



Fiscal Year 2025-26 Operating Budget



Florin Resource Conservation District/Elk Grove Water District

9829 Waterman Road

Elk Grove, CA 95624

(916) 685-3556

www.egwd.org

Board of Directors

Tom Nelson, Chair

Paul Lindsay, Vice-Chair

Joshua Green, Director

Lisa Medina, Director

Elliot Mulberg, 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 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:** We are a team. The community is supported through mutual cooperation and respect. Great ideas come from many sources, and we listen with an open mind.
- **Caring:** We care about the quality of our water; we care about our customers' satisfaction, and we care about the quality of the working environment.
- **Integrity:** We are honest with one another, with our customers and with our industry partners. We maintain a quality operation that is fiscally sound and forthright. We want the trust and respect of our community and ratepayers.
- **Professionalism:** We are committed to standards of excellence, accuracy, and superior conduct.



TABLE OF CONTENTS

INTRODUCTORY SECTION

Budget Transmittal Letter.....	6
About the Florin Resource Conservation District/Elk Grove Water District.....	8
Strategic Goals.....	10
Florin Resource Conservation District Board of Directors.....	14
Industry Analysis and Current Status.....	15
Financial Policies.....	18
Budget Process.....	22
EGWD by the Numbers.....	23
FY 2025-26 Budget Preparation Timeline.....	24
GFOA Distinguished Budget Presentation Award.....	25
FY 2025-26 Budget Adoption Resolution.....	26

FISCAL YEAR 2024-25 BUDGET OVERVIEW

Summary of Revenues and Expenses.....	29
Summary of Net Position Activity.....	30
10-year Financial Plan.....	31
FY 2025-26 Budget Highlights.....	32

REVENUE SECTION

Budgeted Revenues by Category.....	36
Major Revenue Sources.....	37
Revenue Detail.....	40

EXPENSE SECTION

Budgeted Expenses by Category.....	42
Salaries and Benefits.....	43
Seminars, Conventions and Travel.....	46
Office & Operational.....	47
Purchase Water Cost.....	49
Outside Services.....	51
Equipment Rents, Taxes and Utilities.....	52
Non-Operating Expenses (Revenues).....	53
Capital Expenditures	54
Fiscal Year 2025-26 Capital Projects Listing.....	55

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget**

ORGANIZATIONAL SUMMARY

Organizational Chart	58
FTE Listing.....	59
Jurisdictional Comparison	60

DEPARTMENTAL BUDGET SUMMARIES

Expenses by Department.....	62
Summary by Department.....	62
Office of the General Manager.....	63
Finance and Administrative Department.....	65
Human Resources Department.....	68
Program Manager Department.....	70
Technical Services Department.....	72
Information Technology.....	74
Operations Department.....	77

LONG-TERM INDEBTEDNESS, REVENUE BONDS AND BOND COVENANT RATIO

Long-Term Debt Obligations.....	81
Bond Covenant Ratio Requirements.....	82

FISCAL YEAR 2025-26 RATES AND FEES SCHEDULE

Rates and Fees Schedule.....	84
------------------------------	----

FISCAL YEAR 2025-26 SALARY SCHEDULE

Salary Schedule.....	88
----------------------	----

GLOSSARY

Acronyms & Glossary of Terms.....	92
-----------------------------------	----

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget



To: Florin Resource Conservation District Board of Directors

From: Bruce Kamilos, General Manager

Date: June 17, 2025

Subject: **FLORIN RESOURCE CONSERVATION DISTRICT/ELK GROVE WATER DISTRICT
FY 2025-26 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, 2025. 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) 2025-26, staff is 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 Congress enacting tariffs on imported goods, there is uncertainty in the cost of future goods and services and the economy itself. Water conservation and slower growth are also expected to put 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, 2026.

The District's Operations Department has been fully engaged in performing necessary water system maintenance and replacing aging infrastructure. The District is projecting a total of 2,600 linear feet of water mains will be replaced in FY 2025-26. The District's long-term water main replacement program will replace aging water mains before they reach the end of their useful

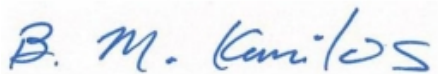
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

life of 75 years. In addition to the continued replacement of aging water mains, the Operations Department will also be working hard to roll out the implementation of Advanced Metering Infrastructure (AMI). The District has set a goal of installing a total of 3,100 smart points throughout the District's service area starting with commercial meter reading routes.

Looking forward into next year, the District will be faced with state-mandated water conservation standards. These standards establish water conservation as a way of life in California and are designed to lower water usage statewide over the next fifteen years. 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.

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

In summary, the District will continue to maintain financial discipline during FY 2025-26. This reflects a concerted effort by the Board of Directors and staff to maintain customer rates and charges as low as possible while responsibly managing the District's water system assets.

A handwritten signature in blue ink that reads "B. M. Kamilos".

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.

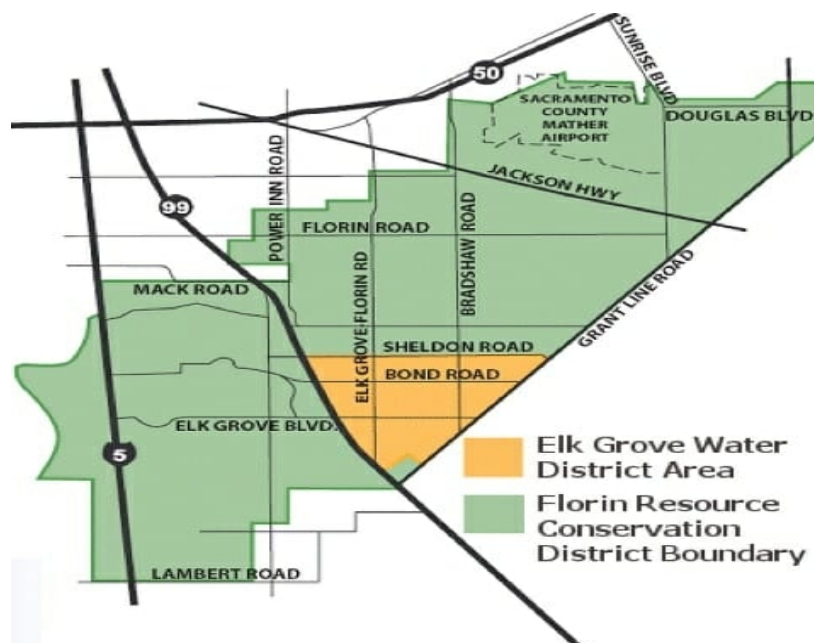
The FRCD (District) is governed by an elected five-member Board. Board members serve four-year, staggered terms. The Board of Directors delegate the daily operations of District to the General Manager, who supervises the work of 29 staff members.

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,

**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget**

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 lead 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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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 cost 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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- 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 2025-26 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.”

FRCD Board of Directors



Tom Nelson, Chair



Paul Lindsay, Vice-Chair



Joshua Green, Director



Lisa Medina, Director



Elliot Mulberg, 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) watershed/source water protection; 2) financing for capital improvements; 3) renewal and replacement of aging infrastructure; 4) long-term water supply availability; and 5) financial sustainability.

The District has been proactively addressing these top five issues identified by AWWA. 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 of 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.

The District continues to be proactive in its participation in the Sacramento Central Groundwater Authority (SCGA). 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. The District serves as one of the board members. The sole function of the SCGA is to ensure the sustainability of the groundwater basin that our region relies on for water supply. The SCGA as a Groundwater Sustainability Agency, was required to submit a Groundwater Sustainability Plan (GSP) to the California Department of Water Resources. The GSP serves as a blueprint to ensure the sustainable operation of the groundwater basin over the long term.

Financing for capital improvements and financial stability is addressed by the District's current policy to fund renewal and 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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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.

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 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 the District. Staff will continue to proactively and prudently manage the District's finances to

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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 have been in the news a lot. They have been referred to as "forever chemicals" because it takes a long length of time for the chemicals to break down. PFAS have been used widely in all kinds of products such as nonstick cookware, water-repellent clothing, some cosmetics, and some firefighting foams to name a few. 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 CA 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 CA 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 CA 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 CA 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 expense 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 Sage 100 as its financial accounting system to record its financial transactions. Management has established a system of internal controls that provide a reasonable basis for protecting the District's assets from fraud, waste and abuse and compile 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 make adjustments to 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 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 on a monthly basis.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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 are 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 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 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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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 in order 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 implement no rate adjustments in 2019 and 2020; to defer the 3.00% rate adjustment scheduled in 2021 and 2022; and to implement only a 2.00% revenue rate adjustment out of a maximum of 3.00% in 2023. 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 Districts reserve policy and complying with major bond covenants for the years 2024-2028.

The District defines a balanced budget as one where total projected revenues equal total projected expenses, including capital 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 2025-26 budget as 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 course of a 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 of time. 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, 2026. This proposed revenue rate adjustment was recommended as part of the District's 2024-2028 Water Rate Study.
- An estimated 6.60% rate increase in Purchased Water cost from the SCWA.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 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 1.90% utilizing the average of the April CPI-U indices for the All Cities, Western and San Francisco indexes.

EGWD by the Numbers

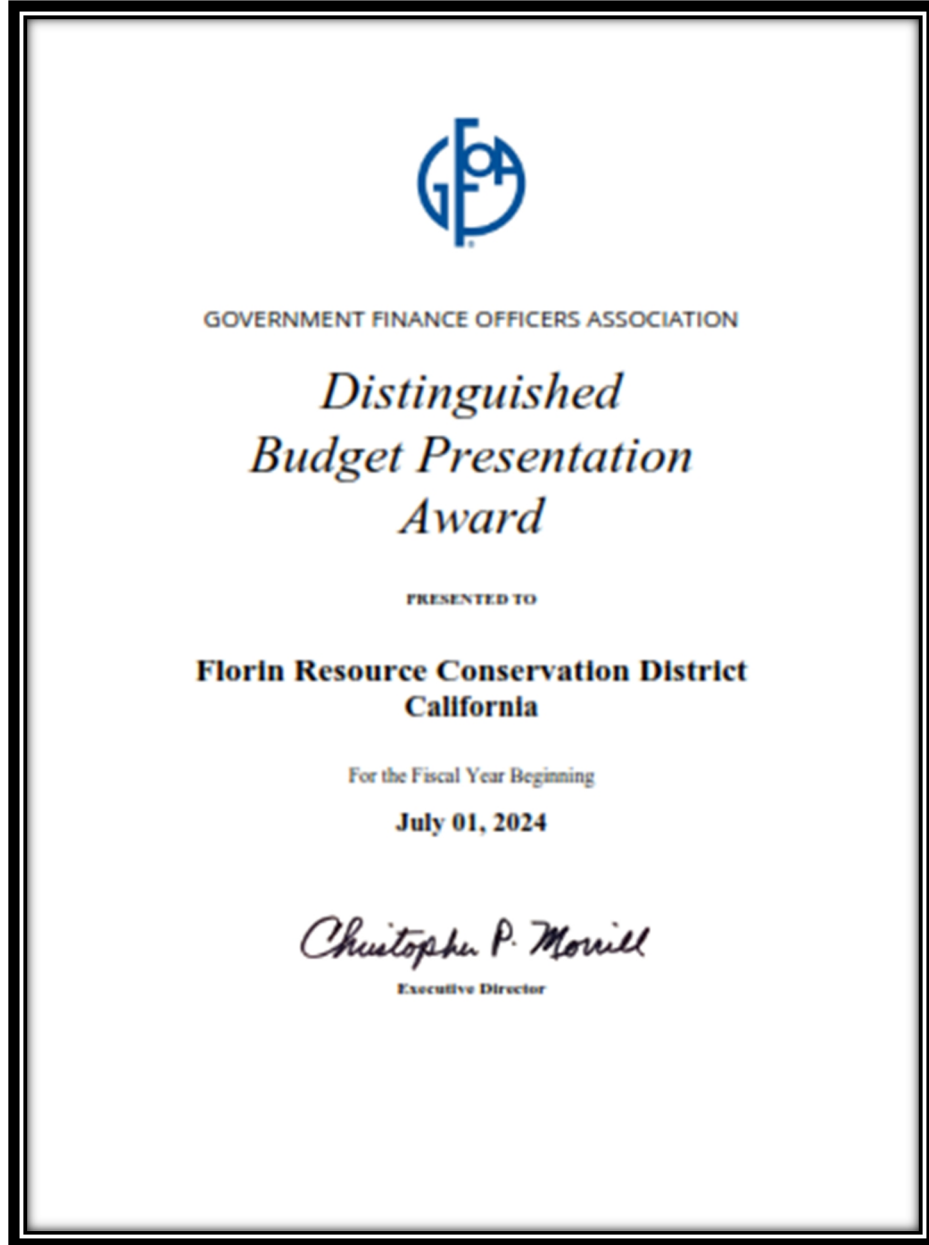
MAXIMUM DAILY WATER SUPPLY CAPACITY	11.4 MGD
NUMBER OF TREATMENT FACILITIES	2
AGGREGATE TREATMENT FACILITY CAPACITY	13.0 MGD
NUMBER OF WELLS	7
MILES OF WATER MAINS	154.8
NUMBER OF BOOSTER PUMPS	10
NUMBER OF ACTIVE SERVICE CONNECTIONS	13,161
NUMBER OF BOND ISSUES OUTSTANDING	2
NUMBER OF CERTIFIED WATER DISTRIBUTION OPERATORS	18
NUMBER OF CERTIFIED WATER TREATMENT OPERATORS	18
NUMBER OF PUBLIC FIRE HYDRANTS	1,726
EGWD SERVICE AREA POPULATION	44,000

Budget Timeline

March 24	Leadership Team Budget Kick-Off.
March 27	All District key objectives and department goals and accomplishments are due to the FM.
April 02	*Infrastructure Committee Meeting - discuss 1 st draft of the FY 2026-30 CIP.
April 04	All department initial budget requests are due to the FM.
April 08	FM submits budget development worksheet to the GM for first review.
April 10	*Infrastructure Committee Meeting – discuss 2 nd draft of the CIP (if necessary).
April 15	*Regular Board Meeting - present to the Board the 3 rd quarter financial report and 1 st draft of FY 25-26 budget development worksheet.
April 23	FM makes the required revisions and disperses the 2 nd draft of the FY 25-26 budget development worksheet and District key objectives and department goals and objectives to the Board.
April 29	*Special Board Meeting - to discuss the 2 nd draft of the FY 25-26 budget development worksheet and District specific key objectives and department goals and objectives.
May 14	Issue the 1 st draft of the budget document and 3 rd draft of budget development worksheet to the Board for review.
May 20	*Regular Board Meeting - review and discuss the 3 rd draft budget development worksheet and 1 st draft of budget document.
May 22	Issue revised budget to Board (if necessary).
May 27	*Special Board Meeting (if necessary).
May 29	Issue revised budget to Board (if necessary).
June 03	*Special Board Meeting (if necessary).
June 11	Final Budget and staff report due for Board Packet inclusion.
June 17	*Regular Board Meeting – budget adoption.

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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget



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, 2024. 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 2025-26 Operating Budget

RESOLUTION NO. 06.17.25.01

**A RESOLUTION OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF DIRECTORS APPROVING THE FLORIN
RESOURCE CONSERVATION DISTRICT/ELK GROVE WATER DISTRICT FISCAL
YEAR 2025-26 OPERATING BUDGET PROJECTING REVENUES OF \$18.48
MILLION AND EXPENSES OF \$20.83 MILLION AND APPROPRIATING \$2.35
MILLION FROM OPERATING RESERVES TO FUND EXPENSES IN EXCESS OF
REVENUES FOR FISCAL YEAR 2025-26.**

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 several 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, 2025, through June 30, 2026; 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, 2026; and

WHEREAS, the District FY 2025-26 Operating Budget reflects the recommended 4.50% revenue rate adjustment effective January 1, 2026; and

WHEREAS, the District FY 2025-26 Operating Budget reflects a 1.90% cost of living adjustment effective July 1, 2025; and

WHEREAS, the District Board of Directors (Board) has received and considered the District's FY 2025-26 Operating Budget submitted by the Finance Manager/Treasurer on June 17, 2025.

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

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

SECTION 2. The Board of Directors hereby approves projected total revenues of \$18,477,994, total expenses of \$20,828,929, and the appropriation of \$2,350,935 from operating reserves to fund expenses in excess of operating revenues for the Florin Resource Conservation District/Elk Grove Water District FY 2025-26 Operating Budget.

SECTION 3. The Board of Directors 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 2025-26 Operating Budget**

SECTION 4. The Board of Directors hereby approves the FY 2025-26 Rate and Fee Schedule which reflects the recommended 4.50% revenue rate adjustment effective January 1, 2026.

SECTION 5. The Board of Directors hereby approves the FY 2025-26 Salary Schedule which includes a 1.90% cost of living adjustment.

SECTION 6. The Board of Directors hereby adopts the Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2025-26 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 17th day of June 2025 by the following vote:

AYES: Green, Lindsay, Medina, Mulberg, Nelson

NOES:

ABSENT:

ABSTAIN:

Signed by:

Tom Nelson

027A2E8DCC07E43A...

