



Established in 2018
Serving Santa Clarita Valley



BIENNIAL BUDGET

FY 2023/24
FY 2024/25

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

A Culture of Progress at SCV Water: Sustainability and Resiliency

Key Initiatives and Activities

As we embark upon a new five-year strategic plan, SCV Water continues to grow, not just as the regional voice of water stewardship, but as an industry leader. During our first five years as a unified Agency, we have begun to lay the groundwork for water resiliency and to ensure the Agency's water resources and business practices are sustainable.

As we look to the future, we will focus on strengthening our water supply portfolio by implementing conservation programs that stretch our supplies for another day. We'll also continue restoring groundwater supplies affected by PFAS (per- and polyfluoroalkyl substances), shifting toward more sustainable business practices, and expanding our knowledge about how best to invest in water supply programs that will benefit our community.

Over the next two fiscal years, SCV Water will advance our strategic approach to regional watershed management, address groundwater contamination, and comply with new and ongoing state mandates.

Key initiatives and activities under this Budget include:

- **Conservation Long-term Framework (CLTF)** – By State mandate (AB 1668 and SB 606), SCV Water will invest more than \$2.9 million in both budget years to update the Sustainable Water Use Strategic Plan (SWUSP), implement conservation programs and complete supplemental research and evaluation. Additionally, the Water Shortage Contingency Plan (WSCP) is anticipated to be updated in FY 2024/25.
- **Water Resiliency Initiative** – SCV Water will invest \$2.2 million in projects that will expand our knowledge, develop analytical tools and prepare studies to inform how we invest in water supply programs.
- **PFAS Treatment Facilities** – SCV Water will invest nearly \$43 million in water treatment facilities dedicated to the removal of PFAS and restoration of our groundwater supplies. (*PFAS is a group of man-made chemicals that have been found in trace amounts in our water supply.*)
- **Equipment and Vehicle Improvements** – To comply with regulations designed to reduce emissions from the transportation sector and transition to zero emission vehicles (EV), SCV Water will invest \$3.7 million to begin transitioning its fleet to zero emissions by acquiring EV vehicles and equipment.

With this, our third Biennial Budget (FY 2023/24 and FY 2024/25), the Board of Directors reaffirms the link between planning and budgeting as we focus on launching our new 5-Year Strategic Plan and allocating budget to accomplish goals. This Budget reflects the objectives needed to help SCV Water become a best-in-class water service provider for our community.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Santa Clarita Valley Water Agency
California**

For the Biennium Beginning

July 01, 2021

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Santa Clarita Valley Water Agency, California for its annual budget for the fiscal year beginning July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, 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 GFOA to determine its eligibility for another award.

[This page intentionally left blank.]

California Society of Municipal Finance Officers

Certificate of Award

***Operating Budget Excellence Award
Fiscal Years 2021-2022 & 2022-2023***

Presented to the

Santa Clarita Valley Water Agency

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

February 28, 2022



Marcus Pimentel

**Marcus Pimentel
CSMFO President**

Michael Manno

**Michael Manno, Chair
Recognition Committee**

Dedicated Excellence in Municipal Financial Reporting

[This page intentionally left blank.]



TABLE OF CONTENTS

FY 2023/24 and FY 2024/25
BIENNIAL BUDGET

TRANSMITTAL LETTER / EXECUTIVE SUMMARY	1
Organization – Past, Present & Future	1
Strategic Plan	2
State Mandates, Key Initiatives and Activities	3
Economic Conditions	7
USER’S GUIDE / BUDGET FOREWORD	11
User’s Guide	11
Budget Foreword	13
SCV Water Facilities	16
Perchlorate and Banking	19
Employee Compensation	20
Risk Management	20
Community Profile	22
Budgetary Control	25
Fund Structure	26
Budget Basis	26
Budget Process	27
Budget Calendar	29
SCV Water Organizational Chart	30
SCV Water Position Control	31
2019 SCV WATER 5-YEAR STRATEGIC PLAN	35
Strategic Plan Table of Contents	36
Executive Summary	37
Message from the Board President	39
Message from the General Manager	40
Introduction	41
The Strategic Plan Process	43
SCV Water Vision and Mission	45
SCV Water Values	46
Goals, Strategies and Objectives	47
Goal A: Customer / Community	49
Goal B: Infrastructure Reliability	52
Goal C: Water Supply and Resource Sustainability	55
Goal D: Water Quality and Environmental Compliance	58
Goal E: Financial Resiliency	60
Goal F: High Performance Team	63
Glossary	67
Appendix A – Action Plan	68
PERFORMANCE MEASURES	81
Total Operating Expenses by Section	83
Management Section	84
Finance, Administration and Technology Services Section	88
Engineering Services Section	97
Operations and Maintenance Section	104
Water Resources and Outreach Section	112



TABLE OF CONTENTS

FY 2023/24 and FY 2024/25
BIENNIAL BUDGET

RESERVES	121
Unrestricted Reserve Fund Policy	123
Unrestricted Cash Reserves	129
LONG-TERM COMMITMENTS	131
Long-Term Commitments	131
Debt Issuance	132
Legacy Debt Long-Term Commitments	136
Annual Debt Service	138
Outstanding Principal	139
CAPITAL IMPROVEMENT PROGRAM	141
Capital Improvement Section	141
Summary – Capital Improvement Projects	146
Capital Project Fund – Debt	148
Capital Improvement Budget – Large Capital Project Detail Sheets	149
Debt-Funded Capital Improvement Projects	191
Pay-GO Funded Capital Improvement Projects	192
FINANCIAL SUMMARY	195
Operating Revenue Budget	195
Operating Expense Budget	197
Major Sources of Revenue	197
Major Sources of Expenditures	197
Non-Operating Funds	198
Reserves	198
Summary Budget – FY 2023/24 and FY 2024/25	200
Financial Summary –FY 2023/24	201
Financial Summary –FY 2024/25	202
State Water Contract Fund	203
REVENUES	205
Water Sales	205
Recycled Water	206
One-Time Water Sales	206
One-Percent Property Tax Revenues	207
Agency-Set Property Tax Revenues (SWC Fund)	207
Facility/Retail Capacity Fee Revenues	208
Perchlorate Reimbursements	208
Grants	208
Other Sources of Revenue	209
Revenues – FY 2023/24 and FY 2024/25	210
EXPENDITURES	211
Source of Supply	211
Pumping, Wells and Storage	211
Water Quality and Treatment	212
Transmission and Distribution	212
Customer Care	212
Engineering	212
Water Resources	213



TABLE OF CONTENTS

FY 2023/24 and FY 2024/25
BIENNIAL BUDGET

Management	213
Finance, Administration and IT	213
Salaries and Related Costs	213
Capital Improvement Projects “Pay-Go”	214
Debt Service	214
Total Expenses – FY 2023/24 and FY 2024/25	215
Management	217
Finance, Administration and IT	218
Customer Care	219
Transmission and Distribution	220
Pumping, Wells and Storage	221
Water Resources	222
Source of Supply	223
Engineering	224
Water Quality and Treatment	225
Salary and Benefits	226
FORECAST	227
SCV Water Long-Term Financial Plan	227
Long-Term Financial Forecast FY 2023/24 to FY 2032/33	237
RESOLUTIONS	239
Resolution Adopting the Budget for FY 2023/24 and FY 2024/25	239
Resolution Adopting the Appropriation Limit for FY 2023/24	242
POLICIES	245
Investment Policy	247
Debt Management Policy	263
Disclosure Procedures Policy	273
Derivatives Policy	281
Purchasing Policy	287
Capitalization Policy for Fixed Assets	295
Wire Transfer Policy	299
GLOSSARY	
Glossary	301
Budget Acronyms	313

YOUR WATER SUPPLY

Snow

Rain

COLORING PAGE!

CASTAIC LAKE

CASTAIC CREEK

WATER TREATMENT PLANT

SANTA CLARA RIVER

STORM DRAIN

RECLAMATION PLANT

WELL

WELL

AQUIFER*

*Natural underground water storage

Post your artwork and tag us **#SCVWATERCOLOR** and we'll share our favorites!

#SCVWater is prepared with a diverse water supply to ensure you won't run out of water. Our sources include imported, ground, banked and recycled water.



YOURSCVWATER.COM

f @scvwater



May 16, 2023

Santa Clarita Valley Water Agency
Honorable Board of Directors

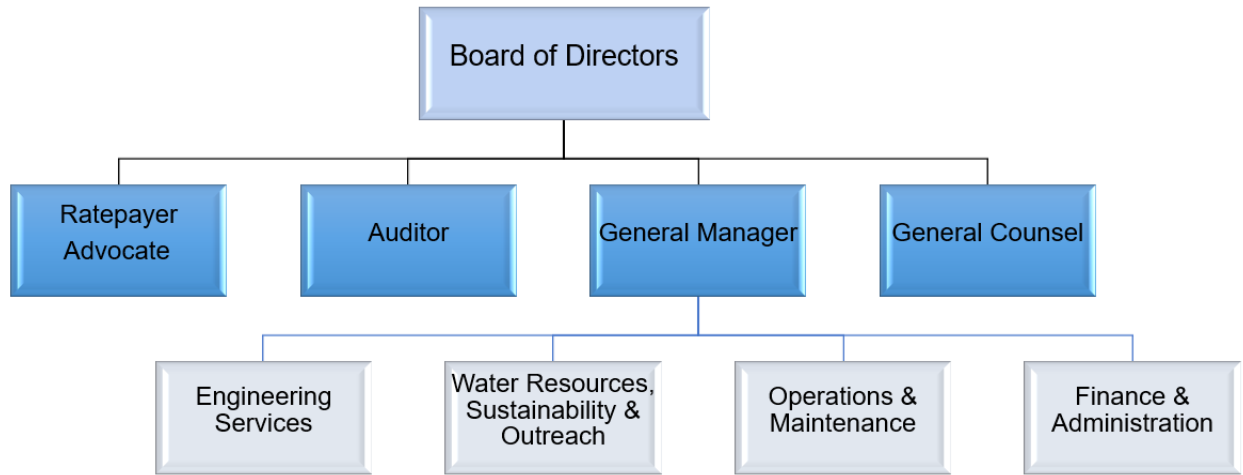
Management is pleased to present the Biennial Budget (Budget) for FY 2023/24 and FY 2024/25. The Budget document is the result of one of the most important processes the Santa Clarita Valley Water Agency (SCV Water/Agency) undertakes. In the course of building a Budget, the Agency makes policy decisions,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

ORGANIZATION – PAST, PRESENT & FUTURE

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

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

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



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

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

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

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

STRATEGIC PLAN

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

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

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

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

STATE MANDATES, KEY INITIATIVES AND ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ECONOMIC CONDITIONS

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

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

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

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

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

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

Planning Documents

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

Conclusion

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

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Matthew Stone" followed by a stylized flourish.

Matthew G. Stone
General Manager

Santa Clarita Valley (SCV)

Pictured (top left): View of the Santa Clarita Valley, Rio Vista Water Treatment Plant's clearwells and wash water recovery basins; (top right) solar power panels on the RVWTP upper mesa and (mid left) lower mesa; (center) Santa Clarita Valley location in the state of California; (lower left center) glorious sunrise at the RVWTP; and (bottom left) overlooking City of Santa Clarita's Central Park, which sits at the base of the RVWTP.



BUDGET FOREWORD

USER'S GUIDE

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

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

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

Budget Foreword

The Budget Foreword is a "getting to know" section of SCV Water's Budget and contains general information about SCV Water, its history, core values, facilities and the community at large. It also includes the budget profile, calendar, and budget process.

Strategic Plan

SCV Water's Strategic Plan is a 5-year plan designed to support the Agency in fulfilling its vision of providing exemplary water management for a high quality of life in the Santa Clarita Valley and is used to help guide the Agency in this mission. The latest Strategic Plan was completed in 2019, is slated to be revised in late 2023, and will be included in the Agency's next Biennial Budget for FY 2025/26 and FY 2026/27.

Performance Measures

This section includes the Agency's past accomplishments and current/future goals of each functional section, along with quantifiable indicators that reflect the status of reaching those goals.

Reserves

The Agency's Unrestricted Reserve Fund Policy resides in this section, along with pages detailing the unrestricted cash reserves.

Long-Term Commitments

This section discusses the Agency's long-term water supply contracts as well as debt issuances. Spreadsheets detailing the annual debt service and outstanding principal are included.

Capital Improvement Program

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

Financial Summaries

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

Revenues and Expenditures

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

Forecast

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

Resolutions

This area hosts the resolutions formally adopting the Agency's Budget by the Board of Directors.

Policies

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

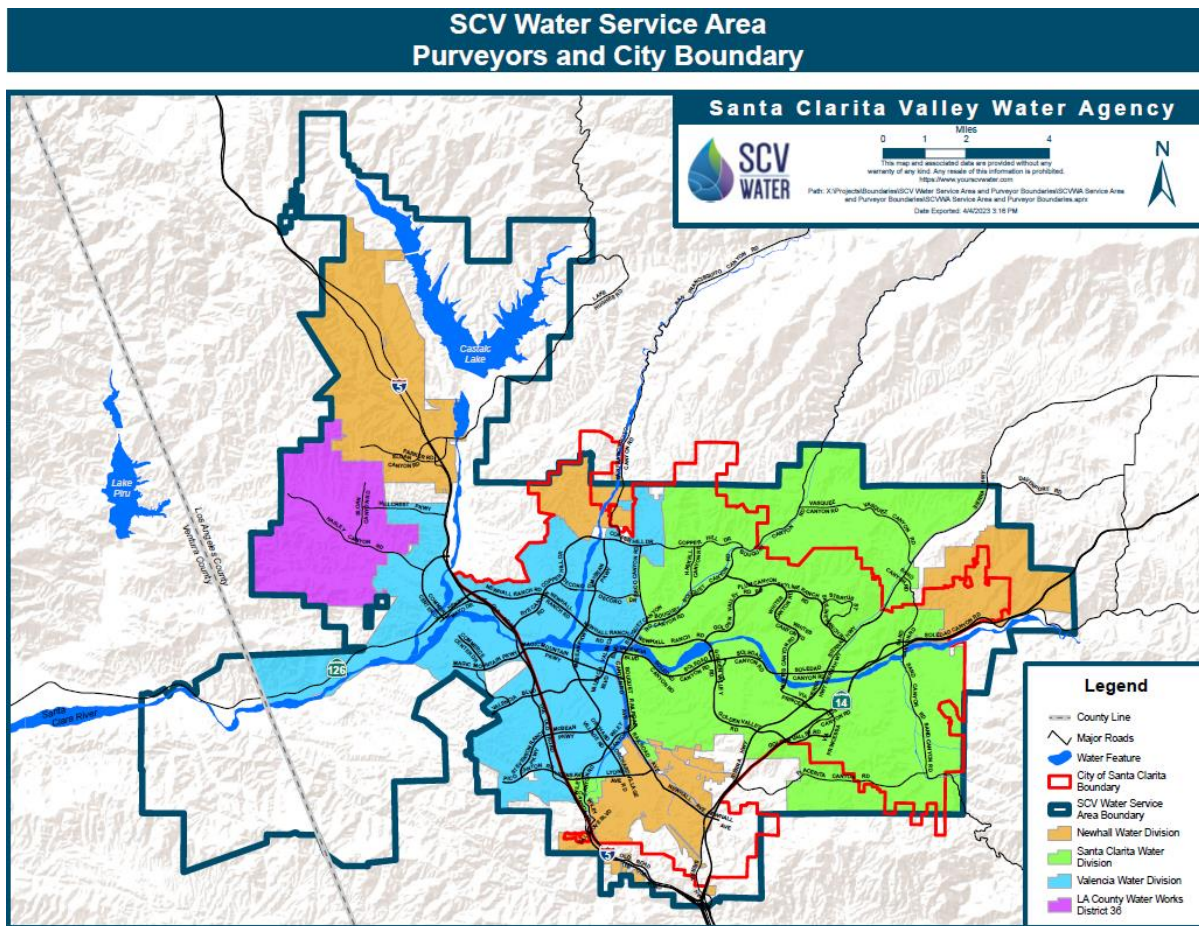
Glossary

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

BUDGET FOREWORD

About SCV Water

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



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

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

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

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

History

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

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

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

Valencia Water Company (VWC) was incorporated on April 7, 1954 in the State of California and was granted a Certificate of Public Convenience and Necessity by the CPUC in Decision No. 69744 dated October 5, 1965. Amongst other authorities, the CPUC had the authority, after conducting hearings, to set rates that are deemed just and reasonable for all utilities under its jurisdiction. Valencia Water’s service area is approximately 31 square miles. Now known as the Valencia Water Division (VWD), it currently serves approximately 31,500 connections of which 90% are residential customers, both within the incorporated City of Santa Clarita and portions of Castaic, Newhall, Saugus, Stevenson Ranch and Valencia in the unincorporated portions of Los Angeles County.

Mission Statement

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

Vision Statement

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

Core Values

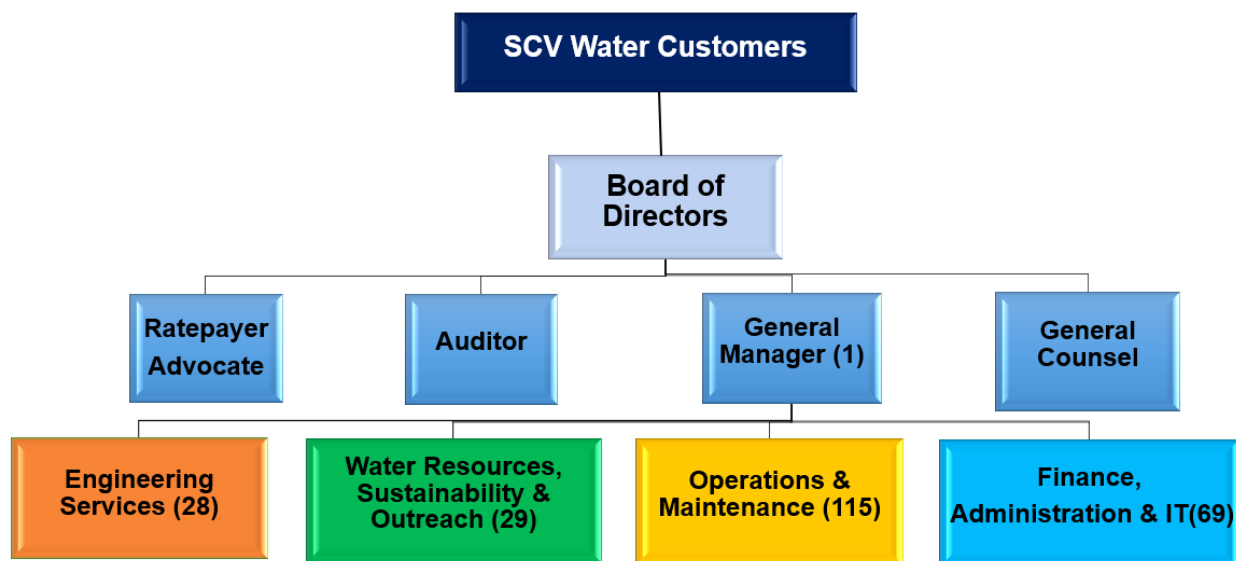
- Integrity
 - We commit to the highest ethical standards of honesty, transparency and respect in our interactions with each other, the customers we serve and the entire community.
- Trust
 - We are dedicated to partnering with community stakeholders to pursue responsible long-term management of water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

Governance

SCV Water has a three electoral division system with equal population per division. The initial Board consisted of 15 members, 5 of whom were Directors of NCWD on December 31, 2017, and 10 of whom were Directors of CLWA on December 31, 2017. In March 2018, the Board was reduced to 14 Directors, and in February 2019 was reduced to 13 Directors, after two Directors retired and moved out of the area. The initial terms of Directors whose respective terms as a member of NCWD or CLWA Board of Directors would have expired following the 2018 general election now expired following the 2020 general election, and terms of members that would have expired following the 2020 general election, expired following the 2022 general election. At the 2020 general election, two Directors were elected for each electoral division (bringing the total number of Directors to 12), and at each subsequent election on that four-year election cycle. At the 2022 general election, three Directors were elected for each electoral division (bringing the total number of Directors to 9) and at each subsequent election on that four-year election cycle. As of January 1, 2023, there are no appointed directors.

