



SAN ANTONIO WATER COMPANY
BUDGET WORKSHOP OF THE BOARD OF DIRECTORS
AGENDA

Wednesday, December 11, 2024 at 9:00 a.m.
At the Company Office, 139 N. Euclid Avenue, Upland, CA
And Virtual/Online or Teleconference

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/873189757>

You can also dial in using your phone.

Access Code: 873-189-757

United States: [+1 \(224\) 501-3412](tel:+12245013412)

Call to Order

1. Recognitions and Presentations: - None

2. Additions-Deletions to the Agenda: - None

3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Approval of Board Meeting Minutes

Regular Board Meeting Minutes of November 19, 2024.

5. Budget Workshop:

A. "Draft" CY2025 Administration and Operations Budget

Presentation by staff for comments and/or recommendations

B. "Draft" CY2025 Capital Improvement and Capital Outlay Budget

Presentation by staff for comments and/or recommendations

6. Director's Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting is scheduled for Tuesday, December 17, 2024 at 5:00 p.m.

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from the Water Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [7:30 – 11:30 and 12:30 – 5:00]. The agenda is also available for review and copying at the City of Upland located at 460 N. Euclid Ave., and the Upland Public Library located at 450 N. Euclid Ave.

POSTING STATEMENT: On December 5, 2024 a true and correct copy of this agenda was posted at the entry of the Water Company's Office (139 N. Euclid Avenue), at the City of Upland at 460 N. Euclid Avenue, and on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library), and on the Water Company's website.

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, November 19, 2024

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:02 p.m. on the above date at the City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Rudy Zuniga, Will Elliott, Bill Velto, Kati Parker, Bob Cable, Becky Miller and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Accounting and Personnel Specialist Kelly Mitchell. President Zuniga presided.

Director Elliott led all in attendance in the flag salute.

1. Recognitions and Presentations: Mr. Lee stated staff has a presentation on an occurrence that occurred at 2428 Vista Dr. Upland on Friday, November 8. He stated a contractor hit a company hydrant off its hinges. He thanked Vinny Macias and VCM Weddings for taking a drone picture of the incident.
2. Additions-Deletions to the Agenda: None.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of October 15, 2024.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Approve meeting minutes of August 27, 2024.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for September 30, 2024.
 - F. Investment Activity Report
Monthly Report of Investments Activity.
 - G. Water Production and Consumption
Monthly water production and consumption figures.
 - H. Prominent Issues Update
Status summaries on certain on-going active issues.
 - I. Projects and Operations Update
Status summaries on projects and operations matters.
 - J. Groundwater Level Patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - K. Conservation Program Update [Quarterly in January, April, July, and October]
Update on SAWCo's existing water conservation programs.
 - L. Correspondence of Interest

Director Velto moved and Director Miller seconded to approve the Consent Calendar as presented. Motion carried unanimously.

5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker stated there was nothing significant to report from the previous meeting held.
 - B. **Six Basins Representative Report** – Mr. Lee stated there is no update to report.
 - C. **Chino Basin Representative Report** – Mr. Lee stated there is no update to report.
 - D. **Cucamonga Basin Representative Report** – Mr. Lee stated there is no update to report.
 - E. **Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.
 - F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – Director Elliott reported the committee discussed the homeless issue at the company office which will be discussed that evening, ADT security system issues, and the Well 31 pipeline construction contract.
 - G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.
6. 139 N. Euclid Homeless Issue: Mr. Lee reported staff has been seeing an increase in homeless camping in front of the company's office. Staff has been internally discussing on how to address

the issue and the solution is to install a fence surrounding the entire property. Mr. Lee presented the final fence dimensions and placement after proving exactly the City permit restrictions were.

Director Velto suggested having the front gate locked, with a camera and having to buzz people in there for a more secure method, preventing people from getting to the front office door.

Director Cable moved and Director Parker seconded to authorize the General Manger to execute a contract for \$22,000.00 with Fence Craft to install a fence at 139 N. Euclid Ave. Motion carried unanimously.

7. Annual Review of Employee Health and Welfare Benefits: Mr. Lee stated staff received the health and welfare package before having the opportunity to present to the AFC, therefore bringing it to the board directly. The benefits package will have an increase of 5%-6%. Mr. Lee is requesting to maintain the current health system that the company has in place, in which the company has been grandfathered in, and not under the Affordable Care Act.

Mr. Lee added upon discussing with the company's insurance provider, she had no good things to say about ACA and the industry, and the company should avoid it at all costs and stay within the current system.

With no discussion from the Board, Director Cable moved and Director Parker seconded to approve maintaining the current health and welfare benefits with the 5%-6% increase. Motion carried unanimously.

8. Workplace Violence Prevention Plan: Mr. Lee stated this is a new requirement all companies are required in the Stae of California to fulfill. Staff has worked with legal counsel on drafting the prevention plan that has gone to the AFC for review. With approval from the Board this will become the company's plan.

With no discussion from the Board, Director Velto moved and Director Elliott seconded to approve the workplace violence prevention plan as presented. Motion carried unanimously.

9. Award of Construction Contract for Well 31 Pipeline: Mr. Lee stated there was a bid opening for the construction of the Well 31 pipeline that has been in the books for about 3 years. The original proposal was \$420,000 and we currently have a total combined contract of \$500,000 including the construction contract of \$413,585 from CP Construction.

Director Elliott moved and Director Bowcock seconded to authorize the General Manager to execute a construction contract with CP Construction in the amount of \$413,585, for the Well 31 Pipeline construction. Motion carried unanimously.

