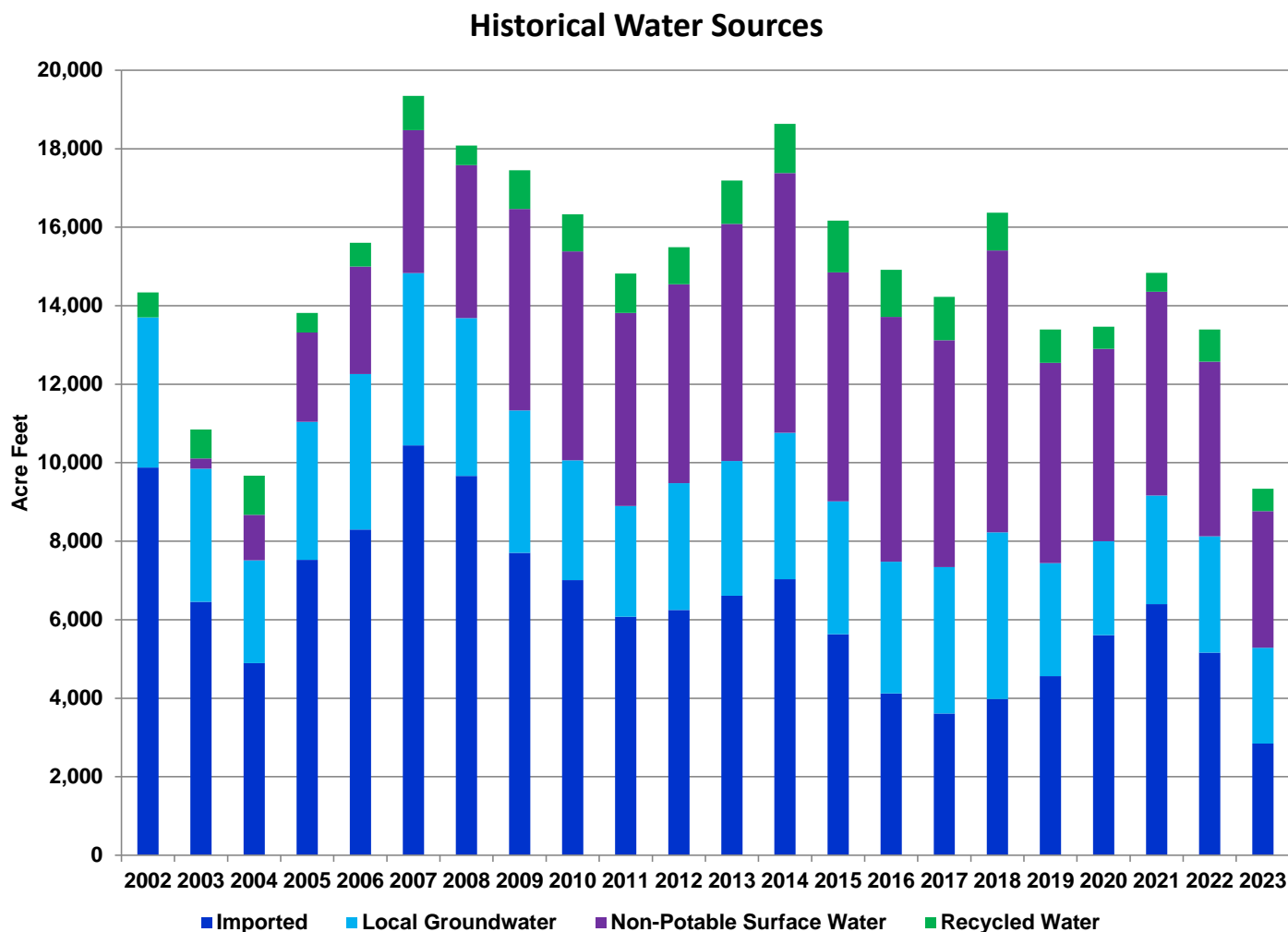


Figure 4 – Historical Water Sources

Camrosa also sells Conejo Creek water to Pleasant Valley County Water District (PVCWD), an agricultural district adjacent to Camrosa on the Oxnard Plain. Under Fox Canyon Groundwater Manager Agency (FCGMA) Resolution 2014-01, PVCWD transfers to Camrosa one pumping credit in the Pleasant Valley Basin for each acre foot of creek water the District delivers. Camrosa currently pumps these credits from the Woodcreek Well and PV Well #2 in the northeastern Pleasant Valley Basin, where groundwater levels are higher and the basin is less stressed than in the areas where PVCWD has its wells.

With the completion of the CamSan Recycled Water Interconnection project in November 2019, Camrosa began receipt of recycled water from the Camarillo Sanitary District (CamSan). The City of Camarillo has a limited recycled water distribution system but does not have any storage; selling water to Camrosa helps the City avoid discharging to the creek and violating their NPDES permit and the cost of discharging to the Salinity Management Pipeline. Camrosa can store CamSan’s water in the District’s Storage Ponds and sell it to PVCWD, a practice codified in Camrosa’s latest Waste Discharge Requirement permit authorized by the Los Angeles Regional Water Quality Control Board on October 10, 2019. Recycled water does not accrue pumping credits as creek water does. This interconnection also increases Camrosa revenue (see page 34 of the main budget document), improves Camrosa operations, and contributes to regional water supply resilience. It is unknown how long CamSan will continue to have excess recycled water as the City of Camarillo expands its recycled water distribution system, but in the meantime, it is clearly a beneficial project for both agencies.

Historical Water Deliveries to Pleasant Valley CWD

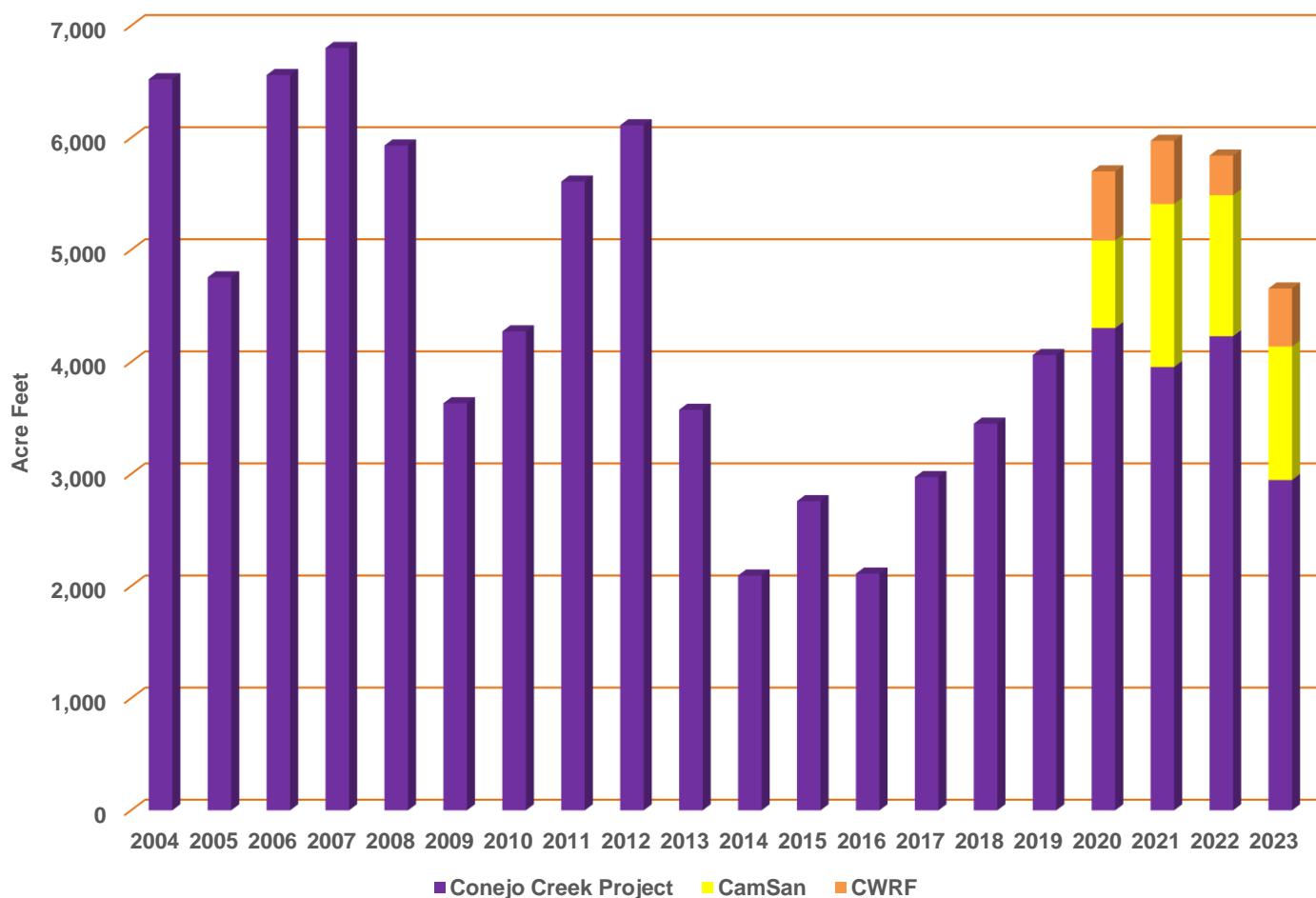


Figure 5 – Historical Water Deliveries to Pleasant Valley CWD

The expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. In 2023, the MWD Tier 1 wholesale rates increased by 5.8% and in 2024 the Tier 1 wholesale rates will increase by an additional 3.9 percent. In addition to MWD’s rate increases, Calleguas increased its Capital Construction Surcharge, Readiness-to-Serve Charge, and Capacity Reservation Charge, for a combined wholesale rate increase to the District of approximately 4.5% in 2023 and 6.0% in 2024.

The following graph illustrates the projected cost of imported water.

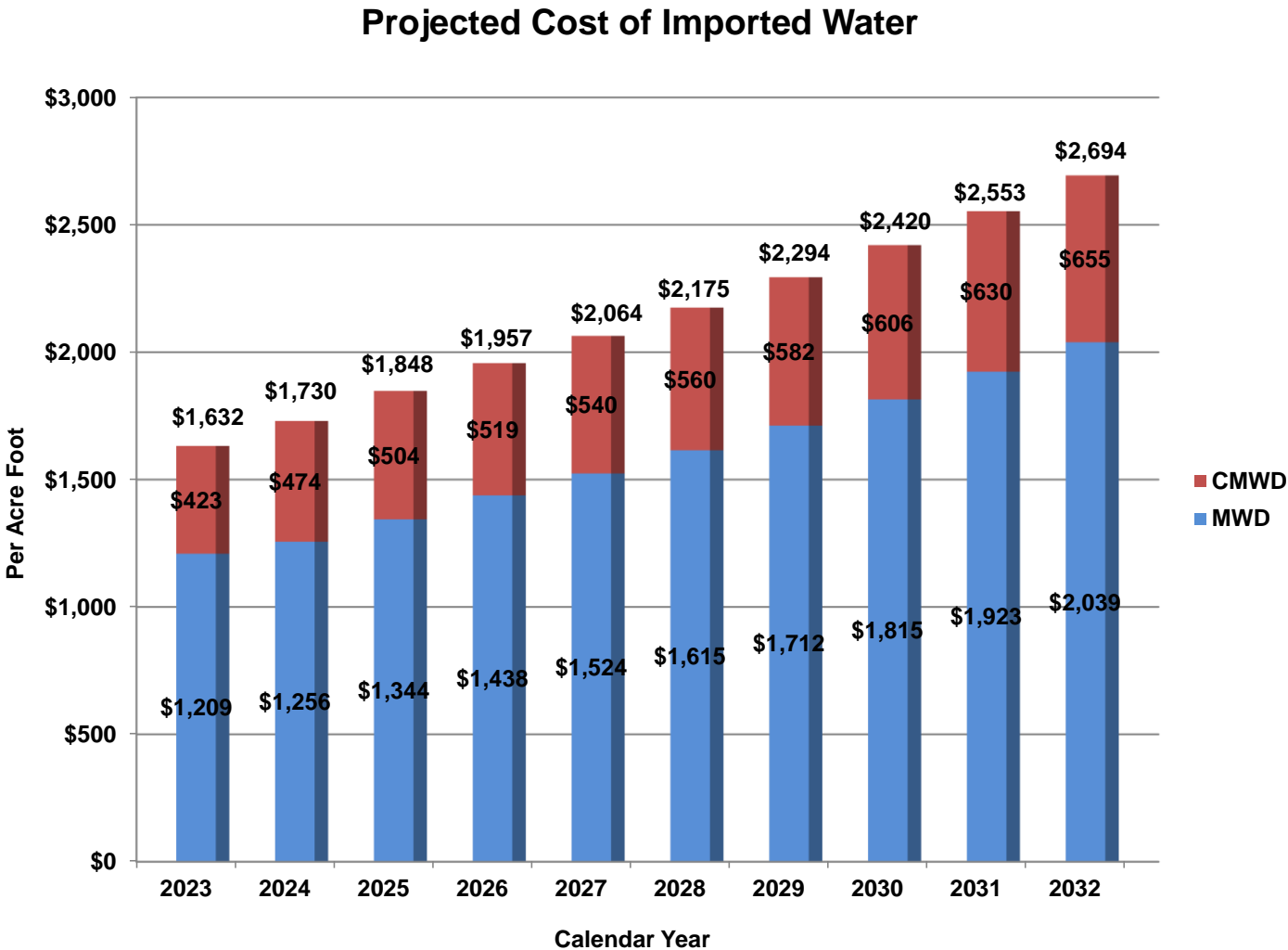


Figure 6 – Projected Cost of Import Water

Supplies and Services constitute the largest expense in the District's operating costs, next is the cost of imported water purchases and local well production, as depicted in the graph below.

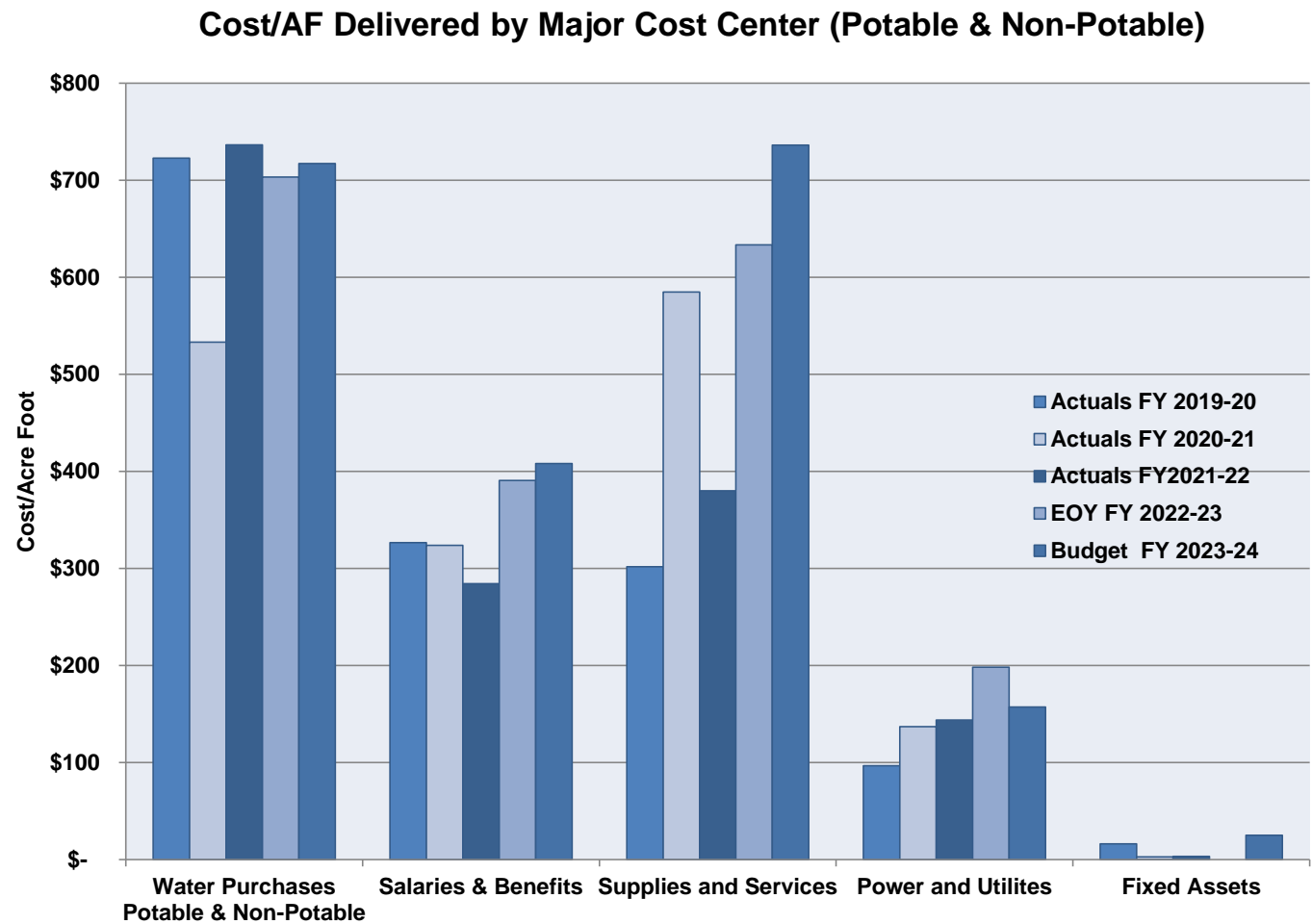


Figure 7 – Cost per Acre-Foot Delivered by Major Cost Center (Potable & Non-Potable)

The District adopted a five-year rate schedule for water and wastewater on June 13, 2019, with the fifth and final rate adjustment to be effective July 2023. Included in the rate study was a review of the commodity component of rates, fixed meter service fees, and the District’s aging infrastructure and preventative maintenance requirements. The District will embark upon an updated five-year rate study during the Summer of 2023. Even with the rate increases, the District’s rates continue to be among the lowest in Ventura County as a result of investing in local water supply to build self-reliance. The District strives to remain cost-effective in its rate setting by controlling operating costs. The following graph is a comparison of local water utilities’ monthly water bills for a single-family usage of 12 hundred cubic feet (HCF) and a ¾-inch meter service charge.

The District strives to remain cost-effective in its rate setting by controlling operating costs. The following graph is a comparison of local water utilities’ monthly water bills for a single-family usage of 12 hundred cubic feet (HCF) and a ¾-inch meter service charge.

Utility Comparison 12 HCF - 3/4 Inch Meter

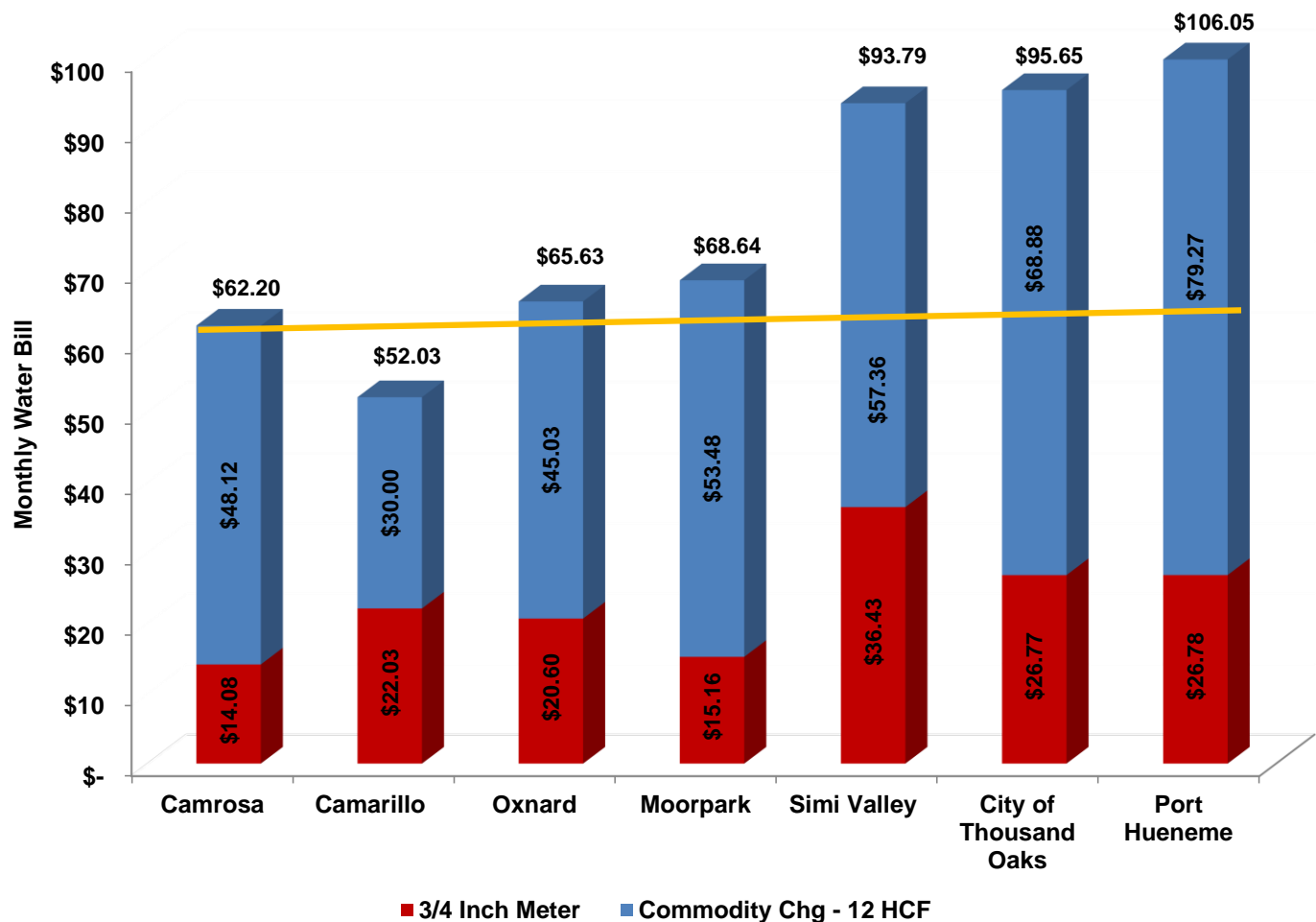


Figure 8 – Water Rate Comparison

The following graph is a comparison of local sanitation utilities' monthly wastewater bills.

Sewer Rate Comparison

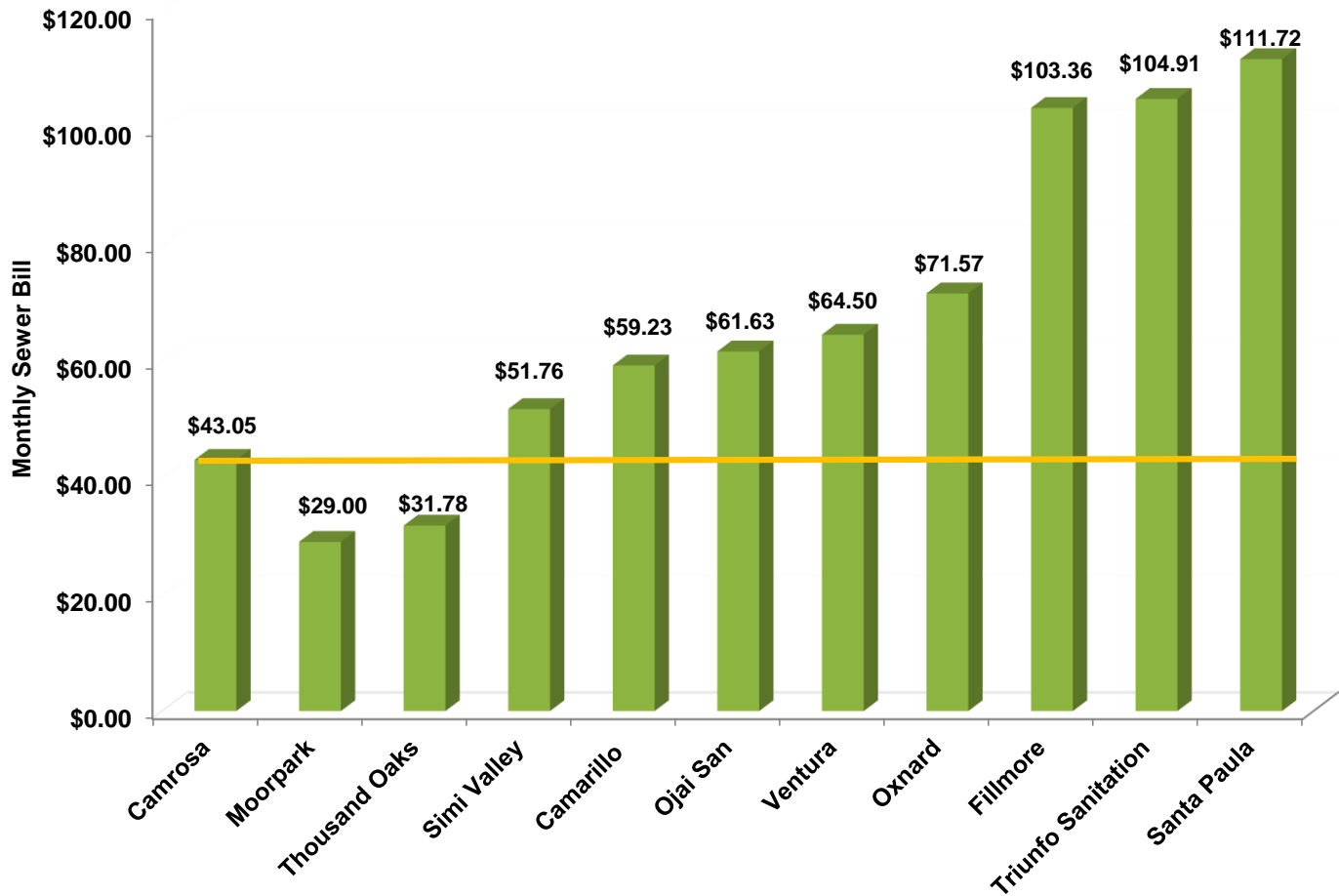


Figure 9 – Sewer Rate Comparison

Effective Asset Management

Camrosa Water District was established in 1962; some of what became the District's infrastructure predates even that. As the system ages, the value of the system decreases through depreciation while the costs of keeping the system functioning increase. The District has undertaken a two-part master plan: a near-term plan focused on rehabilitation, replacement, and maintenance to be incorporated into the five-year comprehensive rate study to ensure adequate reserves are set aside to invest in the aging infrastructure; and a long-term water resources plan to envision water supplies to a fifty-year horizon. Such projects include replacing pipeline segments, maintaining and upgrading treatment facilities, and rehabilitating reservoirs, pump stations, and the wastewater collection system. Setting aside reserves today for these repairs will prevent the District from being susceptible to untimely financial burdens and ultimately having to excessively raise rates.

Cybersecurity

The District continues to focus its efforts to ensure the security of its Information Technology systems. Camrosa applies a process of continuous improvement regarding cybersecurity because new cyber threats, vulnerabilities, and risks are always emerging. The District applies a continuous process that allows for threat identification, mitigation planning, plan execution and assessment with the goals of protecting the District's network assets, and safeguarding customers' personal identifiable information. Also, Camrosa's layered approach to cybersecurity, focuses on network resiliency, more stringent access-controls, network

segmentation, and cloud-based endpoint monitoring. Additionally, Camrosa continues to ensure all staff are properly trained to identify, respond to, and report malware attacks and phishing attempts.

State Mandates

Over the past decade and a half, the state of California has moved towards centralizing management of its water resources by consolidating various functions under and expanding the reach of the State Water Resources Control Board (SWRCB). Shifts towards standardizing water planning while accounting for climate projections have resulted in landmark water-use legislation and expanded rulemaking. However, according to some water suppliers, many of these state policies fail to realistically account for local conditions, and do not leave suppliers with enough autonomy to employ the best course of action for their service areas.

Technological advancements allow detection of drinking water contaminants at lower concentrations, which allows maximum contaminant levels (MCLs) to become more stringent. Additionally, as understanding of adverse effects of drinking water contaminants improves over time, more chemicals are added to the list of MCLs. Both increasingly stringent MCLs and the addition of new chemicals to the list of MCLs are intended to address health concerns (primary MCLs) and taste and odor (secondary MCLs); however, they also carry associated costs. Meeting new standards may significantly increase drinking water production costs where contaminants are present.

The SWRCB has continued extending administrative control over water suppliers through a variety of policies and regulations. Several recent examples include: the recently released Individual System Water Loss Standards; upcoming drinking water regulations, including those for microplastics and manganese; ongoing water use restrictions; and additional reporting requirements. While each one carries intended benefits, they are also accompanied by costs, and benefit-cost ratios will differ for each supplier based on local variations.

Water Conservation and Drought Planning Act of 2018

On March 15, 2023, the SWRCB released the Draft Staff Framework for the Making Conservation a California Way of Life Regulation (Proposed Regulatory Framework). The Framework is intended to implement both the “California Water Supply Strategy” released by Governor Newsom in August 2022, and SB 606 and AB 1668, collectively known as the Water Conservation and Drought Planning Act, signed by Governor Brown in May 2018. The act built upon Governor Brown’s 2016 Executive Order B-37-16, “Making Conservation a Way of Life.”

The SWRCB’s draft Framework requires suppliers to comply with individualized urban water use objectives, implement Commercial, Industrial, Institutional (CII) performance measures, and submit annual progress reports. A supplier’s water use objective is the sum of standard-based budgets for residential indoor use, residential outdoor use, CII landscapes with dedicated irrigation meters, and real water losses. The draft Framework as written requires significant water use reductions for suppliers, and the cost of meeting assigned metrics may require revisiting and adjusting financial projections. Rulemaking will begin May 2023 with a 45-day public comment period, and the rule is expected to become effective Summer 2024. Camrosa is actively monitoring the legislation and its impacts to CII water usage. The District is factoring this into its long-term forecasting.

Water loss control is a key component of the state’s approach to demand management. Legislation required that the SWRCB develop water loss performance standards, and the development process is underway. The SWRCB posted an updated Text of Proposed Regulations to the California Water Boards website on September 9, 2022, and posted Water Loss Standards for each Urban Retail Water Supplier, including Camrosa Water District, on April 7, 2023. The legislation recognizes that mitigating and preventing water loss should be done on a cost-effective basis, as explained in the Updated Economic Model released April 15, 2021. However, due to real-world conditions, the true cost-effectiveness may differ from the Update Economic Model.

Water Quality Regulations

Drinking water in California is heavily regulated, and many of California's regulations exceed federal regulations set by the U.S. EPA. Primary maximum contaminant levels (MCLs) address health concerns; public health goals (PHGs) are concentrations of drinking water contaminants that do not pose significant health risks if consumed over a lifetime (based on best available knowledge); and secondary MCLs address water taste and odor. California Health & Safety Code §116365(a) requires a contaminant's MCL to be established at a level as close to its PHG as technically and economically feasible, while prioritizing protecting public health. There are also "detection limits for purposes of reporting" (DLRs), which are designated minimum levels of contaminants that require reporting to the State Board when they are met or exceeded.

As both technology and understanding of negative effects of drinking water contaminants improve over time, more contaminants become regulated. Each contaminant that becomes regulated, or has a preexisting regulation that becomes more stringent, adds additional treatment and reporting costs where it is present at levels that exceed allowable limits. Upcoming drinking water regulations present potential additional expenses to the district.

An example of contaminants with upcoming regulations are per- and polyfluoroalkyl substances (known together as PFAS). PFAS are a group of synthetic chemicals that, under typical conditions, do not break down in the environment. On March 14, 2023, the U.S. EPA proposed National Primary Drinking Water Regulations to establish MCLs for six PFAS substances. It is reasonable to assume that both federal and state MCLs for PFAS chemicals will be established in the near future and will bring treatment and monitoring costs along with them.

Manganese is listed on the SWRCB's list of Upcoming Drinking Water Regulations. It can occur naturally in both surface and groundwater and is widespread in California's groundwater basins. It is currently regulated with a secondary MCL, with notification levels (NLs) and response levels (RLs). On February 16, 2023, DDW proposed revised NLs and RLs for manganese. A NL is a nonregulatory, health-based advisory level established for drinking water contaminants for which MCLs have not been established. NLs are established as precautionary measures for contaminants that may have MCLs in the future but have not completed the regulatory process for the development of MCLs. They are issued by DDW and developed based on recommendations by the Office of Environmental Health Hazard Assessment (OEHHA). RLs are set higher than NLs and represent a recommended chemical concentration level at which water systems consider taking a water source out of service or provide treatment if that option is available to them. Based on DDW proposing revised NLs and RLs for manganese in February 2023, a manganese primary MCL is likely to be established in the future. The establishment of manganese primary MCLs could impact the cost of producing local water.

Contaminant regulations will continue to become more rigorous, as they have since the passage of the Safe Drinking Water Act in 1974. Camrosa is responsibly planning for additional costs incurred by meeting and exceeding regulatory requirements and will continue to do so in the future. Future regulations may also shift the relationship between local and imported sources, as the costs of producing water and importing water change. Camrosa remains committed to meeting the current and future water needs of the community by prioritizing self-reliance and providing reliable, safe, and cost-effective water and wastewater services.

Groundwater Management

Another landmark change in water management that will affect the cost of water is the Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) for what the state determined were high- or medium-priority basins to assess conditions and develop groundwater sustainability plans (GSPs). These GSPs are intended to define sustainability and chart a path to achieving that over the next twenty years.

The Fox Canyon Groundwater Management Agency (FCGMA) is the GSA for the Pleasant Valley Basin (among other areas), from which the Woodcreek Well and PV Well #2 produce. A new allocation plan has been established and projects to increase the sustainable yield are being investigated. Adjudication papers were filed by a group of landowners/pumpers in the basin, as was a lawsuit contesting the CEQA process for

the GSP. SGMA provides that the GSP proceed as written during the adjudication process, which can take 10-20 years, but such a litigious environment does not provide an environment for the amicable resolution of conflict or for the kind of collaboration that innovation and regional project development require.

The Arroyo Santa Rosa Groundwater Basin, which lies wholly within the Camrosa service area and from which the majority of Camrosa's local groundwater is produced (when the Conejo Wellfield is online), was originally designated as a medium-priority basin due to high nitrate concentrations. In 2016, the County of Ventura and Camrosa formed a GSA to write the GSP for the whole basin and manage that portion of it east of the Bailey Fault (outside the FCGMA). In April 2018, DWR awarded the Arroyo Santa Rosa GSA a Sustainable Groundwater Planning Grant to support the development of the Santa Rosa GSP, up to \$177,081. Administrative costs to support the operation of the Arroyo Santa Rosa GSA (ASRGSA), including the writing of the GSP, will be supported by Camrosa. The County of Ventura provided \$127,602 as seed money to the GSA. The GSA held a public hearing on May 25, 2023, to adopt the GSP and is currently being filed with DWR. The GSA budget for FY2023-24 is included as Appendix 1.

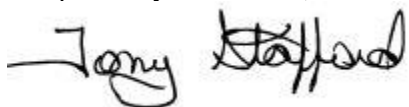
Projects to reach sustainability and/or increase Arroyo Santa Rosa basin yield will be explored in the GSP process. Because Camrosa is the primary groundwater producer in the Santa Rosa Basin, pumping by initial estimates over 50% of the basin's annual yield, the District has a vested interest in developing projects that ensure sustainability. Once the GSP has been developed, estimated costs of sustainability projects will be included in the District's budgeting process.

CSMFO Mission to Promote Excellence

As part the California Society of Municipal Finance Officers (CSMFO) mission to promote excellence in financial management, the CSMFO has established a program that evaluates the budgets of municipal entities from across the state. This program is intended to "encourage and assist local governments to prepare budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting." The FY2022-23 budget was submitted to the CSMFO and the District received an Operating Budget Excellence Award for a ninth consecutive year, an upgrade from the District's first submission of the FY2013-14 budget, Meritorious Award. This award is valid for a period of one year only. The budget document does not include any structural changes from the prior fiscal year; we believe our current budget continues to conform to program requirements and are submitting it to CSMFO for their evaluation.

The challenges to water reliability and quality are greater than ever before—as is the District's resolve and ability to meet them. Our customers give us their trust every day to fulfill their basic needs, for their families, their farms, and their businesses. It is vital that we honor that trust in everything we do, moving towards self-reliance, investing in preventive maintenance and timely infrastructure replacement, and continuing to improve the organization's capacity and effectiveness. A well-structured budget is critical to this effort, and I am confident that the District's FY2023-24 budget document provides a detailed and comprehensive overview of our ability to transform the challenges we face into new opportunities.

Respectfully submitted,



Tony L. Stafford
General Manager

Mission Statement & Vision Statement

The District held four strategic planning workshops in the spring of 2022 and adopted a 2022 Strategic Plan in the summer of 2022.

The District's Strategic Plan was last updated in 2008. Since then, imported water costs have increased, as expected, but so too has its unreliability. Between climatic, legislative, litigatory, and political pressures on the Sacramento-San Joaquin Delta, the State Water Project no longer represents a dependable supply as it once did.

At the same time, the cost to produce local water has also increased, driven by an ever-expanding regulatory environment. Groundwater, water loss, conservation, environmental justice, rate setting—the list of current and impending regulatory constraints is long and expanding.

Navigating existing challenges and maximizing the organization's capacity to adapt starts with describing Camrosa's vision, priorities, and philosophy through the strategic planning process.

The 2022 Strategic Plan identified five goals:

- Water Supply Independence
- Infrastructure Integrity
- Prudent Financial Management
- Public Trust
- Service Excellence Through Organizational Development

Revised Mission and Vision Statements were established as part of the 2022 Strategic Plan. The Mission Statement reflects the District's responsibility to provide reliable, safe, and cost-effective water and wastewater services.

Our Mission

"The mission of Camrosa Water District is to provide reliable, safe, and cost-effective water and wastewater services."

Our Vision

"Camrosa Water District preserves and improves the quality of life for our customers through innovative leadership and exceptional customer service."

Profile of the District

District Services and Management

The Camrosa Water District, located over 31 square miles in the County of Ventura, California, is an independent special district that operates under the authority of Division 12 of the California Water Code. The District was originally formed under the law in 1962 as the Camarillo County Water District for the purpose of supplying potable water. The District has changed its name twice, first to the Camrosa County Water District in 1965, and then to its present name in 1987. Subsequently, the District expanded its operations to include wastewater collection and treatment to a portion of its service area.

Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 32,700 people through approximately 11,404 service connections, which includes three master-metered communities. The majority of these connections are municipal and industrial, and the remainder agricultural.