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

Organization



SCV WATER FACILITIES

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

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

RVWTP – The Rio Vista Water Treatment Plant (RVWTP) is located in the City of Santa Clarita and treats State Water Project for domestic uses. The RVWTP was originally permitted to operate in 1999 with an original capacity of 30 mgd and was expanded to a capacity of 66 mgd in 2011. The treatment process includes ozonation, coagulation, contact clarification and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is

recovered and returned to the headworks. The RVWTP also includes sludge drying facilities, an air-water filter backwash system, and facilities for chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two clearwell reservoirs provide a total of 30 million gallons of treated water storage.

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

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

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

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

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

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

Sand Canyon Pipeline System – In 2007 the Agency completed construction of the Sand Canyon Pipeline System which consists of a pump station, pipeline and reservoir to convey imported water from the end of the existing Honby Lateral to the southern Sand Canyon area. The reservoir also provides emergency storage. The Sand Canyon Pipeline is a 48-inch pipeline, approximately 5 miles in length that delivers water to retail purveyors through seven turnouts. The Sand Canyon Pump Station has a capacity of 30,000 gallons per minute. The Sand Canyon Reservoir can store up to 7 million gallons of treated water.

Groundwater Wells – The Agency has historically had 45 permitted potable groundwater wells within the alluvial aquifer and the Saugus Formation aquifer, which are the two groundwater aquifer systems in the Santa Clarita Valley. As of May 2023, 23 of the wells were in operation with a combined permitted capacity to extract groundwater at a rate of up to 49 mgd. Among all of the

Agency's groundwater well supply, 36 of the wells draw groundwater from the Alluvial aquifer and 9 of the wells draw groundwater from the Saugus Aquifer formation.

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

The Agency currently has voluntarily shut off 17 of Agency wells in order to comply with Division of Drinking Water (DDW) Response Levels for PFAS. Two additional wells have been shut off due to perchlorate concentration above the Maximum Contaminant Level (MCL), two wells have been shut off due to mechanical failures and one well has been destroyed and is in the process of being replaced. The Agency expects that the regulations proposed by the United States Environmental Protection Agency (USEPA), which include MCLs for certain PFAS constituents, will be finalized by the end of 2023. Once finalized, the Agency expects to have three years to comply with these regulations. The Agency expects that approximately 11 additional Agency wells may be impacted by the proposed USEPA regulations. In addition to PFAS, perchlorate and volatile organic compounds have been detected in certain Agency wells.

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

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

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

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

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

Sewer Facilities – Sewer facilities are located in a portion of Canyon Country. The facilities include the Shadow Pines Lift Station (Lift Station) and sections of transmission force and gravity mainline. The plan is to upgrade the remaining sections of mainline and the Lift Station to current Los Angeles County design standards and then transfer the sewer system

ownership to the City of Santa Clarita. This process is required as the County is responsible for the maintenance of the City-owned sewer system.

PERCHLORATE and BANKING

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

Groundwater Banking and Exchange Programs – The Agency currently has two groundwater banking programs and two water exchange programs. In May 2015, the former Castaic Lake Water Agency's (CLWA) Stored Water Recovery Program within the Semitropic Water Storage District's Groundwater Banking Program (Semitropic Banking Program) became operational. Under this agreement two short-term ten-year accounts containing 35,970 acre-feet were transferred into this new program. Under this agreement the Agency can store an additional 15,000 acre-feet. The term of the Semitropic Banking Program extends through 2035 with the option of two 10-year renewals. The Agency may withdraw up to 5,000 acre-feet annually from its accounts in the Semitropic Banking Program. As of January 1, 2023, the Agency's banking accounts totaled 30,275 acre-feet. In light of the April 20, 2023 announcement that the Agency's State Water Project Contractor's Table A allocation is 100% for 2023, the Agency plans to recharge approximately 5,000 acre-feet of water into storage at the Semitropic Banking Program.

In September 2005, the former CLWA initiated participation in the Rosedale-Rio Bravo Water Storage District Groundwater Banking Program (Rosedale-Rio Bravo Banking Program). This program allows the storage of 20,000 acre-feet annually of the Agency's State Water Project Table A Amount or other State Water Project supplies, up to a maximum of 100,000 acre-feet. It has a contract term through 2035, and is renewable according to the terms of the Agency's water supply contract with DWR. In 2015, the former CLWA exercised an option under the Rosedale-Rio Bravo Banking Program agreement to construct additional extraction wells and conveyance facilities that are anticipated to increase the reliable quantities that can be withdrawn by approximately 7,500 acre-feet annually. These facilities were completed in the fall of 2019 and were utilized in the 2020-2022 recoveries of banked water and water from the exchange programs with the Rosedale-Rio Bravo Storage District described below.

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

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

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

EMPLOYEE COMPENSATION

Salaries – General wage increases are established by a program of cost-of-living adjustments (COLAs) and periodic market surveys. For cost-of-living adjustments, the Board of Directors reviews Consumer Price Index (CPI), Employee Cost Index (ECI) and other relevant information and, where appropriate, grants COLA in July. SCV Water also uses other water districts and local government as a comparison for benchmark staffing positions and compensation.

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

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

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

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

RISK MANAGEMENT

The Agency recognizes that losses have a negative financial impact on the Agency. Minimizing the exposure to loss is a goal of the Agency, and it strives to minimize losses through its safety and training programs, and through its risk transfer program. The Agency utilizes its Risk Transfer Manual, which recognizes that a critical step in minimizing the exposure to loss is to execute effective risk transfer. The Agency uses a set of standard contracts to minimize

potential liability exposures by transferring the legal and financial responsibility for losses to the party best able to control them.

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

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

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

- Crime coverage up to \$1,000,000 per loss, including public employee dishonesty, including public officials who are required by law to give bonds for the faithful performance of their service, forgery or alteration and computer fraud, subject to a \$1,000 deductible.
- Earthquake and flood insurance coverage for the Saugus Perchlorate Treatment Facility (JPIA) and SCV Water facilities (NFP). Earthquake and flood insurance for the Saugus Perchlorate Treatment Facility has annual coverage limits of \$25,000,000 per occurrence and in the aggregate. Deductibles for the Saugus Perchlorate policy are 5% of value, subject to a \$25,000 minimum, per loss of earthquake and \$25,000 per loss for flood. SCV Water has coverage limits of \$35,000,000 primary and \$35,000,000 excess, total of \$70,000,000 per occurrence. Deductibles for SCV Water facilities policy are \$100,000 or 5% per incident, whichever is greater, for earthquake or flood coverage.

This coverage also includes business personal property, business income, extra expense and terrorism.

- Pollution and remediation legal liability insurance for certain NWD sewer facilities with coverage limit of \$1,000,000 for each loss and in the aggregate with a \$25,000 retention for each loss.

COMMUNITY PROFILE

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

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

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

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

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

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

Best City to Live

Healthiest City

Safest City

Most Business-Friendly City

Los Angeles County's **FASTEST** growing community

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

West Ranch High School

Hart High School

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

Academy Of The Canyons

The National Council for Home Security and Safety ranks SCV as the 3rd safest city in the U.S. with a population of 200,000+.

Henry Mayo Newhall Hospital named the Most Wired Hospital for the 5th consecutive year by the American Hospital Association (AHA).

80 MILES of hiking/biking trails

30 MILES of pedestrian paseos

4,000 ACRES of protected open space

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

Source: SCV Economic Development Corporation (SCVEDC)

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

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

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

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

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

Growth in the Community and Impacts to SCV Water

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

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

Comparison Entities

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

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

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

Top Ten Customers

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

Projected Availability and Reliability of State Water Project Supplies

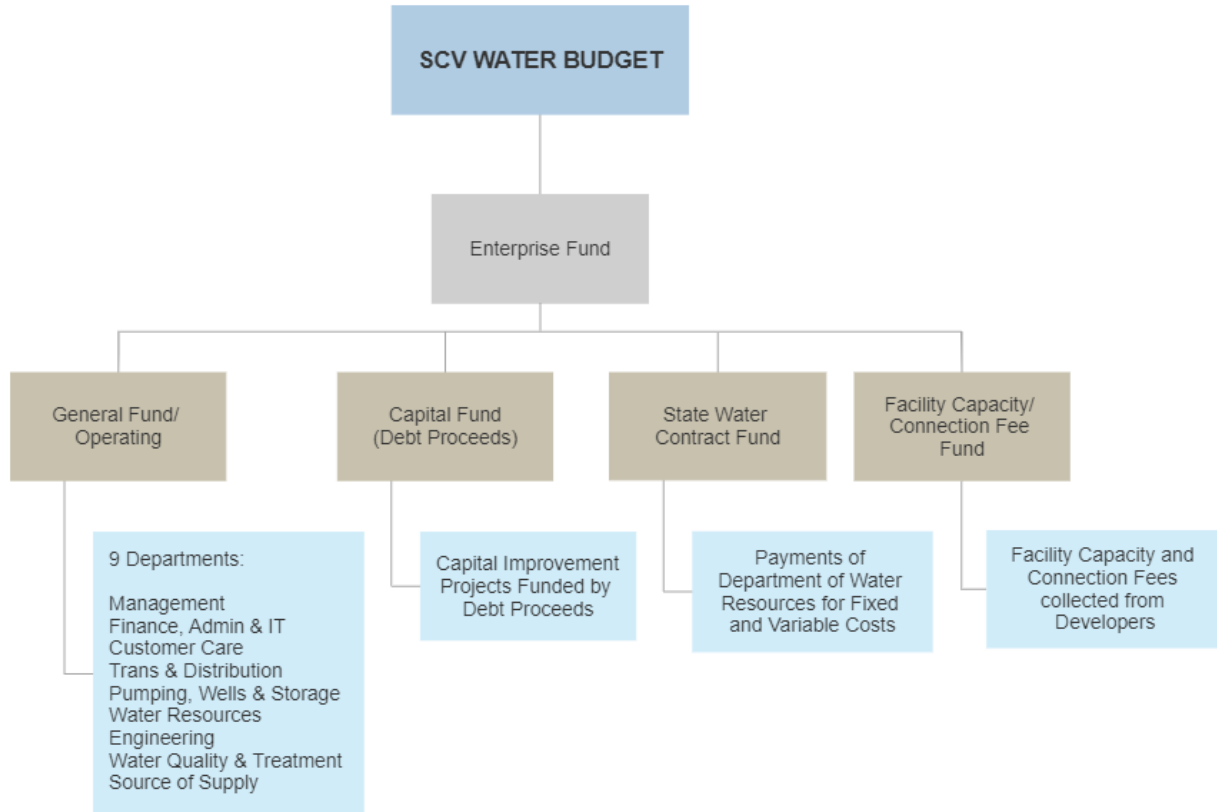
In 2022, DWR released its Final 2021 State Water Project Delivery Capability Report. This report incorporated updated regulatory requirements and operating constraints and indicates that under current climate conditions the average reliability for SCV Water would be 56%, which is a 2% decrease in average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

BUDGETARY CONTROL

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

FUND STRUCTURE

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



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

Capital Project Fund – Capital projects that are financed.

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

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

BUDGET BASIS

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

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

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

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

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

*Pay-go generated from revenue sources

BUDGET PROCESS

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

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

For expenses, each section has the ability to review historical trends, past year's budgeted and audited expenses, current year's transactions and projected balance. Significant changes from the previous year's Budget need to be accompanied by backup documents from each section to justify the increased or decreased expense. Inflation assumptions are added into the budget calculation to project expenses for future years. For some recurring expenditures (labor, benefits, power, chemicals), an inflation assumption is used for future years projections. By planning three to five years in advance, the Agency provides the opportunity to smooth future rate adjustments.

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

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

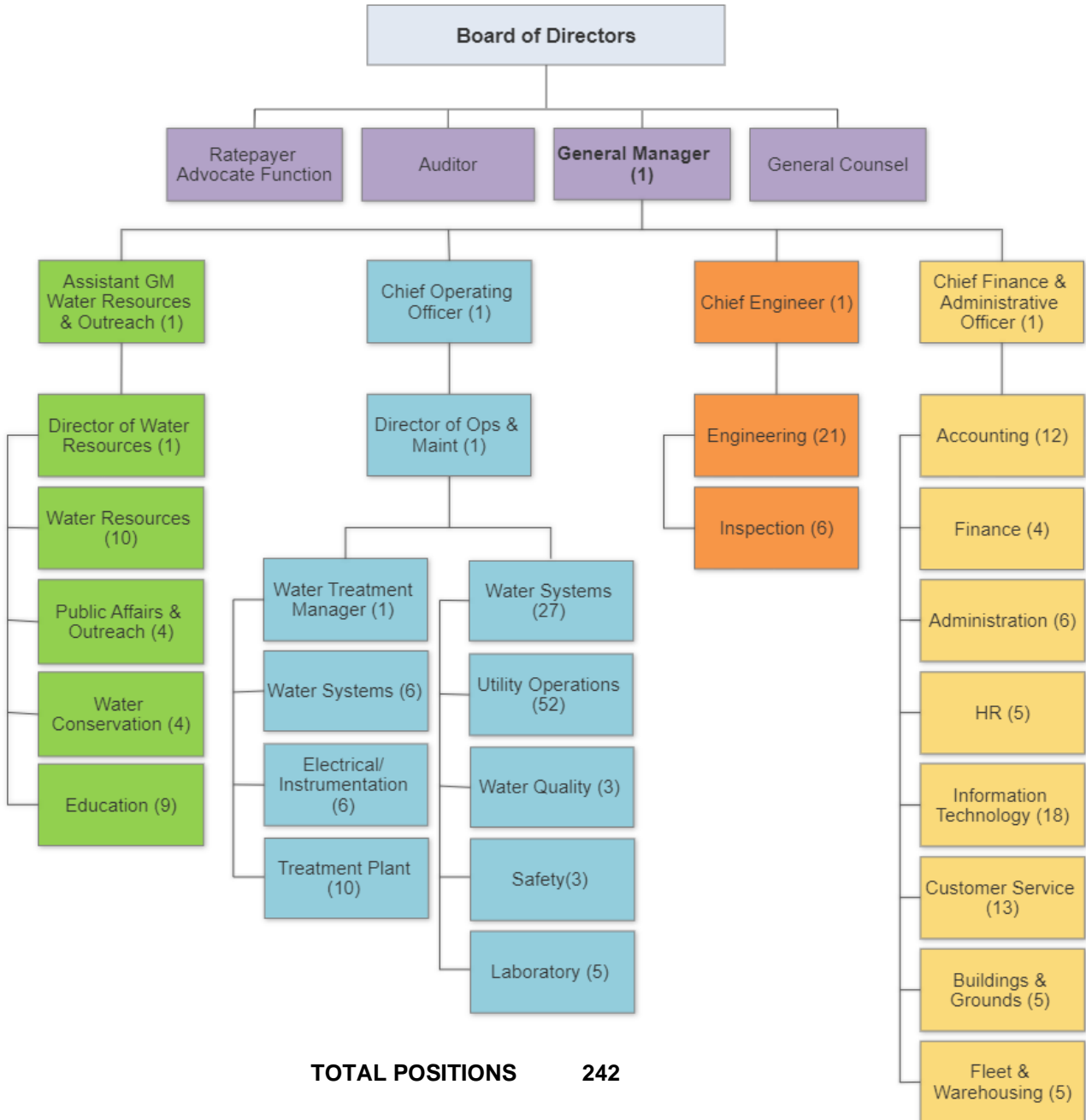
All of these meetings are posted for public participation. In addition, the Budget is posted on the Agency's website to allow for public review. The final Budget is also posted on the Agency's website after it is adopted.

Budget Calendar

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



ORGANIZATIONAL CHART



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

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

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

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

Department and Position Title	# of Positions
Finance, Administration & IT - cont'd	
Management Analyst I	1
Management Analyst II	1
Office Assistant II	1
Payroll Specialist	1
Purchasing and Warehouse Technician II	2
SCADA Supervisor	1
SCADA Technician I	1
Security Specialist	1
Senior Accountant	2
Senior Administrative Technician	1
Senior Customer Service Representative	1
Senior Facilities Maintenance Technician	2
Senior Financial Analyst	1
Senior Fleet Mechanic	1
Senior Information Technology Technician	1
Senior Purchasing & Warehouse Tech	1
Management	3
Administrative Technician	1
Board Secretary/Executive Assistant	1
General Manager	1
Operations	92
Administrative Technician	3
Chief Operating Officer	1
Director of Operations and Maintenance	1
Emergency Preparedness and Safety Coordinator	1
Environmental Health & Safety Supervisor	1
Executive Assistant	1
Field Services Supervisor	1
Field Services Worker I	2
Field Services Worker II	7
Lead Utility Operations Technician	2
Lead Water Systems Technician	1
Safety Specialist II	1
Senior Administrative Technician	1
Senior Field Services Worker	2
Senior Utility Operations Technician	8
Senior Water Quality Scientist	1
Senior Water Systems Technician	5
Utility Supervisor	2
Utility Operations Technician I	18
Utility Operations Technician II	4
Utility Operations Technician III	2
Water Quality Laboratory Manager	1
Water Quality Scientist I	1
Water Quality Scientist II	2

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

Department and Position Title	# of Positions
Operations - cont'd	
Water Quality Specialist	2
Water Systems Supervisor	2
Water Systems Technician I	7
Water Systems Technician II	11
Senior Recycled Water Coordinator	1
Treatment	23
Administrative Technician	1
Electrical/Instrumentation Technician	1
Senior Electrical Technician	3
Senior Instrumentation Technician	2
Senior Treatment Plant Operator - 84 hour shift	5
Senior Water Systems Technician	3
Treatment Plant Operator I - 80 hour shift	2
Treatment Plant Operator II - 84 hour shift	2
Treatment Plant Operator Supervisor	1
Water Systems Supervisor	1
Water Systems Technician II	1
Water Treatment Manager	1
Water Resources	29
Administrative Technician	1
Assistant General Manager	1
Communications Manager	1
Director of Water Resources	1
Event Coordinator	1
Executive Assistant	1
Management Analyst II	1
Principal Water Resources Planner	1
Senior Public Affairs Specialist	2
Senior Water Resource Specialist	1
Senior Water Resources and Data Scientist	1
Senior Water Resources Planner	1
Sustainability Manager	1
Water Conservation Specialist II	3
Water Conservation Specialist II - Limited Duration	1
Water Education Instructor	8
Water Education Supervisor	1
Water Resources Planner	2
Total Positions	242
Full-Time	231
Part-Time	10
Limited Duration Employees	1
Full-Time Equivalent	237

About SCV Water

The Santa Clarita Valley Water Agency has served as the regional voice for water since January 1, 2018, when local water suppliers combined into one full-service agency serving the Santa Clarita Valley. In our first five years, SCV Water has navigated challenges of both the expected and unexpected varieties and are prepared to face what comes our way in the future. Through it all, we remain committed to serving our community and providing safe, reliable water at a reasonable cost. Learn more at www.yourSCVwater.com

WHO WE ARE

196.8 SQUARE MILES SERVICE AREA **295,639** Population Served
75,399 Service Connections



2022 CUSTOMER WATER USE

OVER **19.7** BILLION GALLONS
(60,400 AF compared to 64,236 AF in 2020)

Your Water Is Safe To Drink



- Weekly samples collected from **276** locations
- **20,000** water quality tests conducted per year

YOUR WATER SUPPLY



Groundwater
38% 24,000 AF



Imported
61% 38,300 AF



Recycled
1% 340 AF



Banked
92,000 AF in Kern County



Acre-foot (AF) of water

325,851 gallons of water, enough to cover a football field, one foot deep.

CONSERVATION PROGRAMS

More than **2,579** customers participated in water efficiency programs to save water & money (**that's 37% more than last year!**)



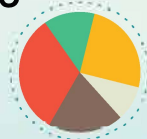
- **716** residential, business and landscape check-ups
- **675** residential home water efficiency kits distributed
- **127** WaterSMART Workshop completions (online)
- **275** Smart Controllers rebated (1,809 sprinkler stations)

conserve.yourSCVwater.com



FINANCE FY 2022/23

TOTAL BUDGET
\$148 MILLION



CAPITAL IMPROVEMENT

\$115.6 MILLION



OUR INFRASTRUCTURE

105 WATER TANKS **~171** MILLION GALLONS STORAGE CAPACITY **932** MILES OF PIPELINE



2/21/23

2019

SANTA CLARITA VALLEY WATER AGENCY

5-YEAR STRATEGIC PLAN

Unified. Integrated. Best in class. A new era in regional water resource management for a valley that shares one river, one watershed.