10. Closed Session:

A. CONFERENCE WITH LEGAL COUNSEL— EXISTING LITIGATION [Government Code Section 54956.9(d)(1)] Name of Case: San Antonio Water Company v. Foothill Irrigation Company, et al., San Bernardino Superior Court Case No. 92645

B. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Initiation of Litigation) [Gov't Code § 54956.9(d)(4)]: two potential matters

C. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION [Gov't Code § 54956.9(d)(1)] Name of Case: Aqueous Film-Forming Foams Product Liability Litigation, Master Docket No. 2:18-mn-2873-RMG

D. EMPLOYEE PERFORMANCE EVALUATION [GOVERNMENT CODE § 54957]: General Manager

11. Open Session:

A. Report out from Closed Session.

The Board went into closed session at 5:17 PM. Upon return from the closed session at 6:02 PM, Mr. Hoffman stated the Board met in closed session on the items listed on the agenda and there is no reportable action.

B. General Manager Setting of Annual Compensation.

No discussion.

12. Director's Comments and Future Agenda Items: Director Velto wished everyone a Happy Thanksgiving.

Director Miller also wished everyone safe travels and a happy Thanksgiving to enjoy time with family and friends.

Adjournment:

Mr. Lee wanted to highlight a few upcoming meetings. He reminded everyone of the San Antonio Heights Association meeting on Thursday, November 21 at 6:30 PM. He also proposed to cancel the AFC Meeting and instead have any AFC items brought and addressed at the Board Budget Workshop, which will also need to be rescheduled.

Mr. Lee added there was an attachment in the board packet regarding a Chino Basin Groundwater Management Workshop hosted by Monte Vista Water District that was scheduled for January 24, 2025, but that date will likely change.

With no further business to discuss the meeting was adjourned at 6:05 PM.

Assistant Secretary
Brian Lee



San Antonio Creek Diversion - 2024

San Antonio Water Company
Annual Operating & Capital Improvement Budget

Fiscal Year Ending December 31, 2025

General Manager's Message

Dear Board of Directors and Shareholders,

I am pleased to present you with the recommended budget for Fiscal Year 2025 (FY2025). We begin the year in a healthy financial position with the fiscal resources available to continue providing high quality service, continue advancing infrastructure replacement, while maintaining emergency reserves. With the completion of our Master Plan and the state of national inflation over the last few years the Company will be conducting a rate study in 2025 to ensure our revenues and expenses remain in alignment. Pending completion of the rate study, staff also proposes a midyear budget review.

As presented for FY2025, budget revenue is projected to be \$4.87M and expenditures are projected to be \$5.00M. Expenditures include all expected operating, non-operating and capital costs for the next year.

The Company's anticipated operating (non-capital) expenses total \$3.83M, an 3.2% increase over the previous year's budget. The increase is a result of inflationary pressure.

Staff recommends keeping Company entitlement at 13,000 acre-feet. Operating revenue is expected to increase slightly from prior year, for a total of \$4.87M. Setting the entitlement at 13,000 acre-feet assumes that rainfall will be near average this upcoming winter. The Company currently has about 10,000 acre-feet in groundwater storage, which will help offset any reduction in rainfall in 2025.

Water sales in 2025 are anticipated to account for 97% of the company's revenue; funding full operation and a large chunk of capital projects (pipes, pumps and tanks). Remaining revenue comes from lease and interest income.

The Company's budgeted capital expenses total \$1.17M. Projects scheduled for 2025 include an irrigation pipeline replacement, design of a new pipeline and continued design of new company facilities. After past years of aggressive capital expenditures, this year's projected capital program reflects a more standard pay-as-you-go philosophy. Depending on the outcome of the rate study the Company may decide to accelerate additional pipeline projects later this year. Money for the new company facility is expected to come from the sale of surplus property, not rates.

Our year-end review shows an approximately \$5.1M balance in the Company's capital and operating reserves. Our 2025 budget relies on the use of approximately \$137K of our reserve funds for infrastructure replacement. At the end of 2025 remaining reserves available for use should total about \$5.0M.

I would like to thank every staff member of SAWCo for their hard work and dedication over the last year. They are truly this company's most important asset. I remain thankful to the community for their input, both Committees for their efforts, and the full Board for providing both the vision and guidance necessary as we respond to the ever-changing challenges facing this Company.



2025 Quick Data

- Annual Entitlement..... 13,000 acre-feet
(No change from 2024)
- Total Company Shares as of January 1, 2025 6,389 shares
- Active Shares as of January 1, 2025 6,178 shares
(inactive shares are those shares currently not taking entitlement water)
- Yearly 2025 entitlement per share 2.035 acre-feet
- Total 2025 active share entitlement 12,570 acre-feet

- Estimated 2025 Water Production, by source:

Surface Water	4,425 acre-feet
Chino Groundwater Basin.....	1,232 acre-feet
Cucamonga Groundwater Basin.....	5,981 acre-feet
Six Basins Groundwater Basin	932 acre-feet
TOTAL	12,570 acre-feet

- Projected 2025 Revenue:

Shareholder	\$4,741,000
Non-shareholder	\$126,000
TOTAL	\$4,867,000

- Projected 2025 Operating Expenses:

Operations and Maintenance.....	(\$2,109,500)
General Administrative.....	(\$1,721,000)
TOTAL	(\$3,830,500)

- Projected 2025 Capital Expenses..... (\$1,173,000)

- Projected 2025 Revenue minus Expenses..... (\$136,500)

- Reserves:

Targets:

- Operating Reserves:\$960,000
(3 months of 2025 Budget Operating Expenses)
- Capital Reserves: \$1.3M - \$5.2M
(5% - 20% of 2022 audited property, plant and equipment)

TOTAL TARGET RESERVES:..... \$2.3M - \$6.2M

Cash on Deposit as of October 2024.....	\$4,675,000
Projected CoD as of December 2024	\$5,150,000
Projected CoD as of December 2025	\$5,013,000

Company at a Glance

ORGANIZATIONAL

San Antonio Water Company (SAWCO) is a California mutual water company organized under California Corporations Code 14300, regulated under the United States Environmental Protection Agency (USEPA) Safe Drinking Water Act, monitored by the State of California through the Water Code & Health and Safety Code. We also report to the San Bernardino Local Agency Formation Commission (LAFCo).