Potable water is a blend of imported State Water Project (SWP) water from the Sacramento-San Joaquin Delta and local groundwater; non-potable surface water is a combination of diverted surface water and local groundwater; and recycled water is tertiary-treated product from the Camrosa Water Reclamation Facility (CWRF). Wastewater service is limited to 9,132 equivalent dwelling units (EDUs), including California State University of Channel Islands (CSUCI) and a portion of the City of Camarillo and a sliver of the City of Thousand Oaks. The remainder of the District is either served by the Camarillo Sanitary District or on septic systems.

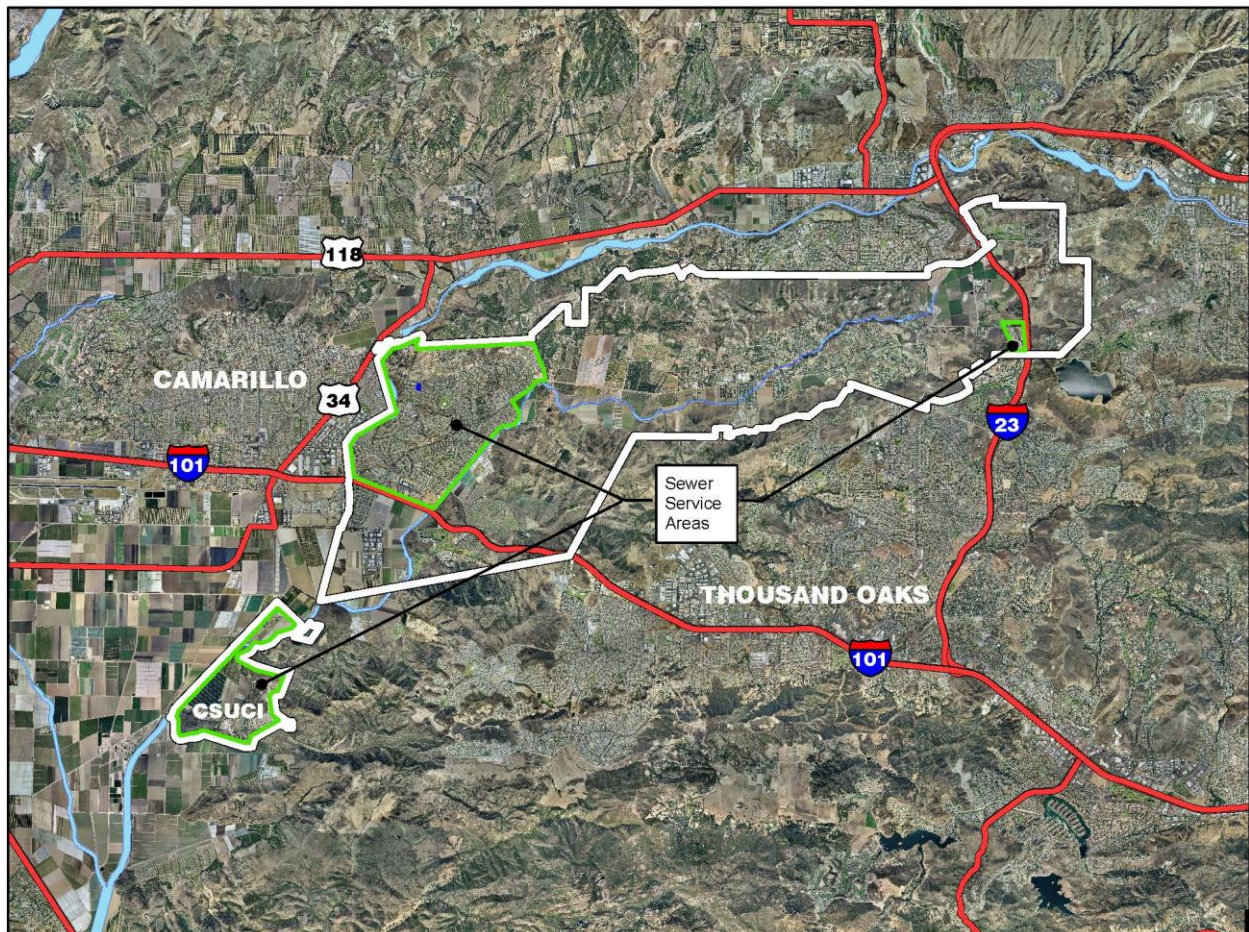


Figure 10 – District Map Boundaries

The following graph sets forth the District's various water customer classes. Residential and Agricultural customers account for approximately 76% of the District's projected water service revenue for the fiscal year ending June 30, 2023. The residential customer class includes both indoor and outdoor water usage.

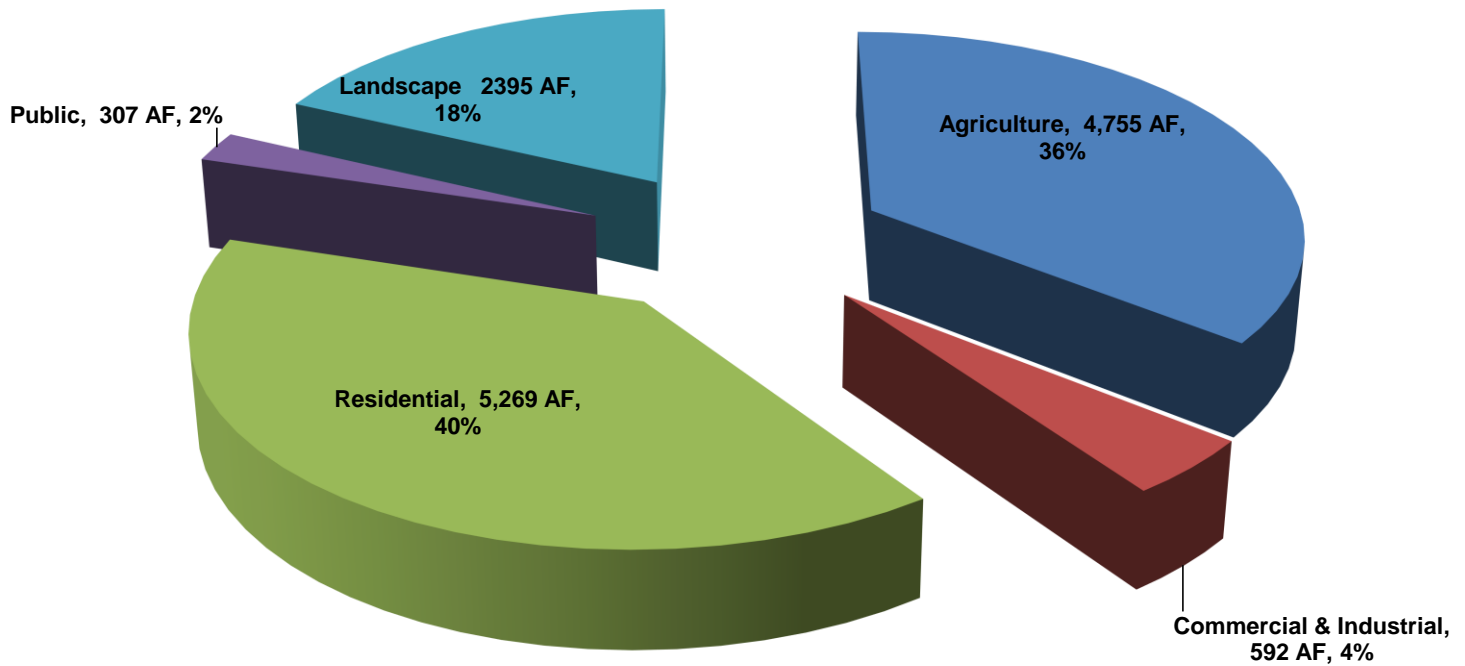


Figure 11 – FY2022-23 Percent of Water Revenues by Customer Class

Board of Directors

The District is governed by a five-member Board of Directors, elected at large from five geographical “divisions” within the District’s service area. The District’s Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed, and residents are encouraged to attend.

Director	Title	Division	Expiration of Term	Occupation
Eugene F. West	President	Division 4	November 2024	Attorney
Andrew F. Nelson	Vice-President	Division 1	November 2026	Healthcare Research
Jeffrey C. Brown	Director	Division 2	November 2026	Investment Consultant
Terry L. Foreman	Director	Division 5	November 2026	Geologist/Hydrogeologist
Timothy H. Hoag	Director	Division 3	November 2024	Pharmacist/Teacher

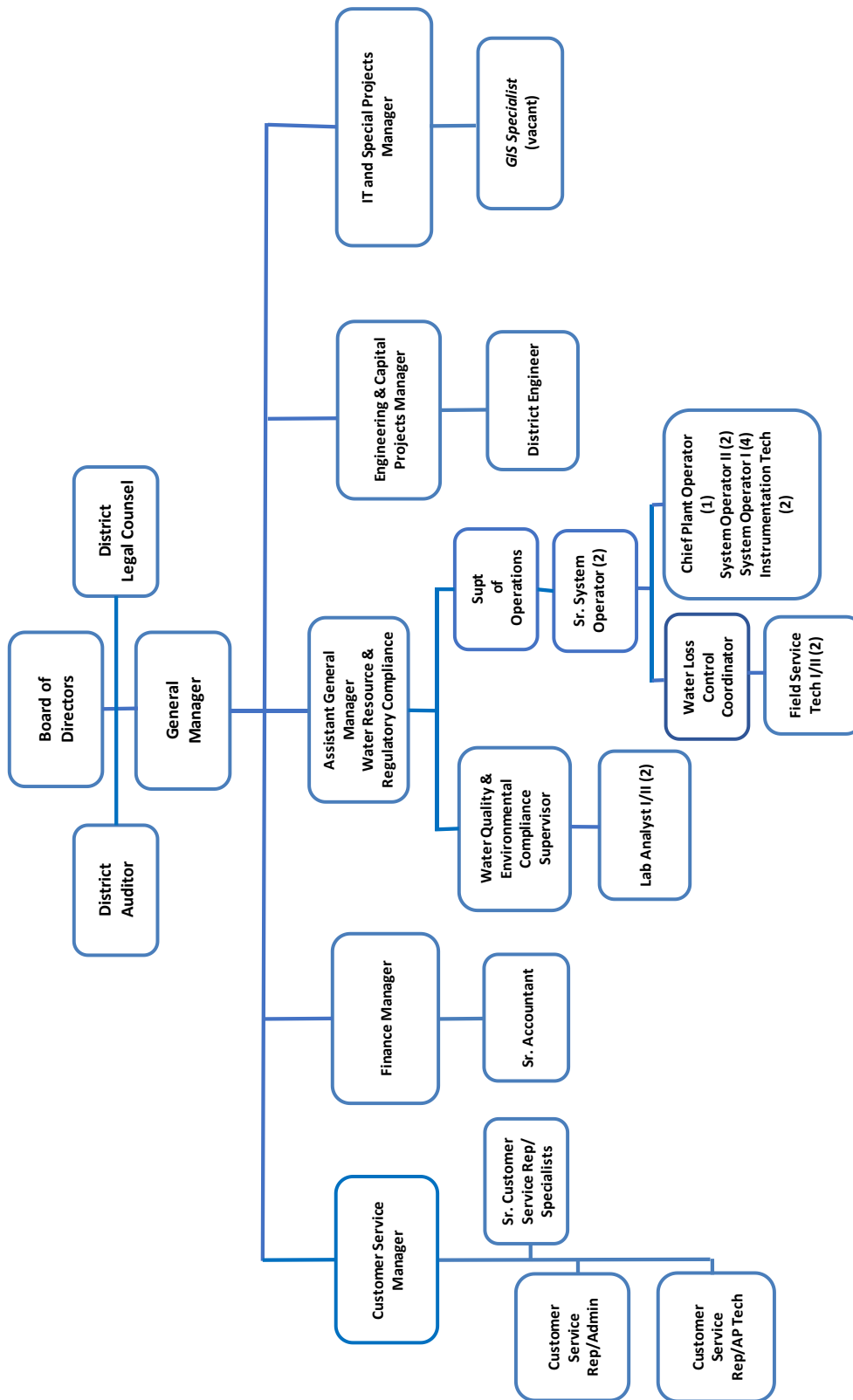
General Manager

Daily operation of the District falls under the responsibility of the General Manager, Tony Stafford. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Stafford is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment and water recycling at the District’s Water Reclamation Facility.

In FY2022-23, the District budgeted for 29 full-time employees and a 3.0% salary increase. In addition to the budgeted 3% salary increase, all employees received a market-based salary adjustment of 10% in February 2023. In FY2023-24 the District budgeted 29 full-time positions and salary increase of 3.0%.

The District is a member of the California Public Employees’ Retirement System (CalPERS). In FY2019-20 the District made an Additional Discretionary Payment (ADP) to pay off the CalPERS Unfunded Accrued Liability (UAL) in the amount of \$4.9 million. The total ADPs made to date amount to \$5,146,019. In FY2023-24, the District will not be invoiced for the required UAL payment for the year for classic employees due to Plan’s funded status of 108.40% as of the June 30, 2021 measurement date. The employer contribution rate of 11.84% for classic employees will be collected as a percentage of payroll. In FY2020-21 and prior years, the District was paying 7% of the classic employee’s retirement contribution. The Board decided to shift that portion of the retirement cost back to the employee and did so by ramping up the employee’s contribution 1% a year until the employee was paying the full 7%. To lessen the impact on the employee, the Board also implemented a discretionary offset. This year the District will pay 4% of the 7% employee contributions for classic employees and provide a discretionary offset of 3%. The District’s retirement contribution will be reduced 1% per year with an increase of the discretionary offset at the same percentage provided to classic employees hired before July 1, 2021 until the employees’ contribution and the discretionary offset reach the maximum of 7%. Any classic employees hired after July 1, 2021, will pay the full seven percent of the employee contribution and will not be eligible for the discretionary offset. The employer contribution rate for any new employees hired since January 1, 2013 who were not subject to reciprocity as defined in the Public Employee’s Pension Reform Act (PEPRA), will be 7.68% and no unfunded liability payment will be required. The District does not make the employee contributions of 7.750% on behalf of these employees.

The District provides a range of medical insurance plans and dental and vision insurance through ACWA-JPIA. Following two years of reductions in the PPO plan, ACWA-JPIA will increase rates 10%, and expects to see double-rate increases for self-funded HMO plans effective January 1, 2024. Dental and Vision will remain flat or increase by 2%. These increases are captured in the FY23-24 budget.



Financial Policies

Reserve Policy

The District's Reserve Policy, (Appendix #5), the most recent version of which was adopted by Resolution of the Board on October 14, 2021, is intended to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future enlargement of the District's customer base. The Board receives reports of the reserve levels quarterly and again during the budget preparation process to ensure continued conformance with long-term Board strategy.

Investment Policy

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on January 27, 2022, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by a four-member committee that includes the General Manager, the Manager of Finance, and two Board members. The full Board receives quarterly reports on the type of investments, the current yield, maturity dates, and market value, as appropriate. The criteria for selecting investment options are, in order of priority, safety, liquidity, and yield. Generally, maturities are limited to two-year periods, and at least 25% of the portfolio will be invested in securities that can be liquidated on one day's notice. Investments are generally limited to government-issued or government-insured securities; the District currently has approximately \$8.7 million (as of May 31st) invested in the State's Local Agency Investment Fund (LAIF). (Appendix #6).

Debt Policy

The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital projects, and other financing needs while ensuring that debt is used and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District's Debt Policy (Appendix #7) developed and adopted by Resolution of the Board on August 11, 2016, is intended to provide guidelines for the use of debt for financing District water, sewer and recycled water infrastructure and project needs. The policy provides the following: 1) establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2) transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3) provides consistency and continuity to public policy development when the elected Board of Directors work from guidelines that govern the planning and execution of transactions and projects.

Budget Policy

The District's budget is presented as a policy document, an operational tool, a financial planning tool, and a communication tool to the District's community and stakeholders. The purpose of the Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. The District's Budget Policy (Appendix #8) developed and adopted by Resolution of the Board on January 26, 2017, is intended to establish procedures to ensure consistent practices for developing the yearly budget.

Pension Funding Policy

The District's Pension Funding Policy (Appendix #9) was developed and adopted by Resolution of the Board on January 14, 2021, is intended to provide guidance and strategies to current and future Board of Directors for addressing the District's retirement liabilities. This policy includes internal budgeting, policy directives, and financing mechanisms.

Basis of Budgeting & Accounting

The District maintains its accounts on an accrual basis. Revenues are recognized when earned, and expenses are recognized when incurred.

The District is operated and reported as a single enterprise fund, which is an accounting entity that finances and accounts for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominately self-supporting through user charges.

Budgetary Control

The District views the budget as an essential tool for proper financial management. This budget is developed with input from the various program managers of the organization and is adopted prior to the start of each fiscal year. The Board of Directors must approve all supplemental appropriations to the budget. The level of budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) is at the Fund level. The Board monitors the budget through Quarterly Financial Reports, Quarterly Investment Reports, and Year-End Budget Reports.

Budget Process

The budget planning and preparation process is an important District activity and provides an opportunity for the Board of Directors, Management, and Staff to reassess goals and objectives for the upcoming and future years.

During the budget process, Management and Staff update current objectives and develop new ones for the upcoming fiscal year, all of which is discussed with the Board of Directors. The process is used to develop the draft budget that is presented to the Board of Directors for initial review. The Board reviews the draft budget and makes changes it deems appropriate. The budget is posted on the District's website.

The following is the budget calendar for the development of the FY2023-24 budget.

Budget Calendar

3/23/2023	Present Program Accomplishments FY22-23 Present Program Goals for FY23-24 FY23-24 Capital Projects Proposal FY23-24 Fixed Asset Proposal
4/20/2023	Projected End-of-Year Budget FY22-23 FY22-23 Capital Projects Projections Projected End-of-Year FY22-23 Reserves Draft Expense Budget Draft Revenue Budget Projected FY23-24 Reserve Balances
5/04/2023	3rd Quarter Review
5/25/2023	Draft Expense & Revenue Budget-Update Appropriation Limit FY23-24
6/8/2023	Draft FY23-24 Operating & Capital Budget
6/22/2023	Adoption of FY23-24 Operating & Capital Budget

Resolution No: 23-10

A Resolution of the Board of Directors
of Camrosa Water District

**Adopting the Operating and Capital Budget
for Fiscal Year 2023-2024**

Whereas, Staff and Management of the Camrosa Water District have developed a one-year operating and capital budget for Fiscal Year 2023-2024; and,

Whereas, the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all District funds for Fiscal Year 2023-2024; and,

Whereas, on May 25, 2023 and June 8, 2023, the proposed draft budget for Fiscal Year 2023-2024 was presented and reviewed at a regular meeting of the Board of Directors of the District; and,

Whereas, the final budget for Fiscal Year 2023-2024 was presented and considered by the Board of Directors at a regular meeting of June 22, 2023; and,

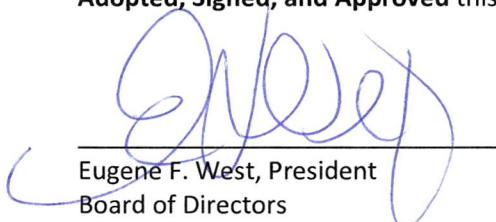
Whereas, the Board of Directors has determined that the proposed budget is consistent with the effective delivery of services by the District; and,

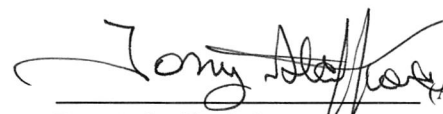
Whereas, the Board of Directors has determined that the budget shows that with necessary Board action there will be sufficient District revenues and financial reserves to meet the District's financial obligations over the next fiscal year; and,

Whereas, it is the desire of the Board of Directors to adopt the Operating and Capital Budget for Fiscal Year 2023-2024.

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the Operating and Capital Budget for Fiscal Year 2023-2024, attached hereto, is hereby approved and adopted.

Adopted, Signed, and Approved this 22nd day of June, 2023.


Eugene F. West, President
Board of Directors
Camrosa Water District

 (ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Budget Summary

Budget Summary	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Revenues								
Water Sales:								
Potable	\$ 10,655,664	\$ 12,772,834	\$ 12,280,448	\$ 11,004,700	\$ 9,499,916	\$ 12,939,700	\$ 1,935,000	17.58%
Recycle/Non-Potable	4,507,819	4,823,961	4,383,675	5,066,300	3,899,262	5,146,300	80,000	1.58%
Water Sales Pleasant Valley	1,340,423	1,669,579	1,677,229	1,261,500	1,508,356	1,833,063	571,563	45.31%
Meter Service Charge	2,312,427	2,346,434	2,515,456	2,591,900	2,608,954	2,792,500	200,600	7.74%
Sewer Service Charge	3,575,963	3,855,258	4,092,891	4,441,500	4,372,682	4,825,300	383,800	8.64%
Special Services	97,957	29,923	65,543	72,000	73,785	75,000	3,000	4.17%
Pump Zone Charges	46,037	55,411	47,212	52,000	31,985	52,000	-	0.00%
Miscellaneous	5,573	70,149	23,872	-	4,250	-	-	-
Total Operating Revenues	\$ 22,541,863	\$ 25,623,549	\$ 25,086,326	\$ 24,489,900	\$ 21,999,190	\$ 27,663,863	\$ 3,173,963	12.96%
Operating Expenses								
Import Water Purchases-Calleguas	\$ 7,974,574	\$ 9,401,950	\$ 7,701,097	\$ 5,610,474	\$ 5,203,356	\$ 6,824,973	\$ 1,214,499	21.65%
Calleguas Fixed Charge	764,544	853,914	913,008	974,290	906,822	941,928	(32,362)	-3.32%
Conejo Creek Project-Thousand Oaks	658,919	958,007	702,978	640,906	816,017	862,205	221,299	34.53%
CamSan	-	-	72,109	92,963	130,000	149,787	56,824	61.13%
Salinity Management Pipeline-Calleguas	134,156	159,937	203,701	257,177	87,183	266,896	9,719	3.78%
Production Power	1,199,125	1,446,955	1,790,639	1,704,964	1,897,204	1,866,178	161,214	9.46%
Total Production	\$ 10,731,318	\$ 12,820,763	\$ 11,383,532	\$ 9,280,774	\$ 9,040,582	\$ 10,911,967	\$ 1,631,193	17.58%
Regular Salaries	\$ 2,598,783	\$ 2,521,803	\$ 2,607,415	\$ 3,185,611	\$ 2,761,475	\$ 3,710,941	\$ 525,330	16.49%
Overtime/Standby	88,778	69,874	104,133	106,104	54,577	144,686	38,582	36.36%
Part Time	25,335	25,155	16,949	53,040	123,509	63,440	10,400	19.61%
Benefits	1,595,361	957,075	976,251	1,198,254	1,027,913	1,227,393	29,139	2.43%
Total Salaries & Benefits	\$ 4,308,257	\$ 3,573,907	\$ 3,704,748	\$ 4,543,009	\$ 3,967,474	\$ 5,146,460	\$ 603,451	13.28%
Outside Contracts	\$ 1,623,485	\$ 1,360,145	\$ 1,507,766	\$ 3,304,350	\$ 2,514,837	\$ 3,470,690	\$ 166,340	5.03%
Professional Services	200,667	266,470	1,075,087	1,196,090	952,384	2,202,450	1,006,360	84.14%
Total Outside Cont/Profess Services	\$ 1,824,152	\$ 1,626,615	\$ 2,582,853	\$ 4,500,440	\$ 3,467,221	\$ 5,673,140	\$ 1,172,700	26.06%
Utilities	\$ 74,600	\$ 91,251	\$ 105,509	\$ 100,700	\$ 117,000	\$ 116,500	\$ 15,800	15.69%
Communications	74,806	64,503	75,190	75,500	95,500	76,500	1,000	1.32%
Pipeline Repairs	360,221	304,382	441,364	490,000	490,000	490,000	-	0.00%
Small Tools & Equipment	18,689	14,613	15,025	33,350	37,401	35,350	2,000	6.00%
Materials & Supplies	377,328	504,752	683,329	810,415	699,251	1,049,065	238,650	29.45%
Repair Parts & Equipment Maintenance	834,298	644,601	631,705	1,022,000	925,000	1,112,500	90,500	8.86%
Legal Services	32,878	25,937	57,714	95,000	61,580	105,000	10,000	10.53%
Dues & Subscriptions	44,772	42,222	48,092	54,250	60,000	60,450	6,200	11.43%
Conference & Travel	26,132	3,494	15,245	15,300	18,500	23,400	8,100	52.94%
Safety & Training	22,855	18,182	24,672	49,300	35,000	46,700	(2,600)	-5.27%
Board Expense	115,808	125,403	126,254	133,000	133,000	140,000	7,000	5.26%
Bad Debt	4,420	41,346	7,826	10,000	10,000	10,000	-	0.00%
Fees & Charges	155,059	196,206	205,883	299,325	285,726	322,375	23,050	7.70%
Insurance	85,278	87,097	93,408	118,000	116,000	141,000	23,000	19.49%
Total Supplies & Services	\$ 2,227,144	\$ 2,163,989	\$ 2,531,216	\$ 3,306,140	\$ 3,083,958	\$ 3,728,840	\$ 422,700	12.79%
Total Expenses	\$ 19,090,871	\$ 20,185,274	\$ 20,202,349	\$ 21,630,363	\$ 19,559,235	\$ 25,460,407	\$ 3,830,044	17.71%
Net Operating Revenues	\$ 3,450,992	\$ 5,438,275	\$ 4,883,977	\$ 2,859,537	\$ 2,439,955	\$ 2,203,456	\$ (656,081)	-22.94%
Less: Non-Operating Expenses								
Debt Service 2011A/2016	\$ 1,033,231	\$ 1,034,531	\$ 1,044,631	\$ 1,035,331	\$ 1,035,331	\$ 1,039,931	\$ 4,600	0.44%
Debt Service 2012	1,096,750	-	-	-	-	-	-	-
Rate Stabilization Contribution	100,000	295,000	150,000	70,000	70,000	-	(70,000)	-100.00%
Capital Replacement Contribution	1,300,000	4,690,000	4,495,500	2,537,000	3,101,099	3,183,627	646,627	25.49%
Total Non-Operating Expenses	\$ 3,529,981	\$ 6,019,531	\$ 5,690,131	\$ 3,642,331	\$ 4,206,430	\$ 4,223,558	\$ 581,227	15.96%
Add: Non-Operating Revenues								
Interest Revenues	\$ 655,911	\$ 141,595	\$ 129,914	\$ 68,000	\$ 1,239,087	\$ 1,404,272	\$ 1,336,272	1965.11%
Taxes	661,932	700,753	721,241	734,527	756,405	791,000	56,473	9.10%
Total Non-Operating Revenues	\$ 1,317,843	\$ 842,348	\$ 851,155	\$ 802,527	\$ 1,995,492	\$ 2,195,272	\$ 1,392,745	173.54%
Net Operating Results	\$ 1,238,854	\$ 261,092	\$ 45,001	\$ 19,733	\$ 229,017	\$ 175,170	\$ 155,437	
Capital Fees	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ 246,750	\$ -	\$ -	-
Mitigation & In-Lieu Fees	-	1,324,678	-	-	298,743	-	-	-
GAC Reimbursement	-	-	16,191,774	-	-	-	-	-
Grants	326,415	777	187	-	-	-	-	-
Net Operating Results After Capital Fees & Grants	\$ 336,240	\$ 1,381,280	\$ 16,191,961	\$ -	\$ 545,493	\$ -	\$ -	
Capital Fees & Grants	\$ 1,575,094	\$ 1,642,372	\$ 16,236,962	\$ 19,733	\$ 774,510	\$ 175,170	\$ 155,437	

*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget

Water Program

Water Program	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY2023-24	*Increase (Decrease) over PY	*% Change over PY
Revenues								
Water Sales:								
Potable	\$ 10,655,664	\$ 12,772,834	\$ 12,280,448	\$ 11,004,700	\$ 9,499,916	\$ 12,939,700	\$ 1,935,000	17.58%
Recycle/Non-Potable	4,507,819	4,823,961	4,383,675	5,066,300	3,899,262	5,146,300	80,000	1.58%
Water Sales Pleasant Valley	1,340,423	1,669,579	1,677,229	1,261,500	1,508,356	1,833,063	571,563	45.31%
Meter Service Charge	2,312,427	2,346,434	2,515,456	2,591,900	2,608,954	2,792,500	200,600	7.74%
Special Services	69,266	25,378	50,750	55,000	56,285	58,000	3,000	5.45%
Pump Zone Charges	46,037	55,411	47,212	52,000	31,985	52,000	-	0.00%
Miscellaneous	4,272	69,331	15,804	-	2,763	-	-	-
Total Operating Revenues	\$ 18,935,908	\$ 21,762,928	\$ 20,970,574	\$ 20,031,400	\$ 17,607,521	\$ 22,821,563	\$ 2,790,163	13.93%
Operating Expenses								
Import Water Purchases-Calleguas	\$ 7,974,574	\$ 9,401,950	\$ 7,701,097	\$ 5,610,474	\$ 5,203,356	\$ 6,824,973	\$ 1,214,499	21.65%
Calleguas Fixed Charge	764,544	853,914	913,008	974,290	906,822	941,928	(32,362)	-3.32%
Conejo Creek Project	658,919	958,007	702,978	640,906	816,017	862,205	221,299	34.53%
CamSan	-	-	72,109	92,963	130,000	149,787	56,824	61.13%
Salinity Management Pipeline-Calleguas	120,048	150,165	192,180	234,193	78,933	243,912	9,719	4.15%
Production Power	1,199,125	1,446,955	1,790,639	1,704,964	1,897,204	1,866,178	161,214	9.46%
Total Production	\$ 10,717,210	\$ 12,810,991	\$ 11,372,011	\$ 9,257,790	\$ 9,032,332	\$ 10,888,983	\$ 1,631,193	17.62%
Regular Salaries	\$ 1,724,293	\$ 1,639,172	\$ 1,694,820	\$ 2,070,647	\$ 1,794,959	\$ 2,412,112	\$ 341,465	16.49%
Overtime/Standby	58,904	45,418	67,686	68,968	35,475	94,046	25,078	36.36%
Part Time	16,810	16,351	11,017	34,476	80,281	41,236	6,760	19.61%
Benefits	1,058,522	622,099	634,563	778,865	668,143	797,805	18,940	2.43%
Total Salaries & Benefits	\$ 2,858,529	\$ 2,323,040	\$ 2,408,086	\$ 2,952,956	\$ 2,578,858	\$ 3,345,199	\$ 392,243	13.28%
Outside Contracts	\$ 863,751	\$ 662,585	\$ 772,568	\$ 1,983,487	\$ 1,365,644	\$ 2,066,848	\$ 83,361	4.20%
Professional Services	115,666	147,250	953,167	889,958	666,300	1,567,042	677,084	76.08%
Total Outside Cont/Profess Services	\$ 979,417	\$ 809,835	\$ 1,725,735	\$ 2,873,445	\$ 2,031,944	\$ 3,633,890	\$ 760,445	26.46%
Utilities	\$ 55,714	\$ 71,569	\$ 82,105	\$ 75,655	\$ 86,250	\$ 85,925	\$ 10,270	13.57%
Communications	48,624	41,927	48,873	49,075	62,075	49,725	650	1.32%
Pipeline Repairs	347,130	299,013	418,343	480,000	480,000	480,000	-	0.00%
Small Tools & Equipment	16,249	12,681	13,128	29,152	31,110	30,452	1,300	4.46%
Materials & Supplies	287,125	377,140	538,205	661,752	539,113	866,473	204,721	30.94%
Repair Parts & Equipment Maintenance	715,504	563,015	575,464	886,325	814,000	971,325	85,000	9.59%
Legal Services	21,371	16,861	37,514	79,250	40,027	85,750	6,500	8.20%
Dues & Subscriptions	29,102	27,444	31,260	33,313	37,050	37,342	4,029	12.09%
Conference & Travel	16,986	2,271	9,909	9,945	12,025	15,210	5,265	52.94%
Safety & Training	14,856	11,818	16,037	32,045	22,750	30,355	(1,690)	-5.27%
Board Expense	75,275	81,512	82,065	86,450	86,450	91,000	4,550	5.26%
Bad Debt	2,873	41,292	5,087	6,500	6,500	6,500	-	0.00%
Fees & Charges	98,585	130,157	141,783	200,162	192,523	217,495	17,333	8.66%
Insurance	55,431	56,613	60,715	76,700	75,400	91,650	14,950	19.49%
Total Supplies & Services	\$ 1,784,825	\$ 1,733,313	\$ 2,060,488	\$ 2,706,324	\$ 2,485,273	\$ 3,059,202	\$ 352,878	13.04%
Total Expenses	\$ 16,339,981	\$ 17,677,179	\$ 17,566,320	\$ 17,790,515	\$ 16,128,407	\$ 20,927,274	\$ 3,136,759	17.63%
Net Operating Revenues	\$ 2,595,927	\$ 4,085,749	\$ 3,404,254	\$ 2,240,885	\$ 1,479,114	\$ 1,894,289	\$ (346,596)	-15.47%
Less: Non-Operating Expenses								
Debt Service 2011A/2016	\$ 846,581	\$ 843,081	\$ 853,681	\$ 845,806	\$ 845,806	\$ 852,031	\$ 6,225	0.74%
Rate Stabilization Contribution	100,000	295,000	70,000	70,000	70,000	-	(70,000)	-100.00%
Capital Replacement Contribution	1,250,000	3,540,000	3,265,500	2,097,000	2,226,000	2,919,627	822,627	39.23%
Total Non-Operating Expenses	\$ 2,862,831	\$ 4,678,081	\$ 4,189,181	\$ 3,012,806	\$ 3,141,806	\$ 3,771,658	\$ 758,852	25.19%
Add: Non-Operating Revenues								
Interest Revenues	\$ 502,387	\$ 108,987	\$ 102,841	\$ 55,000	\$ 1,052,688	\$ 1,192,562	\$ 1,137,562	2068.29%
Taxes	661,932	700,753	721,241	734,527	756,405	791,000	56,473	7.69%
Total Non-Operating Revenues	\$ 1,164,319	\$ 809,740	\$ 824,082	\$ 789,527	\$ 1,809,093	\$ 1,983,562	\$ 1,194,035	151.23%
Net Operating Results	\$ 897,415	\$ 217,408	\$ 39,155	\$ 17,606	\$ 146,401	\$ 106,193	\$ 88,587	
Capital Fees	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ 13,000	\$ -	\$ -	-
Mitigation & In-Lieu Fees	-	1,324,678	-	-	298,743	-	-	-
GAC Reimbursement	-	-	16,191,774	-	-	-	-	-
Grants	326,415	777	187	-	-	-	-	-
Net Operating Results After Capital Fees & Grants	\$ 1,233,655	\$ 1,598,688	\$ 16,231,116	\$ 17,606	\$ 458,144	\$ 106,193	\$ 88,587	
Debt Ratio	2.49	7.44	10.71	3.58	4.26	4.55		
<i>*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget</i>								

Potable Water Program

Potable Water Program	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Revenues								
Water Sales:								
Potable	\$ 10,655,664	\$ 12,772,834	\$ 12,280,448	\$ 11,004,700	\$ 9,499,916	\$ 12,939,700	\$ 1,935,000	17.58%
Meter Service Charge	2,181,678	2,218,854	2,387,210	2,465,300	2,467,795	2,635,000	169,700	6.88%
Special Services	40,258	20,362	30,107	30,000	33,417	33,000	3,000	10.00%
Pump Zone Charges	28,045	32,650	28,351	31,000	18,977	31,000	-	0.00%
Miscellaneous	3,112	68,663	8,612	-	1,437	-	-	-
Total Operating Revenues	\$ 12,908,757	\$ 15,113,363	\$ 14,734,728	\$ 13,531,000	\$ 12,021,542	\$ 15,638,700	\$ 2,107,700	15.58%
Operating Expenses								
Import Water Purchases-Calleguas	\$ 7,349,836	\$ 8,803,462	\$ 7,111,433	\$ 4,841,579	\$ 4,846,676	\$ 6,079,149	\$ 1,237,570	25.56%
Calleguas Fixed Charge	764,544	853,914	913,008	974,290	906,822	941,928	(32,362)	-3.32%
Salinity Management Pipeline-Calleguas	120,048	150,165	192,180	234,193	78,933	243,912	9,719	4.15%
Production Power	420,625	553,575	790,387	840,781	795,799	910,802	70,021	8.33%
Total Production	\$ 8,655,053	\$ 10,361,116	\$ 9,007,008	\$ 6,890,843	\$ 6,628,230	\$ 8,175,791	\$ 1,284,948	18.65%
Regular Salaries	\$ 1,148,379	\$ 1,065,462	\$ 1,101,633	\$ 1,345,921	\$ 1,166,723	\$ 1,567,873	\$ 221,952	16.49%
Overtime/Standby	39,230	29,522	43,996	44,829	23,059	61,130	16,301	36.36%
Part Time	11,196	10,628	7,161	22,409	52,183	26,803	4,394	19.61%
Benefits	704,976	404,364	412,466	506,262	434,293	518,574	12,312	2.43%
Total Salaries & Benefits	\$ 1,903,781	\$ 1,509,976	\$ 1,565,256	\$ 1,919,421	\$ 1,676,258	\$ 2,174,380	\$ 254,959	13.28%
Outside Contracts	\$ 539,579	\$ 360,672	\$ 470,823	\$ 1,171,401	\$ 772,135	\$ 1,214,831	\$ 43,430	3.71%
Professional Services	69,071	87,610	555,074	579,978	435,276	947,122	367,144	63.30%
Total Outside Cont/Profess Services	\$ 608,650	\$ 448,282	\$ 1,025,897	\$ 1,751,379	\$ 1,207,411	\$ 2,161,953	\$ 410,574	23.44%
Utilities	\$ 48,144	\$ 63,840	\$ 72,720	\$ 66,701	\$ 72,210	\$ 72,041	\$ 5,340	8.01%
Communications	25,285	21,802	25,414	25,519	32,279	25,857	338	1.32%
Pipeline Repairs	309,232	289,955	397,705	380,000	380,000	380,000	-	0.00%
Small Tools & Equipment	14,633	12,477	11,943	22,419	23,437	23,095	676	3.02%
Materials & Supplies	236,173	325,393	483,875	573,071	451,539	770,006	196,935	34.36%
Repair Parts & Equipment Maintenance	336,606	366,596	365,973	505,689	492,880	585,889	80,200	15.86%
Legal Services	11,113	8,768	19,507	40,210	20,814	43,590	3,380	8.41%
Dues & Subscriptions	15,133	14,271	16,255	17,323	19,266	19,418	2,095	12.09%
Conference & Travel	8,833	1,181	5,153	5,171	6,253	7,909	2,738	52.95%
Safety & Training	7,725	6,145	8,339	16,663	11,830	15,785	(878)	-5.27%
Board Expense	39,143	42,386	42,674	44,954	44,954	47,320	2,366	5.26%
Bad Debt	1,494	1,857	2,645	3,380	3,380	3,380	-	0.00%
Fees & Charges	76,137	108,505	125,856	169,260	166,068	183,953	14,693	8.68%
Insurance	28,824	29,439	31,572	39,884	39,208	47,658	7,774	19.49%
Total Supplies & Services	\$ 1,158,475	\$ 1,292,615	\$ 1,609,631	\$ 1,910,244	\$ 1,764,118	\$ 2,225,901	\$ 315,657	164%
Total Expenses	\$ 12,325,959	\$ 13,611,989	\$ 13,207,792	\$ 12,471,887	\$ 11,276,017	\$ 14,738,025	\$ 2,266,138	18.17%
Net Operating Revenues	\$ 582,798	\$ 1,501,374	\$ 1,526,936	1,059,113	745,525	\$ 900,675	\$ (158,438)	-14.96%
Less: Non-Operating Expenses								
Debt Service 2011A/2016	\$ 816,338	\$ 813,066	\$ 823,036	\$ 815,588	\$ 815,588	\$ 821,677	\$ 6,089	0.75%
Rate Stabilization Contribution	100,000	-	-	-	-	-	-	-
Capital Replacement Contribution	50,000	990,000	1,176,500	710,000	1,091,000	1,437,227	727,227	102.43%
Total Non-Operating Expenses	\$ 966,338	\$ 1,803,066	\$ 1,999,536	\$ 1,525,588	\$ 1,906,588	\$ 2,258,904	\$ 733,316	48.07%
Add: Non-Operating Revenues								
Interest Revenues	421,383	82,090	78,726	40,000	853,119	959,183	\$ 919,183	2297.96%
Taxes	397,159	420,452	432,745	440,716	453,843	475,000	34,284	7.78%
Total Non-Operating Revenues	\$ 818,542	\$ 502,542	\$ 511,471	\$ 480,716	\$ 1,306,962	\$ 1,434,183	\$ 953,467	2305.74%
Net Operating Results	\$ 435,002	\$ 200,850	\$ 38,871	\$ 14,241	\$ 145,899	\$ 75,954	\$ 61,713	433.35%
Capital Fees	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ 13,000	\$ -	\$ -	-
Mitigation & In-Lieu Fees	-	1,324,678	-	-	298,743	-	-	-
GAC reimbursement	-	-	16,191,774	-	-	-	-	-
Grants	73,231	-	-	-	-	-	-	-
Net Operating Results After Capital Fees & Grants	\$ 83,056	\$ 1,380,503	\$ 16,191,774	\$ -	\$ 311,743	\$ -	\$ -	-
Capital Fees & Grants	\$ 518,058	\$ 1,581,353	\$ 16,230,645	\$ 14,241	\$ 457,642	\$ 75,954	\$ 61,713	