[Return to Table of Contents](#)

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
MESSAGE FROM THE BOARD PRESIDENT	4
MESSAGE FROM THE GENERAL MANAGER	5
INTRODUCTION	6
THE STRATEGIC PLAN PROCESS	8
SCV WATER VISION AND MISSION	10
SCV WATER VALUES.....	11
GOALS, STRATEGIES, AND OBJECTIVES.....	12
GLOSSARY	32
APPENDIX A – ACTION PLAN.....	33

For more information, contact:

Kathie Martin
Public Information Officer
kmartin@scvwa.org
(661) 297-1600

EXECUTIVE SUMMARY

Santa Clarita Valley Water Agency (SCV Water) was created January 1, 2018 by an act of the State Legislature (SB 634) through the merger of the four water agencies in the Santa Clarita Valley. SCV Water provides water services to a population of approximately 273,000 in the Santa Clarita Valley through 72,000 water service connections.



Reliable, high quality water service is critical to an economically and environmentally vibrant community. Providing that service is increasingly complex as water utilities must manage numerous challenges. Some of these include finding and maintaining adequate water resources, treating water to ensure its health and safety, coping with the loss of skilled retirees, engaging the community and communicating the value of water, managing the maintenance and replacement of aging infrastructure, and ensuring adequate financial resources to meet these challenges.



The Board and staff of SCV Water have created this 5-Year Strategic Plan to guide the agency in the coming years. The Strategic Plan is designed to support their vision to provide *exemplary water management for a high quality of life in the Santa Clarita Valley*. This vision will be accomplished by fulfilling the mission of SCV Water: *Providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost*. Six goals have been established:

Goal A - Customer/Community - Implement and communicate policies supporting the social, quality of life, and environmental values of the community.

Goal B - Infrastructure Reliability – Implement, operate, and maintain water infrastructure to ensure sustainable water service provision.

Goal C - Water Supply and Resource Sustainability – Implement programs to ensure the service area has reliable and sustainable supplies of water.

Goal D - Water Quality and Environmental Compliance – Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.

Goal E - Financial Resiliency – Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges.

Goal F - High Performance Team – Grow a culture of continuous improvement that fosters SCV Water's values.

MESSAGE FROM THE BOARD PRESIDENT

On behalf of the Board of Directors of the Santa Clarita Valley Water Agency (SCV Water) welcome to our 2019-2024 Strategic Plan. SCV Water is the result of a collaborative response to the exhaustive “Economic, Efficiencies and Enhanced Water Management study” that identified the potential benefits of a new water agency in the Santa Clarita Valley. It was clear that a unified agency would be more effective in finances, governance, operational and infrastructure assessment, organizational analysis and regional water management. It was also clear we could streamline resources and increase efficiencies to better serve customers.



This Strategic Plan is the blueprint to help us deliver on the promises of SB 634, including:

- Providing a more effective, locally representative and regionally integrated voice for water governance,
- Improving on current customer service models and achieve efficiency through economy of scale,
- Creating a financial structure that accounts for existing debts, liabilities and assets and provides for a fully transparent and accountable system,
- Improving operations and infrastructure management by fully integrating distribution networks and resources, and
- Providing a single forum to debate and set policy to achieve the most effective way to develop and manage water resources.

Speaking of delivering on promises, the savings from efficiencies and economies of scale have already exceeded \$8.5 million. We are on track to reach \$14 million in savings by the end of year 3 (FY 2019/20), far ahead of the schedule of \$14 million in savings over 10 years.

There is much more to do. The Board has set 6 overarching goals for the coming 5 years related to serving our customers and community, providing reliable and sustainable water supplies and service, ensuring high quality drinking water, responsibly managing the financial resources the community has entrusted to us, and maintaining a high performance team to accomplish the above. With a dedicated Board, a professional staff, and a supportive community, we look forward to meeting the challenges of water service delivery to the Santa Clarita Valley.

William Cooper, President

MESSAGE FROM THE GENERAL MANAGER

It is an exciting time in the water community. Last year, four entities unified into SCV Water, coming together for a common purpose. Today, the promises of a new era in regional water resource management are coming to pass. To name just a few, we have enhanced transparency through the creation of a ratepayer advocate role and have increased efficiencies by standardizing many customer programs and processes across the Agency. Now, with this 5-year Strategic Plan, we will drive benefits even further.



The Board and staff have identified several additional important issues that will require our attention:

- **Elevate.** Advance the functions of the new agency while we continue to provide reliable and high-quality water service to the community. This will involve developing a common information technology strategy and platform that provides a uniform view across the organization.
- **Communicate.** Ensure our internal and external communications are transparent and informative, keeping all stakeholders informed, while also fostering real feedback.
- **Consolidate.** Optimize the facilities of multiple agencies to work as one; developing standardized operating procedures for a single organization.
- **Innovate.** Ensure water supply diversity and resiliency through innovative efforts, a visionary groundwater sustainability plan, and continuing to support the Delta Conveyance Project.
- **Create.** To maintain, replace, and construct new water infrastructure we will need to develop a long-range financial plan to ensure the required investments are paid for in a fair and equitable manner and that the agency can handle the variability of “Mother Nature” and water sales.
- **Anticipate.** We will be affected by the coming retirement wave in our workforce. It is critical that we anticipate the shifting workforce by hiring and training new generations and focus on succession plans.
- **Evaluate.** Finally, we must revisit the emergency preparedness program for the new agency to ensure we have plans and resources in place to respond to emergencies.

I am confident SCV Water is up to the task and am proud to have the opportunity to manage this organization to meet these challenges.

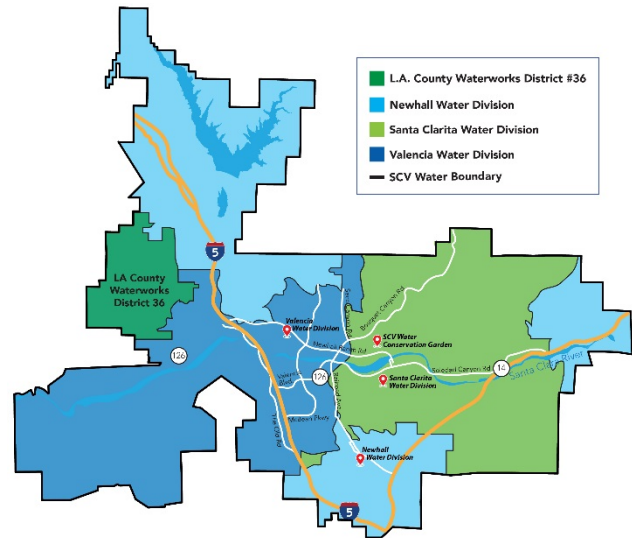
A handwritten signature in black ink that reads "Matthew Stone". The signature is written in a cursive, flowing style.

Matthew G. Stone PE, General Manager

INTRODUCTION

Welcome to the Santa Clarita Valley Water Agency's (SCV Water's) 5-year Strategic Plan. The purpose of SCV Water is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for all uses, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

SCV Water was created January 1, 2018 by an act of the State Legislature (SB 634) through the merger of the four water entities in the Santa Clarita Valley. SCV Water serves a population of approximately 273,000 through 72,000 water service connections over 195 square miles. The merger included Castaic Lake Water Agency and its Santa Clarita Water Division, Newhall County Water District and the Valencia Water Company. The Castaic Lake Water Agency was formed as a wholesale water agency to acquire, treat, and deliver State Water Project water supply throughout the Santa Clarita Valley. The Santa Clarita Water Division, Newhall County Water District and the Valencia Water Company were the retail water purveyors. Population at build-out is estimated to be 420,000. SCV Water also provides wholesale water to Los Angeles County Waterworks District #36.



This Strategic Plan is the blueprint for how SCV Water will respond to current challenges and make the best of future opportunities for the benefit of our customers. It reaffirms SCV Water's vision and mission and succinctly defines six Goals related to: Customer and Community, Infrastructure Reliability, Water Supply and Resource Sustainability, Water Quality and Environmental Compliance, Financial Resiliency and High-Performance Team. It also outlines the specific strategies that we will pursue to achieve this plan.

SCV Water and the region face a number of challenges in the coming years. These include:

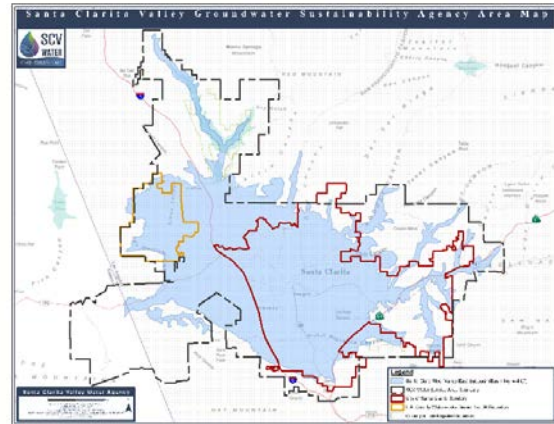
- **Implementing the new water agency.** The new agency presents significant opportunities to better serve the region. Seamlessly integrating the water provision functions and systems of these organizations into a single new agency will be a significant strategic challenge for the Board and staff in the coming years.
- **Ensuring sustainable water supplies.** The Santa Clarita Valley's water supply portfolio faces challenges. Primarily, the SCV



Water's State Water Project supply has experienced a number of regulatory-driven reliability reductions related to endangered species. The Delta Conveyance Project is one part of the California Water Action Plan to bolster local self-sufficiency, reduce consumption, improve water supply reliability, and reduce dependence on the Delta to meet future needs.

- **Optimizing the groundwater basin in the Santa Clarita Valley.** Optimizing this resource will be influenced by a number of factors including:

- The effect of long-term climate change on water supplies and demands,
- How the Sustainable Groundwater Management Act of 2014 is implemented in the Santa Clarita Valley,
- The availability and cost of recycled water, and
- The effect of endangered species on conjunctive use of water in the basin.



- **Developing a long-range financial plan.** Maintaining and replacing existing infrastructure as well as providing new infrastructure will require significant investment by the community. Developing a sustainable financial plan that equitably recovers the necessary money to support this service commitment will be critical.

The 5-year Strategic Plan is intended to establish the framework for addressing these challenges to maintain reliable and high quality water service to the Santa Clarita Valley.

THE STRATEGIC PLAN PROCESS

The Strategic Plan was developed through a collaborative process with the Board of Directors, management and staff. The planning consultant interviewed each of the 13 Board members regarding their perspectives on the future challenges for SCV Water. These interviews were followed by a management workshop. Eight workshop sessions with the employees and supervisors mined key strengths, weaknesses, opportunities, and threats facing the agency. The output from these interviews and workshops were shared with the Board at a Board Retreat in late January 2019. The Board discussed the strategic challenges facing SCV Water and refined a set of goals for the 5-Year Strategic Plan. The management team then developed strategies, objectives, and key performance indicators for each of these goals. The Strategic Plan will be funded through the budget process and progress tracked, reevaluating the plan regularly to adjust as conditions warrant.

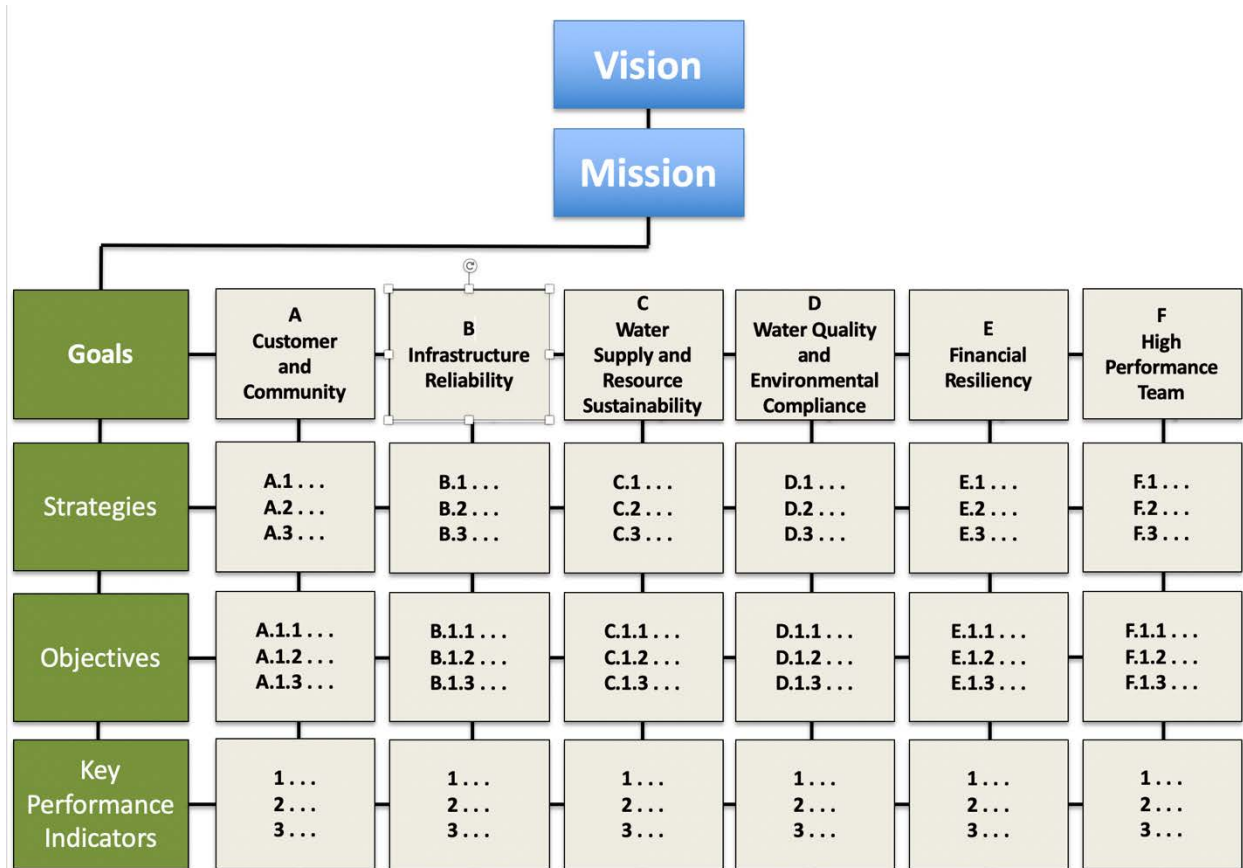
The Board of Directors reviewed and accepted the 2019-2024 Strategic Plan on June 18, 2019. The Strategic Plan is structured in a supporting fashion: the Key Performance Indicators (KPIs) track accomplishment of the Objectives, the Objectives support the Strategies and the Strategies support the Goals, which support the Mission and achievement of the Vision as depicted in Figure 1.

Figure 1: Hierarchy of Strategic Plan Elements



The nomenclature approach for goals, strategies, objectives and key performance indicators is depicted in Figure 2.

Figure 2: Goals/Strategies/Objectives Nomenclature



SCV WATER VISION AND MISSION



The Vision statement represents the aspirations of SCV Water as follows:

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

SCV Water has established the following mission statement to guide decision making on behalf of the customers and communities we serve:

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



SCV WATER VALUES

*“Our agency is built on a foundation of shared values. These values guide our every action.”
Matthew G. Stone, General Manager*



Integrity

We commit to the highest ethical standards of honesty, transparency and respect in our interactions with each other, the customers we serve and the entire community.



Safety

We prioritize creating and maintaining healthy, secure conditions at our facilities and in the community by adhering to safety policies and procedures and by offering technical and preventative training to our workforce.

Excellence

We strive to exceed customer expectations and deliver extraordinary service while providing a reliable, safe water supply at an affordable cost.



Innovation

We are industry leaders who embrace change by finding sustainable, pioneering solutions to challenges and continuing to learn and grow in all we do.



Professionalism

We maintain a diverse team of highly skilled employees who are devoted to honest, courteous and accountable business practices and take their role and stewards of our resources seriously and with humility.



Trust

We are dedicated to partnering with community stakeholders to pursue responsible long-term management of water resources that effectively enhance quality of life and further the agency’s mission and duty to be stewards of the water supply.

GOALS, STRATEGIES, AND OBJECTIVES

Goal A - Customer/Community - Implement and communicate policies supporting the social, quality of life, and environmental values of the community.

Goal B - Infrastructure Reliability – Implement, operate, and maintain water infrastructure to ensure sustainable water service provision.

Goal C - Water Supply and Resource Sustainability – Implement programs to ensure the service area has reliable and sustainable supplies of water.

Goal D - Water Quality and Environmental Compliance – Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.

Goal E - Financial Resiliency – Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges

Goal F - High Performance Team – Grow a culture of continuous improvement that fosters SCV Water's values.

SCV Water’s strategic planning focuses on six goal areas that provide direction for achieving the Agency’s vision and mission.



Key strategies and objectives to address each of these goals are described in the following section. In addition, Key Performance Indicators (KPIs) were also developed to make judgments about the effectiveness and efficiency of our operations as well as to drive improvements, which successfully translate our strategies into action. KPIs will be reported as part of our annual budget process. A measurement system serves many vital purposes, including focusing attention on key issues, clarifying expectations, facilitating decision-making, and most importantly, learning and improving. Finally, the Action Plan to implement the objectives is included as Appendix A.

GOAL A

Customer / Community

Implement policies supporting the social, quality of life, and environmental values of the community.

This goal establishes a commitment on the part of SCV Water to align with the values of the customers and the community in fulfilling the organization’s mission. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measureable actions that track progress towards execution of the strategy.

Strategy A.1 *Provide “best in class” customer service.*

- A.1.1 Reassess delegation of authority to Customer Care Representatives for improving first call resolution
- A.1.2 Standardize customer service procedures across SCV Water
- A.1.3 Redesign bills with Customer Care Representative’s input

Strategy A.2 *Proactively communicate with and engage our community on water matters of importance to the region positioning SCV Water as a leading resource and reliable authority on water issues.*

- A.2.1 Implement the outreach plan
- A.2.2 Increase public understanding of water issues (e.g. water quality, emergency preparedness, value of water, regulatory challenges, etc.)
- A.2.3 Develop engagement tools to receive feedback from stakeholders (e.g. Customer Service Survey)
- A.2.4 Participate in vendor outreach programs
- A.2.5 Continue to participate in community events (COC Water Technology Board and Business Alliance, SCV Mayor’s Committee for Employment of Individuals with Disabilities, PIHRA, etc.)
- A.2.6 Raise awareness of and demand for conservation programs (e.g. water conservation campaign(s) and related media buys, public and school educational programs, participation at public events, SCV Water web site, e-newsletter and social media, self-guided landscape tour, conservatory garden, etc.)
- A.2.7 Build positive public perception of SCV Water as a leading resource and reliable authority on water issues engaging the Blue Ribbon Committee, Speakers’ Bureau and Water Academy
- A.2.8 Support SCV Water efforts to work with public agencies and industry associations to influence water policy
- A.2.9 Work with local media to ensure accurate reporting

Strategy A.3 *Work with local, regional, state and federal agencies, industry associations and organizations to influence water policy for the benefit of our service area customers.*

- A.3.1 Engage in local, state and federal activities to further the interests of water in the Santa Clarita Valley

- A.3.2 Maintain strong working relationships with local agencies (water agencies, special districts, city, and local governments)

Strategy A.4 *Engage in statewide and federal water legislative and policy issues.*

- A.4.1 Continue coordination with SCV Water legislative analysts in communications with local, state, and federal elected officials and their staffs
- A.4.2 Foster and continue effective working relationships with the Department of Water Resources and other State Water Project Contractors
- A.4.3 Coordinate legislative initiatives concerning Sacramento-San Joaquin Delta and water conservation with legislative analysts, Association of California Water Agencies, State Water Contractors and other necessary parties to enhance the reliability and cost effectiveness of the SCV Water's SWP water supply

Strategy A.5 *Adopt environmentally sustainable business practices.*

- A.5.1 Move to paperless processes

Strategy A.6 *Develop and lead the community vision for the watershed.*

- A.6.1 Lead the development of the groundwater sustainability plan for the watershed
- A.6.2 Work with NGOs to understand common goals within the community/watershed



GOAL A

Customer / Community

Implement policies supporting the social, quality of life, and environmental values of the community.