The Company does not import any water. Instead we are dependent on our local San Antonio Canyon watershed and groundwater basins. Utilizing local water sources dramatically keeps costs down but also increases the risk associated with long term drought. Currently, our shareholders include most residents of the unincorporated area of San Antonio Heights, the Cities of Upland and Ontario, the Monte Vista Water District, the US Forest Service, the San Bernardino County Flood Control District, local quarries and the proud heritage of remaining local grove irrigators.

HEADCOUNT

The Company's vision is to be an organization that defines excellence in delivering high quality water in a cost-effective manner by meeting shareholder needs and entitlements. We will lead the way for water agencies in the region by developing key strategic partnerships, making maximum use of water capture and delivery facilities and technologies, and attracting high caliber employees by being a recognized employer of choice in the field.

None of this vision would be possible without an innovative, self-managed staff that has pride of ownership for their work product while providing exceptional service. This is all done currently with 9 full-time and 1 part-time employees.

Changes in 2024

- Office & Field: No change.

STRATEGIC PLAN

In 2015, the Company went through a strategic planning process and out of this process, the following goals were developed:

- Evaluate and Prioritize Projects for Supply Maximization
- Develop Strategic Partnerships Initiate and Further Joint Projects
- Invest in Technology
- Define SAWCo's Assets & Needs
- Develop the Workforce of the Future
- Improve Internal Relationships

In 2025 the Company plans to continue reaching towards our goals by the following actions:

Evaluate and Prioritize Projects for Supply Maximization – Staff completed a 2020 Water Master Plan Update. This update evaluates and prioritizes projects for supply maximization.

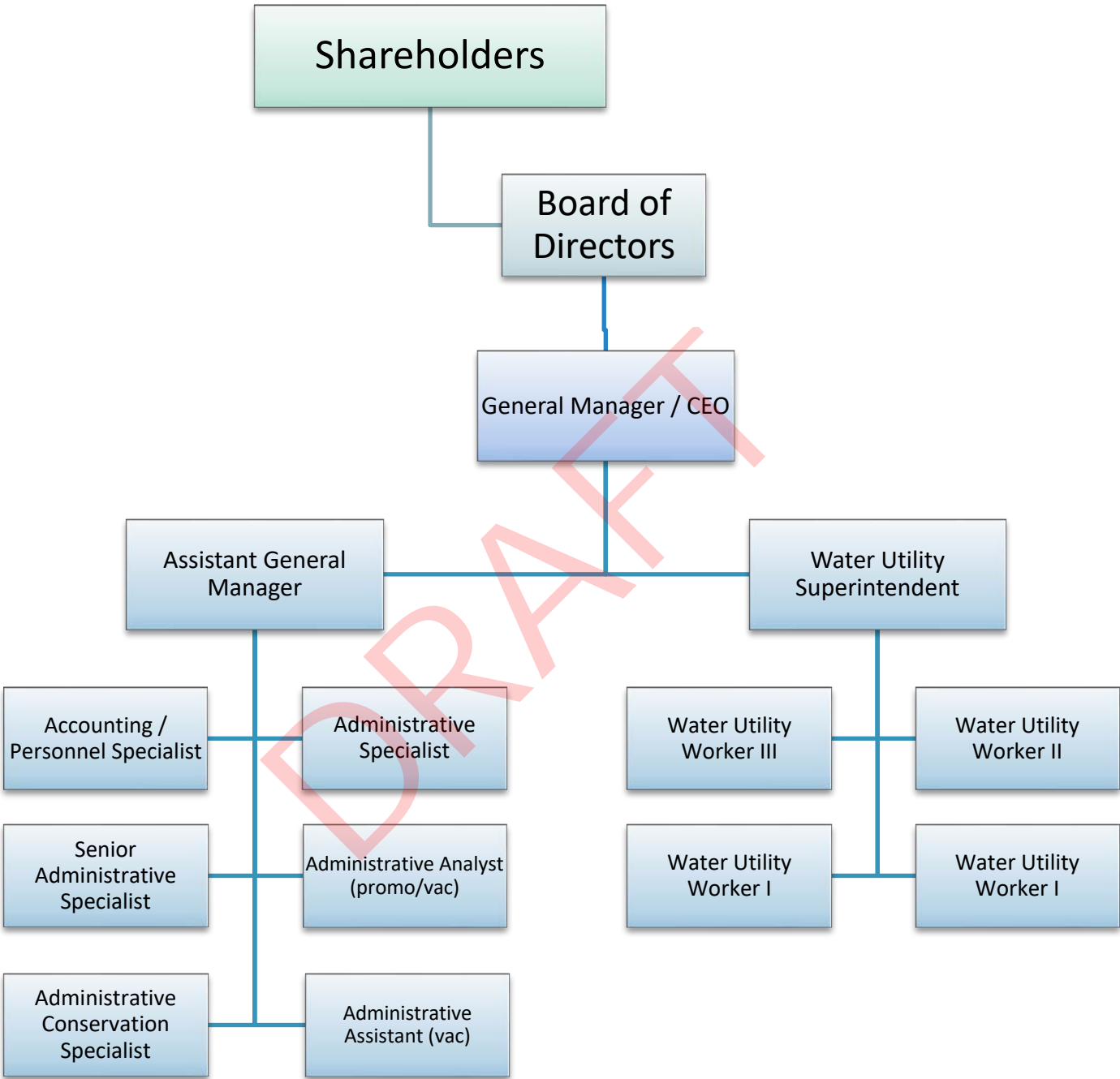
Develop Strategic Partnerships to Initiate and Further Joint Projects – Staff continues to reach-out and build relationships with the different shareholders. We will continue to discuss joint projects that may be beneficial to our shareholders. The Master Plan update may uncover future possibilities.