*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget

Non-Potable Water Program

Non-Potable Water Program	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Revenues								
Water Sales:								
Recycle/Non-Potable	\$ 4,507,819	\$ 4,823,961	\$ 4,383,675	\$ 5,066,300	\$ 3,899,262	\$ 5,146,300	\$ 80,000	1.58%
Water Sales Pleasant Valley	1,340,423	1,669,579	1,677,229	1,261,500	1,508,356	1,833,063	571,563	45.31%
Meter Service Charge	130,749	127,580	128,246	126,600	141,159	157,500	30,900	24.41%
Special Services	29,008	5,016	20,643	25,000	22,868	25,000	-	0.00%
Pump Zone Charges	17,992	22,761	18,861	21,000	13,008	21,000	-	0.00%
Miscellaneous	1,160	668	7,192	-	1,326	-	-	-
Total Operating Revenues	\$ 6,027,151	\$ 6,649,565	\$ 6,235,846	\$ 6,500,400	\$ 5,585,979	\$ 7,182,863	\$ 682,463	10.50%
Operating Expenses								
Import Water Purchases-Calleguas	\$ 624,738	\$ 598,488	\$ 589,664	\$ 768,895	\$ 356,680	\$ 745,824	\$ (23,071)	-3.00%
Conejo Creek Project	658,919	958,007	702,978	640,906	816,017	862,205	221,299	34.53%
CamSan	-	-	72,109	92,963	130,000	149,787	56,824	61.13%
Production Power	778,500	893,380	1,000,252	864,183	1,101,405	955,376	91,193	10.55%
Total Production	\$ 2,062,157	\$ 2,449,875	\$ 2,365,003	\$ 2,366,947	\$ 2,404,102	\$ 2,713,192	\$ 346,245	14.63%
Regular Salaries	\$ 575,914	\$ 573,710	\$ 593,187	\$ 724,726	\$ 628,236	\$ 844,239	\$ 119,513	16.49%
Overtime/Standby	19,674	15,896	23,690	24,139	12,416	32,916	8,777	36.36%
Part Time	5,614	5,723	3,856	12,067	28,098	14,433	2,366	19.61%
Benefits	353,546	217,735	222,097	272,603	233,850	279,231	6,628	2.43%
Total Salaries & Benefits	\$ 954,748	\$ 813,064	\$ 842,830	\$ 1,033,535	\$ 902,600	\$ 1,170,819	\$ 137,284	13.28%
Outside Contracts	\$ 324,172	\$ 301,913	\$ 301,745	\$ 812,086	\$ 593,509	\$ 852,017	\$ 39,931	4.92%
Professional Services	46,595	59,640	398,093	309,980	231,024	619,920	309,940	99.99%
Total Outside Cont/Profess Services	\$ 370,767	\$ 361,553	\$ 699,838	\$ 1,122,066	\$ 824,533	\$ 1,471,937	\$ 349,871	31.18%
Utilities	\$ 7,570	\$ 7,729	\$ 9,385	\$ 8,954	\$ 14,040	\$ 13,884	\$ 4,930	55.06%
Communications	23,339	20,125	23,459	23,556	29,796	23,868	312	1.32%
Pipeline Repairs	37,898	9,058	20,638	100,000	100,000	100,000	-	0.00%
Small Tools & Equipment	1,616	204	1,185	6,733	7,673	7,357	624	9.27%
Materials & Supplies	50,952	51,747	54,330	88,681	87,574	96,467	7,786	8.78%
Repair Parts & Equipment Maintenance	378,898	196,419	209,491	380,636	321,120	385,436	4,800	1.26%
Legal Services	10,258	8,093	18,007	39,040	19,213	42,160	3,120	7.99%
Dues & Subscriptions	13,969	13,173	15,005	15,990	17,784	17,924	1,934	12.10%
Conference & Travel	8,153	1,090	4,756	4,774	5,772	7,301	2,527	52.93%
Safety & Training	7,131	5,673	7,698	15,382	10,920	14,570	(812)	-5.28%
Board Expense	36,132	39,126	39,391	41,496	41,496	43,680	2,184	5.26%
Bad Debt	1,379	39,435	2,442	3,120	3,120	3,120	-	0.00%
Fees & Charges	22,448	21,652	15,927	30,902	26,455	33,542	2,640	8.54%
Insurance	26,607	27,174	29,143	36,816	36,192	43,992	7,176	19.49%
Total Supplies & Services	\$ 626,350	\$ 440,698	\$ 450,857	\$ 796,080	\$ 721,155	\$ 833,301	\$ 37,221	4.68%
Total Expenses	\$ 4,014,022	\$ 4,065,190	\$ 4,358,528	\$ 5,318,628	\$ 4,852,390	\$ 6,189,249	\$ 870,621	16.37%
Net Operating Revenues	\$ 2,013,129	\$ 2,584,375	\$ 1,877,318	\$ 1,181,772	\$ 733,589	\$ 993,614	\$ (188,158)	-15.92%
Less: Non-Operating Expenses								
Debt Service 2011A/2016	\$ 30,243	\$ 30,015	\$ 30,645	\$ 30,218	\$ 30,218	\$ 30,354	\$ 136	0.45%
Rate Stabilization Contribution	-	295,000	70,000	70,000	70,000	-	(70,000)	-100.00%
Capital Replacement Contribution	1,200,000	2,550,000	2,089,000	1,387,000	1,135,000	1,482,400	95,400	6.88%
Total Non-Operating Expenses	\$ 1,896,493	\$ 2,875,015	\$ 2,189,645	\$ 1,487,218	\$ 1,235,218	\$ 1,512,754	\$ 25,536	1.72%
Add: Non-Operating Revenues								
Interest Revenues	\$ 81,004	\$ 26,897	\$ 24,115	\$ 15,000	\$ 199,569	\$ 233,379	\$ 218,379	1455.86%
Taxes	264,773	280,301	288,496	293,811	302,562	316,000	22,189	7.55%
Total Non-Operating Revenues	\$ 345,777	\$ 307,198	\$ 312,611	\$ 308,811	\$ 502,131	\$ 549,379	\$ 240,568	77.90%
Net Operating Results	\$ 462,413	\$ 16,558	\$ 284	\$ 3,365	\$ 502	\$ 30,239	\$ 26,874	
Capital Fees	-	-	-	-	-	-	-	-
Mitigation & In-Lieu Fees	-	-	-	-	-	-	-	-
Grants	253,184	777	187	-	-	-	-	-
\$ 253,184	\$ 777	\$ 187	\$ -	\$ -	\$ -	\$ -		
Net Operating Results After Capital Fees & Grants	\$ 715,597	\$ 17,335	\$ 471	\$ 3,365	\$ 502	\$ 30,239	\$ 26,874	

*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget

Wastewater Program

Wastewater Program	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Revenues								
Sewer Service Charge	\$ 3,575,963	\$ 3,855,258	\$ 4,092,891	\$ 4,441,500	\$ 4,372,682	\$ 4,825,300	\$ 383,800	8.64%
Special Services	28,691	4,545	14,793	17,000	17,500	17,000	-	0.00%
Miscellaneous	1,301	818	8,068	-	1,487	-	-	-
Total Operating Revenues	\$ 3,605,955	\$ 3,860,621	\$ 4,115,752	\$ 4,458,500	\$ 4,391,669	\$ 4,842,300	\$ 383,800	8.61%
Operating Expenses								
Salinity Management Pipeline-Calleguas	\$ 14,108	\$ 9,772	\$ 11,521	\$ 22,984	\$ 8,250	\$ 22,984	-	0.00%
Total Production	\$ 14,108	\$ 9,772	\$ 11,521	\$ 22,984	\$ 8,250	\$ 22,984	\$ -	0.00%
Regular Salaries	\$ 874,490	\$ 882,631	\$ 912,595	\$ 1,114,964	\$ 966,516	\$ 1,298,829	\$ 183,865	16.49%
Overtime/Standby	29,874	24,456	36,447	37,136	19,102	50,640	13,504	36.36%
Part Time	8,525	8,804	5,932	18,564	43,228	22,204	3,640	19.61%
Benefits	536,839	334,976	341,688	419,389	359,770	429,588	10,199	2.43%
Total Salaries & Benefits	\$ 1,449,728	\$ 1,250,867	\$ 1,296,662	\$ 1,590,053	\$ 1,388,616	\$ 1,801,261	\$ 211,208	13.28%
Outside Contracts	\$ 759,734	\$ 697,560	\$ 735,198	\$ 1,320,863	\$ 1,149,193	\$ 1,403,842	\$ 82,979	6.28%
Professional Services	85,001	119,220	121,920	306,132	286,084	635,408	329,276	107.56%
Total Outside Cont/Profess Services	\$ 844,735	\$ 816,780	\$ 857,118	\$ 1,626,995	\$ 1,435,277	\$ 2,039,250	\$ 412,255	25.34%
Utilities	\$ 18,886	\$ 19,682	\$ 23,404	\$ 25,045	\$ 30,750	\$ 30,575	\$ 5,530	22.08%
Communications	26,182	22,576	26,317	26,425	33,425	26,775	350	1.32%
Pipeline Repairs	13,091	5,369	23,021	10,000	10,000	10,000	-	0.00%
Small Tools & Equipment	2,440	1,932	1,897	4,198	6,291	4,898	700	16.67%
Materials & Supplies	90,203	127,612	145,124	148,663	160,138	182,592	33,929	22.82%
Repair Parts & Equipment Maintenance	118,794	81,586	56,241	135,675	111,000	141,175	5,500	4.05%
Legal Services	11,507	9,076	20,200	15,750	21,553	19,250	3,500	22.22%
Dues & Subscriptions	15,670	14,778	16,832	20,937	22,950	23,108	2,171	10.37%
Conference & Travel	9,146	1,223	5,336	5,355	6,475	8,190	2,835	52.94%
Safety & Training	7,999	6,364	8,635	17,255	12,250	16,345	(910)	-5.27%
Board Expense	40,533	43,891	44,189	46,550	46,550	49,000	2,450	5.26%
Bad Debt	1,547	54	2,739	3,500	3,500	3,500	-	0.00%
Fees & Charges	56,474	66,049	64,100	99,163	93,203	104,880	5,717	5.77%
Insurance	29,847	30,484	32,693	41,300	40,600	49,350	8,050	19.49%
Total Supplies & Services	\$ 442,319	\$ 430,676	\$ 470,728	\$ 599,816	\$ 598,685	\$ 669,638	\$ 69,822	11.64%
Total Expenses	\$ 2,750,890	\$ 2,508,095	\$ 2,636,029	\$ 3,839,848	\$ 3,430,828	\$ 4,533,133	\$ 693,285	18.06%
Net Operating Revenues	\$ 855,065	\$ 1,352,526	\$ 1,479,723	\$ 618,652	\$ 960,841	\$ 309,167	\$ (309,485)	-50.03%
Less: Non-Operating Expenses								
Debt Service 2011A/2016	\$ 186,650	\$ 191,450	\$ 190,950	\$ 189,525	\$ 189,525	\$ 187,900	\$ (1,625)	-0.86%
Rate Stabilization Contribution	-	-	80,000	-	-	-	-	-
Capital Replacement Contribution	50,000	1,150,000	1,230,000	440,000	875,099	264,000	(176,000)	-40.00%
Total Non-Operating Expenses	\$ 667,150	\$ 1,341,450	\$ 1,500,950	\$ 629,525	\$ 1,064,624	\$ 451,900	\$ (177,625)	-28.22%
Add: Non-Operating Revenues								
Interest Revenues	\$ 153,524	\$ 32,608	\$ 27,073	\$ 13,000	\$ 186,399	\$ 211,710	\$ 198,710	1528.54%
Total Non-Operating Revenues	\$ 153,524	\$ 32,608	\$ 27,073	\$ 13,000	\$ 186,399	\$ 211,710	\$ 198,710	1528.54%
Net Operating Results	\$ 341,439	\$ 43,684	\$ 5,846	\$ 2,127	\$ 82,616	\$ 68,977	\$ 66,850	
Capital Fees	-	-	-	-	233,750	-	-	-
Net Operating Results After Capital Fees & Grants	\$ -	\$ -	\$ -	\$ -	\$ 233,750	\$ -	\$ -	\$ -
Debt Ratio	1.63	7.23	7.89	3.33	7.29	2.77		

*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget

Revenues

Camrosa's revenues are received from seven major sources. Water Sales represent approximately 67% of the total revenues, Water Meter Service Charges are typically 9% of revenues, Sewer Service Charges are about 16%, Taxes 3%, interest 5% and a small amount from Special Service fees (new account starts, plan check fees, late penalties, and reconnection fees), and Pump Zone surcharges.

FY2022-23

Total operating and non-operating revenues for FY2022-23 are projected to be \$24,540,175 or approximately \$752,252 below budget. This decrease in revenue is due to a decrease in potable and non-potable water sales within the District below budgeted sales projections. Total projected water sales served within the District of approximately 10,159 AF is below the budgeted sales of 12,257 AF.

FY2023-24

Water Sales The District treats water as a commodity, generating revenue by measuring consumption at the customer's meter. Water sales represent 67% of the Total Revenue. Water sales are greatly dependent on weather patterns.

The District uses a conservative three-year average projection for water sales volume. The budgeted sales for FY2023-24 is 12,614 AF, of which 6,893 AF is potable and 5,721 AF is non-potable/recycled water served within the District. Water sales include the adopted potable and non-potable commodity and meter rates effective July 1, 2023. FY2023-24 water sales revenues are projected to be \$18,086,000 within the District's service area. The District's Schedule of Water and Wastewater Rates is located in Appendix #3.

Non-potable water sold to Pleasant Valley County Water District (PVCWD) is captured in separate expense and revenue line items in the District's budget. The FY2023-24 budget projection for PVCWD water sales in the amount of \$1,833,063 of which 3,810 AF of Conejo Creek and 490 AF CWRW recycled water, using a three-year average of deliveries, and 1,289 AF of CamSan recycled water.

Meter Service Charges are monthly customer fees based on the size of the meter installed. Meter Service Charges account for 9% of Total Revenue for FY2023-24. FY2023-24 meter service charge revenue is expected to be \$2,792,500, based upon the average number of service connections and the meter service fee rates effective July 1, 2023. The District's Schedule of Water and Wastewater Rates is located in Appendix #3.

Sewer Service Charge revenues for the FY2023-24 budget year are expected to be \$4,825,300 or 16% of Total Revenue. Sewer Service Charges are billed to all customers as a flat monthly rate, currently \$43.05 (effective July 1, 2023). The estimated revenue for Sewer Service Charges is based upon the District's number of customers at the current flat monthly rate.

Interest revenue is budgeted at \$1,404,272 or 5% of the Total Revenue. Interest income is earned on the cash balance held in either in Local Agency Investment Fund (LAIF), Treasury Bills or held in reserves with the District's Fiscal Trustee. The budget uses a 2.62% rate of return in projected balances.

Tax revenue is budgeted at \$791,000 for FY2023-24, or 3% of the Total Revenue. Tax revenue is based upon an average of five years of historical receipts. The District receives property tax revenues collected by the County of Ventura via the Property Tax Roll and are remitted to the District semi-annually.

Spending limits for the District are governed by the 1979 passage of California Proposition 4, Limitations of Government Appropriations (Article XIII B of the California Constitution, commonly known as the GANN limit). Proposition 4 places an appropriations limit on most spending from tax proceeds. The District's FY2023-24 Gann Limit is \$999,474.

Capital Connection Fees are not being projected as part of the FY2023-24 budget. The District is near build-out, and while a few small developments may begin construction within the five-year financial forecast, their timing is uncertain and their capital contribution would be negligible.

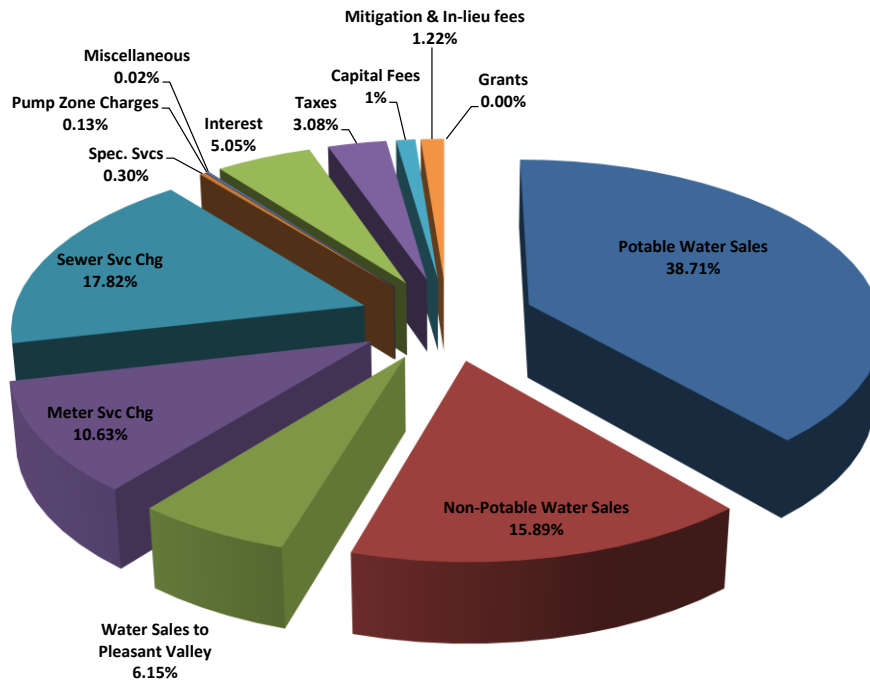
Special Services are various fees for turn-off/turn-on, late fees, and other miscellaneous administrative fees. Special Services revenues are budgeted at \$75,000. Revenue from Special Services is based upon our projected revenues for FY2022-23.

Pump Zone/Miscellaneous revenue applies to certain areas in the District that are situated at higher elevations and therefore require additional pumping. Revenues are estimated to be \$52,000 for FY2023-24 based on projected deliveries.

Total Revenues are expected to reach \$29,859,135 in June 30, 2024.

Comparison of Total Revenues

FY2022-2023 Projected Operating & Non-Operating Revenues - \$24,540,175



FY2023-24 Budgeted Operating & Non-Operating Revenues \$29,859,135

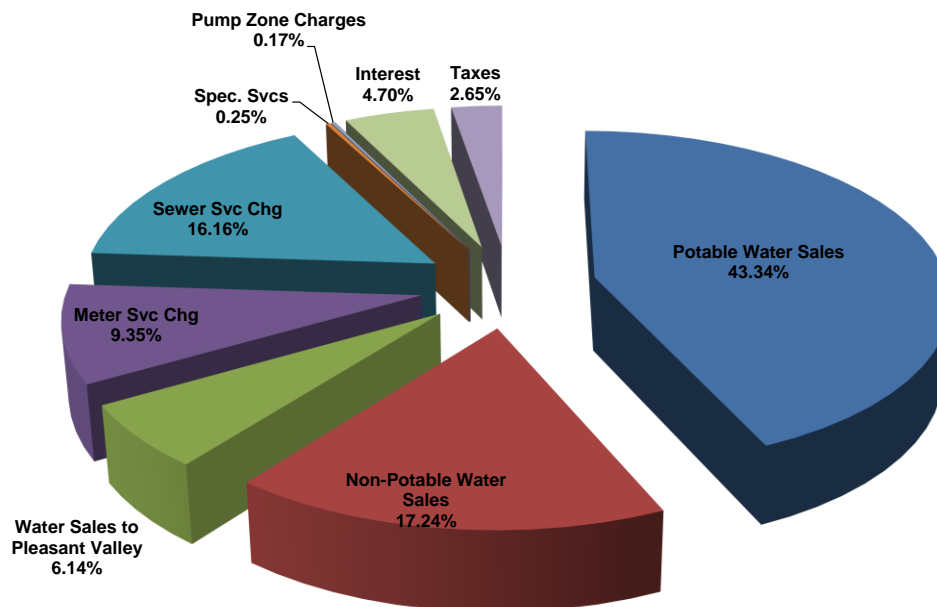


Figure 12 – Comparison of Total Revenues

Expense Centers

The Water Operations is separated between the potable and non-potable water programs, as distinct and self-supporting enterprises.

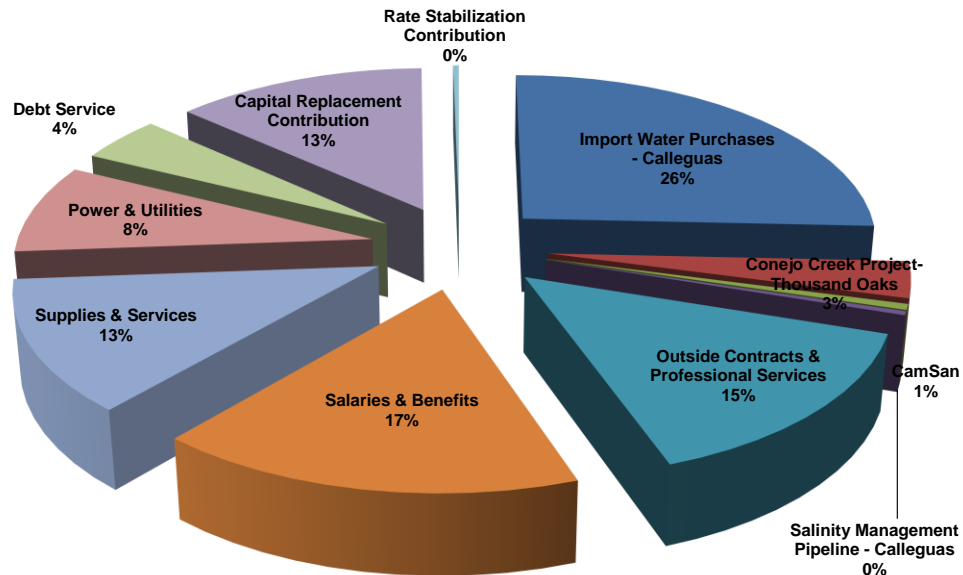
Salaries & Benefits and indirect support services are allocated to Water Operations (65%) and Wastewater Operations (35%), with the exception of the Water Quality Program, which is distributed 50:50 between the two programs. Non-operating revenues are allocated to the enterprise that generates the revenues with the exception of taxes, which are allocated 100% to Water Operations. Tax revenue distribution follows a cost-of-service methodology; all District customers receive water, and the tax rate is the same across the District, regardless of whether customers receive wastewater service from Camrosa or not.

Within the Water Operations, Salaries & Benefits are distributed 65% to the Potable Program and 35% to the Non-Potable Program. This allocation is based on what percentage of time staff spends on either system. An informal survey was conducted to determine the percentage allocation. All other indirect support services are distributed 52% to Potable and 48% to Non-Potable.

Debt Service costs are allocated to Water and Wastewater Operations based on the level of debt originally incurred in each enterprise.

Comparison of Total Expenses

FY2022-23 Projected Operating & Non-Operating Expenses - \$23,765,665



FY2023-24 Budgeted Operating & Non-Operating Expenses - \$29,683,965

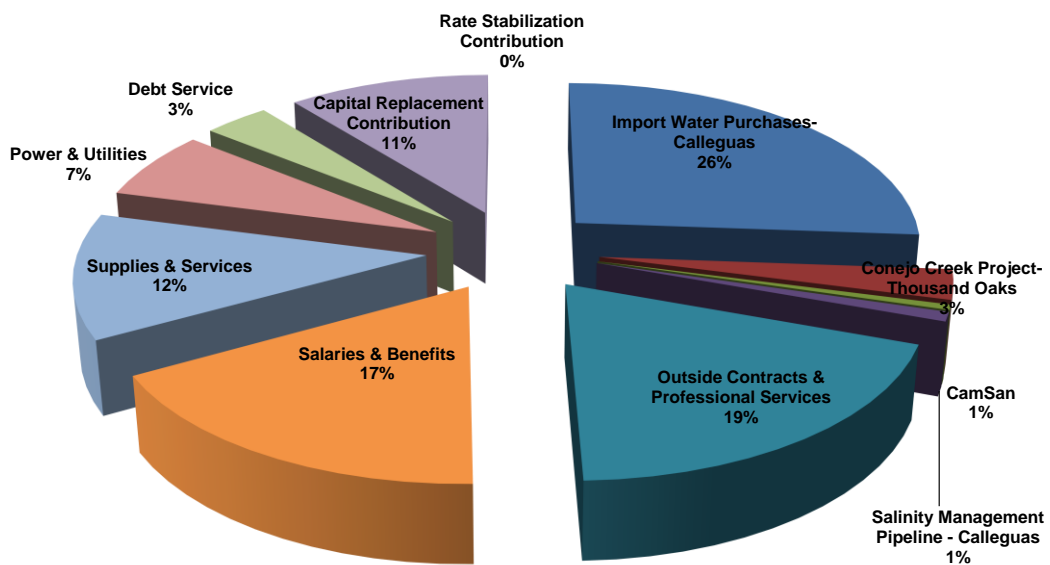


Figure 13 – Comparison of Total Expenses

Expense Summary By Program

The following pages summarize the District's individual Expense Programs; a detailed accounting is provided in Appendix #2. The Potable (Program 52) and Non-Potable (Program 53) programs both fall under the Water Operations; Wastewater Operations stands alone (Program 57). All other programs indirectly support both the Water and Wastewater Operations. The District's Salaries & Benefits are budgeted in Human Resources (Program 5) and allocated as described in Expense Centers, previously.

Human Resources – Program 05

The objective of Human Resources program is twofold: to capture all human resource costs in a single program in order to compare total costs of this resource by fiscal year; and to capture all costs for later allocation to the three cost centers to simplify the accounting necessary to track labor costs. Included in this program are all Salaries and Benefits for both full-time and part-time personnel, temporary contract labor, and miscellaneous personnel support costs such as uniforms, certification fees, training, and travel. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Zero Lost-Time Accidents
- District employees continued advancement in water, wastewater, and laboratory certifications.
- District staff utilized the Tuition reimbursement program
- Successfully recruited a Water Loss Control Coordinator, Laboratory Analyst, and a System Operator
- Provided monthly safety training to all staff
- Continued Part-Time Student Employee Program
- Updated 457 Plan document to incorporate the SECURE, BAMA, and CAREs Acts

Goals for 2023-2024

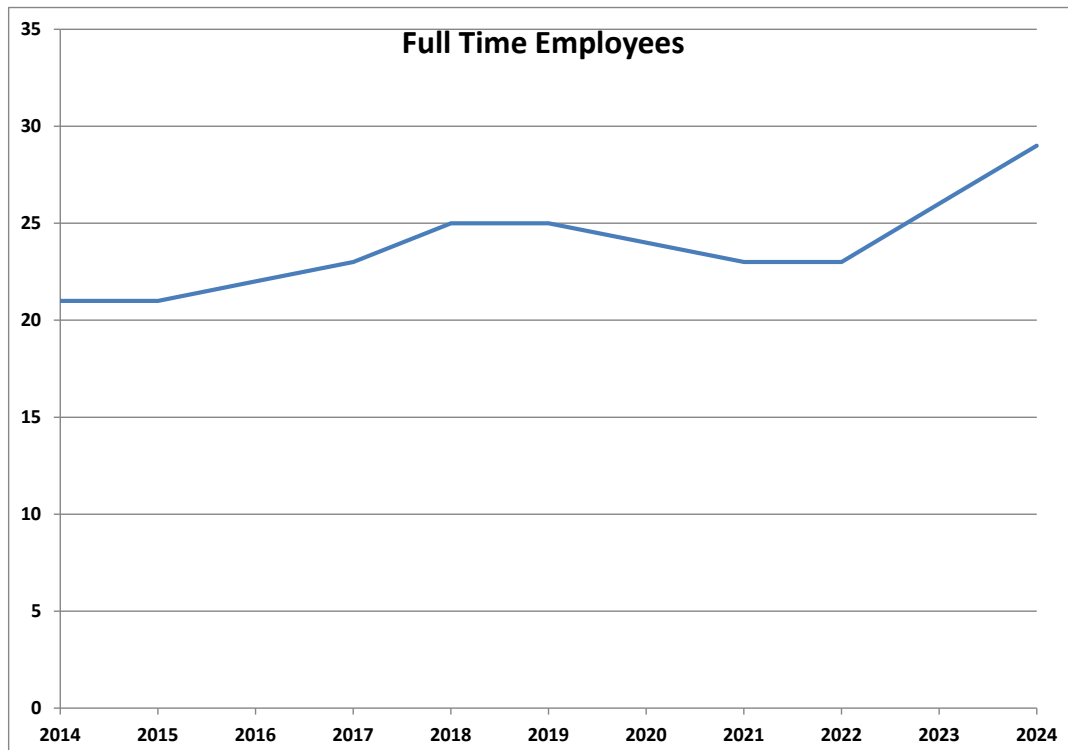
- Zero Lost Time Accidents
- Enhance staff training and certification
- Continue outreach of Part-Time Student Employee Program
- Continue Succession Planning
- Increase staffing to meet the needs of the District and support succession planning
- Initiate compensation and classification study

Human Resources – Program 05

Human Resources Program 05		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	**% Change over PY
Salaries & Benefits									
Regular Salaries	50100	\$ 2,598,783	\$ 2,521,803	\$ 2,607,416	\$ 3,185,611	\$ 2,761,475	\$ 3,710,941	\$ 525,330	16.49%
Overtime	50110	62,930	44,244	77,086	77,766	123,509	116,125	38,359	49.33%
Part Time	50120	25,335	25,155	16,949	53,040	27,192	63,440	10,400	19.61%
Standby	50130	25,847	25,630	27,047	28,338	27,386	28,561	223	0.79%
Benefits	50140	1,595,362	957,075	976,250	1,198,254	1,027,913	1,227,393	29,139	2.43%
Total Salaries & Benefits		\$ 4,308,257	\$ 3,573,907	\$ 3,704,748	\$ 4,543,009	\$ 3,967,475	\$ 5,146,460	\$ 603,451	13.28%
Contracts & Professional Services									
Outside Contracts	50220	\$ 12,901	\$ 13,799	\$ 17,729	\$ 18,600	\$ 18,600	\$ 23,600	\$ 5,000	26.88%
Professional Services	50230	-	-	-	10,000	-	-	(10,000)	-100%
Total Contracts & Professional Services		\$ 12,901	\$ 13,799	\$ 17,729	\$ 28,600	\$ 18,600	\$ 23,600	\$ (5,000)	-17.48%
Services & Supplies									
Materials & Supplies	50260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Dues & Subscriptions	50290	4,737	6,310	4,488	7,000	7,000	7,000	0	0.00%
Conference & Travel	50300	10,102	2,596	4,474	6,500	6,500	6,600	100	1.54%
Safety & Training	50310	22,795	18,182	24,672	49,300	35,000	46,700	(2,600)	-5.27%
Fees & Charges	50350	846	162	157	300	150	250	(50)	-16.67%
Total Services & Supplies		\$ 38,480	\$ 27,250	\$ 33,791	\$ 63,100	\$ 48,650	\$ 60,550	\$ (2,550)	-4.04%
Total Operating Expenditures		\$ 4,359,638	\$ 3,614,956	\$ 3,756,267	\$ 4,634,709	\$ 4,034,725	\$ 5,230,610	\$ 595,901	12.86%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 4,359,638	\$ 3,614,956	\$ 3,756,267	\$ 4,634,709	\$ 4,034,725	\$ 5,230,610	\$ 595,901	12.86%

*Compares FY 2023-24 Adopted Budget to FY 2022-23 Adopted Budget

The District's staffing needs have transitioned over time due to the addition of local supply facilities in pursuit of self-reliance, increasing technical sophistication, and ever-expanding regulatory demands. The table below shows the historic numbers of employees at year end through FY2022-23 and the number of employees budgeted for FY2023-24. The District will end the fiscal year with 26 employees, with three vacancies and budgeting for 29 employees for the coming fiscal year. The Board will evaluate the staffing needs as part of the five-year rate study to ensure the District goals identified in the Strategic Plan and the Master Plan can be met.



General Administration – Program 10

The General Administration program provides funds for expenses related to the general management of the District, including insurance costs, annual fees and charges, and other general expenses of the District. The program also contains funds for all Director-related expenses, including meeting fees, membership dues, conference and travel, and legal services. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Completed the District's Strategic Plan
- Completed the Arroyo Santa Rosa Groundwater Sustainability Plan
- Initiated a Facilities Master Plan
- Implemented financial system Tyler Incode to cloud
- Diversified investment portfolio by investing in treasury bills
- Initiated five-year comprehensive rate study
- Received the CSMFO Operational Budgeting Excellence Award for the eighth consecutive year
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the seventh consecutive year
- Facilitated tours and presentations to residents, schools and organizations

Goals for 2023-2024

- Complete a Facilities Master Plan to identify near-term local water supply projects to increase groundwater production to improve our import-to-local blend ratio
- Achieve a 57:43 percent groundwater production to import blend ratio
- Complete five-year comprehensive rate study
- Pursue grant funding where available and appropriate
- Continue Public Outreach Program

General Administration – Program 10

General Administration Program 10		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 36,005	\$ 5,566	\$ 4,448	\$ 19,200	\$ 19,200	\$ 41,500	\$ 22,300	116.15%
Professional Services	50230	131,990	129,796	230,338	661,090	707,384	1,640,450	979,360	148.14%
Total Contracts & Professional Services		\$ 167,995	\$ 135,362	\$ 234,786	\$ 680,290	\$ 726,584	\$ 1,681,950	\$ 1,001,660	147.24%
Services & Supplies									
Small Tools & Equipment	50250	\$ 2,657	\$ -	\$ 1,049	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	100.00%
Materials & Supplies	50260	26,698	15,697	15,669	23,550	23,550	26,050	2,500	10.62%
Legal Services	50280	32,878	25,937	57,714	45,000	61,581	55,000	10,000	22.22%
Dues & Subscriptions	50290	40,036	35,913	43,604	43,750	50,000	49,950	6,200	14.17%
Conference & Travel	50300	16,030	899	10,771	8,800	12,000	16,800	8,000	90.91%
Safety & Training	50310	60	-	-	-	-	-	-	-
Board Expense	50330	115,809	125,403	126,254	133,000	133,000	140,000	7,000	5.26%
Bad Debt	50340	4,420	41,346	7,826	10,000	10,000	10,000	-	0.00%
Fees & Charges	50350	48,080	49,434	45,553	61,350	55,000	62,050	700	1.14%
Insurance	50360	85,278	87,097	93,408	118,000	116,000	141,000	23,000	19.49%
Total Services & Supplies		\$ 371,946	\$ 381,726	\$ 401,848	\$ 445,450	\$ 463,131	\$ 504,850	\$ 23,000	13.33%
Total Operating Expenses		\$ 539,941	\$ 517,088	\$ 636,634	\$ 1,125,740	\$ 1,189,715	\$ 2,186,800	\$ 1,061,060	94.25%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 539,941	\$ 517,088	\$ 636,634	\$ 1,125,740	\$ 1,189,715	\$ 2,186,800	\$ 1,061,060	94.25%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Emergency Fuel Tank

Information Services – Program 11

The purpose of the Information Services program is to manage and improve communication. This involves communication with our customers, other agencies, and internally among Staff. The program tracks the cost of developing, maintaining, and delivering the information necessary to manage the District effectively. The program includes costs for developing and maintaining the computer network and its accessibility. This includes secure access to information databases such as web, email, billing, financial, AMR, GIS, SCADA, and Intranet and Internet Services across the local and wide area networks of the District. The costs for all voice and satellite communications, as well as secure access of all support subscriptions to hosted and onsite data services, are included in this program. Costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Successfully onboarded IT Managed Service Provider, AllConnected
- Migrated Alchemy Virtual Server from MS-Hyper-V to VMWare
- Pilot installation of security cameras at the District's main office
- Developed and received Board adoption of network and cybersecurity policies
- Completed new SCADA server host environment for Tier-2 Historians
- Completed new communications site at Reservoir 1B
- Migrate from Ankura/CarbonBlack endpoint detection and response to AllConnected
- Upgraded AclaraOne Automatic Meter Reading (AMR) Controller
- Awarded contract and began installation of Zones 1 and 2 MTUs and AMR meters
- Migrated Tyler Incode 10 to the cloud
- Repaired microwave link on the west communications backbone
- Outsourced the District's GIS support, to 3rd party GIS consultant, Z-World Inc.

