



Fiscal Year 2026-27 Operating Budget



Florin Resource Conservation District/Elk Grove Water District

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Board of Directors

Paul Lindsay, Chair

Joshua Green, Vice-Chair

Lisa Medina, Director

Elliot Mulberg, Director

Tom Nelson, Director

Appointed Official

Bruce Kamilos, General Manager

Leadership Team

Stefani Phillips, Human Resources Administrator/Board Secretary

Patrick Lee, Finance Manager/Board Treasurer

Donella Murillo, Finance Supervisor

Travis Franklin, Program Manager

Ben Voelz, Associate Civil Engineer

Aaron Hewitt, Water Treatment Supervisor

Sean Hinton, Water Distribution Supervisor

Alan Aragon, Water Distribution Supervisor

GOVERNING VALUES

Board members and employees of the Florin Resource Conservation District and Elk Grove Water District commit to the following values:

- **Transparency:** We recognize that transparency is the foundation of good governance. We are committed to openness and accountability in all District endeavors.
- **Leadership:** Our strength lies in collaboration. We value diverse perspectives and foster an environment where innovative ideas flourish through mutual respect and teamwork.
- **Caring:** We care about the quality of our water, customer satisfaction, and fostering a positive work environment for all employees.
- **Integrity:** We are committed to honest and ethical conduct in all interactions. We maintain high-quality, fiscally responsible operations and communicate openly.
- **Professionalism:** We are committed to standards of excellence, accuracy, and superior conduct.



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To: Florin Resource Conservation District Board of Directors

From: Bruce Kamilos, General Manager

Date: June 16, 2026

Subject: **FLORIN RESOURCE CONSERVATION DISTRICT/ELK GROVE WATER DISTRICT
FY 2026-27 PROPOSED OPERATING BUDGET**

For your consideration, I respectfully submit the Florin Resource Conservation District/Elk Grove Water District (District) Proposed Annual Operating Budget for the fiscal year beginning July 1, 2026. This proposed operating budget reflects a collaborative effort between staff and the Board of Directors, as well as allowing for input from the public during several meetings.

As the District prepares for Fiscal Year (FY) 2026-27, staff remains committed to managing the District's finances in a manner that maintains fiscal responsibility while ensuring reliable water system operations. The proposed operating budget considers the requirements to operate the water system reliably and perform capital replacement projects on assets reaching the end of their useful lives. In preparing the budget, staff looked at current operating conditions such as the cost of materials, energy, and services, water consumption trends, and anticipated growth in the number of water accounts. Operating conditions continue to prove challenging as costs for materials, energy and services remain high. With tariffs imposed on imported goods, there is uncertainty regarding the future cost of goods and services, as well as broader economic conditions. At the same time, water conservation and slower growth are expected to place downward pressure on water revenues. Considering these circumstances, staff is submitting a proposed operating budget that is in alignment with the adopted 2024-2028 Water Rate Study, including a 4.50% revenue rate increase effective on January 1, 2027.

This past year, staff implemented the District's new Enterprise Resource Planning (ERP) system. This modern software platform integrates key administrative functions such as finance, payroll, human resources, purchasing, and utility billing into a single system. The implementation of the ERP system represents a significant step forward in improving efficiency, strengthening financial

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reporting, and providing staff with better tools to manage the District's operations. By streamlining internal processes and improving access to information, the system will support more effective decision-making and enhance the District's ability to serve its customers.

With respect to District Operations, the Operations Department has been fully engaged in performing necessary water system maintenance and replacing aging infrastructure. The District projects that approximately 3,165 linear feet of water mains will be replaced in FY 2026-27. The District's long-term water main replacement program replaces aging water mains before they reach the end of their useful life of 75 years. In addition to the continued replacement of aging water mains, the Operations Department will be working on the second year of a four-year program to install Advanced Metering Infrastructure (AMI) throughout the District. For FY 2026-27, the District has set a goal of installing 3,900 smart points within the District's service area.

Looking ahead, the District will face new state-mandated water conservation standards. These standards establish water conservation as a way of life in California and are designed to reduce water usage statewide over the next fifteen years. In the short term, the District is meeting these efficiency standards but as these standards become more stringent over time, the District will need to encourage increasingly efficient water use across the service area. These efficiency improvements will likely reduce overall water demand and may affect the amount of water revenue generated annually.

I would like to thank District staff for their conscientious efforts in managing the District's resources while meeting the demands of excellent customer service and responsible facilities maintenance. I also want to thank the Board of Directors for their leadership and continued commitment to prudent fiscal management.

In summary, the District will continue to maintain financial discipline during FY 2026-27. This proposed budget reflects a concerted effort by the Board of Directors and staff to maintain customer rates and charges as low as possible while responsibly managing and improving the District's water system assets.



BRUCE KAMILOS, P.E.
GENERAL MANAGER

ABOUT THE FLORIN RESOURCE CONSERVATION DISTRICT

In the spring of 1950, the Florin Farm Center Committee for Organization of a Soil Conservation District, a committee of Florin farmers, submitted a proposal for the formation of the Florin Soil Conservation District to the Sacramento County Board of Supervisors, requesting approval and submission of that proposal to the State Soil Conservation Commission. The specific intents of the new soil conservation district would be efficient use of irrigation water, improved drainage, flood control and other land improvements. With the necessary approvals, the committee met with other agricultural interests and local landowners until they had thoroughly identified all properties wanting to be within the District boundaries.

On June 23, 1953, a public election determined the establishment of the Florin Soil Conservation District (FSCD) and its first five-member board of directors. The very first work plan, written in 1953, identified the importance of wise irrigation use and the necessity in not depleting the area's underground water supplies. In 1954, the board executed a Memorandum of Understanding with the USDA, beginning a long and productive partnership.

California Resource Conservation Districts are authorized by Division 9 of the California Public Resources Code. Chapter 3, Article 9 of Division 9 details the general powers of a district. An expansion of those powers was the impetus in changing the names of the Soil Conservation Districts to Resource Conservation Districts in 1971, resulting in the Florin Resource Conservation District (FRCD).

ABOUT THE ELK GROVE WATER DISTRICT

In 1893, after several fires threatened the small town of Elk Grove, CA, local residents banded together and founded the Elk Grove Water Company. The water company began business with twelve owners and 10 customers. The Jones family later purchased the water company in the early 1900's and operated the utility as a private company known as the Elk Grove Water Works. The FRCD acquired the Elk Grove Water Works in 1999 from the Jones family and created the Elk Grove Water District (EGWD), which is a Department of the FRCD. This acquisition changed the governance of the water utility from private ownership to a publicly owned and operated agency. The EGWD is structured as an enterprise fund of the FRCD.

The FRCD (District) is governed by an elected five-member Board. Board members serve four-year, staggered terms. The Board of Directors delegates the daily operations of District to the General Manager, who supervises the work of 29 staff members.

Although recent efforts by the District have primarily focused on managing the water utility (EGWD), it has also performed other activities including creek cleanups, tire recycling, technical assistance, and conservation education. To remedy some of the financial pressures of the District,

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on April 18, 2018, the Board made the decision by Resolution No. 04.18.18.01 to limit all future activities to “water related activities that benefit, or otherwise serve, the EGWD ratepayers.” This decision was made after years of deliberation, multiple public meetings, in-depth engagement with legal counsel, and even consideration of integration with other water agencies. The decision to limit District activities to benefit EGWD ratepayers protects the District from financial uncertainty, maintains stability for EGWD customers, and leaves the FRCD boundaries intact.

Elk Grove Water District Service Area



The EGWD service area covers 13 sq. miles with a population of approximately 44,000 people, providing water to over 13,500 homes and businesses in Elk Grove. Much of the water supplied is produced by wells located throughout Elk Grove, the treatment and storage facility at the Railroad Water Treatment Facility (RRWTF) on Railroad Street and the treatment facility on Hampton Drive. EGWD produces over 1.3 billion gallons of water each year, providing supply to approximately two-thirds of the EGWD service area. The remaining area is supplied with water purchased from the Sacramento County Water Agency (SCWA) under a long-term agreement.

STRATEGIC PLAN

The District's five-year Strategic Plan (Plan) was developed through a collaborative process that spanned over a year and included a public workshop and meeting to solicit input from the public. Using the 2020-2025 Strategic Plan as the framework, staff collaborated through a series of meetings to refresh the Plan and update the goals and objectives based on where the District positioned itself currently, obstacles and challenges the District faced and goals to achieve to advance the District forward into the future. An Advisory committee comprising of the District's Chair and Vice-Chair and the District's leadership team held a public workshop to solicit feedback and input from the public and to review the updates made to the Plan. The feedback and input received were incorporated into a final draft Plan to be taken to the Board for adoption.

District staff also worked through the District's core values and how those values should be reflected and incorporated into the Plan. This process led to the core value of "Vision" being removed and creating a new Vision statement to provide clarity on the District's long-term vision.

The Plan was adopted by the District's Board of Directors on February 18, 2025, and includes seven strategic goals and associated objectives that encompass the District's core values and provides a five-year roadmap that aligns with the District's Vision statement to ensure staff and the Board continue to best serve District customers now and into the future. This Plan continues to be referenced by the Board, staff and District stakeholders when allocating resources and determining courses of action for the District. The Strategic goals and objectives are as follows:

STRATEGIC GOAL #1: GOVERNANCE – Conduct public affairs and manage public resources in an effective, efficient, and transparent manner.

- Objectives:
- Monitor, review and update District policies to adhere to changes in operational, environmental and legislative requirements
 - Review the District's ordinances periodically to ensure they are current and legally compliant
 - Conduct orientations for new Board members to review policies and procedures
 - Maintain compliance with the Brown Act when conducting all public meetings with emphasis on transparency
 - Demonstrate operational transparency in accordance with the standards of the Special District Leadership Foundation (SDLF)
 - Conduct District business consistent with the guidelines of the SDLF District of Distinction Accreditation to enhance District operations and public perception
 - Explore options to reduce the cost of District elections

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STRATEGIC GOAL #2: FISCAL RESPONSIBILITY – Practice prudent financial stewardship and management of resources for the benefit of District customers.

- Objectives:
- Practice sound accounting consistent with the Government Finance Officers Association Standards
 - Conduct a Fiscal Year 2029-2033 Water Rate Study
 - Manage water rates to be regionally competitive while ensuring proper financing for future Capital Improvement Program projects and maintaining compliance with outstanding debt covenants
 - Develop annual financing plans to align Capital Improvement Program (CIP) projects with the approved rate structure pay-as-you-go
 - Develop annual budgets that are balanced through cost saving measures or transfers from operating reserves
 - Apply for federal and state grants to help pay for projects
 - Examine asset custody and banking services to reduce costs and increase financial operation efficiencies
 - Increase internal financial awareness by developing and disseminating quarterly department financial reports
 - Evaluate internal process controls to increase security and mitigate the risk of loss and misappropriation of assets

STRATEGIC GOAL #3: PLANNING AND OPERATIONAL EFFICIENCY – Practice ongoing infrastructure renewal and organizational improvement through planning and increased operational efficiency.

- Objectives:
- Review operational procedures and structures for improvements to District Operations
 - Continue developing standard operating procedures
 - Develop the District’s 2025 Urban Water Management Plan
 - Implement Advanced Metering Infrastructure (AMI) throughout the District
 - Review and update the District’s Asset Management Plan annually
 - Enhance the District’s technological capabilities to support efficient operations, improve service delivery, and foster innovation across all departments
 - Explore the potential for bolstering the District’s water supply
 - Implement the exercising of transmission main valves
 - Seek out and implement advanced safety equipment and procedures to enhance job site safety
 - Identify and evaluate equipment that enhances operational efficiency and improves overall workflow

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STRATEGIC GOAL #4: PROTECTION OF PUBLIC AND ENVIRONMENTAL HEALTH – Provide a safe, abundant, and reliable water supply.

- Objectives:
- Comply with all State and Federal Drinking Water Standards
 - Comply with all applicable California Environmental Quality Act (CEQA) Regulations
 - Update the Risk and Resilience Assessments and the Emergency Response Plan
 - Perform an emergency preparedness planning exercise annually
 - Comply with the State Water Board’s water use efficiency regulations by prioritizing Conservation as a California Way of Life
 - Perform District-wide unidirectional flushing every 5 years
 - Conduct surveys of backflow devices for compliance with the Cross Connection Control Policy Handbook

STRATEGIC GOAL #5: COMMUNITY RELATIONS AND CUSTOMER ENGAGEMENT – Foster a positive image and strong connections with the community by actively engaging customers to improve service delivery and satisfaction.

- Objectives:
- Host a Citizens Water Academy
 - Communicate with the community through The Water Drop newsletter and published articles
 - Issue the Consumer Confidence Report annually
 - Monitor the availability of funding for low-income and senior assistance programs
 - Solicit feedback on District services and customer satisfaction
 - Maintain a user-friendly website for easy access to Board materials, governing documents, and account management
 - Continue the District’s involvement and representation at local community events and festivals

STRATEGIC GOAL #6: EMPLOYER OF CHOICE – Attract and retain skilled employees. The District remains a driven, supportive, and family-oriented work environment.

- Objectives:
- Provide Competitive salaries and benefits, transparently detailed in an annual total compensation statement
 - Conduct a compensation study including medical benefits every five years
 - Create a media content showcasing the District's work culture
 - Monitor the annual medical contribution cap
 - Foster employee succession planning
 - Implement a District-wide professional development program

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- Maintain a comprehensive safety program to reduce risk and comply with all regulatory requirements

STRATEGIC GOAL #7: WATER INDUSTRY LEADERSHIP – Demonstrate water industry leadership through partnerships and active participation in regional and statewide water efforts.

- Objectives:
- Participate and actively engage in local and regional water associations, agencies, and committees to address regional and statewide water efforts
 - Advocate for and develop legislation that benefits water agencies regionally and statewide
 - Partner with agencies and organizations to develop plans and projects that improve California’s water resilience
 - Monitor key water industry news and trends to stay informed and be proactive

As part of preparing the District’s FY 2026-27 Operating budget, staff develops departmental goals and objectives for the budget year with a focus on achieving the overall goals and objectives identified in the Plan. These departmental goals and objectives will also ensure that continued progress is made annually in achieving the Plan. The departmental goals and objectives can be found in the Departmental Budget Summaries section of this document.

MISSION

“WE ARE DEDICATED TO PROVIDING OUR CUSTOMERS WITH HIGH QUALITY, SAFE WATER WHILE DELIVERING EXCEPTIONAL CUSTOMER SERVICE THAT MEETS THE NEEDS OF CURRENT AND FUTURE GENERATIONS.”

VISION

“WE ARE COMMITTED TO MAKING THOUGHTFUL CHOICES THAT PROMOTE SUSTAINABLE WATER SYSTEM OPERATIONS, EMPLOY INNOVATIVE TECHNOLOGIES THAT PROVIDE LONG-TERM BENEFITS TO OUR CUSTOMERS, AND SUPPORT THE COMMUNITY.”

FRCO Board of Directors



Paul Lindsay, Chair



Joshua Green, Vice-Chair



Lisa Medina, Director



Elliot Mulberg, Director



Tom Nelson, Director

INDUSTRY ANALYSIS AND CURRENT STATUS

Issues Currently Affecting the Water Industry. The American Water Works Association (AWWA) 2024 State of the Water Industry Report has identified the top five challenges facing the water industry as: 1) financing for capital improvements; 2) renewal and replacement of aging infrastructure; 3) long-term water supply availability; 4) public understanding of the value of water sector systems and services; and 5) watershed/source water protection.

The District continues to proactively address these top five issues identified by AWWA. Financing for capital improvements is addressed by the District's current policy to fund replacement of aging infrastructure on a pay-as-you-go basis. Ensuring that water rates will generate enough revenues to cover operating, capital and debt services needs annually will minimize the need to issue additional debt in the future to fund these replacement projects. The District's 2024-2028 Water Rate Study includes a 10-year financial plan reflecting the projected costs of capital improvement and replacement projects for the next 10 years. This financial plan provides a road map to ensure the District's finances are sustainable and whether funding will be sufficient to continue with aging infrastructure replacements.

As part of its five-year CIP, the District continues to manage the replacement of its aging infrastructure each year. The District is currently averaging 3000 linear feet of watermain replacements each year at a cost of approximately \$1.6 million annually. In addition, the District, through its Asset Management Plan, annually assesses the condition of all its assets to determine when projects should be undertaken to replace assets.

To address long-term drinking water supply availability and protection of the watershed and water source, the District prepares an urban water management plan every five years as required by law that verifies its ability to meet long-term water demands. A critical element to providing long-term water supply in our region is conjunctive use. Conjunctive use is the practice of serving surface water for urban use when surface water supplies are plentiful. This allows the groundwater basin to naturally recharge and recover. During dry years when surface water availability is low, conjunctive use returns to groundwater pumping for urban use. This practice keeps surface water and groundwater supplies in balance and ensures water supply availability during variable and extreme weather events.

Part of increasing public understanding of the value of water sector systems and services is the District's proactive participation in the Sacramento Central Groundwater Authority (SCGA) and Regional Water Authority (RWA). The SCGA is comprised of 14 board members that represent water agencies, land use authorities, agricultural interests, agricultural-residential interests, and environmental interests in the region with a major role in ensuring the sustainability of the groundwater basin that our region relies on for water supply. The RWA is a collaboration of local

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and regional water purveyors which provides unified and strength in advocating for water related legislative matters and to promote knowledge and awareness of water issues.

In addition to the top 5 challenges identified by AWWA described above, the District is faced with its own challenges as it continues to provide its customers with high quality and safe and affordable drinking water. The issues are listed below in no specific order:

Changing Water Demands. The industry continues to see a change in water demand as water efficient appliances and drought resistant landscaping continue to be pushed. Although more efficient use of water is a major goal of the industry, slow or nonexistent customer growth can lead to declining water use, which can decrease operating revenue and affect how costs are recovered through rates and charges.

The District has experienced gradual decreases in water consumption from 2014 to 2016 due to the drought starting in 2014. In 2017, when the emergency drought declaration was lifted by the Governor, the District started to experience gradual increases in water consumption. This gradual increase, however, did not bring the District back to pre-2014 water demand levels, as the District had become more conservation minded with customers installing water efficient appliances and landscaping, resulting in long-term water use reductions.

In 2018, State legislatures passed SB 606 and AB 1668 stating that water use efficiency standards would be established. These standards are designed to lower water usage statewide over the next ten years, establishing water conservation as a way of life. In the short term, the District is meeting these efficiency standards but as these standards continue to lower, the District will need to encourage more efficient water use across the board. This increase in efficiency will lower water demand for the District and potentially affect the amount of water revenue generated annually.

Cost Recovery and Affordability. Faced with increasing capital replacement needs and potential funding shortfalls, many utilities must increase the rates they charge for water services in the immediate future. The affordability of water has become a significant issue for low-income households and a higher priority for water utilities that struggle to reconcile the need to adequately fund infrastructure replacement while not overburdening those who cannot afford rate increases.

The District completed a 5-year water rate study to determine the funding sufficiency for operating, capital, and debt service needs for calendar years 2024 through 2028. This study was adopted by the District's Board on July 18, 2023, after the receipt and consideration of any protests and comments received before and during a public hearing conducted in compliance with Proposition 218. The results of the study recommended a 4.50% annual water rate adjustment for calendar years 2024 through 2028. Due to the current inflationary state of the economy, these recommended water rate adjustments will be needed to fund the operation of

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the District. Staff will continue to proactively and prudently manage the District's finances to ensure that annual water rate adjustments are minimized to only what is required to maintain sufficient funding, to meet minimum reserve requirements and to ensure continued compliance with the District's bond covenant requirements.

Regulatory Compliance. The importance of regulatory compliance, whether associated with water quality or water supply sustainability, continues to be a main concern of the water industry. New regulatory compliance requirements challenge the ability of water utilities to meet such requirements financially and operationally while continuing to maintain affordability to customers.

On April 10, 2024, the U.S. Environmental Protection Agency announced the first nationwide limits on per- and polyfluoroalkyl substances (PFAS). PFAS are often referred to as "forever chemicals" because it takes a long length of time for the chemicals to break down. PFAS have been widely used in products such as nonstick cookware, water-repellent clothing, some cosmetics, and certain firefighting foams. Water systems nationwide must complete initial PFAS monitoring by 2027 and comply with new federal maximum contaminant levels by 2029. In addition, the California State Water Resources Control Board (California Water Board) has issued statewide monitoring requirements for PFAS under General Order 2025-0002-DDW. In 2023, the Elk Grove Water District (District) tested all its active water wells for PFAS. The results of the tests for PFAS were below the EPA's limits.

The District is also tracking the California Water Board's activities that might alter regulations governing manganese, arsenic, and hexavalent chromium. Manganese is a naturally occurring metal that exists in the groundwater table. Presently, state regulations list manganese as a secondary contaminant meaning that it has no health consequences, and that its occurrence only is an aesthetic or cosmetic concern. The District treats its water for manganese so that the drinking water delivered to its customers is well below the current maximum contaminant level (MCL) of 50 parts per billion (ppb). The California Water Board is considering lowering the MCL to 20 ppb. Based on the District's current treatment processes, achieving an MCL of 20 ppb manganese should be achievable without incurring additional operating costs.

Similarly, the California Water Board is looking into lowering the arsenic MCL in drinking water. Arsenic is regulated as a primary contaminant meaning that there are health consequences related to arsenic. The current allowable arsenic level is 10 ppb. The District has two wells that produce water just over the allowable arsenic level but treats this water so that the drinking water delivered to its customers is well below the 10 ppb MCL for arsenic. Should the California Water Board lower the arsenic MCL further, the District's other wells could fall above the allowable contaminant level resulting in the need to add treatment to those wells or deem the wells inactive. The results of these actions would have financial and operational impacts on the District.

Finally, the California Water Board currently regulates hexavalent chromium in drinking water under the total chromium state of 50 ppb MCL. Chronic or long-term exposure to hexavalent chromium may result in health effects. The District currently is under the required total chromium MCL of 50 ppb. The state is proposing a new regulation for hexavalent chromium of 10 ppb MCL. This proposed lowered standard could result in financial and operational impacts on the District.