Tom Nelson

Chair

ATTEST:

Signed by:

Stefani Phillips

020A3D77F07C61C...

Stefani Phillips

Board Secretary

APPROVED AS TO FORM:

Signed by:

Joshua M. Horowitz

0C8517372923497...

Joshua Horowitz

General Counsel

FISCAL YEAR 2025-26 BUDGET OVERVIEW

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

SUMMARY OF REVENUES AND EXPENSES

Elk Grove Water District
Budgeted Revenues and Expenses by Category
For the Fiscal Year ending June 30, 2026

	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Budget	Change in Budget	% Change
Total Revenues	\$ 16,030,316	\$ 15,902,913	\$ 16,772,455	\$ 17,290,295	\$ 17,614,601	\$ 18,477,994	\$ 1,187,699	6.87%
Operational Expenses								
Salaries and Benefits	1,303,775	6,570,338	5,353,507	5,612,028	5,446,136	5,686,887	74,859	1.33%
Seminars, Conventions and Travel	16,887	35,708	35,671	40,833	31,445	42,444	1,611	3.95%
Office and Operational	1,147,471	1,279,350	1,386,548	1,583,053	1,537,698	1,742,067	159,015	10.04%
Purchased Water	3,159,853	3,056,889	2,905,906	3,597,993	3,680,462	3,805,728	207,735	5.77%
Outside Services	879,328	950,081	960,878	1,468,060	916,748	1,146,580	(321,480)	-21.90%
Equipment Rent, Taxes and Utilities	520,293	557,469	505,090	569,830	604,020	581,444	11,614	2.04%
Subtotal Operational Expenses	7,027,606	12,449,835	11,147,600	12,871,797	12,216,509	13,005,151	133,354	1.04%
Less: Capitalized Labor	(500,178)	(471,382)	(440,141)	(464,180)	(391,566)	(467,724) *	(3,544)	0.76%
Total Operational Expenses	6,527,428	11,978,453	10,707,459	12,407,617	11,824,943	12,537,426	129,809	1.05%
Non-Operating Expenses/ (Income)	4,192,266	3,515,951	3,148,270	3,863,029	3,355,259	3,916,503	53,474	1.38%
Capital Expenditures	2,484,290	2,314,581	1,590,536	4,685,300	3,508,793	4,375,000	(310,300)	-6.62%
Total Net Expenses	13,203,985	17,808,985	15,446,266	20,955,946	18,688,995	20,828,929	(127,017)	-0.61%
Revenues In Excess of Expenses, Principal Retirement and Capitalized Labor	\$ 2,826,332	\$ (1,906,072)	\$ 1,326,189	\$ (3,665,651)	\$ (1,074,394)	\$ (2,350,935)	\$ 1,314,716	-35.87%
Transfers (to)/from Reserves	(2,826,332)	1,906,072	(1,326,189)	4,310,590	1,074,394	2,350,935	(1,314,716)	-30.50%
Net Budget Excess/(Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

* This represents approximately 60% 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 2025-26 Operating Budget

SUMMARY OF NET POSITION ACTIVITY

Elk Grove Water District
Summary of Net Position Activity
For the Fiscal Year ending June 30, 2026

	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Budget
Beginning Net Position	\$ 76,522,232	\$ 76,522,232	\$ 75,447,838
Estimated Revenues	<u>17,290,295</u>	<u>17,614,601</u>	<u>18,477,994</u>
Estimated Operational Expenses			
Salaries and Benefits	5,612,028	5,446,136	5,686,887
Seminars, Conventions and Travel	40,833	31,445	42,444
Office and Operational	1,583,053	1,537,698	1,742,067
Purchased Water	3,597,993	3,680,462	3,805,728
Outside Services	1,468,060	916,748	1,146,580
Equipment Rent, Taxes and Utilities	<u>569,830</u>	<u>604,020</u>	<u>581,444</u>
Total Operational Expenses	<u>12,871,797</u>	<u>12,216,509</u>	<u>13,005,151</u>
Estimated Nonoperational Expenses			
Capitalized Labor	(464,180)	(391,566)	(467,724)
Non-Operating Expenses (Income)	3,863,029	3,355,259	3,916,503
Capital Expenditures	<u>4,685,300</u>	<u>3,508,793</u>	<u>4,375,000</u>
Total Nonoperational Expenses	<u>8,084,149</u>	<u>6,472,486</u>	<u>7,823,778</u>
Revenues in Excess of Expenses	<u>(3,665,651)</u>	<u>(1,074,394)</u>	<u>(2,350,935)</u>
Estimated Ending Net Position	<u>\$ 72,856,581</u>	<u>\$ 75,447,838</u>	<u>\$ 73,096,903</u>

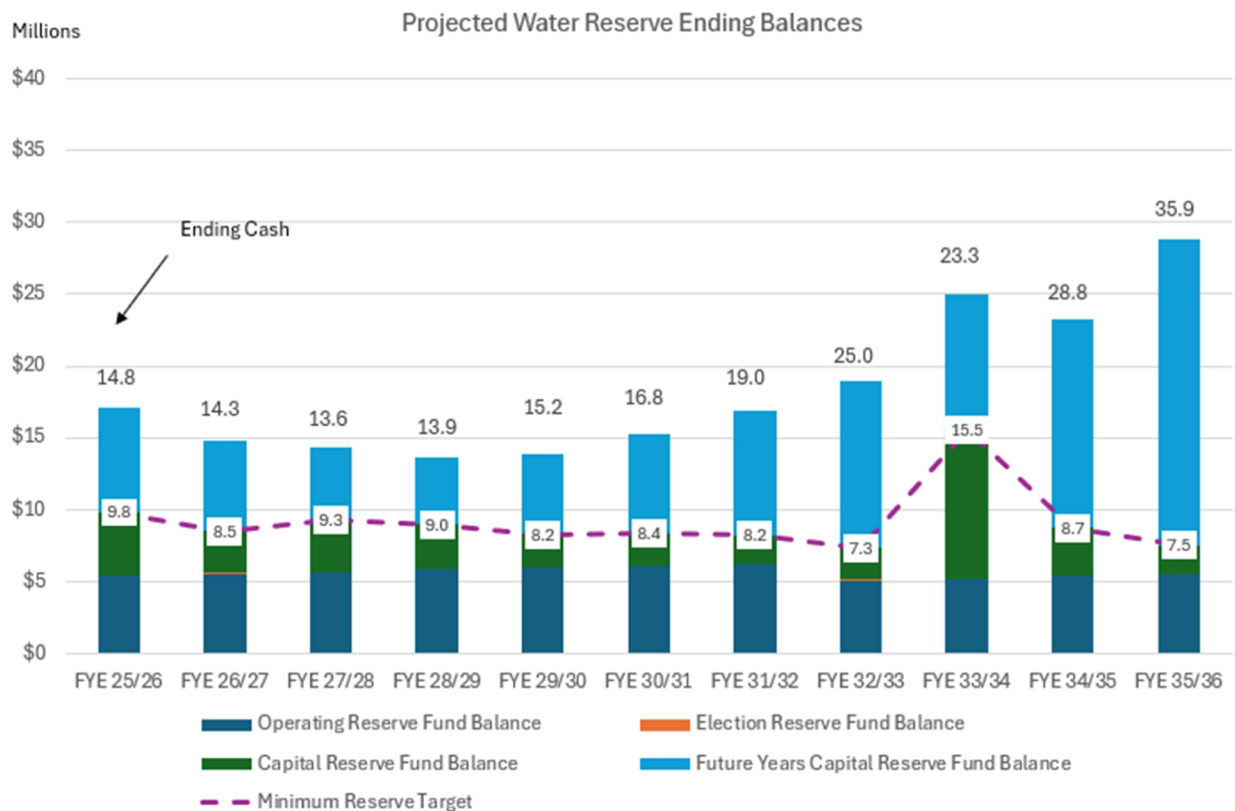
Note: Net Position represents the difference between the District's assets plus deferred outflows of resources and the District's liabilities plus deferred inflows of resources.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

10-YEAR FINANCIAL PLAN

Amount in millions

	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36
Total Revenue	\$ 18.48	\$ 19.33	\$ 20.20	\$ 21.11	\$ 21.74	\$ 22.40	\$ 23.07	\$ 23.76	\$ 24.47	\$ 25.21	\$ 25.96
Operating Expenses	12.54	12.92	13.30	13.70	14.11	14.54	14.97	15.42	15.89	16.36	16.85
Non-Operating Expenses	3.92	4.01	3.98	4.04	3.98	4.04	3.98	0.10	-	0.07	-
CIP Expenditures	4.38	2.90	3.60	3.10	2.30	2.20	2.00	2.20	10.30	3.30	2.00
Total Expenses	20.84	19.83	20.88	20.85	20.39	20.78	20.95	17.72	26.19	19.73	18.85
Revenue to/(from) Reserves	(2.36)	(0.49)	(0.68)	0.26	1.35	1.62	2.12	6.04	(1.71)	5.48	7.11
Operating Reserve Fund Balance	5.40	5.54	5.68	5.81	5.95	6.09	6.23	5.07	5.22	5.38	5.54
Election Reserve Fund Balance	-	0.07	-	0.07	-	0.07	-	0.07	-	0.07	-
Capital Reserve Fund Balance	4.38	2.90	3.60	3.10	2.30	2.20	2.00	2.20	10.30	3.30	2.00
Minimum Reserve Target	9.78	8.51	9.28	8.98	8.25	8.35	8.23	7.34	15.52	8.75	7.54
Future Years Capital Reserve Fund Balance	7.32	6.23	4.96	4.59	5.58	6.83	8.57	11.58	9.43	14.50	21.18
Beginning Cash Balance	17.10	14.74	14.25	13.57	13.83	15.18	16.80	18.92	24.96	23.25	28.73
Ending Cash Balance	\$ 14.74	\$ 14.25	\$ 13.57	\$ 13.83	\$ 15.18	\$ 16.80	\$ 18.92	\$ 24.96	\$ 23.25	\$ 28.73	\$ 35.84



FISCAL YEAR 2025-26 BUDGET HIGHLIGHTS

The District's proposed budget for FY 2025-26 projects total operating revenues of approximately \$18.48 million and total expenses of approximately \$20.83 million including Capital Improvement and Capital Repair & Replacement Reserve contributions of approximately \$4.38 million. The projected expenses in excess of revenues are approximately \$2.35 million, which will be funded by appropriations from reserves carried over from prior years.

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 2025-26 budget. The budget has a decrease in total expenses of \$0.13 million (-0.61%) from the adopted budget for FY 2024-25. The major highlights are listed below, and comparisons made are against the budgeted amounts for FY 2024-25:

- Revenues for FY 2025-26 are budgeted at \$18.48 million, an increase of \$1.19 million (6.87%) 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 2025-26 reflect the proposed 4.50% revenue rate increase effective January 1, 2026 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 \$5.69 million, an increase of \$74,859 (1.33%) 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 1.90% COLA increase based on the April CPI-U for the average of the U.S. City, West and San Francisco index.
 - Offset by the elimination of 1 customer service position.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- Seminars, Conventions and Travel are budgeted at \$42,444, an increase of \$1,611 (3.95%) from prior year's budget due to additional training seminars for field operating staff.
- Office and Operational costs are budgeted at \$1.74 million, an increase of \$159,015 (10.04%) from prior year's budget mainly due to:
 - An increase in association dues of \$21,682 (16.15%) with the addition of the Regional Water Bank Phase 3 project.
 - An increase in insurance premiums of \$21,800 (12.51%) as projected by JPIA for all programs.
 - An increase in automotive repairs of \$11,500 (27.38%) due to anticipated repairs on the Utility fleet.
 - An increase in building repairs of \$20,000 (26.05%) due to anticipated repairs to building exteriors at the Railroad Water Treatment Plant.
 - An increase in computer repairs and maintenance of \$18,200 (159.30%) due to the need to replace certain computers with Windows 11 capable devices.
 - A decrease in materials cost of \$34,300 (-18.12%) due to the completion of the fire service line construction for the Masonic Lodge property.
 - An increase in Meters of \$14,160 (6.88%) due to anticipated new development as well as necessary meter replacements not covered under warranty. The cost of meters installed for new development is recovered in development fees.
 - An increase in software subscription of \$54,940 (37.10%) due to the District's implementation of a new ERP system.
 - An increase in tools of \$16,000 (82.05%) for the purchase of new tools for the Utility department.
- Purchased Water is budgeted at \$3.81 million, an increase of \$207,735 (5.77%) from prior year's budget due mainly to an estimated 6.60% rate increase for purchased water and anticipated increase in accounts due to development in Service Area 2.
- Outside Services costs are budgeted at \$1.15 million, a decrease of \$321,840 (-21.90%) from prior year's budget due mainly to:
 - An increase in banking charges of \$24,000 (9.03%) due to the District anticipating an increase in the number of customers who will be utilizing recurring credit card payment option now available.
 - An increase in contracted services of \$115,820 (28.45%) for consultants to help prepare the Urban Water Management Plan, Risk and Resilience Assessment, assistance with the District's Municipal Services Review, and IT Services to help complete the implementation of the new ERP system.

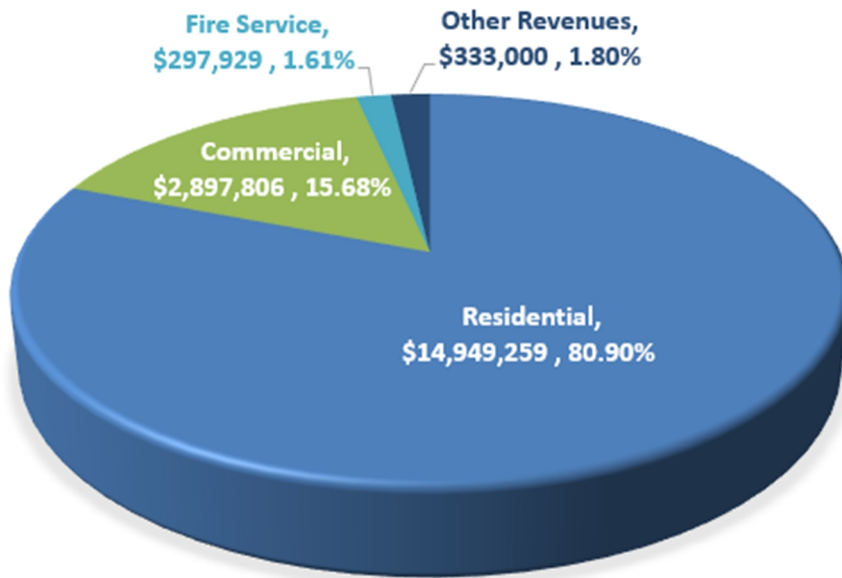
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- A decrease in engineering costs of \$10,000 (-40.00%) due to less anticipated engineering services required in FY 2025-26.
 - A decrease in Legal Services of \$20,000 (-14.29%) due to a decreased level of legal services required.
 - An increase in sampling costs of \$20,000 (50.00%) due to required Title 22 sampling in FY 2025-26.
 - A decrease in election costs of \$460,000 (-100.00%) due to FY 2025-26 being an off year for elections.
- Equipment Rent, Taxes and Utilities are budgeted at \$581,444, an increase of \$11,614 (2.04%) from prior year's budget due mainly to anticipated increases in electricity costs used for water pumping.
- Capital Improvement Funding includes contributions to the Repair & Replacement Reserve and the Capital Improvement Reserve for a total of \$4.38 million. This represents a decrease of \$310,300 (-6.62%) from prior year's budget.
- Bond interest expenses will decrease by \$101,526 (-9.16%) while bond principal retirements will increase by \$155,000 (5.58%).
- This budget anticipates capitalizing \$467,724 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 60% of the total salaries and benefits of the Utility Division.
- The budget, as recommended, will meet bond covenant requirements as follows:
 - Covenant: 1.51 (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 2025-26.