Goals for 2023-2024

- Complete AMR/AclaraOne pilot Zone 1 and 2 installation of 1,800 MTUs
- Upgrade network backbone switches
- Continue migration of virtual servers from MS-Hyper-V to VMWare
- Upgrade CIS from v3 to v5 and migrate to cloud
- Implement multifactor authentication for email and sharepoint
- Migrate users from ArcGIS Desktop to ArcGIS Online
- Install security cameras at the Main Office, CWRP, RMWTP, Reservoir-1B, Conejo Creek Diversion, Lynnwood Well, and the Conejo Well Field sites

Fixed Assets

- Fault Tolerant VMWare Host Environment \$25,000

Information Services – Program 11

Information Services Program 11		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 127,214	\$ 229,579	\$ 313,438	\$ 606,950	\$ 576,603	\$ 643,090	\$ 36,140	5.95%
Professional Services	50230	65	47,000	-	-	-	-	-	-
Total Contracts & Professional Services		\$ 127,279	\$ 276,579	\$ 313,438	\$ 606,950	\$ 576,603	\$ 643,090	\$ 36,140	5.95%
Services & Supplies									
Communications	50210	\$ 74,806	\$ 64,504	\$ 75,191	\$ 75,500	\$ 95,500	\$ 76,500	\$ 1,000	1.32%
Materials & Supplies	50260	86	129	-	-	-	-	-	-
Repair Parts & Equipment Maintenance	50270	17,910	28,040	8,564	35,000	10,000	40,000	5,000	14.29%
Dues & Subscriptions	50290	-	-	-	500	-	500	-	0.00%
Total Services & Supplies		\$ 92,802	\$ 92,673	\$ 83,755	\$ 111,000	\$ 105,500	\$ 117,000	\$ 6,000	5.41%
Total Operating Expenses		\$ 220,081	\$ 369,252	\$ 397,193	\$ 717,950	\$ 682,103	\$ 760,090	\$ 42,140	5.87%
Fixed Assets	50600	\$ 48,432	\$ 6,354	\$ 42,276	-	-	\$ 25,000	\$ 25,000	-
Total Expenses		\$ 268,513	\$ 375,606	\$ 439,469	\$ 717,950	\$ 682,103	\$ 785,090	\$ 67,140	9.35%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Reservoir 1B

Resource Planning & Engineering Services – Program 12

The Resource Planning program plans and develops water resources and wastewater treatment capacity to serve Camrosa's current and future customers. This involves researching and analyzing alternatives, developing and implementing programs, planning and managing capital projects, and facilitating institutional relations to increase and manage available water. The program also manages Camrosa's environmental review process and related permitting.

Engineering Services manages capital projects and assists in the evaluation, planning, and execution of projects to improve the efficiency of the water and wastewater systems. The program provides development oversight by calculating fees and charges, checking plans for compliance with District standards, inspecting developments and District projects, managing maps and records of completed projects, and providing underground facilities locations for new construction or repairs by other utilities. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Completed construction of Reservoir 1B emergency generator/communication facility
- Completed design of new waterline under Conejo Creek
- Completed rehabilitation of Tierra Rejada Well
- Began design for Ag3 Non-potable water tank & site improvements
- Completed air entrainment technical memo and pilot study for Penny Well
- Completed CWRP Chemical Feed and Storage facility
- Began design (environmental review, permitting, drilling plan, and layout exhibits) of a new supply well for RMWTP
- Began development of Facilities Master Plan
- Evaluated and began design for repair/replacement of 15 "Sewer Hotspot" Locations
- Completed siting study report for PV Well No. 3
- Completed design for two monitoring wells (1) Calleguas Creek and (1) Heritage Park

Goals for 2023-2024

- Complete installation of a new waterline under Conejo Creek
- Complete design and begin repairs/construction at 8 "Sewer Hotspot" Locations
- Complete design and construction of the Penny Well air entrainment removal project
- Complete construction of waterline replacement under Conejo Creek
- Bring the GAC Treatment Plant online and put the Conejo Wellfield back in production
- Complete construction of PV Well No. 2 and place into service
- Complete design and begin drilling/construction for a new water supply well for the RMWTP
- Complete design and begin construction of Ag3 Non-potable water tank & site improvements
- Complete CWRP Effluent Pond improvements
- Complete rehabilitation of University Well
- Complete Facilities Master Plan
- Complete installation of two monitoring wells at (1) Calleguas Creek and (1) Heritage Park
- Complete CRWF's effluent pond(s) rehabilitation & improvements
- Begin engineering design of PV Well #3

Resource Planning & Engineering Services – Program 12

Resource Planning & Engineering Services Program 12	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services								
Outside Contracts	50220 \$ 1,630	\$ 3,339	\$ 13,704	\$ 256,000	\$ 100,000	\$ 256,000	\$ -	0.00%
Professional Services	50230 13,693	14,359	3,933	75,000	10,000	75,000	-	0.00%
Total Contracts & Professional Services	\$ 15,323	\$ 17,698	\$ 17,636	\$ 331,000	\$ 110,000	\$ 331,000	\$ -	0.00%
Services & Supplies								
Small Tools & Equipment	50250 \$ 19	\$ -	\$ -	\$ 850	\$ 400	\$ 850	\$ -	0.00%
Materials & Supplies	50260 639	191	546	3,750	200	4,750	1,000	26.67%
Fees & Charges	50350 -	-	-	-	-	-	-	0.00%
Total Services & Supplies	\$ 658	\$ 191	\$ 546	\$ 4,600	\$ 600	\$ 5,600	\$ 1,000	21.74%
Total Operating Expenses	\$ 15,981	\$ 17,889	\$ 18,182	\$ 335,600	\$ 110,600	\$ 336,600	\$ 1,000	0.30%
Fixed Assets	50600 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses	\$ 15,981	\$ 17,889	\$ 18,182	\$ 335,600	\$ 110,600	\$ 336,600	\$ 1,000	0.30%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Conejo Wellfield

Water Resource Management – Program 22

The primary function of the Water Resource Management (WRM) program is to protect the District's existing sources of supply and develop new ones. Proliferating State mandates exert pressure on the District's ability to meet customer demand, and much WRM activity is directed at working with state agencies and other water suppliers to implement these regulations in ways that don't compromise our existing sources, stifle innovation, or upset cost/benefit analyses.

WRM cultivates relationships with state and federal legislators and state agency leadership and staff; participates in statewide working groups; and engages in legislative analysis and advocacy. WRM also spearheads Camrosa's public outreach—facility tours, the Web site, social media, public meetings, educational materials—to educate and engage Camrosa customers. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Completed the District's Strategic Plan
- Hired a Water Loss Control Coordinator and initiated development of a Water Loss Control Program
- Implemented a drought response program to comply with state mandates during the emergency water supply shortage
- Initiated a Facility Master Plan
- Completed the Arroyo Santa Rosa Groundwater Sustainability Plan
- Managed Fox Canyon GMA reporting for GSP and Conejo Creek Pumping Project
- Participated in Fox Canyon Groundwater Management Agency Oxnard/Pleasant Valley Basin GSP Stakeholder Group and subgroups and Project Subcommittee
- Led/participated in advocacy efforts to influence State policy and regulatory proposals for conservation legislation, Human Right to Water programs, and water quality issues: includes participation in workgroups with State Water Board, Dept. of Water Resources, Metropolitan Water District, ACWA, AWWA, CMUA, and ad hoc regional groups
- Public outreach included presentations to Leisure Village, AWA, CWCUC, and CSUCI

Goals for 2023-2024

- Implementation of a Water Loss Control Program and semi-annual reporting to the Board
- Complete the Facilities Master Plan
- Develop a centralized dashboard for water quality and well data
- Manage the Arroyo Santa Rosa GSP
- Engage with SWRCB/DWR on implementation of new legislation
- Maintain and strengthen Camrosa's position as key collaborator on State water policy development with other water agencies and organizations such as ACWA and CMUA
- Participate in the development of regional water supply projects
- Continue public outreach program

Water Resource Management – Program 22

Water Resource Management Program 22		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	**% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 7,173	\$ 2,584	\$ 3,319	\$ 15,000	\$ 13,095	\$ 15,000	\$ -	0.00%
Professional Services	50230	-	-	-	-	-	-	-	-
Total Contracts & Professional Services		\$ 7,173	\$ 2,584	\$ 3,319	\$ 15,000	\$ 13,095	\$ 15,000	\$ -	0.00%
Services & Supplies									
Materials & Supplies	50260	\$ 3,131	\$ 529	\$ 489	\$ 3,000	\$ 1,500	\$ 3,000	\$ -	0.00%
Dues & Subscriptions	50290	-	-	-	-	-	-	-	-
Total Services & Supplies		\$ 3,131	\$ 529	\$ 489	\$ 3,000	\$ 1,500	\$ 3,000	\$ -	0.00%
Total Operating Expenses		\$ 10,304	\$ 3,113	\$ 3,808	\$ 18,000	\$ 14,595	\$ 18,000	\$ -	0.00%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 10,304	\$ 3,113	\$ 3,808	\$ 18,000	\$ 14,595	\$ 18,000	\$ -	0.00%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Round Mountain Water Treatment Plant Desalter

Customer Services – Program 24

The Customer Services program is responsible for timely and effective response to customer requests for service. This program provides frontline interface in the field and all direct office services to Camrosa customers. This includes producing monthly water and sewer bills, collecting revenues from monthly billings and water and sewer capital improvement fees, land development processes, and dispatching technicians to satisfy customer requests for service and resolve customer service concerns. Included in this program is data collection, responsibility for new meter sets, meter change-outs, and oversight of the outside contractor responsible for timely and accurate reading of all meters. These costs are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Increased customer enrollment in autopay/reoccurring payment options to almost 42% from 40%
- Increased the number of customers opting to go paperless from 14% to 17%, saving natural resources and reducing mailing costs
- Educated customers on conservation during water supply shortage

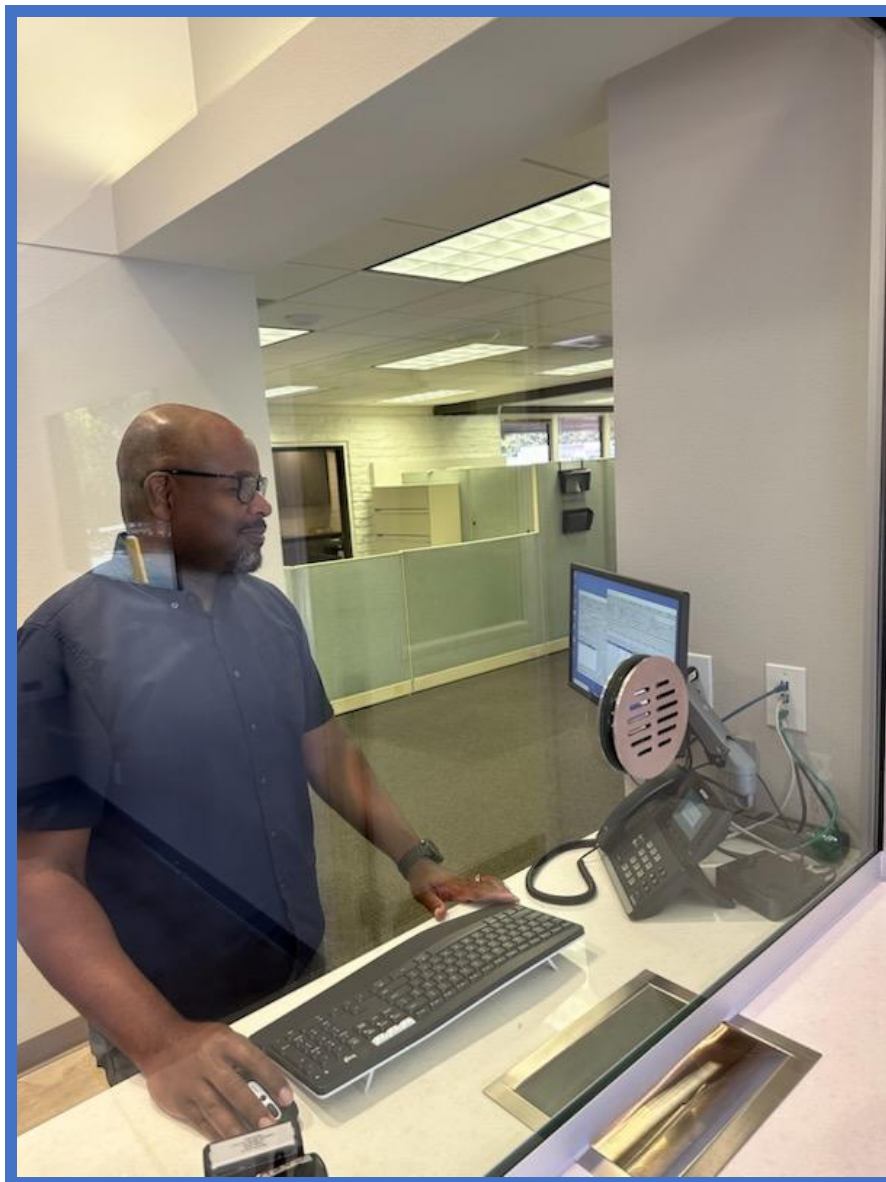
Goals for 2023-2024

- Begin upgrade of utility billing system with customer portal to monitor water use
- Support strategies to improve water loss control
- Continue to increase the number of customers opting to go paperless
- Continuous improvement of customer service and best business practices
- Increase customer service education and engagement

Customer Services – Program 24

Customer Services Program 24		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	**% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 100,287	\$ 74,028	\$ 74,150	\$ 76,000	\$ 77,339	\$ 80,000	\$ 4,000	5.26%
Professional Services	50230	-	-	-	-	-	-	-	-
Total Contracts & Professional Services		\$ 100,287	\$ 74,028	\$ 74,150	\$ 76,000	\$ 77,339	\$ 80,000	\$ 4,000	5.26%
Services & Supplies									
Materials & Supplies	50260	\$ 1,465	\$ 638	\$ 37	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Repair Parts & Equipment Maintenance	50270	-	-	-	-	-	-	-	-
Total Services & Supplies		\$ 1,465	\$ 638	\$ 37	\$ 1,000	\$ -	\$ 1,000	\$ -	0.00%
Total Operating Expenses		\$ 101,752	\$ 74,666	\$ 74,187	\$ 77,000	\$ 77,339	\$ 81,000	\$ 4,000	5.19%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 101,752	\$ 74,666	\$ 74,187	\$ 77,000	\$ 77,339	\$ 81,000	\$ 4,000	5.19%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Customer Services

Water Quality – Program 25

The Water Quality program ensures Camrosa meets and exceeds all state and federal water quality standards. We do this by operating two State-accredited environmental laboratories that monitor the District's drinking water wells, distribution system, sewer collection system, and treatment plant so the District can maintain optimal operation and quickly respond to water quality issues. The lab maintains the District's industrial waste program and applies for, negotiates, and manages primary operational permits. In an ever-expanding regulatory environment, Water Quality supports regulatory compliance with TMDLs, participates in legislative/regulatory advocacy, and contributes to internal and interagency studies in pursuit of new supplies and improved operations. Water Quality staff consult internally on project research, planning, and implementation. The costs for this program are allocated as overhead to the three cost centers.

Accomplishments for 2022-2023

- Zero violations: 100% compliance with all regulations and permits
- Discovered novel method to degas the water in Penny Well using ultrasound, and located a high-power ultrasound company in Finland that is working with staff to develop this process
- Participated in public outreach by providing tours of the CWRF and RMWTP to college students from CSUCI
- Recruited a full-time laboratory analyst
- Participated in Calleguas Creek Watershed Management group, including the TMDL implementation group and the Salts subcommittee
- Advocated on behalf of Camrosa regarding water quality regulations
- Partnered with 120Water.com to inventory customer-side service laterals to determine if they contain lead as per California State mandate (multi-year project)
- Completed implementation of a Laboratory Information Management System (LIMS)
- Completed the Tri-Annual Copper and Lead Sampling Program
- Passed TNI compliance inspection for new laboratory regulations
- Participated in CWEA JTA Lab Analyst Exam Revisions
- Passed regulatory inspections for both Water and Wastewater systems with no deficiencies

Goals for 2023-2024

- Zero violations: 100% compliance with all regulations and permits
- Complete conversion of laboratory from ELAP compliant to the new TNI compliance system as required by California law
- Assist 120Water.com to inventory customer-side laterals for lead contamination
- Continue participating in Calleguas Creek Watershed Management group, including the TMDL implementation group and the Salts subcommittee

Fixed Assets

- Large Sample Refrigerator Laboratory \$ 3,500
- Small Sample Refrigerators Laboratory \$ 2,500
- Analytical Balance Laboratory – CWRF \$10,000

Water Quality – Program 25

Water Quality Program 25		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 76,978	\$ 57,657	\$ 40,223	\$ 72,500	\$ 60,000	\$ 92,500	\$ 20,000	27.59%
Professional Services	50230	-	-	-	30,000	30,000	30,000	-	-
Total Contracts & Professional Services		\$ 76,978	\$ 57,657	\$ 40,223	\$ 102,500	\$ 90,000	\$ 122,500	\$ 20,000	19.51%
Services & Supplies									
Small Tools & Equipment	50250	\$ 2,373	\$ 600	\$ 1,435	\$ 3,000	\$ 7,501	\$ 3,000	\$ -	0.00%
Materials & Supplies	50260	20,693	37,397	29,227	38,115	38,000	38,965	850	2.23%
Repair Parts & Equipment Maintenance	50270	1,924	3,830	4,890	10,000	10,000	10,500	500	5.00%
Fees & Charges	50350	5,331	14,258	3,500	30,000	25,000	30,000	-	0.00%
Total Services & Supplies		\$ 30,321	\$ 56,085	\$ 39,052	\$ 81,115	\$ 80,501	\$ 82,465	\$ 1,350	1.66%
Total Operating Expenses		\$ 107,299	\$ 113,742	\$ 79,275	\$ 183,615	\$ 170,501	\$ 204,965	\$ 21,350	11.63%
Fixed Assets	50600	\$ 5,725	\$ 4,033	\$ 21,745	\$ -	\$ -	\$ 16,000	\$ 16,000	-
Total Expenses		\$ 113,024	\$ 117,775	\$ 101,020	\$ 183,615	\$ 170,501	\$ 220,965	\$ 37,350	20.34%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



RMWTP Laboratory

Buildings/Grounds & Rolling Stock – Program 26

The Buildings/Grounds & Rolling Stock program accounts for maintenance of all District buildings, 65 acres of District property, approximately two miles of District roads, and maintenance of the District's fleet and specialized facilities service equipment. This includes janitorial service, grounds maintenance, landscaping, fencing, weed control, and vehicle leasing and maintenance. These services reflect the District's objective of keeping all grounds secured for public safety, appealing to the eye, and optimally maintained. In addition, this program provides resources for a range of reliable vehicles and equipment, minimizing our reliance on outside contractors. Camrosa has 24 motor vehicles, four tractors, two forklifts, a trailer-mounted non-potable water pump, and multiple trailers in its fleet. These costs are allocated to the three cost centers.

Accomplishments for 2022-2023

- Completed construction of Reservoir 1B standby generator and communication building
- Renewed leases on fleet vehicles
- Completed replacement of Camarillo City Tower radio backbone data communications
- Began replacement of atmospheric monitoring system at CWRF headworks

Goals for 2023-2024

- Complete replacement of atmospheric monitoring system at CWRF headworks
- Replace F-150 and F-550 utility vehicles

Fixed Assets

- | | |
|----------------------------|-----------|
| ➤ Ford 150 Truck | \$ 75,000 |
| ➤ Ford 550 Utility Vehicle | \$200,000 |

Buildings/Grounds & Rolling Stock – Program 26

Buildings/Grounds & Rolling Stock Program 26		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Contracts & Professional Services									
Outside Contracts	50220	\$ 260,359	\$ 240,408	\$ 186,029	\$ 330,000	\$ 250,000	\$ 362,500	\$ 32,500	9.85%
Total Contracts & Professional Services		\$ 260,359	\$ 240,408	\$ 186,029	\$ 330,000	\$ 250,000	\$ 362,500	\$ 32,500	9.85%
Services & Supplies									
Utilities	50200	\$ 24,264	\$ 24,772	\$ 30,081	\$ 28,700	\$ 45,000	\$ 44,500	\$ 15,800	55.05%
Small Tools & Equipment	50250	677	193	1,525	2,000	2,000	2,000	-	0.00%
Materials & Supplies	50260	69,932	65,728	97,865	89,000	98,000	109,800	20,800	23.37%
Repair Parts & Equipment Maintenance	50270	45,578	46,305	40,590	55,500	50,000	65,500	10,000	18.02%
Fees & Charges	50350	3,344	2,311	2,645	3,100	4,000	4,500	1,400	45.16%
Total Services & Supplies		\$ 143,795	\$ 139,309	\$ 172,706	\$ 178,300	\$ 199,000	\$ 226,300	\$ 48,000	26.92%
Total Operating Expenses		\$ 404,154	\$ 379,717	\$ 358,735	\$ 508,300	\$ 449,000	\$ 588,800	\$ 80,500	15.84%
Fixed Assets	50600	\$ 143,354	\$ 24,592	\$ 21,923	\$ -	\$ -	\$ 275,000	\$ 275,000	-
Total Expenses		\$ 547,508	\$ 404,309	\$ 380,658	\$ 508,300	\$ 449,000	\$ 863,800	\$ 355,500	69.94%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



District Fleet

Potable Water Production & Distribution – Program 52

The Potable Water Production & Distribution program produces and delivers clean, reliable potable water to the District's 8,735 service connections in a safe and cost-effective manner. The system includes more than 100 miles of transmission and distribution pipelines, a 1 MGD desalter facility, ten reservoirs, eight active wells, 11 Calleguas turnouts, seven booster stations, ten pressure-reducing stations, 1,300 valves, and 1,100 fire hydrants. These costs are allocated 100% to the potable water cost center. These costs are allocated 100% to the potable water cost center.

Accomplishments for 2022-2023

- Continued distribution valve replacement program
- Completed rehabilitation of Tierra Rejada Well
- Completed air entrainment technical memo and pilot study for Penny Well
- Completed design of waterline replacement under Conejo Creek
- Completed annual potable production meter calibration
- Replaced 274 aging meters
- Completed rehabilitation of University Well

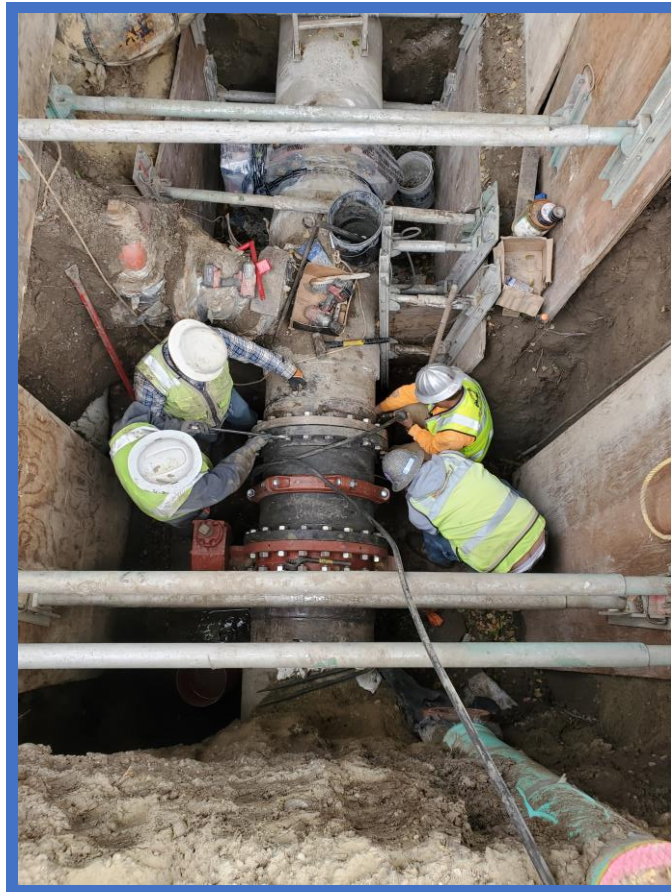
Goals for 2023-2024

- Bring the GAC Treatment Plant online and put the Conejo Wellfield back in production
- Complete construction of Pleasant Valley Well No. 2
- Convert disinfection at Penny Well from free chlorine to monochloramines
- Complete construction of a waterline replacement under Conejo Creek
- Develop a well maintenance and rehabilitation program
- Fastrack evaluation, design and implementation of iron and manganese filtration treatment at PV Well No. 2
- Implementation of a Water Loss Control Program and semi-annual reporting to the Board
- Complete distribution system flushing
- Complete replacement of all meter station control cabinets
- Continue distribution valve replacement program
- Continue annual potable production meter calibration
- Complete AMR/AclaraOne pilot Zone 1 and 2 installation of 1,800 MTUs
- Complete design and begin construction for a new supply well for the RMWTP

Potable Water Production & Distribution – Program 52

Potable Water Production & Distribution Program 52		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	*% Change over PY
Production									
Import Water Purchases-Calleguas	50010	\$ 7,349,836	\$ 8,803,462	\$ 7,111,433	\$ 4,841,579	\$ 4,846,676	\$ 6,079,149	\$ 1,237,570	25.56%
Calleguas Fixed Charges	50012	764,544	853,914	913,008	974,290	906,822	941,928	(32,362)	-3.32%
Salinity Management Pipeline-Calleguas	50011	120,048	150,165	192,180	234,193	78,933	243,912	9,719	4.15%
Production Power	50020	420,625	553,575	790,387	840,781	795,799	910,802	70,021	8.33%
Total Production		\$ 8,655,053	\$ 10,361,116	\$ 9,007,008	\$ 6,890,843	\$ 6,628,230	\$ 8,175,791	\$ 1,284,948	18.65%
Contracts & Professional Services									
Outside Contracts	50220	\$ 335,162	\$ 153,257	\$ 253,233	\$ 705,800	\$ 400,000	\$ 710,250	\$ 4,450	0.63%
Professional Services	50230	19,808	23,000	475,891	320,000	185,000	359,500	39,500	12.34%
Total Contracts & Professional Services		\$ 354,970	\$ 176,257	\$ 729,124	\$ 1,025,800	\$ 585,000	\$ 1,069,750	\$ 43,950	4.28%
Services & Supplies									
Utilities	50200	\$ 39,943	\$ 55,467	\$ 62,553	\$ 57,000	\$ 57,000	\$ 57,000	\$ -	0.00%
Communications	50210	-	-	-	-	-	-	-	-
Pipeline Repairs	50240	309,232	289,955	397,705	380,000	380,000	380,000	-	0.00%
Small Tools & Equipment	50250	12,882	12,255	10,700	20,000	20,000	20,000	-	0.00%
Materials & Supplies	50260	196,333	287,646	437,538	522,500	400,000	711,000	188,500	36.08%
Repair Parts & Equipment Maintenance	50270	314,647	340,472	348,088	472,500	470,000	547,500	75,000	15.87%
Legal Services	50280	-	-	-	25,000	-	25,000	-	0.00%
Fees & Charges	50350	57,084	87,253	108,602	139,575	139,575	153,575	14,000	10.03%
Total Services & Supplies		\$ 930,121	\$ 1,073,048	\$ 1,365,186	\$ 1,616,575	\$ 1,466,575	\$ 1,894,075	\$ 277,500	17.17%
Total Operating Expenditures		\$ 9,940,144	\$ 11,610,421	\$ 11,101,318	\$ 9,533,218	\$ 8,679,805	\$ 11,139,616	\$ 1,606,398	16.85%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 9,940,144	\$ 11,610,421	\$ 11,101,318	\$ 9,533,218	\$ 8,679,805	\$ 11,139,616	\$ 1,606,398	16.85%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



24-inch Distribution Valve Replacement

Non-Potable Water Production & Distribution – Program 53

The Non-Potable Water Production & Distribution program delivers non-potable water to the District's customers in a safe and cost-effective manner. The non-potable system includes the Conejo Creek Diversion structure, 49 million gallons of surface storage area, three wells, four pumping stations, four reservoirs, and 23 miles of distribution pipelines. These costs are allocated 100% to the non-potable water cost center.

Accomplishments for 2022-2023

- Continued annual overhaul of Diversion debris screens
- Calibrated all non-potable production meters
- Inspected and cleaned Reservoir 1A
- Replaced 7 aging meters and optimized automated meter reading technology
- Began design for Ag3 Non-potable water tank & site improvements

Goals for 2023-2024

- Begin planning for the conversion of a portion of the non-potable system to a Title 22-compliant recycled water system
- Continue annual overhaul of Diversion debris screens
- Develop a well maintenance and rehabilitation program
- Calibrate all non-potable production meters
- Continue annual sandbar removal at the Conejo Creek Diversion
- Complete AMR/AclaraOne pilot Zone 1 and 2 installation of 1,800 MTUs
- Complete design and construction of Ag3 Non-potable water tank & site improvements

Non-Potable Water Production & Distribution – Program 53

Non-Potable Water Production & Distribution Program 53		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	**% Change over PY
Production									
Water Purchases-Calleguas	50010	\$ 624,738	\$ 598,488	\$ 589,664	\$ 768,895	\$ 356,680	\$ 745,824	\$ (23,071)	-3.00%
Conejo Creek Project	50011	658,919	958,007	702,978	640,906	816,017	862,205	221,299	34.53%
CamSan		-	-	72,109	92,963	130,000	149,787	56,824	61.13%
Production Power	50020	778,500	893,380	1,000,252	864,183	1,101,405	955,376	91,193	10.55%
Total Production		\$2,062,157	\$2,449,875	\$2,365,004	\$ 2,366,947	\$ 2,404,102	\$ 2,713,192	\$ 346,245	14.63%
Contracts & Professional Services									
Outside Contracts	50220	\$ 135,480	\$ 110,452	\$ 100,893	\$ 382,300	\$ 250,000	\$ 386,250	\$ 3,950	1.03%
Professional Services	50230	1,122	-	325,000	70,000	0	77,500	7,500	10.71%
Total Contracts & Professional Services		\$ 136,602	\$ 110,452	\$ 425,893	\$ 452,300	\$ 250,000	\$ 463,750	\$ 11,450	2.53%
Services & Supplies									
Pipeline Repairs	50240	37,898	9,058	20,638	100,000	100,000	100,000	-	0.00%
Small Tools & Equipment	50250	-	-	38	4,500	4,500	4,500	-	0.00%
Materials & Supplies	50260	14,176	16,902	11,558	42,000	40,000	42,000	-	0.00%
Repair Parts & Equipment Maintenance	50270	358,628	172,304	192,981	350,000	300,000	350,000	0	0.00%
Legal Services	50280	-	-	-	25,000	-	25,000	0	0.00%
Fees & Charges	50350	4,860	2,035	0	3,500	2,000	5,500	2,000	57.14%
Total Services & Supplies		\$ 415,562	\$ 200,299	\$ 225,214	\$ 525,000	\$ 446,500	\$ 527,000	\$ 2,000	0.38%
Total Operating Expenses		\$2,614,321	\$2,760,626	\$3,016,111	\$ 3,344,247	\$ 3,100,602	\$ 3,703,942	\$ 359,695	10.76%
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 2,614,321	\$ 2,760,626	\$ 3,016,111	\$ 3,344,247	\$ 3,100,602	\$ 3,703,942	\$ 359,695	10.76%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Non-Potable Water Filling Station

Wastewater Collection & Treatment – Program 57

The Wastewater Collection & Treatment program provides for the operation, maintenance, and repair of the Camrosa Water Reclamation Facility (CWRF) and the sewer collection system, including 40 miles of collection lines, six lift stations, four siphon structures, and 1,350 manholes. Each year, two thirds of this system receives hydro-cleaning, and suspected trouble spots are identified and videotaped. The source control program ensures that industrial customers do not discharge materials hazardous to the treatment process and restaurants do not discharge grease into the collection system. The CWRF has helped increase the water resources available to the District. These costs are allocated 100% to the wastewater cost center.

Accomplishments for 2022-2023

- Cleaned two thirds of the collection system
- Completed annual calibration of all flow meters at CWRF
- Continued construction of permanent ammonia injection facility for sequential chlorination
- Completed CWRF Chemical Storage area project
- Rehabilitated 40 manholes
- Completed construction of CWRF's emergency generator diesel fuel tank replacement
- Began replacement of atmospheric monitoring system at CWRF headworks
- Began design of "Sewer Hotspot" repair/replacement
- Installed 10 additional SmartCover sewer level monitoring devices at identified hot spots

Goals for 2023-2024

- Zero wastewater violations and zero sanitary sewer overflows
- Complete construction of permanent ammonia injection system for sequential chlorination
- Complete CWRF Effluent Pond improvements
- Complete design and begin construction of Sewer Hotspot rehabilitation project
- Complete replacement of the motor control center at Sewer Lift Read Rd.
- Replace Headworks bar screen at CWRF
- Construct Dewatering Press at CWRF
- Complete annual calibration of all flow meters at CWRF
- Complete replacement of atmospheric monitoring system at CWRF headworks
- Continue to rehabilitate 40 manholes

Wastewater Collection & Treatment – Program 57

Wastewater Collection & Treatment Program 57		Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Budget FY 2022-23	Projections FY 2022-23	Budget FY 2023-24	*Increase (Decrease) over PY	** Change over PY
Production									
Salinity Management Pipeline-Calleguas	50011	\$ 14,108	\$ 9,772	\$ 11,521	\$ 22,984	\$ 8,250	\$ 22,984	\$ -	0.00%
Total Production		\$ 14,108	\$ 9,772	\$ 11,521	\$ 22,984	\$ 8,250	\$ 22,984	\$ -	0.00%
Contracts & Professional Services									
Outside Contracts	50220	\$ 530,296	\$ 469,475	\$ 500,601	\$ 822,000	\$ 750,000	\$ 860,000	\$ 38,000	4.62%
Professional Services	50230	33,989	52,316	39,926	30,000	20,000	20,000	(10,000)	-33.33%
Total Contracts & Professional Services		\$ 564,285	\$ 521,791	\$ 540,527	\$ 852,000	\$ 770,000	\$ 880,000	\$ 28,000	3.29%
Services & Supplies									
Utilities	50200	\$ 10,393	\$ 11,012	\$ 12,876	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%
Pipeline Repairs	50240	13,091	5,369	23,021	10,000	10,000	10,000	-	0.00%
Small Tools & Equipment	50250	79	1,564	279	1,000	1,000	1,000	-	0.00%
Materials & Supplies	50260	44,173	79,893	90,398	87,500	98,000	112,500	25,000	28.57%
Repair Parts & Equipment Maintenance	50270	95,612	53,650	36,592	99,000	85,000	99,000	-	0.00%
Dues & Subscriptions	50290	-	-	-	3,000	3,000	3,000	-	0.00%
Fees & Charges	50350	35,514	40,753	45,426	61,500	60,000	66,500	5,000	8.13%
Total Contracts & Professional Services		\$ 198,862	\$ 192,241	\$ 208,592	\$ 277,000	\$ 272,000	\$ 307,000	\$ 30,000	10.83%
Total Operating Expense		\$ 777,255	\$ 723,804	\$ 760,639	\$ 1,151,984	\$ 1,050,250	\$ 1,209,984	\$ 58,000	5.03%
Fixed Assets	50600	\$ 16,519	\$ 3,071	\$ 7,889	\$ -	\$ -	\$ -	\$ -	-
Total Expenses		\$ 793,774	\$ 726,875	\$ 768,528	\$ 1,151,984	\$ 1,050,250	\$ 1,209,984	\$ 58,000	5.03%

*Compares FY 2023-24 Proposed Budget to FY 2022-23 Adopted Budget



Effluent Pond Relining at the Camrosa Water Reclamation Facility

Fixed Assets FY 2023-24

Program	Number	Item Description	Cost
11	100-24-01	Fault Tolerant VMWare Host Environment	25,000
25	100-24-02	Large Sample Refrigerator Laboratory	3,500
25	100-24-03	Small Sample Refrigerators Laboratory	2,500
25	100-24-04	Analytical Balance Laboratory - CWRF	10,000
26	100-24-05	Ford 150 Truck	75,000
26	100-24-06	Ford 550 Utility Vehicle	200,000
Total Fixed Assets			\$ 316,000

Potable	105,560
Non-Potable	97,440
Wastewater	113,000
Total Fixed Assets	\$ 316,000

Fixed Assets FY 2023-24 (Continued)

100-24-01	\$25,000	Fault Tolerant VMWare Host Environment
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The fixed asset includes the purchase of two identical servers with sufficient resources (memory, processors, disk space) to support migration of its complete administrative server farm (approximately 12 VMs) from their existing MS-Hyper-V hosts to Linux based VMWare Hosts. One of the new VMWare Host servers would reside in the Operations Network Operations Center. The other would reside in the Main Office Network Operations Center.

100-24-02	\$ 3,500	Large Sample Refrigerator Laboratory
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The existing sample refrigerator in the Water lab was purchased in 1997 and needs to be replaced. The new sample refrigerator will reside in the Water Lab. It will be a commercial unit with large shelves and no freezer.

100-24-03	\$ 2,500	Two Small Sample Refrigerators Laboratory
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These small refrigerators will be used to store laboratory reference standards and will reside in the Water Lab. The new TNI standard for laboratories requires reference materials to be stored separately from samples.

100-24-04	\$10,000	Analytical Balance
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The Mettler Toledo analytical balance measures weights down to 1/10 of a milligram. This accuracy is required to perform many tests. Some examples are TDS, and TSS. We also rely on the balance to calibrate our analytical flasks and pipettes. This balance will replace the old balance at the wastewater lab.

100-24-05	\$ 75,000	Ford 150 Truck
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This will replace a 2016 Ford F-150 with over 130,000 miles. As a light-duty truck, the District has determined that it is more economical to own rather than lease this particular vehicle.