Financial Policies

Basis of Accounting

The District operates on a fiscal year that runs from July 1, through June 30. Accounting records are maintained using the full accrual basis of accounting (GAAP). The District is a governmental entity which reports all activities related to the water operation as an enterprise fund where revenues are recognized when they are earned, and the expenses are recognized when they are incurred. The budget does not include amounts for depreciation, pension expenses in accordance with Government Accounts Standards Board (GASB) Statement No. 68, or retiree medical expenses in accordance with GASB Statement No. 75. Principle payments on long-term debt are applied to the outstanding liability on a GAAP basis, as opposed to being expensed on a Budget basis. Therefore, the budget is not prepared in the same manner as the Annual Comprehensive Financial Report. The budget detailed in this document is used as a management tool for projecting and measuring revenues and expenses.

Accounting Systems and Controls

The District uses Springbrook Cirrus ERP as its financial accounting system to record its financial transactions. Management has established a system of internal controls that provides a reasonable basis for protecting the District's assets from fraud, waste and abuse and compiles sufficient reliable information for the preparation of the District's financial statements. At the end of the year, the District prepares an Annual Comprehensive Financial Report consisting of management's representations concerning the District's finances. An independent auditing firm audits this report and examines the District's internal controls and provides an opinion on the financial reporting and suggestions on ways to improve the internal control processes of the District.

Budgetary Control

Since the budget is an estimate, from time to time, it may be necessary to adjust and fine tune budget line items within expense categories. Various levels of budgetary control have been established to maintain the Budget's integrity. The levels of budgetary control are as follows: The General Manager controls the budget at the operating level and budgets are monitored by each

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respective department head. The General Manager has the authority to transfer balances between budget lines within an expense category. Any transfers between expense categories or increases in appropriations require approval by the Board of Directors. Budget to actual reports are prepared by the Finance Department and presented to the Board of Directors monthly.

Reserve Policy

It is the policy of the District that all funds held in reserve be designated to specific uses. The District holds reserves for special projects and operations. Such reserves are not considered 'surplus' and shall not be made available for other use without the express authorization of the Board of Directors.

The adequacy of the target reserve balance and/or annual contributions will be reviewed annually during the budgeting and planning process and may be revised accordingly as necessary. The following District reserve fund categories are to be established:

- Operating Reserve Fund – Used to ensure resources are available to fund daily administration, operations, and customer services. Target Balance is 120 days of the annual operations and maintenance budget.
- Capital Improvement Reserve Fund – Used to fund the new assets needed for the operations of the District that enhance or increase capacity. Target Balance is equal to the annual Capital Improvement Program (CIP) Budget.
- Capital Replacement Reserve Fund – Used to fund replacement of existing assets. Target Balance is equal to the annual Capital Replacement Budget.
- Elections and Special Studies Reserve Fund – Used to fund various special studies, as needs arise such as election cost, Board expense, etc. The Target funding balance is based on the amount as approved in the annual budget.
- Future Years Capital Improvement Reserve Fund – Used to fund future assets needed for the operations of the District that enhance or increase capacity in future years not yet identified in the annual CIP. Target Balance is 75% of the balance of the Unrestricted Net Position not allocated to the Operating Reserve Fund, Capital Improvement Reserve Fund, Capital Replacement Reserve Fund and the Elections Special Studies Reserve Fund upon conclusion of the annual audit.
- Future Years Capital Replacement Reserve Fund – Used to fund the replacement of existing assets in future years not yet identified in the annual CIP. Target Balance is 25% of the balance of the Unrestricted Net Position not allocated to the Operating Reserve

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Fund, Capital Improvement Reserve Fund, Capital Replacement Reserve Fund and the Elections Special Studies Reserve Fund upon conclusion of the annual audit.

Investment Policy

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds. In accordance with section 53600 et. seq. of the Government Code of the State of California, the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Finance Manager/District Treasurer.

Investments by the Finance Manager are limited to those instruments specifically described in the District's investment policy. The Finance Manager submits monthly reports to the Board of Directors detailing all investment holdings. In order of importance, the following three fundamental criteria are followed in the investment program: 1) safety of principal; 2) liquidity; and 3) return on investment.

Procurement Policy

The District's procurement policies create uniform procedures for acquiring general goods and services, professional services, public construction contracts and the acquisition of real property. The primary purpose of the policies is to provide for the purchase of materials and trade services with the objective that they will be available at the proper time, place, quantity and at the best available price, consistent with the needs of the District. Each specific policy sets forth the dollar threshold, bidding and contracting requirements, and level of approval for each type of procurement.

Capital Improvement Program

The District's annual Capital Improvement Program (CIP) is a projection of the District's capital funding needs for planned capital projects in upcoming fiscal years. The CIP is reviewed and updated on an annual basis and is a key component of the District's overall Strategic Plan. The CIP is an important document for performing water rate studies and for managing the District's operations. The CIP also provides a basis to align District plans with other local agency plans so that an integrated approach may be applied to projects within the community at large.

The District currently funds its capital expenditures on a pay-as-you-go basis. A projection of the anticipated future capital projects and associated funding needs of those projects are included in the 2024-2028 Water Rate Study when analyzing total revenue requirements to maintain operational and capital needs. The study recommends the appropriate user charges and annual water rate increases to ensure revenue requirements are met for both operational and capital

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needs. Based on the inclusion of capital funding needs into the 2024-2028 Water Rate Study, and all recurring and nonrecurring capital expenditures being funded on a pay-as-you-go basis, the only effect of capital projects on the annual budget will be an overall decrease in operating and maintenance costs due to the replacement of aging infrastructure with new material resulting in a decreased potential for infrastructure failure and repair.

Long-Term Financial Planning

The District completed a 5-year water rate study, the 2024-2028 Water Rate Study (Study) that provides for the stable funding of operations, capital projects and debt service. The Study was adopted by the District's Board on July 18, 2023, after the receipt and consideration of any protests and comments received before and during a public hearing conducted in compliance with Proposition 218.

In December of 2014 the District restructured approximately \$32.3 million of outstanding bonded indebtedness and in June 2016 the District restructured another \$16.4 million to provide an average annual savings of \$194,000 over the remaining term of the debt. It should be noted that the District contributed \$1.5 million of reserve funds to reduce the remaining term of the debt by 13 years and maintain annual debt service savings on the refinanced bonds. The restructured debt is expected to be paid off by September of 2032. The District has no legal debt limit and does not intend to issue any additional debt.

Prudent financial management has allowed the District to minimize water rate adjustments from 2019 to 2023, with an overall average increase of only 0.40% annually for the 5-year period. The District's current Study proposes annual revenue rate adjustments of 4.50% beginning January 1, 2024, and commencing every January 1 through January 1, 2028. Staff will continue to review revenues and expenses annually to minimize the required revenue adjustments as proposed by the 2024-2028 Water Rate Study.

These proposed annual water rate increases will ensure that the District's revenues will be sufficient to cover operating, debt service and capital costs while adhering to the District's reserve policy and complying with major bond covenants for the years 2024-2028.

The District defines a balanced budget as one where total projected revenue equals total projected expense, including capital expenditures and debt service. When there is a shortfall in the projected revenues to cover total projected expenses, the District will make the necessary appropriations from reserves carried over from prior years. This will allow the District to "balance" the budget. For this reason, the District deems the FY 2026-27 budget to be balanced.

Budget Process

The District adopts an annual operating budget and an annual CIP to ensure the adequacy of resources to meet District needs and to accomplish the District's mission.

The District's budget process begins with a Leadership Team Budget Kickoff Workshop to discuss timeline and identify departmental goals and objectives. Each department head is then responsible for developing their departmental operating budget for submission to the Finance Department. The Human Resources Department is responsible for the development of personnel budget, and the Finance Department is responsible for the preparation of revenue estimates. Once all departmental operating budgets, personnel budget and the revenue estimates are completed, the Finance Department will compile the information into the budget document.

As required by certain debt covenants, the annual operating budget is evaluated to ensure that net revenues, as defined by the debt covenant, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

The preliminary budget is presented to the Board of Directors and public through a series of public meetings to solicit feedback and input from the Board and the public. This provides the Board and public with the chance to address budget proposals and comment on significant budget issues. Once all feedback and comments received have been considered and incorporated as appropriate, the final budget is presented to the Board of Directors for adoption during a public meeting prior to each fiscal year end.

During the fiscal year, situations arise that require the adopted budget to change. These include unexpected increases or decreases in revenue and expenses or re-budgeting of capital projects. Any changes to the adopted budget resulting in an increase or decrease in revenues and expenses or transfers of budget across expense categories are brought to the Board for approval.

Budget Assumptions

A budget is an estimate of revenues and expenses for a set period. The creation of estimates involves a set of assumptions. It is important that the reader of this budget understands the assumptions used in preparing the revenue and expense estimates contained herein. Listed below are the primary assumptions used in the creation of this budget:

- A proposed 4.50% revenue rate adjustment effective January 1, 2027. This proposed revenue rate adjustment was recommended as part of the District's 2024-2028 Water Rate Study.
- An estimated 4.14% rate increase in Purchased Water cost from the SCWA.

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

- An estimated 10.00% increase in medical premiums depending on medical plans for employees who have not yet reached the medical subsidy cap. An estimated 2.00% increase for all employees who have met the District’s medical subsidy cap.
- Salary increases based on a COLA of 3.70% utilizing the average of the April CPI-U indices for the All Cities, Western and San Francisco indexes.

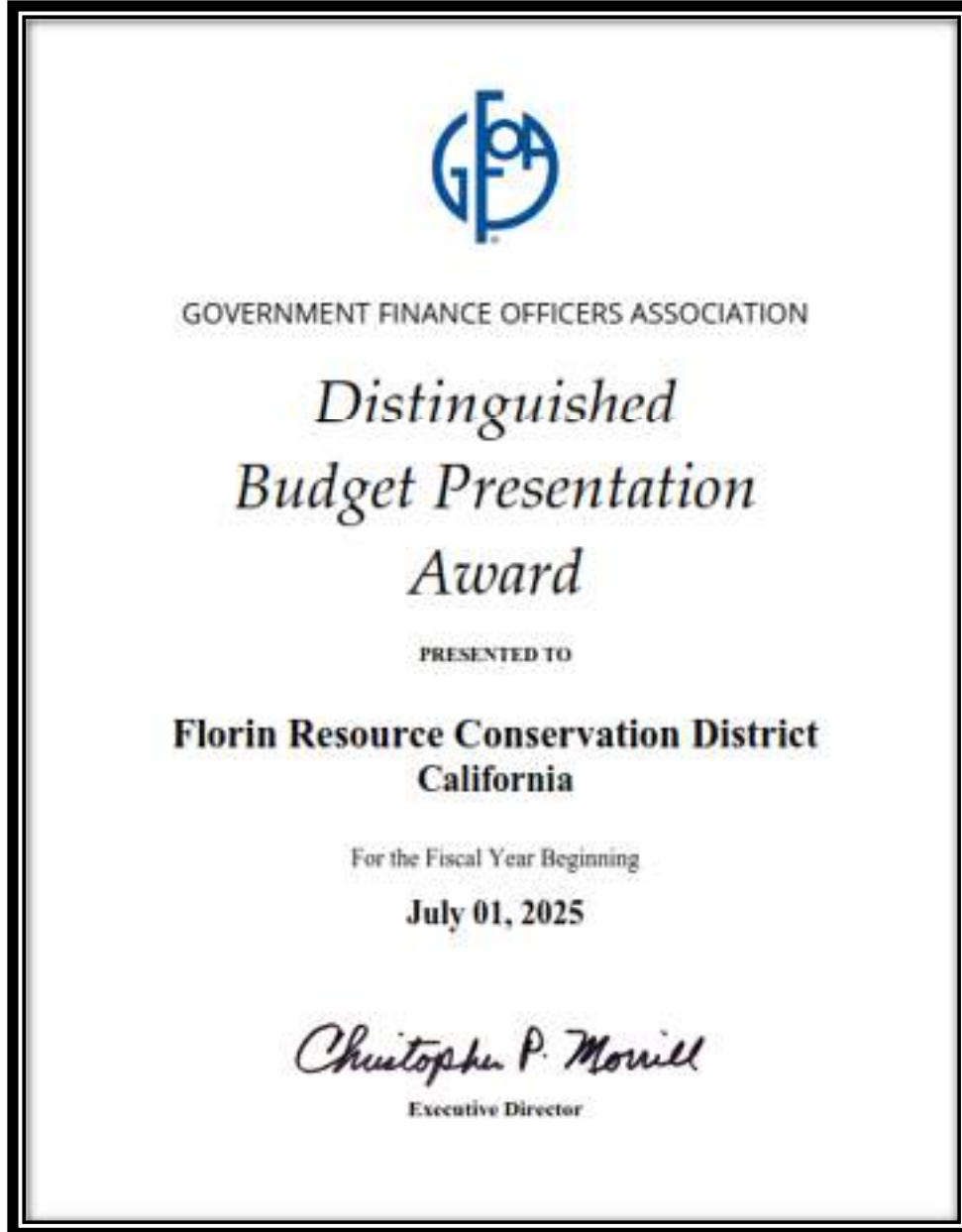
EGWD by the Numbers

MAXIMUM DAILY WATER SUPPLY CAPACITY	11.4 MGD
NUMBER OF TREATMENT FACILITIES	2
AGGREGATE TREATMENT FACILITY CAPACITY	13.0 MGD
NUMBER OF WELLS	7
MILES OF WATER MAINS	154.8
NUMBER OF BOOSTER PUMPS	10
NUMBER OF ACTIVE SERVICE CONNECTIONS	13,213
NUMBER OF BOND ISSUES OUTSTANDING	2
NUMBER OF CERTIFIED WATER DISTRIBUTION OPERATORS	19
NUMBER OF CERTIFIED WATER TREATMENT OPERATORS	19
NUMBER OF PUBLIC FIRE HYDRANTS	1,718
EGWD SERVICE AREA POPULATION	44,184

Budget Timeline

March 30	Leadership Team Budget Kick-Off.
April 03	All District key objectives and department goals and accomplishments are due to the FM.
April 07	All department initial budget requests are due to the FM.
April 09	FM submits budget development worksheet to the GM for first review.
April 16	*Infrastructure Committee Meeting – discuss 1st draft of the CIP.
April 21	*Regular Board Meeting - present to the Board the 3 rd quarter financial report and 1 st draft of FY 26-27 proposed operating budget.
April 28	FM makes the required revisions and disperses the 2 nd draft of the FY 26-27 proposed operating to the Board (if necessary).
May 05	*Special Board Meeting - to discuss the 2 nd draft of the FY 26-27 proposed operating budget (if necessary).
May 15	Issue the 3 rd draft of the FY 26-27 proposed operating budget to the Board for review (if necessary).
May 19	*Regular Board Meeting - review and discuss the 3 rd draft of the FY 26-27 proposed operating budget (if necessary).
May 21	Issue revised budget to Board (if necessary).
May 26	*Special Board Meeting (if necessary).
May 28	Issue revised budget to Board (if necessary).
June 02	*Special Board Meeting (if necessary).
June 12	Final Budget and staff report due for Board Packet inclusion.
June 16	*Regular Board Meeting – budget adoption.

* - denotes public meetings to discuss and solicit feedback from Board members and the public.



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Florin Resource Conservation District, California, for its Annual Budget for the fiscal year beginning July 01, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

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RESOLUTION NO. 06.16.26.01

**A RESOLUTION OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF DIRECTORS APPROVING THE FLORIN
RESOURCE CONSERVATION DISTRICT/ELK GROVE WATER DISTRICT FISCAL
YEAR 2026-27 OPERATING BUDGET PROJECTING REVENUES OF \$19.07
MILLION AND EXPENSES OF \$20.87 MILLION AND APPROPRIATING \$1.81
MILLION FROM OPERATING RESERVES TO FUND EXPENSES IN EXCESS OF
REVENUES FOR FISCAL YEAR 2026-27**

WHEREAS, the Florin Resource Conservation District (FRCD) is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq. (Resource Conservation Law); and

WHEREAS, the FRCD is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and adopted District Bylaws; and

WHEREAS, the FRCD has held public meetings to review the proposed revenues and expenses for the Florin Resource Conservation District/Elk Grove Water District (District) for the Fiscal Year (FY) July 1, 2026, through June 30, 2027; and

WHEREAS, the 2024-2028 Water Rate Study adopted on July 18, 2023, after the receipt and consideration of any protests and comments before and during a public hearing in compliance with Proposition 218 recommends a 4.50% revenue rate adjustment effective January 1, 2027; and

WHEREAS, the District FY 2026-27 Operating Budget reflects the recommended 4.50% revenue rate adjustment effective January 1, 2027; and

WHEREAS, the District FY 2026-27 Operating Budget reflects a 3.70% cost of living adjustment effective July 1, 2026; and

WHEREAS, the District Board of Directors (Board) has received and considered the District's FY 2026-27 Operating Budget submitted by the Finance Manager/Treasurer on June 16, 2026.

NOW, THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. The Board hereby adopts the foregoing recitals as true and correct and incorporates them herein by reference.

SECTION 2. The Board hereby approves the total revenues of \$19,066,704 and total expenses of \$20,872,778 for the Florin Resource Conservation District/Elk Grove Water District FY 2026-27 Operating Budget.

SECTION 3. The Board hereby authorizes the General Manager to redistribute allocated budgeted amounts between line items within the budget categories.

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

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SECTION 4. The Board hereby approves the FY 2026-27 Rate and Fee Schedule which reflects the recommended 4.50% revenue rate adjustment effective January 1, 2027.

SECTION 5. The Board hereby approves the FY 2026-27 Salary Schedule which includes a 3.70% cost of living adjustment.

SECTION 6. The Board hereby adopts the Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2026-27 Operating Budget, attached hereto as Exhibit "A", and made a part hereof.

SECTION 7. The Board Secretary shall certify the adoption of this Resolution.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 16th day of June 2026 by the following vote:

AYES: Lindsay, Green, Mulberg and Nelson
NOES:
ABSENT:
ABSTAIN:

Signed by


Paul Lindsay
Chair

ATTEST:

Digitized by


Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Signed by


Joshua M. Horowitz
General Counsel

FISCAL YEAR 2026-27 BUDGET OVERVIEW

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

SUMMARY OF REVENUES AND EXPENSES

Elk Grove Water District
Budgeted Revenues and Expenses by Category
For the Fiscal Year ending June 30, 2027

	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Budget	Change in Budget	% Change
Total Revenues	\$ 15,902,913	\$ 16,772,455	\$ 18,116,654	\$ 18,477,994	\$ 18,373,788	\$ 19,066,704	\$ 588,711	3.19%
Operational Expenses								
Salaries and Benefits	6,570,338	5,353,507	4,920,104	5,745,437	5,624,202	5,995,830	250,394	4.36%
Seminars, Conventions and Travel	35,708	35,671	31,675	42,444	27,703	32,778	(9,666)	-22.77%
Office and Operational	1,279,350	1,386,548	1,521,396	1,742,067	1,586,090	1,795,588	53,520	3.07%
Purchased Water	3,056,889	2,905,906	3,522,815	3,805,728	3,820,528	3,938,199	132,470	3.48%
Outside Services	950,081	960,878	849,133	1,146,580	1,019,948	1,466,950	320,370	27.94%
Equipment Rent, Taxes and Utilities	557,469	505,090	555,741	581,444	614,472	600,844	19,400	3.34%
Subtotal Operational Expenses	12,449,835	11,147,600	11,400,865	13,063,700	12,692,942	13,830,189	766,488	5.87%
Less: Capitalized Labor	(471,382)	(440,141)	(558,262)	(467,724)	(410,456)	(593,458) *	(125,734)	26.88%
Total Operational Expenses	11,978,453	10,707,459	10,842,603	12,595,976	12,282,487	13,236,731	640,755	5.09%
Non-Operating Expenses/ (Income)	3,515,951	3,148,270	2,981,778	3,916,503	3,553,811	3,956,047	39,544	1.01%
Capital Expenditures	2,314,581	1,590,536	3,231,522	4,375,000	3,550,923	3,680,000	(695,000)	-15.89%
Total Net Expenses	17,808,985	15,446,266	17,055,904	20,887,479	19,387,221	20,872,778	(14,701)	-0.07%
Revenues In Excess of Expenses, Principal Retirement and Capitalized Labor	\$ (1,906,072)	\$ 1,326,189	\$ 1,060,750	\$ (2,409,485)	\$ (1,013,433)	\$ (1,806,073)	\$ 603,412	-25.04%
Transfers (to)/from Reserves	1,906,072	(1,326,189)	(1,060,750)	2,409,485	1,013,433	1,806,073	(603,412)	-25.04%
Net Budget Excess/(Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

* This represents approximately 80% of Salaries and Benefits of the Utility Division which will be charged to the Capital Improvement Program

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

SUMMARY OF NET POSITION ACTIVITY

Elk Grove Water District
Summary of Net Position Activity
For the Fiscal Year ending June 30, 2027

	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Budget
Beginning Net Position	\$ 84,721,646	\$ 84,721,646	\$ 83,708,213
Estimated Revenues	<u>18,477,994</u>	<u>18,373,788</u>	<u>19,066,704</u>
Estimated Operational Expenses			
Salaries and Benefits	5,745,437	5,624,202	5,995,830
Seminars, Conventions and Travel	42,444	27,703	32,778
Office and Operational	1,742,067	1,586,090	1,795,588
Purchased Water	3,805,728	3,820,528	3,938,199
Outside Services	1,146,580	1,019,948	1,466,950
Equipment Rent, Taxes and Utilities	<u>581,444</u>	<u>614,472</u>	<u>600,844</u>
Total Operational Expenses	<u>13,063,700</u>	<u>12,692,942</u>	<u>13,830,189</u>
Estimated Nonoperational Expenses			
Capitalized Labor	(467,724)	(410,456)	(593,458)
Non-Operating Expenses (Income)	3,916,503	3,553,811	3,956,047
Capital Expenditures	<u>4,375,000</u>	<u>3,550,923</u>	<u>3,680,000</u>
Total Nonoperational Expenses	<u>7,823,779</u>	<u>6,694,279</u>	<u>7,042,589</u>
Revenues in Excess of Expenses	<u>(2,409,485)</u>	<u>(1,013,433)</u>	<u>(1,806,073)</u>
Estimated Ending Net Position	<u>\$ 82,312,161</u>	<u>\$ 83,708,213</u>	<u>\$ 81,902,140</u>

Note: Net Position represents the difference between the District's assets plus deferred outflows of resources and the District's liabilities plus deferred inflows of resources.