KEY PERFORMANCE INDICATORS

1. Complaint log statistics
2. The length of time it takes to resolve customer issues
3. Number of unscheduled emergency shut-offs and scheduled shut-offs
4. Stakeholder awareness of water issues affecting ratepayers and SCV Water
5. Level of public awareness of available water saving rebates and programs
6. Public awareness and opinion of SCV Water, the services it provides and its role in the community
7. Level of active participation in organizations by SCV Water Directors and staff
8. Diversity of organization memberships



GOAL B

Infrastructure Reliability

Implement, operate, and maintain water infrastructure to ensure sustainable water service provision.

Ensuring the availability of infrastructure and its reliable operations is fundamental to meeting the service obligations of SCV Water. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measurable actions that track progress towards execution of the strategy.

Strategy B.1 *Plan, design and build facilities to meet demand including storage capacity and interconnections between regional and retail water systems.*

- B.1.1 Implement capital projects related to infrastructure reliability (see Action Plan)
- B.1.2 Implement next phase of the Graphical Information System
- B.1.3 Develop and configure water system hydraulic model for the SCV Water service area
- B.1.4 Develop recycled water policies and ordinances

Strategy B.2 *Plan and budget for long-term replacements and improvements.*

- B.2.1 Update and carryout capital projects related to water system reliability and sustainability
- B.2.2 Conduct facility optimization study
- B.2.3 Conduct an evaluation of water system security

Strategy B.3 *Implement improved planning tools.*

- B.3.1 Develop and implement a SCV Water-wide asset management program with end user/operations level asset management tools to enhance performance
- B.3.2 Assess current maintenance intervals on infrastructure and benchmark to industry best practice

Strategy B.4 *Develop standard designs, policies, and procedures.*

- B.4.1 Develop recycled water design standards and specifications
- B.4.2 Maintain as-built drawings

Strategy B.5 *Operate and maintain facilities.*

- B.5.1 Maintain all facilities and appurtenances in a consistent fashion to achieve operational efficiency and functionality
- B.5.2 Exercise / replace water system valves
- B.5.3 Evaluate opportunities to centralize staff to improve operating efficiency
- B.5.4 Set standards for leak repairs
- B.5.5 Continue providing effective wholesale water service to Los Angeles. County Waterworks District #36
- B.5.6 Implement asphalt maintenance program

Strategy B.6 Plan and prepare for catastrophic emergencies.

- B.6.1 Develop an Emergency Response Plan for SCV Water
- B.6.2 Evaluate materials needs for earthquake response
- B.6.3 Evaluate system interconnection opportunities
- B.6.4 Develop plan to convey local supplies within service area should a prolonged outage of imported water infrastructure occur
- B.6.5 Develop emergency power strategy to assure ability to respond to short-term and long-term power supply outages for key facilities
- B.6.6 Coordinate emergency response planning efforts with the regional water agencies, county, and cities
- B.6.7 Conduct emergency preparedness planning and training for all staff
- B.6.8 Conduct semiannual tests of SCV Water's disaster recovery plan
- B.6.9 Develop a network security plan including a cyber-security policy and threat response plan
- B.6.10 Evaluate installation of an alarm in the garden area for emergencies



GOAL B

Infrastructure Reliability

Implement, operate, and maintain water infrastructure to ensure sustainable water service provision.

KEY PERFORMANCE INDICATORS

1. Sufficient water storage and put-and-take capacity to ensure water banking program success in meeting annual demands (target: 95% confidence level)
2. Annual Major Capital Improvement Program (CIP) actual expenditures against planned
3. Progress of the Pipeline Inspection Program
4. Progress to develop and implement an Asset Management Program
5. Number and volume of service leaks and main breaks
6. Service line replacement progress
7. Number of valves exercised
8. Number of dead-end areas flushed
9. Number of meters replaced compared to planned



GOAL C

Water Supply and Resource Sustainability

Implement programs to ensure the service area has reliable and sustainable supplies of water.

Developing and protecting SCV Water's water resources provides the supply reliability and water quality the Santa Clarita Valley depends on. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measurable actions that track progress towards execution of the strategy.

Strategy C.1 Conduct planning to ensure long-term water demands are met.

- C.1.1 Complete the 2020 Urban Water Management Plan
- C.1.2 Identify projects and initiate planning for projects to enhance long-term water supply reliability consistent with the updated Water Supply Reliability Report
- C.1.3 Respond to SB 610 Water Supply Assessments and SB 221 Water Supply Verifications
- C.1.4 Analyze the seismic resiliency of SCV Water's supply portfolio
- C.1.5 Monitor climate change science and public policy. Incorporate climate change impacts on water demand and supplies into long-term plans and programs to maintain reliable and sustainable water supplies

Strategy C.2 Protect the SCV Water interests in the State Water Project.

- C.2.1 Ensure that SCV Water has full access to water supplies available to it under its SWP contract and other water supply agreements that rely on SWP conveyance to meet customer water demands and store water for reliability enhancement and dry year use
- C.2.2 Participate in planning, financing, development and implementation of the Delta Conveyance Project.
- C.2.3 Collaborate with DWR and other State Water Contractors to improve the administration of the SWP in a manner that promotes long-term cost effectiveness, operational reliability and supply availability
- C.2.4 Engage with state water contractors and DWR on state water project facilities reliability and maintenance
- C.2.5 Support other's efforts to improve reliability of imported water infrastructure
- C.2.6 Educate and keep community stakeholders informed of the status and importance of the regional and state water infrastructure

Strategy C.3 Advance the integrated management of water resources.

- C.3.1 Lead the implementation of the Sustainable Groundwater Management Act for the Santa Clarita Valley
- C.3.2 Prepare the SCV Water Recycled Water Master Plan Update and California Environmental Quality Act document
- C.3.3 Work with agencies to develop foundation for a successful recycled water program
- C.3.4 Pursue grant funding for recycled water projects

- C.3.5 Coordinate and analyze performance of water banking and exchange programs, local groundwater production and water conservation measures
- C.3.6 Implement dry-year recovery project for the Rosedale-Rio Bravo Water Storage District Water Exchange and Banking Program
- C.3.7 Identify and secure access or ownership of suitable groundwater recharge areas in the watershed

Strategy C.4 *Advance demand management and achieve State mandated water use efficiency targets.*

- C.4.1 Continue to implement and assess programs identified in the updated Santa Clarita Valley Water Use Efficiency Strategic Plan (SCV WUE SP)
- C.4.2 Support local and statewide regulations consistent with the goals of the Water Use Efficiency Strategic Plan
- C.4.3 Monitor and provide input into Governor’s proposed new water efficiency targets (beyond 20% by 2020)
- C.4.4 Work with the Santa Clarita Valley Water Committee to further enhance retail purveyor, City and County drought and water conservation activities
- C.4.5 Reevaluate and prioritize outreach targets and methods to maximize rebates and incentive benefits to encourage additional conservation
- C.4.6 Develop equitable conservation/demand management programs to meet current and upcoming regulatory measures
- C.4.7 Evaluate infrastructure technology (AMI/AMR) and operational strategies to better manage demands
- C.4.8 Work with developers and/or permitting agencies to get the appropriate turf efficient landscapes in new development
- C.4.9 Promote drought tolerant and water efficient landscapes out into the community
- C.4.10 Communicate with customers the message that “conservation is a way of life”

Strategy C.5 *Respond to anticipated droughts through rate structure modification, conservation assistance, customer service and outreach.*

- C.5.1 Implement a system to respond to droughts

Strategy C.6 *Actively manage natural resource use.*

- C.6.1 Conduct organization-wide energy assessment to identify opportunities to reduce energy use
- C.6.2 Evaluate SCV Water’s solar power contracts and options to optimize the cost and value to SCV Water
- C.6.3 Optimize facility operations to minimize power, supplies, chemicals, and labor consumption
- C.6.4 Assess the carbon footprint of SCV Water
- C.6.5 Develop/implement appropriate emissions reductions

GOAL C

Water Supply and Resource Sustainability

Implement programs to ensure the service area has reliable and sustainable supplies of water.

KEY PERFORMANCE INDICATORS

1. Average year water supply exceeds ten-year projected water demand
2. Compliance with state requirements (SBX 7-7, SB 60 and AB 2668) to improve urban water use efficiency
3. Maintain use of groundwater supplies consistent with the groundwater basin operating plan and UWMP
4. SWP supply reliability consistent with the SWP Delivery Capability Report and the UWMP
5. Monthly monitoring of production and consumption compared to historic months
6. Monthly monitoring of water loss
7. Lead implementation of the Sustainable Groundwater Management Act including preparation of a groundwater sustainability plan
8. Percent change in recycled water use
9. Protect the availability of local water resources (capacity and quality)
10. Per capita water use



GOAL D

Water Quality and Environmental Compliance

Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.

Ensuring the water is safe to drink and conducting our operations in a fashion that is sensitive to the environment and in compliance with environmental requirements is a key commitment of SCV Water to the community we serve. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measureable actions that track progress towards execution of the strategy.

Strategy D.1 *Achieve 100% compliance with all environmental regulations and standards.*

- D.1.1 Meet all applicable water quality regulations
- D.1.2 Evaluate a long-term strategy to provide consistent water quality across the service area (evaluate blending, well head softening, versus point-of-use homeowner expense of water softening systems)
- D.1.3 Engage the public to understand and meet customer's water quality requirements/demands
- D.1.4 Communicate transparently regarding water quality trends and objectives
- D.1.5 Track and report water quality complaints

Strategy D.2 *Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.).*

- D.2.1 Regulatory agency coordination, communication and collaboration toward the aggressive pursuit of responsible parties.

Strategy D.3 *Anticipate and comply with regulatory and environmental changes.*

- D.3.1 Track regulatory and statutory changes at both the federal and state levels pertaining to the Safe Drinking Water Act, the Clean Water Act and the potable water community in general
- D.3.2 Maintain interagency water quality communication collaborations
- D.3.3 Evaluate environmental compliance tracking software
- D.3.4 Develop a contaminants of emerging concern (CEC) strategy

Strategy D.4 *Implement long-term salinity management/nutrient management plan.*

- D.4.1 Work through the Groundwater Sustainability Agency to protect the watershed
- D.4.2 Engage in watershed nutrient and salinity management activities

Strategy D.5 *Seek cost recovery from responsible parties.*

- D.5.1 Continue litigation to hold parties responsible for groundwater contamination

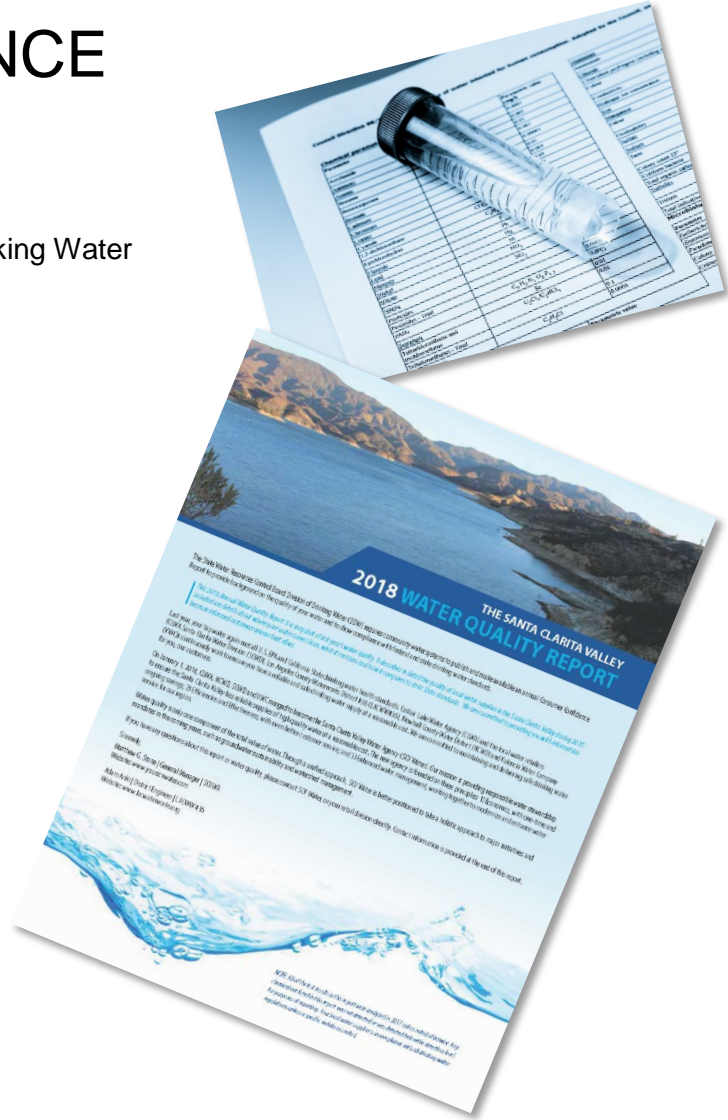
GOAL D

Water Quality and Environmental Compliance

Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.

KEY PERFORMANCE INDICATORS

- 1. Completion of required Division of Drinking Water monitoring, sampling and analyses
- 2. Maintain compliance with Safe Drinking Water Act
- 3. Groundwater pumped from Saugus wells and treated at the Saugus Perchlorate Treatment Facility
- 4. Complete Consumer Confidence Report
- 5. Impacted well capacity



GOAL E

Financial Resiliency

Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges.

Provision of SCV Water services is capital intensive. Managing the financial resources entrusted to SCV Water in a prudent manner ultimately reduces the cost of service to the community. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measureable actions that track progress towards execution of the strategy.

Strategy E.1 *Increase focus on forward looking financial information.*

- E.1.1 Construct a financial model that can forecast financial requirements and results through the service area buildout
- E.1.2 Incorporate the use of stochastic analysis in the financial planning model to assess uncertainty and explore the sensitivity of sales volumes and costs to rates and cash flow
- E.1.3 Implement staff tracking and assessment of debt portfolio
- E.1.4 Develop a Long-Range Finance Plan that considers:
 - Policy for managing debt versus pay-go
 - Cash reserve requirements
 - OPEB funding
 - Rate management
 - Funding for carrying out the Strategic Plan

Strategy E.2 *Establish a path towards uniform retail rates.*

- E.2.1 Update cost of service models utilizing the long-term financial plan and enterprise cost allocations
- E.2.2 Update the recycled water rate
- E.2.3 Develop a multi-year rate implementation plan that will establish consistent levels of funding and cash reserves throughout the service area

Strategy E.3 *Improve treasury and cash management practices.*

- E.3.1 Consolidate the business process of managing the fund investment activities for SCV Water
- E.3.2 Establish the practice of preparing monthly cash flow reporting.
- E.3.3 Update financial policies to reflect gains in capabilities to manage and control cash management as new financial and customer billing systems go live and new payment alternatives are offered to our customers

Strategy E.4 *Expand Financial & Performance Reporting*

- E.4.1 Establish management dashboards that will communicate operational performance to management and staff
- E.4.2 Establish financial dashboards that will communicate financial performance and health of the Agency
- E.4.3 Build internal capabilities for rate, financial, and performance analysis and reporting through training and adding staff as necessary

Strategy E.5 *Improve financial risk management.*

- E.5.1 Evaluate opportunities to hedge financial risks with insurance
- E.5.2 Evaluate opportunities to improve the relationship between fixed costs and fixed revenues in rate and fee structures

Strategy E.6 *Improve cost accounting.*

- E. 6.1 Implement project costing functionality in the new accounting system
- E. 6.2 Standardize warehouse inventory practices and centralize purchasing for parts, meters, tools, and other maintenance and repair inventory items
- E. 6.3 Update the cost allocation methodology to reflect the new Agency organizational structure



GOAL E

Financial Resiliency

Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges.

KEY PERFORMANCE INDICATORS

1. Maintain existing bond ratings
2. Meet debt service coverage ratio
3. Meet reserve fund targets
4. Actual costs compared to project budget
5. Actual costs compared to annual budget
6. Number and magnitude of change orders for major capital improvement program projects



GOAL F

High Performance Team

Grow a culture of continuous improvement that fosters SCV Water's values.

SCV Water's services depend on its trained and dedicated workforce. Maintaining a high-performance organization will achieve the goals, mission, and vision of the organization. The strategies below define the approach the organization will take to achieve the goal. Objectives are the measurable actions that track progress towards execution of the strategy.

Strategy F.1 *Implement post-merger integration of the new agency.*

- F.1.1 Reduce the number of customer service field offices, increase offsite payment locations
- F.1.2 Standardize operating procedures and business processes across the organization
- F.1.3 Update, develop, and maintain clear and comprehensive policies for SCV Water
- F.1.4 Remain in compliance with the requirements of SB 634
- F.1.5 Optimize use of SCV Water real estate

Strategy F.2 *Attract, train, and retain quality staff.*

- F.2.1 Complete an organizational design study that results in updated job requirements, job classifications, clear career paths, and appropriate pay levels
- F.2.2 Research compensation for licenses and certifications through a market survey
- F.2.3 Implement electronic benefits enrollment
- F.2.4 Provide supervisor training to enhance working knowledge and a general understanding of the SCV Water's recruitment, and performance evaluation and other human relations processes
- F.2.5 Update the SCV Water's Employee Handbook
- F.2.6 Conduct sexual harassment awareness and prevention training for all employees
- F.2.7 Implement an employee portal or intranet for posting various often-requested forms, documents, etc.
- F.2.8 Budget for sufficient staffing to meet adopted objectives (particularly in Water Resources, Operations, Engineering, Finance, and Communications)
- F.2.9 Examine practicality/benefits of establishing a mentoring program
- F.2.10 Review team building strategy to foster trust and shared values
- F.2.11 Develop / document employee and Director onboarding approach
- F.2.12 Document and optimize the delegation of authority to improve efficiency
- F.2.13 Evaluate the economics of providing benefits to part-time employees
- F.2.14 Develop a comprehensive training plan considering:
 - Providing facility tours for staff
 - Coaching/mentoring for staff
 - Improving training programs so all equal positions are trained to the same level

- Developing a cross training program
- Developing an internship program
- Providing training for teamwork and conflict management
- Supervisor and management training
- Encouragement of project management certification
- Uniform training standards across the divisions
- Safety training
- Heavy equipment operations certification
- Hostile interaction training
- Terrorism response

Strategy F.3 ***Implement integrated technology and applications across the organization.***

- F.3.1 Assess, select, and implement a single accounting and financial reporting system
- F.3.2 Assess, select, and implement a single customer service and billing system
- F.3.3 Consolidate telecommunication and network equipment
- F.3.4 Develop and implement a tiered end-user support system with scaled resources
- F.3.5 Deploy end-point management solution for mobile and stationed devices
- F.3.6 Improve integration of IT systems/platforms
- F.3.7 Improve breadth, depth, quality and timeliness of business planning information
- F.3.8 Implement integrated applications (Asset Management) across the organization
- F.3.9 Improve technology and data risk management processes
- F.3.10 Develop an Information Technology Strategic Plan
- F.3.11 Implement redundant gateway routing
- F.3.12 Consolidate and align the servers to efficiently meet the needs of the organization
- F.3.13 Standardize network access throughout the organization
- F.3.14 Standardize virtual server approach across the organization
- F.3.15 Add 10 to 20 more MBPS (megabits per second) on existing point-to-point backup line between the Rio Vista Water Treatment Plant and Summit Circle
- F.3.16 Conduct an analysis and evaluation of the network vulnerabilities
- F.3.17 Development, deployment and maintenance of an agency intranet
- F.3.18 Evaluate and implement mobile solutions for certain field job tasks
- F.3.19 Maintain regular and routine computer replacement program and management of technology through an asset management approach
- F.3.20 Evaluate need for computers in the education department
- F.3.21 Maintain regular and routine network appliance replacement schedule
- F.3.22 Update and modernize collaborative workspaces to meet the needs of the modern workforce

Strategy F.4 ***Promote an open and professional work environment.***

- F.4.1 Continue to provide employees with “bottom-up” communication through all employee meetings (All Hands, etc.)