REVENUE SECTION

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

BUDGETED REVENUES BY CATEGORY



Other Revenues include:

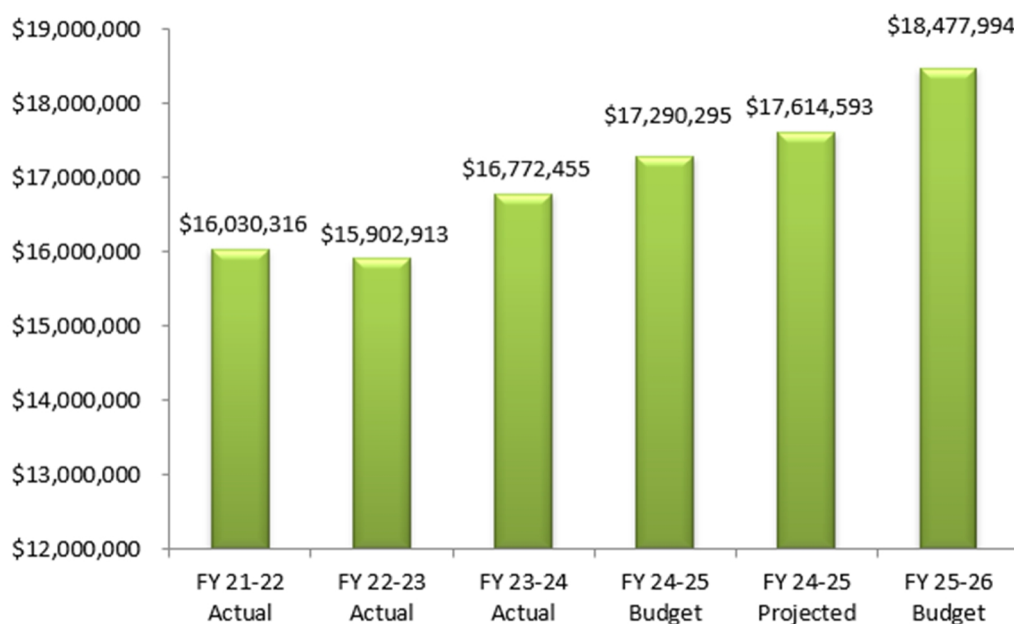
- Meter/Plan Check/Water Capacity Fees
- Door Hanger Fees
- New Account Fees
- NSF Fees
- Backflow Prevention Installations

Commercial Revenues Include:

- Non-Residential Revenue
- Irrigation Revenue

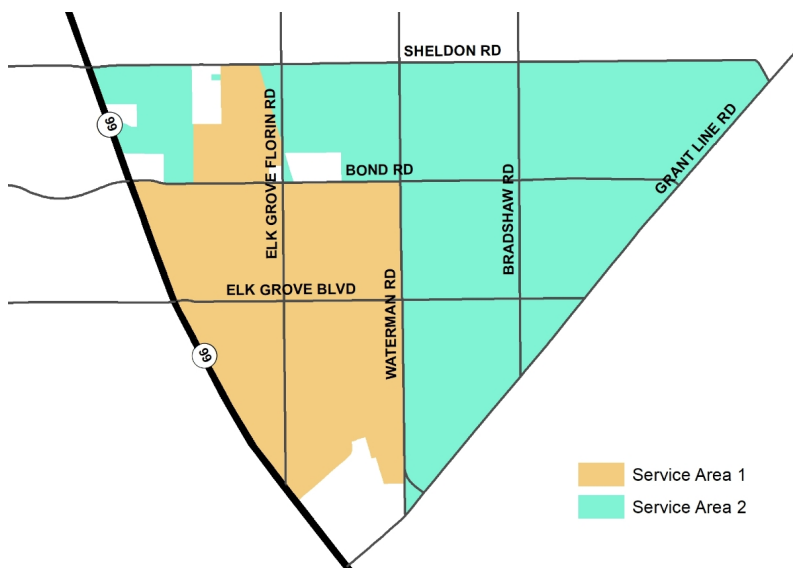
Note: Residential Revenue in this chart is net of customer refunds.

TOTAL REVENUES FISCAL YEARS 2021-22 THROUGH 2025-26



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 2025-26 budget reflects a 4.50% revenue rate adjustment effective January 1, 2026, 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

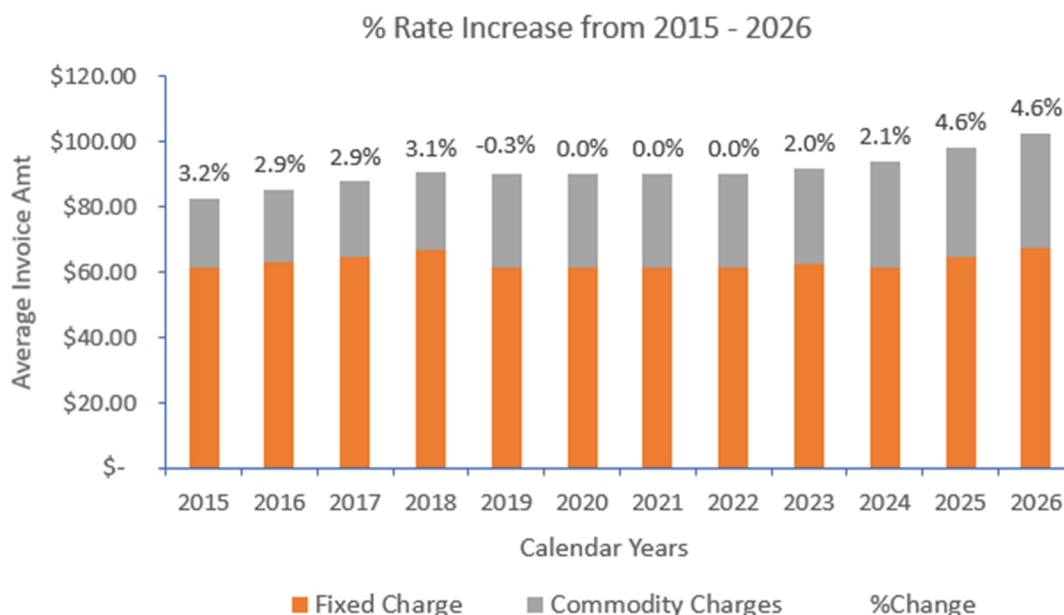
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

changes. Revenue rate adjustments are necessary to fund various projects and to pay for increased operating cost, 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 reflect the proposed 4.50% water rate adjustment effective January 1, 2026.

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 cost, primarily due to inflation.

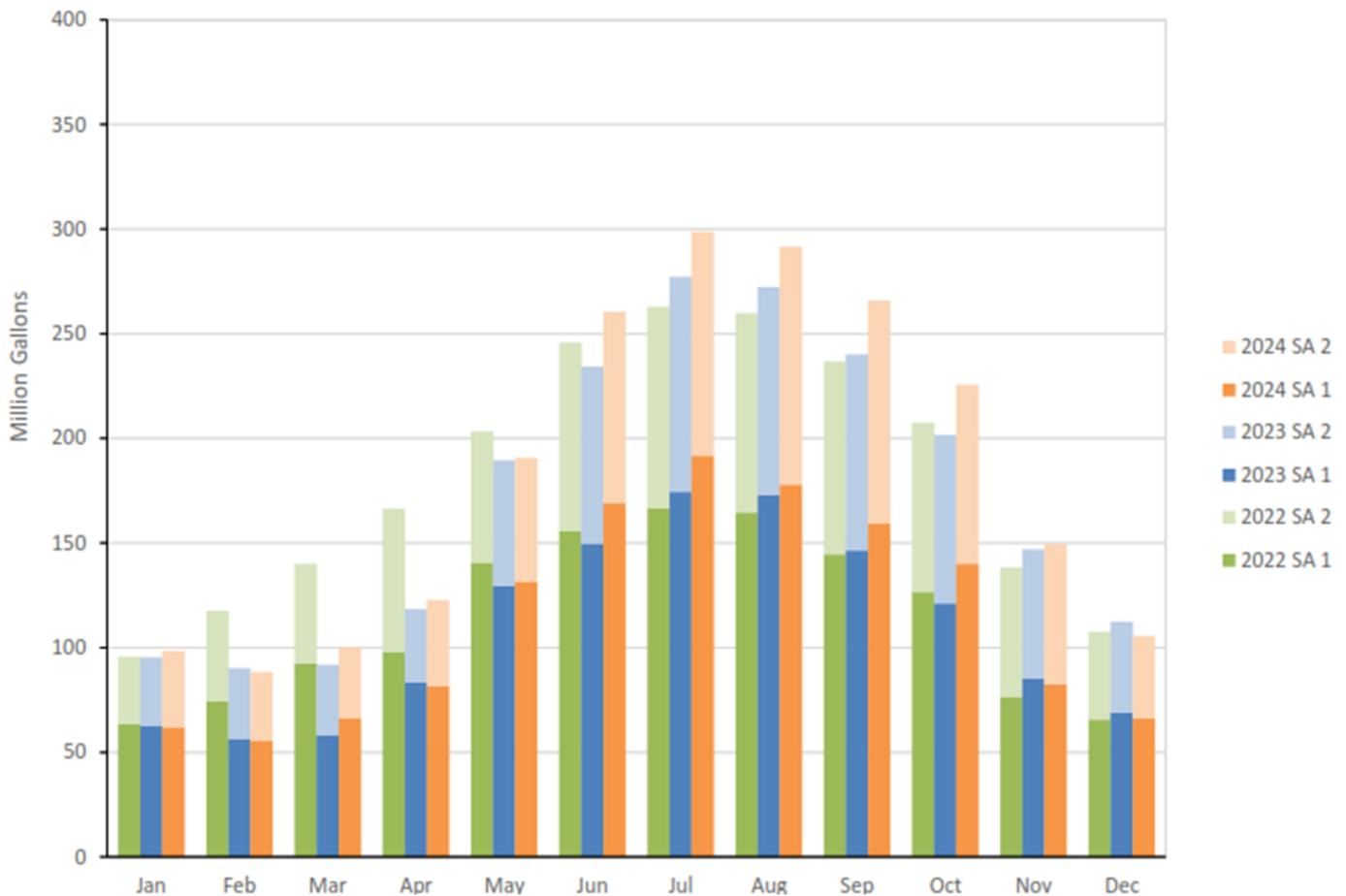


Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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 from 2022 to 2023 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 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 2025-26 Operating Budget

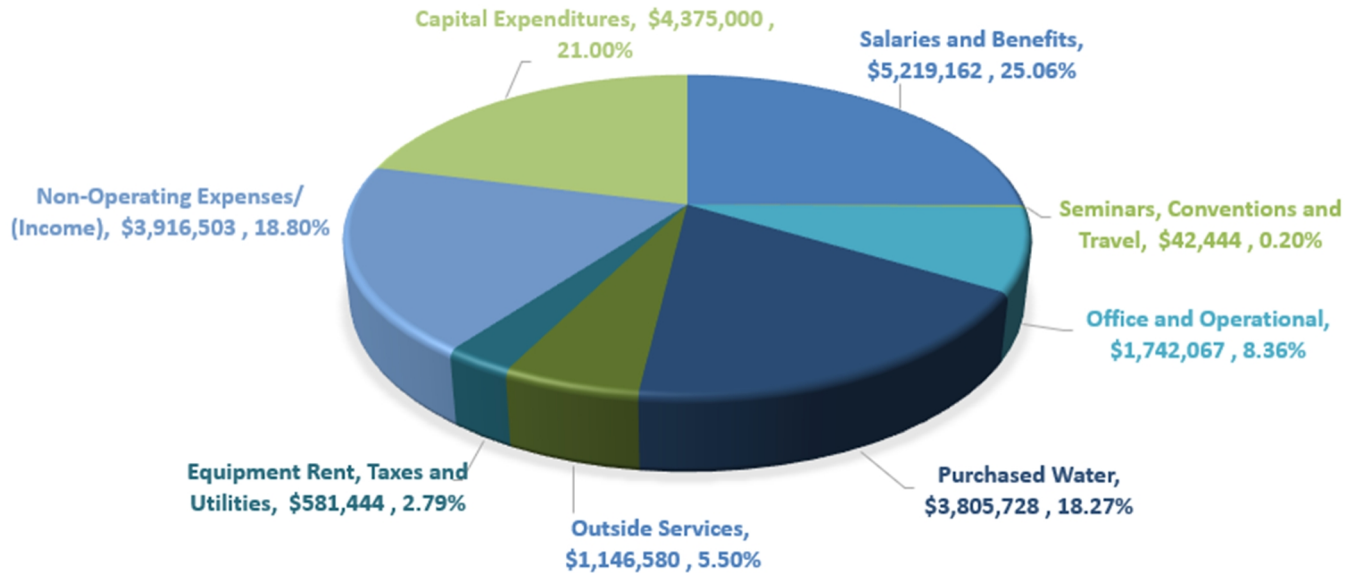
Elk Grove Water District
Budgeted Revenue Accounts Detail
For the Fiscal Year ending June 30, 2026

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
4100	Water Payment Revenues - Residential	\$13,517,122	\$13,299,707	\$13,699,392	\$14,043,592	\$14,418,242	\$ 14,950,259
4110	Water Payment Revenues - Commercial	2,051,246	1,979,802	2,411,074	2,682,696	2,543,842	2,897,806
4120	Water Payment Revenues - Fire Service	204,588	215,547	248,829	232,007	279,564	297,929
4200	Meter Fees/Plan Check/Water Capacity	155,739	182,357	213,093	126,000	90,979	126,000
4201	Backflow Install EGWD	19,476	18,005	19,150	22,500	24,943	22,500
4202	Backflow Testing Fee	2,470	17,615	17,745	2,500	23,861	2,500
4204	Failed Backflow Notification Fee	-	100	-	-	25	-
4300	Fire Protection	1,404	468	1,872	-	1,227	-
4520	Door Hanger Fees	45,800	111,350	108,300	110,000	113,012	110,000
4530	Meter Testing Fee	47	-	47	-	-	-
4540	New Account Fees	26,340	15,750	15,420	20,000	18,800	20,000
4550	NSF Fees	1,645	2,625	2,223	2,000	2,065	2,000
4560	Fees and Penalties	4,494	14,715	2,346	-	26,399	-
4570	Shut-off Fees	28,000	66,800	61,900	50,000	86,594	50,000
4580	Restoration Fees	225	200	25	-	-	-
4585	Admin Citations	1,115	880	-	-	-	-
4591	Release of Lien Fee	(1,620)	(1,060)	(460)	-	(26)	-
4700	Rental Income	16,668	-	-	-	-	-
4800	Other Income	1,154	793	-	-	-	-
4900	Customer Refunds	(45,596)	(22,741)	(28,501)	(1,000)	(14,934)	(1,000)
Total Revenues		<u>\$16,030,316</u>	<u>\$15,902,913</u>	<u>\$16,772,455</u>	<u>\$17,290,295</u>	<u>\$17,614,593</u>	<u>\$ 18,477,994</u>

EXPENSE SECTION

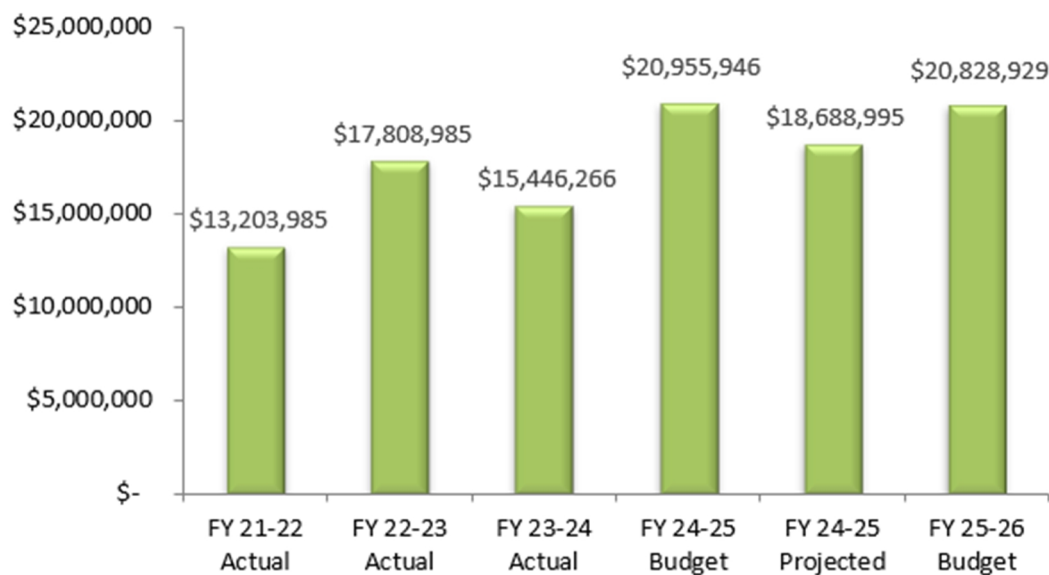
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

BUDGETED EXPENSES BY CATEGORY



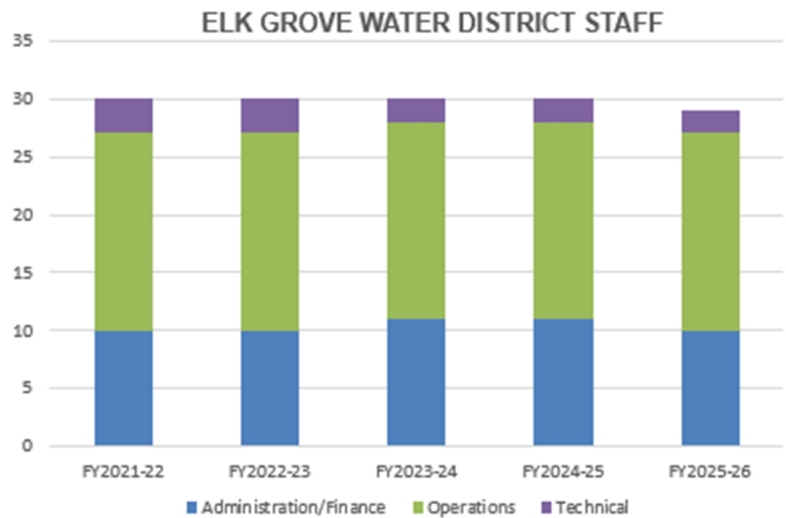
Note: Total Salaries and Benefits Expenses are net of capitalized labor costs of \$467,724, which is included in total Capital Expenditures.