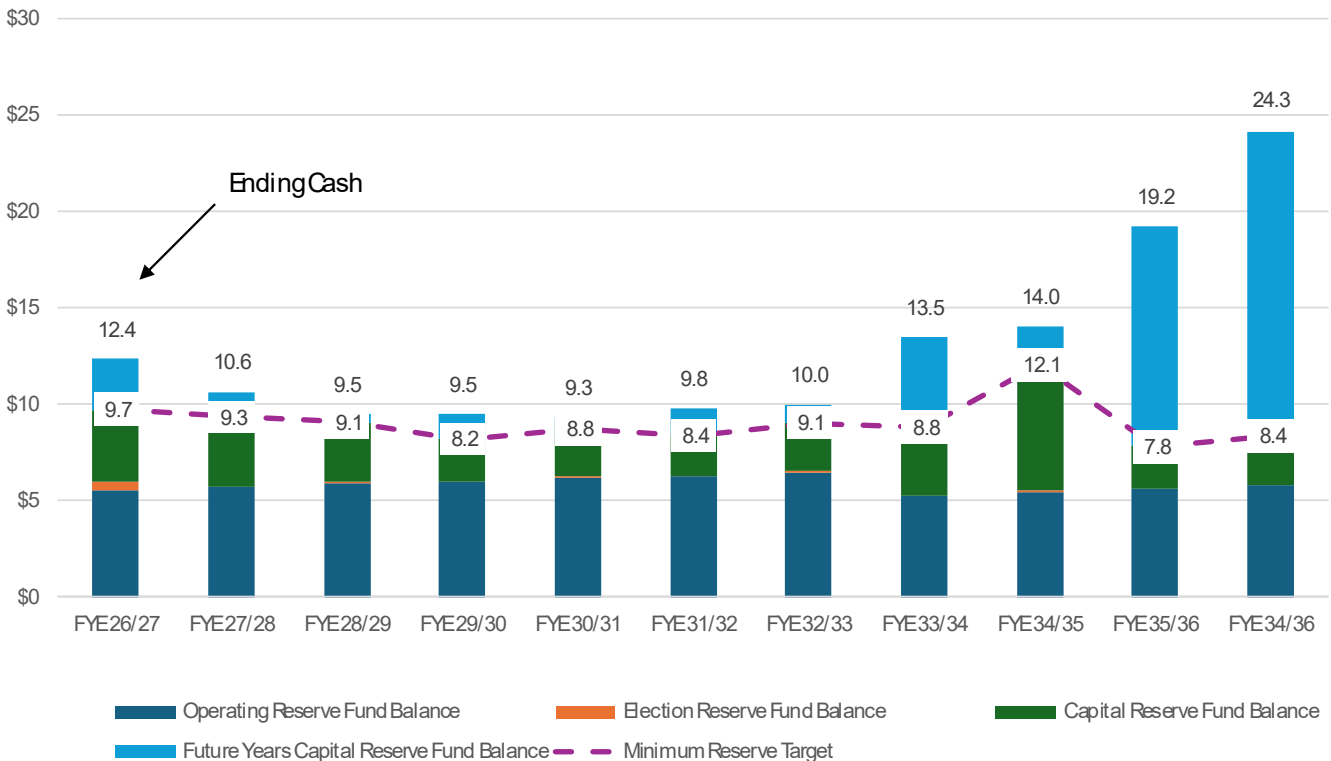
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

10-YEAR FINANCIAL PLAN

	Amount in millions										
	FYE 26/27	FYE 27/28	FYE 28/29	FYE 29/30	FYE 30/31	FYE 31/32	FYE 32/33	FYE 33/34	FYE 34/35	FYE 35/36	FYE 34/36
Total Revenue	\$ 18.5	\$ 19.3	\$ 19.9	\$ 20.5	\$ 21.1	\$ 21.8	\$ 22.4	\$ 23.1	\$ 23.8	\$ 24.5	\$ 25.2
Operating Expenses	13.1	13.5	13.9	14.3	14.7	15.2	15.6	16.1	16.6	17.1	17.6
Non-Operating Expenses	4.3	3.9	4.1	4.0	4.1	4.0	4.1	-	0.1	-	0.1
CIPExpenditures	3.7	3.6	3.1	2.2	2.5	2.1	2.5	3.5	6.5	2.2	2.5
Total Expenses	<u>21.1</u>	<u>21.0</u>	<u>21.1</u>	<u>20.5</u>	<u>21.3</u>	<u>21.3</u>	<u>22.2</u>	<u>19.6</u>	<u>23.2</u>	<u>19.3</u>	<u>20.2</u>
Revenue to/ (from) Reserves	(2.6)	(1.7)	(1.2)	0.0	(0.2)	0.5	0.2	3.5	0.6	5.2	5.0
Operating Reserve Fund Balance	5.6	5.7	5.9	6.0	6.2	6.3	6.5	5.3	5.5	5.6	5.8
Election Reserve Fund Balance	0.5	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
Capital Reserve Fund Balance	3.7	3.6	3.1	2.2	2.5	2.1	2.5	3.5	6.5	2.2	2.5
Minimum Reserve Target	<u>9.7</u>	<u>9.3</u>	<u>9.1</u>	<u>8.2</u>	<u>8.8</u>	<u>8.4</u>	<u>9.1</u>	<u>8.8</u>	<u>12.1</u>	<u>7.8</u>	<u>8.4</u>
Future Years Capital Reserve Fund Balance	2.6	1.3	0.4	1.3	0.6	1.4	0.9	4.7	2.0	11.4	15.9
Beginning Cash Balance	15.0	12.4	10.6	9.5	9.5	9.3	9.8	10.0	13.5	14.0	19.2
Ending Cash Balance	<u>\$ 12.4</u>	<u>\$ 10.6</u>	<u>\$ 9.5</u>	<u>\$ 9.5</u>	<u>\$ 9.3</u>	<u>\$ 9.8</u>	<u>\$ 10.0</u>	<u>\$ 13.5</u>	<u>\$ 14.0</u>	<u>\$ 19.2</u>	<u>\$ 24.3</u>

Millions

Projected Water Reserve Ending Balances



FISCAL YEAR 2026-27 BUDGET HIGHLIGHTS

The District's proposed budget for FY 2026-27 projects total operating revenues of approximately \$19.07 million and total expenses of approximately \$20.87 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$3.68 million. The projected expenses in excess of revenues are approximately \$1.81 million, which will be funded by appropriations from reserves carried over from prior years, making the budget a balanced budget.

Despite many non-discretionary cost increases and inflation, staff undertook efforts to find cost reductions to minimize increases, and these are reflected in the FY 2026-27 budget. The budget has a decrease in total expenses of \$14,701 (-0.07%) from the adopted budget for FY 2025-26. The major highlights are listed below, and comparisons made are against the budgeted amounts for FY 2025-26:

- Revenues for FY 2026-27 are budgeted at \$19.07 million, an increase of \$0.59 million (3.19%) from prior year's budget based on the following assumptions:
 - A rate study was completed and adopted by the District's Board in July of 2023, setting forth the proposed revenue rate increases for calendar years 2024 through 2028. The revenue projections for FY 2026-27 reflect the proposed 4.50% revenue rate increase effective January 1, 2027, as recommended by the study.
 - Consumption levels were calculated based on an analysis using historical demand averages to determine "normal year usage" conditions, taking into consideration current weather conditions and the requirement for conservation.
 - An increase in the number of accounts based on the review of development projects in the District's service area and a projection of the number of units to be fully built within the fiscal year.
- Salaries and Benefits are budgeted at \$6.00 million, an increase of \$0.25 million (4.36%) from prior year's budget mainly due to:
 - Merit increases and promotions for eligible employees.
 - An estimated 10.00% increase in medical premiums for employees who have not yet reached the medical subsidy cap. An estimated 2.00% increase for all employees who have met the District's medical subsidy cap.
 - A 3.70% COLA based on the April CPI-U for the average of the U.S. City, West and San Francisco index.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Seminars, Conventions and Travel are budgeted at \$32,778, a decrease of \$9,666 (-22.77%) from prior year's budget due to the majority of seminars and conferences in FY 2026-27 taking place in Sacramento, requiring no lodging or airfare.
- Office and Operational costs are budgeted at \$1.80 million, an increase of \$53,520 (3.07%) from prior year's budget mainly due to:
 - A decrease in computer repairs and maintenance of \$21,221 (-71.63%) due to the recent replacement of computers necessary to be compatible with Windows 11.
 - A decrease in materials cost of \$25,000 (-16.13%) due to a downward spending trend.
 - An increase in postage costs of \$22,425 (24.98%) due to mailings related to new state-mandated cross-connection hazard assessment requirements and the implementation of a new utility bill printing and mailing service provider.
 - An increase in software subscription of \$53,508 (26.36%) due to the District's implementation of Advanced Metering Infrastructure and associated software costs.
- Purchased Water is budgeted at \$3.94 million, an increase of \$0.13 million (3.48%) from prior year's budget due mainly to an estimated 4.14% rate increase for purchased water, offset by an anticipated decrease in water usage due to conservation efforts.
- Outside Services costs are budgeted at \$1.47 million, an increase of \$0.32 million (27.94%) from prior year's budget, due mainly to:
 - A decrease in contracted services of \$34,660 (-6.63%) due to the completion of the UWMP in FY 2025-26, a reduction in the District's IT services contract requirements due to the completion of the ERP implementation, offset by an increase in increase in contracted services to destroy the District's Well 3.
 - An increase in Legal Services of \$50,000 (41.67%) due to anticipated legal services relating to the District's potential reorganization.
 - A decrease in sampling costs of \$27,000 (-45.00%) due to the completion of required Title 22 sampling in FY 2025-26.
 - An increase in election costs of \$330,000 (100.00%) due to FY 2026-27 being an election year.
- Equipment Rent, Taxes and Utilities are budgeted at \$600,844, an increase of \$19,400 (3.34%) from prior year's budget due mainly to anticipated increases in electricity costs used for water pumping.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Capital Improvement Funding includes contributions to the Repair & Replacement Reserve and the Capital Improvement Reserve for a total of \$3.68 million. This represents a decrease of \$0.70 million (-15.89%) from prior year's budget.
- Bond interest expenses will decrease by \$100,456 (-9.98) while bond principal retirements will increase by \$140,000 (4.77%).

- This budget anticipates capitalizing \$593,458 of Salaries and Benefits for capital improvements constructed by the Utility Division. Capitalized labor costs are reduced from regular salaries and benefits and are included in the total funded amounts in the Five-Year Capital Improvement Program. Capitalized labor is estimated at 80% of the total salaries and benefits of the Utility Division.

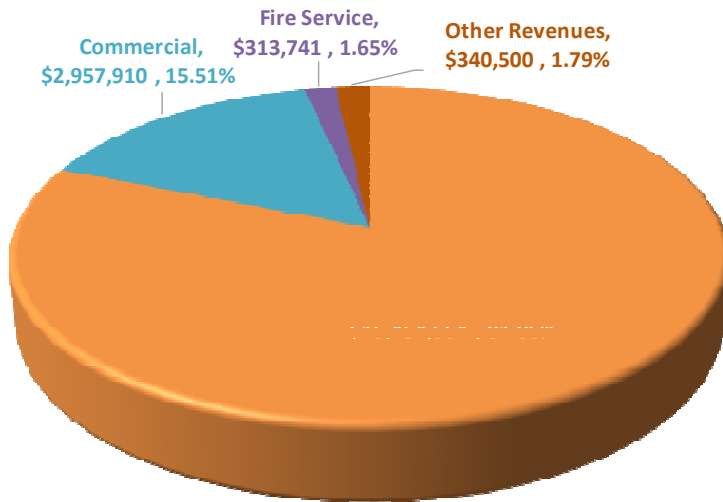
- The budget, as recommended, will meet bond covenant requirements as follows:
 - Covenant: 1.46 (1.15 required)

- The Board will adopt a Five-Year Capital Improvement Program (CIP) which only appropriates funding for the CIP projects scheduled in FY 2026-27.

REVENUE SECTION

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

BUDGETED REVENUES BY CATEGORY



Other Revenues include:

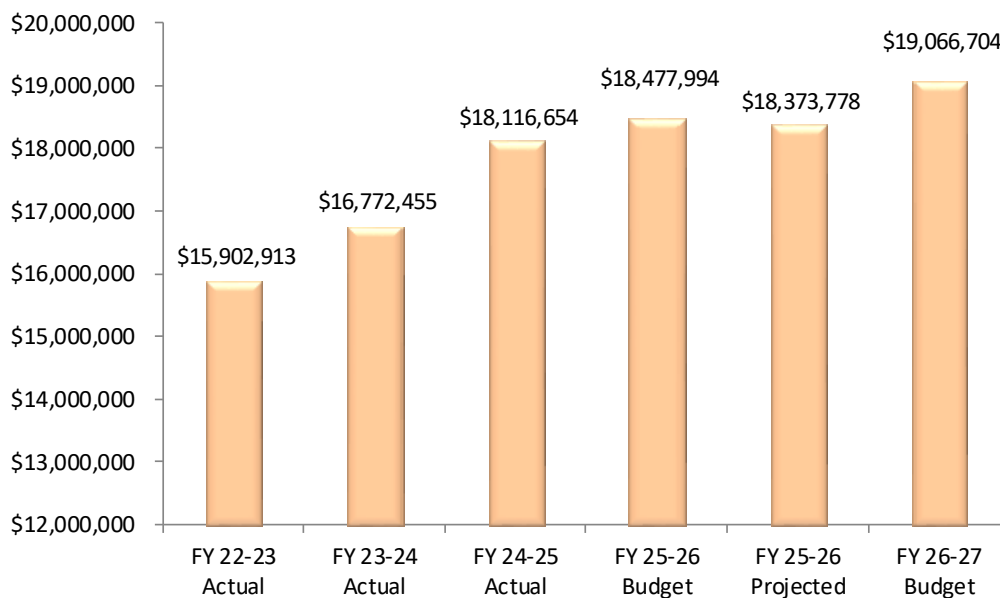
- Meter/Plan Check/Water Capacity Fees
- Door Hanger Fees
- New Account Fees
- NSF Fees
- Backflow Prevention Installations

Commercial Revenues Include:

- Non-Residential Revenue
- Irrigation Revenue

Note: Residential Revenue in this chart is net of customer refunds.

TOTAL REVENUES FISCAL YEARS 2022-23 THROUGH 2026-27



MAJOR REVENUE SOURCES

Approximately 98% of the District’s revenues are derived from recurring water revenues related to water consumption and availability charges. The FY 2026-27 budget reflects a 4.50% revenue rate adjustment effective January 1, 2027, recommended as part of the District’s 2024-2028 Water Rate Study. In addition, the District derives revenues from new connection fees for development within Service Area 1 of its two service areas. Connection fees for development within Service Area 2 of the EGWD’s service area are paid to the SCWA.



Revenue projections are developed using a fee/rate-based projection, taking into account consumption levels calculated based on an analysis using historical demand averages to determine “normal year usage” conditions and the projected increase in the number of accounts based on the review of development projects in the District’s service area and the number of units to be fully built within the fiscal year. Depending on drought conditions, revenue projections are adjusted by what the District deems to be an appropriate conservation factor and/or anticipated increase in water consumption as a result of the lifted drought restrictions.

Revenue Rate Increase Projections

Utility rate setting is subject to the provisions of Proposition 218 wherein customers are provided with information on proposed rate changes and are invited to attend a public hearing on the proposed changes. Proposed rate changes can be denied if a majority of ratepayers submit written protests opposing them. If a majority of ratepayers do not protest, the Board of Directors vote on the proposed rate changes and set the effective date for any proposed and approved

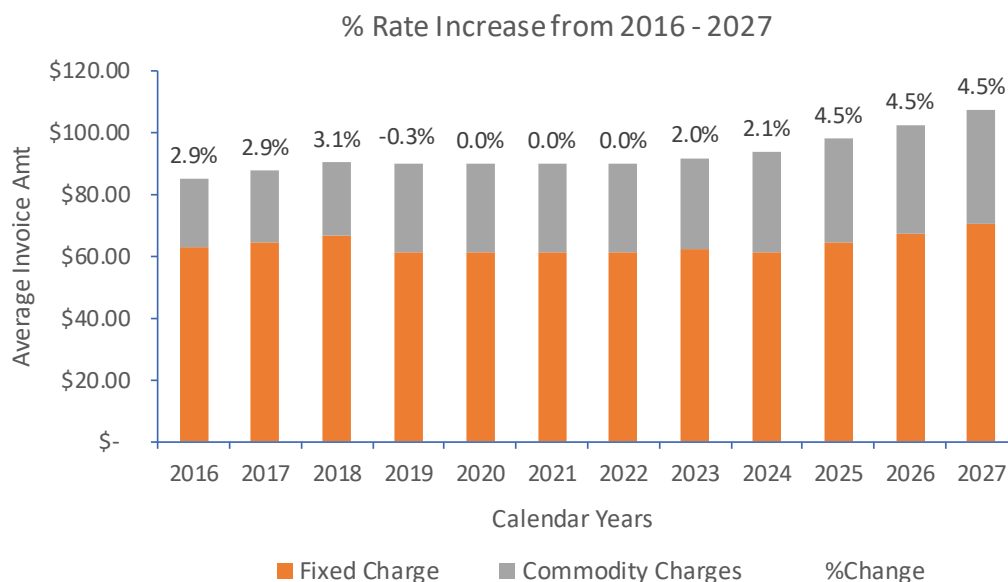
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

changes. Revenue rate adjustments are necessary to fund various projects and to pay for increased operating costs, primarily due to inflation. During the Spring of 2023, the District commenced a water rate study to determine the recommended rate adjustment necessary to continue to fund the District’s operations. The proposed water rate adjustments from the 2024-2028 Water Rate Study were adopted by the Board after the receipt and consideration of any protests and comments before and during a public hearing in compliance with Proposition 218 on July 18, 2023, with Ordinance No. 07.18.23.01. The 2024-2028 Water Rate Study proposes annual water rate adjustments as follows:

- January 1, 2024 – 4.50%
- January 1, 2025 – 4.50%
- January 1, 2026 – 4.50%
- January 1, 2027 – 4.50%
- January 1, 2028 – 4.50%

In accordance with the 2024-2028 Water Rate Study, the revenue projection in this section reflects the proposed 4.50% water rate adjustment effective January 1, 2027.

The chart below shows the average revenue rate adjustment each calendar year since 2014 in relation to an average bill, assuming the customer is a single-family residential service customer with a 1” meter consuming 15 CCF’s of water. As can be seen, the increases in rates have been very consistent and relatively minimal. For the years with a rate increase, the increase is approximately equal to the average inflation rate. This is all made possible through prudent financial management and budgeting; however, future revenue adjustments will be necessary to fund various capital projects and to pay for increased operating costs, primarily due to inflation.

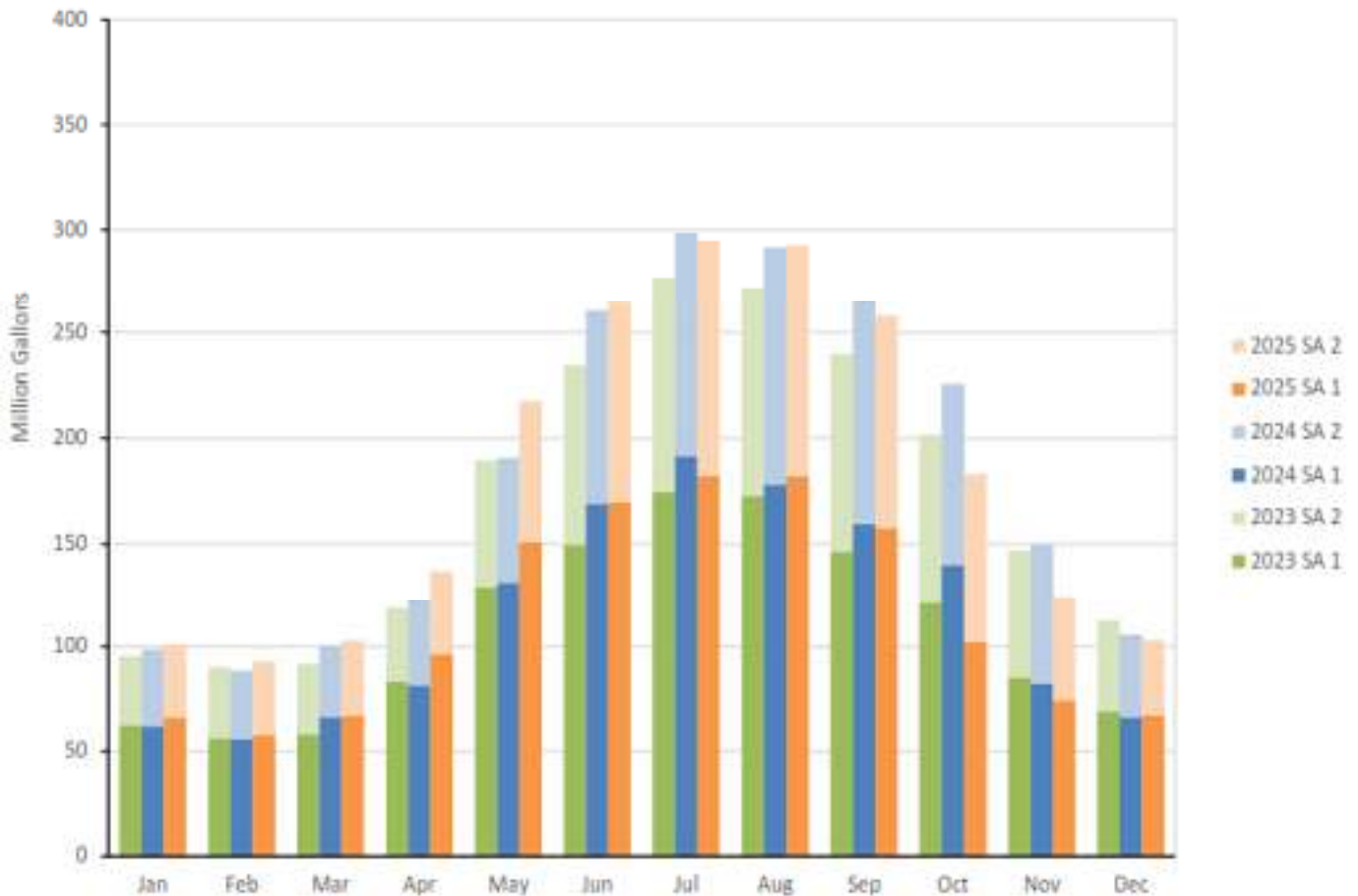


**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

WATER CONSUMPTION TREND

Water revenues are driven by two primary factors, the amount of water sold and the rate per unit, with increases in water consumption generating more revenues to offset the increased costs of operations. The graph below shows the consumption trends for the prior three calendar years. The graph also shows the correlation between the annual seasonal change and overall water consumption, with the highest level of consumption occurring during the summer months.