- F.4.2 Continue to (1) provide General Manager-to-staff memos and quarterly employee newsletters and (2) hold employee meetings updating all employees of important events and news.
- F.4.3 Continue bi-weekly executive staff and periodic manager/supervisor meetings to enhance staff productivity and coordination work efforts
- F.4.4 Continue the new e-newsletter
- F.4.5 Develop a comprehensive staff engagement strategy considering:
 - Activities/accomplishments of the new agency
 - Implement internal / external communications improvements
 - Consistent communication processes
 - Enhance quality/consistency of email communication
 - Management-to-supervisors engagement
 - Supervisor-to-staff communication
 - Interagency communication
 - Teambuilding activities
- F.4.6 Include staff in key planning/implementing of policy changes
- F.4.7 Develop an innovation program to encourage, capture, and deploy new ideas/suggestions

Strategy F.5 *Maintain a safe and secure work environment.*

- F.5.1 Continue to provide all required and recommended safety training
- F.5.2 Continue to emphasize safety through weekly tailgate and safety meetings
- F.5.3 Conduct live confined space entry and rescue drill
- F.5.4 Conduct a live chemical spill response drill with local fire department and/or emergency services contractor
- F.5.5 Improve Rio Vista Water Treatment Plant back gate and access road by adding safety and security signage and traffic striping
- F.5.6 Improve Earl Schmidt Filtration Plant road access gate
- F.5.7 Develop protocol for dealing with phone and in-person threats



GOAL F

High Performance Team

Grow a culture of continuous improvement that fosters SCV Water's values.

KEY PERFORMANCE INDICATORS

1. Number and percentage of Financial and Administrative policies that have been updated in the last five years
2. Pace of technology, tools and equipment maintenance relative to work-flow demand
3. Contact hours and continuing education units (average of total and by department)
4. Number and types of certified and licensed staff
5. On-time completion of annual performance evaluations and inclusion of employee input on career advancement plans
6. SCV Water use of education reimbursement program
7. Number of days lost to workplace personal injuries
8. Service desk time to resolution less than 24 hours.
9. Network availability - High availability sites uptime percentage.
10. IT service desk first contact resolution percentage.
11. IT service desk customer satisfaction.



GLOSSARY

The following key terms are used in this Strategic Plan:

Action Plan – A detailed set of tactical actions that will be developed in order for the strategies/objectives to be achieved.

Values – Non-negotiable standards that the staff and the Board believe in and embody how they will act individually and as an organization.

Goal – SCV Water’s commitment to the community it serves.

Key Performance Indicator – Selected measure to indicate performance against a Strategic Plan Goal.

Mission – The primary reason(s) for the existence of the organization.

Objective – Measurable work activity that, when accomplished, will directly lead to the success of the strategy.

Issue – A problem or opportunity facing SCV Water.

Strategy – How an issue is solved to achieve the goal.

Strategic Plan – A structured plan to drive SCV Water to achieve its goals.

SWOT Analysis – Description of strengths, weaknesses, opportunities and threats to identify areas of focus in the Strategic Plan.

Vision – What SCV Water aspires to become.

APPENDIX A – ACTION PLAN

Objectives = * Priorities, dates, and responsible Divisions are included in the Budget document.

Goal A: Implement and communicate policies supporting the social, quality of life, and environmental values of the community.		
Strategy	Objective	Time Frame
<i>A.1 - Provide “best in class” customer service.</i>		
A.1.1	Reassess delegation of authority to Customer Care Representatives for improving first call resolution	12/31/2019
A.1.2	Standardize customer service procedures across SCV Water	9/30/2019
A.1.3	Redesign bills, with Customer Care Representative’s input	1/31/2021
<i>A.2 - Proactively communicate with and engage our community on water matters of importance to the region positioning SCV Water as a leading resource and reliable authority on water issues.</i>		
A.2.1	Implement the outreach plan	Ongoing
A.2.2	Increase public understanding of water issues (e.g. water quality, emergency preparedness, value of water, regulatory challenges, etc.)	Ongoing
A.2.3	Develop engagement tools to receive feedback from stakeholders (e.g. Customer Service Survey)	2/28/2019
A.2.4	Participate in vendor outreach programs	Ongoing
A.2.5	Continue to participate in community events (COC Water Technology Board and Business Alliance, SCV Mayor’s Committee for Employment of Individuals with Disabilities, PIHRA, etc.)	Ongoing
A.2.6	Raise awareness of and demand for conservation programs (e.g. water conservation campaign(s) and related media buys, public and school educational programs, participation at public events, SCV Water web site, e-newsletter and social media, self-guided landscape tour, conservatory garden, etc.)	Ongoing
A.2.7	Build positive public perception of SCV Water as a leading resource and reliable authority on water issues engaging the Blue Ribbon Committee, Speakers’ Bureau and Water Academy	Ongoing
A.2.8	Support SCV Water efforts to work with public agencies and industry associations to influence water policy	Ongoing
A.2.9	Work with local media to ensure accurate reporting	Ongoing
<i>A.3 - Work with local, regional, state and federal agencies, industry associations and organizations to influence water policy for the benefit of our service area customers.</i>		
A.3.1	Engage in local, state and federal activities to further the interests of water in the Santa Clarita Valley	Ongoing

A.3.2	Maintain strong working relationships with local agencies (water agencies, special districts, city, and local governments)	Ongoing
A.4 - Engage in statewide and federal water legislative and policy issues.		
A.4.1	Continue coordination with SCV Water legislative analysts in communications with local, state, and federal elected officials and their staffs	Ongoing
A.4.2	Foster and continue effective working relationships with the Department of Water Resources and other State Water Project Contractors	Ongoing
A.4.3	Coordinate legislative initiatives concerning Sacramento-San Joaquin Delta and water conservation with legislative analysts, Association of California Water Agencies, State Water Contractors and other necessary parties to enhance the reliability and cost effectiveness of the SCV Water's SWP water supply	Ongoing
A.5 - Adopt environmentally sustainable business practices.		
A.5.1	Move to paperless processes	1/31/2025
A.6 - Develop and lead the community vision for the watershed.		
A.6.1	Lead the development of the groundwater sustainability plan for the watershed	1/31/2022
A.6.2	Work with NGOs to understand common goals within the community/watershed	Ongoing
Goal B: Infrastructure Reliability – Implement, operate, and maintain water infrastructure to ensure sustainable water service provision.		
Strategy	Objective	Time Frame
B.1 - Plan, design and build facilities to meet demand including storage capacity and interconnections between wholesale and retail water systems.		
B.1.1	Implement capital projects related to infrastructure reliability	Ongoing
B.1.1.1	Complete design and construction of Groundwater VOC Treatment Improvement Project	6/30/2021
B.1.1.2	Complete design and construction of the Replacement Wells Project	12/31/2020
B.1.1.3	Complete design and initiate construction of the Phase 2B Recycled Water backbone pipeline, distribution pipeline and tank	12/31/2019
B.1.1.4	Complete final design of the South End Recycled Water Project (Phase 2C)	9/30/2019
B.1.1.5	Complete final design and initiate construction of the West Ranch Recycled Water Project (Phase 2D)	12/31/2019
B.1.1.6	Complete land acquisition for Castaic Conduit Project	6/30/2020

B.1.1.7	Complete design and initiate construction of the Earl Schmidt Sludge Collection System Project	12/31/2019
B.1.1.8	Complete construction of Magic Mountain Pipeline Phase 4 project	9/30/2019
B.1.1.9	Complete construction of Magic Mountain Pipeline Phase 5 project	3/30/2020
B.1.1.10	Complete construction of Magic Mountain Pipeline Phase 6A project	6/30/2020
B.1.1.11	Complete design of Magic Mountain Pipeline Phase 6B project	12/31/2020
B.1.1.12	Complete planning phase of the Magic Mountain Reservoir Project	6/30/2021
B.1.1.13	Complete design and initiate construction of Deane Pump Station	3/30/2020
B.1.1.14	Complete design and initiate construction of first Deane Storage Tank	3/30/2020
B.1.1.15	Complete design and construction of Water Pipeline to LARC Ranch	6/30/2020
B.1.2	Implement next phase of the Graphical Information System	6/30/2021
B.1.3	Develop and configure water system hydraulic model for the SCV water service area	6/30/2020
B.1.4	Develop recycled water policies and ordinances	6/30/2020
<i>B.2 - Plan and budget for long-term replacements and improvements.</i>		
B.2.1	Update and carryout capital projects related to water system reliability and sustainability	Ongoing
B.2.1.1	Replace ammonia pumping system at Earl Schmidt Filtration Plant	6/30/2020
B.2.1.2	Inspect and Repair Earl Schmidt Filtration Plant clear wells interior coating	6/30/2020
B.2.1.3	Replace all valves on treatment vessels at Saugus Perchlorate Treatment Facility	6/30/2022
B.2.1.4	Replace sludge check valves at Earl Schmidt Filtration Plant	6/30/2020
B.2.1.5	Continue acquiring and entering asset information into Computer Maintenance Management System	Ongoing
B.2.1.6	Remove and replace one pressure reducing valve station at Rainbow Glen/Sierra Highway	6/30/2020
B.2.1.7	Conduct meter replacement program	Ongoing
B.2.1.8	Conduct annual tank inspection and maintenance program	Ongoing
B.2.1.9	Conduct annual well inspection	Ongoing
B.2.1.10	Complete Rainbow Glen pipeline (WMP PIPE #5)	6/30/2021
B.2.1.11	Complete West Newhall Alley pipeline upgrade	6/30/2020
B.2.1.12	Complete SCADA (Sensor/Equipment) Upgrade	Ongoing
B.2.1.13	Complete Well Mag meter upgrade program	Ongoing
B.2.1.14	Prepare and Implement formal Meter Testing Program / Schedule for Large Customer Meter and Production Meters	6/30/2020

B.2.1.15	Analyze and implement land use changes at Devil's Den that provide revenue and/or reduced operating costs, including potential development of solar facilities and land sales	12/31/2020
B.2.2	Conduct facility optimization study	6/30/2021
B.2.3	Conduct an evaluation of water system security	9/30/2020
B.3 - Implement improved planning tools.		
B.3.1	Develop and implement a SCV Water-wide asset management program with end user/operations level asset management tools to enhance performance	6/30/2022
B.3.2	Assess current maintenance intervals on infrastructure and benchmark to industry best practice	6/30/2023
B.4 - Develop standard designs, policies, and procedures.		
B.4.1	Develop recycled water design standards and specifications	6/30/2020
B.4.2	Maintain as-built drawings	Ongoing
B.5 - Operate and maintain facilities.		
B.5.1	Maintain all facilities and appurtenances in a consistent fashion to achieve operational efficiency and functionality	Ongoing
B.5.2	Exercise / replace water system valves	Ongoing
B.5.3	Evaluate opportunities to centralize staff to improve operating efficiency	Ongoing
B.5.4	Set standards for leak repairs	Ongoing
B.5.5	Continue providing effective wholesale water service to Los Angeles. County Waterworks District #36	Ongoing
B.5.6	Implement asphalt maintenance program	Ongoing
B.6 - Plan and prepare for catastrophic emergencies.		
B.6.1	Develop an Emergency Response Plan for SCV Water	6/30/2020
B.6.2	Evaluate materials needs for earthquake response	10/1/2019
B.6.3	Evaluate system interconnection opportunities	Ongoing
B.6.4	Develop plan to convey local supplies within service area should a prolonged outage of imported water infrastructure occur	Ongoing
B.6.5	Develop emergency power strategy to assure ability to respond to short term and long term power supply outages for key facilities	Ongoing
B.6.6	Coordinate emergency response planning efforts with the regional water agencies, county, and cities	Ongoing
B.6.7	Conduct emergency preparedness planning and training for all staff	Ongoing
B.6.8	Conduct semiannual tests of SCV Water's disaster recovery plan	Ongoing
B.6.9	Develop a network security plan including a cyber-security policy and threat response plan	6/30/2021

B.6.10	Evaluate installation of an alarm in the garden area for emergencies	6/30/2020
Goal C: Water Supply and Resource Sustainability – Implement programs to ensure the service area has reliable and sustainable supplies of water.		
Strategy	Objective	Time Frame
<i>C.1 - Conduct planning to ensure long-term water demands are met.</i>		
C.1.1	Complete the 2020 Urban Water Management Plan	6/30/2021
C.1.2	Identify projects and initiate planning for projects to enhance long-term water supply reliability consistent with the updated Water Supply Reliability Report	Ongoing
C.1.3	Respond to SB 610 Water Supply Assessments and SB 221 Water Supply Verifications	Ongoing
C.1.4	Analyze the seismic resiliency of SCV Water’s supply portfolio	6/30/2021
C.1.5	Monitor climate change science and public policy. Incorporate climate change impacts on water demand and supplies into long-term plans and programs to maintain reliable and sustainable water supplies	Ongoing
<i>C.2 - Protect the SCV Water interests in the State Water Project.</i>		
C.2.1	Ensure that SCV Water has full access to water supplies available to it under its SWP contract and other water supply agreements that rely on SWP conveyance to meet customer water demands and store water for reliability enhancement and dry year use	Ongoing
C.2.2	Participate in planning, financing, development, and implementation of the Delta Conveyance Project	Ongoing
C.2.3	Collaborate with DWR and other SWP contractors to improve the administration of the SWP in a manner that promotes long-term cost effectiveness, operational reliability and supply availability	Ongoing
<i>C.3 - Advance the integrated management of water resources.</i>		
C.3.1	Lead the implementation of the Sustainable Groundwater Management Act for the Santa Clarita Valley	1/30/2022
C.3.2	Prepare the SCV Water Recycled Water Master Plan Update and California Environmental Quality Act document	5/31/2021
C.3.3	Work with agencies to develop foundation for a successful recycled water program	Ongoing
C.3.4	Pursue grant funding for recycled water projects	Ongoing
C.3.5	Coordinate and analyze performance of water banking and exchange programs, local groundwater production and water conservation measures	Ongoing
C.3.6	Implement dry-year recovery project for the Rosedale-Rio Bravo Water Storage District Water Exchange and Banking Program	12/31/2019

C.3.7	Identify and secure access or ownership of suitable groundwater recharge areas in the watershed	Ongoing
C.4 - Advance demand management and achieve state mandated water use efficiency targets.		
C.4.1	Continue to implement and assess programs identified in the updated Santa Clarita Valley Water Use Efficiency Strategic Plan (SCV WUE SP)	Ongoing
C.4.2	Support local and statewide regulations consistent with the goals of the Water Use Efficiency Strategic Plan	Ongoing
C.4.3	Monitor and provide input into Governor’s proposed new water efficiency targets (beyond 20% by 2020)	Ongoing
C.4.4	Work with the Santa Clarita Valley Water Committee to further enhance retail purveyor, City and County drought and water conservation activities	Ongoing
C.4.5	Reevaluate and prioritize outreach targets and methods to maximize rebates and incentive benefits to encourage additional conservation	Ongoing
C.4.6	Develop equitable conservation/demand management programs to meet current and upcoming regulatory measures	Ongoing
C.4.7	Evaluate infrastructure technology (AMI/AMR) and operational strategies to better manage demands	Ongoing
C.4.8	Work with developers and/or permitting agencies to get the appropriate turf efficient landscapes in new development	Ongoing
C.4.9	Promote drought tolerant and water efficient landscapes out into the community	Ongoing
C.4.10	Communicate with customers the message that “conservation is a way of life”	Ongoing
C.5 - Respond to anticipated near-term droughts through rate structure modification, conservation assistance, customer service and outreach.		
C.5.1	Implement a system to respond to droughts	Ongoing
C.6 - Actively manage natural resource use.		
C.6.1	Conduct organization-wide energy assessment to identify opportunities to reduce energy use	6/30/2023
C.6.2	Evaluate SCV Water's solar power contracts and options to optimize the cost and value to SCV Water	12/31/2019
C.6.3	Optimize facility operations to minimize power, supplies, chemicals, and labor consumption	Ongoing
C.6.4	Assess the carbon footprint of SCV Water	12/31/2022
C.6.5	Develop/implement appropriate emissions reductions	12/31/2023

Goal D: Water Quality and Environmental Compliance – Protect the quality of our water supplies and environment and ensure our drinking water quality is consistent and meets or surpasses all water quality requirements.		
Strategy	Objective	Time Frame
<i>D.1 - Achieve 100% compliance with all environmental regulations and standards.</i>		
D 1.1	Meet all applicable water quality regulations	Ongoing
D.1.2	Evaluate a long-term strategy to provide consistent water quality across the service area (evaluate blending, well head softening, versus point-of-use homeowner expense of water softening systems)	Ongoing
D.1.3	Engage the public to understand and meet customer’s water quality requirements/demands	Ongoing
D.1.4	Communicate transparently regarding water quality trends and objectives	Ongoing
D.1.5	Track and report water quality complaints	Ongoing
<i>D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.).</i>		
D.2.1	Regulatory agency coordination, communication and collaboration toward the aggressive pursuit of responsible parties.	Ongoing
<i>D.3 - Anticipate and comply with regulatory and environmental changes.</i>		
D.3.1	Track regulatory and statutory changes at both the federal and state levels pertaining to the Safe Drinking Water Act, the Clean Water Act and the potable water community in general	Ongoing
D.3.2	Maintain interagency water quality communication collaborations	Ongoing
D.3.3	Evaluate environmental compliance tracking software	12/31/2019
D.3.4	Develop a contaminants of emerging concern (CEC) strategy	12/31/2019
<i>D.4 - Implement long-term salinity management/nutrient management plan.</i>		
D.4.1	Work through the Groundwater Sustainability Agency to protect the watershed	Ongoing
D.4.2	Engage in watershed nutrient and salinity management activities	Ongoing
<i>D.5 - Seek cost recovery from responsible parties.</i>		
D.5.1	Continue litigation to hold parties responsible for groundwater contamination	Ongoing
Goal E: Financial Resiliency – Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges		

Strategy	Objective	Time Frame
E.1 - Increase focus on forward looking financial information.		
E.1.1	Construct a financial model that can forecast financial requirements and results through the service area build out	3/31/2020
E.1.2	Incorporate the use of stochastic analysis in the financial planning model to assess uncertainty and explore the sensitivity of sales volumes and costs to rates and cash flow	3/31/2020
E.1.3	Implement staff tracking and assessment of debt portfolio	3/31/2020
E.1.4	Develop a Long-Range Finance Plan that considers:	1/31/2020
	<ul style="list-style-type: none"> • Policy for managing debt versus pay-go 	
	<ul style="list-style-type: none"> • Cash reserve requirements 	
	<ul style="list-style-type: none"> • OPEB funding 	
	<ul style="list-style-type: none"> • Rate management 	
	<ul style="list-style-type: none"> • Funding for carrying out the Strategic Plan 	
E.2 - Establish a path towards uniform retail rates.		
E.2.1	Update cost of service models utilizing the long-term financial plan and enterprise cost allocations	4/30/2020
E.2.2	Update the recycled water rate	8/31/2020
E.2.3	Develop a multi-year rate implementation plan that will establish consistent levels of funding and cash reserves throughout the service area	6/30/2020
E.3 - Improve treasury and cash management practices.		
E.3.1	Consolidate the business process of managing the fund investment activities for the SCV Water.	6/30/2020
E.3.2	Establish the practice of preparing monthly cash flow reporting.	9/30/2021
E.3.3	Update financial policies to reflect gains in capabilities to manage and control cash management as new financial and customer billing systems go live and new payment alternatives are offered to our customers	12/31/2021
E.4 - Expand Financial & Performance Reporting		
E.4.1	Establish management dashboards that will communicate operational performance to management and staff	1/31/2020
E.4.2	Establish financial dashboards that will communicate financial performance and health of the Agency	9/30/2021
E.4.3	Build internal capabilities for rate, financial, and performance analysis and reporting through training and adding staff as necessary	Ongoing
E.5 - Improve financial risk management.		
E.5.1	Evaluate opportunities to hedge financial risks with insurance	12/31/2019
E.5.2	Evaluate opportunities to improve the relationship between fixed costs and fixed revenues in rate and fee structures	6/30/2020