TOTAL NET EXPENSES FISCAL YEARS 2021-22 THROUGH 2025-26



SALARIES AND BENEFITS FISCAL YEARS 2021-22 THROUGH 2025-26

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 has 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 to 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 Board's 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 2025-26 is 1.90%.



Pension and other Post-Employment Benefits

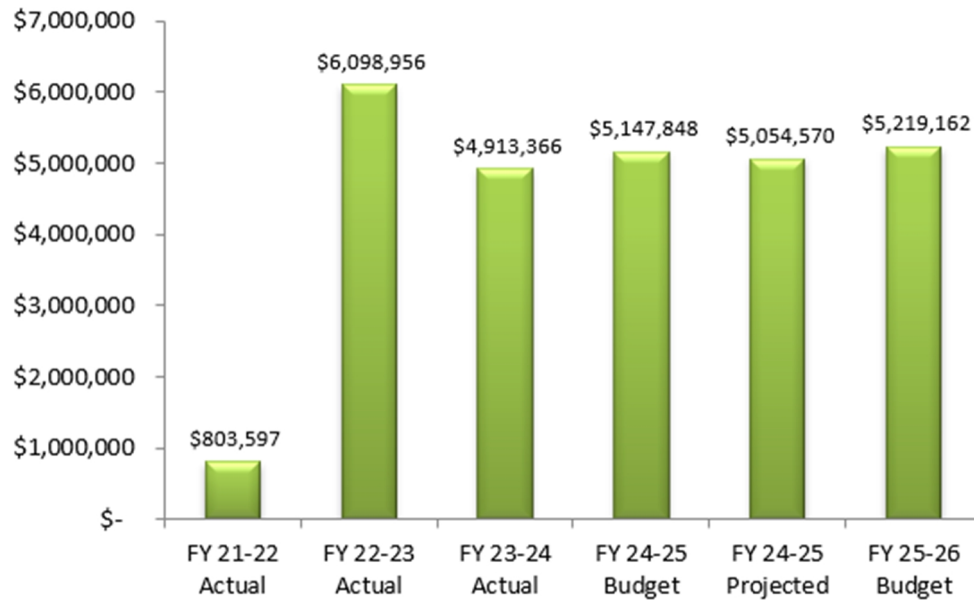
The District provides retirement benefits for its employees through a Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees Retirement System (CalPERS). Employees with at least 5 years of service are eligible to retire at age 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 PEPRA 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 spouse) 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.

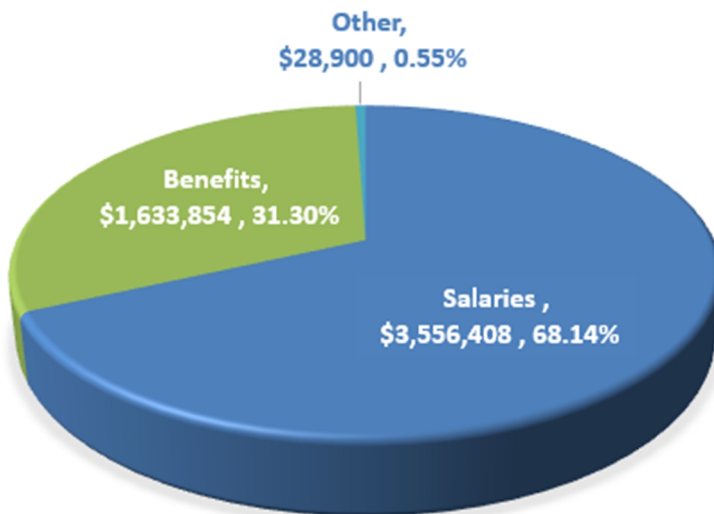
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget**

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 \$5,219,162*



The Other Expenses Categories include:

- Employee Training
- Employee Recognition
- Meetings

*The total Salaries and Benefits are net of capitalized labor costs of \$467,724 for capital improvements constructed by the Utility Division.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

Elk Grove Water District
Budgeted Salaries and Benefits Accounts Detail
For the Fiscal Year ending June 30, 2026

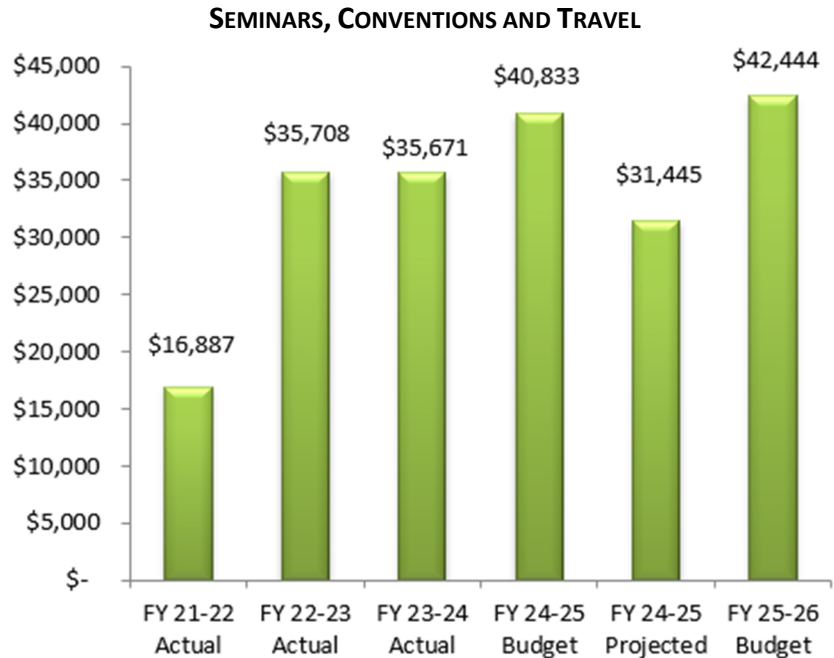
Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5100	Executive Salary	\$ 187,483	\$ 208,623	\$ 252,212	\$ 271,038	\$ 274,999	\$ 284,483
5110	Exempt Salaries	510,983	616,194	691,324	764,014	761,547	789,722
5120	Non-Exempt Salaries	1,623,296	1,534,086	1,700,183	2,332,291	2,179,498	2,285,963
5130	Overtime Compensation	34,810	31,754	70,837	46,000	93,372	106,000
5140	On Call Pay	30,940	30,940	30,915	31,025	31,025	31,025
5150	Holiday Pay	128,498	138,871	125,915	178,418	169,768	177,902
5160	Vacation Pay	185,785	222,818	271,832	210,936	254,787	206,715
5170	Personal Time Pay	129,164	154,322	166,735	142,734	143,228	142,322
5200	Medical Benefits	596,916	522,552	566,169	767,989	707,276	746,007
5195	EAP	816	875	885	911	893	880
5201	EGWD Contribution H.S.A	21,100	23,500	30,800	33,200	32,550	29,850
5210	Dental/Vision/Life Insurance	58,825	54,685	56,054	62,011	60,767	59,432
5220	Retirement Benefits	(2,568,235)	2,554,285	970,606	403,515	403,515	444,327
5225	Retirement Benefits - Post Employment	205,578	362,365	304,550	185,534	185,534	209,131
5230	Medical Tax, Social Security and SUI	51,342	48,348	51,992	75,445	65,094	74,447
5240	Worker's Compensation Insurance	85,606	47,971	50,625	71,537	60,374	69,779
5250	Education Assistance	-	-	-	2,500	-	2,500
5260	Employee Training	19,326	10,659	8,530	27,150	10,731	20,500
5270	Employee Recognition	1,542	7,490	3,040	5,780	11,178	5,400
5280	Meetings	-	-	304	-	-	500
	Less Capitalized Labor	(500,178)	(471,382)	(440,141)	(464,180)	(391,566)	(467,724)
		<u>\$ 803,597</u>	<u>\$ 6,098,956</u>	<u>\$ 4,913,366</u>	<u>\$ 5,147,848</u>	<u>\$ 5,054,570</u>	<u>\$ 5,219,162</u>

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

SEMINARS, CONVENTIONS AND TRAVEL

FISCAL YEARS 2021-22 THROUGH 2025-26

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, travelling 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.

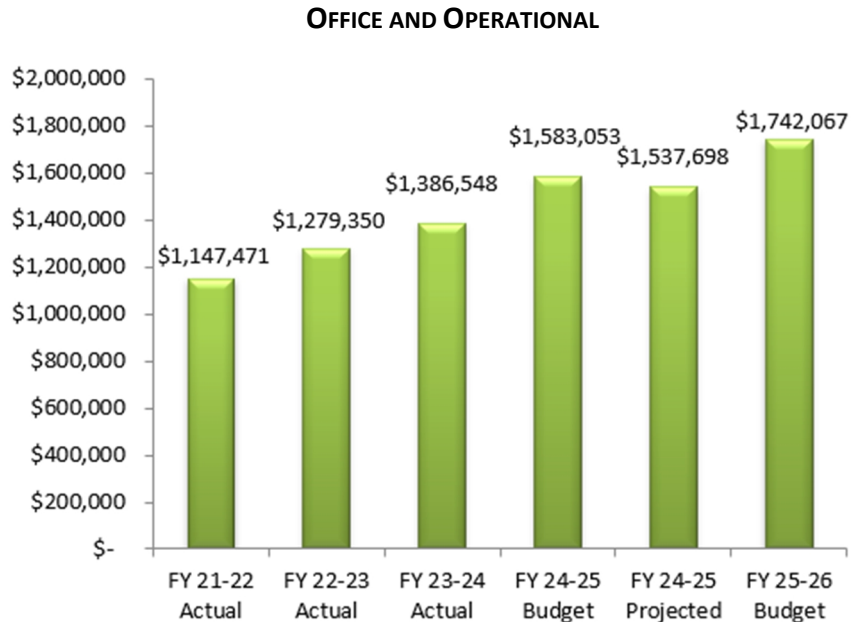


Elk Grove Water District
Budgeted Seminars, Conventions and Travel Accounts Detail
For the Fiscal Year ending June 30, 2026

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5300	Airfare	\$ 218	\$ 2,351	\$ 2,018	\$ 3,350	\$ 2,136	\$ 4,150
5310	Hotels	1,908	11,555	8,982	12,300	6,348	14,100
5320	Meals	908	4,828	7,349	8,983	7,059	6,416
5330	Auto Rental	156	29	-	750	-	450
5340	Seminars & Conferences	7,614	9,502	9,635	7,085	8,250	9,335
5350	Mileage Reimbursement, Parking, Tolls	155	1,336	1,662	2,365	1,652	1,993
5375	Auto Allowance	5,928	6,107	6,025	6,000	6,000	6,000
		<u>\$ 16,887</u>	<u>\$ 35,708</u>	<u>\$ 35,671</u>	<u>\$ 40,833</u>	<u>\$ 31,445</u>	<u>\$ 42,444</u>

OFFICE AND OPERATIONAL FISCAL YEARS 2021-22 THROUGH 2025-26

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.



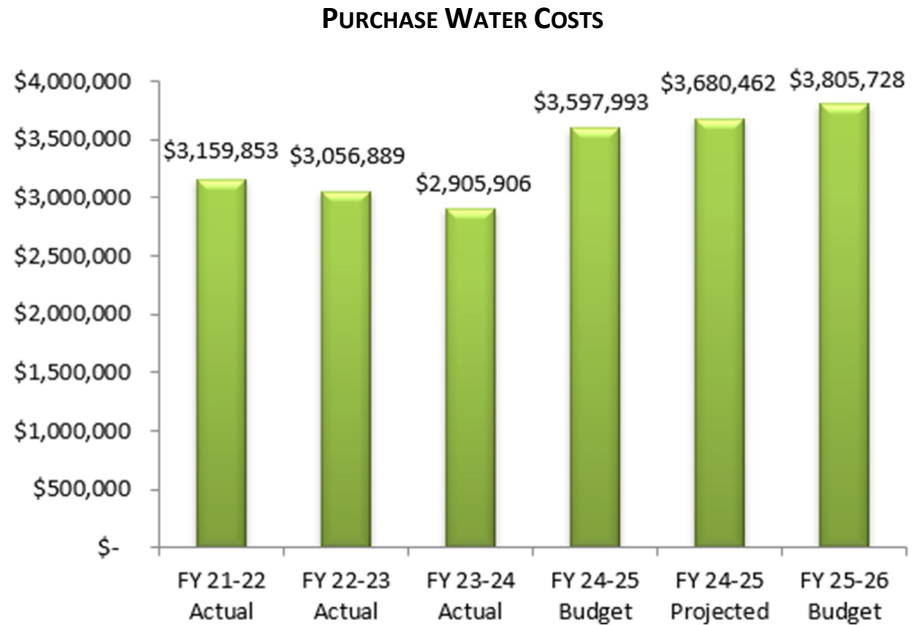
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

Elk Grove Water District
Budgeted Office and Operational Accounts Detail
For the Fiscal Year ending June 30, 2026

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5410	Advertising	\$ 14,404	\$ 9,375	\$ 4,971	\$ 17,200	\$ 7,550	\$ 17,700
5415	Association Dues	124,103	126,552	151,158	134,250	135,107	155,932
5420	Insurance	99,889	137,012	164,489	174,200	185,809	196,000
5425	Licenses, Certifications, Fees	4,843	4,247	2,934	3,485	3,188	5,635
5430	Repairs & Maintenance - Automotive	25,965	26,894	53,149	42,000	62,858	53,500
5432	Repairs & Maintenance - Building	62,492	65,246	73,323	76,768	84,775	96,768
5434	Repairs & Maintenance - Computers	12,500	26,529	11,121	11,425	8,940	29,625
5435	Repairs & Maintenance - Equipment	117,926	129,708	113,122	120,500	109,901	120,500
5438	Fuel	51,644	51,123	52,201	56,720	53,091	56,720
5440	Materials	105,295	163,448	135,710	189,300	97,878	155,000
5445	Chemicals	49,148	52,369	43,904	65,000	59,137	65,000
5450	Meter Repairs	60,523	84,702	168,162	205,840	280,900	220,000
5453	Permits	84,860	84,129	79,886	95,000	103,695	105,000
5455	Postage	64,535	75,793	72,317	83,325	82,481	89,775
5460	Printing	6,308	16,946	13,784	26,750	18,204	21,083
5465	Safety Equipment	8,496	11,704	13,376	18,000	18,911	18,000
5470	Software Programs & Updates	179,112	120,357	148,681	148,070	114,518	203,009
5475	Supplies	21,086	28,450	18,224	28,020	21,502	28,020
5480	Telephone	20,750	26,610	26,025	35,000	32,528	36,600
5485	Tools	15,083	16,069	17,516	19,500	29,621	35,500
5490	Clothing Allowance	6,501	5,084	4,979	7,700	7,700	7,700
5491	EGWD - Other Clothing	10,515	10,581	12,757	15,000	15,446	15,000
5493	Water Conservation Materials	1,494	6,420	4,760	10,000	3,959	10,000
		<u>\$1,147,471</u>	<u>\$1,279,350</u>	<u>\$1,386,548</u>	<u>\$1,583,053</u>	<u>\$1,537,698</u>	<u>\$ 1,742,067</u>

PURCHASED WATER COSTS FISCAL YEARS 2021-22 THROUGH 2025-26

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 2021-22. Purchased water cost continues to fluctuate from 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 2025-26, 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 years. The change in the wholesale purchased water rate is a direct correlation to the conservation efforts during the drought in FY 2013-14. As drought restrictions from FY 2013-16 resulted in less water being delivered to the District but operational and maintenance costs continued to increase, there was an overall increase to 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 to 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 2025-26 Operating Budget**

WHOLESALE WATER RATE TREND



**Elk Grove Water District
Budgeted Purchase Water Costs Accounts Detail
For the Fiscal Year ending June 30, 2026**

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5495	Purchased Water	\$3,159,853	\$3,056,889	\$2,905,906	\$3,597,993	\$3,680,462	\$ 3,805,728

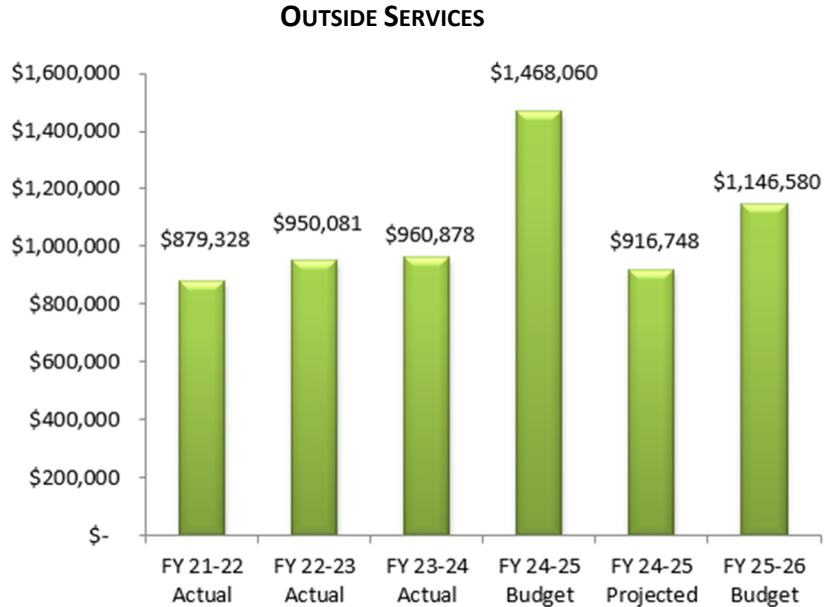
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

OUTSIDE SERVICES

FISCAL YEARS 2021-22 THROUGH 2025-26

Outside Services expenses consist mostly of professional services, such as banking services, engineering services, contracted services, and legal services. 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 the next 5 years.