As can be seen in the chart below, consumption decreased in the second half of 2025 as compared to 2024 due to conservation becoming a way of life, with many residents practicing certain water conservation efforts, such as installing water efficient appliances and drought tolerant landscaping, resulting in long-term water use reductions. There was a slight increase in 2024 as compared to 2023 due to higher temperatures during the summer months that lasted through the end of October. Overall, the District expects to see continued decrease in consumption with an emphasis on conservation.



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

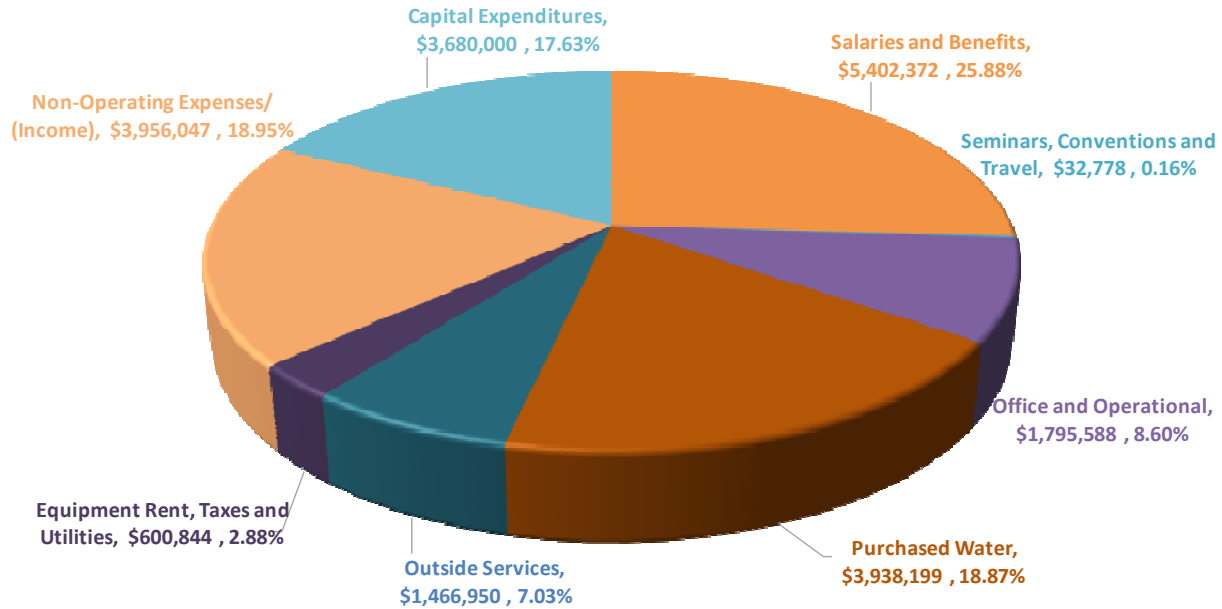
Elk Grove Water District
Budgeted Revenue Accounts Detail
For the Fiscal Year ending June 30, 2027

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
4100	Water Payment Revenues - Residential	\$13,299,707	\$13,699,392	\$14,408,761	\$14,950,259	\$15,034,047	\$ 15,455,554
4110	Water Payment Revenues - Commercial	1,979,802	2,411,074	3,025,619	2,897,806	2,689,028	2,957,910
4120	Water Payment Revenues - Fire Service	215,547	248,829	286,633	297,929	315,765	313,741
4200	Meter Fees/Plan Check/Water Capacity	182,357	213,093	98,704	126,000	104,390	126,000
4201	Backflow Install EGWD	18,005	19,150	24,625	22,500	23,383	22,500
4202	Backflow Testing Fee	17,615	17,745	23,270	2,500	15,329	15,000
4204	Failed Backflow Notification Fee	100	-	125	-	25	-
4300	Fire Protection	468	1,872	1,404	-	1,543	-
4520	Door Hanger Fees	111,350	108,300	113,875	110,000	103,314	110,000
4530	Meter Testing Fee	-	47	-	-	66	-
4540	New Account Fees	15,750	15,420	18,960	20,000	17,336	15,000
4550	NSF Fees	2,625	2,223	2,170	2,000	3,306	2,000
4560	Fees and Penalties	14,715	2,346	24,067	-	11,465	-
4570	Shut-off Fees	66,800	61,900	104,300	50,000	70,218	50,000
4580	Restoration Fees	200	25	25	-	141	-
4585	Admin Citations	880	-	-	-	-	-
4591	Release of Lien Fee	(1,060)	(460)	20	-	226	-
4800	Other Income	793	-	-	-	-	-
4900	Customer Refunds	(22,741)	(28,501)	(15,904)	(1,000)	(15,804)	(1,000)
	Total Revenues	<u>\$15,902,913</u>	<u>\$16,772,455</u>	<u>\$18,116,654</u>	<u>\$18,477,994</u>	<u>\$18,373,778</u>	<u>\$ 19,066,704</u>

EXPENSE SECTION

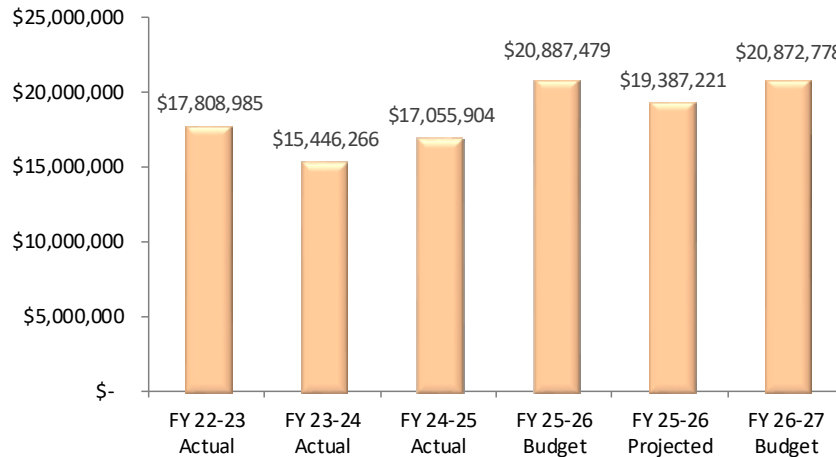
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

BUDGETED EXPENSES BY CATEGORY



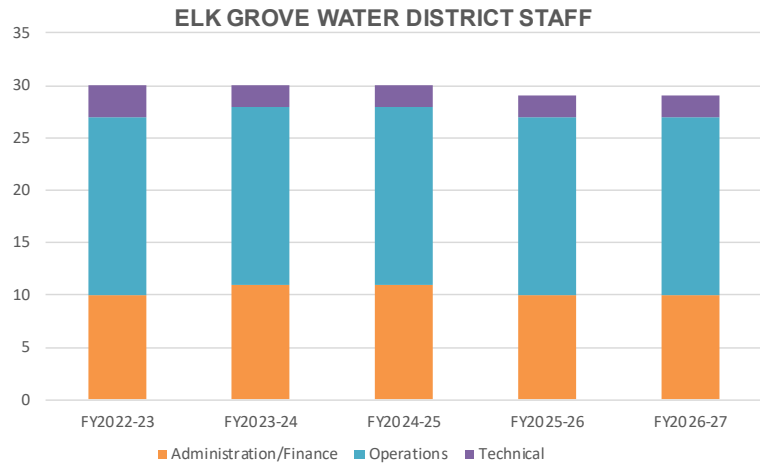
Note: Total Salaries and Benefits Expenses are net of capitalized labor costs of \$593,458, which is included in total Capital Expenditures.

TOTAL NET EXPENSES FISCAL YEARS 2022-23 THROUGH 2026-27



SALARIES AND BENEFITS FISCAL YEARS 2022-23 THROUGH 2026-27

Aside from the cost of water purchased from the SCWA for the EGWD’s Service Area 2 and debt service payments, Salaries and Benefits represent the largest expense of the District. Staffing levels at the District have remained relatively unchanged with 10 FTE in Administration and Finance, 2 FTE in Technical Services and 17 FTE in Operations. In FY 2022-23, the District completed a compensation study, comparing the salaries and



benefits of the District against 10 other comparable agencies. The results of this study revealed that certain job classifications at the District were underpaid. Based on this, the District’s Board approved an update to the District’s salary schedule to reflect the results of the study. In addition to the update to the District’s salary schedule, the District’s Employee Policy Manual prescribes that annual Cost of Living Adjustments (COLAs) are made at the Boards discretion and is based on the average of the April All-Cities CPI – U, Western CPI – U, and San Francisco CPI – U indices. The COLA for FY 2026-27 is 3.70%.

Pension and other Post-Employment Benefits

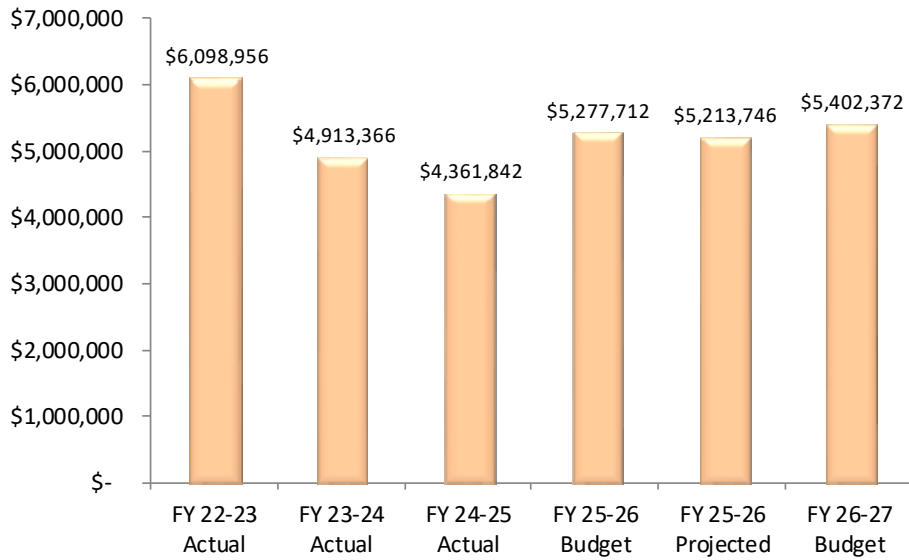
The District provides retirement benefits for its employees through a Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees Retirement System (CalPERS). Employees with at least 5 years of service are eligible to retire at age 55 with statutorily reduced benefits. In addition to the required employer contributions to the plan, the District currently contributes one percent of classic employees’ tax-deferred member contributions to the system while PEPRAs employees contribute their entire share of member contributions.

The District also provides post-employment healthcare benefits to retirees and their dependents. Eight retired employees receive these benefits, which are financed on a pay-as-you-go basis. The District pays the medical, dental, and vision insurance premiums for eligible retired employees (and qualified spouses) that are enrolled in the health insurance plan. The current requirements for eligibility are attaining age 55; having at least fifteen years of continuous service; and retiring from the District within 120 days of separation.

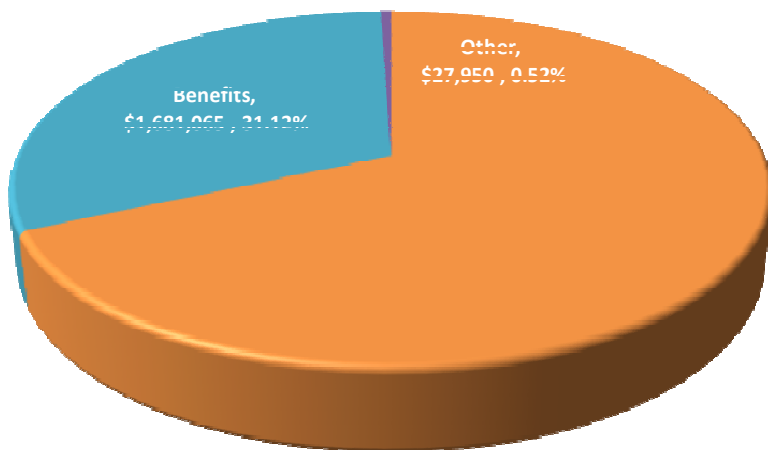
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

The following tables show the trend in salaries and benefits in comparison to prior years, as well as the breakout of the current proposed budgeted salaries and related components.

SALARIES AND BENEFITS



NET SALARIES AND BENEFITS \$5,402,372*



The Other Expenses Categories include:

- Employee Training
- Employee Recognition
- Meetings

*The total Salaries and Benefits are net of capitalized labor costs of \$593,458 for capital improvements constructed by the Utility Division.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

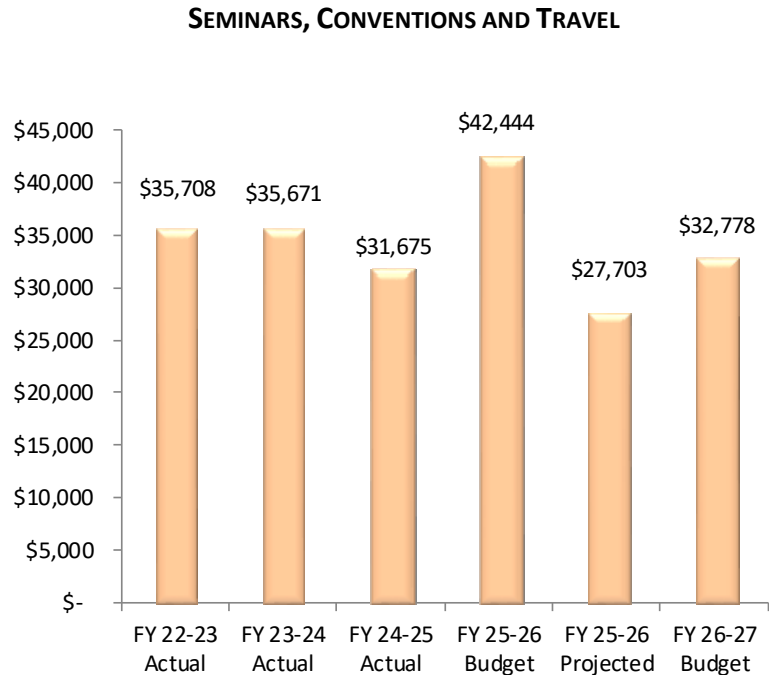
Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2027

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
5100	Executive Salary	\$ 208,623	\$ 252,212	\$ 253,049	\$ 291,829	\$ 291,133	\$ 298,013
5110	Exempt Salaries	616,194	691,324	722,601	804,177	776,871	827,948
5120	Non-Exempt Salaries	1,534,086	1,700,183	1,654,280	2,322,713	2,053,607	2,425,751
5130	Overtime Compensation	31,754	70,837	97,659	106,000	172,134	104,975
5140	On Call Pay	30,940	30,915	30,949	31,025	31,025	62,050
5150	Holiday Pay	138,871	125,915	165,142	177,902	170,162	187,607
5160	Vacation Pay	222,818	271,832	273,016	206,715	314,320	230,386
5170	Personal Time Pay	154,322	166,735	162,666	142,322	166,229	150,086
5200	Medical Benefits	522,552	566,169	576,671	746,007	715,512	779,266
5195	EAP	875	885	883	880	863	906
5201	EGWD Contribution H.S.A	23,500	30,800	29,895	29,850	36,452	32,000
5210	Dental/Vision/Life Insurance	54,685	56,054	53,347	59,432	57,087	60,892
5220	Retirement Benefits	2,554,285	970,606	658,919	444,327	444,327	491,862
5225	Retirement Benefits - Post Employment	362,365	304,550	117,704	209,131	209,131	120,686
5230	Medical Tax, Social Security and SUI	48,348	51,992	54,006	74,447	63,798	77,157
5240	Worker's Compensation Insurance	47,971	50,625	47,899	69,779	105,544	118,296
5250	Education Assistance	-	-	-	2,500	-	-
5260	Employee Training	10,659	8,530	12,959	20,500	9,164	20,050
5270	Employee Recognition	7,490	3,040	8,460	5,400	6,654	7,400
5280	Meetings	-	304	-	500	188	500
	Less Capitalized Labor	(471,382)	(440,141)	(558,262)	(467,724)	(410,456)	(593,458)
		<u>\$6,098,956</u>	<u>\$4,913,366</u>	<u>\$4,361,842</u>	<u>\$5,277,712</u>	<u>\$5,213,746</u>	<u>\$ 5,402,372</u>

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

SEMINARS, CONVENTIONS AND TRAVEL FISCAL YEARS 2022-23 THROUGH 2026-27

Seminars, Conventions and Travel expenses are budgeted based on the anticipated travel to and from various conferences and seminars. It is in the best interest of the District to invest in the employees to allow them to stay current and educated about activities, developments, and professional trends affecting their ability to provide high-quality job performance, which includes external and internal customer service. As such, traveling to attend hearings, meetings, conferences, or other gatherings is of value to the District. The two major conferences that District staff attend are the semi-annual Association of California Water Agencies (ACWA) conferences and the annual California Society of Municipal Finance Officers (CSMFO) conference.



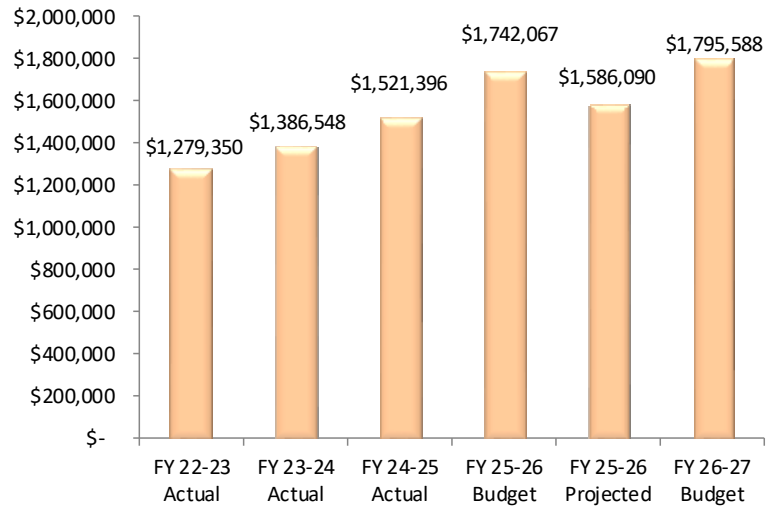
**Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2027**

Account#	Description	FY 22-23	FY 23-24	FY 24-25	FY 2025-26	FY 2025-26	FY 2026-27
		Actual	Actual	Actual	Budget	Projected	Requested Budget
5300	Airfare	\$ 2,351	\$ 2,018	\$ 2,486	\$ 4,150	\$ 2,565	\$ 2,950
5310	Hotels	11,555	8,982	8,778	14,100	6,418	6,000
5320	Meals	4,828	7,349	4,750	6,416	2,303	4,640
5330	Auto Rental	29	-	206	450	-	-
5340	Seminars & Conferences	9,502	9,635	8,172	9,335	9,076	10,920
5350	Mileage Reimbursement, Parking, Tolls	1,336	1,662	1,208	1,993	1,341	2,268
5375	Auto Allowance	6,107	6,025	6,075	6,000	6,000	6,000
		<u>\$ 35,708</u>	<u>\$ 35,671</u>	<u>\$ 31,675</u>	<u>\$ 42,444</u>	<u>\$ 27,703</u>	<u>\$ 32,778</u>

OFFICE AND OPERATIONAL FISCAL YEARS 2022-23 THROUGH 2026-27

Office and Operational expenses are budgeted to cover administrative costs such as insurance premiums, association dues, repairs and maintenance of equipment, buildings, and computers, purchases of chemicals for water treatment, postage, and printing. These costs allow the District to continue to operate and maintain the water system and to continue to provide water services to its ratepayers. Meter costs are also budgeted in this category, however, the cost of meters purchased for new development are offset by meter fees paid by developers at the time meters are installed and ready for connection to the EGWD system. These fees are accounted for as Meter Fees in the revenue section of this report.