E.6 - Improve cost accounting.		
E. 6.1	Implement project costing functionality in the new accounting system	12/31/2021
E. 6.2	Standardize warehouse inventory practices and centralize purchasing for parts, meters, tools, and other maintenance and repair inventory items	6/30/2020
E. 6.3	Update the cost allocation methodology to reflect the new Agency organizational structure	12/31/2019
Goal F: High Performance Team – Grow a culture of continuous improvement that fosters SCV Water's values.		
Strategy	Objective	Time Frame
F.1 - Implement post-merger integration of the new agency.		
F.1.1	Reduce the number of customer service field offices, increase offsite payment locations.	12/31/2019
F.1.2	Standardize operating procedures and business processes across the organization	6/30/2024
F.1.3	Update, develop, and maintain clear and comprehensive policies for SCV Water	6/30/2024
F.1.4	Remain in compliance with the requirements of SB 634	6/30/2024
F.1.5	Optimize use of SCV Water real estate	6/30/2024
F.2 - Attract, train, and retain quality staff.		
F.2.1	Complete an organizational design study that results in updated job requirements, job classifications, clear career paths, and appropriate pay levels	7/31/2020
F.2.2	Research compensation for licenses and certifications through a market survey	7/31/2020
F.2.3	Implement electronic benefits enrollment	6/30/2024
F.2.4	Provide supervisor training to enhance working knowledge and a general understanding of the SCV Water's recruitment, and performance evaluation and other human relations processes	10/31/2020
F.2.5	Update the SCV Water's Employee Handbook	12/31/2019
F.2.6	Conduct sexual harassment awareness and prevention training for all employees	12/31/2020
F.2.7	Implement an employee portal or intranet for posting various often-requested forms, documents, etc.	11/30/2019
F.2.8	Budget for sufficient staffing to meet adopted objectives (particularly in Water Resources, Operations, Engineering, Finance, and Communications)	4/29/2024
F.2.9	Examine practicality/benefits of establishing a mentoring program	12/31/2019

F.2.10	Review team building strategy to foster trust and shared values	1/31/2020
F.2.11	Develop / document employee and Director onboarding approach	3/31/2020
F.2.12	Document and optimize the delegation of authority to improve efficiency	6/30/2022
F.2.13	Evaluate the economics of providing benefits to part-time employees	6/30/2021
F.2.14	Develop a comprehensive training plan considering:	6/30/2021
	<ul style="list-style-type: none"> • Providing facility tours for staff 	
	<ul style="list-style-type: none"> • Coaching/mentoring for staff 	
	<ul style="list-style-type: none"> • Improving training programs so all equal positions are trained to the same level 	
	<ul style="list-style-type: none"> • Developing a cross training program 	
	<ul style="list-style-type: none"> • Developing an internship program 	
	<ul style="list-style-type: none"> • Providing training for teamwork and conflict management 	
	<ul style="list-style-type: none"> • Supervisor and management training 	
	<ul style="list-style-type: none"> • Encouragement of project management certification 	
	<ul style="list-style-type: none"> • Uniform training standards across the divisions 	
	<ul style="list-style-type: none"> • Safety training 	
	<ul style="list-style-type: none"> • Heavy equipment operations certification 	
	<ul style="list-style-type: none"> • Hostile interaction training 	
	<ul style="list-style-type: none"> • Terrorism response 	
F.3 - Implement integrated technology and applications across the organization.		
F.3.1	Assess, select, and implement a single accounting and financial reporting system	3/31/2021
F.3.2	Assess, select, and implement a single customer service and billing system	6/30/2021
F.3.3	Consolidate telecommunication and network equipment	6/30/2020
F.3.4	Develop and implement a tiered end-user support system with scaled resources	3/31/2021
F.3.5	Deploy end-point management solution for mobile and stationed devices	3/31/2021
F.3.6	Improve integration of IT systems/platforms	6/30/2024
F.3.7	Improve breadth, depth, quality and timeliness of business planning information	6/30/2024
F.3.8	Implement integrated applications (Asset Management) across the organization	6/30/2023
F.3.9	Improve technology and data risk management processes	6/30/2024
F.3.10	Develop an Information Technology Strategic Plan	12/31/2019
F.3.11	Implement redundant gateway routing	12/31/2019

F.3.12	Consolidate and align the servers to efficiently meet the needs of the organization	6/30/2021
F.3.13	Standardize network access throughout the organization	4/30/2020
F.3.14	Standardize virtual server approach across the organization	2/28/2020
F.3.15	Add 10 to 20 more MBPS (megabits per second) on existing point-to-point backup line between the Rio Vista Water Treatment Plant and Summit Circle	1/31/2020
F.3.16	Conduct an analysis and evaluation of the network vulnerabilities	10/31/2019
F.3.17	Development, deployment and maintenance of an agency intranet	11/30/2019
F.3.18	Evaluate and implement mobile solutions for certain field job tasks	6/30/2022
F.3.19	Maintain regular and routine computer replacement program and management of technology through an asset management approach	6/30/2024
F.3.20	Evaluate need for computers in the education department	6/30/2021
F.3.21	Maintain regular and routine network appliance replacement schedule	6/30/2024
F.3.22	Update and modernize collaborative workspaces to meet the needs of the modern workforce	6/30/2020
<i>F.4 - Promote an open and professional work environment.</i>		
F.4.1	Continue to provide employees with “bottom-up” communication through all employee meetings (All Hands, etc.)	Ongoing
F.4.2	Continue to (1) provide General Manager-to-staff memos and quarterly employee newsletters and (2) hold employee meetings updating all employees of important events and news.	Ongoing
F.4.3	Continue bi-weekly executive staff and periodic manager/supervisor meetings to enhance staff productivity and coordination work efforts	Ongoing
F.4.4	Continue the new e-newsletter	Ongoing
F.4.5	Develop a comprehensive staff engagement strategy considering:	Ongoing
	<ul style="list-style-type: none"> • Activities/accomplishments of the new agency 	
	<ul style="list-style-type: none"> • Implement internal / external communications improvements 	
	<ul style="list-style-type: none"> • Consistent communication processes 	
	<ul style="list-style-type: none"> • Enhance quality/consistency of email communication 	
	<ul style="list-style-type: none"> • Management-to-supervisors engagement 	
	<ul style="list-style-type: none"> • Supervisor-to-staff communication 	
	<ul style="list-style-type: none"> • Interagency communication 	

	<ul style="list-style-type: none"> • Teambuilding activities 	
F.4.6	Include staff in key planning/implementing of policy changes	Ongoing
F.4.7	Develop an innovation program to encourage, capture, and deploy new ideas/suggestions	6/30/2021
<i>F.5 - Maintain a safe and secure work environment.</i>		
F.5.1	Continue to provide all required and recommended safety training	Ongoing
F.5.2	Continue to emphasize safety through weekly tailgate and safety meetings	Ongoing
F.5.3	Conduct live confined space entry and rescue drill	Ongoing
F.5.4	Conduct a live chemical spill response drill with local fire department and/or emergency services contractor	Ongoing
F.5.5	Improve Rio Vista Water Treatment Plant back gate and access road by adding safety and security signage and traffic striping	6/30/2022
F.5.6	Improve Earl Schmidt Filtration Plant road access gate	6/30/2022
F.5.7	Develop protocol for dealing with phone and in-person threats	6/30/2020

Board of Directors

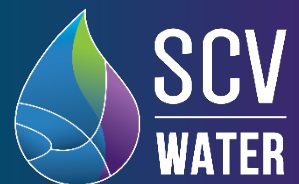
Dante Acosta
B.J. Atkins
Thomas Campbell
Ed Colley
Kathy Colley

William Cooper, President
Bob DiPrimio
Jerry Gladbach
Maria Gutzeit, Vice President
R. Kelly

Gary Martin, Vice President
Daniel Mortensen
Lynne Plambeck

Executive Team

Matt Stone, General Manager
Steve Cole, Assistant General Manager
Keith Abercrombie, Chief Operating Officer
Brian Folsom, Chief Engineer
Eric Campbell, Chief Finance and Administrative Officer
Dirk Marks, Director of Water Resources
Mike Alvord, Director of Maintenance and Operations
Rochelle Patterson, Director of Finance and Administration
Cris Perez, Director of Technology
Kathie Martin, Public Information Officer



27234 Bouquet Canyon Road
Santa Clarita, CA 91350
(661) 297-1600
www.yourSCVwater.com



Consultant Support | Ed Means, President
[Return to Table of Contents](#) Means Consulting LLC

PERFORMANCE MEASURES

PERFORMANCE MEASURES

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

OBJECTIVES

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

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

TYPES OF PERFORMANCE MEASURES

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

MEASUREMENT APPROACH

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

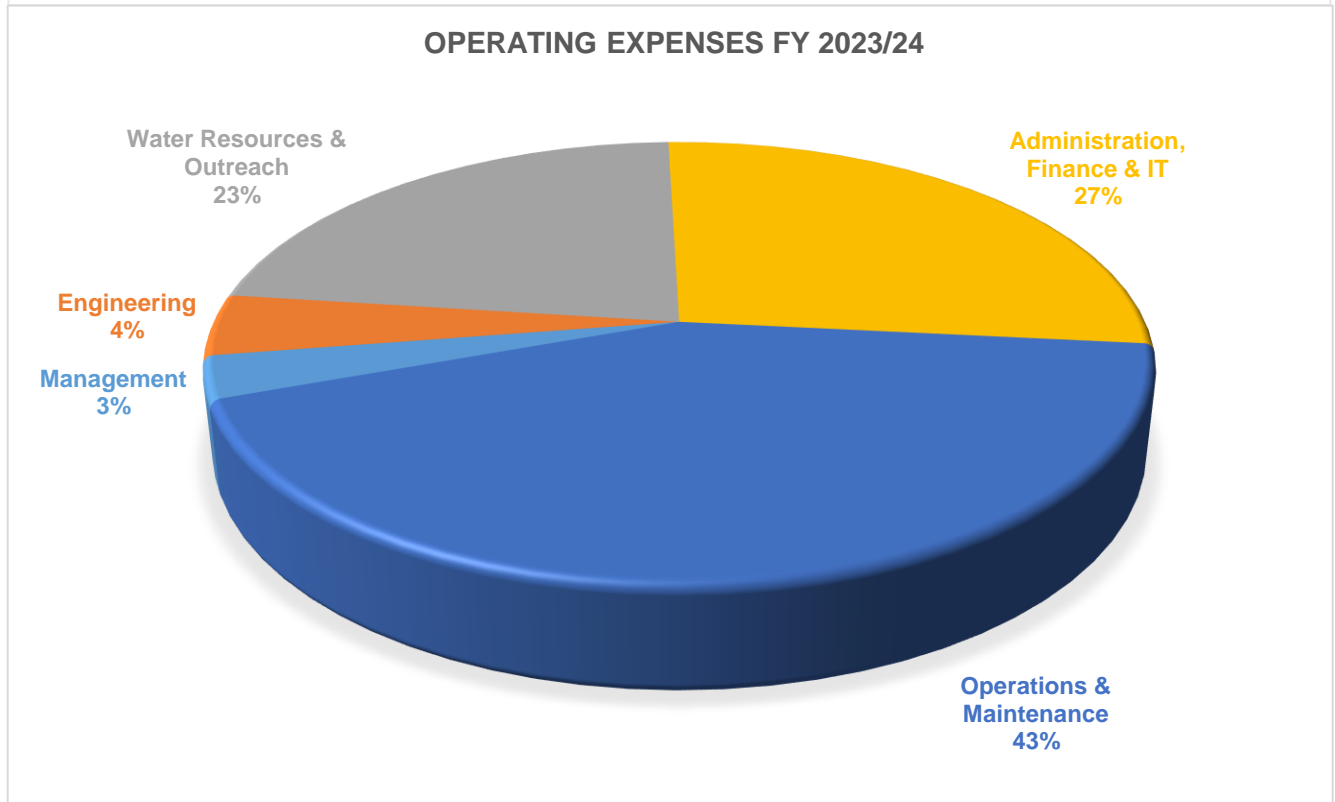
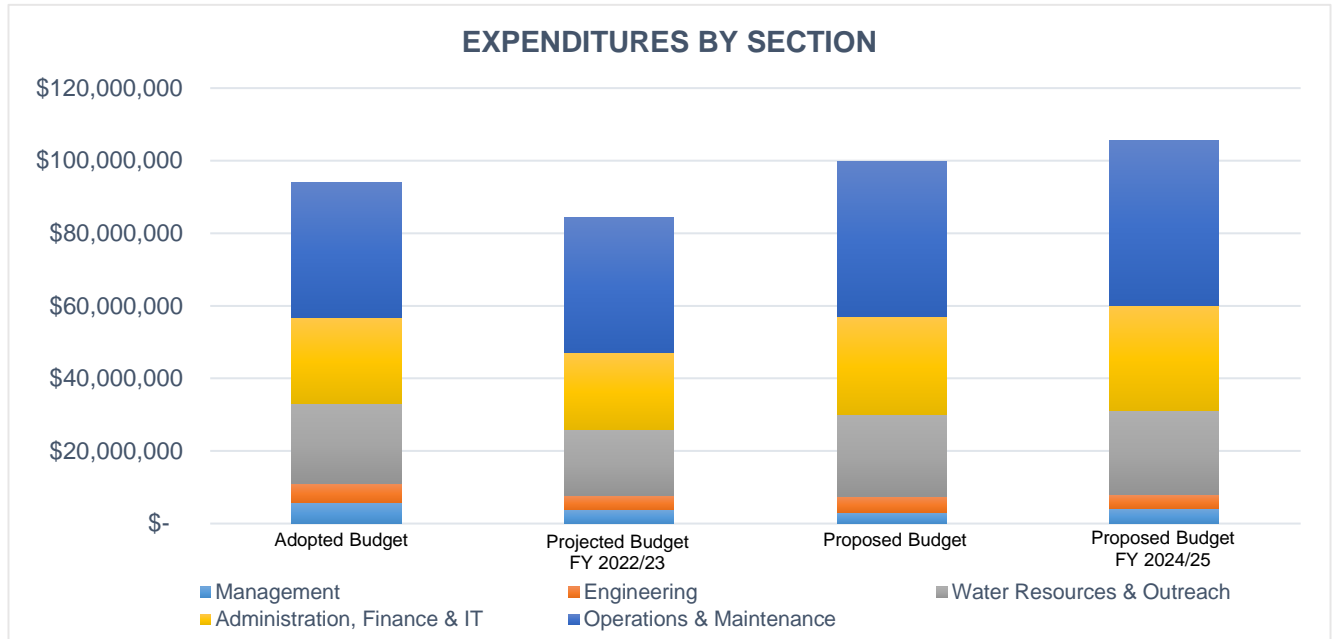
- Fiscal responsibility
- Output/input relationships or productivity
- Customer emphasis such as quality
- Innovation and adaptation to change
- Human resources
- Cost of quality measured as budgeted versus actual
- Variances measured as cost versus actual expenses
- Period expenses measured as budgeted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

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

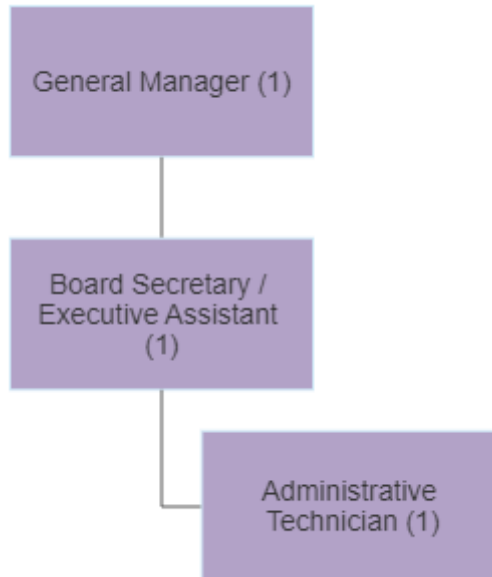
Each section of the Agency has established their priorities, goals and strategies, and those desired outcomes were reviewed and considered. As a whole, objectives are dynamic and provide a living action plan for the section management team to identify, track and report on the progress toward identified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

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

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



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









Management – Purpose Statement

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

Management – Primary Services








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

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS












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

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

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

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

FY 2023/24 and FY 2024/25 OBJECTIVES

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

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

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

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

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

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






Department Management Section
Service Area Management and Board of Directors




Cost Center Goal	Outcome Indicator
The Board of Directors defines the principles and approaches to determine Agency policies and plays a leading role in ensuring the transparency of the Agency's activities, coupled with timely and full disclosure of information by the Agency. Management seeks to, among other things, enhance the efficiency and transparency by developing sound business strategies and delivering strong leadership.	Improve communication processes, advance workflow and overall productivity in the organization.

Objective: To set proactive business goal and objectives.

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

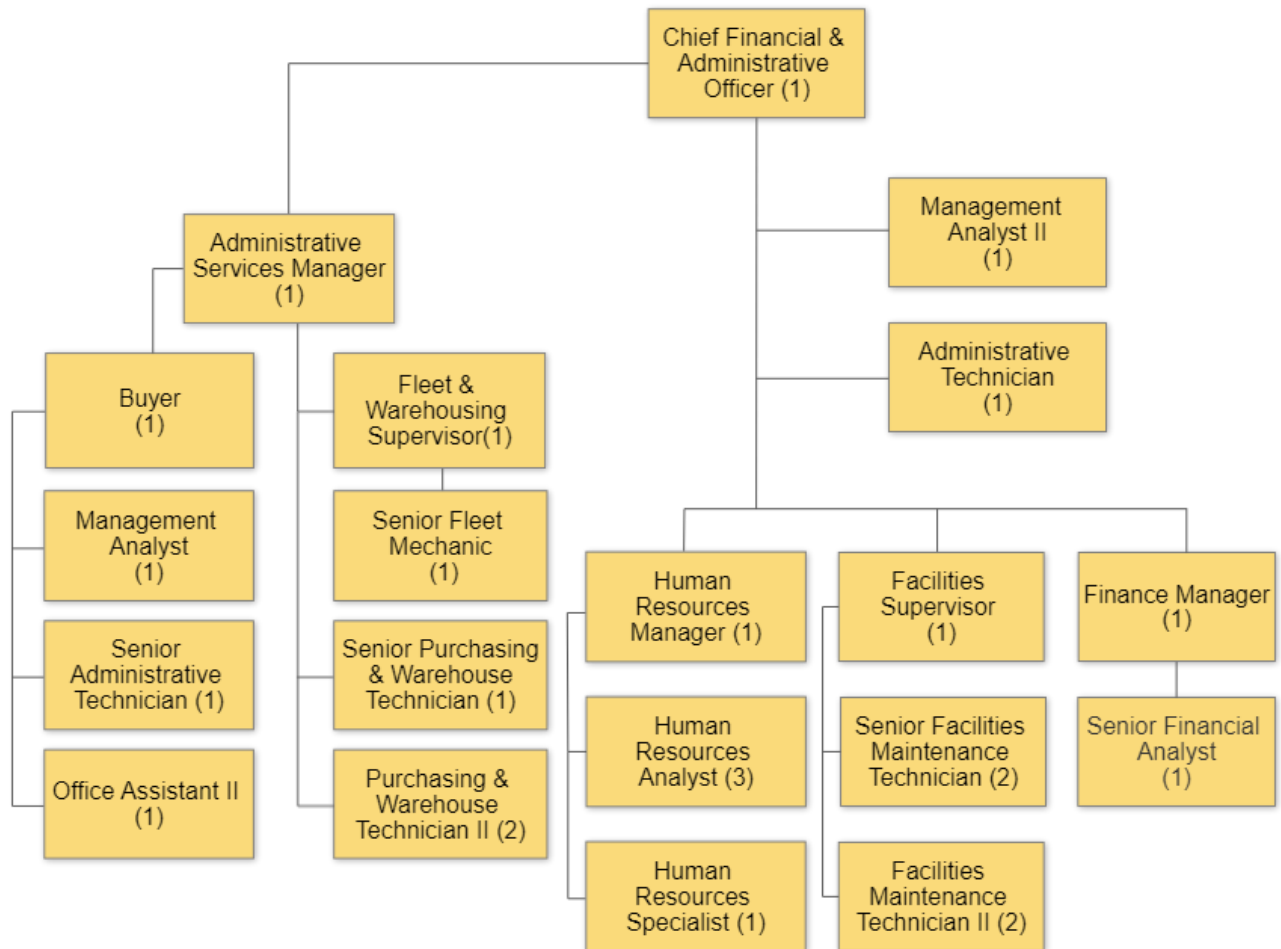
Performance Indicators

KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
A6	Input	Public awareness and opinion of the SCV Water, service and role in the community	Increase outreach campaigns		Increase outreach campaigns	Increase outreach campaigns
A7	Input	Maintain a level of active participation in organizations	Maintain current level		Maintain current level	Maintain current level
C8	Input	Lead implementation of the Sustainable Groundwater Management Act (SGMA)	Implemented SGMA		Continue SGMA	Continue SGMA
E1	Input	Continue to update Financial and Administrative Policies	Continue to update policies		Continue to update policies	Continue to update policies
F4	Input	Team Building and Strategic Planning Development	Continue plan		Complete Plan	Continue plan