100-24-06	\$200,000	Ford 550 Utility Truck
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Camrosa operates two Ford F-550 service trucks. This new truck will replace an existing 2012 Ford F-550 service truck and crane. The District has standardized the IMT Dominator utility body with a crane reach of 30 feet. This configuration allows greater flexibility and reduces downtime caused by contractor or crane availability.

Capital Projects Summary

During FY2022-23, the District completed a number of capital projects that improved potable water, non-potable water, and wastewater operations.

Potable water improvements included the completion of the Tierra Rejada well rehabilitation, distribution valve replacements, installation of concentrate pump and Pump Station #2 generator and fuel tank installation.

Wastewater improvement projects included the installation of smartcovers, Chemical Feed and Storage Facility and CWRP Emergency Generator Fuel Tank project.

General improvement projects included completion of Reservoir 1B Communication Facility, LIMS, Tier 2 Historians and upgrade of Radio Tower @4B.

Carryovers and Closeouts

The following table summarizes the existing capital projects that were appropriated in prior fiscal years. Several of the capital projects are projected to be completed by June 30, 2023 and will be capitalized. Any unspent funds will be returned to the appropriate reserve fund. Ongoing capital projects will carryover into the FY2023-24 budget to be complete by June 30, 2024.

Project #	Prior FY Budget	FY 2022-23 Budget	Mid-Year Budget	Total Budget	Total Actual / Projected	Carryover	Closeouts De-Obligate	Description	Status
Completed Projects									
400-20-02	670,000	-	-	670,000	632,933	-	37,067	Reservoir 1B Comm Facility	Completed
400-22-03	90,000	-	-	90,000	76,398	-	13,602	LIMS	Completed
400-22-04	65,000	-	-	65,000	65,000	-	-	Tier 2 Historian	Completed
400-22-05	70,000	-	-	70,000	70,000	-	-	Radio Tower @4B	Completed
550-23-03	-	-	60,000	60,000	60,000	-	-	Smart Covers Sewer Manhole	Completed
650-22-02	540,000	-	-	540,000	535,000	-	5,000	Tierra Rejada Well	Completed
650-22-03	200,000	-	-	200,000	140,000	-	60,000	Distribution Valve Replacement	Completed
650-23-03	-	-	60,000	60,000	60,000	-	-	Concentrate Pump	Completed
800-20-02	363,000	-	-	363,000	353,365	-	9,635	Pump Station #2 Generator Fuel Tank	Completed
900-18-01	1,057,500	-	-	1,057,500	1,057,500	-	-	CWRF Upgrades	Completed
900-20-01	288,000	-	-	288,000	237,541	-	50,459	CWRF Emergency Generator Fuel Tank	Completed
Total Completed	\$ 3,343,500	\$ -	\$ 120,000	\$ 3,463,500	\$ 3,287,737	\$ -	\$ 175,763		
Carryovers									
400-22-02	504,000	-	-	504,000	75,000	429,000	-	Utility Billing System	Carryover
500-22-01	400,000	-	-	400,000	200,000	200,000	-	Sequential Chloramination	Carryover
550-21-01	360,000	-	-	360,000	260,000	100,000	-	Sewer Lift Read Road MCC	Carryover
550-23-01	-	330,000	-	330,000	100,000	230,000	-	Collection System Hot Spots - Engineering Phase	Carryover
550-23-02	-	500,000	-	500,000	480,000	20,000	-	CWRF Headworks Bar Screen Replacement	Carryover
600-20-02	11,275,000	-	-	11,275,000	9,449,954	1,825,046	-	Conejo Wellfield Treatment	Carryover
600-23-01	-	180,000	-	180,000	-	180,000	-	PV Well #3 - Engineering Phase	Carryover
600-23-02	-	-	90,000	90,000	27,600	62,400	-	Pleasant Valley Monitoring Wells	Carryover
650-15-01	5,967,000	-	-	5,967,000	5,861,776	105,224	-	PV Well #2	Carryover
650-20-03	280,000	-	-	280,000	150,000	130,000	-	Meter Station Control Cabinets	Carryover
650-21-01	290,000	-	-	290,000	184,000	106,000	-	Meter Station 5 and 7 Rehabilitation	Carryover
650-22-01	362,000	-	-	362,000	250,347	111,653	-	Penny Well Degasifier	Carryover
650-22-04	350,000	-	-	350,000	350,000	-	-	CamSprings Waterline	Carryover
650-23-01	-	462,000	60,000	522,000	273,197	248,803	-	AMR AclaraOne + MTU upgrade Zone 2	Carryover
650-23-02	-	-	635,000	635,000	475,000	160,000	-	University Well Rehabilitation	Carryover
750-23-01	-	150,000	-	150,000	100,000	50,000	-	AG 3 Tank Replacement- Engineering Phase	Carryover
900-18-02	2,158,000	-	-	2,158,000	163,937	1,994,063	-	De-watering Press	Carryover
900-18-03	1,501,500	-	-	1,501,500	1,194,000	307,500	-	Effluent Pond Relining	Carryover
Total Carryovers	\$ 23,447,500	\$ 1,622,000	\$ 785,000	\$ 25,854,500	\$ 19,594,811	\$ 6,259,689	\$ -		
Total CIPs	\$ 26,791,000	\$ 1,622,000	\$ 905,000	\$ 29,318,000	\$ 22,882,548	\$ 6,259,689	\$ 175,763		
Fixed Assets									
Total Fixed Assets	\$ -	\$ -	\$ 28,000	\$ 28,000	\$ 23,266	\$ -	\$ 4,734		
Total CIPS & Fixed Assets	\$ 26,791,000	\$ 1,622,000	\$ 933,000	\$ 29,346,000	\$ 22,905,814	\$ 6,259,689	\$ 180,497		

Capital Projects Carryover Details

The following capital projects were appropriated in prior fiscal years and to be completed in FY2023-24.

General Projects

400-22-02	\$ 504,000	Utility Billing System
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The current billing system, Advanced CIS version 3, is antiquated and was placed online in 2007. Many routine processes are currently performed manually (e.g., late fees and deposits), which is not efficient. Migration to CIS version 5 will also include additional functionality such as mobile access for field technicians and web-based account and usage access for customers. This upgrade benefits all three cost centers. This project is expected to be completed by the end of FY2023-24. This is a new project that was not included in the 2019 Rate Study.

Potable Projects

600-20-02	\$11,275,000	Conejo Wellfield Treatment
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Conejo Wellfield wells have tested positive for TCP, a regulated contaminant with an MCL of 5 ppt. The Conejo Wells have consistently been above the MCL. A feasibility study completed in March 2020 recommended a granular activated carbon (GAC) vessel treatment facility. Design was completed in October 2021. Construction began in December 2021 with a 360-day contract. This project is anticipated to be complete by the end of calendar year 2023. This is a new project that was not included in the 2019 Rate Study.

600-23-01	\$180,000	PV Well #3-Engineering Phase
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Agreements between the Pleasant Valley County Water District (PVCWD) and the Fox Canyon Groundwater Management Agency (FCGMA) have resulted in the exchange of non-potable surface water for potable groundwater within the Pleasant Valley Basin. This project provides a third well, in addition to the existing Woodcreek and Lynnwood Wells, within the Pleasant Valley Groundwater Basin to produce the District's increased pumping allocations. Upon completion of design additional funding will be appropriated for the drilling and development of the well. This is a new project that was not included in the 2019 Rate Study.

600-23-02	\$90,000	Pleasant Valley Monitoring Wells
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As part of Pleasant Valley Basin Management, the development of two monitoring wells within the basin are necessary to collect groundwater data that will allow the District to better regulate and make decisions regarding, water quality, water levels, and other geophysical properties. These wells are expected to be constructed within the basin in locations determined by the District's contract hydrogeologist. Design is anticipated to be completed by the Summer of 2023. Permitting and construction of the monitoring wells is expected to take 8-12 months and should be completed no later than summer of 2024.

650-15-01	\$5,967,000	PV Well #2
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Agreements between the Pleasant Valley County Water District (PVCWD) and the Fox Canyon Groundwater Management Agency (FCGMA) have resulted in the exchange of non-potable surface water for potable groundwater within the Pleasant Valley Basin. This project provides a secondary well, in addition to the existing Woodcreek Well, within the Pleasant Valley Groundwater Basin to produce the District's increased pumping allocations. The new well was drilled in 2016 at the opposite end of Woodcreek Park from the Woodcreek Well. The original design included iron and manganese filtration; water quality analysis since the completion of the well led to removal of the iron and manganese filters from design. The well was brought online in 2020 with temporary piping and well housing while design was finalized and construction of the permanent site orchestrated. Construction of the well is anticipated to be complete by the end of Summer of 2023. This project was included in the 2019 Rate Study.

Capital Projects Carryover Details (Continued)

650-20-03 \$ 280,000 Meter Station Control Cabinets

Camrosa's meter stations control cabinets are aging and have limited functionality. The upgrade will include batteries for an estimated two-plus days of backup with full operational control of the station and interface with Calleguas. The current control cabinets have no backup provisions for power loss. Control cabinets at 11 meter stations will be replaced. This project is expected to be complete by the end of calendar year 2023. This project was included in the 2019 Rate Study.

650-21-01 \$ 290,000 Meter Station 5 and 7 Rehabilitation

Meter Station #5 and #7 are in need of rehabilitation. This rehabilitation effort would include replacing all the Cla-Val valves, replacing associated piping, vault maintenance and painting. This project is expected to be complete by the end of calendar year 2023.

650-22-01 \$ 362,000 Penny Well Degasifier

Since 2018, the Penny Well has been experiencing air-entrainment issues, forcing the District to operate below capacity. A consultant has completed a technical memorandum describing design alternatives and pilot testing. Testing is underway and expected to be complete by Summer 2023. Upon favorable results, design is expected to be complete by Winter of 2023. Construction costs are dependent on the preferred solution; additional funding will be appropriated, as necessary. This project is expected to be completed by Spring 2024. This is a new project that was not included in the 2019 Rate Study.

650-22-04 \$ 350,000 CamSprings Waterline

The existing waterline that crosses the Conejo Creek between the Camarillo Springs Golf course and Camarillo Sanitary District treatment plant blew out and needs to be replaced. Operations & Maintenance installed new valves on either side of the creek to isolate the leak. Due to changes in the creek bed since the pipe was originally installed, sections of the pipe are now quite shallow and the condition of the pipe is in question. Returning the line to service is critical to restoring hydraulic capacity in the area, and directional drilling a new line under the creek will provide a more robust solution. Design began in spring 2022. Additional funding of construction will be appropriated as necessary. Construction is expected to begin in the summer of 2023 and be completed by the end of the calendar year 2023. This is a new project that was not included in the 2019 Rate Study.

650-23-01 \$ 522,000 AMR AlcaraOne +MTU Upgrade Zone 2

To maintain supportability, Camrosa's AMR (Automatic Meter Reading) system, provided by Aclara, will require modification. Aclara will no longer be supporting the Network Communication Controller (NCC) portion of the system. The NCC is a MS Windows-based server that collects Meter Transmission Unit (MTU) reads and configuration information and provides a graphical HTML interface for analytics and reporting. Aclara will be replacing these NCC functions with a new cloud-based system called AclaraONE. Commensurate with this project, staff is proposing a pilot upgrade of all MTUs in its potable pressure zone 2 from the existing model-3421 (hourly reads). The project would upgrade the existing quantity 1450, Model-3421 (hourly read) units to Model-3451 (hourly, 30-day cached read) units. The project would also include contracted labor support from an experienced Aclara installer for installation of these units. The upgrade would allow staff to perform daily production vs. usage analysis within pressure zone 2. This zone currently exhibits a 14 acre-foot/month average water loss and having the capability to compare daily usage and production would assist in determining the cause of this loss. Additionally, this project would include parts and labor for installation of 400 MTUs in the Camarillo Springs area, which would complete deployment of remote-read meters across all the District's service connections. Staff is in the process of obtaining MTU and installation cost. It is estimated this project would be complete by the end of calendar year 2023. This is a new project not included in the 2019 Rate Study.

Capital Projects Carryover Details (Continued)

650-23-02	\$ 635,000	University Well Rehabilitation
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As a result of diminishing well production within the University Well, a geohydrologist was hired to provide a complete and comprehensive assessment of the well's condition that includes review of background data, step testing of existing pumping conditions, and overall, well and casing condition. Based on the findings, a redevelopment plan was developed to recondition the well and restore production. It is estimated this project will be completed by the Summer of 2023. This is a new project not included in the 2019 Rate Study.

Non-Potable Water Projects

750-23-01	\$ 150,000	Ag 3 Tank Replacement-Engineering Phase
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The existing Ag3 tank was built in 1991. The tank is partially damaged, and its 50,000 gallons capacity is inadequate and needs to be upsized; during peak demands, it drains completely, limiting the availability of supply. In lieu of repairing, recoating, and providing necessary drainage and road improvements, the Ag system would benefit from constructing a larger, 100,000-gallon bolted and precoated tank. Site, drainage, roadway, and security improvements would be included in this project. This phase of the project design would include surveying, geotechnical study, evaluation of existing right-of-way, necessary grading/retaining walls, and various other site improvements, along with a preliminary budget estimate. Design is estimated to be complete by Fall 2023. Staff will return to request additional funding for construction. This is a new project and was not included in the 2019 Rate Study.

Wastewater Projects

500-22-01	\$400,000	Ammonia Injection (Sequential Chlorination)
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Camrosa's Waste Discharge Requirements (WDR) Order No. R4-2019-0118, the operating permit for the Camrosa Water Reclamation Facility (CWRF), approved the substitution of sequential chlorination for the extended chlorine contact times that would have been required by rerating the CWRF from its original 1.5 million gallons a day to 2.25 MGD. This project will require the installation of additional process control sensors, ammonia storage/containment, redundant peristaltic pumps, and associated piping, electrical, automation, and SCADA integration. Preliminary results of the sequential chlorination study, described in a report authored by Camrosa staff and submitted to the Los Angeles Regional Water Quality Control Board, proved that disinfection byproduct concentrations within the effluent NPDES and WDR permit limits can be realized while ensuring complete disinfection. This is a new project that was not included in the 2019 Rate Study. This project is anticipated to be completed by the end of calendar year 2023.

550-21-01	\$360,000	Sewer Lift Read Road MCC
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Read Road Sewer Lift is located on Read Road and lifts the sewer 220 feet into the City of Thousand Oaks' collection system. The Motor Control Center (MCC) and related instrumentation is outdated and needs to be replaced to ensure operational reliability. This project is anticipated to be completed by the end of the calendar year 2023.

Capital Projects Carryover Details (Continued)

550-23-01 \$330,000 Collection System Hot Spots-Engineering Phase

This project would engineer solutions to the District's sewer collection system hotspots. These "hotspots" are sections of sewer pipeline that have settled/sagged or encountered significant root infiltration, both of which conditions cause debris to accumulate and impede flow, which in turn can result in a sewer blockage and/or backup. Hotspots require constant attention and monitoring, including monthly cleaning by Ventura Regional Sanitation District. Staff has identified 15 hotspots that need to be investigated, realigned, and/or repaired or replaced. This project would identify limits of damaged sewer sections, conduct potholing (if needed), map slope alignment points, develop feasible alternatives, and prepare engineering drawings and specifications. Construction would proceed on a prioritized basis over several subsequent years. Sewer collection improvements were included in the 2019 rate study but the list of hotspots has been updated since. Design is estimated to be complete by the end of FY2024-25. This is a new project not included in the 2019 Rate Study.

550-23-02 \$500,000 CWRP Headworks Bar Screen Replacement

Replace Headworks bar screen at CWRP. Project includes screen removal, installation, startup and testing. The project is anticipated to be complete by the end of Spring of 2024. This project was included in the 2019 Rate Study.

900-18-02 \$2,158,000 De-watering Press

The District spends approximately \$140,000 in outside contracts and 800 Camrosa labor hours a year to press, till, and dry sludge at the CWRP. A dewatering press would save these resources for other functions. The press would be located adjacent to the biosolids drying beds. Staff has identified a fan press as the preferred machinery. Design is complete but the project is currently on-hold. Staff is pursuing grant funding for the project. The budget includes the costs of the fan press equipment and construction. This project was included in the 2019 Rate Study.

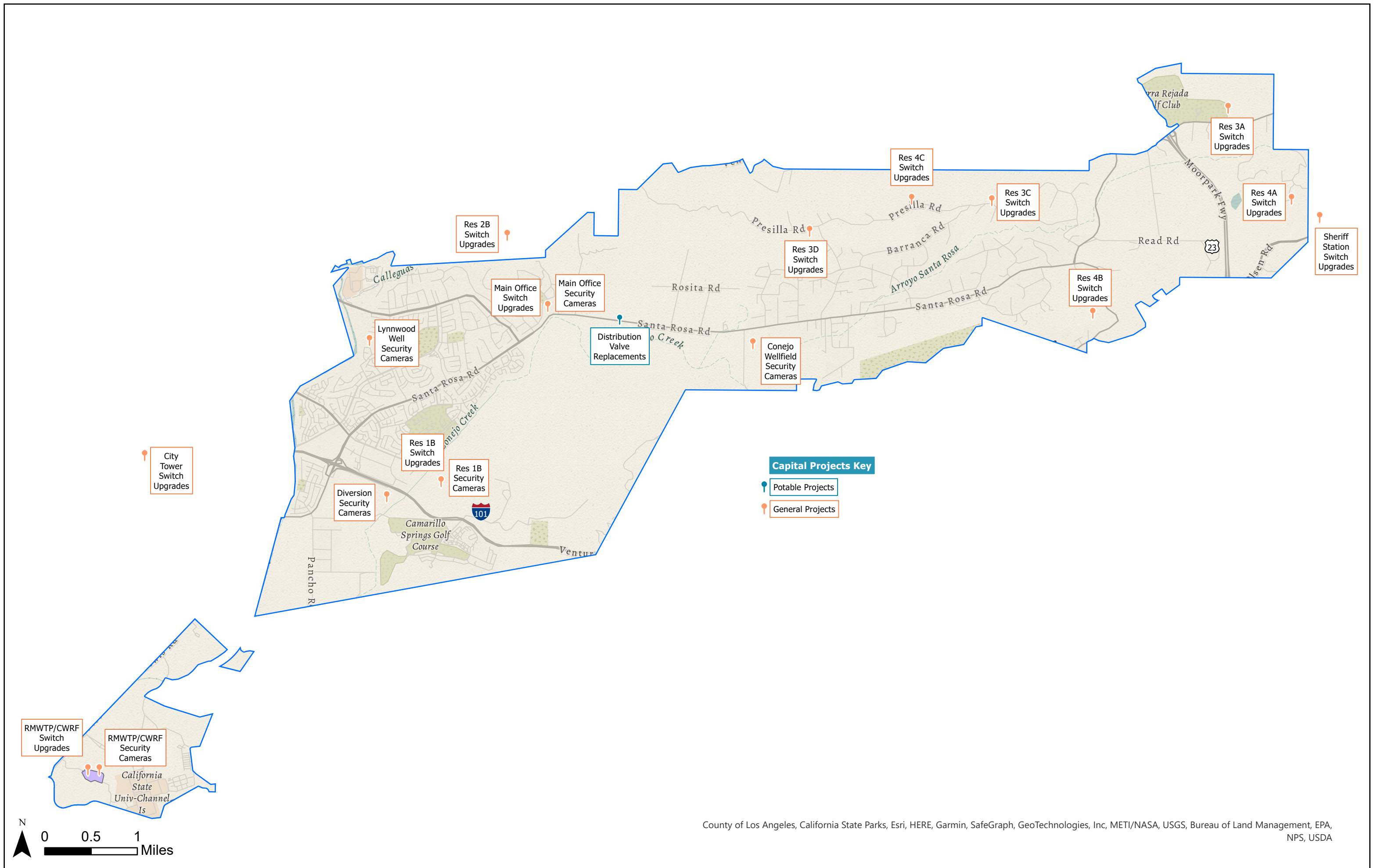
900-18-03 \$1,501,500 Effluent Pond Relining

The existing effluent ponds at the CRWF were originally lined with a "hydraulic" lining, which can result in leakage. In addition, the ponds accumulate sediment, which promotes plant growth that in turn results in water loss and accelerated chlorine residual loss. Relining the ponds with soil cement creates a less permeable surface to reduce water loss through leakage and a more robust surface for easier cleaning with heavy equipment to reduce water loss through plant evapotranspiration. Costs include engineering, soil cement liner, waterstop, slide gate replacement, and bypass pipeline replacement. No outside maintenance labor or equipment is expected. Demolition of the existing liner, earthwork, pipeline construction, and soil cement installation were completed in FY2021-22. Longer-than-anticipated lead items on specific items pushed this project into FY2022-23. The project is anticipated to be complete by Fall 2023. This project was included in the 2019 Rate Study.

Capital Projects FY 2023-24

The following table is a listing of the capital projects appropriated as part of the FY2023-24 budget and to be completed by the end of the fiscal year.

Capital Projects	Prior Year Appropriations	Budget FY 2023-24	Projected Mid-Year FY 2023-24	Total	Description
General Projects					
400-24-01	-	140,000	-	140,000	Security Cameras
400-24-02	-	110,000	-	110,000	Nework Backbone Switches
<i>Total General Projects</i>	<i>\$ -</i>	<i>\$ 250,000</i>	<i>\$ -</i>	<i>\$ 250,000</i>	
Potable Water Projects					
600-23-02	\$ 90,000		xxxxx	90,000	Pleasant Valley Monitoring Wells
650-24-01	-	100,000	-	100,000	Distribution Valve Replacement
xxx-xx-xx	-	-	xxxxx	-	Well Rehabilitation -Woodcreek
xxx-xx-xx	-	-	xxxxx	-	University Backup Well
<i>Total Potable Projects</i>	<i>\$ 90,000</i>	<i>\$ 100,000</i>	<i>\$ -</i>	<i>\$ 190,000</i>	
Non-Potable Water Projects					
750-23-01	150,000	-	xxxxxx	150,000	AG 3 Tank Replacement - Const Phase
<i>Total Non-Potable Projects</i>	<i>\$ 150,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 150,000</i>	
Wastewater Projects					
550-23-01	330,000	-	xxxx	330,000	Collection System Hot Spots
<i>Total Wastewater Projects</i>	<i>\$ 330,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 330,000</i>	
<i>Total CIPs</i>	<i>\$ 570,000</i>	<i>\$ 350,000</i>	<i>\$ -</i>	<i>\$ 920,000</i>	



Capital Projects FY 2023-24 (Continued)

General

400-24-01 \$140,000 Security Cameras

Camrosa staff takes the protection and security of District assets and drinking water critical infrastructure very seriously. When implemented property, monitoring and remote video surveillance allow for proactive prevention and mitigation of threats, theft, vandalism, unauthorized personnel, and preventing harm to District staff and/or property. In the event of unlawful or dangerous activity, staff will be able to verify the validity of an incident before notifying emergency personnel or law enforcement. This project will be complete by June 30, 2024.

400-24-02 \$110,000 Network Backbone Switches

Network switches are an integral part of any modern communication system. Maintaining the supportability of individual components which comprise the network is an important factor since manufactures will typically release security updates, bug-fix patches, and firmware revisions that may provide product enhancements over the life of the component. Funding this project will help ensure robust, supportable communications for administrative and SCADA networks are maintained. This project will be complete by June 30, 2024.

Potable

650-24-01 \$100,000 Distribution Valve Replacement

The potable distribution system includes more than 200 miles of transmission and distribution pipelines, 1,300 mainline valves, and 1,100 fire hydrant valves. Most of these valves were installed in the late '60s and '70s. The Operations & Maintenance department replaces them as stuck or damaged valves are encountered and as part of both routine and emergency pipeline repairs. This project will be complete by June 30, 2024.

Reserves

Although Camrosa operates through a single-fund expense budget, the District's reserves are managed through several types of accounts and account categories. In general, reserves are established to accumulate funds to increase system capacity and accommodate growth, replace assets as they reach the end of their useful life, meet unanticipated emergencies, stabilize rates, and meet the covenants of debt issuance instruments and other agreements.

Restricted Reserves

The Capital Improvement Project (CIP) amount for FY2023-24 has been established at \$350,000. Unrestricted reserves have been appropriated and transferred into the restricted accounts. Reserves in the amount of \$879,529 are held with the District's Trustee in accordance with the bond covenants of the 2016 Revenue Bonds.

Unrestricted Reserves

Unrestricted reserves are accumulated, managed, and earmarked for use by policies developed and implemented by the Camrosa Board of Directors. The Board may amend, discontinue, or supersede these policies at its discretion to serve the best interests of the District. The policy was last updated October 2021.

There are five categories of Unrestricted General Fund Reserves. The Capital Improvement Funds are incremented by the amount of capital fees received from developers each year. The funds are reserved for future expansion of system capacity to meet demand generated as a result of new development and are decremented by the value of the capital projects approved each year for system expansion.

The Capital Replacement Funds are incremented at the end of the fiscal year with contributions from net operating results. The net operating results for each enterprise are distributed directly to the corresponding Capital Replacement Fund. The funds are for both short-term and long-term purposes. The objective is to provide funds for the current and future replacement of existing capital assets as they reach their useful lives. The reserve target level is a minimum of 5% of the replacement value of capital assets.

The Operating and Emergency Funds are incremented from net operating results after all other contributions to reserves have been made. The funds are to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the District's ability to sustain safe or reliable service. The reserve target level is 45 days of O&M expenses.

The Rate Stabilization Fund segregates funds for use in dampening revenue fluctuations or unexpected operational expenses. This fund is used to stabilize rates in the event of short to mid-term rate revenue loss, and/or higher than anticipated operating expenses that cannot be supported by normal revenues. The reserve target level is 10% of the prior year's rate revenue generated from commodity charges only.

Finally, the Pension Liability Reserve Fund segregates funds to manage the ongoing CalPERS Unfunded Accrued Liability. The fund is used for both short-term and long-term purposes. The objective is to provide funds needed to fully fund accrued liabilities. The target is to be 100% funded with a zero UAL balance. To attain 100% funding level the use of reserves may be set aside in the UAL fund to apply additional discretionary payments towards the liability as approved by the Board of Directors.

The FY2023-24 budget is projected to begin with \$32.4 million unrestricted reserves balance, of which \$316,000 to fixed assets and \$350,000 is committed to new capital projects.

Reserves (Continued)

	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Projected FY 2022-23	CIP FY 2023-24	Fixed Assets FY 2023-24	Projected Capital Contributions	Projected Net Operating Results	Projected FY 2023-24
Unrestricted Reserves									
Potable Water Rate Stabilization Fund	\$ 270,625	\$ 270,625	\$ 270,625	\$ 270,625	\$ -	\$ -	\$ -	\$ -	\$ 270,625
Non-Potable Water Rate Stabilization Fund	170,625	465,625	535,625	605,625	-	-	-	-	\$ 605,625
Wastewater Rate Stabilization Fund	183,750	183,750	263,750	263,750	-	-	-	-	\$ 263,750
Total Rate Stabilization Fund	\$ 625,000	\$ 920,000	\$ 1,070,000	\$ 1,140,000	\$ -	\$ -	\$ -	\$ -	\$ 1,140,000
Potable Water Capital Replacement Fund (PWCRF)	\$ 7,564,881	\$ 9,548,413	\$ 17,661,916	\$ 17,546,116	\$ (184,500)	\$ (105,560)	\$ 1,437,227	\$ -	\$ 18,693,283
Potable Water Operating and Emergency Reserves (OER)	435,002	635,852	674,723	820,622	-	-	-	75,954	\$ 896,576
Potable Water Capital Improvement Fund (PWCIF)	2,812,928	1,331,889	1,397,209	1,463,844	-	-	-	-	\$ 1,463,844
Potable Water In-Lieu Fees (Shea Homes)	-	1,194,653	1,194,653	1,194,653	-	-	-	-	\$ 1,194,653
Potable Water Mitigation Fees (Day Ranch)	-	130,025	130,025	130,025	-	-	-	-	\$ 130,025
Potable Water Mitigation Fees (Rancho Sierra Apartments)	-	-	-	170,409	-	-	-	-	\$ 170,409
Potable Water In-Lieu Fees (Rancho Sierra Apartments)	-	-	-	128,334	-	-	-	-	\$ 128,334
Total Potable Funds	\$ 10,812,811	\$ 12,840,832	\$ 21,058,526	\$ 21,454,003	\$ (184,500)	\$ (105,560)	\$ 1,437,227	\$ 75,954	\$ 22,677,124
Non-Potable Water Capital Replacement Fund (NPWCRF)	\$ 2,583,988	\$ 3,588,158	\$ 4,503,872	\$ 5,498,287	\$ (78,000)	\$ (97,440)	\$ 1,482,400	\$ -	\$ 6,805,247
Non-Potable Water Operating and Emergency Reserves (OER)	462,412	478,970	479,254	479,756	-	-	-	30,239	\$ 509,995
Non-Potable Water Capital Improvement Fund (NPWCIF)	-	-	-	-	-	-	-	-	\$ -
New Demand Mitigation Fees (Pegh Investments)	-	-	-	-	-	-	-	-	\$ -
Non-Potable Water In-lieu Fees (Wildwood Preserve)	318,538	318,538	318,538	318,538	-	-	-	-	\$ 318,538
Total Non-Potable Funds	\$ 3,364,938	\$ 4,385,666	\$ 5,301,664	\$ 6,296,581	\$ (78,000)	\$ (97,440)	\$ 1,482,400	\$ 30,239	\$ 7,633,780
Wastewater Capital Replacement Fund (WWCRF)	\$ 3,050,171	\$ 1,234,409	\$ 2,633,053	\$ 2,661,722	\$ (87,500)	\$ (113,000)	\$ 264,000	\$ -	\$ 2,725,222
Wastewater Operating and Emergency Reserves (OER)	341,439	385,120	390,966	473,582	-	-	-	68,977	\$ 542,559
Wastewater Capital Improvement Fund (WWCIF)	836,620	702,316	84,456	368,665	-	-	-	-	\$ 368,665
Total Wastewater Funds	\$ 4,228,230	\$ 2,321,845	\$ 3,108,475	\$ 3,503,969	\$ (87,500)	\$ (113,000)	\$ 264,000	\$ 68,977	\$ 3,636,446
Total Unrestricted Reserves	\$ 22,833,808	\$ 20,610,452	\$ 30,858,665	\$ 32,394,553	\$ (350,000)	\$ (316,000)	\$ 3,183,627	\$ 175,170	\$ 35,087,350
Restricted Assets									
Grant Receivable PV Well	83,822	83,822	83,822	83,822	-	-	-	-	\$ 83,822
Total Receivables	\$ 83,822	\$ 83,822	\$ 83,822	\$ 83,822	\$ -	\$ -	\$ -	\$ -	\$ 83,822
Debt Reserves 2012	-	-	-	-	-	-	-	-	\$ -
Debt Reserves 2016	879,529	879,529	879,529	879,529	-	-	-	-	\$ 879,529
Total Restricted Assets	\$ 879,529	\$ 879,529	\$ 879,529	\$ 879,529	\$ -	\$ -	\$ -	\$ -	\$ 879,529
CIP									
Potable Water Capital Replacements	\$ 1,263,842	\$ 1,427,328	\$ 9,168,861	\$ 2,384,332	\$ 184,500	\$ 105,560	\$ -	\$ -	\$ 2,674,392
Non-Potable Water Capital Replacements	504,157	144,332	221,603	183,850	78,000	97,440	-	-	\$ 359,290
Wastewater Capital Replacements	265,003	2,768,781	2,079,957	2,195,151	87,500	113,000	-	-	\$ 2,395,651
Potable Water Capital Improvements	1,223,101	2,262,238	2,171,805	689,794	-	-	-	-	\$ 689,794
Wastewater Capital Improvements	1,191,757	1,197,859	1,223,165	806,562	-	-	-	-	\$ 806,562
Total CIP	\$ 6,129,232	\$ 9,159,469	\$ 14,865,391	\$ 6,259,689	\$ 350,000	\$ 316,000	\$ -	\$ -	\$ 6,925,689
Total Restricted Assets	\$ 8,623,036	\$ 13,475,762	\$ 15,828,742	\$ 7,223,040	\$ 350,000	\$ 316,000	\$ -	\$ -	\$ 7,889,040
Total Reserves minus Receivables	\$ 31,176,330	\$ 34,002,392	\$ 46,603,585	\$ 39,533,771	\$ -	\$ -	\$ 3,183,627	\$ 175,170	\$ 42,892,568

Reserves (Continued)

	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Projected FY 2022-23	Projected FY 2023-24
Unrestricted Reserves					
Potable Water Rate Stabilization Fund	\$ 270,625	\$ 270,625	\$ 270,625	\$ 270,625	\$ 270,625
Non-Potable Water Rate Stabilization Fund	170,625	465,625	535,625	605,625	\$ 605,625
Wastewater Rate Stabilization Fund	183,750	183,750	263,750	263,750	\$ 263,750
Total Rate Stabilization Fund	\$ 625,000	\$ 920,000	\$ 1,070,000	\$ 1,140,000	\$ 1,140,000
Potable Water Capital Replacement Fund (PWCRF)	\$ 7,564,881	\$ 9,548,413	\$ 17,661,916	\$ 17,546,116	\$ 18,693,283
Potable Water Operating and Emergency Reserves (OER)	435,002	635,852	674,723	820,622	\$ 896,576
Potable Water Capital Improvement Fund (PWCIF)	2,812,928	1,331,889	1,397,209	1,463,844	\$ 1,463,844
Potable Water In-Lieu Fees (Shea Homes)	-	1,194,653	1,194,653	1,194,653	\$ 1,194,653
Potable Water Mitigation Fees (Day Ranch)	-	130,025	130,025	130,025	\$ 130,025
Potable Water Mitigation Fees (Rancho Sierra Apartments)	-	-	-	170,409	\$ 170,409
Potable Water in-Lieu Fees (Rancho Sierra Apartments)	-	-	-	128,334	\$ 128,334
Total Potable Funds	\$ 10,812,811	\$ 12,840,832	\$ 21,058,526	\$ 21,454,003	\$ 22,677,124
Non-Potable Water Capital Replacement Fund (NPWCRF)	\$ 2,583,988	\$ 3,588,158	\$ 4,503,872	\$ 5,498,287	\$ 6,805,247
Non-Potable Water Operating and Emergency Reserves (OER)	462,412	478,970	479,254	479,756	\$ 509,995
Non-Potable Water Capital Improvement Fund (NPWCIF)	-	-	-	-	\$ -
New Demand Mitigation Fees (Pegh Investments)	-	-	-	-	\$ -
Non-Potable Water In-lieu Fees (Wildwood Preserve)	318,538	318,538	318,538	318,538	\$ 318,538
Total Non-Potable Funds	\$ 3,364,938	\$ 4,385,666	\$ 5,301,664	\$ 6,296,581	\$ 7,633,780
Wastewater Capital Replacement Fund (WWCRF)	\$ 3,050,171	\$ 1,234,409	\$ 2,633,053	\$ 2,661,722	\$ 2,725,222
Wastewater Operating and Emergency Reserves (OER)	341,439	385,120	390,966	473,582	\$ 542,559
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Total Unrestricted Reserves	\$ 22,833,808	\$ 20,610,452	\$ 30,858,665	\$ 32,394,553	\$ 35,087,350
Restricted Assets					
Grant Receivable PV Well	83,822	83,822	83,822	83,822	\$ 83,822
Total Receivables	\$ 83,822	\$ 83,822	\$ 83,822	\$ 83,822	\$ 83,822
Debt Reserves 2012	-	-	-	-	\$ -
Debt Reserves 2016	879,529	879,529	879,529	879,529	\$ 879,529
Total Restricted Assets	\$ 879,529	\$ 879,529	\$ 879,529	\$ 879,529	\$ 879,529
CIP					
Potable Water Capital Replacements	\$ 1,263,842	\$ 1,427,328	\$ 9,168,861	\$ 2,384,332	\$ 2,674,392
Non-Potable Water Capital Replacements	504,157	144,332	221,603	183,850	\$ 359,290
Wastewater Capital Replacements	265,003	2,768,781	2,079,957	2,195,151	\$ 2,395,651
Potable Water Capital Improvements	1,223,101	2,262,238	2,171,805	689,794	\$ 689,794
Wastewater Capital Improvements	1,191,757	1,197,859	1,223,165	806,562	\$ 806,562
Total CIP	\$ 6,129,232	\$ 9,159,469	\$ 14,865,391	\$ 6,259,689	\$ 6,925,689
Total Restricted Assets	\$ 8,623,036	\$ 13,475,762	\$ 15,828,742	\$ 7,223,040	\$ 7,889,040
Total Reserves minus Receivables	\$ 31,176,330	\$ 34,002,392	\$ 46,603,585	\$ 39,533,771	\$ 42,892,568

Reserve Accounts (Continued)

Potable Water - Unrestricted Reserves

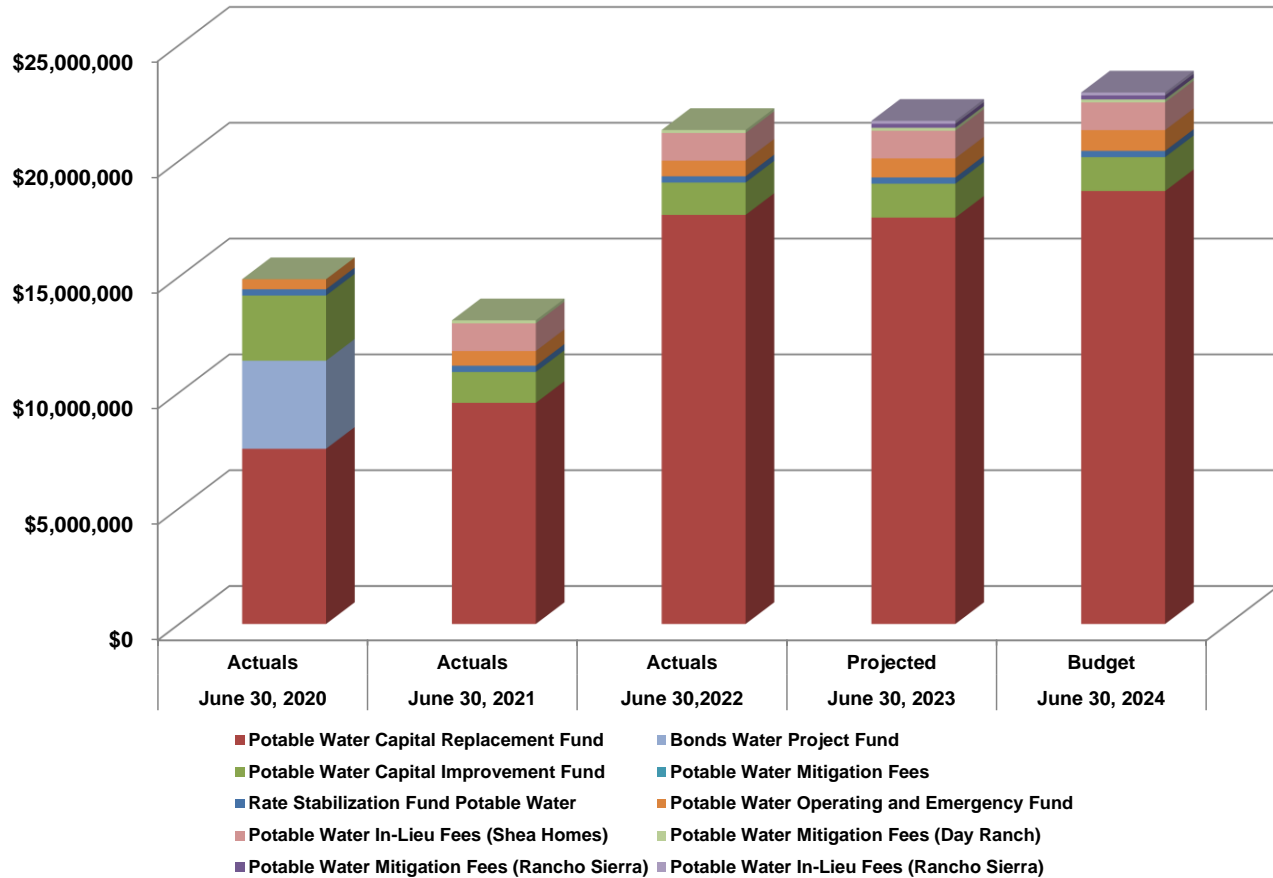


Figure 14 – Unrestricted Potable Water Reserves

The graph above reflects the various unrestricted reserve funds of the Potable Water Operations.