OFFICE AND OPERATIONAL



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

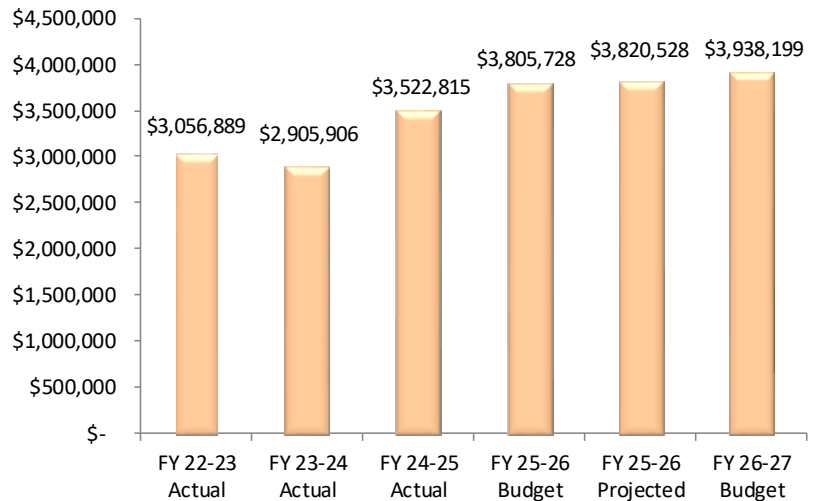
Elk Grove Water District
Budgeted Office and Operational Accounts Detail
For the Fiscal Year ending June 30, 2027

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
5410	Advertising	\$ 9,375	\$ 4,971	\$ 4,615	\$ 17,700	\$ 14,514	\$ 18,200
5415	Association Dues	126,552	151,158	135,107	155,932	150,575	161,135
5420	Insurance	137,012	164,489	190,177	196,000	180,259	216,500
5425	Licenses, Certifications, Fees	4,247	2,934	2,490	5,635	5,605	3,280
5430	Repairs & Maintenance - Automotive	26,894	53,149	60,308	53,500	34,129	53,500
5432	Repairs & Maintenance - Building	65,246	73,323	76,043	96,768	98,756	91,828
5434	Repairs & Maintenance - Computers	26,529	11,121	7,657	29,625	21,449	8,404
5435	Repairs & Maintenance - Equipment	129,708	113,122	109,443	120,500	88,878	105,500
5438	Fuel	51,123	52,201	48,305	56,720	47,007	56,720
5440	Materials	163,448	135,710	112,025	155,000	129,054	130,000
5445	Chemicals	52,369	43,904	60,445	65,000	53,032	65,000
5450	Meter Repairs	84,702	168,162	230,885	220,000	244,090	235,000
5453	Permits	84,129	79,886	94,524	105,000	107,508	105,000
5455	Postage	75,793	72,317	78,926	89,775	92,388	112,200
5460	Printing	16,946	13,784	12,136	21,083	20,494	30,383
5465	Safety Equipment	11,704	13,376	16,283	18,000	14,154	18,000
5470	Software Programs & Updates	120,357	148,681	183,012	203,009	172,525	256,518
5475	Supplies	28,450	18,224	25,520	28,020	24,134	31,020
5480	Telephone	26,610	26,025	27,209	36,600	37,034	42,200
5485	Tools	16,069	17,516	24,369	35,500	24,159	25,500
5490	Clothing Allowance	5,084	4,979	5,338	7,700	7,700	6,700
5491	EGWD - Other Clothing	10,581	12,757	13,610	15,000	12,209	15,000
5493	Water Conservation Materials	6,420	4,760	2,969	10,000	6,437	8,000
		<u>\$1,279,350</u>	<u>\$1,386,548</u>	<u>\$1,521,396</u>	<u>\$1,742,067</u>	<u>\$1,586,090</u>	<u>\$ 1,795,588</u>

PURCHASED WATER COSTS FISCAL YEARS 2022-23 THROUGH 2026-27

PURCHASE WATER COSTS

Through the First Amended and Restated Master Water Agreement between Sacramento County Water Agency and Florin Resource Conservation District/Elk Grove Water District, entered into on June 28th, 2002, the District has agreed to purchase, on a wholesale basis, potable water supply from the SCWA. The purchased water from the SCWA is used to supply the EGWD Service Area 2 ratepayers with their water source. Under the general terms of the agreement, the cost of the wholesale purchased water supply is based on a rate as determined by the actual cost of procurement, extraction, diversion, treatment, and conveyance of potable water actually delivered to the District.

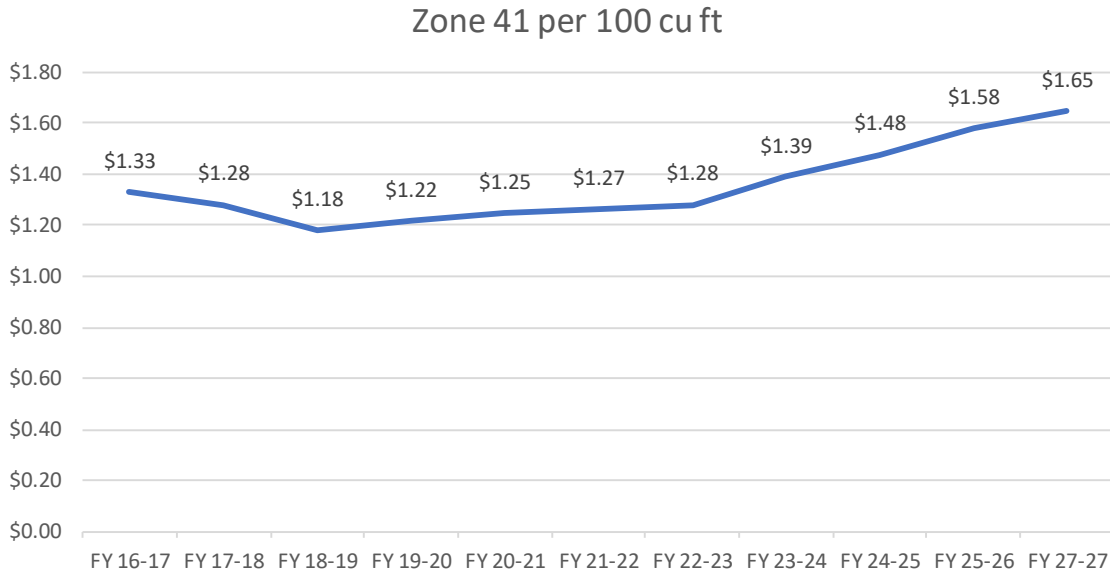


The chart above shows the total annual purchased water costs since FY 2022-23. Purchased water costs continue to fluctuate year-to-year dependent on annual precipitation; however, two components that have a major effect on the total cost of purchased water are account growth and conservation, which has become a way of life. For FY 2026-27, the District expects to see water consumption and delivery increase slightly due to an increase in development in the EGWD’s Service Area 2 resulting in an increase in accounts.

The table on the next page shows the trend in the wholesale purchase water rate for the last 10 fiscal years. The change in the wholesale purchased water rate is a direct correlation to conservation efforts. As drought restrictions from FY 2015-16 resulted in less water being delivered to the District but operational and maintenance costs continued to increase, there was an overall increase in the wholesale purchase water rate. When drought restrictions were lifted in FY 2016-17, the gradual increase in water consumption resulted in an increase of purchased water delivered to the District. This resulted in a decrease in the wholesale purchased water rate in FY 2017-18. As consumption trends start to normalize and operating costs continue to increase, the District expects the wholesale purchased water rate to gradually increase as well without the major swings experienced during the drought.

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

WHOLESALE WATER RATE TREND



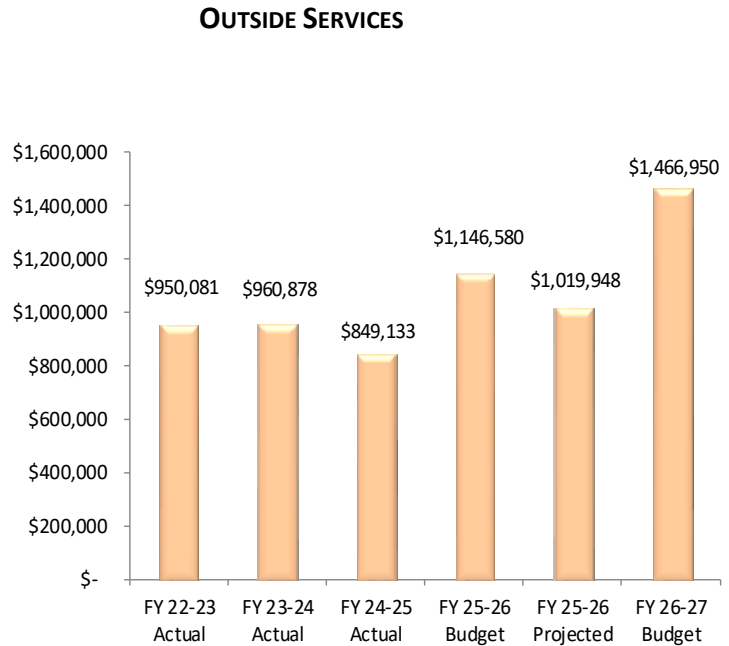
**Elk Grove Water District
Budgeted Purchase Water Costs Accounts Detail
For the Fiscal Year ending June 30, 2027**

<u>Account#</u>	<u>Description</u>	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
5495	Purchased Water	\$3,056,889	\$2,905,906	\$3,522,815	\$3,805,728	\$3,820,528	\$ 3,938,199

OUTSIDE SERVICES

FISCAL YEARS 2022-23 THROUGH 2026-27

Outside Services expenses consist mostly of professional services, such as banking services, engineering services, contracted services, and legal services. It also includes election costs which occur every other year. FY 2026-27 is an election year. The District utilizes specialized outside service firms and professionals to assist in the development of various technical studies and projects. An example of a technical study was the use of a professional consulting firm to conduct the 2024-2028 Water Rate and Connection Fee Study, setting forth the recommended revenue rate increases for calendar years 2024 through 2028. Except for costs related to special one time projects, the District expects outside services to remain relatively stable and consistent with prior year.



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

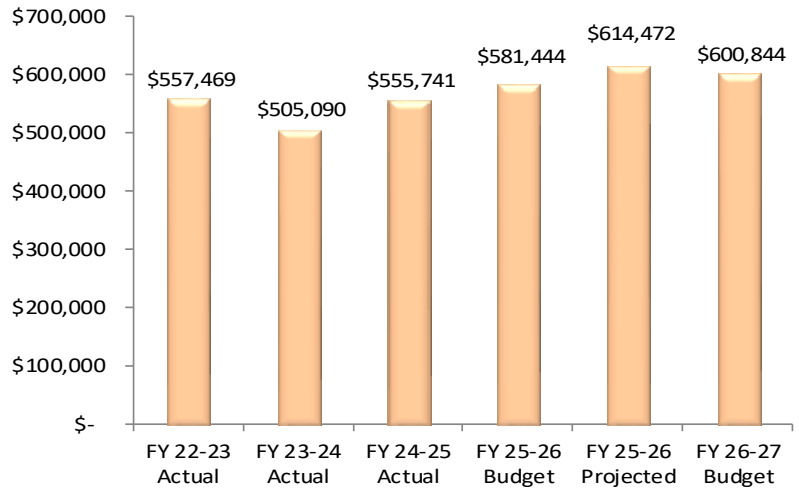
Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2027

<u>Account#</u>	<u>Description</u>	FY 22-23 <u>Actual</u>	FY 23-24 <u>Actual</u>	FY 24-25 <u>Actual</u>	FY 2025-26 <u>Budget</u>	FY 2025-26 <u>Projected</u>	FY 2026-27 <u>Requested Budget</u>
5505	Administration Services	\$ 2,505	\$ 2,333	\$ 2,164	\$ 5,600	\$ 2,448	\$ 5,100
5510	Bank Charges	196,219	222,916	259,585	289,800	278,803	289,200
5515	Billing Services	23,544	22,300	22,998	25,700	24,537	30,000
5520	Contracted Services	568,536	487,769	364,020	522,860	465,138	488,200
5525	Accounting Services	27,720	27,720	31,658	37,000	37,000	38,200
5530	Engineering	494	45,240	13,854	15,000	22,939	10,000
5535	Legal Services	24,933	51,325	59,605	120,000	61,623	170,000
5540	Financial Consultants	188	-	-	-	-	-
5545	Community Relations	1,258	962	802	2,000	1,160	2,000
5552	Misc. Medical	2,078	2,455	3,481	3,000	3,333	3,000
5550	Pre-employment	-	56	26	1,000	-	1,000
5555	Janitorial	17,397	20,390	19,343	20,200	21,793	20,200
5560	Bond Administration	5,773	5,973	6,170	6,800	6,670	7,050
5570	Security	25,542	36,379	34,350	37,620	38,920	40,000
5575	Sampling	52,010	35,060	29,017	60,000	55,586	33,000
9950	Election Costs	1,887	-	2,061	-	-	330,000
		<u>\$ 950,081</u>	<u>\$ 960,878</u>	<u>\$ 849,133</u>	<u>\$1,146,580</u>	<u>\$1,019,948</u>	<u>\$ 1,466,950</u>

EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2022-23 THROUGH 2026-27

EQUIPMENT RENT, TAXES AND UTILITIES

Equipment Rent, Taxes and Utilities are budgeted to cover the cost of utilities to extract, treat and pump the water supply to ratepayers. With the rising cost for most utilities and the expected gradual increase in development and number of accounts, the District is expecting to see an increase in this expense category. However, to assist in improving or maintaining operational efficiencies and keep operating costs low, the District installed a series of variable frequency drives (VFD) on the booster pumps that deliver treated drinking water to our customers. The VFD provides energy savings by matching pump motor load to the work needed for water delivery instead of always running the pump at peak load. The District also has an ongoing well rehabilitation program where it monitors the efficiencies of each water well. Over time, well screens plug up, making well pumping operations inefficient. The District rehabilitates its water wells when certain inefficient thresholds are reached, thereby returning the wells to efficient operations.



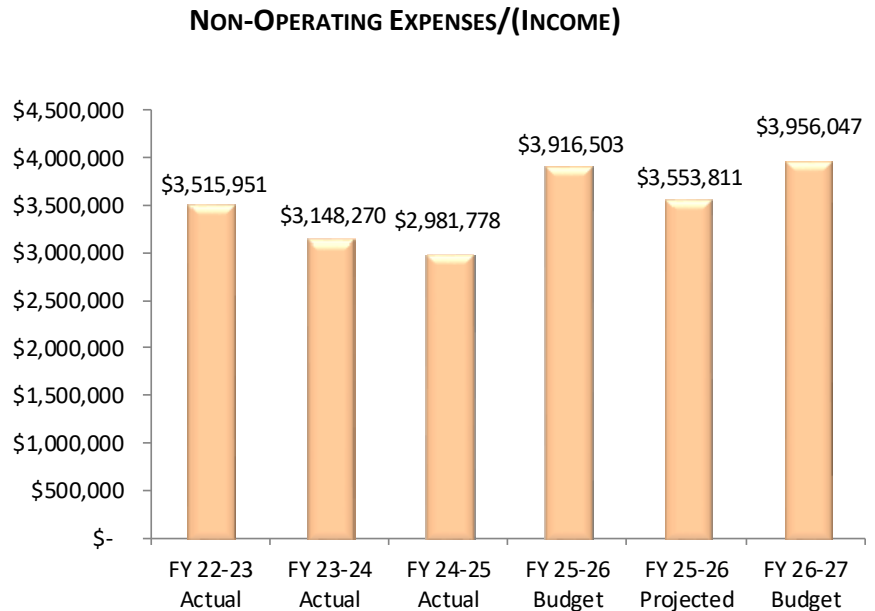
**Elk Grove Water District
Budgeted Equipment Rent, Taxes and Utilities Accounts Detail
For the Fiscal Year ending June 30, 2027**

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
5610	Occupancy	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -
5620	Equipment Rental	33,560	31,588	25,518	23,120	16,369	17,120
5710	Property Taxes	3,277	861	800	2,800	800	2,800
5740	Electricity	451,517	416,100	466,356	496,124	522,245	511,124
5750	Natural Gas	5,348	3,284	3,844	6,000	4,354	6,000
5760	Sewer & Garbage	45,768	53,257	59,223	53,400	70,704	63,800
		\$ 557,469	\$ 505,090	\$ 555,741	\$ 581,444	\$ 614,472	\$ 600,844

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

NON-OPERATING EXPENSES / (REVENUES) FISCAL YEARS 2022-23 THROUGH 2026-27

Non-Operating Expenses/ (Revenues) account for debt service interest and principal payments and any interest earned on investments. The District expects all future non-operating expenses/ (revenues) to be consistent.



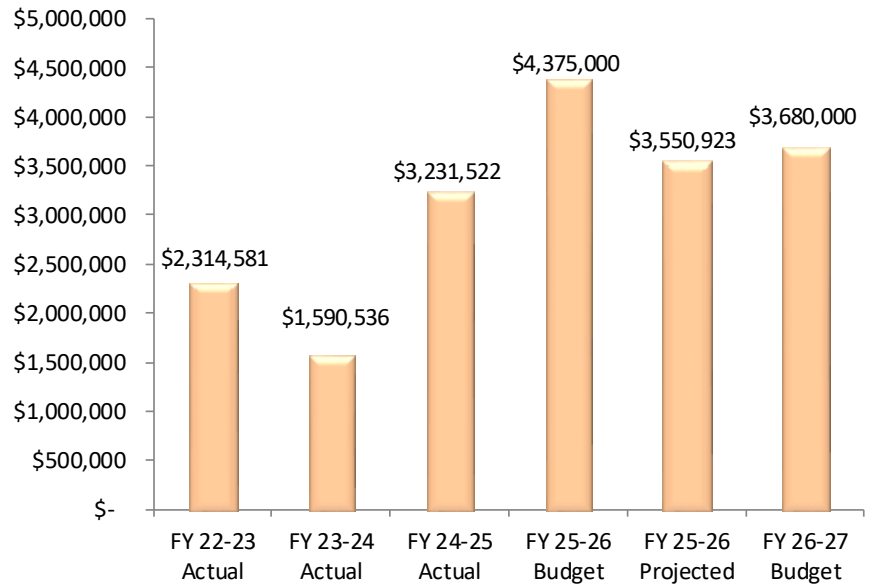
**Elk Grove Water District
Budgeted Non Operating Accounts Detail
For the Fiscal Year ending June 30, 2027**

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
2500	Bond Retirement	\$2,560,000	\$2,675,000	\$2,780,000	\$2,935,000	\$2,935,000	\$ 3,075,000
7300	Debt Service (Bond Interest Expense)	1,323,204	1,211,994	1,108,029	1,006,503	1,006,503	906,047
9700	Capital Grants	(221,000)	(142,482)	(216,200)	-	-	-
9920	Other Expenses (Income)	(37,133)	(12,934)	(34,263)	-	114,306	-
9910	Interest Earned	(155,106)	(310,330)	(397,665)	(25,000)	(226,375)	(25,000)
9911	Unrealized Gains and Losses	45,986	(272,977)	(258,122)	-	(204,501)	-
		<u>\$3,515,951</u>	<u>\$3,148,270</u>	<u>\$2,981,778</u>	<u>\$3,916,503</u>	<u>\$3,624,933</u>	<u>\$ 3,956,047</u>

CAPITAL EXPENDITURES FISCAL YEARS 2022-23 THROUGH 2026-27

CAPITAL EXPENDITURES

Fiscal year 2026-27 Capital Expenditures consist of funding for Repair & Replacement and Long-term Capital Improvement based on the District 5-year Capital Improvement Plan (FY 2027-31 CIP). The CIP is developed by staff in parallel to the budget and is a key component of the District's Strategic Plan. Annually, Staff meet to review the District's Asset Management Program (AMP) to identify the Districts infrastructure and assets that are due for replacement or improvements. These projects are then rated in terms of priority, with 1 being high priority and 4 being low priority. The scoring determines the projects to be included in the District's CIP for the subsequent year. Each project is defined in the CIP and summarized by a brief description and justification and is detailed by location, timing, expenditure schedule, funding source, useful life, and impact on operating costs. Before the CIP is completed, it is reviewed to ensure the financial elements are consistent with the District's financial policies. Since all the District's capital projects are deemed to be nonrecurring, the effect the projects will have on the operating budget will be an overall decrease in repair and maintenance costs as aged assets are replaced with new assets.



**Elk Grove Water District
Budgeted Capital Expenditure Accounts Detail
For the Fiscal Year ending June 30, 2027**

Account#	Description	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 2025-26 Budget	FY 2025-26 Projected	FY 2026-27 Requested Budget
3560	Repair & Replacement Reserve	\$ 1,184,166	\$ 1,039,474	\$ 2,614,448	\$ 2,541,000	\$ 1,881,668	\$ 2,060,000
3565	Capital Improvement Reserve	1,130,416	551,062	617,074	1,834,000	1,669,255	1,620,000
		<u>\$ 2,314,581</u>	<u>\$ 1,590,536</u>	<u>\$ 3,231,522</u>	<u>\$ 4,375,000</u>	<u>\$ 3,550,923</u>	<u>\$ 3,680,000</u>

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

The principal sources of revenue for the District come from water usage charges and developer connections fees. These revenues are organized into four fund sources: 1) unrestricted reserves; 2) capital improvements; 3) capital repairs/replacements; and 4) elections and special studies. The CIP allocates the use of funds related only to capital improvements and capital repairs/replacements. The District’s current approach to capital funding is pay-as-you-go. Water rates have been developed to ensure that revenue requirements cover operating expenses, capital expenditures and debt service costs. The table below summarizes the District’s 5-year capital expenditures included in the FY 2027-31 CIP (amounts in 000’s).