Define SAWCo's Assets & Needs – The company continues to take on additional responsibilities with limited staff and space. In order to meet these needs, staff is utilizing outside consultants and adjusting priorities. The office is currently not up to seismic code nor is it ADA compliant. To correct these deficiencies would be costly for a building that is over 90 years old. In 2015, the Board formed a committee to start the process of relocating the office and yard into one facility at a property the Company already owns. In 2024, the Company is continuing to address the limited space, safety for its employees, and functionality for its shareholders and staff.

Develop the Workforce of the Future – Management continues to provide ongoing training for current employees and assess the needs of the company. Limited advancement opportunities due to our small staff and a perceived lower benefits package compared to local public water companies continue to hinder the recruitment process. The Company is currently attempting to obtain an eligibility letter from the Federal Government which would allow us to engage CalPERS [Public Employees Retirement System] to compare actual costs and benefits. In 2020, we hired a consultant to perform a benefit and comp study to keep us competitive with the current market.

Improve Relationships – Recent public conversations have exposed a need to improve the distribution of information to our shareholders and employees. It is apparent that misinformation needs to be curtailed and corrected. The Company will conduct a public outreach campaign intended to inform and solicit feedback from our shareholders and employees. Strong leadership will help to carry the company in one direction.

San Antonio Water Company
 Organization Chart
 Board Approved on November 15, 2016



San Antonio Water Company

2024 ACCOMPLISHMENTS:

- Design of Forebay Outfall Pipeline (formerly the Paloma Curve Hydraulic Break modernization)
- Design of Well 31 Pipeline replacement
- Construction of Glendale Road pipeline replacement
- State mandated Supply Assessment report
- State mandated Water Audit Validation report

2025 GOALS & OBJECTIVES:

- Revise and improve standard financial reports and reporting policy
- Well 31 pipeline replacement
- Design of Well 19 Transmission Pipeline
- Finalize design and permitting of new office/yard facilities on 20th Street

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FINANCIALS

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2025 OPERATING BUDGET OVERVIEW

	2025	2024	2024	2024	2023	2022
	<u>Budget</u>	<u>Budget</u>	<u>Actual thru Sept</u>	<u>Projected</u>	<u>Actual</u>	<u>Actual</u>
SHAREHOLDER REVENUE						
Water Sales - Domestic	\$ 500,000	\$ 730,000	\$ 388,282	\$ 495,000	\$ 448,434	\$ 683,293
Water Fixed Charges - Domestic	\$ 261,000	\$ 261,000	\$ 176,317	\$ 261,000	\$ 264,513	\$ 263,312
Water Sales - Municipal	\$ 3,050,000	\$ 3,100,000	\$ 2,272,103	\$ 2,950,000	\$ 3,093,095	\$ 3,019,350
Water Fixed Charges - Municipal	\$ 554,000	\$ 554,000	\$ 415,530	\$ 554,000	\$ 553,912	\$ 553,872
Water Sales - Misc.	\$ 275,000	\$ 260,000	\$ 192,517	\$ 241,000	\$ 315,944	\$ 372,343
Water Fixed Charges - Misc.	\$ 46,000	\$ 46,000	\$ 34,760	\$ 46,000	\$ 46,740	\$ 46,304
Water Fixed Charges - Inactive Shareholders	\$ 45,000	\$ 52,000	\$ 34,261	\$ 43,000	\$ 50,999	\$ 51,860
Shareholder Fees	\$ 10,000	\$ 8,800	\$ 13,927	\$ 13,927	\$ 9,591	\$ 10,451
Capital Facilities Connection Fee	\$ -	\$ -	\$ 20,547	\$ 20,547	\$ -	\$ 5,691
TOTAL	\$ 4,741,000	\$ 5,011,800	\$ 3,548,243	\$ 4,624,474	\$ 4,783,228	\$ 5,256,476
NON-SHAREHOLDER REVENUE						
Development Plan Check Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	\$ 2,000	\$ 2,000	\$ 11,529	\$ 11,500	\$ 325	\$ 1,356
Plans & Spec Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Permit & Inspection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Service/Litigation Agreements	\$ -	\$ -	\$ 1,795	\$ 1,795	\$ 2,094	\$ 1,348
Ground Lease Income	\$ 74,000	\$ 70,000	\$ 46,835	\$ 74,000	\$ 74,408	\$ 74,950
Interest Income	\$ 50,000	\$ 20,000	\$ 93,627	\$ 100,000	\$ 144,366	\$ 35,612
Quitclaim of Easements	\$ -	\$ -	\$ -	\$ -	\$ 4,440	\$ -
Overhead Income	\$ -	\$ -	\$ -	\$ -	\$ 1,620	\$ 1,628
Gain on Sale of Assets	\$ -	\$ -	\$ -	\$ -	\$ 357,509	\$ 343,059
Subtotal:	\$ 126,000	\$ 92,000	\$ 153,786	\$ 187,295	\$ 584,762	\$ 457,953
DEPRECIATION & OBSOLESCENCE REVENUE						
Water Sales from Stored G. W. [D&O Reserves]	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Revenue Total:	\$ 4,867,000	\$ 5,103,800	\$ 3,702,029	\$ 4,811,769	\$ 5,617,990	\$ 5,964,429
Non-Shareholder as a percentage of Total Revenue:	2.6%	1.8%	4.2%	3.9%	14.9%	11.9%