In FY2022-23, Potable Water Funds appropriated approximately \$1,553,092 towards Capital Projects, \$7,280 towards Fixed Assets. The FY2023-24 budget will appropriate \$184,500 from Potable water funds towards Capital Projects and \$105,560 towards Fixed Assets. The Potable Water Capital Replacement Fund receives funding from capital replacement contributions. The projected Capital Replacement Contributions amount for FY2022-23 is \$1,091,000. The Capital Improvement Fund receives funding from connection fees, in FY2022-23 the District received \$13,000 connection fees and \$298,743 mitigation and in-lieu fees. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District does not anticipate a contribution in FY2022-23 or FY2023-24. The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of District business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe and reliable services and receives funding from the operating budget. In FY2022-23, the District projects a contribution of \$145,899 and anticipates a contribution of \$75,954 in FY2023-24.

Reserve Accounts (Continued)

Non-Potable Water - Unrestricted Reserves

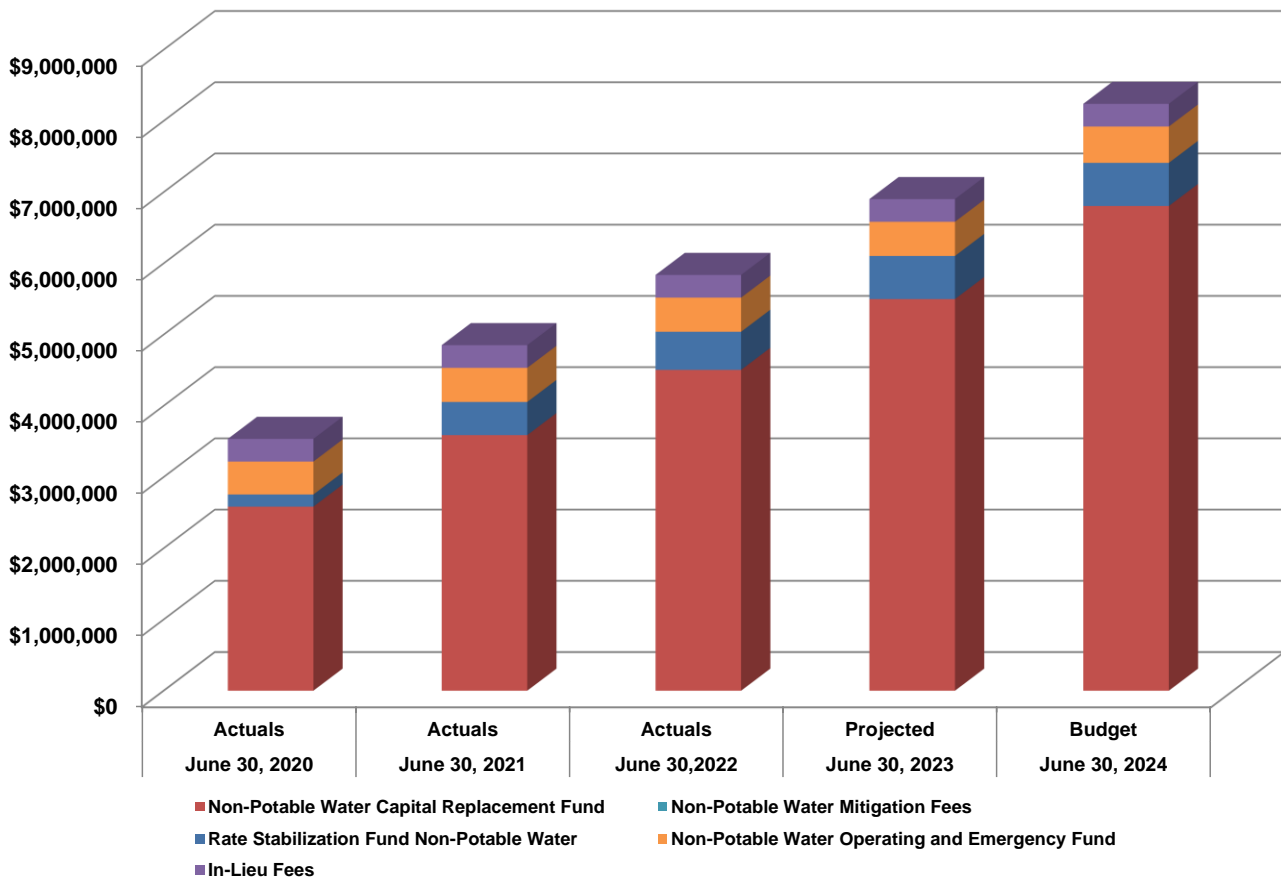


Figure 15 – Unrestricted Non-Potable Water Reserves

The graph above reflects the various unrestricted reserve funds of the Non-Potable Water Operations.

In FY2022-23, Non-Potable Water Funds appropriated approximately \$147,648 towards Capital Projects and \$6,720 towards Fixed Assets. The FY2023-24 budget will appropriate \$78,000 from Non-Potable Water Funds towards Capital Projects and \$97,440 towards Fixed Assets. The Non-Potable Water Capital Replacement Fund receives funding from capital replacement contributions. The replacement fund has increased because of higher than anticipated water sales to PVCWD. The Capital Replacement Contributions for FY2022-23 are projected to be approximately \$1,135,000. This contribution will improve the District's ability to pay for future capital projects. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District projects a contribution to the fund in the amount of \$70,000 in FY2022-23 and no contribution for FY2023-24. The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe or reliable services and receives funding from the operating budget. In FY2022-23, the District projects a contribution of \$502 and anticipates contributing \$30,239 in FY2023-24.

Reserve Accounts (Continued)

Wastewater - Unrestricted Reserves

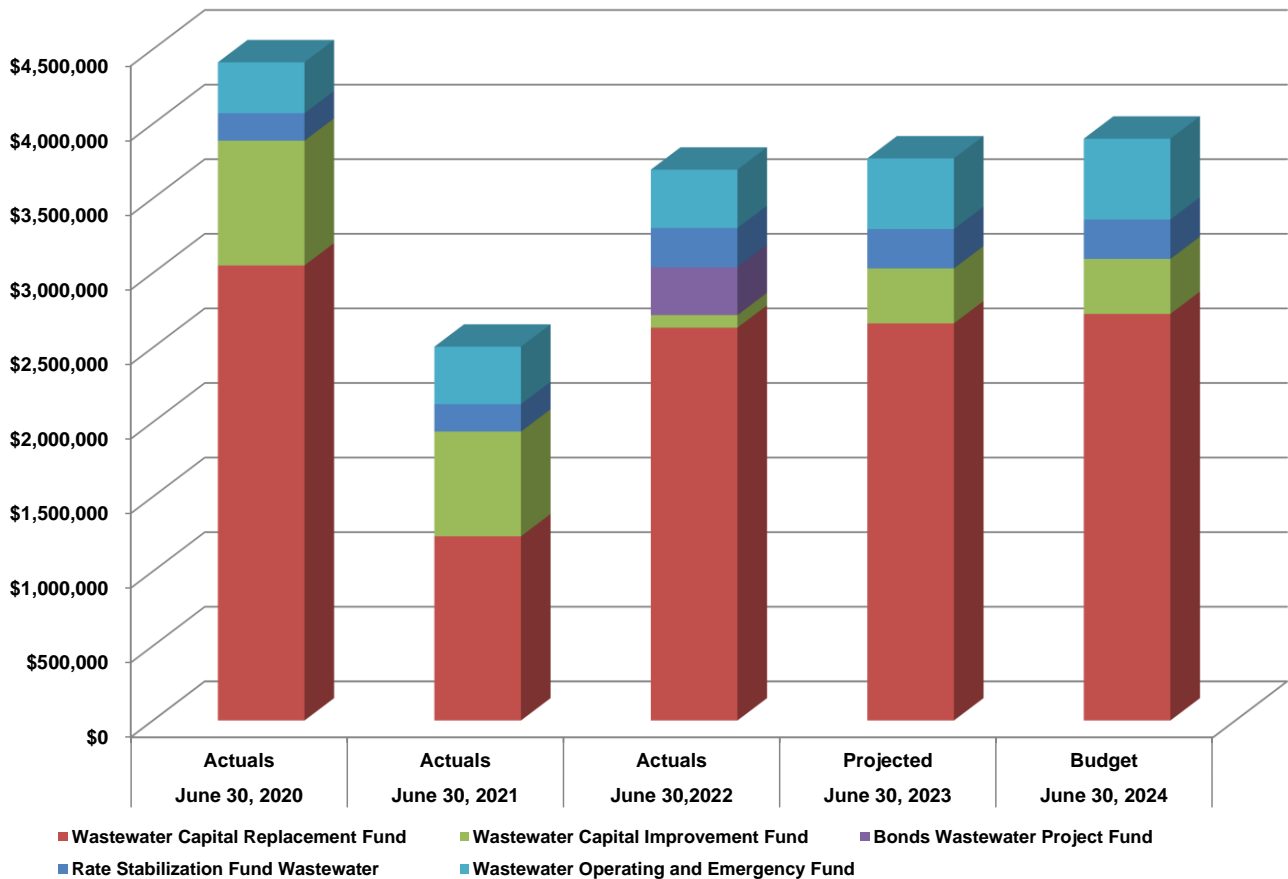


Figure 16 – Unrestricted Wastewater Reserves

The graph above reflects the various unrestricted reserve funds of the Wastewater Operations.

In FY2022-23 Wastewater funds appropriated approximately \$880,900 towards Capital Projects and \$14,000 towards Fixed Assets. The FY2023-24 budget will appropriate \$87,500 from Wastewater funds towards Capital Projects and \$113,000 towards Fixed Assets. The Wastewater Capital Replacement Fund receives funding from capital replacement contributions. The Capital Replacement Contributions for FY2022-223 are projected to be \$875,099. The Capital Improvement Fund receives funding from connection fees, in FY2022-23 the District received connection fees in the amount of \$233,750. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District does not project a contribution to the fund for FY2022-23 nor FY2023-24. The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of District business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe or reliable services and receives funding from the operating budget. In FY2022-23, the District projects a contribution of \$82,616 and anticipates contributing \$68,977 in FY2023-24.

Debt Service

The District's debt rating is "AA" from Standard & Poor's. The debt rating was upgraded on October 12, 2016 from "AA-" to "AA".

The District's outstanding debt consists of the Series 2011A/2016A Water and Wastewater Revenue Bonds.

The District issued \$9,630,000 in 2011A Project bonds in September 2011. Proceeds of the bonds funded \$6,508,000 of water capital projects and \$2,447,000 of wastewater capital projects. Subsequently in September 2016, the District advance refunded the 2011A bonds and obtained additional funding in the amount of \$6,000,000, with the issuance of the Water and Wastewater Refunding Revenue Bonds Series 2016A, for water projects. Refunding resulted in more than \$663,000 in net present value savings, lowering the District's annual debt service payment.

The annual debt service payments for FY2023-24 on the Series 2011A/2016 will be approximately \$1,039,931. Approximately \$187,900 is paid with sewer service revenues. The remaining \$852,031 is paid with water revenue. A complete debt service schedule is located in Appendix #4.

A condition of the 2011A/2016 Refunding Revenue Project Bonds issuance is the maintenance of a minimum debt service coverage ratio of 1.15%. The District has adopted a formal debt policy and no legal debt limit; however, the District's future borrowing capacity is limited by the debt coverage ratio required by existing bond covenants. The District's debt service coverage ratio for FY2023-24 is budgeted to 4.55 for Water and 2.77 for Wastewater.

The following pages illustrate the District's actual debt service coverage. Over the past several years, a concerted effort has been made to improve debt service ratios to stay well above the 1.15% debt service ratio required by bond covenants.

Water Debt Service Ratio

	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Projections FY 2021-23	Budget FY 2022-24
Revenues					
Water Sales:					
Potable	\$ 10,655,664	\$ 12,772,834	\$ 12,280,448	\$ 9,499,916	\$ 12,939,700
Recycle/Non-Potable	4,507,819	4,823,961	4,383,675	3,899,262	5,146,300
Water Sales to Pleasant Valley	1,340,423	1,669,579	1,677,229	1,508,356	1,833,063
Meter Service Charge	2,312,427	2,346,434	2,515,456	2,608,954	2,792,500
Special Services	69,266	25,378	50,750	56,285	58,000
Pump Zone Charges	46,037	55,411	47,212	31,985	52,000
Miscellaneous	4,272	69,331	15,804	2,763	-
Interest Revenues	502,387	108,987	102,841	1,052,688	1,192,562
Taxes	661,932	700,753	721,241	756,405	791,000
Mitigation & In-Lieu Fees	-	1,324,678	-	298,743	-
GAC Reimbursement			16,191,774		
Capital Fees	9,825	55,825	-	13,000	-
Total Revenues	\$ 20,110,052	\$ 23,953,171	\$ 37,986,430	\$ 19,728,357	\$ 24,805,125
Expenses					
Production	\$ 10,717,210	\$ 12,810,991	\$ 11,372,011	\$ 9,032,332	\$ 10,888,983
Salaries & Benefits	2,858,529	2,323,040	2,408,086	2,578,858	3,345,199
Outside Contracts & Professional Services	979,417	809,835	1,725,735	2,031,944	3,633,890
Supplies & Services	1,784,825	1,733,313	2,060,488	2,485,273	3,059,202
Total Expenses	\$ 16,339,981	\$ 17,677,179	\$ 17,566,320	\$ 16,128,407	\$ 20,927,274
Net Operating Revenues	\$ 3,770,071	\$ 6,275,992	\$ 20,420,110	\$ 3,599,950	\$ 3,877,851
Debt Service	1,512,831	843,081	853,681	845,806	852,031
Debt Service Coverage Ratio	2.49	7.44	10.71	4.26	4.55

Water Debt Coverage Ratio

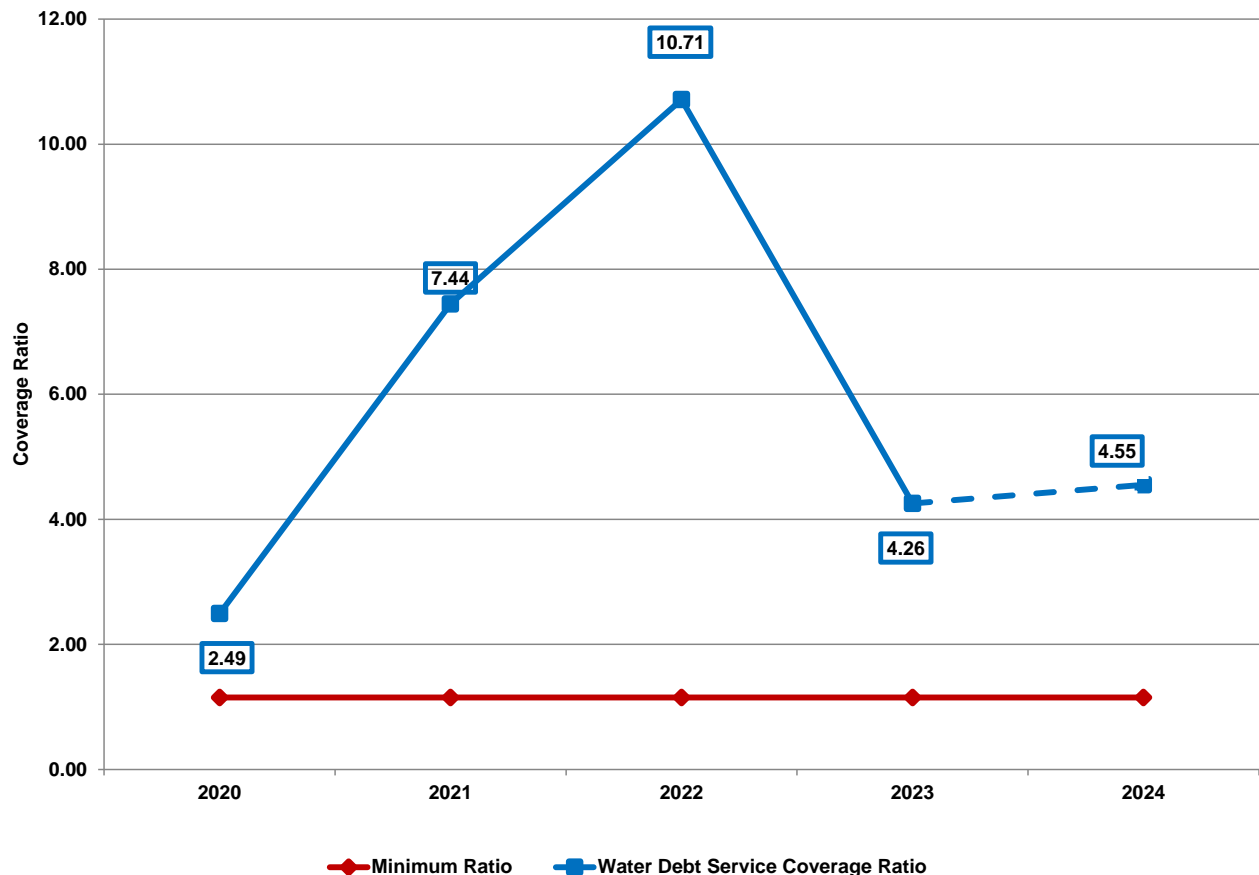


Figure 17 – Historical Debt Service Coverage Ratios – Water

Wastewater Debt Service Ratio

	Actuals FY 2019-20	Actuals FY 2020-21	Actuals FY 2021-22	Projections FY 2022-23	Budget FY 2023-24
Revenues					
Sewer Service Charge	\$ 3,575,963	\$ 3,855,258	\$ 4,092,891	\$ 4,372,682	\$ 4,825,300
Special Services	28,691	4,545	14,793	17,500	17,000
Miscellaneous	1,301	818	8,068	1,487	-
Interest Revenues	153,524	32,608	27,073	186,399	211,710
Capital Fees	-	-	-	233,750	-
Total Revenues	\$ 3,759,480	\$ 3,893,229	\$ 4,142,825	\$ 4,811,818	\$ 5,054,010
Expenses					
Production	\$ 14,108	\$ 9,772	\$ 11,521	\$ 8,250	\$ 22,984
Salaries & Benefits	1,449,728	1,250,867	1,296,662	1,388,616	1,801,261
Outside Contracts & Professional Services	844,735	816,780	857,118	1,435,277	2,039,250
Supplies & Services	442,319	430,676	470,728	598,685	669,638
Total Expenses	\$ 2,750,890	\$ 2,508,095	\$ 2,636,029	\$ 3,430,828	\$ 4,533,133
Net Operating Revenues	\$ 1,008,590	\$ 1,385,134	\$ 1,506,796	\$ 1,380,990	\$ 520,877
Debt Service	617,150	191,450	190,950	189,525	187,900
Debt Service Coverage Ratio	1.63	7.23	7.89	7.29	2.77

Wastewater Debt Coverage Ratio

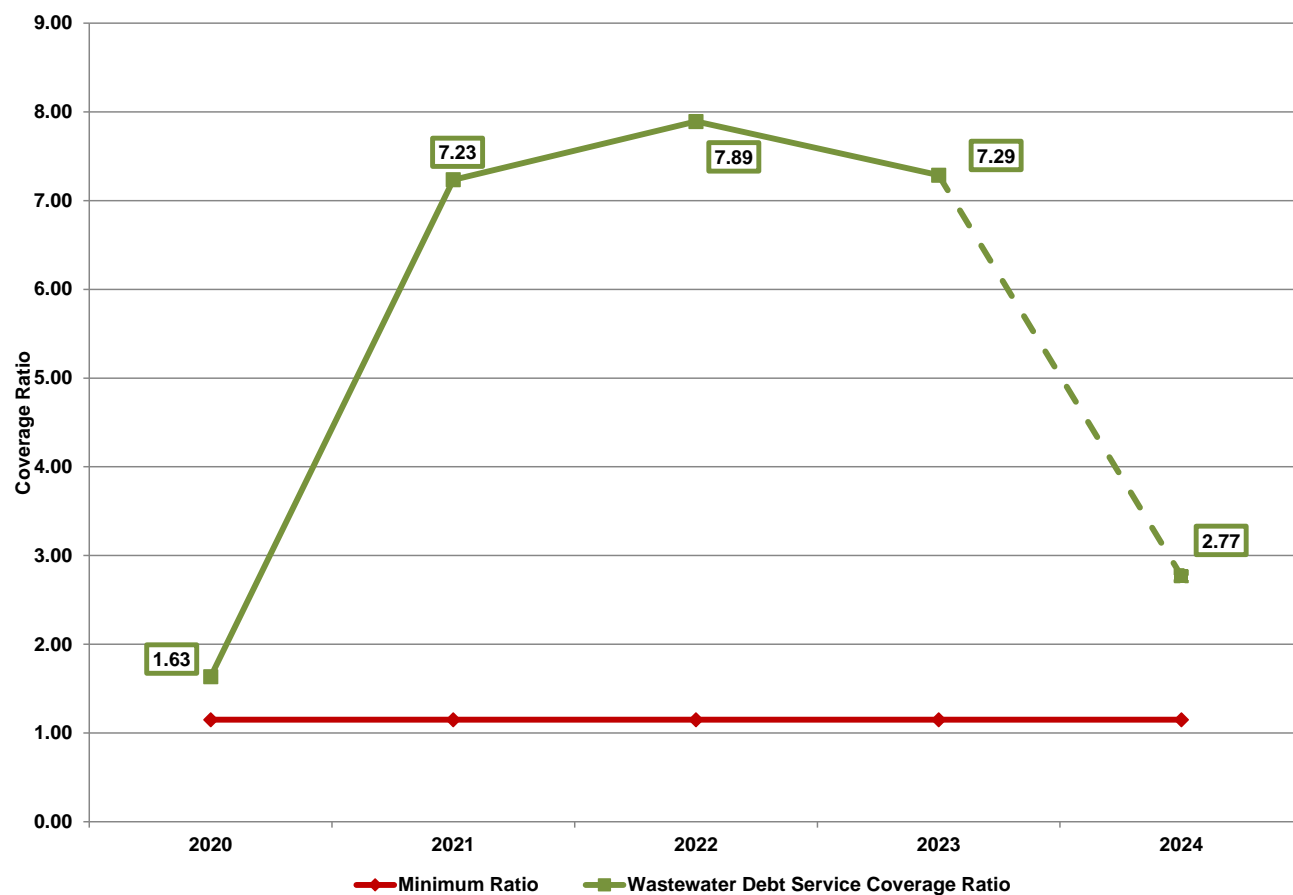


Figure 18 – Historical Debt Service Coverage Ratios – Wastewater

Five-Year Capital Outlay

The District has incorporated a five-year capital outlay forecast into the FY2023-24 Operating and Capital Budget. The forecast expands the operating budget by projecting capital and equipment expenditures. Included in the capital outlay forecast are potential projects which will be refined and prioritized from the outcome of the master plan to be completed in the Summer of 2023 and approved by the Board. Projects to be considered are expansion projects as well as improvement and replacement projects over the next five years.

Potable Water Capital Outlay

No.	Project Description	2023-2024 Budget	Mid-Year 2023-2024	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection	Total
Potable Water Facilities									
1	Sampling Stations			100,000	500,000	500,000			\$ 1,100,000
2	PV Well #2 filtration systems		1,500,000						\$ 1,500,000
3	Reservoir Rehabilitation Program								
4	Res 4C Hydro-pneumatic Pump Station					1,655,000			\$ 1,655,000
5	Res 4C Tank Replacement					2,440,000			\$ 2,440,000
6	Res 3A Tank Replacement - Potable					220,000	4,170,000		\$ 4,390,000
7	New Pump Station Program								
8	Pump Station 1 to 2 @ MS#8			97,200	900,000				\$ 997,200
9	Pump Station 2 to 3D at MS#6					97,200	900,000		\$ 997,200
10	Pump Station Replacement Program								
11	3D Pump Station 5			600,000					\$ 600,000
12	Pump Station 1&2 - Mechanical					350,000			\$ 350,000
13	Potable Pipeline Replacement Program								
14	Distribution Valve Replacement	100,000	-	100,000	100,000	100,000	100,000	100,000	\$ 600,000
15	Pipeline Replacement				90,000	180,000	1,380,000		\$ 1,650,000
16	Expand Santa Rosa Line to 24' (Upland Rd to San Rafael Way)			58,500	600,000				\$ 658,500
17	New Well Design Program								
18	University CSCUI Back-up Well		3,000,000						\$ 3,000,000
19	PV Well # 3			7,820,000					\$ 7,820,000
20	2 Monitoring Wells (PV Basin)		540,000						\$ 540,000
21	SR #3 Utilization				100,000				\$ 100,000
22	PV Well #4				8,000,000				\$ 8,000,000
23	PV Well #5					8,000,000			\$ 8,000,000
24	SR Well #11						8,000,000		\$ 8,000,000
25	Conejo Wellfield RO Treatment							12,000,000	\$ 12,000,000
26	Well Rehabilitation Program								
27	Well Rehabilitation Program		200,000		200,000		200,000	200,000	\$ 800,000
28	Meter Station Replacement Program								
29	Meter Station 11 & Pressure Relief Station Rehabilitation			290,000					\$ 290,000
30	Meter Station Replacement Program				200,000		150,000		\$ 350,000
31	VFD Replacement Program								
32	VFD Replacement Program			30,000	30,000	30,000	30,000	30,000	\$ 150,000
33	Total Potable Water Facilities	\$ 100,000	\$ 5,240,000	\$ 9,095,700	\$ 10,720,000	\$ 13,572,200	\$ 14,930,000	\$ 12,330,000	\$ 65,987,900

Five-Year Capital Outlay (Continued)

Non-Potable Water Capital Outlay

No.	Project Description	2023-2024 Budget	Mid-Year 2023-2024	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection	Total
Non-Potable Water Facilities									
1	Pond Improvements			110,000	1,500,000				\$ 1,610,000
2	Reservoir Rehabilitation Program								
3	AG3 Tank Replacement		750,000						\$ 750,000
4	Yucca Tank Replacement				135,000	425,000			\$ 560,000
5	Ag 2 tank recoating					150,000	150,000		\$ 300,000
6	Pump Station Replacement Program								
7	PS#4 Auxiliary Pump			65,000					\$ 65,000
8	Pump Station Replacement Program (PS4 then Pond Station)			420,000		425,000			\$ 845,000
9	Non-Potable Pipeline Replacement Program								
10	Non-Potable Distribution expansion			500,000	2,375,000	2,375,000	2,375,000	2,375,000	\$ 10,000,000
11	Non-Potable Pipeline Replacement Program			60,000	90,000	390,000	390,000		\$ 930,000
12	Well Rehabilitation Program								
13	Santa Rosa Well #10 Well Rehabilitation			230,000					\$ 230,000
14	NP Well Rehabilitation Program			250,000		250,000		250,000	\$ 750,000
15	VFD Replacement Program			50,000	50,000	50,000	50,000		\$ 200,000
16	MCC Replacement Program			300,000	520,000	240,000			\$ 1,060,000
17	Total Non-Potable Water Facilities	\$ 0	\$ 750,000	\$ 1,985,000	\$ 4,670,000	\$ 4,305,000	\$ 2,965,000	\$ 2,625,000	\$ 17,300,000

Wastewater Capital Outlay

No.	Project Description	2023-2024 Budget	Mid-Year 2023-2024	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection	Total
Wastewater Facilities									
1	CWRF PLC Replacement			175,000	700,000				\$ 875,000
2	Dewatering Press			1,000,000					\$ 1,000,000
3	Smart Covers Sewer Manholes			90,000					\$ 90,000
4	Effluent Line Replacement								\$ -
5	New CWRF Generator			400,000					\$ 400,000
6	Sewer Lift MCC & Rehabilitation								
7	Sewer Lift 4 MCC & Rehabilitation			360,000					\$ 360,000
8	Sewer Lift MCC & Rehabilitation (3& 2)						360,000		\$ 360,000
9	Collection System Replacement								\$ -
10	Collection System Hot Spots		330,000		330,000		330,000		\$ 990,000
11	Total Wastewater Facilities	\$ 0	\$ 330,000	\$ 2,025,000	\$ 1,030,000	\$ 0	\$ 690,000	\$ 0	\$ 4,075,000
General Projects									
1	Security Cameras	140,000							\$ 140,000
2	Network Backbone Switches	110,000							\$ 110,000
3	Total General Projects	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Grand Total Projects									
		350,000	6,320,000	13,105,700	16,420,000	17,877,200	18,585,000	14,955,000	87,612,900

Five-Year Financial Forecast

The financial forecast expands the operating budget by projecting operational results, capital and equipment expenditures, and the District's reserve balances by Fund. Included in the capital expenditures are expansion projects as well as improvement and replacement projects over the next five years.

Potable Water Program Operating Budget

Assumptions:

- **Water Revenue.** The commodity and meter service charge revenue projections incorporate the final of the adopted rates through July 2023. The District anticipates completing a new five-year rate study and adopting rates beginning July 2024. The forecast only assumes pass-through of imported rate adjustments; therefore, the forecast demonstrates the requirement for future rate adjustments to fund the five-year capital outlay projects, otherwise alternative funding is may be needed.

The following is the projected timeline of upcoming development incorporated into the five-year forecast:

- Rancho Sierra: FY2024-25: 26 AFY potable sales, 50 MSF
 - Pegh Investments: FY2024-25; 48 AFY potable sales, 8 MSF
 - CSUCI: FY2024-25: 52 AFY
 - CSUCI: FY2025-26: 52 AFY
 - Camino Ruiz: FY2026-27: 199 AFY, 193 MSF
 - Camino Ruiz: FY2027-28: 199 AFY, 193 MSF
 - New Urban West: FY2027-28: 43 AFY, 83 MSF
 - New Urban West: FY2028-29: 43 AFY, 83 MSF
- **Continued Increased Cost of Imported Water.** MWD and CMWD have prepared long-range finance plans that provide projected imported water rates. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2024. The forecast assumes a pass-thru of the cost increase of imported water beginning in FY2025 assuming the board will adjust rates for the cost of import water. The following are the projected imported commodity water rate increases from MWD and CMWD:
 - 2024 – 6.0%, \$1,730/AF
 - 2025 – 6.8%, \$1,848/AF
 - 2026 – 5.9%, \$1,957/AF
 - 2027 – 5.5%, \$2,064/AF
 - 2028 – 5.4%, \$2,175/AF
 - 2029 – 5.0%, \$2,265/AF
- **Continued Increased Costs of Imported Fixed Charges.** In addition to the projected imported Tier 1 rate increases from MWD and CMWD, increases are also projected for the fixed charges, which is a combination of a capacity-reservation charge and a readiness-to-serve charge. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2024. The forecast assumes a pass-thru of the cost increase of imported fixed charges beginning in FY2025 assuming the board will adjust rates for the cost of imported fixed charges. The following are the projected combined Readiness To Serve and Capacity Reservation Charge from MWD and CMWD:
 - 2024 – 3.9%, \$941,928
 - 2025 – 5.8%, \$996,326
 - 2026 – 7.1%, \$1,067,252
 - 2027 – 6.7%, \$1,138,690
 - 2028 – 6.7%, \$1,215,102
 - 2029 – 6.7%, \$1,296,846
- **Reduction of Imported Water Purchases.** The FY2023-24 operating budget blend ratio of imported water is currently at 50%. The completion of PV Well #2 in winter of 2023 and completing the Conejo Wellfield GAC treatment plant and returning that local resource to service should combine to reduce imported purchases to 28% in FY2024-25. Optimizing and maintaining our other

local potable sources (the RMWTP, Penny Well, Tierra Rejada Well, etc.) is critical to keeping imported volumes and costs low.

- **Increase of Production Power.** As a result of the development of the local water resource projects described above, local production power will increase beginning in FY2024-25. In addition to the increase of production power for these projects, the forecast incorporates an annual three-percent increase for power costs beginning in FY2024-25.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase 3% annually beginning in FY2024-25.
- **Other Income.** Property Tax, Special Services, and Pump Zone/Miscellaneous Income are projected to remain at the current FY2023-24 levels with no increases. Interest Revenues are projected to decrease as fund balances are reduced.
- **Rate Stabilization Fund.** The forecast does not include contributions to the rate stabilization fund as a result of contributing to the capital replacement fund for capital outlay projects. The target level of \$1,200,000 projected from the 2019 Rate Study and the current balance is \$270,625.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is projected to continue into FY2024-25 in the amount of \$2,935,000 and decrease to \$315,000 in FY2028-29. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund.
- **Bond Issuance.** The forecast includes a bond issuance in FY2027 with annual debt service obligation in beginning in FY2028 in the amount of \$2,146,697.

Potable Water Program Operations						
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
	7/1/23 last rate increase	pass-through	pass-through	pass-through	pass-through	pass-through
Operating Revenue						
Water Sales						
Potable Water Sales	12,939,700	13,179,500	13,280,300	13,460,200	13,719,200	13,798,300
Meter Service Charge	2,635,000	2,664,600	2,664,600	2,684,000	2,718,400	2,733,600
Special Services	33,000	33,000	33,000	33,000	33,000	33,000
Pump Zone/Miscellaneous	31,000	31,000	31,000	31,000	31,000	31,000
Total Operating Revenue	\$ 15,638,700	\$ 15,908,100	\$ 16,008,900	\$ 16,208,200	\$ 16,501,600	\$ 16,595,900
Non-Operating Revenue						
Property Tax	475,000	475,000	475,000	475,000	475,000	475,000
Interest Income	959,183	200,000	200,000	200,000	200,000	200,000
Total Non-Operating Revenue	\$ 1,434,183	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
Total Potable Program Revenue	\$ 17,072,883	\$ 16,583,100	\$ 16,683,900	\$ 16,883,200	\$ 17,176,600	\$ 17,270,900
Potable Program Expenditures						
Water Purchases	7,264,989	4,614,200	4,647,200	4,706,000	4,786,400	4,815,400
Production Power	910,802	1,323,300	1,371,300	1,434,800	1,509,300	1,563,700
Operations and Maintenance	6,562,234	6,886,923	7,055,921	7,229,547	7,407,933	7,591,211
Total Potable Program Expenses	\$ 14,738,025	\$ 12,824,423	\$ 13,074,421	\$ 13,370,347	\$ 13,703,633	\$ 13,970,311
Rate Stabilization Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CalPERS UAL Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Contribution	\$ 1,437,227	\$ 2,935,000	\$ 2,775,000	\$ 2,685,000	\$ 485,000	\$ 315,000
Debt Service Obligation						
2011A/2016 Water and Wastewater Project	821,677	814,961	827,514	821,771	827,793	828,402
New Debt	-	-	-	-	2,146,697	2,146,697
Total Debt Services	821,677	814,961	827,514	821,771	2,974,490	2,975,099
Net Operating Results less Debt Service	\$ 75,954	\$ 8,716	\$ 6,965	\$ 6,082	\$ 13,477	\$ 10,490

Table 1 – Projected Potable Water Operations

Potable Water Program Reserves

The long-term financial forecast of the Potable Water Program's operating budget reflects a contribution to the Potable Capital Replacement Fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and require use of the reserve funds.

The following tables depict the Potable Water Program's Net Operating Results, and the sources and uses of the reserve funds of the Potable Capital Replacement and Potable Capital Improvement Fund.

- **Capital Replacement Contribution.** The capital replacement contribution is budgeted in the potable water program and transferred to the capital replacement fund for replacing aging infrastructure.
- **Bond Issuance:** The forecast assumes the District will require a bond issuance in the amount of \$33,000,000 based upon the capital outlay of potable water projects in FY2027.
- **Fund Balance.** The projected fund balance in FY2028-29 is \$2,132,566. The 2019 rate study set a target level of \$6,400,000 by the end of the fifth year of rate increases. Based on the capital outlay projects the potable replacement will fund a portion of the improvement projects in FY2024-25 as a result of the depletion of the capital improvement fund.