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

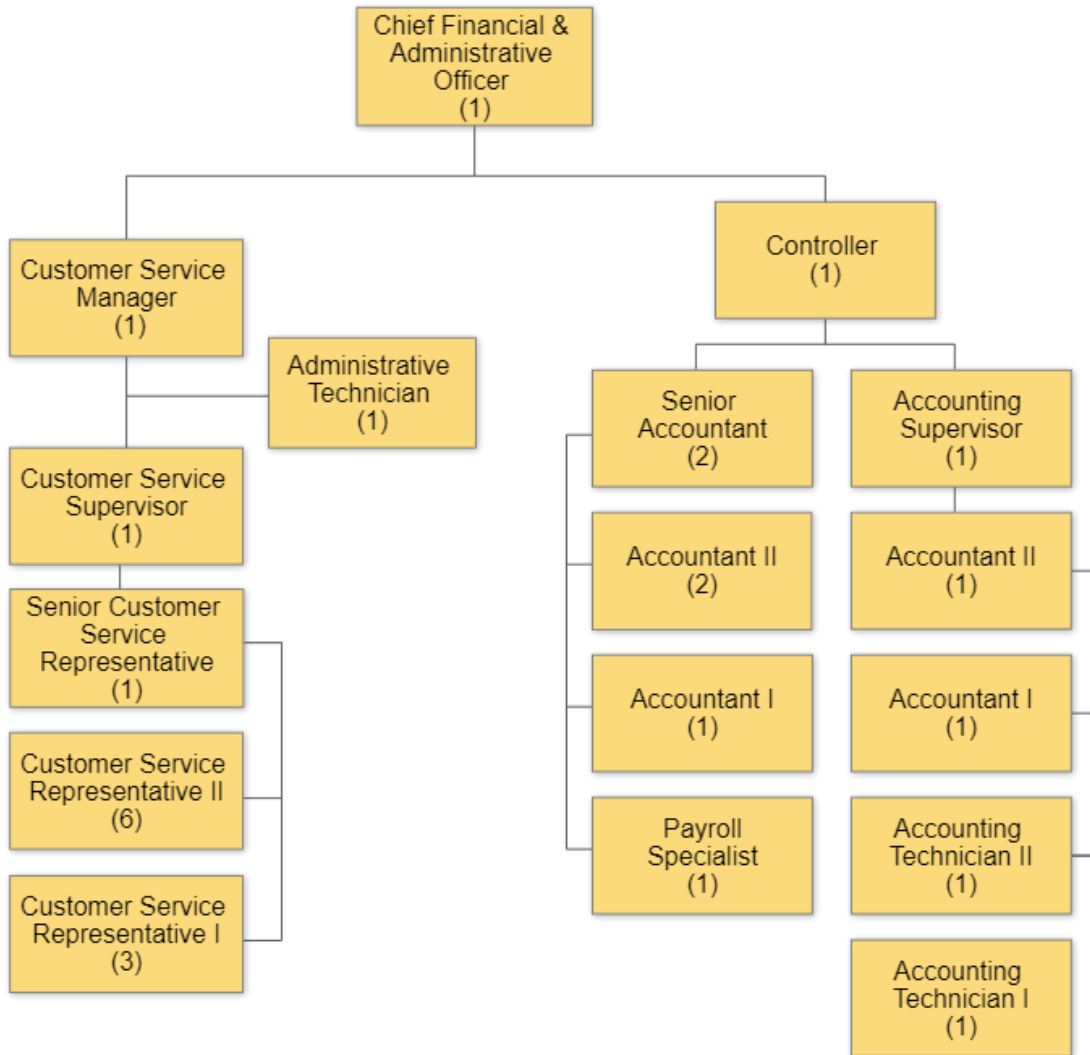
**SCV WATER – PERFORMANCE MEASUREMENT
 FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
 FY 2023/24 AND FY 2024/25**

Administration, Human Resources and Finance



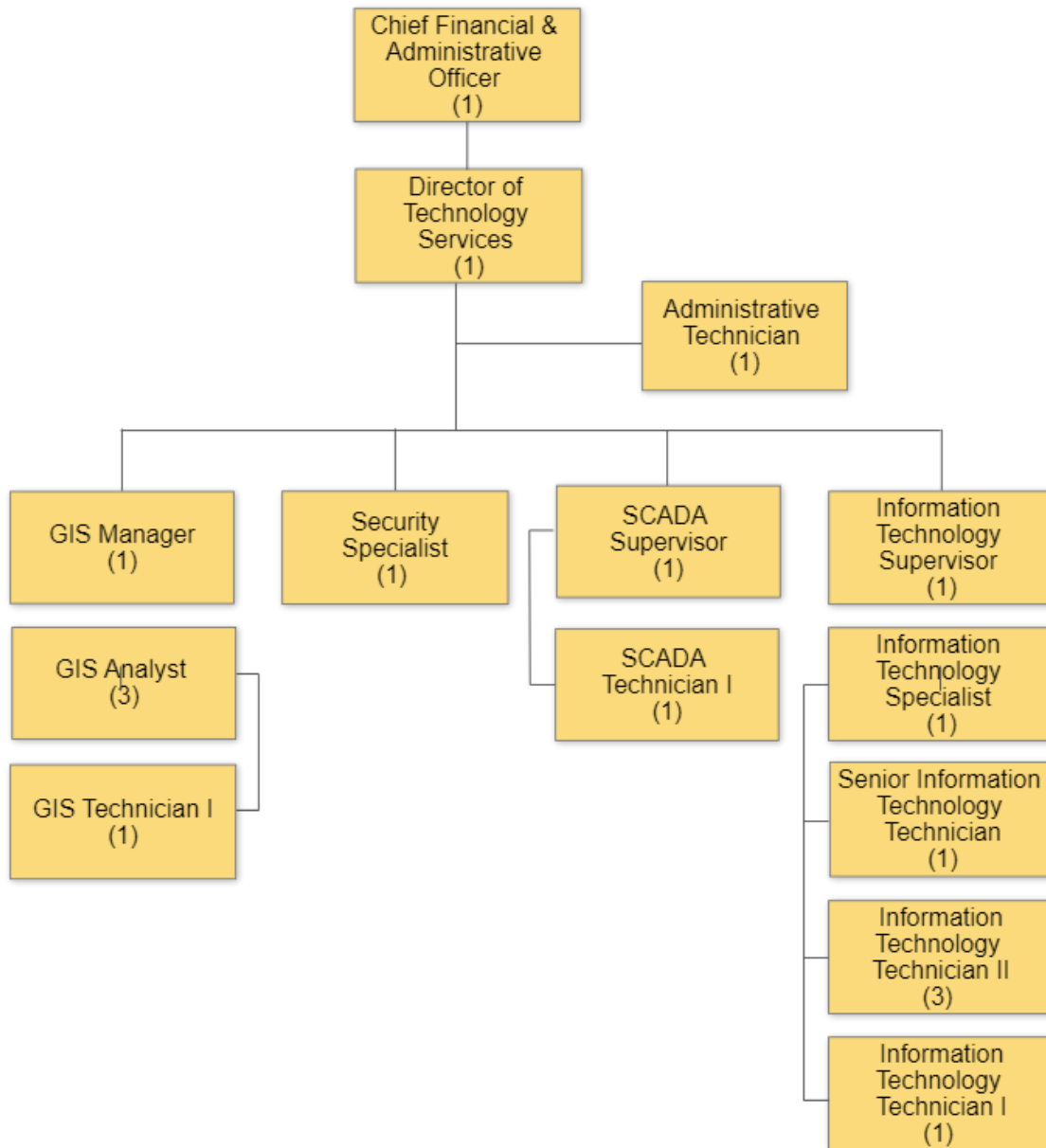
**SCV WATER – PERFORMANCE MEASUREMENT
 FINANCE, ADMINISTRATION AND TECHNOLOGY SERVICES SECTION
 FY 2023/24 AND FY 2024/25**

Customer Care and Accounting



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

IT Services



Finance, Administration and Technology Services – Purpose Statement













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

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

Finance, Administration and Technology Services – Primary Services

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

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Went live in Oracle Fusion as of July 2021, allowing all financial transactions for the four legacy divisions, to be consolidated into one financially integrated Agency
-  Upgraded enQuesta Utility Billing System and integrated former Santa Clarita Water Division (SCWD) customer records
-  Launched a new integrated online Customer Portal and uniform bill format for all customers
-  Approved a revised Customer Service Policy
-  Performed an organizational study for the Finance & Administration department
-  Developed interim financing plan for PFAS treatment facilities
-  Completed bond issuance (2023A-July 2023), including completion of the Official Statement and work with the rating agencies
-  Submitted the Agency's FY 2021/22 & FY 2022/23 Biennial Budget to GFOA and CSMFO for award consideration, and received awards
-  Submitted the Agency's FY 2020/21 & FY 2021/22 ACFR to GFOA for award consideration, and received award
-  Completed the FY 2023/24 and FY 2024/25 Biennial Operations and Capital Budget
-  Filed the FY 2020/21 and FY2021/22 Santa Clarita Valley Water Agency Financing Authority Corporate Tax Returns
-  Filed the State Controller's Office Government Compensation in California reports for calendar years 2021 and 2022



























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

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

-  Filed the State Controller's Office Financial Transaction Reports for FY 2020/21 and FY 2022/23. These reports are filed after completion of the annual audit
-  Entered into a contract for Investment Advisory Services
-  Received Board approval to adopt a 10-year CIP Long-Term Financial Plan
-  Acquired an Asset Management Pilot Program
-  Completed Letter of Interest (LOI) to apply for a Water Infrastructure Finance and Innovation Act (WIFIA) loan, and received approval to apply for financing
-  Completed a review of and revised the Agency's financial policies (Debt Management and Asset Capitalization)
-  Maintained as-builts; migrated to GIS, tracked, and distributed
-  Developed a network security plan including a cyber-security policy and threat response plan
-  Implemented integrated applications across organization
-  Improved integration of tech systems/platforms
-  Evaluated and implemented mobile solutions for certain field job tasks
-  Maintained regular and routine computer replacement program and management of technology through an asset management approach
-  Maintained, audited, tested and updated network security plan to meet continual threat landscape
-  Development, configuration, and deployment of an Enterprise GIS
-  Developed and deployed a GIS-based pipeline system assessment and inspection program
-  Consolidated, upgraded, and deployed an Agency-wide cloud-based video surveillance system
-  Set up and configured new cloud-hosted backup for Azure Office 365 platform
-  Created new Employee Manual policies: Flexible Workplace Program and Fleet Management Policy
-  Developed a quarterly financial report and presentation
-  Implemented a new Internship Program and updated various Employee Manual Policies
-  Developed and approved a pilot Ratepayer Assistance Program policy
-  Implemented a new inventory system (Oracle) with a new standardized parts numbering system
-  Implemented a new fleet management system (Fleetio) and received board approval for deploying fleet telematics
-  Received an honorable mention in the Fleet Management Association's (NAFA) 100 Best Public Fleets Contest

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

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Implement Soft Skills and Supervisory Training for Employees
-  Provide Prevention of Sexual Harassment Training to Supervisors and Managers
-  Provide Prevention of Sexual Harassment Training to All Employees
-  Continue recruiting talented and qualified employees
-  Develop a leadership and mentoring program
-  Conduct an Agency-Wide Classification and Compensation Study on the benchmark positions
-  Conduct a Classification Plan Study to streamline Agency classifications
-  Consolidated SCADA (Supervisory Control and Data Acquisition) into new Operational Technology Department under Technology Services
-  Development and deployment of a data warehouse to feed advanced analytics
-  Assembly and maintenance of Agency-wide data governance
-  Adoption and deployment of asset management application
-  Submit a loan application to the EPA to apply for the WIFIA loan program
-  Update financial forecast on a recurring basis
-  Implement and deploy an integrated meter data management system
-  Integrate and launch a Customer Engagement Portal providing customers near-real time access to their water usage
-  Integrate and deploy a customer-facing mobile application
-  Integrate and deploy chat functionality for customers
-  Develop RFP to add Human Capital Management to Oracle Fusion software
-  Implement an Asset Management Pilot Program
-  Develop a Cost-of-Service Study and Rate Model for Retail rates with an effective date of July 2025
-  Perform an update of the Facility Capacity Fee study and implement new fees
-  Update financial and administrative policies, including the Purchasing Policy
-  Develop a Request for Proposal for Ratepayer Advocate services and implement a new contract
-  Implement an action plan to comply with new regulations from the California Air Resources Board and construct charging infrastructure for zero emission vehicles
-  Implement in-house fleet maintenance and repairs to reduce costs and vehicle downtime
-  Implement Phase 2 of the Oracle inventory system by automating warehousing processes

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

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

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

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

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

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










**Changes due to Finance Class and Comp Study and Organizational Study




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

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

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

Performance Indicators

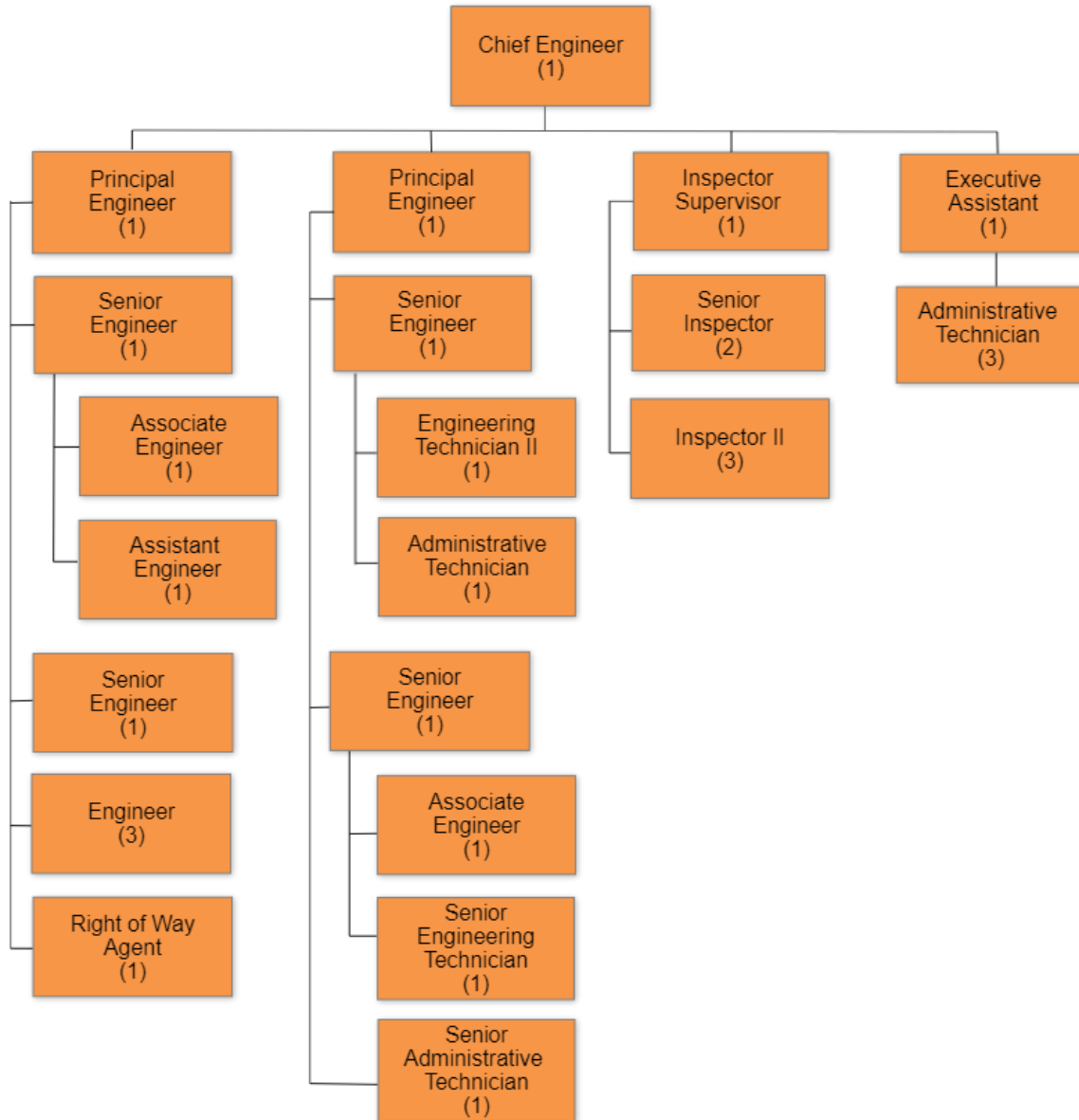
KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
A2	Input	Length of time to resolve customer issues	< 24 hours		< 24 hours	< 24 hours
B4	Input	Develop and implement an asset management program ¹	Develop plan		Continued into 23/24	Implement plan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

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

¹Plan is being developed, but in process.

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

Engineering Services



Engineering Services – Purpose Statement




















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

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

Engineering – Primary Services










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

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS


















-  Completed construction of the Recycled Water Phase 2B Vista Canyon Tank Project
-  Completed construction of the Recycled Water Phase 2B Vista Canyon Pipeline Project
-  Completed Grant Funding Agreement for Los Angeles Residential Community (LARC) and Lily of Valley (LOV) Pipeline
-  Initiated construction of LARC and LOV Pipeline
-  Completed design and initiated construction of Deane Pump Station at Sand Canyon Plaza
-  Completed design and initiated construction of first Deane Tank at Sand Canyon Plaza
-  Initiated design of Deane Pump Station and Soledad Pipeline at SC-6
-  Initiated design of Friendly Valley and Golden Valley Pipelines at Via Princessa (at Crossroads)
-  Initiated planning of Newhall Water Division Zone 4 Tank at Wiley Canyon
-  Initiated design of U4, U6 & T7 Wells (PFAS) and Saugus 1 & 2 Wells (VOCs)
-  Initiated design of S6, S7 & S8 Wells (PFAS)
-  Constructed a portion of the Magic Mountain Pipeline Phase 4 Project
-  Constructed a portion of the Magic Mountain Pipeline Phase 5 Project
-  Constructed a portion of the Magic Mountain Pipeline Phase 6A Project
-  Constructed a portion of the Magic Mountain Pipeline Phase 6B Project
-  Completed construction of the Valley Center Well PFAS Groundwater Treatment Improvements Project
-  Completed construction of the Earl Schmidt Filtration Plant (ESFP) Standby Generator Project
-  Completed design and initiated construction of the Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements Project
-  Completed design and initiated construction of the ESFP Washwater and Sludge System Improvement Project

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

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
























-  Completed design and construction of the Newhall Tanks 1 and 1A Stair Improvement Project
-  Completed design of the Valencia Marketplace Pipeline Replacement Project
-  Completed design of the Rio Vista Water Treatment Plant (RVWTP) Underground Storage Tank Replacement Project
-  Completed a portion of the design of the Recycled Water Phase 2C South End Project
-  Completed planning and initiated design of the Well 205 Perchlorate Removal Facility Project
-  Completed planning and initiated design of the Magic Mountain Reservoir Project
-  Completed planning and initiated design of the Magic Mountain Pump Station Project
-  Initiated planning of the Saugus Wells 5 & 6 (Dry Year Reliability Wells) Project
-  Initiated Master Plan

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Complete construction of the Magic Mountain Pipeline Phase 4 Project
-  Complete construction of the Magic Mountain Pipeline Phase 5 Project
-  Complete construction of the Magic Mountain Pipeline Phase 6A Project
-  Complete construction of the Magic Mountain Pipeline Phase 6B Project
-  Complete construction of the Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements Project
-  Complete construction of the Well 201 VOC Groundwater Treatment Improvements Project
-  Complete construction of the ESFP Washwater and Sludge System Improvement Project
-  Complete construction of the Valencia Marketplace Pipeline Replacement Project
-  Complete construction of the RVWTP Underground Storage Tank Replacement Project
-  Complete construction of the Smyth Drive Water Line Improvements Project
-  Complete construction of the Abdale, Maplebay, Beachgrove Water Line Improvements Project
-  Complete construction of the Saugus Wells 3 & 4 Well Drilling Project
-  Complete design and initiate construction of the Backcountry Pump Station Project
-  Complete design and initiate construction of the Backcountry Reservoir Project
-  Complete design and initiate construction of the Castaic Conduit Pipeline Project
-  Complete design and initiate construction of the Recycled Water Fill Station Project
-  Complete design and initiate construction of the Recycled Water Phase 2C South End Project