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	2025 Budget	2024 Budget	2024 Actual thru Sept	2024 Projected	2023 Actual	2022 Actual
FACILITIES & O&M EXPENSES						
Operating Facilities						
Facility Related Field Labor	\$ 400,000	\$ 480,000	\$ 319,915	\$ 400,000	\$ 426,553	\$ 324,071
Repairs to Facilities and Equipment	\$ 300,000	\$ 350,000	\$ 219,480	\$ 274,000	\$ 575,000	\$ 381,852
Power-Gas & Electric (utilities)	\$ 915,000	\$ 900,000	\$ 691,327	\$ 864,000	\$ 921,769	\$ 1,053,356
Operating Facilities Total:	\$ 1,615,000	\$ 1,730,000	\$ 1,230,722	\$ 1,538,000	\$ 1,923,322	\$ 1,759,279
Operating Activities						
Customer Services/Billing	\$ 11,000	\$ 10,000	\$ 8,777	\$ 11,000	\$ 11,703	\$ 67,771
Conservation Activities	\$ 15,000	\$ 26,000	\$ 11,128	\$ 14,000	\$ 12,502	\$ 45,204
Operating Activities Total:	\$ 26,000	\$ 36,000	\$ 19,905	\$ 25,000	\$ 24,205	\$ 112,975
Other Operating Expense						
O&M - All Other	\$ 3,500	\$ 3,500	\$ 3,065	\$ 3,800	\$ 4,086	\$ 1,420
Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies (Inventory & Tools Expense)	\$ 20,000	\$ 10,000	\$ 16,508	\$ 21,000	\$ 22,010	\$ 8,677
Property Taxes	\$ 245,000	\$ 240,000	\$ 127,296	\$ 240,000	\$ 240,000	\$ 249,238
Wtr. Resource Mgmt. (Basin Assm'ts)	\$ 200,000	\$ 143,000	\$ 209,439	\$ 210,000	\$ 143,000	\$ 147,002
Loss on Disposal of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory Shrinkage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,112
Other Operating Expense Total:	\$ 468,500	\$ 396,500	\$ 356,307	\$ 474,800	\$ 409,096	\$ 408,449
O & M Expense Total:	\$ 2,109,500	\$ 2,162,500	\$ 1,606,934	\$ 2,037,800	\$ 2,356,623	\$ 2,280,703

GENERAL ADMINISTRATIVE EXPENSES						
Personnel						
Administrative Labor	\$ 540,000	\$ 540,000	\$ 412,672	\$ 516,000	\$ 550,229	\$ 292,286
Payroll Taxes	\$ 90,000	\$ 80,000	\$ 67,961	\$ 85,000	\$ 90,615	\$ 74,509
Worker's Compensation Insurance	\$ 16,000	\$ 18,000	\$ 10,948	\$ 14,000	\$ 14,597	\$ 16,170
Benefit Pay (Vac., Sick, Etc.)	\$ 225,000	\$ 195,000	\$ 179,357	\$ 225,000	\$ 239,142	\$ 204,124
Benefit Insurance (Pension, Life, Medical, Dental, Vision)	\$ 260,000	\$ 250,000	\$ 198,953	\$ 249,000	\$ 265,271	\$ 246,698
Benefit Administrative Services	\$ 1,000	\$ 2,000	\$ 100	\$ 100	\$ 133	\$ 100
Personnel Total:	\$ 1,132,000	\$ 1,085,000	\$ 869,990	\$ 1,089,100	\$ 1,159,987	\$ 833,887
Other						
Office/ IT Support	\$ 80,000	\$ 60,000	\$ 77,455	\$ 97,000	\$ 80,000	\$ 42,943
Directors Fees & Expenses	\$ 40,000	\$ 32,000	\$ 29,454	\$ 40,000	\$ 39,272	\$ 32,540
Liability Insurance (Non-empl. benef.)	\$ 90,000	\$ 60,000	\$ 79,418	\$ 80,000	\$ 58,979	\$ 41,692
Communications	\$ 40,000	\$ 43,000	\$ 29,989	\$ 37,000	\$ 39,986	\$ 39,757
Dues & Subscriptions	\$ 14,000	\$ 3,500	\$ 10,403	\$ 13,000	\$ 13,871	\$ 4,483
Outside Services	\$ 20,000	\$ 20,000	\$ 16,161	\$ 20,000	\$ 20,000	\$ 25,486
Taxes - Income	\$ 20,000	\$ 12,500	\$ 19,200	\$ 19,200	\$ 9,700	\$ 9,676
Accounting Expense	\$ 23,000	\$ 20,000	\$ 21,889	\$ 22,000	\$ 19,448	\$ 76,184
Legal Expense	\$ 240,000	\$ 200,000	\$ 198,441	\$ 248,051	\$ 264,588	\$ 151,565
Human Resource Expense	\$ 2,000	\$ -	\$ 1,360	\$ 1,700	\$ 1,149	\$ 52,440
All Other	\$ 20,000	\$ 30,000	\$ 5,311	\$ 6,639	\$ 7,081	\$ 30,168
Other Total:	\$ 589,000	\$ 481,000	\$ 489,081	\$ 584,590	\$ 554,074	\$ 506,934
G. & A. Expense Total:	\$ 1,721,000	\$ 1,566,000	\$ 1,359,072	\$ 1,673,690	\$ 1,714,061	\$ 1,340,821