Potable Capital Replacement Fund						
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Source of Funds						
Capital Replacement Contribution	1,437,227	2,935,000	2,775,000	2,685,000	485,000	315,000
OEM Transfer In				-		
Transfer in New Bonds	-	-	-	33,000,000	-	-
Total Sources	\$ 1,437,227	\$ 2,935,000	\$ 2,775,000	\$ 35,685,000	\$ 485,000	\$ 315,000
Use of Funds						
Replacement Projects	100,000	620,000	620,000	10,970,000	14,030,000	12,300,000
General Projects/Fixed Assets	190,060	84,500	84,500	84,500	84,500	84,500
Transfer from Potable Water Capital Improvement	-	6,191,017	10,100,000	2,602,200	900,000	-
Total Uses	\$ 290,060	\$ 6,895,517	\$ 10,804,500	\$ 13,656,700	\$ 15,014,500	\$ 12,384,500
Net Annual Cash Balance	1,147,167	(3,960,517)	(8,029,500)	22,028,300	(14,529,500)	(12,069,500)
Beginning Unrestricted Fund Balance	17,546,116	18,693,283	14,732,766	6,703,266	28,731,566	14,202,066
Net Cumulative Fund Balance	\$ 18,693,283	\$ 14,732,766	\$ 6,703,266	\$ 28,731,566	\$ 14,202,066	\$ 2,132,566

Table 2 – Projected Potable Capital Replacement Fund

Potable Water Program Reserves (Continued)

- **Developer Contributions.** The District is only projecting Camino Ruiz development contributing connection fees as result of entering into a development agreement on May 25, 2023. All remaining development is not incorporated into the developer contributions due to the uncertainty of the current economic conditions, as well as the proposed developments are small in nature.
- **Grant Funds.** The District anticipates final grant reimbursement for DWR Prop. 84 related to PV Well #2 upon completion of the project.
- **Fund Balance.** The capital improvement projects will have depleted the fund balance of the potable capital improvement fund and the remaining projects will be funded from the potable capital replacement fund beginning in FY2024-25. Should development occur this would provide developer contributions towards these projects.

Potable Capital Improvement Fund						
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Source of Funds						
Developer Contributions	-	4,353,596	-	-	-	-
Grant Funds	-	83,822	-	-	-	-
Total Sources	-	4,437,418	-	-	-	-
Use of Funds						
Improvement Projects	-	13,715,700	10,100,000	2,602,200	900,000	-
Transfer Out to Potable Capital Replacement	-	(6,191,017)	(10,100,000)	(2,602,200)	(900,000)	-
Total Uses	\$ -	\$ 7,524,683	\$ -	\$ -	\$ -	\$ -
Net Annual Cash Balance	-	(3,087,265)	-	-	-	-
Mitigation Fee Fund Balance	1,623,421	-	-	-	-	-
Beginning Unrestricted Fund Balance	1,463,844	3,087,265	0	0	0	0
Net Cumulative Fund Balance	3,087,265	0	0	0	0	0

Table 3 – Projected Potable Capital Improvement Fund

Non-Potable Water Program Operating Budget

Assumptions:

- **Water Revenue.** The commodity and meter service charge revenue projections incorporate the final of the adopted rates through July 2023. The District anticipates completing a new five-year rate study and adopting rates beginning July 2024. The forecast only assumes pass-through of imported rate adjustments; therefore, the forecast demonstrates the requirement for future rate adjustments to fund the five-year capital outlay projects, otherwise alternative funding is may be needed.

The following is the projected timeline of upcoming development incorporated into the five-year forecast:

- Pegh Investments: FY2024-25; 21 AFY non-potable sales; 8 MSF
- Rancho Sierra: FY2024-25; 6 AFY non-potable sales; 8 MSF
- CSUCI: FY2024-25; 82 AFY non-potables sales
- CSUCI: FY2025-26; 82 AFY non-potable sales
- New Urban West FY2026-27; 2 AFY non-potable sales; 4 MSF
- New Urban West FY2027-28; 2 AFY non-potable sales
- New Urban West FY2028-29; 2 AFY non-potable sales
- **Continued Increased Cost of Imported Water.** The non-potable water program purchases imported water to blend with local non-potable groundwater to reduce chlorides for some of the District's agricultural customers. As stated above in the potable water program, MWD and CMWD's imported water rate increase projections have been incorporated into the five-year financial forecast.
- **Non-Potable/Recycled Water Purchases.** In addition to imported water purchases, the non-potable program purchases non-potable water, which is diverted through the Conejo Creek Diversion, from the City of Thousand Oaks. The increase of non-potable water is estimated at 3% annually.
- **Increased Cost of Production Power.** Power production costs are projected to increase annually by 3%.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase 3% annually.
- **Other Income.** Property Tax, Special Services, and Pump Zone/Miscellaneous Income are projected to remain at the current FY2023-24 levels with no increases. Interest Revenues are projected to decrease as fund balances are reduced.
- **Rate Stabilization Fund.** The District anticipates contributions to the Rate Stabilization Fund in meeting the target level \$605,625 in FY2022-23, 10% of the commodity water sales. The target set in the 2019 rate study was approximately \$320,000.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is to decrease to \$1,365,000 in FY2024-25 thereafter gradually declines to \$695,000 in FY2028-29. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund.
- **Bond Issuance:** The forecast includes a bond issuance in FY2027 with annual debt service obligation in beginning in FY2028 in the amount of \$390,309.

Non-Potable Water Program Operations						
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
	last rate increase					
Operating Revenue						
Recycle/Non-Potable	5,146,300	5,266,500	5,366,500	5,382,900	5,399,700	5,417,000
Water Sales to PV	1,833,063	1,899,159	1,956,134	2,014,818	2,075,262	2,137,520
Meter Service Charge	157,500	160,300	160,300	160,900	160,900	160,900
Special Services	25,000	25,000	25,000	25,000	25,000	25,000
Pump Zone/Miscellaneous	21,000	21,000	21,000	21,000	21,000	21,000
Total Operating Revenue	\$ 7,182,863	\$ 7,371,959	\$ 7,528,934	\$ 7,604,618	\$ 7,681,862	\$ 7,761,420
Property Tax	316,000	316,000	316,000	316,000	316,000	316,000
Interest Income	233,379	100,000	100,000	100,000	100,000	100,000
Non-Operating Revenue	\$ 549,379	\$ 416,000	\$ 416,000	\$ 416,000	\$ 416,000	\$ 416,000
Total Non-Potable Program Revenue	\$ 7,732,242	\$ 7,787,959	\$ 7,944,934	\$ 8,020,618	\$ 8,097,862	\$ 8,177,420
Non-Potable Program Expenditures						
Water Purchases	1,757,816	1,820,860	1,852,288	1,884,660	1,918,002	1,952,345
Production Power	955,376	1,003,203	1,052,115	1,081,674	1,116,824	1,151,973
Operations and Maintenance	3,476,057	3,565,619	3,657,574	3,751,987	3,848,927	3,948,462
Total Non-Potable Program Expenses	\$ 6,189,249	\$ 6,389,682	\$ 6,561,977	\$ 6,718,321	\$ 6,883,752	\$ 7,052,780
Rate Stabilization Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Contribution	\$ 1,482,400	\$ 1,365,000	\$ 1,345,000	\$ 1,260,000	\$ 790,000	\$ 695,000
Debt Service Obligation						
2011A/2016 Water and Wastewater Project	30,354	29,970	30,805	30,460	30,826	30,779
New Debt Issuance	0	0	0	0	390,309	390,309
Total Debt Services	\$ 30,354	\$ 29,970	\$ 30,805	\$ 30,460	\$ 421,135	\$ 421,088
Net Operating Results less Debt Service	\$ 30,239	\$ 3,307	\$ 7,152	\$ 11,837	\$ 2,976	\$ 8,553

Table 4 – Projected Non-Potable Water Operations

Non-Potable Water Program Reserves

The long-term financial forecast of the Non-Potable Water Program's operating budget reflects a contribution to the non-potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and the use of the capital replacement funds. The non-potable program does not have developer connection fees therefore the non-potable capital improvement fund is not reflected.

The following tables depict the Non-Potable Water contributions to the replacement fund, and the sources and uses of the reserve funds.

- **Bond Issuance:** The forecast assumes the District will require a bond issuance in the amount of \$6,000,000 based upon the capital outlay of non-potable water projects in FY2027.
- **Fund Balance:** The projected fund balance in the amount of \$986,225 by FY2028-29. The projected target level set in the 2019 rate study was \$1,800,000 in FY2023-24.

Non-Potable Capital Replacement Fund						
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Source of Funds						
Capital Replacement Contribution	1,482,400	1,365,000	1,345,000	1,260,000	790,000	695,000
New Debt Issuance	-	-	-	6,000,000	-	-
Total Sources	\$ 1,482,400	\$ 1,365,000	\$ 1,345,000	\$ 7,260,000	\$ 790,000	\$ 695,000
Use of Funds						
Replacement Projects	0	2,735,000	4,670,000	4,305,000	2,965,000	2,625,000
General Projects/Fixed Assets	78,000	78,000	78,000	78,000	78,000	78,000
Total Uses	\$ 78,000	\$ 2,813,000	\$ 4,748,000	\$ 4,383,000	\$ 3,043,000	\$ 2,703,000
Net Annual Cash Balance	1,404,400	(1,448,000)	(3,403,000)	2,877,000	(2,253,000)	(2,008,000)
Non-Potable Water In-lieu Fees Fund Balance	318,538					
Beginning Unrestricted Fund Balance	5,498,287	7,221,225	5,773,225	2,370,225	5,247,225	2,994,225
Net Cumulative Fund Balance	\$ 7,221,225	\$ 5,773,225	\$ 2,370,225	\$ 5,247,225	\$ 2,994,225	\$ 986,225

Table 5 – Projected Non-Potable Capital Replacement Fund

Wastewater Program Operating Budget

Assumptions:

- **Sewer Service Charge.** The wastewater revenue projections incorporate the adopted rates through July 2023. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
 - Pegh Investments: FY2024-25; 8 EDUs
 - Rancho Sierra: FY2024-25; 50 EDUs
 - CSUCI: FY2024-25; 82 EDUs
 - CSUCI: FY2025-26; 82 EDUs
 - Camino Ruiz: FY2026-27; 193 EDUs
 - Camino Ruiz: FY2027-28; 193 EDUs
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase an average of 2.5% annually beginning in FY2024-25.
- **Other Income.** Special Services are projected to remain at the current FY2023-24 levels with no increases. Interest Revenues are projected to decrease as fund balances are reduced.
- **Rate Stabilization Fund.** The District does not anticipate contributing to the Rate Stabilization Fund in FY2023-24 and forward, as the five-year capital outlay will utilize these funds. The target level set in the 2019 rate study was in the amount of \$280,000 and the current balance is \$263,750.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is projected in the amount of \$115,000 in FY2024-25 and decrease down to \$25,000 in FY2028-29. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund.

	Wastewater Program Operations					
	2024 Budget	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
	Last rate increase					
Operating Revenue						
Sewer Service Charge	4,825,300	4,875,300	4,918,200	5,020,500	5,122,600	5,123,900
Special Services	17,000	17,000	17,000	17,000	17,000	17,000
Total Operating Revenue	\$ 4,842,300	\$ 4,892,300	\$ 4,935,200	\$ 5,037,500	\$ 5,139,600	\$ 5,140,900
Non-Operating Revenue						
Interest Income	211,710	70,000	70,000	70,000	70,000	70,000
Rate Stabilization Transfer-In	-	-	-	-	25,000	147,000
Total Non-Operating Revenue	\$ 211,710	\$ 70,000	\$ 70,000	\$ 70,000	\$ 95,000	\$ 217,000
Total Wastewater Program Revenue	\$ 5,054,010	\$ 4,962,300	\$ 5,005,200	\$ 5,107,500	\$ 5,234,600	\$ 5,357,900
Wastewater Program Expenditures						
Salinity Management Pipeline-Calleguas	22,984	23,000	23,000	23,000	23,000	23,000
Operations and Maintenance	4,510,149	4,625,061	4,743,012	4,864,086	4,988,368	5,115,946
Total Wastewater Program Expenses	4,533,133	4,648,061	4,766,012	4,887,086	5,011,368	5,138,946
Rate Stabilization Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Contribution	\$ 264,000	\$ 115,000	\$ 45,000	\$ 25,000	\$ 25,000	\$ 25,000
Debt Service Obligation						
2011A/2016 Water and Wastewater Project	187,900	191,700	190,613	189,750	194,525	190,475
Total Debt Services	\$ 187,900	\$ 191,700	\$ 190,613	\$ 189,750	\$ 194,525	\$ 190,475
Net Operating Results less Debt Service	\$ 68,977	\$ 7,539	\$ 3,575	\$ 5,664	\$ 3,707	\$ 3,479
Debt Service Coverage Ratio	2.77	1.64	1.25	1.16	1.15	1.15

Table 6 – Projected Wastewater Operations

Wastewater Program Reserves

The long-term financial forecast of the Wastewater Program's operating budget reflects a contribution to the non-potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and the use of the capital replacement and improvement funds.

- **Fund Balance.** Based on the five-year capital outlay the projects the projected fund balance is in the amount of \$883,937 by FY2028-29. The projected target level set in the 2019 rate study was \$3,200,000 in FY2023-24.

	Wastewater Capital Replacement Fund					
	2024	2025	2026	2027	2028	2029
	Projection	Projection	Projection	Projection	Projection	Projection
Source of Funds						
Capital Replacement Contribution	264,000	115,000	45,000	25,000	25,000	25,000
Transfer In Capital Improvement	-	-	773,215	-	-	-
Total Sources	\$ 264,000	\$ 115,000	\$ 818,215	\$ 25,000	\$ 25,000	\$ 25,000
Use of Funds						
Replacement Projects	0	865,000	1,030,000	0	690,000	0
General Projects/Fixed Assets	87,500	87,500	87,500	87,500	87,500	87,500
Total Uses	\$ 87,500	\$ 952,500	\$ 1,117,500	\$ 87,500	\$ 777,500	\$ 87,500
Net Annual Cash Balance	176,500	(837,500)	(299,285)	(62,500)	(752,500)	(62,500)
Beginning Unrestricted Fund Balance	2,661,722	2,838,222	2,000,722	1,701,437	1,638,937	886,437
Net Cumulative Fund Balance	\$ 2,838,222	\$ 2,000,722	\$ 1,701,437	\$ 1,638,937	\$ 886,437	\$ 823,937

Table 7 – Projected Wastewater Capital Replacement Fund

Wastewater Program Reserves (Continued)

- **Developer Contributions.** The Wastewater Capital Improvement Fund receives revenue from development projects. The District is only projecting Camino Ruiz development contributing connection fees as result of entering into a development agreement on May 25, 2023. The District is not projecting any upcoming development contributing connection fees due to the uncertainty of the current economic conditions and to the fact that the proposed developments are small in nature.
- **Fund Balance.** The capital improvement projects will have depleted the fund balance of the wastewater capital improvement fund and the remaining projects will be funded from the wastewater capital replacement fund beginning in FY2024-25. Should development occur this would provide developer contributions towards these projects.

	Wastewater Capital Improvement Fund					
	2024	2025	2026	2027	2028	2029
	Projection	Projection	Projection	Projection	Projection	Projection
Source of Funds						
Developer Contributions	-	1,804,550	-	-	-	-
Total Sources	\$ -	\$ 1,804,550	\$ -	\$ -	\$ -	\$ -
Use of Funds						
Improvement Projects	-	1,400,000	-	-	-	-
Transfer To Capital Replacement	-	-	773,215	-	-	-
Total Uses	\$ -	\$ 1,400,000	\$ 773,215	\$ -	\$ -	\$ -
Net Annual Cash Balance	-	404,550	(773,215)			
Beginning Unrestricted Fund Balance	368,665	368,665	773,215	-	-	-
Net Cumulative Fund Balance	\$ 368,665	\$ 773,215	\$ -	\$ -	\$ -	\$ -

Table 8 – Projected Wastewater Capital Improvement Fund

Appendices

**Arroyo Santa Rosa GSA
Annual Budget
FY2023-24**

		Object Code	FY23-24 Budget	FY22-23 Budget
Transfer In				
	JPA Member Assessment		\$ 185,600	\$ 531,900
	Extraction Fees		-	-
	Replenishment Fees		-	-
	TOTAL TRANSFERS IN		\$ 185,600	\$ 531,900
Administrative Fees				
	Communications	50210	\$ -	\$ -
	Outside Contracts	50220	\$ -	\$ 13,000
	Audio/Visual (four meetings)		\$ -	\$ 8,000
	Billing (process TBD)		\$ -	-
	Contract Services		\$ -	-
	Meter Calibration Program		\$ -	-
	Meter Installation		\$ -	-
	Room Rental (four meetings)		\$ -	\$ 5,000
	Professional Services	50230	\$ 164,500	\$ 486,500
	Auditing Services		\$ 1,500	\$ 1,500
	Grant Reporting		\$ 5,000	-
	Annual Reporting		\$ 55,000	-
	Monitoring Program		\$ 5,000	-
	Engineering Services (Track 2 Intera)		\$ 85,000	\$ 400,000
	Project Management (Track 2 Bondy)		\$ 13,000	\$ 85,000
	Materials & Supplies	50260	\$ 7,100	\$ 14,600
	Check stock		\$ 500	\$ 500
	General postage		\$ 100	\$ 100
	Stakeholder meeting supplies		\$ 1,000	\$ 1,000
	Printing & mailing		\$ 2,500	\$ 10,000
	Public Hearing notification		\$ 2,500	\$ 2,500
	Office supplies		\$ 500	\$ 500
	Legal Services	50280	\$ 10,000	\$ 10,000
	Dues & Subscriptions	50290	\$ 1,500	\$ 2,800
	ACWA		\$ 1,500	\$ 2,800
	Conference & Travel	50300	\$ -	\$ 2,000
	Safety & Training	50310	\$ -	\$ -
	Board Expenses	50330	\$ -	\$ -
	Fees & Charges	50350	\$ 500	\$ 500
	Banking fees		\$ 500	\$ 500
	Insurance	50360	\$ 2,000	\$ 2,500
	JPIA premiums		\$ 2,000	\$ 2,500
	TOTAL ADMINISTRATIVE FEES		\$ 185,600	\$ 531,900

	Code	Combined	5	10	11	12	22	24	25	26	52	53	57
Vehcle Lease	\$	108,000	\$	130,000						130,000			130,000
SSL Wildcard Certificates (Comodo)	\$	3,400	\$	3,400									3,400
VRSD	\$	250,000	\$	250,000	3,400								250,000
Water Softener	\$	3,500	\$	3,500							3,500		3,500
Water Loss Audit	\$	3,000	\$	3,000			3,000						3,000
Water Loss Control	\$	50,000	\$	50,000						40,000	50,000		50,000
Weed Abatement	\$	40,000	\$	40,000									40,000
Workflow App Annual Support	\$	14,000	\$	15,750	15,750								15,750
WUE Classes	\$	4,000	\$	4,000		4,000							4,000

Code		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57	
Professional Services		\$	\$ 1,196,090	\$	\$ 0	\$ 1,640,450	\$	\$ 75,000	\$	\$ 30,000	\$	\$ 359,500	\$ 77,500	\$ 20,000	\$ 2,202,450
Arbitrage	50230	\$	3,000	\$	700										700
Audit		\$	29,280	\$	33,000										33,000
CAFR Review		\$	600	\$	600										600
CSMFO Budget Review		\$	150	\$	150										150
CSUCI Siting Study		\$	180,000	\$	-										0
Eastern PV Basin Hydrogeologic Study		\$	25,000	\$	25,000							25,000			25,000
Employee Handbook and Performance Review update		\$	10,000	\$	-										0
On-Call Engineering Services		\$	75,000	\$	75,000		75,000								75,000
Financial Advisor		\$	20,000	\$	20,000										20,000
Grant Applications (monitoring, applications, admin)		\$	105,000	\$	50,000										50,000
Investment Policy Review		\$	3,060	\$	6,000										6,000
Near-term CIP Development		\$	-	\$	215,000										215,000
Near-term Water Resources		\$	-	\$	200,000										200,000
Master Plan		\$	500,000	\$	1,000,000										1,000,000
Public Relations		\$	45,000	\$	45,000							165,000			45,000
PV Modeling		\$	-	\$	165,000							17,000			165,000
PV Modeling Project Manager		\$	-	\$	17,000										17,000
Rate Consultant		\$	-	\$	70,000										70,000
Salts and Nutrient Management Plan		\$	80,000	\$	-							-			0
Santa Rosa Basin GSA		\$	60,000	\$	80,000							40,000			80,000
Sampling Station Renovation PDR		\$	30,000	\$	30,000					30,000					30,000
TMDL		\$	30,000	\$	20,000									20,000	20,000
Well Asset Management		\$	-	\$	150,000							112,500	37,500		150,000
Pipeline Maintenance	50240	\$	490,000	\$	490,000	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,000	\$ 100,000	\$ 10,000	\$ 490,000
Unscheduled Leak Repairs		\$	490,000	\$	490,000							380,000	100,000	10,000	490,000
Small Tools & Equipment	50250	\$	33,350	\$	35,350	\$	\$ 0	\$ 850	\$ 0	\$ 3,000	\$ 2,000	\$ 20,000	\$ 4,500	\$ 1,000	\$ 35,350
Ergonomic office equipment		\$	2,000	\$	4,000										4,000
Hand Tools		\$	24,100	\$	24,100			850		750	2,000	15,000	4,500	1,000	24,100
RMWTP-Hand Tools	001	\$	5,000	\$	5,000							5,000			5,000
Sampling Tools		\$	2,250	\$	2,250					2,250			2,250		2,250

[illegible]

Schedule of Water and Wastewater Rates

The following table shows the customer class details of the commodity water rates:

Potable Water Service Classification (Unit rates per hundred cubic feet)		July 2019	July 2020	July 2021	July 2022	July 2023
Residential/Master Meter/Domestic Agricultural	First 12 Units	3.28	3.47	3.61	3.81	4.01
Residential/Master Meter/Domestic Agricultural	13 Units and Higher	3.65	3.82	4.01	4.22	4.45
Commercial/Industrial/Public		3.65	3.82	4.01	4.22	4.45
Municipal Irrigation/Residential Irrigation		3.65	3.82	4.01	4.22	4.45
Fire Service/Other		3.65	3.82	4.01	4.22	4.45
Agricultural Irrigation		3.65	3.82	4.01	4.22	4.45
Temporary Construction/Temporary Agricultural		4.91	5.29	5.60	5.88	6.17
Temporary Municipal		4.91	5.29	5.60	5.88	6.17
Emergency Water Service		4.91	5.29	5.60	5.88	6.17
Commercial/Industrial/Public Out of Bounds		4.91	5.29	5.60	5.88	6.17
Residential Out of Bounds		4.91	5.29	5.60	5.88	6.17
Non-Potable / Recycled Water Service Classification (Unit rates per hundred cubic feet)		July 2019	July 2020	No Adjustment	July 2022	July 2023
Non-Potable Commercial Agricultural		1.92	2.08		2.19	2.40
Non-Potable Landscape Irrigation Water		1.92	2.08		2.19	2.40
Non-Potable Residential Landscape		1.92	2.08		2.19	2.40
Non-Potable Temporary Construction		1.92	2.08		2.19	2.40
Blended Non-Potable Agricultural		2.46	2.7		3.15	3.36
Recycled Commercial Agricultural		1.92	2.08		2.19	2.40
Recycled Landscape Irrigation		1.92	2.08		2.19	2.40
Recycled Surplus Water (Served Outside District)		1.92	2.08		2.19	2.40
Contractual Non-Potable/Recycled Water Service (Unit rates per hundred cubic feet)		July 2017	January 2021	January 2022	January 2023	January 2024
Non-Potable Commercial Agricultural (contractual) - Note 1		0.61	0.62	0.67	0.77	TBD
Recycled Commercial Agricultural (contractual) - Note 1		0.40	0.40	0.43	0.49	TBD

Schedule of Water and Wastewater Rates (Continued)

The following tables show details of the meter service fees:

Monthly Meter Service Charge	July 2019	July 2020	July 2021	July 2022	July 2023
Fire Service					
1	51.03	51.65	61.96	63.93	67.46
1.5	51.03	51.65	61.96	63.93	67.46
2	51.03	51.65	61.96	63.93	67.46
3	51.03	51.65	61.96	63.93	67.46
4	51.03	51.65	61.96	63.93	67.46
6	77.09	78.03	93.60	96.58	101.9
8	129.17	130.74	156.84	161.82	170.74
10	343.45	347.63	417.02	430.27	453.98
Potable/Blended Agricultural/Domestic Agricultural	July 2019	July 2020	July 2021	July 2022	July 2023
3/4 Master Metered	6.21	6.19	6.21	6.35	6.57
3/4	12.79	12.77	13.26	13.58	14.08
1	21.41	21.4	22.63	23.19	24.06
1.5	42.94	42.93	46.02	47.17	48.96
2	68.89	68.89	74.22	76.09	78.99
3	151.09	151.12	163.54	167.68	174.1
4	259.02	259.09	280.82	287.92	298.98
6	388.69	388.81	421.73	432.41	449.02
8	647.9	648.11	703.38	721.21	748.93
Non-Potable Irrigation	July 2019	July 2020	No Adjustment	July 2022	July 2023
3/4 Master Metered	4.89	4.88		4.91	5.02
3/4	7.51	7.52		8.09	8.28
1	10.28	10.32		11.72	12.00
1.5	17.19	17.30		20.78	21.29
2	25.52	25.72		31.70	32.48
3	51.90	52.40		66.30	67.95
4	86.54	87.43		111.72	114.51
6	128.16	129.51		166.30	170.47
8	211.35	213.63		275.39	282.30

The following tables show details of the monthly wastewater rates:

Sewer Rates	July 2019	July 2020	July 2021	July 2022	July 2023
Monthly Sewer Charge	33.49	35.83	38.37	40.62	43.05
Residential Monthly Sewer Service through City of T.O.	July 2019	July 2020	July 2021	July 2022	July 2023
Monthly Sewer Charge	46.76	47.22	47.69	48.15	48.61

Outstanding Debt

2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2024	344,931	695,000	1,039,931
2025	316,631	720,000	1,036,631
2026	288,932	760,000	1,048,932
2027	261,981	780,000	1,041,981
2028	238,144	815,000	1,053,144
2029	219,656	830,000	1,049,656
2030	201,850	845,000	1,046,850
2031	182,072	865,000	1,047,072
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
TOTAL	\$ 3,544,698	\$ 9,935,000	\$ 13,479,698

Outstanding Debt (Continued)

Water Program			
Debt Service			
FY	Interest	Principal	Total
2024	307,031	545,000	852,031
2025	284,931	560,000	844,931
2026	263,319	595,000	858,319
2027	242,231	610,000	852,231
2028	223,619	635,000	858,619
2029	209,181	650,000	859,181
2030	195,257	660,000	855,257
2031	179,816	675,000	854,816
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
TOTAL	\$ 3,395,886	\$ 8,555,000	\$ 11,950,886

Outstanding Debt (Continued)

Potable Water Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2024	300,977	520,700	821,677
2025	279,861	535,100	814,961
2026	259,214	568,300	827,514
2027	239,071	582,700	821,771
2028	221,293	606,500	827,793
2029	207,502	620,900	828,402
2030	194,203	630,300	824,503
2031	179,456	644,700	824,156
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
TOTAL	\$ 3,372,077	\$ 8,334,200	\$ 11,706,277

Non-Potable Water Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2024	6,054	24,300	30,354
2025	5,070	24,900	29,970
2026	4,105	26,700	30,805
2027	3,160	27,300	30,460
2028	2,326	28,500	30,826
2029	1,679	29,100	30,779
2030	1,054	29,700	30,754
2031	360	30,300	30,660
TOTAL	\$ 23,809	\$ 220,800	\$ 244,609

Outstanding Debt (Continued)

Wastewater Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2024	37,900	150,000	187,900
2025	31,700	160,000	191,700
2026	25,613	165,000	190,613
2027	19,750	170,000	189,750
2028	14,525	180,000	194,525
2029	10,475	180,000	190,475
2030	6,594	185,000	191,594
2031	2,256	190,000	192,256
TOTAL	\$ 148,813	\$ 1,380,000	\$ 1,528,813

Resolution No: 21-18

A Resolution of the Board of Directors
of Camrosa Water District

Adopting a Statement of Reserve Policy

Whereas, the District collects capital fees from new developments for both water and wastewater service and deposits said fees into a reserve account for future expansion of the respective systems; and

Whereas, large capital outlays will be necessary in the future for replacement of portions of the water and wastewater infrastructure as they come to the end of their useful life; and

Whereas, it is in the best interests of the customers of Camrosa to fund future expansion and capital replacement while minimizing additional debt; and

Whereas, it is in the best interests of the customers of Camrosa to fund emergency repairs while maintaining a stable rate structure; and

Whereas, it is the intent of the Board of Directors to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects, and to maintain an affordable and stable rate structure; and

Whereas, the policy is being amended to incorporate an Unfunded Accrued Liability fund (UAL) to set aside monies for future prepayments to CalPERS;


Now, Therefore, Be It Resolved, by the Camrosa Water District Board of Directors, that the attached Statement of Reserve Policy is adopted and made effective this date; and

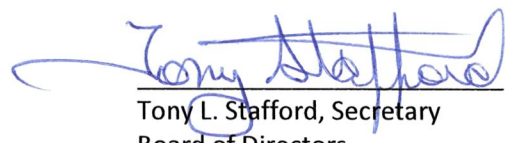
Be It Further Resolved that contributions to reserves shall be established at levels that will accumulate necessary funds to:

- Increase system capacity and accommodate growth
- Replace assets of the District as required
- Meet unanticipated emergencies
- Stabilize rates and dampen the effects of one-time expenditures that may otherwise require an adjustment in the District rate structure
- Meet the covenants of outstanding debt issues and other agreements; and

Be It Further Resolved that this reserve fund policy supersedes any and all reserve fund policies and reserve levels specified previously in District policies.

Adopted, Signed, and Approved this 14th day of October 2021.


Eugene F. West, President
Board of Directors
Camrosa Water District

 (ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Camrosa Water District Statement of Reserve Fund Policy

Purpose:

It is the intent of the Board to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects and to maintain an affordable and stable rate structure. This statement is intended to provide guidelines for the maintenance of the financial reserves of the District. The ultimate goal of this statement is to identify the categories of reserves to be maintained, to establish the method for identifying the need for each category of reserves, to identify the sources of contribution to reserves, and to provide for periodic review of both reserve levels and this reserve policy.

Scope:

This reserve fund policy applies to all financial reserves of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. It includes reserves in the form of investments monitored and controlled by the Board as well as reserves held in trust in accordance with the covenants of specific debt issuance instruments.

Policy:

The budget for the District shall be prepared in a manner that assures adequate reserves for ongoing needs while minimizing the need for new debt. In particular, contributions to reserves shall be established at levels that will accumulate necessary funds to:

- establish sound formal fiscal reserve policies to ensure strong fiscal management to guide future District decisions;
- increase system capacity and accommodate growth;
- provide funding for current and future replacement of existing assets as they reach the end of their useful lives;
- meet unanticipated emergencies;
- help smooth rates from year-to-year, and to promote equity over the years to ratepayers; and
- meet the covenants of outstanding debt issues and other agreements.

All reserves must be identifiable to one of these purposes; reserves shall not be accumulated in excess of levels needed to satisfy these purposes. Reserves may, as deemed prudent by the Board, be used to satisfy more than one purpose.

Classification of Reserves:

Two primary classifications of reserves are established, each with several categories to earmark reserves for specific purposes identified in the policy above.

Restricted Assets There are three primary categories of restricted assets as follows:

- a. *Debt Covenant Reserves* are established in accordance with covenants of specific debt issuance instruments.
- b. *Specific Agreement Reserves* are established in accordance with agreements between the District and other agencies.
- c. *CIP Reserves* are funds earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year.

These reserves may only be used for the specific purposes outlined in the debt issuance instrument, the agreement with another agency or the annual CIP and may not be used to meet reserve levels required for other purposes.

Designated Reserves are established by the Board to meet purposes other than those identified to restricted assets. The categories of reserves that fall under this classification are:

- a. ***Capital Improvement Fund (CIF)*** – Capital cost recovery fees collected from developers to obtain entitlement to existing water and wastewater capacity and to fund construction of capacity expansion are segregated in the CIF.
Applicable Funds: Potable, Non-Potable and Wastewater Capital Improvement Funds.
- b. ***Capital Replacement Fund (CRF)*** – Funds are for both short-term and long-term purposes. The objective is to provide funds for the current and future replacement of existing capital assets as they reach their useful lives.
Applicable Funds: Potable, Non-Potable and Wastewater Capital Replacement Funds.
- c. ***Rate Stabilization Fund (RSF)*** – Funds operate as a buffer to water and wastewater rates during any period where there is an unexpected increase in operating costs or decrease in revenues. For example, in the event of an unexpected rate increase from Calleguas/MWD and the District chooses not to pass the increase on to its customers immediately, this fund could cover the shortfall in revenue. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. The Rate Stabilization Fund will absorb these types of fluctuations in operations and help stabilize rates. A secondary purpose is to assure minimum debt service coverage of the District's bond covenants. In calculating debt service coverage, contributions from the RSF will be treated as revenue.

Applicable Funds: Potable, Non-Potable and Wastewater Rate Stabilization Fund.

- d. ***Operating and Emergency Reserves (OER)*** – Funds designated to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the District’s ability to sustain safe or reliable service.

Applicable Funds: Potable, Non-Potable and Wastewater Operating and Emergency Reserve Fund.

- e. ***Unfunded Accrued Liability (UAL)*** – Funds are for both short-term and long-term purposes. The objective is to provide funds needed to fully fund accrued liabilities. UAL payments are a dollar amount adjusted annually by CalPERS.

Applicable Funds: Potable, Non-Potable and Wastewater Operating Unfunded Accrued Liability Fund.

The Board of Directors may review fund designations from time-to-time and establish new or eliminate established designated reserve funds as operational needs may dictate.

Sources of Funds:

The source of funds for each category of reserves varies. For Restricted Assets, the source of funds to meet bond covenants or terms of individual agreements is specified in the debt issuance instrument or agreement that mandated the establishment of a reserve. Use of the funds is limited as specified in the covenants of the agreement. Reserves earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year will be deducted from the appropriate Designated Reserve and established as a Restricted Asset.

In the case of Designated Reserves, contributions may come from several sources as follows:

- a. ***Capital Improvement Fund (CIF)*** - Accumulated capital fees collected during property development to ensure adequate water and wastewater system capacity.
- b. ***Capital Replacement Fund (CRF)*** - Contribution from net operating results.
- c. ***Rate Stabilization Fund (RSF)*** - Contribution from net operating results from operations at the discretion of the Board to maintain the fund balance and to stabilize rates and meet the District’s bond covenants.
- d. ***Operating and Emergency Reserves (OER)*** - Contribution from net operating results after all other contributions to reserves have been made.
- e. ***Unfunded Accrued Liability (UAL)*** – Contribution from net operating results or Capital Replacement Fund.

The contribution of revenues of the District to meet replacement needs is based upon expected replacement costs and expected remaining life of the various assets.

Expenditure of Reserves:

Expenditure of reserves is authorized as part of the annual budget process. Capital Replacement projects are individually authorized and may be designated either as Capital Improvement, Capital Replacement, Fixed Asset or a combination of, and funded from the appropriate reserve funds.

Prior to the expenditure of funds from any capital replacement fund, an analysis shall be conducted to determine if the asset has truly come to the end of its expected life and the asset is still required to meet the needs of District customers for the foreseeable future. In all cases, application of new technology should be considered to improve efficiency and economy of District operations.

Designated Reserves may also be used at the discretion of the Board to meet unanticipated financial needs such equipment failures, damage caused by natural disaster or other emergencies requiring funds beyond annual revenues. Funds contained in the Rate Stabilization Funds may be used to manage rates and rate increases and to offset sudden and unanticipated losses in revenue, such as reduced water and wastewater sales. These funds may be used to compensate for losses resulting from sudden increases in wholesale water rates and increases in water and wastewater operating costs and may be used to meet the minimum debt service coverage required in accordance with specific debt covenants. The contribution to and utilization of the Water and Wastewater Rate Stabilization Fund may be budgeted in the District's Annual Budget or utilized in an unanticipated financial need.

Levels of Reserve Funds:

Adequate levels of reserves are critical to the successful and stable short- and long-term operation of the District. Sufficient reserve fund balances will ensure that customers experience both stable rates for service and the security that the District can respond to short-term emergencies. Sufficient reserves will provide the overall financial strength to the District to protect its bonding capacity and to finance and construct the infrastructure necessary to renew existing systems and expand service levels to meet future needs. Rates and fees should be maintained at a level to ensure the balance within the various reserve funds are sufficient to meet the specified needs for the reserve funds without generating funds surplus to the District's needs.

- a. ***Restricted Assets*** – Reserves required by debt agreements and funds designated to fund the current year CIP will be maintained at 100% of level required by each reserve category. Funds in these reserve accounts will not be used to meet the required reserve fund balance for any other category of reserves.
- b. ***Capital Replacement (CRF)*** – At the beginning of each budget year, each reserve fund balance should be a minimum of 5% of the projected capital asset replacement value to determine the target level for the Capital Replacement Reserves.

- c. **Capital Improvement (CIF)** – The CIF is used for new development and is development driven as are the costs incurred; therefore, no minimum or maximum.
- d. **Rate Stabilization Fund (RSF)** – This fund is used to stabilize rates in the event of short to mid-term rate revenue loss, and/or higher than anticipated operating expenses that cannot be supported by normal revenues. Rate Stabilization funds can be used to balance the budget. The scheduled target will be 10% of the prior year's rate revenue. Rate revenue is defined as revenue generated from the commodity charges only.
- e. **Operating and Emergency Reserves (OER)** – The minimum target OER balance shall be the 45-Day average of operating expense budget (excluding wholesale water costs).
- f. **Unfunded Accrued Liability (UAL)** – The target is to be 100% percent funded with a zero UAL balance. To attain 100% funding level the use of reserves may be set aside in the UAL fund to apply additional discretionary payments towards the liability.

Review:

An annual review of reserve levels is necessary during the budget preparation process to ensure proper levels of reserves are maintained. In addition, this reserve policy shall be reviewed by the Board on a biennial basis to ensure continued conformance with long-term Board strategy.



Board of Directors
Al E. Fox
Division 1
Jeffrey C. Brown
Division 2
Timothy H. Hoag
Division 3
Eugene F. West
Division 4
Terry L. Foreman
Division 5
General Manager
Tony L. Stafford

Resolution No: 22-01

A Resolution of the Board of Directors
of Camrosa Water District

Adopting a District Investment Policy

Whereas, The Board of Directors has established a District Investment Policy to provide guidelines for the prudent investment of the District's temporarily idle cash; and,

Whereas, It is in the best interests of the District to review that investment policy from time to time to ensure maximum yield while maintaining criteria to ensure safety and liquidity; and,

Whereas, The Investment Policy has been presented to the full Board for review and comment;

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the attached Investment Policy is hereby adopted and made effective this date.

Adopted, Signed, and Approved this 27th day of January 2022.

Eugene F. West, President
Board of Directors
Camrosa Water District

(ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

**CAMROSA WATER DISTRICT
STATEMENT OF INVESTMENT POLICY
January 2022**

PURPOSE:

This statement is intended to provide guidelines for prudent investment of the District's temporarily idle cash, and outline policies for maximizing efficiency of the District's cash management system. The ultimate goal is to enhance the economic status of the District while protecting its cash resources.