The District expects outside services to remain relatively stable and consistent with prior year.

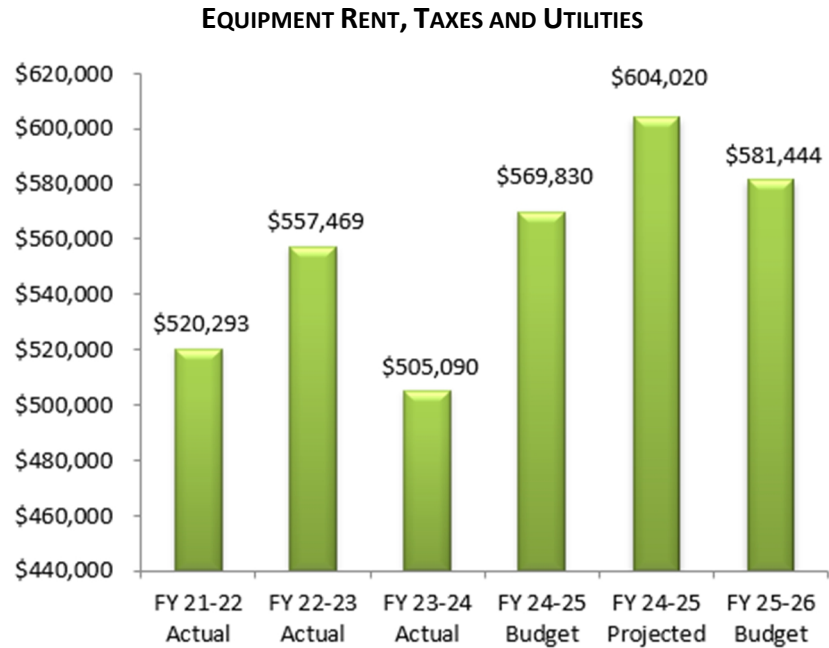


Elk Grove Water District
Budgeted Outside Services Accounts Detail
For the Fiscal Year ending June 30, 2026

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5505	Administration Services	\$ 4,359	\$ 2,505	\$ 2,333	\$ 5,400	\$ 2,173	\$ 5,600
5510	Bank Charges	176,673	196,219	222,916	265,800	261,161	289,800
5515	Billing Services	21,377	23,544	22,300	25,700	26,500	25,700
5520	Contracted Services	482,605	568,536	487,769	407,040	411,444	522,860
5525	Accounting Services	27,444	27,720	27,720	30,000	30,000	37,000
5530	Engineering	55,825	494	45,240	25,000	16,558	15,000
5535	Legal Services	33,919	24,933	51,325	140,000	66,864	120,000
5540	Financial Consultants	-	188	-	-	-	-
5545	Community Relations	1,131	1,258	962	4,000	1,203	2,000
5552	Misc. Medical	2,919	2,078	2,455	3,000	39	3,000
5550	Pre-employment	613	-	56	1,000	2,761	1,000
5555	Janitorial	22,356	17,397	20,390	22,200	22,044	20,200
5560	Bond Administration	3,500	5,773	5,973	6,800	6,170	6,800
5570	Security	23,571	25,542	36,379	32,120	38,047	37,620
5575	Sampling	23,037	52,010	35,060	40,000	29,724	60,000
9950	Election Costs	-	1,887	-	460,000	2,061	-
		<u>\$ 879,328</u>	<u>\$ 950,081</u>	<u>\$ 960,878</u>	<u>\$1,468,060</u>	<u>\$ 916,748</u>	<u>\$ 1,146,580</u>

EQUIPMENT RENT, TAXES AND UTILITIES FISCAL YEARS 2021-22 THROUGH 2025-26

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 has 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.



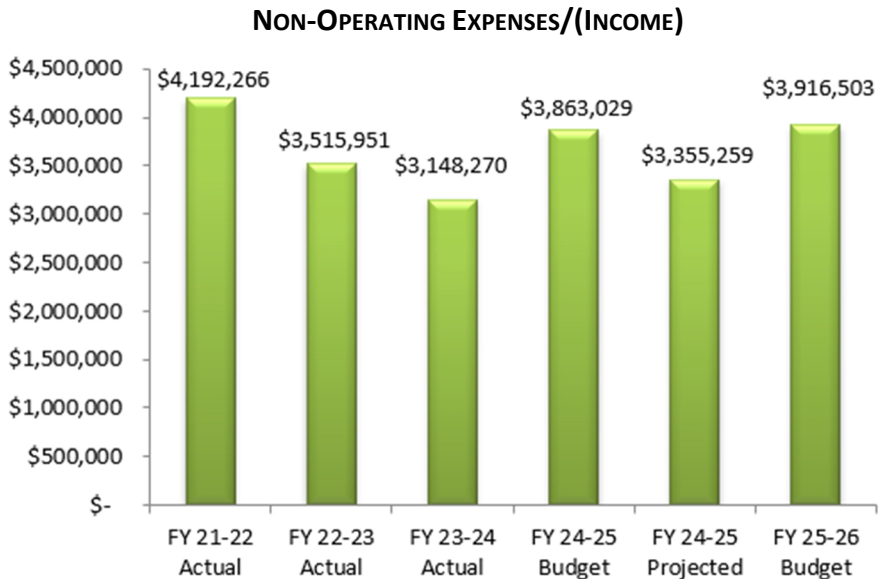
**Elk Grove Water District
Budgeted Equipment Rent, Taxes and Utilities Accounts Detail
For the Fiscal Year ending June 30, 2026**

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
5610	Occupancy	\$ 72,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -
5620	Equipment Rental	33,803	33,560	31,588	22,700	30,236	23,120
5710	Property Taxes	2,918	3,277	861	2,800	800	2,800
5740	Electricity	360,247	451,517	416,100	485,800	503,694	496,124
5750	Natural Gas	1,352	5,348	3,284	6,000	4,824	6,000
5760	Sewer & Garbage	49,972	45,768	53,257	52,530	64,467	53,400
		<u>\$ 520,293</u>	<u>\$ 557,469</u>	<u>\$ 505,090</u>	<u>\$ 569,830</u>	<u>\$ 604,020</u>	<u>\$ 581,444</u>

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

NON-OPERATING EXPENSES / (REVENUES) FISCAL YEARS 2021-22 THROUGH 2025-26

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.

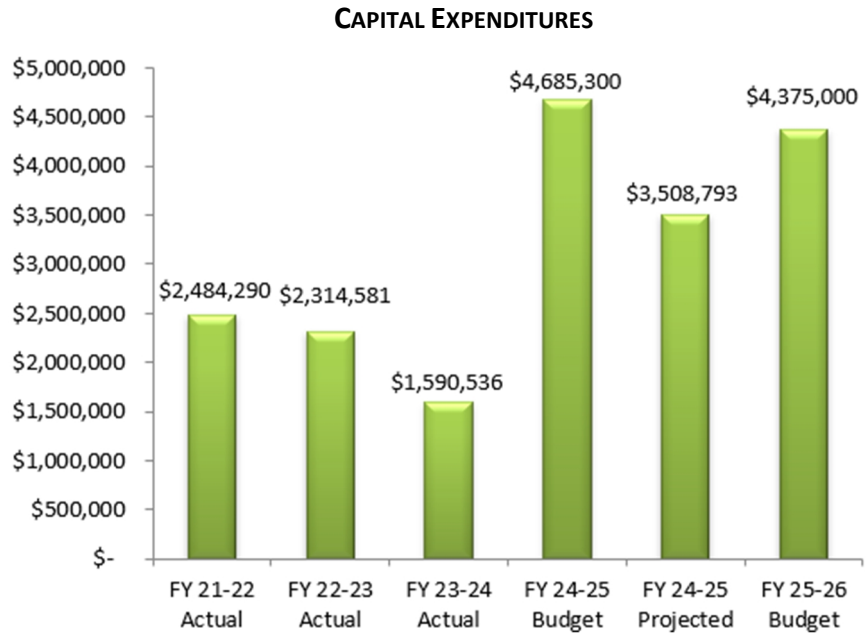


Elk Grove Water District
Budgeted Non Operating Accounts Detail
For the Fiscal Year ending June 30, 2026

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
2500	Bond Retirement	\$ 2,440,000	\$ 2,560,000	\$ 2,675,000	\$ 2,780,000	\$ 2,780,000	\$ 2,935,000
7300	Debt Service (Bond Interest Expense)	1,442,499	1,323,204	1,211,994	1,108,029	1,108,029	1,006,503
9700	Capital Grants	-	(221,000)	(142,482)	-	(216,200)	-
9920	Other Expenses (Income)	(24,998)	(37,133)	(12,934)	-	114,306	-
9910	Interest Earned	(56,182)	(155,106)	(310,330)	(25,000)	(226,375)	(25,000)
9911	Unrealized Gains and Losses	390,948	45,986	(272,977)	-	(204,501)	-
		<u>\$ 4,192,266</u>	<u>\$ 3,515,951</u>	<u>\$ 3,148,270</u>	<u>\$ 3,863,029</u>	<u>\$ 3,355,259</u>	<u>\$ 3,916,503</u>

CAPITAL EXPENDITURES FISCAL YEARS 2021-22 THROUGH 2025-26

Fiscal year 2025-26 Capital Expenditures consist of funding for Repair & Replacement and Long-term Capital Improvement based on the District 5-year Capital Improvement Plan (FY 2026-30 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 will meet to review the District's Asset Management Program (AMP) to identify the District's 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 of 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, 2026**

Account#	Description	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 2025-26 Requested Budget
3560	Repair & Replacement Reserve	\$ 1,869,360	\$ 1,184,166	\$ 1,039,474	\$ 3,596,300	\$ 2,851,841	\$ 2,541,000
3565	Capital Improvement Reserve	614,930	1,130,416	551,062	1,089,000	656,952	1,834,000
		<u>\$ 2,484,290</u>	<u>\$ 2,314,581</u>	<u>\$ 1,590,536</u>	<u>\$ 4,685,300</u>	<u>\$ 3,508,793</u>	<u>\$ 4,375,000</u>

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

The principle 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 2026-30 CIP (amounts in 000's).

FUND	FY25/26	FY26/27	FY 27/28	FY 28/29	FY 29/30	Total
CAPITAL IMPROVEMENT FUNDS						
Supply/Distribution Improvements	1,784	1,307	1,336	1,668	-	6,095
Treatment Improvements	-	-	-	-	-	-
Building & Site Improvements/Vehicles	-	-	-	-	-	-
SUB-TOTAL	1,784	1,307	1,336	1,668	-	6,095
CAPITAL REPAIR/REPLACEMENT FUNDS						
Supply/Distribution Improvements	1,246	1,102	1,111	888	1,408	5,755
Treatment Improvements	800	295	925	262	437	2,719
Building & Site Improvements/Vehicles	445	80	155	152	295	1,127
SUB-TOTAL	2,491	1,477	2,191	1,302	2,140	9,601
UNFORESEEN CAPITAL PROJECT FUNDS						
Unforeseen Capital Projects	100	100	100	100	100	500
SUB-TOTAL	100	100	100	100	100	500
TOTAL	4,375	2,884	3,627	3,070	2,240	16,196

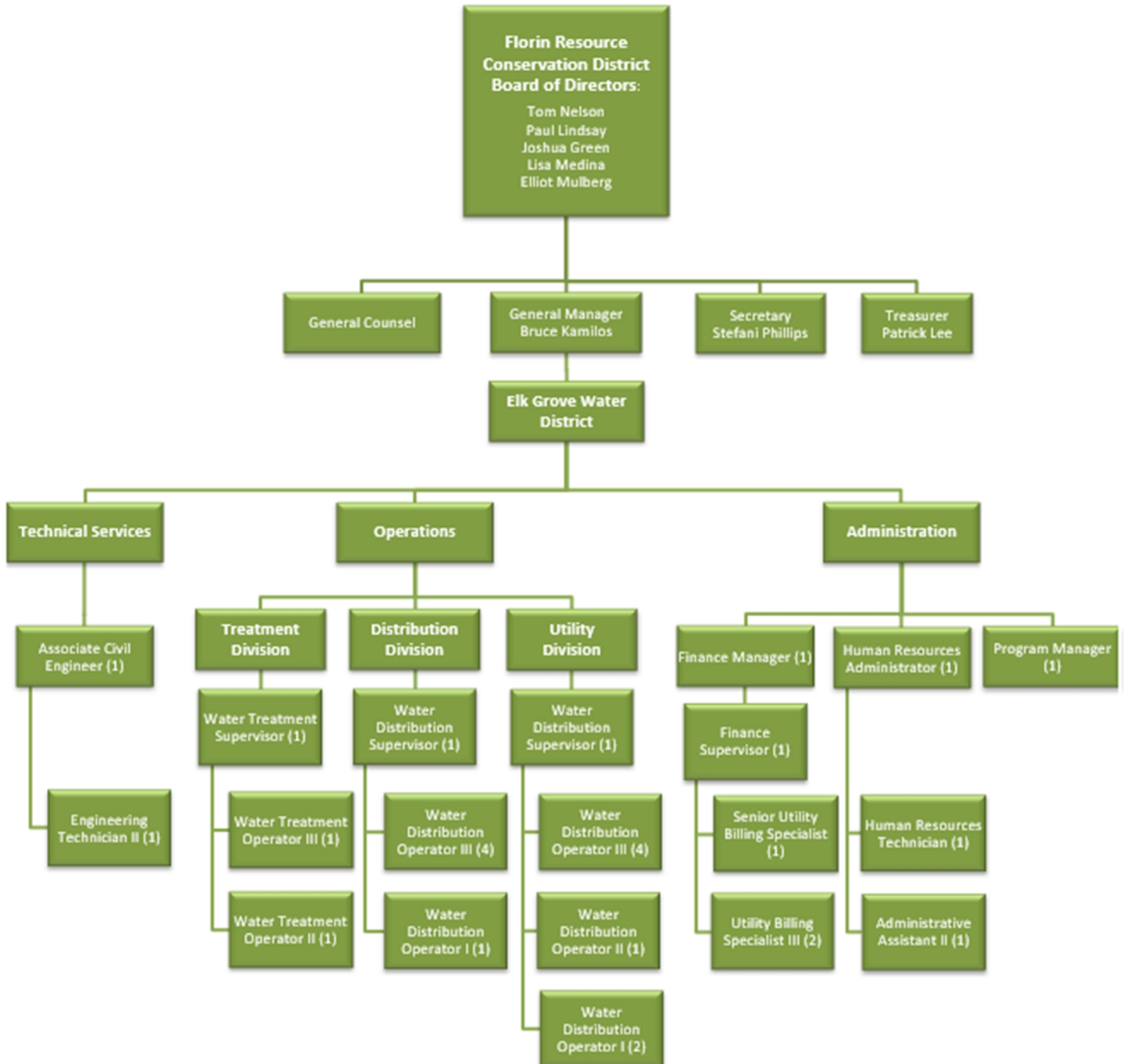
Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

In addition, below is a listing of the specific capital projects budgeted for in FY 2025-26 CIP and reflected in the FY 2025-26 operating budget (amounts in 000's):

PROJECT NAME	FY25/26
SUPPLY / DISTRIBUTION IMPROVEMENTS	
AMI Metering Technology*	1,634
Elk Grove Florin-Frontage Rd. Water Main	721
Eisenbeisz St. Water Main	186
Meadow Grove Dr.	269
Transmission Main Brinkman Ct. (Cost Share)*	150
City of Elk Grove Streetscape Projects	70
TREATMENT IMPROVEMENTS	
PLC - RRWTP Main & Filter Panel	800
BUILDING & SITE IMPROVEMENTS / VEHICLES	
Truck Replacements	120
Vactor Trailer Replacements	175
ERP System*	150
UNFORESEEN CAPITAL PROJECTS	
Unforeseen Capital Projects	100
TOTAL CAPITAL IMPROVEMENT BUDGET	4,375
* Carry over projects from FY24/25	