Capital Expenditure						
Facilities	\$ 925,000	\$ 4,895,000	\$ 492,725	\$ 520,000	\$ 4,834,129	\$ 60,000
Equipment/Studies/Reports	\$ 248,000	\$ 405,000	\$ 261,620	\$ 345,000	\$ 97,592	\$ 120,000
CIP Total:	\$ 1,173,000	\$ 5,300,000	\$ 754,345	\$ 865,000	\$ 4,931,721	\$ 180,000

Total Revenue:	\$ 4,867,000	\$ 5,103,800	\$ 3,702,029	\$ 4,811,769	\$ 5,617,990	\$ 5,964,429
Total Expenses excluding CIP:	\$ 3,830,500	\$ 3,728,500	\$ 2,966,006	\$ 3,711,490	\$ 4,070,684	\$ 3,621,524
Total Expenses including CIP:	\$ 5,003,500	\$ 9,028,500	\$ 3,720,351	\$ 4,576,490	\$ 9,002,405	\$ 3,801,524
Net Income without D&O funds:	\$ 1,036,500	\$ 1,375,300	\$ 736,023	\$ 1,100,279	\$ 1,297,306	\$ 2,092,905
Net Income with D&O funds:	\$ 1,036,500	\$ 1,375,300	\$ 736,023	\$ 1,100,279	\$ 1,547,306	\$ 2,342,905

Depreciation	\$ 1,100,000	\$ 1,100,000	\$ 852,775	\$ 1,100,000	\$ 1,137,033	\$ 947,867
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Net income excluding Capital Expenditures less Depreciation	\$ (63,500)	\$ 275,300	\$ (116,752)	\$ 279	\$ 410,273	\$ 1,395,038
Net income including Capital Expenditures less Depreciation	\$ (1,236,500)	\$ (5,024,700)	\$ (871,097)	\$ (864,721)	\$ (4,521,448)	\$ 1,215,038
Net income including Capital Expenditures	\$ (136,500)	\$ (3,924,700)	\$ (18,322)	\$ 235,279	\$ (3,634,415)	\$ 1,912,905
Net income including Capital Expenditures less NSR	\$ (262,500)	\$ (4,016,700)	\$ (172,108)	\$ 47,984	\$ (4,219,177)	\$ 1,454,952

CAPITAL IMPROVEMENTS

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2025 OPERATING BUDGET CAPITAL IMPROVEMENTS

	DRAFT 2025 CIP												TOTAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Domestic Water System													
SCADA PLC Controller Replacement		\$ 40,000											\$ 40,000
Well 19 Pipeline Design						\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500				\$ 130,000
Total	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ 170,000
Irrigation System													
SCADA PLC Controller Replacement			\$ 80,000										\$ 80,000
Well 31 Pipeline Relocation/Replacement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 50,000								\$ 450,000
Paloma Curve Hydraulic Break		\$ 25,000											\$ 25,000
Total	\$ 100,000	\$ 125,000	\$ 180,000	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 555,000
General Company													
Consolidated Campus		\$ 100,000				\$ 100,000							\$ 200,000
TOTAL CIP	\$ 100,000	\$ 265,000	\$ 180,000	\$ 100,000	\$ 50,000	\$ 132,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ 925,000
Total CIP + Equipment + Reports	\$ 110,000	\$ 275,500	\$ 210,000	\$ 235,500	\$ 50,000	\$ 169,000	\$ 57,500	\$ 33,000	\$ 32,500	\$ -	\$ -	\$ -	\$ 1,173,000

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2025 OPERATING BUDGET EQUIPMENT/STUDIES/REPORTS

		DRAFT 2025 EQUIPMENT												TOTAL
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
#	Equipment Purchases													
1	Computers						\$ 6,000							\$ 6,000
2	Misc. Hand Tools for Trucks		\$ 500		\$ 500		\$ 500		\$ 500					\$ 2,000
3	Replacement Valve Actuator and vacuum				\$ 100,000									\$ 100,000
4	Three Chlorine Analyzers (Forebay, Well15/16, Well 32)			\$ 20,000										\$ 20,000
	Total	\$ -	\$ 500	\$ 20,000	\$ 100,500	\$ -	\$ 6,500	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 128,000

		DRAFT 2025 STUDIES AND REPORTS												TOTAL
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
#	Studies and Reports													
1	Five Year Rate Study	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000									\$ 40,000
2	Benefit and Comp Study						\$ 30,000							\$ 30,000
3	UWMP				\$ 25,000			\$ 25,000						\$ 50,000
	Total	\$ 10,000	\$ 10,000	\$ 10,000	\$ 35,000	\$ -	\$ 30,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000

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Project Title: **SCADA PLC Controller Replacement**

Total Budget: \$40,000

Construction: \$40,000

Schedule:

Installation: February 2024

Location: System Wide

Justification: A water system is controlled in-part through the System Control and Data Acquisition (SCADA) computer network. Communications occur between the central control server and Programmable Logic Controllers (PLCs) located at each facility. PLCs contain instructions on site specific activities ranging from reservoir water levels, chlorination levels and site security alarms. The Company's current PLC inventory contains almost 40 PLCs of differing electronics from different companies programmed by different people, without the benefit of standardization or documentation retained by the Company.