SCOPE:

This investment policy applies to all financial assets of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. Funds held by the Ventura County Treasurer during tax collection periods shall be governed by the County's investment policy, and are not subject to the provisions of this policy.

THE INVESTMENT PROCESS:

The investment of public funds is a professional discipline. The investment process has the following components:

- A written investment policy explicitly identifying the District's opportunities, constraints, preferences, and capabilities.
- An Investment Strategy identifying Investment opportunities and overall objectives of the District.
- A Market Analysis identifying the District's circumstances and market conditions.
- A Portfolio Analysis identifying adjustments needed in response to changing circumstances, results and new objectives.

POLICY:

The Camrosa Water District shall invest its pooled, temporary idle cash investments in a manner that affords the District a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Water Code Section 31303 and 31336 and Government Code Section 53600 et seq.). Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence, who are familiar with those matters, exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety and liquidity of capital, as well as reasonable income to be derived.

The Board of Directors and the General Manager, acting in accordance with procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate actions are taken to control adverse developments.

The General Manager shall establish a system of internal controls to be reviewed by the Investment Committee and with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by District Staff.

INVESTMENT STRATEGY

Temporarily idle or surplus funds of the Camrosa Water District shall be invested in accordance with principles of sound treasury management and in accordance with the provisions of the California Government Code Sections 53600 et seq, the Water Code and this Investment Policy. The basic objectives of the District's investment program are, in order of priority,

- 1) Safety of invested funds; and
- 2) Maintenance of sufficient liquidity to meet cash flow needs; and
- 3) Attainment of the maximum return possible consistent with the first two objectives.

These objectives will be accomplished using the following procedures

1. Safety – The District shall ensure the safety of its invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of portfolio securities will fall due to an increase in general interest rates.

Credit risk will be mitigated by:

- a. Limiting investments to safer types of securities; and
- b. Diversifying the investment portfolio so that the failure of any one issuer or backer will not place undue financial burden on the District; and
- c. Monitoring all of the Districts investments to anticipate and respond appropriately to a significant reduction of creditworthiness of any of the issuers. The relative health of issuers shall be evaluated by the Investment Committee at least annually.

Interest rate risk will be mitigated by:

- a. Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturity; and
- b. Investing primarily in short-term securities; and
- c. Occasionally restructuring the portfolio to minimize the loss of market value and/or to maximize cash flows.

2. Liquidity – The District's financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands. Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. As a general rule, and subject to annual review by the Investment Committee, the average maturity of the investment portfolio will not exceed two (2) years. No investment will have a maturity of more than five (5) years from its date of purchase.
3. Return – The investment portfolio shall be designed with overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

ELIGIBLE INVESTMENT INSTRUMENTS

Camrosa shall invest only in investment instruments and media approved by Resolution of Camrosa's Board of Directors. The Board of Directors may consider additions or deletions to the approved investment instruments and media list at any time by resolution and shall include in each resolution the entire list of approved investments. This policy shall be used to evaluate recommended additions to the approved list. Additions to the approved list shall not be made unless there is a strong likelihood that the addition will be utilized within the near future. The attached Addendum contains examples of typical investment instruments which may be included on an approved list.

INVESTMENT CONSTRAINTS

General Guidelines - Temporarily idle operating cash shall be invested in instruments whose average maturity does not exceed two (2) years. Reserves established for the replacement of utility (water, sewer) facilities may be invested for a longer term if a higher yield may be achieved. Funds held for capital replacement shall be invested in securities that reasonably can be expected to produce enough income to offset inflationary construction cost increases. Such funds shall not be exposed to market price risks or default risks that would jeopardize the assets available to accomplish their stated objective. Such would be the case with obligations of the U.S. Government or its agencies.

Diversification - It is the District's policy to diversify its investment portfolio to control credit risk. Diversification strategies shall be determined and revised periodically. Maturities shall be staggered to provide for liquidity and stability of income. At least 25% of the portfolio will be invested in securities which can be liquidated on one (1) day's notice in order to control liquidity risk. No more than one-third (33%) of Camrosa's portfolio shall be held by any single investment firm or institution. The sole exception shall be the State of California Investment Pool (L.A.I.F.).

Prohibited Investments - Investments by the District in securities permitted by the California Government Code, but not specifically approved by Board Resolution is prohibited without the prior approval of the Board of Directors. The District shall not invest any funds such as inverse floaters, range notes, and other instruments outlined in California Government Code Section 53601 nor in any security that could result in zero interest if held to maturity. No representative of the District is authorized to engage in margin transactions, derivatives nor reverse repurchase agreements on behalf of the District. Finally, while it may occasionally be necessary or strategically prudent of the District to sell a security prior to maturity to either meet unanticipated cash needs or to restructure the portfolio, no investment may be made for the sole purpose of speculating or taking an unhedged position on the future direction of interest rates.

Security Dealers and Depositories - The District shall seek to conduct its investment transactions with several competing, reputable security dealers and brokers as the need may arise. The selection process shall screen out institutions that lack viability or whose past practices suggest the safety of public capital, directed to or through such firms, would be impaired.

Ethics and Conflict of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Such employees and investment officials shall disclose to the Board of Directors and the General Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment positions that could be related to the performance of the District's

portfolio. Such employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the time of purchases and sales.

RESPONSIBILITIES

General Manager - The General Manager is charged with responsibility for maintaining custody of all public funds and securities belonging to or under the control of the District and for the deposit and investment of those funds in accordance with principles of sound fiscal management and in conformance with applicable laws and ordinances. The General Manager shall develop an investment procedures manual to implement this Investment Policy for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse as approved by the Board of Directors.

Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following:

1. Control of collusion
2. Separation of transaction authority from accounting and record keeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Dual authorizations of wire transfers
8. Development of a wire transfer agreement with the lead bank and third-party custodian

The internal controls are further defined in the Investment Procedure attached.

The General Manager is responsible for keeping the Board of Directors fully advised as to the financial condition of the District.

District's Auditing Firm - The District's auditing firm's responsibilities shall include, but not be limited to, the examination and analyses of fiscal procedures and the examination, checking and verification of accounts and expenditures. A review of the District's investment program is to be performed, under a separate engagement for services, in conjunction with the annual financial audit.

Board of Directors - The Board of Directors shall consider and adopt a written Investment Policy. As provided in that Policy, the Board shall receive, review, and accept monthly Cash Position Reports and quarterly Investment Reports.

Investment Committee - An Investment Committee consisting of two (2) members of the Board of Directors appointed by the President, will meet with the District General Manager as required to develop the general strategies, allocate reserve assets among various approved investment instruments, and to monitor results. The Committee shall include in its deliberations, potential risks to District funds, authorized depositors, brokers and dealers, and target rate of return on investments, and any other topics as it may determine or as

directed by the Board of Directors. The Committee shall report to the full Board of Directors the results of the Investment Committee Meeting including any recommended actions. Payment for any transaction which requires the transfer of funds from one investment to another shall require the signature of at least two (2) Members of the Board.

REPORTING

The General Manager, will provide the Board of Directors with monthly cash position and quarterly reports of investments. Such reports will provide at least the following: Type of investment, institution, date of maturity, amount of deposit, current market value of all securities maturing beyond one (1) year after reporting date, rate of interest and such other data as from time to time may be required by the Board.

ANNUAL REVIEW

This investment policy shall be reviewed annually by the Investment Committee to ensure its consistency with respect to the overall objectives of safety, liquidity and yield. Proposed amendments to the policy shall be prepared by the Investment Committee and be forwarded to the Board of Directors for Consideration.

ADDENDUM

GLOSSARY:

U.S. GOVERNMENT SECURITIES

U.S. Treasury Obligations - Treasury bills, Treasury bonds, and Treasury notes issued by the U.S. Treasury. The maturity on these investments shall not exceed five (5) years without the prior **approval** of the Investment Committee. Per Gov't. Code no maturity greater than five (5) years and no **portfolio** limits.

U.S. Government Agency Obligations - Any obligation of, or obligation that is insured as to principal and interest by the United States or any agency or corporation thereof, and any obligation and security of the United States sponsored enterprises, including, without limitation:

- 1) Federal Farm Credit Banks (FFCB)
- 2) Federal Home Loan Bank System (FHLB)
- 3) Federal Home Loan Mortgage Corporation (FHLMC)
- 4) Federal National Mortgage Association (FNMA)
- 5) Federal Agriculture Mortgage Association (FAMA)
- 6) Tennessee Valley Authority (TVA)

Per Gov't. Code no maturity greater than five (5) years and no portfolio limits.

FINANCIAL INTERMEDIARIES

CERTIFICATES OF DEPOSIT

Commercial Bank Certificates of Deposit – Time Certificates of Deposit provided that the depository is a member of the FDIC and the amount does not exceed the current FDIC insured limit. Per Gov't. Code no maturity greater than five (5) years and no portfolio limit.

Negotiable Certificates of Deposit – Bank Deposit Notes issued by a nationally or state chartered bank or by a state-licensed branch of a foreign bank provide and is a member of the FDIC. Per Gov't Code limits maturity to five (5) years and 30% of portfolio.

Savings and Loan Association (S&L) Deposits – Investments in any Savings and Loan (S&L) institution and bank shall be limited to FDIC Limitations. Collateralization for uninsured S&L deposits is required.

RELATED INSTRUMENTS

Repurchase Agreements – An agreement with an approved broker/dealer that provides for, sell, and simultaneous purchase of an allowable collateral security. The difference in the sales and purchase price is the earning rate on the agreement. A master repurchase agreement must be in place with the approved broker/dealer. Per Gov't. Code no maturity greater than one (1) year, and no portfolio limits.

Bankers' Acceptances - Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as bankers' acceptances. Purchases of these instruments may not exceed 180 bankers days maturity per Gov't Code and 40% portfolio limit.

State Investment Pool - Offering a **governmental** alternative to money market funds, California has created the Local Agency Investment Fund (LAIF). Such funds are operated directly by the State Treasurer who **commingles** state and local funds. Rates of return fluctuate daily and are reported as a **monthly** average yield rate. Same day or next day liquidity, by telephone communication. **The** State Treasurer requests voluntary compliance with no more than fifteen (15) transactions per month. Authorized by Gov't. Code Section 16429.1(b), with no maximum maturity or maximum % of portfolio.

Ventura County Investment Pool - The Ventura County Investment Pool is an additional alternative to money market funds. Similar to the State LAIF, invested funds are commingled with County and other local agency funds for investment purposes and yields are reported monthly. Liquidity provisions are consistent with the State's provisions, and withdrawals can also be made by telephone by authorized personnel. Authorized by Gov't. Code Section 53684(a) with no maximum maturity or maximum % of portfolio.

Resolution No: 16-18

*A Resolution of the Board of Directors
of Camrosa Water District*

Establishing a Debt Management Policy

Whereas, the Camrosa Water District has a long history of issuing debt instruments to provide financing for various capital improvement projects; and

Whereas, the Camrosa Water District also has a long history of conservative, prudent financial practices relating to debt issuance; and

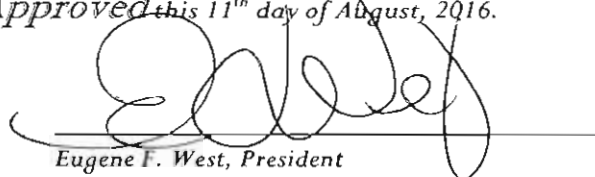
Whereas, the purpose of the debt management policy is to assist the District in pursuit of the following equally important objectives:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy and access to credit enhancement
- Preserve financial flexibility; and

Whereas, the Camrosa Water District established a debt management policy, memorializing these past and current practices as formal policy and establishing best practices of debt management for the District.

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the proposed Debt Management Policy is hereby approved and adopted, and the General Manager is authorized to implement the policy.

Adopted, Signed, and Approved this 11th day of August, 2016.



Eugene F. West, President
Board of Directors
Camrosa Water District

ATTEST:



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Debt Management Policy

Adopted August 11, 2016

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Debt Management Policy

Policy Statement

This policy documents the goals of the Camrosa Water District (District) for the use of debt instruments and provides guidelines for the use of debt for financing District water, sewer, and recycled water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project, and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District-held debt proceeds, and makes debt-service payments, acting with prudence, diligence, and attention to prevailing economic conditions.

The District will pay for all infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, and prudently issued debt. The District believes that debt can provide an equitable means of financing projects for its customers and provide access to new capital. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor. The District will not issue debt without the approval of the Board of Directors (Board).

Purpose and Use of Debt

The District will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term improvements and thus ensure that existing and future users contribute equitably. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting, and delivering additional quantities of water. These improvements are typically included in the District's Operating and Capital Budget and capital plans as adopted by the Board of Directors. Bond proceeds can be issued to fund the planning, design, land acquisition, construction, equipment, attached fixtures and moveable pieces of equipment, or other costs as permitted by law.

Purpose of Policy

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:

- With respect to all options available to finance infrastructure, capital projects, and other financing needs
- So that the most prudent, equitable and cost-effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance

Types of Debt

Revenues Bonds, Notes, Certificates of Participation, special tax or special assessment bonds, capital leases, commercial paper, bank loans, direct placements, and lease-purchase financings will be treated as debt and subject to these same policies.

General Provisions

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting processes. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers, and investors, to ensure future capital market access at the lowest possible interest rates.

The District's Debt Management Policy, the Reserve Policy, and the Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues

are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District's adopted Operating and Capital Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be presented to the Finance Ad-Hoc Committee prior to presenting to the Board for approval. At that time, an analysis will be provided demonstrating conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

Conditions for Debt Issuance

The following guidelines formally establish parameters for evaluating, issuing, and managing the District's debt. The guidelines outlined below are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of practices to promote prudent financial management.

In issuing debt, the District's objectives will be to:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy, and access to credit enhancement
- Preserve financial flexibility

Standards for Use of Debt Financing

When appropriate, the District will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future system users, to provide more manageable rates in the near and medium term, and to minimize rate volatility. The District shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life. Capital projects financed through debt issuance will not be financed for longer than the expected useful life of the project.

Debt Capacity

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

Financing Criteria

Each debt issuance should be evaluated on an individual basis within the context of the District's overall financing objectives and current market conditions. The District will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

Credit Enhancement – The District will consider the use of credit enhancement on a case-by-case basis. Only when a clearly apparent savings can be realized shall credit enhancement be utilized.

Cash-Funded Reserve vs. Surety – If the issuance of debt requires a cash-funded debt service reserve fund, the District may purchase a surety policy or replace an existing cash-funded debt service reserve fund when deemed prudent and advantageous. The District may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of its debt when it is approved by the Board.

Call Provisions – In general, the District's securities should include optional call provisions. The District will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.

Additional Bonds Test/Rate Covenants – The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.

Short-Term Debt – The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing, or future bonding capacity.

Variable-Rate Debt – Variable-rate debt products are rolling series of short-term investments that are resold periodically and are therefore priced at the short end of the yield curve at low interest rates. If an issuer accepts the risks inherent in variable interest rates, the issuer can take advantage of some of the lowest rates available on the market. Variable-rate debt may be appropriate for the District's portfolio, especially in the environment where increased interest earnings on invested funds offset the increased cost of variable-rate debt. Variable-rate debt products include variable-rate demand obligations, commercial paper, and auction rate securities. The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining whether or not to use variable-rate debt, the District will analyze the risks associated with the variable-rate debt products, including derivative products.

Use of Variable-Rate Debt – The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In

determining whether or not to use variable-rate debt, the District will analyze, among other things, the risk associated with the variable-rate debt and the impact on the District's overall portfolio. Before issuing variable-rate debt, the District will analyze its cash position; the District will not issue variable-rate debt in an amount that exceeds 115 percent of its unrestricted cash position at the time of issuance.

Investment of Bonds Proceeds – Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision, specifically addressing the arbitrage/rebate position and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

Refinancing Outstanding Debt

The Manager of Finance shall have the responsibility to evaluate potential refunding opportunities. The District will consider the following issues when analyzing potential refinancing opportunities:

Debt Service Savings – The District shall establish a target savings level equal to three percent or higher of the par refunded on a net present value (NPV) basis (after payment of all costs associated with the issuance). This figure will serve only as a guideline and the District may determine that a different savings target is appropriate; the District shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- Remaining time to maturity
- Size of the issue
- Current interest rate environment
- Annual cash flow savings
- The value of the call option
- Revision of restrictive or onerous covenants
- Other factors approved by the District

Restructuring – The District may seek to refinance a bond issue on a non-economic basis, in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, achieve a proper matching of debt service with revenues, release reserve funds, or comply with and/or eliminate rate/bond covenants.

Term/Final Maturity – The District may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the debt should not extend beyond the reasonably expected useful

life of the asset being financed. The District may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of intergenerational equity will guide these decisions.

Outstanding Debt Limitations

Prior to issuance of new debt, the District shall consider and review the latest credit-rating reports and guidelines to ensure the District's credit ratings and financial flexibility remain at levels consistent with the most highly rated comparable public agencies.

Selection of Financing Team Members

The District shall procure professional services as required to execute financing transactions and provide advice on non-transaction-related work. Professional services include Consultants (Financial Advisor, Legal Counsel – Bond, Disclosure and Tax); Service Providers (Trustee, Paying Agent, Printer, Letter of Credit, Verification Agent); and an Underwriting Team (Senior Manager, Co-Manager).

The District shall select its primary financing team members/consultant(s) by competitive process through a Request for Proposals (RFP) or a Request for Qualifications (RFQ).

The District shall establish selection criteria for selecting its financing team members. The criteria may include, but are not limited to:

- Professional excellence
- Demonstrated competence
- Specialized experience performing similar services for California agencies
- Education and experience of key personnel to be assigned
- Geographic proximity
- Staff capability
- Ability to meet schedules
- Nature and quality of similar completed work
- Reliability and continuity of the firm or individual
- Other considerations deemed by the District to be relevant and necessary to the performance of advisory services

Market Communication, Debt Administration and Reporting Requirements

Responsibilities – For purposes of this policy, the General Manager delegates responsibility of market communication, debt administration, and reporting requirements to the Manager of Finance, or appropriate position determined by the General Manager.

Rating Agencies – The Manager of Finance shall be responsible for maintaining the District's relationships with Standard & Poor's Ratings Services, Fitch Ratings, and Moody's Investors Service, as appropriate. The District shall, from time to time, deal with one, two, or all of these agencies as circumstances dictate. In addition to general communication, the Manager of Finance shall (1) meet, at least biennially, either in person or via phone, with credit analysts, and (2) offer, prior to each competitive or negotiated sale, conference calls or meeting(s) with rating analysts in connection with the planned sale.

Observance of Debt Covenants – The Manager of Finance will periodically ensure that the District is in compliance with all legal covenants for each debt issue.

Continuing Disclosure – The Manager of Finance will, for all debt issued, comply with Rule 15c3-12(b)(5) by required filing as covenanted in each debt issue's Continuing Disclosure Agreement. The Manager of Finance will maintain a calendar with the reporting deadlines and procedures for dissemination of annual reports and notices.

Record Keeping – A copy of all debt-related records shall be retained at the District's offices. At minimum these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). To the extent possible, the District shall retain an electronic copy of each document, preferably in PDF or CD-ROM format.

Arbitrage Rebate – The District will comply with the administratively adopted policies and procedures regarding tax-exempt financings and tax-exempt finance property, as well as the tax and arbitrage certifications associated with each issue.

Policy Review – This policy should be reviewed on a biennial basis and adopted by the Board.

GLOSSARY OF TERMS

Advance Refunding A procedure where outstanding bonds are refinanced by the proceeds of a new bond issue prior to the date on which the outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding).

Amortization The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

Arbitrage The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Basis Points The measure of the yield to maturity of an investment calculated to four decimal places. A basis point is one one-hundredth of one percent (.01 percent).

Bond Anticipation Notes (BANS) Notes issued by the government unit, usually for capital projects, which are paid from the proceeds of the issuance of long term bonds.

Bullet Maturity A maturity for which there are no sinking-funds payments prior to the stated maturity date.

Call Provisions The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest A portion of the proceeds of an issue set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Certificates of Participation (COP) A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issued. Typically COPs are used to finance the construction of facilities (e.g., infrastructure or buildings) used by a municipal agency, which leases the facilities from a financing authority. Often the agency is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

Competitive Sale A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure The principle that accurate and complete information material to the transaction, which potential investors would be likely to consider material in making investment decisions with respect to the securities, be made available on an ongoing basis.

Credit Enhancement Credit support purchased by the issuer to raise the credit rating of the issued. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt Service Reserve Fund The fund in which moneys are placed, which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Discount Bonds Bonds which are priced for sale at a discount from their face or par value.

Derivative A financial product whose value is derived from some underlying asset value.

Escrow A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Gross Spread The fees that underwriters receive for selling a public debt offering. The gross spread is equal to the difference between the price of a security paid by the underwriter and the offering price charged to the public.

The gross spread comprises three components:

Takedown: Normally the largest component of the spread, similar to a commission, which represents the income derived from the sale of securities. If bonds are sold by a member of the syndicate, the seller is entitled to the full takedown (also called the “total takedown”).

Management Fee: The amount paid to the senior manager and/or co-managers for handling the affairs of the syndicate.

Expenses: The costs of operating the syndicate for which the senior manager may be reimbursed.

Lease-Purchase A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

Letters of Credit A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Negotiated Sale A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Overlapping Debt That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

Pay-As-You-Go An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value The current value of a future cash flow.

Private Placement The original placement of an issue with one or more investors, as opposed to being publicly offered or sold.

Rebate A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from the investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code, together with all income earned on the accumulated profit pending payment.

Special Assessments Fees imposed against properties that have received a special benefit by the construction of public improvements, such as water, sewer, and irrigation.

Underwriter A dealer that purchases new issues of municipal securities from the issuer and resells them to investors.

Underwriter's Discount The difference between the price at which bonds are bought by the underwriter from the issuer and the price at which they are reoffered to investors.

Variable-Rate Debt An interest rate on a security that changes at intervals according to an index, formula or other standard of measurement, as stated in the bond contract.

Resolution No: 17-02

*A Resolution of the Board of Directors
of Camrosa Water District*

Establishing a Budget Policy

Whereas, the budget is presented as a policy document, an operational tool, a financial planning tool and a link to the Strategic Plan and considered a communication tool to the District's community and stakeholders; and,

Whereas, the purpose of the budget policy is to provide guidelines that will influence and direct the financial management practice of the District; and,

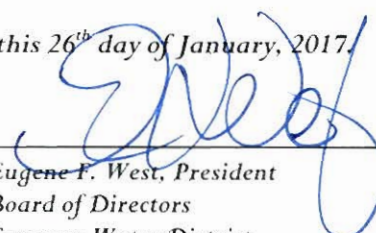
Whereas, the main reasons for establishing a budget policy is to:

- Ensure quality of existing core services;
- Establish organizational goals to guide decision making;
- Develop a budget to achieve goals;
- Incorporate a long-term perspective;
- Evaluate performance and make adjustments;
- Strengthen the financial position;
- Focus budget decisions on results and outcomes; and
- Involve and promote effective communication with stakeholders.


Whereas, the Camrosa Water District established a budget policy, memorializing as a formal policy and establishing best practices of financial management for the District;

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the proposed Budget Policy is hereby approved and adopted, and the General Manager is authorized to implement the policy.

Adopted, Signed, and Approved this 26th day of January, 2017.


Eugene F. West, President
Board of Directors
Camrosa Water District

ATTEST:


Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Budget Policy

The budget is presented as a policy document, an operational tool, a financial planning tool, and a link to the Strategic Plan. In addition, it is also considered a communication tool to the District's community and stakeholders.

The main reasons for establishing a budget policy is to:

- Ensure quality of existing core services;
- Establish organizational goals to guide decision making;
- Develop a budget to achieve goals;
- Incorporate a long-term perspective;
- Evaluate performance and make adjustments;
- Strengthen the financial position;
- Focus budget decisions on results and outcomes; and
- Involve and promote effective communication with stakeholders

1.1 Purpose

The purpose of the Camrosa Water District's Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. A financial policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. An effective financial policy: Provides principles and guidelines that minimize costs and reduce risk, maintains appropriate financial capacity for present and future needs, ensures legal compliance and maintains appropriate internal controls.

2.1 Budget Submittal and Adoption

- In order to facilitate and implement the budget process, the General Manager will propose an annual budget calendar at the first regular Board meeting in January in every year.
- No later than two months before the end of each fiscal year, the General Manager shall prepare and submit to the Board of Directors a draft annual budget for the ensuing fiscal year.
- The Board of Directors will adopt by formal resolution an operating and capital budget every year by June 30.
- The fiscal period for the District is July 1 to June 30.

3.1 Balanced Budget

- Adopted annual budgets shall ensure that operating revenues fully cover operating expenditures, including debt service within the Water and Wastewater enterprise.
- In the event of a shortfall, use of the rate stabilization fund or an inter-fund loan is allowable.

- One-time revenues shall only be used to cover one-time costs and ongoing revenues shall only be used to cover ongoing costs.
- Debt service funds shall not be utilized for operating expenses.

4.1 Amendments to Adopted Budget

- Initial appropriations (excluding carryovers and encumbrances for multi-year capital projects) will be made during the annual budget process when all District needs can be reviewed and prioritized in a comprehensive manner.
- The annual budget process will include multiple year projections.
- The General Manager has the authority to adjust the budget at the operational level within an enterprise and shall report budget performance to the Board of Directors on a quarterly basis.
- Additional appropriations from reserves must go to the Board of Directors for approval.

5.1 Budget Process

- The budget preparation process is developed by the General Manager with input from the Board of Directors.
- The District will develop its annual budget in such a manner to incorporate historical trend analysis for revenues and expenditures with an adjustment for increasing import water costs, current water demand trends, and other considerations as appropriate.
- The budget process will include a review of the current and future utility rates to determine the necessity to set a public hearing to increase rates to offset operational costs.

6.1 Form of Budget

- The budget shall present an itemized statement of the appropriations recommended by the General Manager to include estimated expenses and permanent improvements for each enterprise and program.
- Comparative data of the appropriations and expenditures for the current and previous fiscal year, as well as the increases or decreases in the recommended budget, shall be provided.

7.1 Capital Budget

- The Capital Improvement Program and the Operating Budget will be reviewed at the same time to ensure that the District's capital and operating needs are balanced and that the Capital Improvement Program is aligned with the District's long-range plans.
- Capital expenditures shall meet the requirements of generally accepted accounting principles (GAAP).

- The District will identify the estimated costs and potential funding sources for each capital project proposal.
- The District will develop a five-year plan for capital improvements including operations and maintenance costs to be updated each year.
- The District will utilize grant funding and other outside resources whenever possible.
- The District will utilize the least costly financing method for all new projects.

8.1 Long Term Financial Forecast

- The District will develop a five-year financial forecast for operating and capital improvement projects; including operations and maintenance costs, and update it every year as part of the annual budget process.
- The financial forecast will identify the District's source of funds for which future capital improvement projects will necessitate.
- The financial forecast will include escalating operational cost index factor for ongoing routine operation expenditures.
- The financial forecast will identify the necessity of potential utility rate increases based upon imported water rates and operational costs.

9.1 Debt Service Ratios/Reserve Financial Position

- The District will meet or exceed minimum debt service coverage ratios required by governing bond indentures.
- The District will ensure minimum reserve levels are met after appropriation of one-time capital appropriations.

10.1 Budgetary Control

- The District shall prepare monthly reports on revenues and expenditures that compare budget-to-actual financial performance for Staff and reviewed quarterly by the Board of Directors.
- The District will monitor revenues and expenditures on an ongoing basis and ensure that expenditures do not exceed appropriations within an enterprise fund and program for the annual fiscal period.
- Each Program Manager is responsible for ensuring expenditures remain within budget.
- Any deviation from the Budget Policy will be brought to the Board of Directors for approval.

Resolution No: 21-17

A Resolution of the Board of Directors
of Camrosa Water District

Updating the Pension Funding Policy

Whereas, the Board of Directors deems it essential that Camrosa Water District establish fiscally responsible management practices; and

Whereas, the Board of Directors recognizes the CalPERS accrued unfunded liability could potentially cause financial stress and impact the District's operations and rates; and

Whereas, the Board of Directors seeks to address its unfunded CalPERS liability in the most cost-efficient manner possible; and

Whereas, it is the desire of the Board of Directors to establish a Pension Funding Policy to provide guidance and strategies for addressing the District's retirement liabilities; and

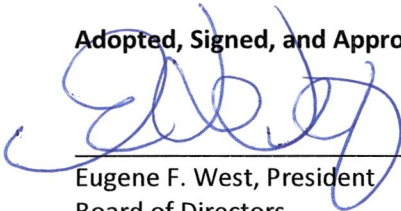
Whereas, the policy includes internal budgeting, policy directives and financing mechanisms for the Board of Directors and Staff to address the District's retirement liabilities; and

Whereas, it is in the best interests of the District to establish a written pension funding policy to serve as a living document, which will require periodic review and updates to take into account changes in the District's unfunded accrued liability and financial position; and

Whereas, the policy has been updated to implement internal controls for staff regarding procedures for additional discretionary payments;

Now, Therefore, Be It Resolved, by the Camrosa Water District Board of Directors, that the attached Pension Funding Policy is hereby incorporated into this resolution and adopted by the Board of Directors.

Adopted, Signed, and Approved this 14th day of October 2021.



Eugene F. West, President
Board of Directors
Camrosa Water District



Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District (ATTEST)

CAMROSA WATER DISTRICT

Pension Funding Policy

This policy is intended to provide guidance and strategies to current and future Board of Directors for addressing the District's retirement liabilities. The policy includes internal budgeting, policy directives, and financing mechanisms.

Background

The District has a history of being fiscally conservative and maintaining fiscally responsible management practices. The District recognizes the unfunded CalPERS liability could potentially cause financial stress and impact the District's operations and rates. As such, the District seeks to address its unfunded CalPERS liability in the most cost-efficient manner possible.

CalPERS Normal Costs represent the cost of pension benefits earned by current employees in the current fiscal year. Normal Costs are paid as a percentage of the District's payroll. Unfunded Accrued Liability ("UAL") represents the shortfall in assets needed to fully fund prior benefits earned by employees and retirees, which occurs for a variety of reasons. UAL payments are a dollar amount adjusted annually by CalPERS.

Annual Review

Addressing retirement costs is a dynamic process. CalPERS makes regular adjustments to the District's Normal Costs and UAL due to changes in investment performance, employee/retiree events, benefit levels, and actuarial assumptions. These changes will require multi-year financial planning and for the District to make corresponding budgetary adjustments. The District will therefore evaluate its pension liabilities each year.

After the release of the most current CalPERS actuarial report, staff will present a summary of the plan's funding status. This information will be presented during a public Board meeting, which will include a summary of funding status, funding progress compared to prior years, as well as any recommended actions and/or budget adjustments.

Target Funding Level

The District paid off its entire UAL from available reserves in the amount of \$4,996,392 in March 2020. The District will seek to maintain a fully funded pension fund.

Allocation of Additional Resources / ADPs

The District seeks to maintain adequate levels of reserves in accordance with its stated reserve goals and adopted reserve policies. The District will implement a Pension Liability Reserve Fund to manage the ongoing CalPERS UAL. The District will budget for the anticipated UAL as a specific line item in the annual budget and reserve worksheet.

CAMROSA WATER DISTRICT

Pension Funding Policy

Targeting Strategies

At the discretion of the Board, the District may apply Additional Discretionary Payments (ADPs) toward the Amortization Bases with the longest remaining term (maturity) to maximize interest costs savings. Should the District seek to optimize budgetary (cash flow) impact, it may seek to apply these monies toward the Amortization Bases with the shortest term.

All pre-funding decisions will require detailed financial analysis to be performed; and will include proper documentation of the analysis, methodology, and decision-making process.

STRATEGIES

The District has several different financing strategies available to address its pension liabilities. In addition to establishing a specific Pension Liability Reserve Fund, it could utilize one or more of the following strategies:

- 1. 115 Trust –** The District may seek to invest monies in a 115 Trust, to allow the District to match the investment options more closely to the pension liabilities.
- 2. Use of Reserves and One-Time Monies –** The District maintains reserves comprised of unrestricted and restricted reserves. The District's Reserve Policy is to maintain target levels in unrestricted reserves towards the potable, non-potable, and wastewater operation and emergency reserves, rate stabilization fund, and capital replacement funds. The District may apply monies from its reserves to prepay and/or payoff its UAL with CalPERS. Repayment to the respective reserve funds from where monies for prepayment were taken will come from net operating results.
- 3. Salary/Benefit Cost Containment –** During consideration of employee raises, District staff will take into consideration the impact of any raises on employee contribution levels to the Normal CalPERS costs and the UAL. During each budget cycle, District staff will perform a financial analysis of the proposed salary /benefit increases on the District's Pension Costs. This information will be presented to the Board of Directors for their consideration. Additionally, consideration may be given to requiring employees to pay a portion or all the Required Employee Contribution Rate that Camrosa currently pays on behalf of employees.

CalPERS assumes that wages will increase by 2.75%, on average, over time. This measure should serve as a benchmark for analysis. Any analysis should not measure salary/wage growth on an individual year, but rather over a long-term basis.
- 4. Tax-Exempt Exchange –** The District has a history of funding capital projects through a pay-as-you-go method. To the extent the District has pay-as-you-go capital projects and where it is financially feasible to finance, the District may seek to finance such projects with tax-exempt bonds or other financing methods and use the capital project's budgeted amounts for Additional Discretionary Payments. If monies are taken from reserves, then the pension Liability Fund contributions may be increased through amortizing the removed funds and repayment to the respective reserve fund.

CAMROSA WATER DISTRICT

Pension Funding Policy

Internal Controls

District staff shall establish internal controls documenting the procedures for any additional discretionary payments towards the UAL as follows:

1. Staff will present the yearly actuarial report to the Board.
2. Board must approve all ADPs.
3. Upon Board approval, staff will initiate the ADP.
4. The Finance Manager and General Manager must review and approve the payment before submittal to CalPERS.

If approved, the District's Pension Funding Policy will be adopted by Resolution. The Policy is intended to serve as a living document, which will require periodic review and updates to consider changes in the District's UAL and financial position. Any amendments to this Policy will be made by Resolution.

Community Profile

This section contains demographic and economic statistics of the District's community profile. It also includes service area assessed valuations, and largest customers data.

The following are key demographics. The District has chosen to use the City of Camarillo's data as representative of the District. The region also has a very large military population at the nearby Point Mugu Naval Air Station and Port Hueneme, which adds stability. The District participates in the broad and diverse Oxnard-Thousand Oaks-Ventura metropolitan statistical area (MSA) economy. Camarillo's household income levels are strong with median household effective buying income.

Demographic and Economic Statistics

Last Ten Calendar Years

City of Camarillo

Year	Unemployment Rate	Population	Personal Income (in thousands)	Per Capital Personal Income
2013	5.6%	66,428	2,613,278	39,340
2014	4.4%	66,752	2,572,222	38,534
2015	4.4%	67,154	2,586,638	38,518
2016	5.8%	69,924	2,963,380	42,380
2017	4.5%	69,623	2,933,008	42,127
2018	3.6%	68,741	3,271,440	47,591
2019	4.3%	69,880	3,231,171	46,625
2020	4.1%	70,261	3,461,602	50,186
2021	5.8%	71,898	3,407,642	49,833
2022	2.6%	71,849	3,612,257	52,439

Source: City of Camarillo CAFR and UCSB Economic Forecast Project

Note (1) The District has chosen to use the City of Camarillo's data as a representative of the District.

The District's service area encompasses property with over \$6.7 billion of assessed valuation. District residents have easy access to jobs countywide and in Los Angeles.

Service Area Assessed Valuations

Fiscal Year	Secured Assessed Valuation	Unsecured Assessed Valuation	Total	% Change
2013	4,567,072,569	209,920,926	4,776,993,495	0.45%
2014	4,678,271,589	139,077,637	4,817,349,226	0.84%
2015	4,907,112,472	128,877,820	5,035,990,292	4.54%
2016	5,145,103,092	115,142,342	5,260,245,434	4.45%
2017	5,330,477,983	121,837,738	5,452,315,721	3.65%
2018	5,583,931,181	165,603,337	5,749,534,518	5.45%
2019	5,821,051,039	168,334,118	5,989,385,157	4.17%
2020	6,061,204,136	190,366,546	6,251,570,682	4.38%
2021	6,322,329,671	195,452,356	6,517,782,027	4.26%
2022	6,525,470,690	192,048,584	6,717,519,274	3.06%

**Ten Largest Water Customers
Fiscal Year 2022**

Customer	Customer Type	Acre-Feet	Annual Revenues	% of Water Sales
Leisure Village	Residential	1048	\$ 1,270,192	6.08%
Reiter Brother Inc	Agricultural	1171	1,185,417	5.67%
Mahan Ranch Golf Club LLC	Commercial	353	624,161	2.99%
Cal State University CI	Public	357	452,105	2.16%
A Hartman Ranch, Inc	Agricultural	430	391,163	1.87%
Camlam Farms, Inc.	Agricultural	727	227,071	1.09%
City of Camarillo	Irrigation	82	177,882	0.85%
Pleasant Valley Park & Rec	Irrigation	86	160,784	0.77%
A.B.P.	Agricultural	124	151,471	0.72%
Dud Farm Fresh Foods, Inc.	Agricultural	157	149,805	0.72%
Total Ten Largest Customers		4,535	4,790,051	22.91%
All Other Customers		8,476	16,113,969	77.09%
Total Water Revenue for District		13,011	\$ 20,904,020	100.00%

**Ten Largest Wastewater Customers
Fiscal Year 2022**

Customer	EDUs	Annual Revenue	% of Wastewater Sales
Leisure Village	2,162	\$ 995,241	24.32%
CSUCI	547	251,861	6.15%
Rancho Adolfo Mobile Home Estates	255	117,412	2.87%
Corte Madera/AvalonBay Communities	161	74,131	1.81%
Essex Camino Inc.	161	74,131	1.81%
Adolfo Camarillo Highschool	59	27,166	0.66%
Emeritus at Camarillo	56	25,785	0.63%
Camino Ruiz LLC	47	21,641	0.53%
Marriott Brighton Gardens	42	19,338	0.47%
Pleasant Valley School	38	16,338	0.40%
Total Ten Largest Wastewater Customers	3,528	\$ 1,623,044	39.66%
All Other Customers	5,436	2,469,847	60.34%
Total Wastewater Revenue for District	8,964	\$ 4,092,891	100.00%