ORGANIZATIONAL SUMMARY

ELK GROVE WATER DISTRICT ORGANIZATION CHART



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

ELK GROVE WATER DISTRICT STAFF FTE

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
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
Administrative Assistant II	2.00	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	2.00	3.00	3.00	3.00	2.00
Customer Service Specialist II	1.00	-	-	-	-
Department Total	11.00	11.00	11.00	11.00	10.00
Technical Services					
Associate Engineer	1.00	1.00	1.00	1.00	1.00
Engineering Technician I	1.00	1.00	-	-	-
Engineering Technician II	-	-	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 in Training	2.00	-	-	-	-
Water Distribution Operator I	2.00	2.00	2.00	3.00	3.00
Water Distribution Operator II	6.00	6.00	6.00	1.00	1.00
Water Distribution Operator III	2.00	4.00	4.00	8.00	8.00
Water Treatment Operator II	1.00	-	-	-	1.00
Water Treatment Operator III	1.00	2.00	2.00	2.00	1.00
Departmental Total	17.00	17.00	17.00	17.00	17.00
Organizational Total	30.00	30.00	30.00	30.00	29.00

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 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	10,900
Number of Customers	44,000	40,000	29,776
Budget Comparison - Fiscal Year Basis	July-June	July-June	July-June
Revenues - FY 2024-25 Budget			
Retail Water Sales	\$ 16,958,295	\$ 17,820,000	\$ 17,455,000
Other Revenues	332,000	8,287,000	21,424,700
TOTAL REVENUE BUDGET	\$ 17,290,295	\$ 26,107,000	\$ 38,879,700
Expenditures - FY 2023-24 Budget			
Personnel Costs	\$ 5,147,848	\$ 4,074,637	\$ 6,974,200
Operating Costs	7,259,769	5,588,528	3,367,800
Non-Operating Costs	3,863,029	2,992,131	5,557,100
EXPENDITURE BUDGET	\$ 16,270,646	\$ 12,655,296	\$ 15,899,100
CAPITAL BUDGET	\$ 3,835,000	\$ 13,498,319	\$ 24,090,600
TOTAL EXPENDITURE BUDGET	\$ 20,105,646	\$ 26,153,615	\$ 39,989,700
REVENUES IN EXCESS OF EXPENDITURES	\$ (2,815,351)	\$ (46,615)	\$ (1,110,000)
OUTSTANDING DEBT	\$ 29,935,000	\$ 26,350,000	\$ 14,166,074
FTE	30	28	49

Note: The information above is based on FY 2024-25 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 2025-26 Operating Budget

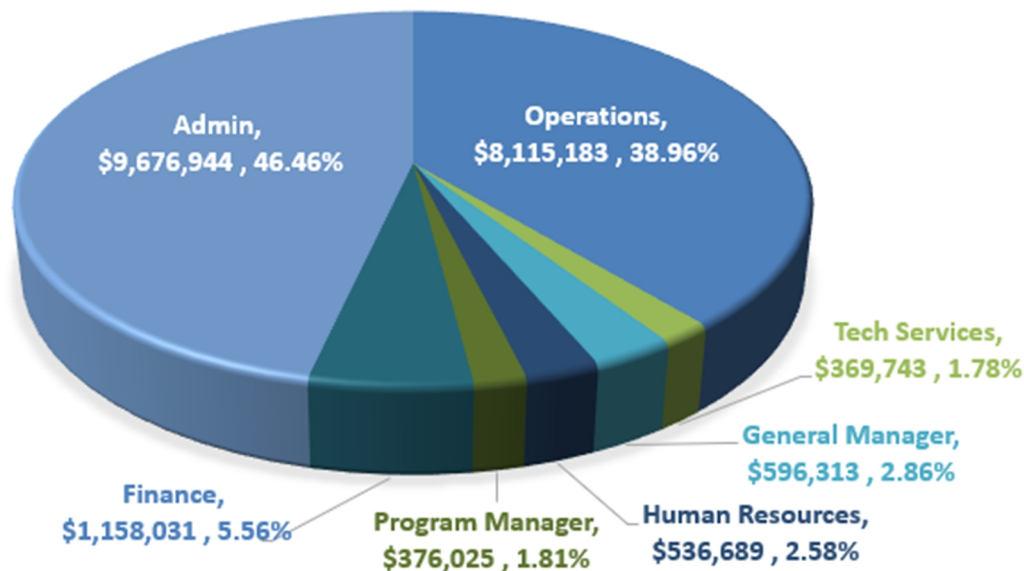
EXPENSES BY DEPARTMENTS

Elk Grove Water District
Summary by Departments
For the Fiscal Year ending June 30, 2026

Expenditure	Operations	Technical Services	General Manager	Human Resources	Program Manager	Finance	Admin	Total Budget
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$18,477,994
Salaries and Benefits	2,988,979	302,816	408,843	517,289	220,728	961,782	286,449	5,686,887
Seminars, Conventions and Travel	6,553	4,869	21,779	-	3,267	5,976	-	42,444
Office and Operational	1,012,647	47,058	691	4,800	45,830	127,573	503,468	1,742,067
Purchased Water	3,805,728	-	-	-	-	-	-	3,805,728
Outside Services	224,000	15,000	165,000	14,600	106,200	62,700	559,080	1,146,580
Equipment Rent, Taxes and Utilities	545,000	-	-	-	-	-	36,444	581,444
Subtotal Operational Expenses	8,582,907	369,743	596,313	536,689	376,025	1,158,031	1,385,441	13,005,151
Less: Capitalized Labor	(467,724) *	-	-	-	-	-	-	(467,724)
Total Operational Expenses	8,115,183	369,743	596,313	536,689	376,025	1,158,031	1,385,441	12,537,426
Non-Operating Expenses (Income)	-	-	-	-	-	-	3,916,503	3,916,503
Capital Expenditures	-	-	-	-	-	-	4,375,000	4,375,000
Total Net Expenses	\$8,115,183	\$369,743	\$596,313	\$536,689	\$376,025	\$1,158,031	\$9,676,944	\$20,828,929
Transfers (to)/from reserves								2,350,935
Revenues In Excess of Expenses, Principal Retirement and Capital Expenditures								\$ -

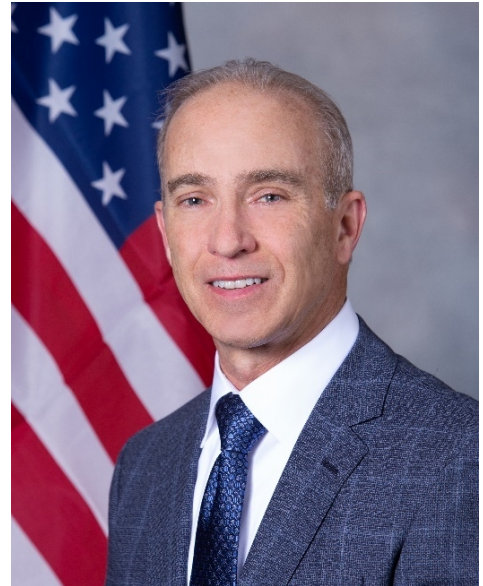
* This represents approximately 60% of salaries and benefits of the Utility Division which will be charged to Capital Projects.

SUMMARY BY DEPARTMENTS

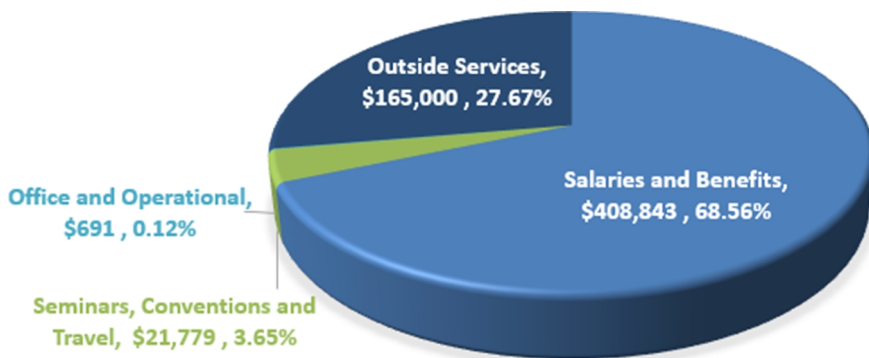


OFFICE OF THE GENERAL MANAGER

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 2024-25 ACCOMPLISHMENTS

- Kicked off implementation of the District's new enterprise resource planning system.
- Evaluated options to reduce District election costs leading to submitting an application with Sacramento Local Area Formation Commission to detach the FRCD territory that lies outside the EGWD service boundaries.
- Completed the District's 2025-2030 Strategic Plan which was approved by the Board in February 2025.
- Launched the first-ever Citizens Water Academy to strengthen the District's relationship in the community.
- Presented the District's state of fire preparedness at an Elk Grove City Council meeting and a Cosumnes Community Services District board meeting.
- Presented the District's 10-Year Water Financial Plan to the Board to demonstrate the District's long-term financial stability.
- Served on the Regional Water Authority Executive Committee in a leadership role.
- Developed a Board-approved Artificial Intelligence (AI) Policy and tested how AI could be used in the District.
- Arranged meetings with key stakeholders to pursue groundwater sustainability projects through partnerships.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

FY 2025-26 GOALS AND OBJECTIVES

GENERAL OBJECTIVES

- Provide leadership to ensure that the District overall mission and values are accomplished.
- Provide the Board of Directors with timely support and information.
- Ensure that all water facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost-efficient manner.
- Maintain effective long-term financial and operational plans.
- Implement sound fiscal policies, budgets, and controls.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional and community affairs.
- Motivate employees and encourage teamwork throughout the organization.

Specific Key Objectives

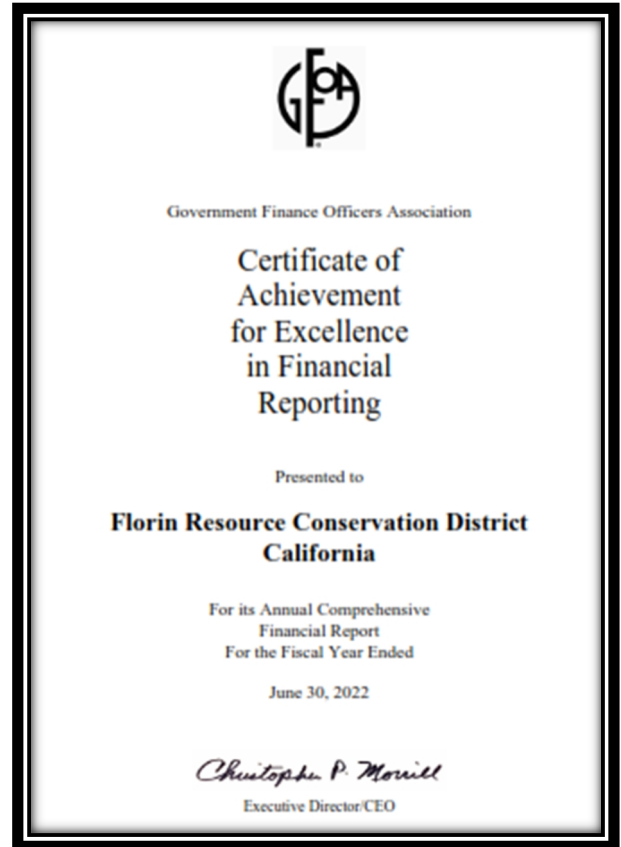
- Complete the implementation of the District's new enterprise resource planning system.
- Complete the detachment of the FRCD territory that lies outside the EGWD service boundaries resulting in cost savings of approximately \$375,000 per election.
- Replace the main programmable logic controllers at the Railroad Water Treatment Plant.
- Install AMI SmartPoints on 25% of the District's water meters (all 3 commercial routes and 3 residential routes).
- Leverage artificial intelligence to enhance the District's efficiency.
- Pursue groundwater sustainability projects through partnerships.

FY 2025-26 PERFORMANCE MEASURES

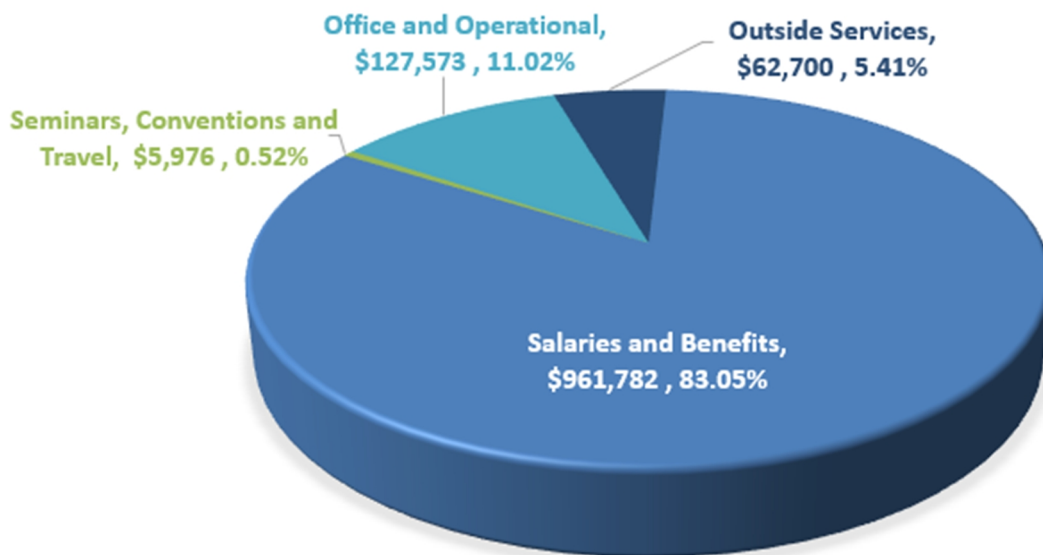
MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
# OF EMPLOYEE CHECK-IN SESSIONS	53	36	52	52
# OF BOARD MEMBER CHECK-IN SESSIONS	18	24	24	18
# OF ON-SITE DISTRICT JOB VISITS	41	40	40	40
# OF CITY COORDINATED MEETINGS	3	3	3	3
# OF OUTSIDE AGENCY COORDINATION MEEINGS	36	24	30	24

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.

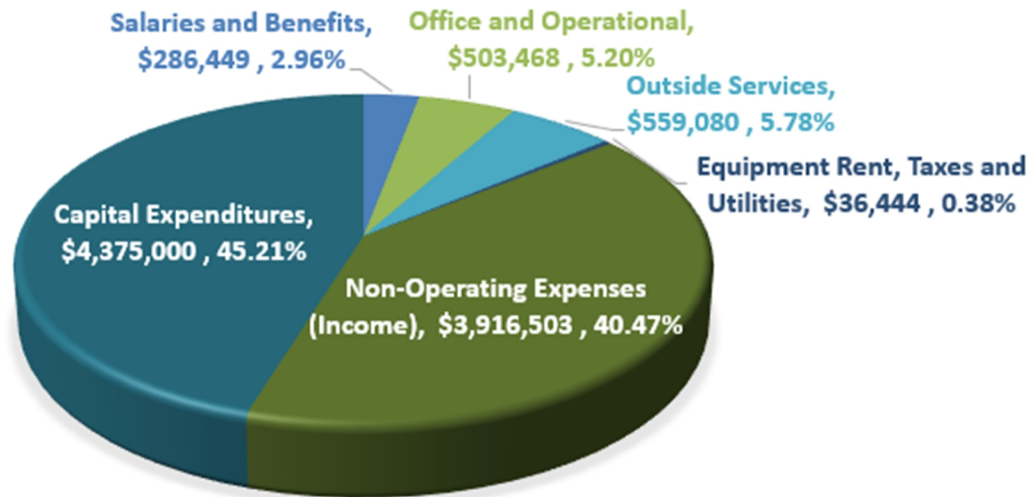


FY 2025-26 FINANCE EXPENSES



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

FY 2025-26 ADMINISTRATIVE EXPENSES



FY 2024-25 ACCOMPLISHMENTS

- Finalized contract negotiations and completed the implementation of the Financial Module in the new Enterprise Resources Planning (ERP) system for the District.
- Established standard operating procedures on email, text and payment notifications through utility billing software.
- Achieved 10 consecutive years of compliance with continuing disclosure reporting requirements in accordance with SEC Rule 15(c)2-12 for municipal bonds.
- Achieved the GFOA Certificate of Excellence in Financial Reporting for the 16th consecutive year.
- Achieved the GFOA Distinguished Budget Presentation Award for the 6th consecutive year.