Staff is proposing the modernization of Company PLCs on a multi-year basis, replacing two to four per year. Replacement will include standardization of instruction sets and documentation of each PLC's programming, input and output.

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Project Title: **Well Site 19 Pipeline**

Total Budget: \$2,920,000

Design and Permitting: \$130,000 (scheduled for 2025)

Construction Management: \$130,000 (scheduled for 2026-27)

Construction: \$2,660,000 (scheduled for 2026-27)

Schedule:

Design: 2024

Construction: 2025

Location:



Justification: The Well 19 drilling and development project was completed in 2023. The next phase is construction of a well head and pump house, including bringing in electricity and the construction of a pipeline to deliver well water into the Company system. Pipeline is estimated to be about 5,400 LF. At an estimated \$500/LF the pipeline is estimated to be \$2.16M construction cost. Wellhead and power is estimated to be \$500,000 for a total estimated construction cost of \$2.66M. Engineering and Construction Management estimated at 12% of construction cost - \$260k

Project Title: **Irrigation SCADA PLC Controller Replacement**

Total Budget: \$80,000

Installation: \$80,000

Schedule:

Installation: March 2023

Location: System Wide

Justification: A water system is controlled in-part through the System Control and Data Acquisition (SCADA) computer network. Communications occur between the central control server and Programmable Logic Controllers (PLCs) located at each facility. PLCs contain instructions on site specific activities ranging from reservoir water levels, chlorination levels and site security alarms. The Company's current PLC inventory contains 12 PLCs, with differing electronics from different companies programmed by different people, without the benefit of standardization or documentation retained by the Company.

Staff is proposing the modernization of Company PLCs on a multi-year basis, replacing two to four per year. Replacement will include standardization of instruction sets and documentation of each PLC's programming, input and output.

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Project Title: Well 31 Pipeline Relocation/Replacement

Total Budget: \$500,085

Soft Costs (Engineering, Permitting, Easements, Inspection, Testing): \$86,500

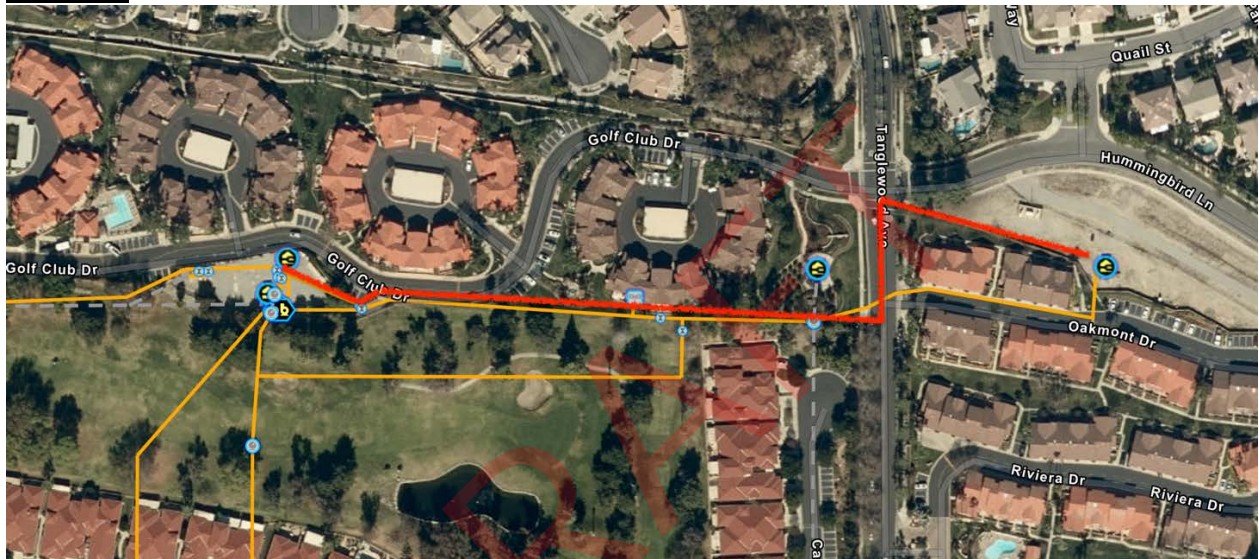
Construction: \$413,585

Schedule:

Design: 2023-24

Construction: 2025

Location:



Justification:

Replace approximately 1,400 linear feet of 14" pipeline from Well 31 delivering water to facilities at Golf Club Drive along backside of homes and within Upland Hills Country Club waterline easement. Abandon aged pipeline. The current steel pipeline was installed before 1976 and has exceeded its useful life. Identified by staff as a high maintenance pipeline.