FUND	FY26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	Total
CAPITAL IMPROVEMENT FUNDS						
Supply/Distribution Improvements	1,570	1,460	1,500	-	249	4,779
Treatment Improvements	-	-	-	-	-	0
Building & Site Improvements/Vehicles	-	-	-	-	-	0
SUB-TOTAL	1,570	1,460	1,500	0	249	4,779
CAPITAL REPAIR/REPLACEMENT FUNDS						
Supply/Distribution Improvements	1,400	1,050	1,021	1,529	1,457	6,457
Treatment Improvements	360	800	255	285	600	2,300
Building & Site Improvements/Vehicles	250	110	148	298	45	851
SUB-TOTAL	2,010	1,960	1,424	2,112	2,102	9,608
UNFORESEEN CAPITAL PROJECT FUNDS						
Unforeseen Capital Projects	100	100	100	100	100	500
SUB-TOTAL	100	100	100	100	100	500
TOTAL	3,680	3,520	3,024	2,212	2,451	14,887

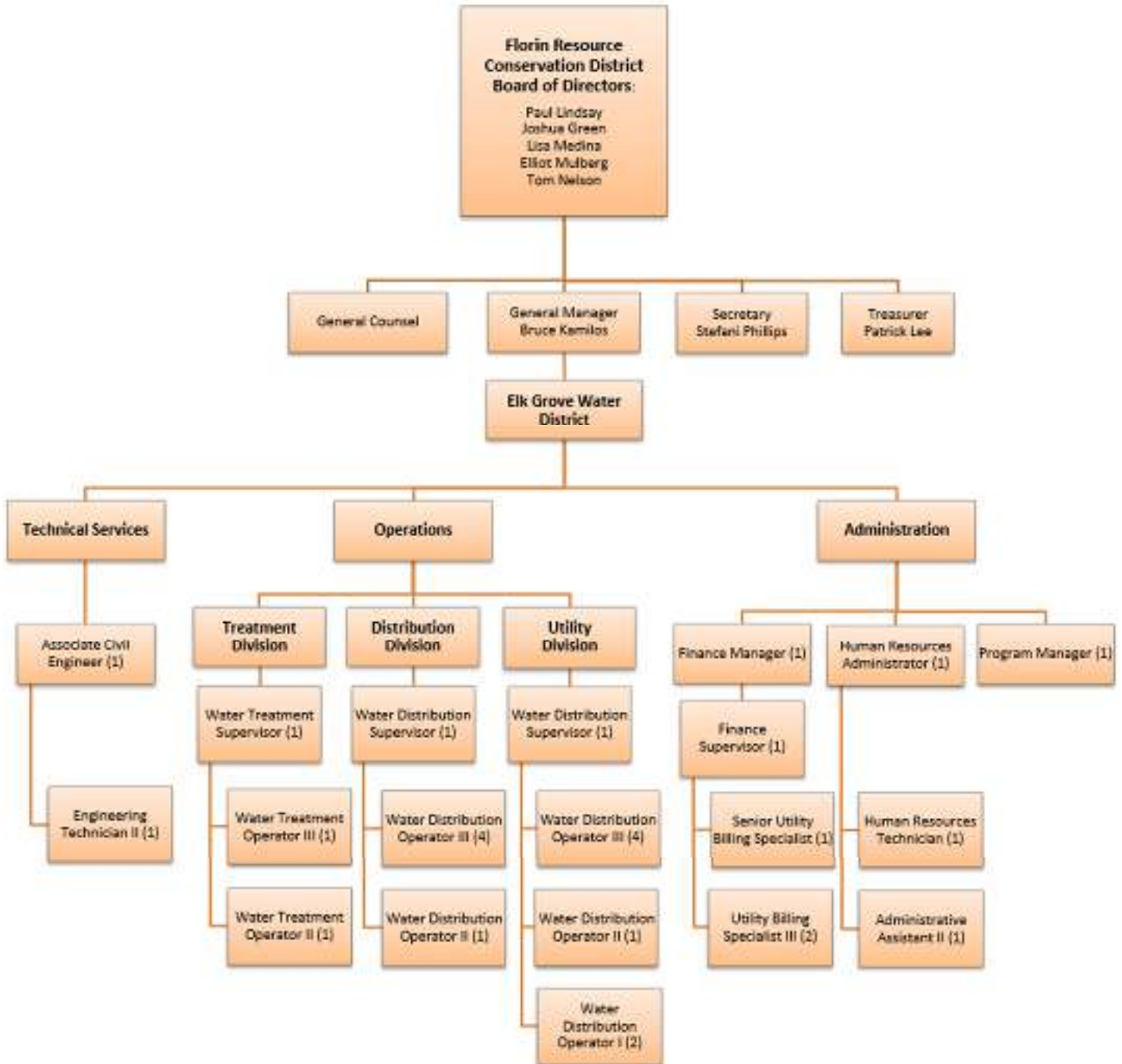
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

In addition, below is a listing of the specific capital projects budgeted for in FY 2026-27 CIP and reflected in the FY 2026-27 operating budget (amounts in 000's):

PROJECT NAME	FY26/27
SUPPLY / DISTRIBUTION IMPROVEMENTS	
AMI Metering Technology*	\$ 1,420
Well Rehabilitation	210
Elk Grove Florin-Frontage Rd. Water Main	401
Gamay/Chablis Way	398
Halverson Dr. Water Main	321
Transmission Main Brinkman Ct. (Cost Share)*	150
City of Elk Grove Improvement Projects*	70
TREATMENT IMPROVEMENTS	
Media Replacement - HVWTP Filter Vessels	150
Well 8 & 9 PLC Replacement	150
RRWTP - 36" Production Meter Replacement	60
BUILDING & SITE IMPROVEMENTS / VEHICLES	
Truck Replacements	110
Pavement Repair & Seal Coat - RRWTP	35
AC Roller Replacement	45
Building Maintenance - RRWTP	30
Pavement Repair & Seal Coat - Admin.	30
UNFORESEEN CAPITAL PROJECTS	
Unforeseen Capital Projects	100
TOTAL CAPITAL IMPROVEMENT BUDGET	\$ 3,680
*Carry over projects from FY25/26	

ORGANIZATIONAL SUMMARY

ELK GROVE WATER DISTRICT ORGANIZATION CHART



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

ELK GROVE WATER DISTRICT STAFF FTE

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Administration & Finance					
General Manager	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Administrator	1.00	1.00	1.00	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00
Finance Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Utility Billing Specialist	1.00	1.00	1.00	1.00	1.00
Utility Billing Specialist III	3.00	3.00	3.00	2.00	2.00
Department Total	11.00	11.00	11.00	10.00	10.00
Technical Services					
Associate Engineer	1.00	1.00	1.00	-	-
Associate Civil Engineer	-	-	-	1.00	1.00
Engineering Technician I	1.00	-	-	-	-
Engineering Technician II	-	1.00	1.00	1.00	1.00
Department Total	2.00	2.00	2.00	2.00	2.00
Operations					
Supervisors	3.00	3.00	3.00	3.00	3.00
Water Distribution Operator I	2.00	2.00	3.00	3.00	2.00
Water Distribution Operator II	6.00	6.00	1.00	1.00	2.00
Water Distribution Operator III	4.00	4.00	8.00	8.00	8.00
Water Treatment Operator II	-	-	-	1.00	1.00
Water Treatment Operator III	2.00	2.00	2.00	1.00	1.00
Departmental Total	17.00	17.00	17.00	17.00	17.00
Organizational Total	30.00	30.00	30.00	29.00	29.00

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

JURISDICTIONAL COMPARISON

District	Elk Grove Water District (EGWD)	Carmichael Water District	San Juan Water District
Year Established	1953	1916	1854
Governed By	Board of Directors	Board of Directors	Board of Directors
Size	13 sq miles	8 sq miles	17 sq miles
Number of Connections	13,500	11,947	11,068
Number of Customers	44,000	40,000	29,776
Budget Comparison - Fiscal Year Basis	July-June	July-June	July-June
Revenues - FY 2025-26 Budget			
Retail Water Sales	\$ 18,145,994	\$ 19,480,000	\$ 17,811,200
Other Revenues	332,000	12,455,476	16,424,500
TOTAL REVENUE BUDGET	\$ 18,477,994	\$ 31,935,476	\$ 34,235,700
Expenditures - FY 2023-24 Budget			
Personnel Costs	\$ 5,219,163	\$ 4,345,270	\$ 7,574,300
Operating Costs	7,318,263	5,806,974	3,542,700
Non-Operating Costs	3,916,503	2,991,566	5,033,400
EXPENDITURE BUDGET	\$ 16,453,929	\$ 13,143,810	\$ 16,150,400
CAPITAL BUDGET	\$ 4,375,000	\$ 21,083,000	\$ 21,894,300
TOTAL EXPENDITURE BUDGET	\$ 20,828,929	\$ 34,226,810	\$ 38,044,700
REVENUES IN EXCESS OF EXPENDITURES	\$ (2,350,935)	\$ (2,291,334)	\$ (3,809,000)
OUTSTANDING DEBT	\$ 27,155,000	\$ 24,805,000	\$ 13,714,733
FTE	29	29	49

Note: The information above is based on FY 2025-26 approved budgets for each District. Both the Carmichael and San Juan Water Districts generate revenue from sources other than retail water sales. For comparison purposes, revenues reflected above include only the portion applicable to retail water sales and expenses reflect total expenses for all operations, not just retail water sales.

DEPARTMENTAL BUDGET SUMMARIES

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

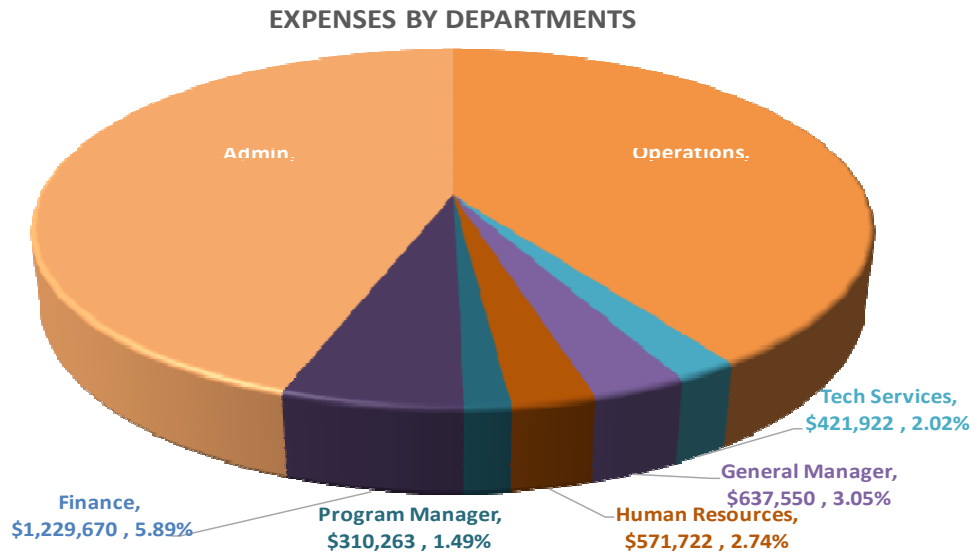
EXPENSES BY DEPARTMENTS

Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2027

Expenditure	Operations	Technical Services	General Manager	Human Resources	Program Manager	Finance	Admin	Total Budget
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$19,066,704
Salaries and Benefits	3,213,667	343,005	432,633	550,672	231,398	996,863	227,592	5,995,830
Seminars, Conventions and Travel	2,700	925	14,387	4,950	3,217	6,599	-	32,778
Office and Operational	972,661	67,993	530	4,500	44,348	158,008	547,548	1,795,588
Purchased Water	3,938,199	-	-	-	-	-	-	3,938,199
Outside Services	324,000	10,000	190,000	11,600	31,300	68,200	831,850	1,466,950
Equipment Rent, Taxes and Utilities	562,000	-	-	-	-	-	38,844	600,844
Subtotal Operational Expenses	9,013,227	421,922	637,550	571,722	310,263	1,229,670	1,645,834	13,830,189
Less: Capitalized Labor	(593,458) *	-	-	-	-	-	-	(593,458)
Total Operational Expenses	8,419,769	421,922	637,550	571,722	310,263	1,229,670	1,645,834	13,236,731
Non-Operating Expenses (Income)	-	-	-	-	-	-	3,956,047	3,956,047
Capital Expenditures	-	-	-	-	-	-	3,680,000	3,680,000
Total Net Expenses	\$8,419,769	\$421,922	\$637,550	\$571,722	\$310,263	\$1,229,670	\$ 9,281,881	\$20,872,778
Transfers (to)/from reserves								1,806,073
Revenues In Excess of Expenses, Principal Retirement and Capital Expenditures								\$ -

* This represents approximately 60% of salaries and benefits of the Utility Division which will be charged to Capital Projects.

SUMMARY BY DEPARTMENTS

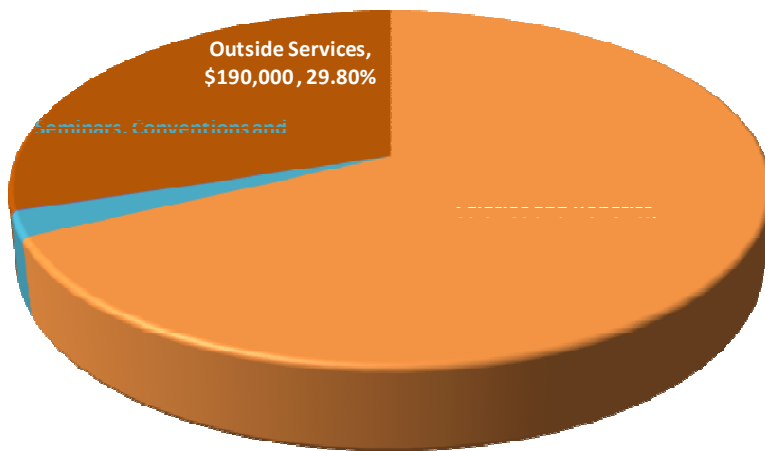


OFFICE OF THE GENERAL MANAGER

The General Manager superintends the District, ensuring that the policies and directives of the Board of Directors are carried out as assigned. The General Manager leads the entire staff with a subset of managers informally called the Leadership Team.



FY 2025-26 GENERAL MANAGER EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Implemented the District’s new enterprise resource planning system.
- Submitted to Sacramento Local Agency Formation Commission (LAFCo) the District’s application to reorganize through the dissolution of FRCD and the designation of EGWD as the successor district under County Water District Law, along with an updated Municipal Service Review.
- Refined the District’s approach for tracking progress on the 2025–2030 Strategic Plan to further strengthen accountability and transparency.
- Held the second annual Citizens Water Academy to strengthen the District’s relationship in the community.
- Submitted data to participate in the 2026 American Water Works Association Utility Benchmarking Program to benchmark District performance against peer utilities and support data-driven decision-making.
- Served in water industry leadership roles by participating on the Regional Water Authority Executive Committee for a fourth consecutive year and chairing the Sacramento Central Groundwater Authority for a second consecutive year.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Expanded the use of Artificial Intelligence (AI) within the District by providing ChatGPT subscriptions to the Leadership Team and Engineering Technician II.
- Presented a Groundwater Recharge Basin Concept to the Sacramento Central Groundwater Authority Board (SCGA) as a potential collaborative groundwater sustainability project.

FY 2026-27 KEY OBJECTIVES

- Complete the reorganization of the District through LAFCo, dissolving the FRCD and designating EGWD as the successor district under County Water District Law.
- Preserve the employees' Classic CalPERS benefits as part of the reorganization.
- Transition the documents from FRCD to EGWD as part of the reorganization.
- Replace the filter media at the Hampton Village Water Treatment Plant.
- Install 3,917 SmartPoints and replace 1,404 meters as part of Year 2 of the AMI project.
- Leverage technology to enhance the District's efficiency.

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Review the District's ordinances periodically to ensure they are current and legally compliant
Performance Measures
 - # of ordinance updates adopted annually (Target: 1)
- Manage water rates to be regionally competitive while ensuring proper financing for future Capital Improvement Program projects and maintaining compliance with outstanding debt covenants
Performance Measures
 - Rate comparison vs. regional peers (Target: ±10–15%)
 - Debt service coverage ratio (Target: ≥ 1.15x)
- Review operational procedures and structures for improvements to District operations
Performance Measures
 - # of improvements implemented (Target: 1)
- Continue developing standard operating procedures
Performance Measures
 - # of SOPs reviewed and approved (Target: 5)
- Host a Citizens Water Academy
Performance Measures
 - # of Citizens Water Academy (Target: 1)

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Foster employee succession planning
 - Performance Measures*
 - % of key roles with successors (Target: 100%)

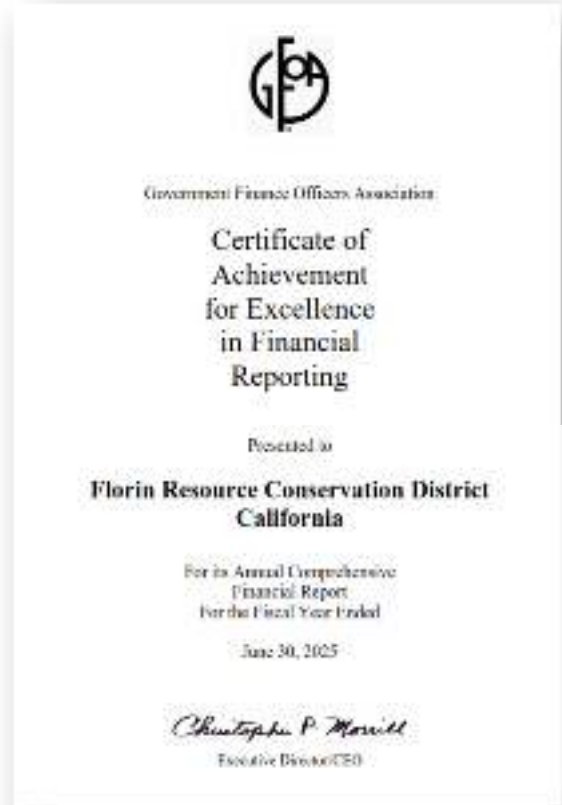
- Participate and actively engage in local and regional water associations, agencies, and committees to address regional and statewide water efforts
 - Performance Measures*
 - # of bi-monthly RWA board meetings attended (Target: 6)
 - # of bi-monthly SCGA board meetings attended (Target: 6)

- Partner with agencies and organizations to develop plans and projects that improve California's water resilience
 - Performance Measures*
 - # of Water Bank program committee meetings attended (Target: 6)

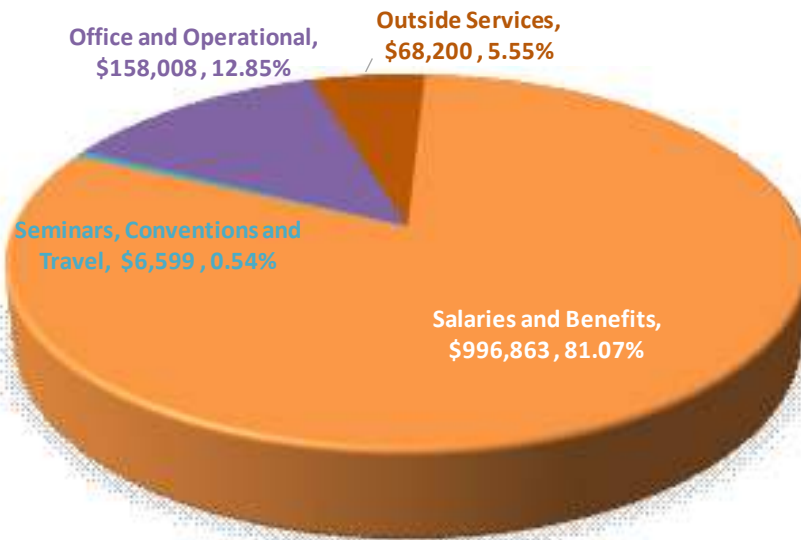
- Monitor key water industry news and trends to stay informed and be proactive
 - Performance Measures*
 - Attend technical and/or educational training (Target: 2)

FINANCE AND ADMINISTRATIVE

The Finance Department is responsible for maintaining fiscal stability in a manner consistent with generally accepted accounting principles and statutory requirements. Included in the Financial Department's duties are customer service, accounts payable, utility billing and accounts receivable, general ledger maintenance, capital assets records, investment activity, accounting, budget development and monitoring, development of cash flow models, debt service, revenue and expenditure forecasting, payroll, financial reporting, and coordination with external financial audits. Finance also oversees the general and administrative functions of the District and its administrative building, including purchasing/procurement management, risk management, equipment rent, supplies and building maintenance.

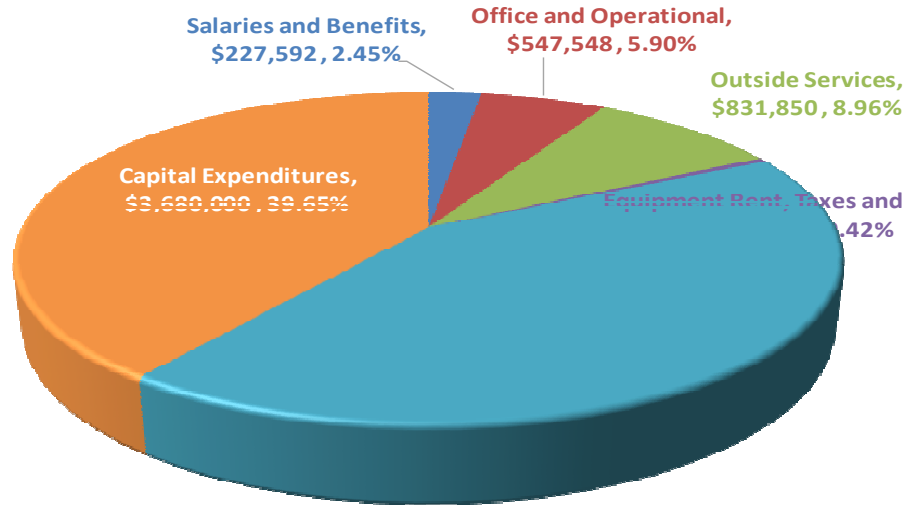


FY 2026-27 FINANCE EXPENSES



**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

FY 2026-27 ADMINISTRATIVE EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Achieved the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 17th consecutive year.
- Achieved the GFOA Distinguished Budget Presentation Award for the 7th consecutive year.
- Completed the implementation of the General Ledger, Payroll, Utility Billing, Purchase Order, Accounts Receivable and Human Resource modules in the new ERP system.
- Established standard operating procedures (SOP's) on the navigation and use of the new ERP system.
- Completed the implementation of Xpress Bill Pay as the District's new utility bill payment processor and portal.
- Completed the transitioning of the District's bill printing and mailing solution to a new compatible vendor.

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Review the District's ordinances periodically to ensure they are current and legally compliant
Performance Measures
 - # of ordinance updates adopted annually (Target: 1)
- Practice sound accounting consistent with the Government Finance Officers Association Standards
Performance Measures
 - Annual financial audit results (Target: Unmodified opinion)

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

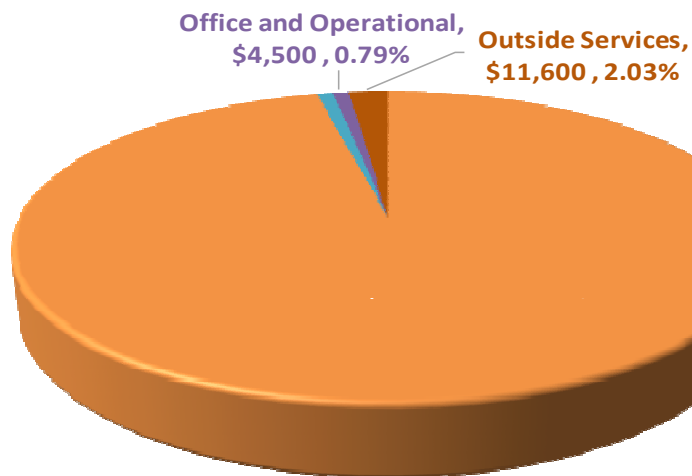
- GFOA recognition achieved/maintained (Target: Yes)
- Manage water rates to be regionally competitive while ensuring proper financing for future Capital Improvement Program projects and maintaining compliance with outstanding debt covenants
 - Performance Measures*
 - Rate comparison vs. regional peers (Target: ±10–15%)
 - Debt service coverage ratio (Target: ≥ 1.15x)
- Develop annual budgets that are balanced through cost saving measures or transfers from operating reserves
 - Performance Measures*
 - Budget adopted by June 30 annually (Target: 100%)
- Examine asset custody and banking services to reduce costs and increase financial operation efficiencies
 - Performance Measures*
 - Annual review completed (Target: Yes)
 - Reduction in banking/transaction fees (Target: -5.0%)
- Increase internal financial awareness by developing and disseminating quarterly department financial reports
 - Performance Measures*
 - # of reports issued annually (Target: 4)
- Evaluate internal process controls to increase security and mitigate the risk of loss and misappropriation of assets
 - Performance Measures*
 - # of control reviews annually (Target: 1)
 - # of fraud/security incidents (Target: 0)
- Review operational procedures and structures for improvements to District operations
 - Performance Measures*
 - # of improvements implemented (Target: 1)
- Continue developing standard operating procedures
 - Performance Measures*
 - # of SOPs created/updated (Target: 1)
- Monitor key water industry news and trends to stay informed and be proactive
 - Performance Measures*
 - Attend technical and educational training (Target: 2)

HUMAN RESOURCES

The Human Resource Department is responsible for handling confidential personnel matters, including recruitment, hiring, training and development, policy development and compliance and employee benefits. The Human Resources Department makes certain that employee matters are handled fairly, equitably and without discrimination according to District policies and state and federal regulations.