FY 2025-26 GOALS AND OBJECTIVES

- Complete the implementation of the Payroll, Utility Billing, Human Resource and other remaining ancillary modules in the new ERP system.
- Establish standard operating procedures (SOP's) on the navigation and use of the new ERP system.
- Complete a solicitation for Requests for Proposals for banking services.
- Develop a campaign focused on ways to increase the number of customers with paperless billing.
- Re-evaluate the District's bill printing and distribution process with a focus on transitioning operations to current utility billing software provider.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

FY 2025-26 PERFORMANCE MEASURES

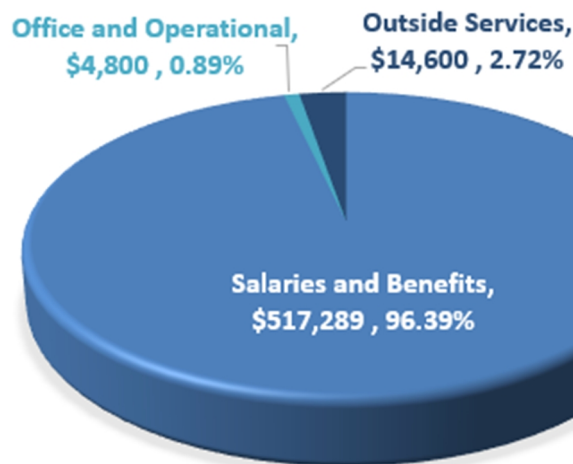
MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
# OF ACCOUNTS PAYABLE CHECKS ISSUED	2229	2200	1800	2000
# OF PAYROLLS COMPLETED ON TIME	26	26	26	26
# OF NEW ACCOUNTS OPENED	643	700	680	780
# OF CUSTOMER REFUNDS ISSUED	511	620	368	420
# OF CUSTOMERS RECEIVING PAPERLESS BILLS	3073	4000	3200	3400

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 2024-25 ACCOMPLISHMENTS

- Completed an Employer of Choice media video.
- Successfully supported the development and implementation of the Citizen's Water Academy by taking the initiative to design the program, create promotional materials, manage participant registration, participation, and issue certificates of completion.
- Provided critical support in the design, graphics, and layout of the Florin Resource Conservation/Elk Grove Water District 2025-2030 Strategic Plan.
- Completed an update of board policies.
- Completed a review of the Bylaws of the Florin Resource Conservation District.
- Completed a retirement transition, including recruitment and vacancy backfill.
- Conducted onboarding and a new board member orientation.
- Celebrated the District's 25-year anniversary.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

FY 2025-26 GOALS AND OBJECTIVES

- Implementation of new Human Resources (HR) and Employee Self Service modules.
- Modernize HR systems for applicant tracking, onboarding, training, and performance management with the new ERP HR modules.
- Provide support with Enterprise Resource Planning (ERP) implementation.
- Assist with Enterprise Resource Planning (ERP) training.
- Hold an Open Enrollment Fair.
- Conduct board member onboarding and orientations.
- Update the general manager performance evaluation.
- Develop a Professional Development Program.
- Foster employee wellness by offering resources and opportunities that support their overall well-being.

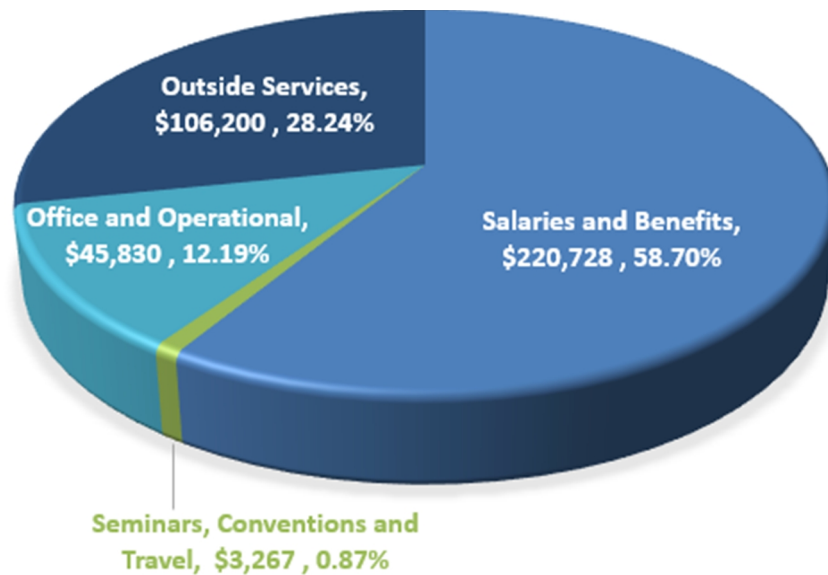
FY 2025-26 PERFORMANCE MEASURES

MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
# OF BOARD/COMMITTEE MEETINGS SCHEDULED	16	20	16	16
# OF STAFF REPORTS REVIEWED	99	115	100	100
# OF BOARD/COMMITTEE PACKETS ASSEMBLED	16	20	16	16
# OF FORM 700 RECEIVED AND FILED	15	15	15	15
# OF BOARD MEMBER ORIENTATION	0	2	1	0
# OF BOARD MEMBERS PARTICIPATED IN REQUIRED TRAINING	4	5	4	6
# OF DISTRICT EMPLOYEE PERFORMANCE EVALUATIONS COMPLETED	98	109	90	100
# OF APPROVED DISTRICT STANDARD OPERATING PROCEDURES DEVELOPED	4	10	3	5
# OF POLICIES CREATED AND OR REVIEWED, INCLUDING EMPLOYEE POLICY MANUAL	0	26	27	2
# OF WELLNESS RESOURCES PROVIDED TO EMPLOYEES (WEBINARS, VIDEOS, TIPS, ETC.)	0	2	2	12

PROGRAM MANAGER

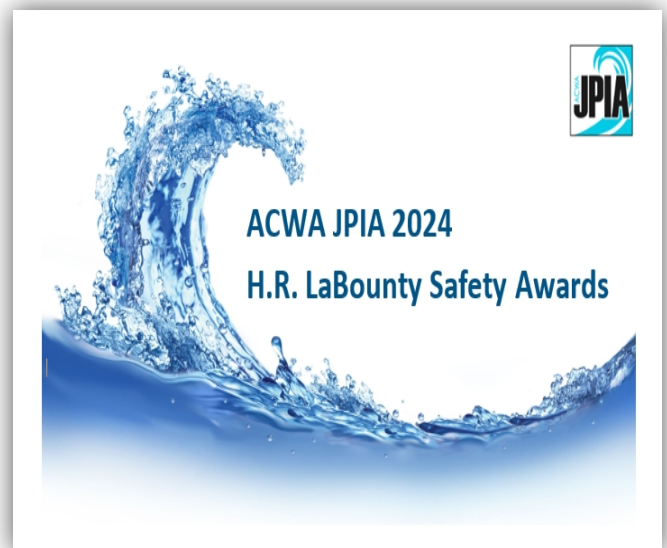
The Program Manager manages special programs and projects assigned by the General Manager, including water conservation, safety, legislative tracking and lobbying, grant acquisition, and public information and outreach.

FY 2025-26 PROGRAM MANAGER EXPENSES



FY 2024-25 ACCOMPLISHMENTS

- Completed update of the Administration Building landscape.
- Facilitated an emergency response plan tabletop exercise involving a cross-contamination crisis.
- 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.



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- Submitted and was awarded Association of California Water Agencies Joint Powers Insurance Authority H.R. LaBounty Safety Award
- Track and report water usage in compliance with Making Conservation a California Way of Life Regulation.

FY 2025-26 GOALS AND OBJECTIVES

- Ensure District compliance with State Water Resource Control Board Conservation Regulations targets.
- Track and monitor legislation that may impact District operations in coordination with California Special Districts Association (CSDA), Regional Water Authority (RWA) and Association of California Water Agencies (ACWA).
- Complete an update to the Urban Water Management Plan and Water Shortage Contingency Plan
- Update and certify with EPA the Risk and Resilience Assessment
- Develop a District internship program
- Maintain a comprehensive safety program and ensure proper safety training for staff

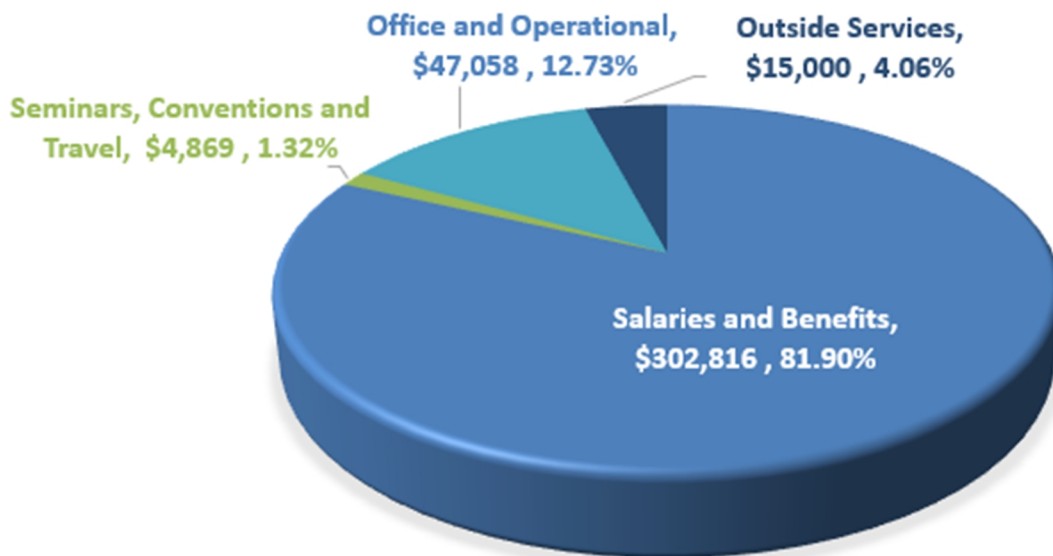
FY 2025-26 PERFORMANCE MEASURES

MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
# OF SAFETY MEETINGS	22	26	27	26
# OF WATER DROP NEWSLETTERS PUBLISHED	3	3	3	3
NUMBER OF BILL INSERTS DISTRIBUTED	7	6	8	6

TECHNICAL SERVICES

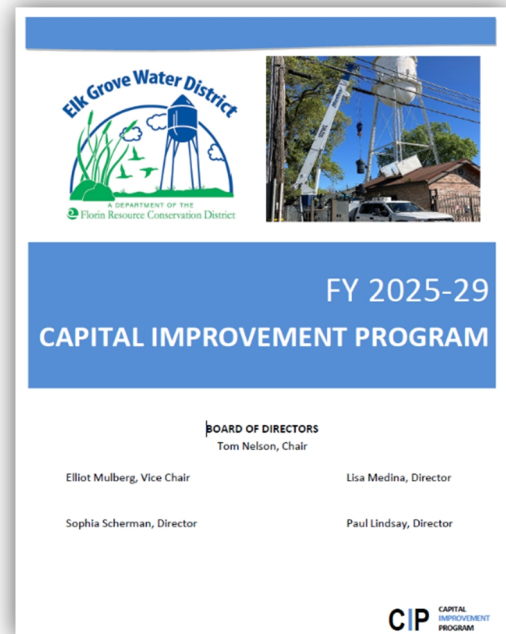
The Technical Services Department provides planning, engineering, construction management, Operations technical support, and district-wide geographic information system (GIS) services. Technical Services Department is also responsible for developing and administering the District's capital improvement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

FY 2025-26 TECHNICAL SERVICES EXPENSES



FY 2024-25 ACCOMPLISHMENTS

- Completed approximately 80 percent of the District controlled CIP projects identified in the FY 2024-25 CIP budget.
- Internally developed a digital Unidirectional Flushing Program for Service Area 2 leveraging GIS and digital forms to track flushing information and progress.
- Completed design work for the Programmable Logic Controller (PLC) replacement project planned for FY 2025-26 at the Railroad Water Treatment Plant.
- Successfully submitted our Initial Lead Service Line Inventory to the EPA and State Water Board confirming that the water system contains no lead service lines.



Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

FY 2025-26 GOALS AND OBJECTIVES

- Perform the technical work behind the District’s capital improvement program.
- Develop improvement plans for the District’s water main replacement program.
- Coordinate with field staff, outside contractors, and outside agencies to ensure the successful replacement of the PLCs at the Railroad Water Treatment Plant.
- Coordinate with field staff to facilitate and carry out the installation of AMI meter reading infrastructure and equipment.
- Coordinate with District staff to successfully integrate new AMI meter reading and utility billing software.
- Represent the District’s interest with developer-installed water system infrastructure.
- Identify non-compliant backflow prevention devices and coordinate with field staff to facilitate their replacement per the 2024 CA. Cross-Connection Control Policy.
- Support field staff in exercising all EGWD-owned transmission main valves.

FY 2025-26 PERFORMANCE MEASURES

MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
% OF PROJECTS COMPLETED IN ANNUAL CIP	80%	100%	90%	100%
% OF PROJECTS COMPLETED UNDER BUDGET	90%	100%	80%	100%
% OF SUCCESSFUL RESPONSES TO OUTSIDE INFORMATION REQUESTS	100%	100%	100%	100%
# OF MONTHLY OPERATIONS REPORTS COMPLETED ON TIME	12	12	12	12

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 2024-25 ACCOMPLISHMENTS

- Security Patching and System Maintenance: Applied approximately 4,500 security patches to servers and systems as of March 17, 2025, with an estimated total of 8,500 patches by fiscal year-end, maintaining robust cybersecurity to comply with State and Federal Drinking Water Standards. Maintained server uptime averaging 99.1% (24x7x365), with total downtime of approximately 2 days, 18 hours across all systems, ensuring reliable water system monitoring.
- Help Desk Ticket Resolution: Closed out 5,768 help desk tickets as of March 17, 2025, with a projected total of 9,500 tickets by June 30, 2025, addressing user support, maintenance, and system enhancements to streamline District operations and support standard operating procedure updates.
- Network Security Enhancements: Conducted monthly security scans of the district's network assets for nine consecutive months (July 2024 – March 2025), reducing identified vulnerabilities by 20% through patching and configuration, advancing the Risk and Resilience Plan and reducing operational risks for staff.
- Server Infrastructure Upgrades: Deployed a new SCADA RDP server and a new historian server, enhancing operational reliability and data management capabilities to support infrastructure renewal and organizational improvement.
- Disaster Recovery and Backup Improvements: Configured and tested backups for critical systems, including GIS server backups, radio and switch firmware configurations, and daily DVR backups, strengthening data redundancy and recovery readiness to align with the Emergency Response Plan update.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- **Software and System Modernization:** Updated critical applications such as WIN911, InfoWater Pro for ArcGIS Pro 3.0, new Cisco switches, and C3CMS for camera monitoring, ensuring compatibility and functionality for end users while maintaining operational transparency and supporting regional water collaboration.
- **Cloud and Collaboration Enhancements:** Implemented Office 365 group adjustments and supported Teams deployments, enhancing communication and collaboration tools to increase engagement with customers and the community as part of the annual Communications Plan.
- **PCI-DSS Compliance Support:** Assisted with PCI-DSS SAQ responses, ensuring compliance with security standards for payment processing systems to support bill payment consolidation services and fiscal accountability.

FY 2025-26 GOALS AND OBJECTIVES

- **Automated Disaster Recovery Testing:** Fully implement and test automated disaster recovery response systems by Q1 FY 2025-26, building on FY 2024-25 backup enhancements, to validate server and system recovery effectiveness within 4 hours of a simulated failure, supporting the Emergency Response Plan update.
- **Cybersecurity Vulnerability Reduction:** Reduce outstanding high and medium cybersecurity vulnerabilities to below 30 by Q2 FY 2025-26, leveraging ongoing scans, patching, and operating system migrations, to protect water systems and enhance staff safety.
- **Operating System Migration Completion:** Migrate all remaining server and desktop systems with end-of-life operating systems (e.g., pre-Windows Server 2019 and Windows 10) to supported versions by December 31, 2025, ensuring compliance and security while updating the Asset Management Plan.
- **WIN911 Phone Alert Solution:** Finalize and deploy a modern solution to replace or enhance WIN911 for phone-based Treatment Team alerts by Q1 FY 2025-26, ensuring reliable alarm notifications.
- **ERP Cloud Migration Support:** Complete the migration of on-premises data to the cloud as part of the ERP Migration Project by December 31, 2025, assisting with infrastructure setup and data transfer to improve operational efficiency and support organizational improvement.
- **Desktop Hardware Refresh:** Procure and deploy new desktop workstations by Q3 FY 2025-26 to replace any computer that cannot be upgraded to Windows 11, enhancing security, performance, and reliability to support staff productivity and operational efficiency.
- **Enhanced User Training:** Develop and deliver IT security and software usage training for staff by Q2 FY 2025-26, reducing end-user tickets by 10% through improved self-service capabilities, supporting employee development and indirectly improving customer service responsiveness.
- **Network Performance Optimization:** Replace all end-of-life Cisco switches with newer, supported models by Q4 FY 2025-26, improving security, reducing latency, and enhancing

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

bandwidth allocation for critical systems to support infrastructure renewal and regional water efforts.

FY 2025-26 PERFORMANCE MEASURES

MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
SYSTEM UPTIME (MONTHLY AVERAGE)	99.318%	99.3%	99.3%	99.5%
HELP DESK TICKETS CLOSED	11,729	10,000	12,000	10,500
OUTSTANDING CYBER SECURITY VULNERABILITIES	423	80	100	39

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.