Project Title: **Paloma Curve Hydraulic Break**

Total Budget: \$1,500,000

Engineering: \$140,000

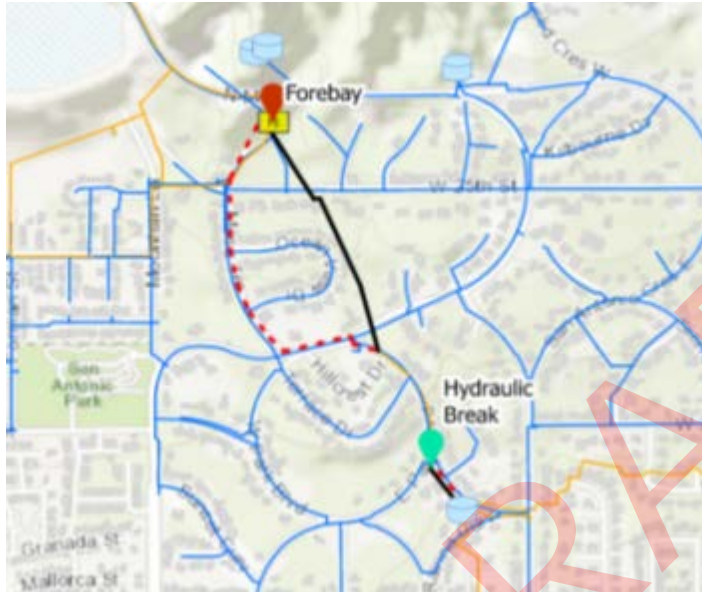
Construction: \$1,360,000

Schedule:

Design: 2023-24

Construction: 2025-26

Location:



Justification: The Paloma Curve Hydraulic Break consists of an abandoned hydrogenator plant owned by the City of Upland and a concrete Hydraulic Break owned by the Company. The facility was designed to convert hydraulic energy into electrical energy and remove any remaining hydraulic energy prior to discharge at the Company's Reservoir Number Four.

During periods of high-water flow (sustained average-or-higher rainfall events) the amount of water flowing through the facility can create significant low frequency vibrations. These events occur only periodically (once every couple of years). The current property owner has requested that the Company eliminate the noise and/or abandon the facility.

Given that the existing facility and penstock pipeline have exceeded their design life the Company approved replacement of facilities from the Forebay down to Reservoir 4, effectively removing the hydraulic break.

Project Title: **Consolidated Facilities**
Architecture and Design: \$283,550 contracted
Construction: TBD

Schedule:

Design: 2023-2025
Construction: 2025-26

Location:



Justification: The Company currently operates out of two facilities (Operations Yard and Office Building), each over 100 years old. The Company is researching consolidation of both facilities onto a single site.

ENTITLEMENT PROJECTIONS

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		2025 Projections												Entitlement
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
San Antonio Heights	Projected Monthly Delivery	60	65	60	62	112	140	150	160	160	120	100	80	
	Projected Cumulative Delivery	60	125	185	247	359	499	649	809	969	1,089	1,189	1,269	= 1,269
City of Upland	Projected Monthly Delivery	500	500	400	400	800	1,300	1,300	1,100	950	720	620	596	
	Projected Cumulative Delivery	500	1,000	1,400	1,800	2,600	3,900	5,200	6,300	7,250	7,970	8,590	9,186	= 9,186
Monte Vista Water District	Projected Monthly Delivery	48	48	48	48	52	52	52	52	52	48	48	48	
	Projected Cumulative Delivery	48	96	144	192	244	296	348	400	452	500	548	596	= 672
City of Ontario	Projected Monthly Delivery	38	38	38	38	42	42	42	42	42	38	38	38	
	Projected Cumulative Delivery	38	76	114	152	194	236	278	320	362	400	438	476	= 601
Holiday Rock Company	Projected Monthly Delivery	20	20	20	20	24	25	30	30	30	20	20	10	
	Projected Cumulative Delivery	20	40	60	80	104	129	159	189	219	239	259	269	= 269
Red Hills Golf Course	Projected Monthly Delivery	8	15	8	20	45	55	60	60	55	50	40	30	
	Projected Cumulative Delivery	8	23	31	51	96	151	211	271	326	376	416	446	= 444
Red Hills HOA	Projected Monthly Delivery	1	1	1	1	1	2	2	2	2	2	1	1	
	Projected Cumulative Delivery	1	2	3	4	5	7	9	11	13	15	16	17	= 20
Minor Irrigators	Projected Monthly Delivery	1	2	1	1	6	8	8	10	10	8	6	4	
	Projected Cumulative Delivery	1	3	4	5	11	19	27	37	47	55	61	65	= 102
COMPANY TOTAL (EX. INACTIVE)	Projected Monthly Delivery	676	689	576	590	1,082	1,624	1,644	1,456	1,301	1,006	873	807	
	Projected Cumulative Consumption	676	1,365	1,941	2,531	3,613	5,237	6,881	8,337	9,638	10,644	11,517	12,324	
	Straight Line Mnthly Ent	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	
	Cumulative Mnthly Ent	1,048	2,095	3,143	4,190	5,238	6,285	7,333	8,380	9,428	10,476	11,523	12,571	
	Active Share Ent	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	

		Projected Production												
Gravity		300	600	600	600	600	400	300	200	100	100	100	100	
Gravity Cumulative		300	900	1500	2100	2700	3100	3400	3600	3700	3800	3900	4000	= 4,425
Chino							100	100	100	100	100	100	100	
Chino Cumulative		0	0	0	0	0	100	200	300	400	500	600	700	= 1,232
Cucamonga		200	200	300	600	600	700	700	700	600	600	400	400	
Cucamonga Cumulative		200	400	700	1300	1900	2600	3300	4000	4600	5200	5600	6000	= 5,981
Six Basins		80	80	80	80	80	80	90	100	100	90	80	80	
Six Basins Cumulative		80	160	240	320	400	480	570	670	770	860	940	1020	= 932