FY 2025-26 HUMAN RESOURCE EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Implemented the new Human Resources (HR) module
- Assisted with set-up and training in the Enterprise Resource Planning (ERP) Payroll, Purchase Order, Accounts Receivable modules
- Provided support with Enterprise Resource Planning (ERP) implementation.
- Completed phase I of the Professional Development Program for the Operations Division
- Successfully completed support of the second year of the Citizen's Water Academy
- Foster employee wellness by offering resources and opportunities that support their overall well-being.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Monitor, review and update District policies to adhere to changes in operational, environmental and legislative requirements
 - Performance Measures*
 - Monitor new laws and regulatory requirements (Target: 2, Jun. & Dec.)
 - # of District policies reviewed and updated (Target: 1)
 - Review and update the Employee Policy Manual (Target: 1)

- Conduct orientations for new Board members to review policies and procedures
 - Performance Measures*
 - Biennial orientation provided to all newly seated Board members within one month of taking office, in accordance with District policy (Target: 100% of newly seated Board members, as applicable)
 - Orientation materials reviewed and updated prior to each election cycle, as needed (Target: 100%)

- Review operational procedures and structures for improvements to District operations
 - Performance Measures*
 - Update operational processes (Target: 1)

- Continue developing standard operating procedures
 - Performance Measures*
 - # of SOPs created/updated (Target: 3)

- Host a Citizens Water Academy
 - Performance Measures*
 - # of Citizens Water Academy (Target: 1)

- Provide competitive salaries and benefits, transparently detailed in an annual total compensation statement
 - Performance Measures*
 - Complete development of reporting capabilities to support transparent total compensation statements (Target: 100%)

- Monitor the annual medical contribution cap
 - Performance Measures*
 - Complete consultant-led analysis of medical contribution cap to maintain competitiveness and balanced employee cost-sharing (Target: 100%)

- Implement a District-wide professional development program
 - Performance Measures*
 - Complete Phase II implementation (HR and Finance Departments) (Target: 100%)

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Complete administration and tracking of employee development activities (Target: 100%)

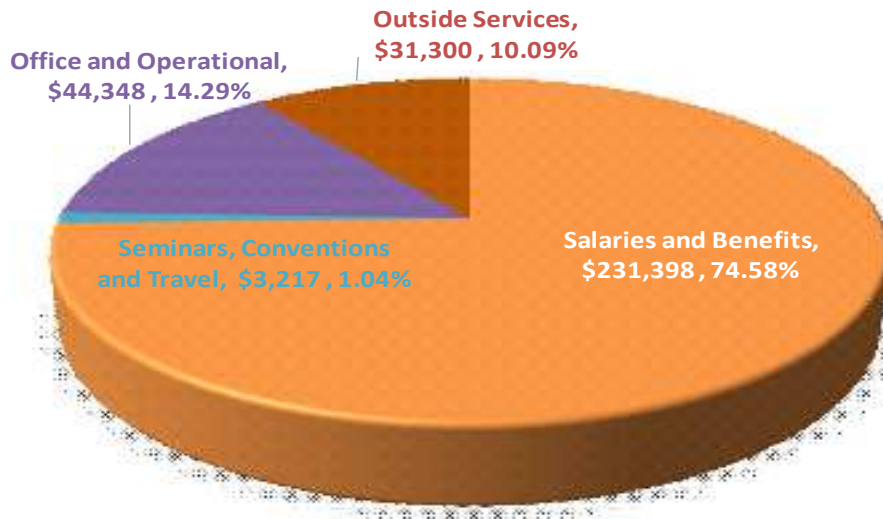
- Foster employee succession planning
 - Performance Measures*
 - % of key roles with successors (Target: 100%)

- Monitor key water industry news and trends to stay informed and be proactive
 - Performance Measures*
 - Review water industry and HR-related information using free sources (Target: quarterly)
 - Identify and communicate potential improvements based on emerging trends (Target: 2)

PROGRAM MANAGER

The Program Manager manages special programs and projects assigned by the General Manager, including water conservation, safety, legislative tracking and lobbying, grant acquisition, and public information and outreach.

FY 2025-26 PROGRAM MANAGER EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Completed the 2025 Urban Water Management Plan and Water Shortage Contingency Plan.
- Updated the District’s Risk and Resilience Assessment.
- Facilitated an emergency response plan tabletop exercise involving a cyber security threat.
- Continued performing customer outreach to achieve water conservation in alignment with State goals.
- Maintained a comprehensive safety program designed to reduce risk and comply with all regulatory requirements.
- Submitted and was awarded Association of California Water Agencies Joint Powers Insurance Authority H.R. LaBounty Safety Award
- Tracked and reported water usage in compliance with Making Conservation a California Way of Life Regulation.
- Completed American Water Works Association (AWWA) Utility Benchmarking Survey



2025 Urban Water Management Plan



**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Review operational procedures and structures for improvements to District operations
Performance Measures
 - # of improvements implemented (Target: 1)
- Continue developing standard operating procedures
Performance Measures
 - # of SOPs created/updated (Target: 1)
- Seek out and implement advanced safety equipment and procedures to enhance job site safety
Performance Measures
 - # of new safety technologies/equipment implemented annually (Target: 1)
- Update the Risk and Resilience Assessments and the Emergency Response Plan
Performance Measures
 - Completion of updates within regulatory timeframe (Target: Yes)
- Perform an emergency preparedness planning exercise annually
Performance Measures
 - # of exercises conducted annually (Target: 1)
- Comply with the State Water Board's water use efficiency regulations by prioritizing Conservation as a California Way of Life
Performance Measures
 - Compliance with state standards (Target: Yes)
- Communicate with the community through The Water Drop newsletter and published articles
Performance Measures
 - # of publications annually (Target: 3)
- Issue the Consumer Confidence Report annually
Performance Measures
 - # of publications annually (Target: 1)
- Monitor the availability of funding for low-income and senior assistance programs
Performance Measures
 - # of funding opportunities identified (Target: 1)
- Solicit feedback on District services and customer satisfaction
Performance Measures
 - # of surveys responses received (Target: 60)

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Continue the District’s involvement and representation at local community events and festivals
 - Performance Measures*
 - # of events attended annually (Target: 3)

- Maintain a comprehensive safety program to reduce risk and comply with all regulatory requirements
 - Performance Measures*
 - # of safety trainings annually (Target: 26)

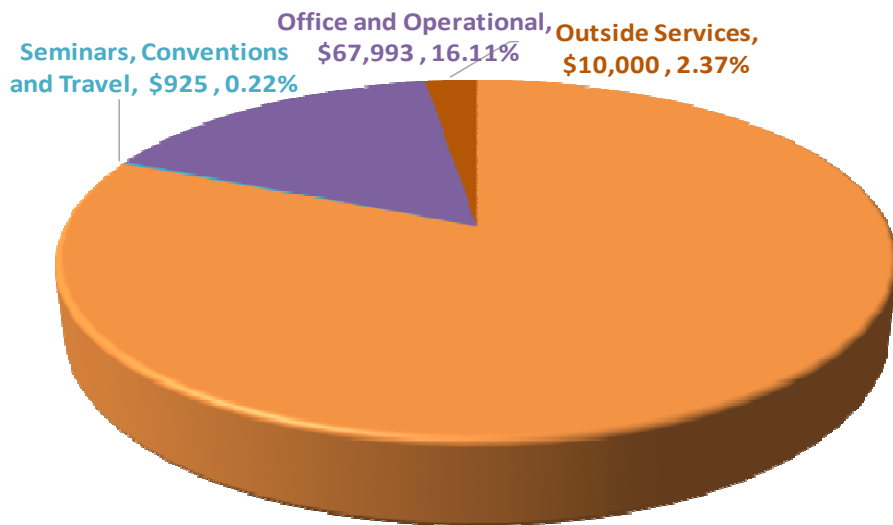
- Advocate for and develop legislation that benefits water agencies regionally and statewide
 - Performance Measures*
 - # of legislative coalitions joined (Target: 1)

- Monitor key water industry news and trends to stay informed and be proactive
 - Performance Measures*
 - Attend technical and educational training (Target: 2)

TECHNICAL SERVICES

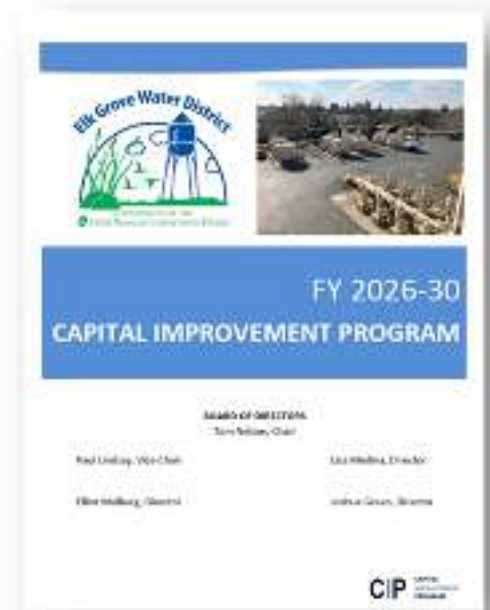
The Technical Services Department provides planning, engineering, construction management, Operations technical support, and district-wide geographic information system (GIS) services. Technical Services Department is also responsible for developing and administering the District’s capital improvement program.

FY 2026-27 TECHNICAL SERVICES EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Completed approximately 90 percent of the District controlled CIP projects identified in the FY 2025-26 CIP budget.
- Launched digital AMI monitoring tools in conjunction with the implementation of the new Utility Billing ERP system module by customer service.
- Completed the replacement and installation work for the Programable Logic Controller (PLC) at the Railroad Water Treatment Plant.
- Launched District-wide Hazard Assessment program as required per the State’s Cross Connection Control Policy Handbook.



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Manage water rates to be regionally competitive while ensuring proper financing for future Capital Improvement Program projects and maintaining compliance with outstanding debt covenants
 - Performance Measures*
 - Rate comparison vs. regional peers (Target: $\pm 10-15\%$)
 - Debt service coverage ratio (Target: $\geq 1.15x$)

- Review operational procedures and structures for improvements to District operations
 - Performance Measures*
 - # of improvements implemented (Target: 2)

- Continue developing standard operating procedures
 - Performance Measures*
 - # of SOPs created/updated (Target: 1)

- Enhance the District's technological capabilities to support efficient operations, improve service delivery, and foster innovation across all departments
 - Performance Measures*
 - % of AMI project phase implemented on schedule (Target: 100%)
 - Complete converting daily manual well checks to automation (Target: 100%)
 - Engage with industry leading technology vendors to learn about emerging products (Target:2)

- Monitor key water industry news and trends to stay informed and be proactive
 - Performance Measures*
 - Attend technical and/or educational training or conferences (Target: 2)

INFORMATION TECHNOLOGY

The District does not have a formal Information Technology (IT) department or staff but considers the operations of IT to be an essential function. The District contracts its IT services to an IT Professional that reports to the General Manager, who is responsible for information services, including development and support of computers and software, information network, program development, office telecommunications, office security, and office systems. All hardware and software IT costs are budgeted for and directly charged to each department based on actual costs for equipment and software. Contract costs are budgeted for and paid out of the Administrative Budget, so there are no expenses to report for Information Technology.



FY 2025-26 Accomplishments

- Continued handling all IT support requests across the District, covering user issues, system problems, and general troubleshooting.
- Maintained consistent response and resolution to keep staff operational with minimal disruption.
- Performed daily system checks to verify that core systems, services, and backups were functioning as expected, addressing issues as they were identified.
- Maintained regular system maintenance across servers, workstations, and applications to ensure systems remain secure and supported.
- Continued structured update cycles to reduce risk and maintain system stability.
- Managed ongoing hardware and software lifecycle needs to avoid unsupported systems.
- Maintained and monitored backup systems to ensure recoverability of District data.
- Verified backup completion and reliability on a routine basis.
- Maintained a consistent recovery posture for critical systems.
- Maintained stable operation of the District's network and server environment.
- Performed routine system maintenance to ensure consistent performance.
- Addressed issues as they arose to prevent operational impact.
- Continued applying standard security practices including updates, configuration management, and monitoring.
- Focused on reducing overall system risk through consistent maintenance and oversight.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Provided IT support for District projects and system improvements.
- Ensured systems remained functional and aligned with operational needs across departments.

FY 2026-27 STRATEGIC PLAN OBJECTIVES

- Review operational procedures and structures for improvements to District operations
 - Performance Measures*
 - Complete the rollout of a Public Notification System (Target: yes)
 - Replace aging network systems (Target: 16)
 - Transition systems from unsupported platforms to a supported virtualization environment. (Target: 100%)
 - Verify health and availability of systems and services (Target: 260)

- Maintain a user-friendly website for easy access to Board materials, governing documents, and account management
 - Performance Measures*
 - Website compliance with WCAG 2.1 AA standards completed (Target: 100%)
 - ADA accessibility audit and remediation completed (Target: 100%)
 - % of new content meeting accessibility standards (Target: 100%)
 - % of Board materials posted on time (Target: 100%)
 - Website uptime (Target: ≥99.5%)
 - Website analytics reviewed quarterly (Target: 100%)

OPERATIONS

The Operations Department, overseen by the General Manager, consists of the Treatment, Distribution, and Utility Divisions. The purpose of the Operations Department is to operate and maintain all facilities in a manner that safeguards public and employee health, complies with all regulatory requirements, and ensures outstanding customer service. The Operations Department is also responsible for the delivery of water to District customers as well as operating and maintaining the District's pipelines and facilities. This department includes the functions of water quality, system maintenance, planning, operations, inspection, and safety.

TREATMENT DIVISION

The Treatment Division oversees the operation and maintenance of the District's water supply and treatment facilities to ensure safe and reliable water supplies to ratepayers. Responsibilities of the Treatment Division include maintaining strict compliance with all state and federal regulatory agencies with the intent of safeguarding public health and the environment;



managing all water quality sampling and reporting to local, state, and federal agencies; and maintaining water production and equipment maintenance records and reports.

DISTRIBUTION DIVISION

The Distribution Division oversees the operation and maintenance of the District's water distribution facilities to ensure the reliable and safe distribution of water to ratepayers. Responsibilities of the Distribution Division include maintenance of 1,610 fire hydrants to ensure reliable fire flows during emergencies; and maintenance and exercising of 1,843 valves to ensure that every valve is checked and exercised every three years. The Distribution Division also conducts monthly meter readings, responds to all customer service requests, performs corrective maintenance, repairs leaks that occur in the water distribution system, and facilitates the District's backflow/cross-connection program.



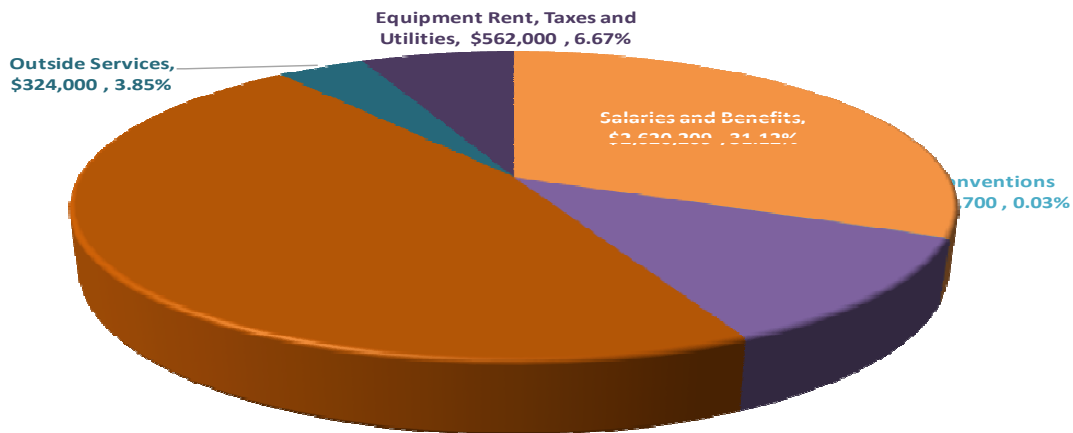
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

UTILITY DIVISION

The Utility Division oversees the implementation of the capital improvement program for the District's water system. Responsibilities of the Utility Division are to replace the District's aging water mains on a pay-as-you-go basis.



FY 2026-27 OPERATIONS DEPARTMENT EXPENSES



FY 2025-26 ACCOMPLISHMENTS

- Installed 2,300 linear feet of new water main pipeline as part of the District's ongoing water main replacement program.
- Completed the installation of 3,078 SmartPoints (phase 1 of the AMI project).
- Completed the full spectrum of Title 22 water quality sampling and testing required every three years.
- Completed replacement of the main programmable logic controller and the Railroad WTP.
- Completed inspection of all 1,718 District fire hydrants and exercising of 807 valves.

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

FY 2026-27 STRATEGIC GOAL OBJECTIVES

- Review operational procedures and structures for improvements to District operations
Performance Measures
 - # of improvements implemented (Target: 1)
- Continue developing standard operating procedures
Performance Measures
 - # of SOPs created/updated (Target: 3)
- Enhance the District’s technological capabilities to support efficient operations, improve service delivery, and foster innovation across all departments
Performance Measures
 - % of AMI project phase implemented on schedule (Target: 100%)
 - % of new ERP system integrated into Operations (Target: 100%)
 - Complete converting daily manual well checks to automation (Target: 100%)
- Seek out and implement advanced safety equipment and procedures to enhance job site safety
Performance Measures
 - # of new safety technologies/equipment implemented (Target: 1)
- Identify and evaluate equipment that enhances operational efficiency and improves overall workflow
Performance Measures
 - # of equipment technologies evaluated (Target: 1)
 - # of new equipment/tools/methods implemented (Target: 1)
- Comply with all State and Federal Drinking Water Standards
Performance Measures
 - % compliance with all applicable drinking water regulations (Target: 100%)
 - # of Maximum Contaminant Level (MCL) violations (Target: 0)
 - % of required sampling events completed on schedule (Target: 100%)
 - # of notices of violation or enforcement actions (Target: 0)
- Conduct surveys of backflow devices for compliance with the Cross Connection Control Policy Handbook
Performance Measures
 - % of backflow devices inspected/tested annually (Target: 100%)
 - % of non-compliant devices corrected (Target: 100%)

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

- Maintain a comprehensive safety program to reduce risk and comply with all regulatory requirements

Performance Measures

- # of safety trainings annually (Target: 26)
 - Reduction in workplace incidents/injuries (Target: year-over-year decrease)
- Monitor key water industry news and trends to stay informed and be proactive

Performance Measures

- Attend technical and educational training (Target: 1)

LONG-TERM INDEBTEDNESS BOND COVENANT RATIO

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

LONG TERM DEBT OBLIGATIONS

The District’s long-term debt obligations are comprised of the 2014 Series A Water Revenue Refunding Bonds and 2016 Series A Water Revenue Refunding Bonds. A description of the purpose, original issue, and outstanding amounts as of June 30, 2026, are as follows:

	Principal	Interest
<u>Florin Resource Conservation District, Water Revenue Refunding Bonds, 2014 Series A</u>		
On December 16, 2014, the District issued the Florin Resource Conservation District, Water Revenue Refunding Bonds, 2014 Series A in the amount of \$32,325,000. The proceeds were used to prepay aggregate principal amount of outstanding certificates of participation previously executed and delivered by the District, purchase a debt service reserve surety bond, and pay for certain costs associated with the issuance of the 2014 Series A Bonds. The Bonds are secured by a lien on the net water system revenues. Annual principal payments of \$715,000 to \$2,450,000 are due on September 1, 2016 through September 1, 2032. Semi-annual interest payments of \$37,625 to \$688,909 are due March 1 and September 1, 2016 through September 1, 2032. The interest rates range from 4.30% to 5.00%. These bonds are rated A+ by Standard and Poors	\$ 13,800,000	\$ 2,007,003
<u>Florin Resource Conservation District, Water Revenue Refunding Bonds, 2016 Series A</u>		
On June 7, 2016, the District issued the Florin Resource Conservation District, Direct Placement Water Revenue Refunding Bonds, 2016 Series A in the amount of \$14,875,000. The proceeds were used to prepay aggregate principal amount of outstanding certificates of participation previously executed and delivered by the District, purchase a debt service reserve surety bond, and pay for certain costs associated with the issuance of the 2016 Series A Bonds. The Bonds are secured by a lien on the net water system revenues. Annual principal payments of \$350,000 to \$2,395,000 are due on September 1, 2016 through September 1, 2032. Semi-annual interest payments of \$43,110 to \$261,450 are due March 1 and September 1, 2016 through September 1, 2032. The interest rate is 3.6%. This is a private placement debt obligation and as such is not rated	\$ 10,420,000	\$ 1,634,940
TOTAL	\$ 24,220,000	\$ 3,641,943

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

Bond Covenant Ratio Requirements

The 2014 and 2016 bonds are parity debt, with the net revenues required to be at least 1.15 times the sum of the cash basis installment principal and interest payments on the outstanding bonds and any other obligation payable from water system revenues.