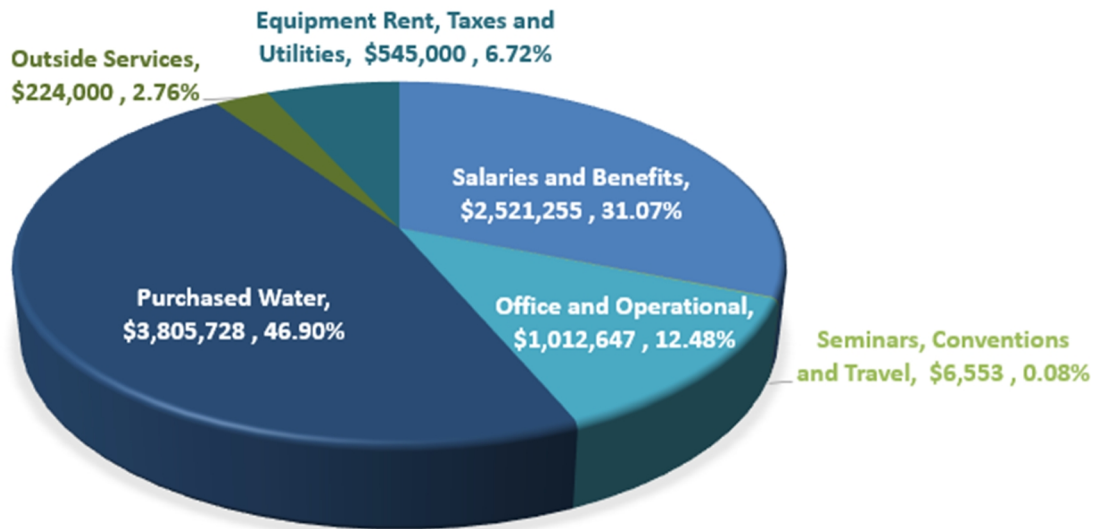
**Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget**

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 2025-26 OPERATIONS DEPARTMENT EXPENSES



FY 2024-25 ACCOMPLISHMENTS

- Installed 3,300 linear feet of new water main pipeline as part of the District's ongoing water main replacement program.
- Tested over 900 water quality samples on raw and treated water throughout the system.
- Assisted with the interior repair and recoating Storage Tank No. 2 at the Railroad Water Treatment Plant.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

- Unidirectionally flushed 24 miles of water main pipe in Service Area 2.
- Conducted the District's ongoing hydrant maintenance and valve exercising program including the exercising of transmission main valves.

FY 2025-26 GOALS AND OBJECTIVES

- Install 2,600 linear feet of new water main pipeline.
- Install AMI SmartPoints on 3,030 water meters covering all 3 commercial routes and 3 residential routes.
- Assist with the replacement of the main programmable logic controller at the Railroad Water Treatment Plant.
- Complete the valve exercising of transmission main valves.
- Perform all scheduled preventative maintenance activities.

FY 2025-26 PERFORMANCE MEASURES

MEASURE	FY23/24 ACTUAL	FY24/25 TARGET	FY24/25 ESTIMATE	FY25/26 TARGET
LINEAR FEET OF NEW WATERMAIN INSTALLED	2800	3100	3300	2600
# OF WATER DISTRIBUTION VALVES EXERCISED	1198	1524	957	960
# OF WATER DISTRIBUTION HYDRANTS EXERCISED	608	552	1012	1701
# OF WEEKS PREVENTATIVE MAINTENANCE PROGRAM FOR WATER TREATMENT PLANTS FULLY COMPLETED	52	52	52	52

LONG-TERM INDEBTEDNESS BOND COVENANT RATIO

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 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, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>
<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	\$15,970,000	\$2,624,616
<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	\$11,185,000	\$2,023,830
TOTAL	<u>\$27,155,000</u>	<u>\$4,648,446</u>

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

Bond Covenant Ratio Requirements

The 2014 and 2016 bonds are parity debt, with the net revenues, less the rate stabilization fund, 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 2025-26 budget is as follows:

	<u>2026</u>
Covenant:	
Net Income	\$ 5,940,568
Interest and principal payments, cash basis (as defined)	<u>\$ 3,941,503</u>
Coverage ratio computed	<u><u>1.51</u></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	
2026	2,170,000	617,613	765,000	388,890	3,941,503
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
2031-2033	4,550,000	336,000	6,690,000	376,020	11,952,020
	<u>\$ 15,970,000</u>	<u>\$ 2,624,616</u>	<u>\$ 11,185,000</u>	<u>\$ 2,023,830</u>	<u>\$ 31,803,446</u>

FISCAL YEAR 2025-26 RATES AND FEES SCHEDULE

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

Use Charges:

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

Connection Size	Jan 1, 2025	Jan 1, 2026
1"	\$ 64.26	\$ 67.16
1.5"	\$ 116.96	\$ 122.23
2"	\$ 180.20	\$ 188.31
3"	\$ 380.47	\$ 397.60
4"	\$ 643.97	\$ 672.95
6"	\$ 1,434.47	\$ 1,499.03
8"	\$ 1,697.97	\$ 1,774.38
10"	\$ 4,438.37	\$ 4,638.10

Commodity charge for units of water used in a month:

Service Type	Jan 1, 2025	Jan 1, 2026
Residential Metered		
Tier 1 (0-30 CCF)	\$ 2.25	\$ 2.36
Tier 2 (30.01+ CCF)	\$ 3.34	\$ 3.50
CCF = Hundred Cubic Feet		
Non-residential	\$ 2.24	\$ 2.35
Irrigation	\$ 3.11	\$ 3.25

Other Fees:

Private Fire Protection Service Rates:

Connection Size	Jan 1, 2025	Jan 1, 2026
2"	\$ 3.89	\$ 4.07
3"	\$ 11.28	\$ 11.79
4"	\$ 24.03	\$ 25.12
6"	\$ 69.78	\$ 72.93
8"	\$ 148.70	\$ 155.40
10"	\$ 267.41	\$ 279.45
12"	\$ 431.92	\$ 451.36

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

Other: Effective February 15, 2022

Account set up	\$30.00
Return check charge	\$35.00, 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
Weekly rental	\$50.00
Deposit	\$3,000.00
Water Theft	See "Water Theft and Tampering w/ District Facilities Ordinance"

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 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 2025-26 SALARY SCHEDULE

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

ELK GROVE WATER DISTRICT

Non-Exempt Positions
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2025 (1.90% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Administrative Assistant I	40	\$ 58,801.60	\$ 61,734.40	\$ 64,833.60	\$ 68,120.00	\$ 71,489.60
		\$ 2,261.60	\$ 2,374.40	\$ 2,493.60	\$ 2,620.00	\$ 2,749.60
		\$ 28.27	\$ 29.68	\$ 31.17	\$ 32.75	\$ 34.37
Administrative Assistant II	44	\$ 64,833.60	\$ 68,120.00	\$ 71,489.60	\$ 75,046.40	\$ 78,832.00
		\$ 2,493.60	\$ 2,620.00	\$ 2,749.60	\$ 2,886.40	\$ 3,032.00
		\$ 31.17	\$ 32.75	\$ 34.37	\$ 36.08	\$ 37.90
Engineering Technician I	55	\$ 84,780.80	\$ 89,024.00	\$ 93,475.20	\$ 98,155.20	\$ 103,043.20
		\$ 3,260.80	\$ 3,424.00	\$ 3,595.20	\$ 3,775.20	\$ 3,963.20
		\$ 40.76	\$ 42.80	\$ 44.94	\$ 47.19	\$ 49.54
Engineering Technician II	59	\$ 93,475.20	\$ 98,155.20	\$ 103,043.20	\$ 108,222.40	\$ 113,651.20
		\$ 3,595.20	\$ 3,775.20	\$ 3,963.20	\$ 4,162.40	\$ 4,371.20
		\$ 44.94	\$ 47.19	\$ 49.54	\$ 52.03	\$ 54.64
Engineering Technician III	63	\$ 103,043.20	\$ 108,222.40	\$ 113,651.20	\$ 119,308.80	\$ 125,236.80
		\$ 3,963.20	\$ 4,162.40	\$ 4,371.20	\$ 4,588.80	\$ 4,816.80
		\$ 49.54	\$ 52.03	\$ 54.64	\$ 57.36	\$ 60.21
Human Resources Technician	52	\$ 78,832.00	\$ 82,763.20	\$ 86,944.00	\$ 91,208.00	\$ 95,804.80
		\$ 3,032.00	\$ 3,183.20	\$ 3,344.00	\$ 3,508.00	\$ 3,684.80
		\$ 37.90	\$ 39.79	\$ 41.80	\$ 43.85	\$ 46.06
Operator in Training	45	\$ 66,435.20	\$ 69,763.20	\$ 73,236.80	\$ 76,918.40	\$ 80,724.80
		\$ 2,555.20	\$ 2,683.20	\$ 2,816.80	\$ 2,958.40	\$ 3,104.80
		\$ 31.94	\$ 33.54	\$ 35.21	\$ 36.98	\$ 38.81
Senior Utility Billing Specialist	56	\$ 86,944.00	\$ 91,208.00	\$ 95,804.80	\$ 100,609.60	\$ 105,684.80
		\$ 3,344.00	\$ 3,508.00	\$ 3,684.80	\$ 3,869.60	\$ 4,064.80
		\$ 41.80	\$ 43.85	\$ 46.06	\$ 48.37	\$ 50.81
Utility Billing Specialist I	36	\$ 53,352.00	\$ 56,035.20	\$ 58,801.60	\$ 61,734.40	\$ 64,833.60
		\$ 2,052.00	\$ 2,155.20	\$ 2,261.60	\$ 2,374.40	\$ 2,493.60
		\$ 25.65	\$ 26.94	\$ 28.27	\$ 29.68	\$ 31.17
Utility Billing Specialist II	40	\$ 58,801.60	\$ 61,734.40	\$ 64,833.60	\$ 68,120.00	\$ 71,489.60
		\$ 2,261.60	\$ 2,374.40	\$ 2,493.60	\$ 2,620.00	\$ 2,749.60
		\$ 28.27	\$ 29.68	\$ 31.17	\$ 32.75	\$ 34.37
Utility Billing Specialist III	46	\$ 68,120.00	\$ 71,489.60	\$ 75,046.40	\$ 78,832.00	\$ 82,763.20
		\$ 2,620.00	\$ 2,749.60	\$ 2,886.40	\$ 3,032.00	\$ 3,183.20
		\$ 32.75	\$ 34.37	\$ 36.08	\$ 37.90	\$ 39.79

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

ELK GROVE WATER DISTRICT

Non-Exempt Positions
Annual, Bi-Weekly & Hourly Wage
As of July 1, 2025 (1.90% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Water Distribution Supervisor	66	\$ 110,905.60	\$ 116,438.40	\$ 122,262.40	\$ 128,398.40	\$ 134,846.40
		\$ 4,265.60	\$ 4,478.40	\$ 4,702.40	\$ 4,938.40	\$ 5,186.40
		\$ 53.32	\$ 55.98	\$ 58.78	\$ 61.73	\$ 64.83
Water Distribution Operator I	49	\$ 73,236.80	\$ 76,918.40	\$ 80,724.80	\$ 84,780.80	\$ 89,024.00
		\$ 2,816.80	\$ 2,958.40	\$ 3,104.80	\$ 3,260.80	\$ 3,424.00
		\$ 35.21	\$ 36.98	\$ 38.81	\$ 40.76	\$ 42.80
Water Distribution Operator II	53	\$ 80,724.80	\$ 84,780.80	\$ 89,024.00	\$ 93,475.20	\$ 98,155.20
		\$ 3,104.80	\$ 3,260.80	\$ 3,424.00	\$ 3,595.20	\$ 3,775.20
		\$ 38.81	\$ 40.76	\$ 42.80	\$ 44.94	\$ 47.19
Water Distribution Operator III	57	\$ 89,024.00	\$ 93,475.20	\$ 98,155.20	\$ 103,043.20	\$ 108,222.40
		\$ 3,424.00	\$ 3,595.20	\$ 3,775.20	\$ 3,963.20	\$ 4,162.40
		\$ 42.80	\$ 44.94	\$ 47.19	\$ 49.54	\$ 52.03
Water Treatment Supervisor	66	\$ 110,905.60	\$ 116,438.40	\$ 122,262.40	\$ 128,398.40	\$ 134,846.40
		\$ 4,265.60	\$ 4,478.40	\$ 4,702.40	\$ 4,938.40	\$ 5,186.40
		\$ 53.32	\$ 55.98	\$ 58.78	\$ 61.73	\$ 64.83
Water Treatment Operator I	49	\$ 73,236.80	\$ 76,918.40	\$ 80,724.80	\$ 84,780.80	\$ 89,024.00
		\$ 2,816.80	\$ 2,958.40	\$ 3,104.80	\$ 3,260.80	\$ 3,424.00
		\$ 35.21	\$ 36.98	\$ 38.81	\$ 40.76	\$ 42.80
Water Treatment Operator II	53	\$ 80,724.80	\$ 84,780.80	\$ 89,024.00	\$ 93,475.20	\$ 98,155.20
		\$ 3,104.80	\$ 3,260.80	\$ 3,424.00	\$ 3,595.20	\$ 3,775.20
		\$ 38.81	\$ 40.76	\$ 42.80	\$ 44.94	\$ 47.19
Water Treatment Operator III	57	\$ 89,024.00	\$ 93,475.20	\$ 98,155.20	\$ 103,043.20	\$ 108,222.40
		\$ 3,424.00	\$ 3,595.20	\$ 3,775.20	\$ 3,963.20	\$ 4,162.40
		\$ 42.80	\$ 44.94	\$ 47.19	\$ 49.54	\$ 52.03

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

ELK GROVE WATER DISTRICT

Exempt Positions Annual, Bi-Weekly & Hourly Wage As of July 1, 2025 (1.90% COLA)

Position	Grade	Step I	Step II	Step III	Step IV	Step V
Finance Manager	88	\$ 189,675.20	\$ 199,222.40	\$ 209,144.00	\$ 219,606.40	\$ 230,568.00
		\$ 7,295.20	\$ 7,662.40	\$ 8,044.00	\$ 8,446.40	\$ 8,868.00
		\$ 91.19	\$ 95.78	\$ 100.55	\$ 105.58	\$ 110.85
Senior Civil Engineer	77	\$ 145,038.40	\$ 152,256.00	\$ 159,868.80	\$ 167,835.20	\$ 176,259.20
		\$ 5,578.40	\$ 5,856.00	\$ 6,148.80	\$ 6,455.20	\$ 6,779.20
		\$ 69.73	\$ 73.20	\$ 76.86	\$ 80.69	\$ 84.74
Finance Supervisor	71	\$ 125,236.80	\$ 131,497.60	\$ 138,070.40	\$ 145,038.40	\$ 152,256.00
		\$ 4,816.80	\$ 5,057.60	\$ 5,310.40	\$ 5,578.40	\$ 5,856.00
		\$ 60.21	\$ 63.22	\$ 66.38	\$ 69.73	\$ 73.20
Associate Civil Engineer	71	\$ 125,236.80	\$ 131,497.60	\$ 138,070.40	\$ 145,038.40	\$ 152,256.00
		\$ 4,816.80	\$ 5,057.60	\$ 5,310.40	\$ 5,578.40	\$ 5,856.00
		\$ 60.21	\$ 63.22	\$ 66.38	\$ 69.73	\$ 73.20
Human Resources Administrator	70	\$ 122,262.40	\$ 128,398.40	\$ 134,846.40	\$ 141,523.20	\$ 148,636.80
		\$ 4,702.40	\$ 4,938.40	\$ 5,186.40	\$ 5,443.20	\$ 5,716.80
		\$ 58.78	\$ 61.73	\$ 64.83	\$ 68.04	\$ 71.46
Program Manager	69	\$ 119,308.80	\$ 125,236.80	\$ 131,497.60	\$ 138,070.40	\$ 145,038.40
		\$ 4,588.80	\$ 4,816.80	\$ 5,057.60	\$ 5,310.40	\$ 5,578.40
		\$ 57.36	\$ 60.21	\$ 63.22	\$ 66.38	\$ 69.73
Associate Engineer	65	\$ 108,222.40	\$ 113,651.20	\$ 119,308.80	\$ 125,236.80	\$ 131,497.60
		\$ 4,162.40	\$ 4,371.20	\$ 4,588.80	\$ 4,816.80	\$ 5,057.60
		\$ 52.03	\$ 54.64	\$ 57.36	\$ 60.21	\$ 63.22

ELK GROVE WATER DISTRICT

General Manager Annual, Bi-Weekly & Hourly Wage As of July 1, 2025 (1.90% COLA)

Position	Grade	Minimum	Current	-	-	Maximum
General Manager	103	\$ 273,436.80	\$ 283,088.00			\$ 332,342.40
		\$ 10,516.80	\$ 10,888.00			\$ 12,782.40
		\$ 131.46	\$ 136.10			\$ 159.78

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.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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.

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.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

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.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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.

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.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

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

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.

Florin Resource Conservation District/Elk Grove Water District
Fiscal Year 2025-26 Operating Budget

WDO – Water Distribution Operator.

X

Y

Z