The calculation of the projected required coverage ratio based on the FY 2026-27 budget is as follows:

	<u>2027</u>
Covenant:	
Net Income	\$5,829,973
Interest and principal payments, cash basis (as defined)	<u>\$3,981,047</u>
Coverage ratio computed	<u>1.46</u>

The annual requirements to amortize the outstanding debt through maturity are as follows:

Year Ending	2014 Refunding, Series A Bonds		Direct Placement 2016 Refunding, Series A Bonds		Total
	Principal	Interest	Principal	Interest	
2027	2,285,000	545,147	790,000	360,900	3,981,047
2028	2,365,000	465,200	815,000	332,010	3,977,210
2029	2,450,000	379,406	845,000	302,130	3,976,536
2030	2,150,000	281,250	1,280,000	263,880	3,975,130
2031	1,610,000	187,250	1,985,000	205,110	3,987,360
2032-2033	2,940,000	148,750	4,705,000	170,910	7,964,660
	<u>\$ 13,800,000</u>	<u>\$ 2,007,003</u>	<u>\$ 10,420,000</u>	<u>\$ 1,634,940</u>	<u>\$ 27,861,943</u>

FISCAL YEAR 2026-27 RATES AND FEES SCHEDULE

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

Use Charges:

Fixed charge based on the number of accounts and the size of the water meter/connections:

Connection Size	Jan 1, 2026	Jan 1, 2027
1"	\$ 67.16	\$ 70.19
1.5"	\$ 122.23	\$ 127.74
2"	\$ 188.31	\$ 196.79
3"	\$ 397.60	\$ 415.50
4"	\$ 672.95	\$ 703.24
6"	\$ 1,499.03	\$ 1,566.49
8"	\$ 1,774.38	\$ 1,854.23
10"	\$ 4,638.10	\$ 4,846.82

Commodity charge for units of water used in a month:

Service Type	Jan 1, 2026	Jan 1, 2027
Residential Metered		
Tier 1 (0-30 CCF)	\$ 2.36	\$ 2.47
Tier 2 (30.01+ CCF)	\$ 3.50	\$ 3.66
CCF = Hundred Cubic Feet		
Non-residential	\$ 2.35	\$ 2.46
Irrigation	\$ 3.25	\$ 3.40

Other Fees:

Private Fire Protection Service Rates:

Connection Size	Jan 1, 2026	Jan 1, 2027
2"	\$ 4.07	\$ 4.26
3"	\$ 11.79	\$ 12.33
4"	\$ 25.12	\$ 26.26
6"	\$ 72.93	\$ 76.22
8"	\$ 155.40	\$ 162.40
10"	\$ 279.45	\$ 292.03
12"	\$ 451.36	\$ 471.68

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

Other: Effective February 15, 2022

Fee Type	Amount
Account set up	\$30.00
Return check charge	\$30.00, plus amount of check
Meter re-read	
First request	Free
Subsequent requests	\$25.00
Photocopies - Black and white	\$0.10/page
Photocopies - Color	\$0.15/page
Delinquency shutoff	
Delinquent amount	Amount of past due bill
Door Tag Fee	\$25.00
Late Payment Penalty	\$100.00
24-hour turn-on fee	\$100.00
Meter testing	\$47.00/hour
Back flow Tag Fee	\$25.00/tag
Back flow Testing Fee	T/M at contractors' rate
Fire flow testing	\$156.00
Violation of water ordinance (within 1 year)	
First occurrence	\$100.00
Second occurrence	\$200.00
Each additional occurrence	\$500.00
Plan check fees	
Irrigation only	\$500.00
1 lot (EDU)	\$500.00
2-9 lots (EDUs)	\$2,000.00
10 lots (EDUs) or more	\$5,000.00
Construction/temporary service	
Installation & removal	\$194.00
Daily rental	\$7.14
Special Capital Development Fee	1/3 of total consumption charge
Deposit	\$3,000.00
Water Theft and Meter Tampering	See "Water Theft and Tampering w/ District Facilities Ordinance"

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget**

New Connections: Effective September 18, 2023

Fees for new connection to EGWD contain two components. The base charge for a 1-inch meter is \$926.00 and larger meter installations will be charged any additional time and material (T&M) cost. The second is a capacity charge, which covers the cost of “buying-in” to an existing system. New connections in EGWD’s Service Area 2 do not pay the capacity charge, as those costs are part of Sacramento County’s infrastructure.

Meter Size	Meter Charge	Capacity Fee	Total
1"	\$ 926	\$ 4,292	\$ 5,518
1.5"	T&M	\$ 8,584	\$ 8,584 + T&M
2"	T&M	\$ 13,734	\$ 13,734 + T&M
3"	T&M	\$ 30,044	\$ 30,044 + T&M
4"	T&M	\$ 51,504	\$ 51,504 + T&M
6"	T&M	\$ 115,884	\$ 115,884 + T&M

FISCAL YEAR 2026-27

SALARY SCHEDULE

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

ELK GROVE WATER DISTRICT
Non-Exempt Positions
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2026 (3.70% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Administrative Assistant I	40	\$ 60,985.60	\$ 64,022.40	\$ 67,225.60	\$ 70,636.80	\$ 74,131.20
		\$ 2,345.60	\$ 2,462.40	\$ 2,585.60	\$ 2,716.80	\$ 2,851.20
		\$ 29.32	\$ 30.78	\$ 32.32	\$ 33.96	\$ 35.64
Administrative Assistant II	44	\$ 67,225.60	\$ 70,636.80	\$ 74,131.20	\$ 77,812.80	\$ 81,744.00
		\$ 2,585.60	\$ 2,716.80	\$ 2,851.20	\$ 2,992.80	\$ 3,144.00
		\$ 32.32	\$ 33.96	\$ 35.64	\$ 37.41	\$ 39.30
Engineering Technician I	55	\$ 87,921.60	\$ 92,310.40	\$ 96,928.00	\$ 101,795.20	\$ 106,849.60
		\$ 3,381.60	\$ 3,550.40	\$ 3,728.00	\$ 3,915.20	\$ 4,109.60
		\$ 42.27	\$ 44.38	\$ 46.60	\$ 48.94	\$ 51.37
Engineering Technician II	59	\$ 96,928.00	\$ 101,795.20	\$ 106,849.60	\$ 112,236.80	\$ 117,852.80
		\$ 3,728.00	\$ 3,915.20	\$ 4,109.60	\$ 4,316.80	\$ 4,532.80
		\$ 46.60	\$ 48.94	\$ 51.37	\$ 53.96	\$ 56.66
Engineering Technician III	63	\$ 106,849.60	\$ 112,236.80	\$ 117,852.80	\$ 123,718.40	\$ 129,875.20
		\$ 4,109.60	\$ 4,316.80	\$ 4,532.80	\$ 4,758.40	\$ 4,995.20
		\$ 51.37	\$ 53.96	\$ 56.66	\$ 59.48	\$ 62.44
Human Resources Technician	52	\$ 81,744.00	\$ 85,820.80	\$ 90,168.00	\$ 94,577.60	\$ 99,340.80
		\$ 3,144.00	\$ 3,300.80	\$ 3,468.00	\$ 3,637.60	\$ 3,820.80
		\$ 39.30	\$ 41.26	\$ 43.35	\$ 45.47	\$ 47.76
Operator in Training	45	\$ 68,889.60	\$ 72,342.40	\$ 75,940.80	\$ 79,768.00	\$ 83,720.00
		\$ 2,649.60	\$ 2,782.40	\$ 2,920.80	\$ 3,068.00	\$ 3,220.00
		\$ 33.12	\$ 34.78	\$ 36.51	\$ 38.35	\$ 40.25
Senior Utility Billing Specialist	56	\$ 90,168.00	\$ 94,577.60	\$ 99,340.80	\$ 104,332.80	\$ 109,595.20
		\$ 3,468.00	\$ 3,637.60	\$ 3,820.80	\$ 4,012.80	\$ 4,215.20
		\$ 43.35	\$ 45.47	\$ 47.76	\$ 50.16	\$ 52.69
Utility Billing Specialist I	36	\$ 55,328.00	\$ 58,115.20	\$ 60,985.60	\$ 64,022.40	\$ 67,225.60
		\$ 2,128.00	\$ 2,235.20	\$ 2,345.60	\$ 2,462.40	\$ 2,585.60
		\$ 26.60	\$ 27.94	\$ 29.32	\$ 30.78	\$ 32.32
Utility Billing Specialist II	40	\$ 60,985.60	\$ 64,022.40	\$ 67,225.60	\$ 70,636.80	\$ 74,131.20
		\$ 2,345.60	\$ 2,462.40	\$ 2,585.60	\$ 2,716.80	\$ 2,851.20
		\$ 29.32	\$ 30.78	\$ 32.32	\$ 33.96	\$ 35.64
Utility Billing Specialist III	46	\$ 70,636.80	\$ 74,131.20	\$ 77,812.80	\$ 81,744.00	\$ 85,820.80
		\$ 2,716.80	\$ 2,851.20	\$ 2,992.80	\$ 3,144.00	\$ 3,300.80
		\$ 33.96	\$ 35.64	\$ 37.41	\$ 39.30	\$ 41.26

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

ELK GROVE WATER DISTRICT
Non-Exempt Positions
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2026 (3.70% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Water Distribution Supervisor	66	\$ 115,003.20	\$ 120,744.00	\$ 126,776.00	\$ 133,140.80	\$ 139,838.40
		\$ 4,423.20	\$ 4,644.00	\$ 4,876.00	\$ 5,120.80	\$ 5,378.40
		\$ 55.29	\$ 58.05	\$ 60.95	\$ 64.01	\$ 67.23
Water Distribution Operator I	49	\$ 75,940.80	\$ 79,768.00	\$ 83,720.00	\$ 87,921.60	\$ 92,310.40
		\$ 2,920.80	\$ 3,068.00	\$ 3,220.00	\$ 3,381.60	\$ 3,550.40
		\$ 36.51	\$ 38.35	\$ 40.25	\$ 42.27	\$ 44.38
Water Distribution Operator II	53	\$ 83,720.00	\$ 87,921.60	\$ 92,310.40	\$ 96,928.00	\$ 101,795.20
		\$ 3,220.00	\$ 3,381.60	\$ 3,550.40	\$ 3,728.00	\$ 3,915.20
		\$ 40.25	\$ 42.27	\$ 44.38	\$ 46.60	\$ 48.94
Water Distribution Operator III	57	\$ 92,310.40	\$ 96,928.00	\$ 101,795.20	\$ 106,849.60	\$ 112,236.80
		\$ 3,550.40	\$ 3,728.00	\$ 3,915.20	\$ 4,109.60	\$ 4,316.80
		\$ 44.38	\$ 46.60	\$ 48.94	\$ 51.37	\$ 53.96
Water Treatment Supervisor	66	\$ 115,003.20	\$ 120,744.00	\$ 126,776.00	\$ 133,140.80	\$ 139,838.40
		\$ 4,423.20	\$ 4,644.00	\$ 4,876.00	\$ 5,120.80	\$ 5,378.40
		\$ 55.29	\$ 58.05	\$ 60.95	\$ 64.01	\$ 67.23
Water Treatment Operator I	49	\$ 75,940.80	\$ 79,768.00	\$ 83,720.00	\$ 87,921.60	\$ 92,310.40
		\$ 2,920.80	\$ 3,068.00	\$ 3,220.00	\$ 3,381.60	\$ 3,550.40
		\$ 36.51	\$ 38.35	\$ 40.25	\$ 42.27	\$ 44.38
Water Treatment Operator II	53	\$ 83,720.00	\$ 87,921.60	\$ 92,310.40	\$ 96,928.00	\$ 101,795.20
		\$ 3,220.00	\$ 3,381.60	\$ 3,550.40	\$ 3,728.00	\$ 3,915.20
		\$ 40.25	\$ 42.27	\$ 44.38	\$ 46.60	\$ 48.94
Water Treatment Operator III	57	\$ 92,310.40	\$ 96,928.00	\$ 101,795.20	\$ 106,849.60	\$ 112,236.80
		\$ 3,550.40	\$ 3,728.00	\$ 3,915.20	\$ 4,109.60	\$ 4,316.80
		\$ 44.38	\$ 46.60	\$ 48.94	\$ 51.37	\$ 53.96

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2026-27 Operating Budget

ELK GROVE WATER DISTRICT
Exempt Positions
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2026 (3.70% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Finance Manager	88	\$ 196,684.80	\$ 206,585.60	\$ 216,881.60	\$ 227,739.20	\$ 239,096.00
		\$ 7,564.80	\$ 7,945.60	\$ 8,341.60	\$ 8,759.20	\$ 9,196.00
		\$ 94.56	\$ 99.32	\$ 104.27	\$ 109.49	\$ 114.95
Senior Civil Engineer	77	\$ 150,404.80	\$ 157,892.80	\$ 165,776.00	\$ 174,054.40	\$ 182,790.40
		\$ 5,784.80	\$ 6,072.80	\$ 6,376.00	\$ 6,694.40	\$ 7,030.40
		\$ 72.31	\$ 75.91	\$ 79.70	\$ 83.68	\$ 87.88
Finance Supervisor	71	\$ 129,875.20	\$ 136,364.80	\$ 143,187.20	\$ 150,404.80	\$ 157,892.80
		\$ 4,995.20	\$ 5,244.80	\$ 5,507.20	\$ 5,784.80	\$ 6,072.80
		\$ 62.44	\$ 65.56	\$ 68.84	\$ 72.31	\$ 75.91
Associate Civil Engineer	71	\$ 129,875.20	\$ 136,364.80	\$ 143,187.20	\$ 150,404.80	\$ 157,892.80
		\$ 4,995.20	\$ 5,244.80	\$ 5,507.20	\$ 5,784.80	\$ 6,072.80
		\$ 62.44	\$ 65.56	\$ 68.84	\$ 72.31	\$ 75.91
Human Resources Administrator	70	\$ 126,776.00	\$ 133,140.80	\$ 139,838.40	\$ 146,764.80	\$ 154,128.00
		\$ 4,876.00	\$ 5,120.80	\$ 5,378.40	\$ 5,644.80	\$ 5,928.00
		\$ 60.95	\$ 64.01	\$ 67.23	\$ 70.56	\$ 74.10
Program Manager	69	\$ 123,718.40	\$ 129,875.20	\$ 136,364.80	\$ 143,187.20	\$ 150,404.80
		\$ 4,758.40	\$ 4,995.20	\$ 5,244.80	\$ 5,507.20	\$ 5,784.80
		\$ 59.48	\$ 62.44	\$ 65.56	\$ 68.84	\$ 72.31
Associate Engineer	65	\$ 112,236.80	\$ 117,852.80	\$ 123,718.40	\$ 129,875.20	\$ 136,364.80
		\$ 4,316.80	\$ 4,532.80	\$ 4,758.40	\$ 4,995.20	\$ 5,244.80
		\$ 53.96	\$ 56.66	\$ 59.48	\$ 62.44	\$ 65.56

ELK GROVE WATER DISTRICT
General Manager
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2026 (3.70% COLA)

Position	Grade	Minimum	Current	-	-	Maximum
General Manager	103	\$ 283,545.60	\$ 302,369.60			\$ 344,635.20
		\$ 10,905.60	\$ 11,629.60			\$ 13,255.20
		\$ 136.32	\$ 145.37			\$ 165.69

GLOSSARY

ACRONYMS & GLOSSARY OF TERMS

A

Account – A category that identifies the justification of the transaction of funds received or paid.

Account Balance – The difference in dollars between the total debits and the total credits in an account.

Accrual Basis of Accounting – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Accrual – The recognition of a revenue or expense in the current period even though the actual cash may not be received or paid until the following period.

ACFR – Annual Comprehensive Financial Report.

Acre-foot of Water – The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

Actual – The final audited revenue / expense results of operations for the fiscal year indicated.

ACWA – Association of California Water Agencies.

AICPA – American Institute of Certified Public Accountants.

AMI – Advanced Metering Infrastructure.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to specified times and amounts.

Assets – Resources owned or held by EGWD/FRCD which have monetary value.

Audit – An examination of the books and records of EGWD/FRCD to determine financial status and results of operations (excess or loss).

AWWA – American Water Works Association.

B

Backflow – The backing up of water through a conduit or channel in the direction opposite to normal flow.

BMPs – Best Management Practices.

Board of Directors – The EGWD/FRCD is governed by a Board, the members of which are elected by the voters within the FRCD boundaries. The Board sets policy and provides overall leadership for EGWD/FRCD including the mission, goals, priorities, and resource allocation.

Bond Issuance Costs – The costs incurred by the bond issuer during the planning, marketing, and sale of a bond issue.

Bonds – Fixed income instruments that represent loans made by investors to borrowers.

Budget Calendar – The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

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Budgetary Control – The control of management in accordance with the approved budget to keep expenses within the limitations of available appropriations and available revenues.

C

CAC – Community Advisory Committee.

CalPERS – California Public Employees Retirement System.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, equipment, technical instruments, etc., which have a life expectancy of more than one year and a value over \$5,000.

Cash Flows – The movement of cash in and out of the District from day-to-day activities.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The District maximizes the return on all funds available for investment without sacrifice of safety or necessary liquidity.

CCF – Centum cubic feet.

CCR – Consumer Confidence Report.

CEQA – California Environmental Quality Act.

CIP – Capital Improvement Program.

COLA – Cost of Living Adjustment.

CMTA – California Municipal Treasurer’s Association.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

CSDA – California Special Districts Association.

CSR – Customer Service Representative.

CSMFO – California Society of Municipal Finance Officers.

CTO – Compensatory time off.

Current Assets – Cash plus assets that are expected to be converted to cash, sold, or consumed during the next 12 months or as a part of the normal operating cycle.

Current Liabilities – Obligations that will become due within the next year or within the normal operating cycle, if longer than a year.

D

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Debt Service – The payment of principal and interest on any short-term and long-term debt.

Debt Service Requirements – The amount of money required to pay interest and principal on outstanding debt.

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Depreciation – The allocation of the acquisition cost of plant, property and equipment to the particular periods or products that benefit from the utilization of the asset in service.

E

Easement – An acquired legal right to the use of land owned by others.

ECCP – Employee Cost Control Program.

EDU – Equivalent Dwelling Unit.

EGWD – Elk Grove Water District.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

ERP – Enterprise Resource Planning.

Expenditures – A decrease in net financial resources, actual payment for goods and services received.

F

Financial Statement – A set of summary documents which pertain to financial information that consist of the following: Balance Sheet or Combining Schedule of Net Assets, Income Statement or Combining Schedule of Revenues and Expenses, Statement of Cash Flows, Notes of Financial Statements and, in the District’s case, various Supplements, Schedules, etc.

Fiscal Policy – The District’s policies with respect to revenues, spending, and debt management as these relate to services, programs, and capital investment.

Fixed Assets – Long-term tangible assets that have a normal use expectancy of more than one year and do not lose their individual identity through use. Fixed assets include primarily buildings, equipment, and land.

FRCD – Florin Resource Conservation District.

FTE – Full Time Equivalent.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – The cumulative difference of all revenues and all expenses of the fund from the time the District was established. Fund balance is also considered to be the difference between fund assets and fund liabilities and is sometimes referred to as “fund equity” at any given point in time.

G

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

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Geographic Information System (GIS) – An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goals – General statements of desired state, condition, or situation to be achieved, which may be viewed from a short or long-term perspective

Governmental Accounting Standards Board (GASB) – Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

Governmental Finance Officers of America (GFOA) – Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

Groundwater – Water produced by pumping from underground.

GSP – Groundwater Sustainability Plan.

H

I

Independent Auditor – External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

Infrastructure – District owned capital assets that provide services to the ratepayers.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of the financial records.

Inventories – Items held for future use.

Investment Income – Income derived by investing certain fund balance in interest-yielding securities in compliance with the provisions of the District’s Investment policy.

J

K

L

Liabilities – Obligations incurred in past or current transactions requiring present or future settlement.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

M

Meter – An instrument of measuring the flow of water.

MGD – Million gallons per day.

Mid-Year Review – Midway through the fiscal year the current year budget is evaluated based on spending to date and current projections. The primary areas reviewed and analyzed are year-to-date expenditure and revenue status plus expenditure and revenue projections for the remainder of the year.

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Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred except on long-term debt which is recognized when due.

N

Net Position – The difference between the District’s assets plus deferred outflows of resources and the District’s liabilities plus deferred inflows of resources.

Notes Payable – Long or short-term obligations that are payable according to a contract or agreement in which the timeframe is executed.

NSF – Non-sufficient funds.

O

Objective – A statement of purpose defined more specifically than goals, defining the result-oriented activities necessary to achieve a stated goal.

Obligation – Amounts which the District may be legally required to meet out of its resources and includes not only actual liabilities, but also encumbrances not yet paid.

OPEB – Other Post Employment Benefit.

Operating Expense – All costs required for the daily operation of the District necessary to provide services and maintain the systems in good operating condition that are not considered capital improvements or debt repayments.

Overtime – Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

P

PEPRA – Public Employees’ Pension Reform Act of 2013 is a California law that significantly changed how retirement and health benefits are applied to new members of the CalPERS. It primarily affects those hired on or after January 1, 2013.

Projected – An estimate of revenues or expenses based on past trends, the present economic situation, and future financial forecasts.

PTO – Personal time off.

Q

R

Ratepayers– Those being provided with water service by Elk Grove Water District.

Refunding Bonds – Bonds issued to retire bonds that are already outstanding.

Reimbursements – Payment made to someone for out-of-pocket expenses incurred.

Reserves – An account used to indicate that a portion of a fund’s assets are restricted for a specific purpose.

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Revenue – An inflow of assets in exchange for services.

Revenue Bonds – Municipal bonds that finance income-producing projects and are secured by a specific revenue source.

Risk Management – A coordinated effort to minimize costs – typically where insurance policies are purchased to manage the District’s exposure to various risks of loss; Workers’ Compensation; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters.

RRWTF – Railroad Water Treatment Facility.

RWA – Regional Water Authority.

S

SCADA System – “**Supervisory Control and Data Acquisition**” System. The computer system that collects data, processes the data, and allows operating personnel to take corrective actions.

SCGA – Sacramento Central Groundwater Authority.

SCWA – Sacramento County Water Agency.

SDLF – Special District Leadership Foundation.

SOP – Standard operating procedures.

T

Treated Water – Water which has been processed through the District’s water treatment plant(s) or imported from other utilities to supplement the EGWD’s water supplies.

T&M – Time and materials.

U

V

Variance – The dollar and/or percentage difference between two sets of figures.

VFD – Variable frequency drive.

VTO – Vacation time off.

W

Water Conservation – Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

Water Quality – The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

Well – A vertical drilled hole into an underground formation, usually to obtain a source of water, to monitor ground water quality or to determine the position of the water table.

WDO – Water Distribution Operator.

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X

Y

Z