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

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

-  Complete design and initiate construction of the Saugus Wells 3 & 4 Well Equipping Project
-  Complete design and initiate construction of the Well 205 Perchlorate Removal Facility Project
-  Complete design of the Honby Parallel Pipeline Project
-  Complete planning and design of the RVWTP Sewer Line Improvements Project
-  Complete planning and design of the Sand Canyon Sewer Line Relocation Project
-  Complete planning and design of the N Wells Drainage Improvements Project
-  Complete planning of the Saugus Wells 5 & 6 (Dry Year Reliability Wells) Project
-  Complete planning and initiate design of the Catala Pump Station Project
-  Complete planning and initiate design of the Catala Pipeline Project
-  Complete planning and initiate design of the Honby Pipeline Bottleneck Project
-  Complete planning and initiate design of the Magic Mountain Parkway & The Old Road Recycled Water Relocation Project
-  Complete planning and initiate design of the Magic Mountain Pipeline, Phases 1 – 3 Inspection Access Modifications Project
-  Complete planning and initiate design of the Sand Canyon Reservoir Expansion Project
-  Complete planning and initiate design of the Recycled Water Pump Station PS-1 Upgrades Project
-  Complete planning and initiate design of the RVWTP Turbidity Improvements Project
-  Complete planning and initiate design of the E-Wells PFAS Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the North Oaks Wells Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Clark Well Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Sierra Well Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well D Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well W9 Groundwater Treatment Improvements Project
-  Complete planning and initiate design of the Well W10 Groundwater Treatment Improvements Project
-  Complete Master Plan

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

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

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

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

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

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

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

**Changes due to Class & Comp Study

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

Department Engineering Services





Service Area Engineering




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

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

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

Performance Indicators

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

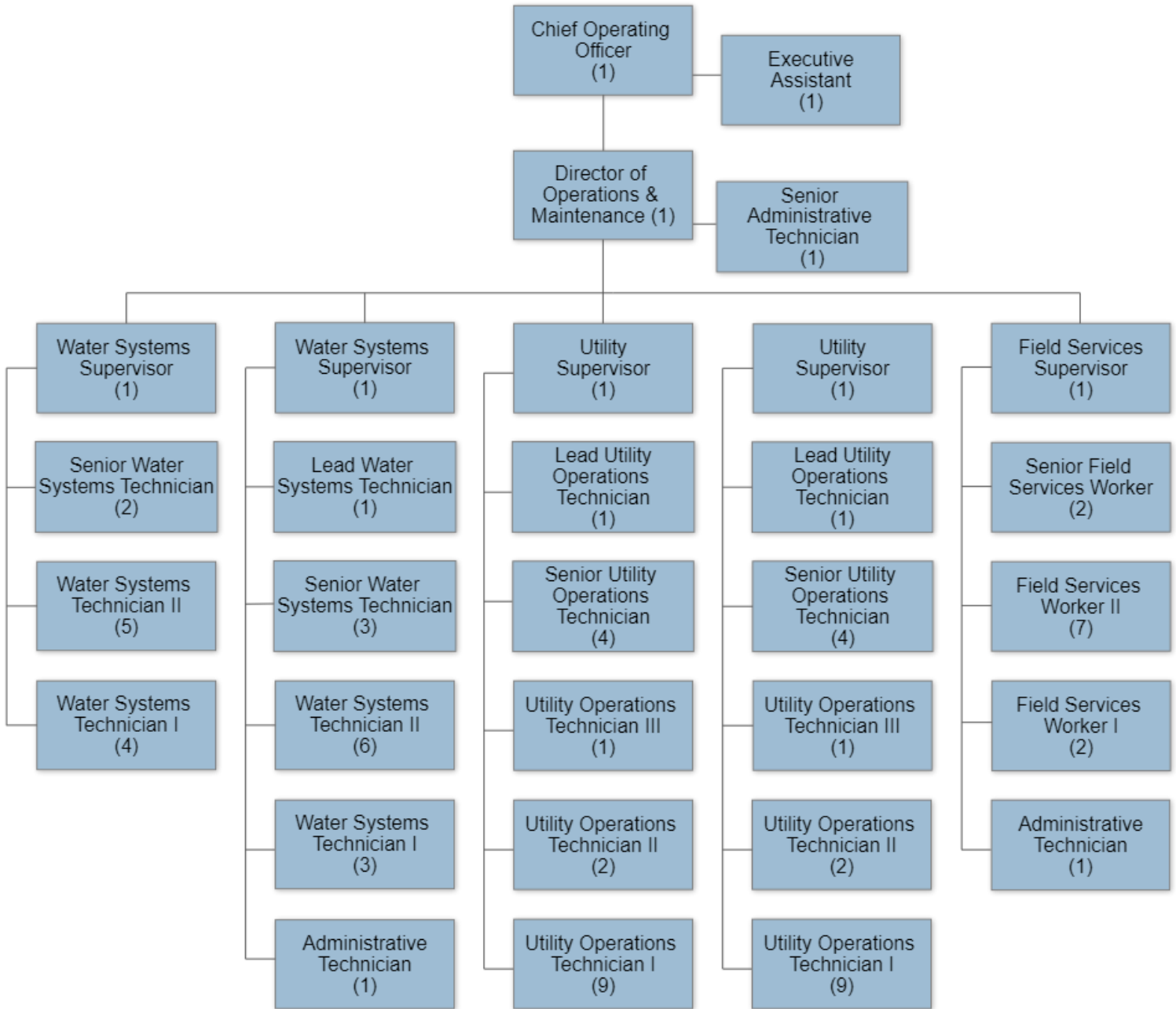
 Target Met  On Target, but not yet achieved  Target not met

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

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

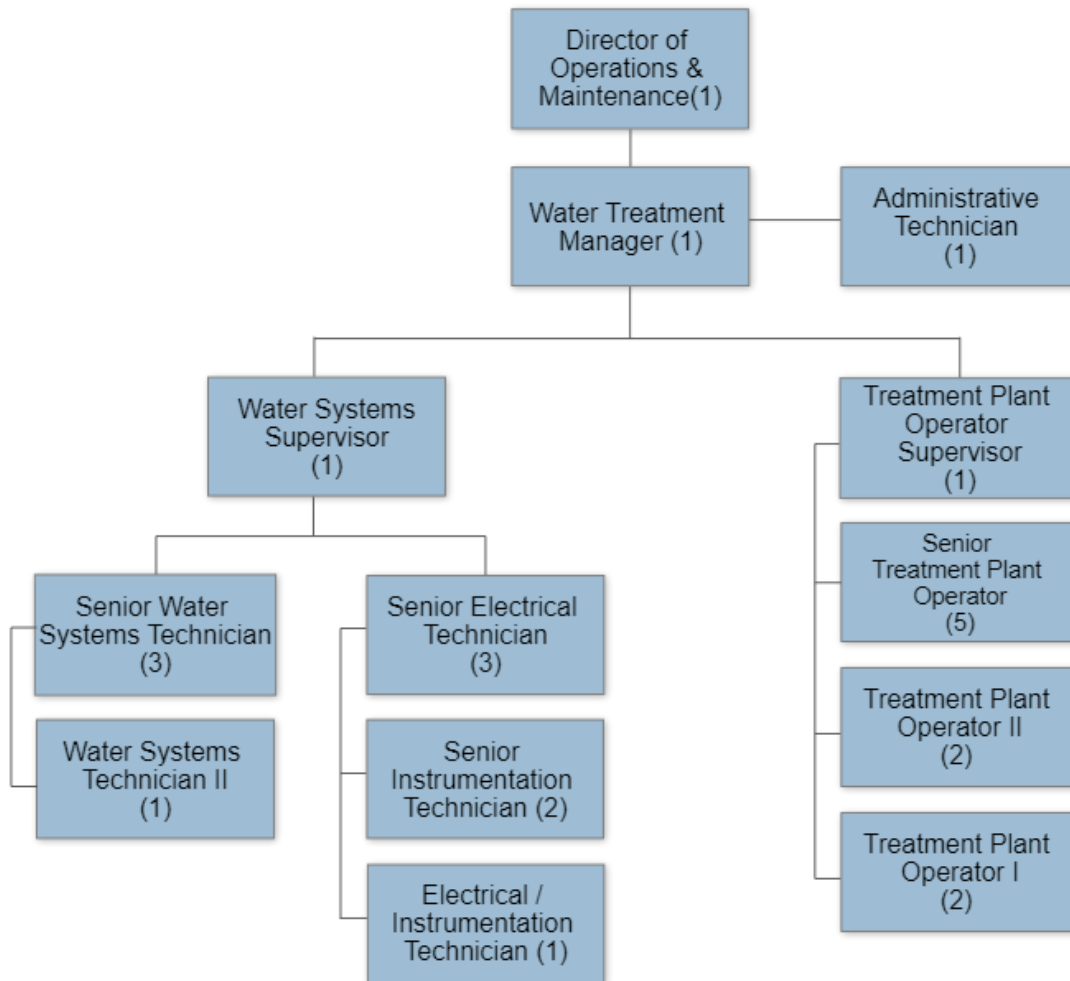
**SCV WATER – PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2023/24 AND FY 2024/25**

Operations – Water Utility



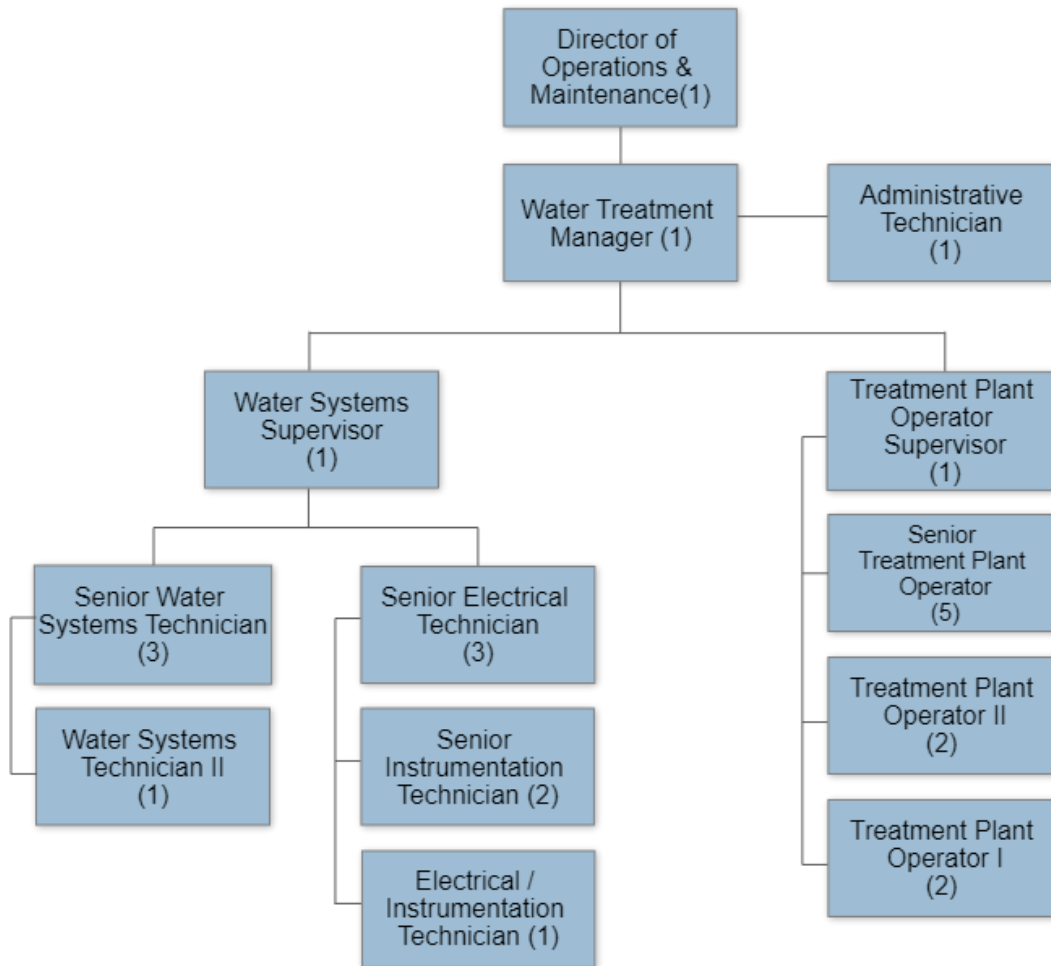
**SCV WATER – PERFORMANCE MEASUREMENT
OPERATIONS AND MAINTENANCE SECTION
FY 2023/24 AND FY 2024/25**

Operations – Water Treatment and Maintenance



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

Operations – Lab and Safety



Treatment, Distribution, Operations and Maintenance – Purpose Statement









The mission of the Treatment, Distribution, Operations and Maintenance Section is to provide a safe and reliable water supply through well-maintained facilities to meet the needs of our customers by providing this service in a responsible, efficient and cost-conscious manner. The section empowers a well-trained, experienced and self-directed team that employs advanced technology and innovative thinking to operate and maintain the water distribution systems which deliver water to over 75,000 residents and businesses.

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







Treatment, Distribution, Operations and Maintenance – Primary Services

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

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS









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

FY 2023/24 and FY 2024/25 OBJECTIVES

-  Continue expanding AMI meters and infrastructure
-  Obtain perchlorate treatment operating permit from DDW for Well 201
-  Complete construction of Dickason Drive PVC pipeline replacement
-  Rehabilitate Saugus 2 Well
-  Recoat Westridge Recycled Water Tank
-  Complete Smyth Dr PVC pipeline replacement

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

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

-  Construct Well C1 drain line
-  Complete Vasquez Canyon Road pipeline improvements
-  Complete Abdale Street, Maplebay Court and Beachgrove Court pipeline replacement
-  Complete Beneda Lane pipeline improvements
-  Rehabilitate Saugus 1 Well
-  Recoat Stevenson Ranch Tank
-  Complete Newhall Ranch Road at Avenue Tibbitts PVC pipeline replacement
-  Complete Simay Lane pipeline improvements

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

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

Personnel				
Position	FY 2022/23 FTE	FY 2023/24 FTE	FY 2024/25 FTE	Total Change*
Administrative Technician	3	4	4	1
Chief Operating Officer	1	1	1	0
Director of Operations and Maintenance	1	1	1	0
Electrical/Instrumentation Supervisor***	1	0	0	-1
Electrical/Instrumentation Technician	3	1	1	-2
Emergency Preparedness & Safety Coordinator	1	1	1	0
Environmental Health & Safety Supervisor	1	1	1	0
Executive Assistant	1	1	1	0
Field Services Supervisor	1	1	1	0
Field Services Worker I	4	2	2	-2
Field Services Worker II	5	7	7	2
Fleet & Warehousing Supervisor**	1	0	0	-1
Lead Utility Operations Technician***	0	2	2	2
Lead Utility Worker***	2	0	0	-2
Lead Water Systems Technician	1	1	1	0
Purchasing & Warehouse Technician**	3	0	0	-3
Safety Specialist II	1	1	1	0
SCADA Technician II**	1	0	0	-1
Senior Administration Technician	1	1	1	0
Senior Electrical Technician	2	3	3	1
Senior Field Services Worker	2	2	2	0
Senior Instrumentation Technician	2	2	2	0
Senior Treatment Plant Operator - 84 hour shift	4	5	5	1
Senior Recycled Water Coordinator	0	1	1	1
Senior Utility Worker***	8	0	0	-8
Senior Utility Operations Technician***	0	8	8	8
Senior Water Quality Scientist	1	1	1	0
Senior Water Systems Technician	6	8	8	2
Treatment Plant Operator I - 80 hour shift	1	2	2	1
Treatment Plant Operator II - 84 hour shift	4	2	2	-2

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

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

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

**Positions moved from Operations to Administration Section

***Changes due to Class & Comp Study

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

Department Operations and Maintenance Services Section

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

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

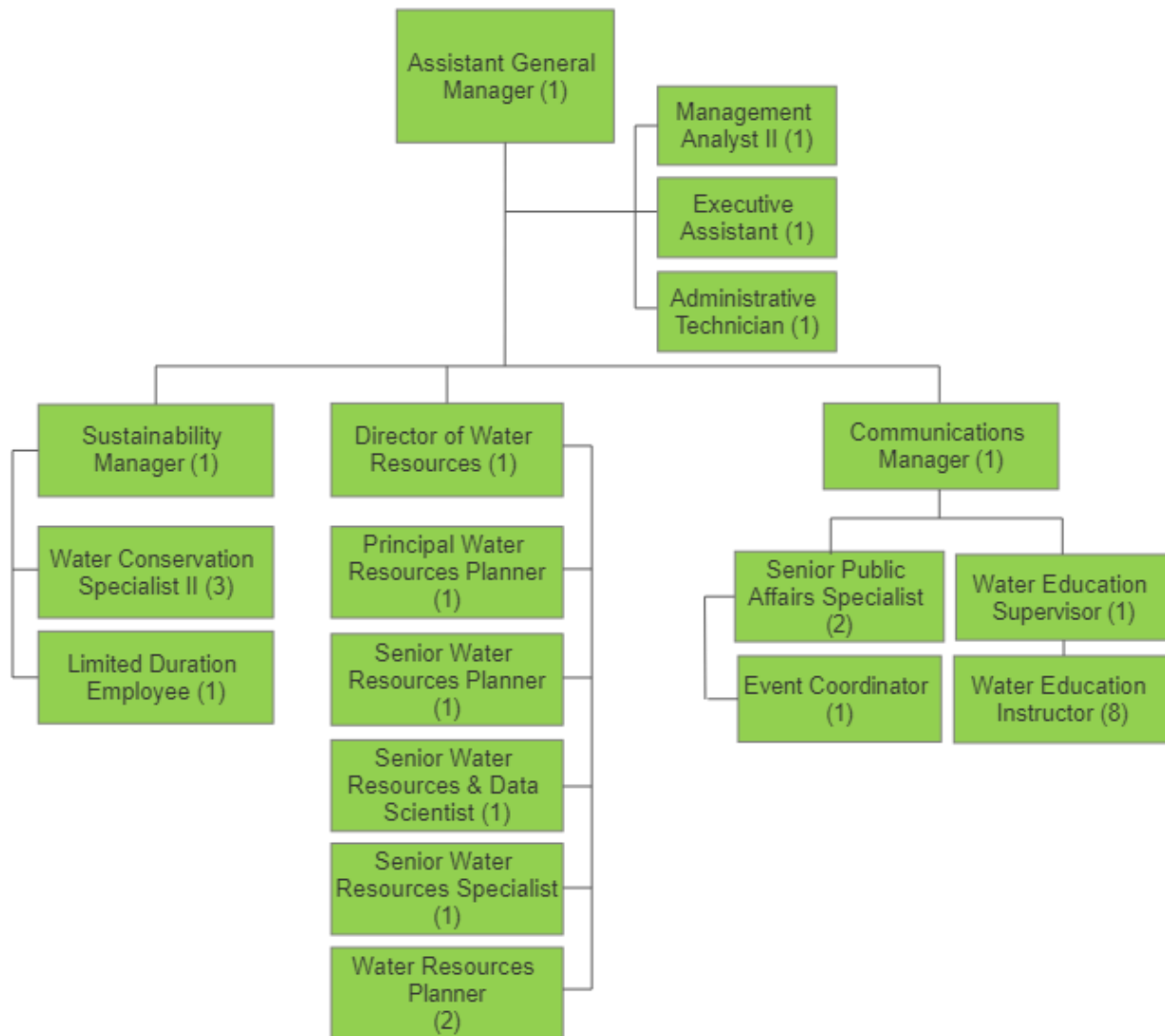
Performance Indicators

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

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

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

Water Resources



Water Resources and Outreach – Purpose Statement
















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

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

Water Resources and Outreach – Primary Services
























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

FY 2021/22 and FY 2022/23 ACCOMPLISHMENTS

-  Completed Groundwater Sustainability Plan (GSP)
-  Implemented GSP Monitoring
-  Completed assessment of potential Groundwater Recharge Site in Castaic
-  Finalized Annexation of the Tesoro Del Valle Development
-  Developed water supply assessments for Entrada/VCC development, Lyons Trail Development, Shadowbox Studios, Castaic Mountainview Apartments and Wiley Canyon Mixed Use Development
-  Initiated contracts/CEQA documentation for future reliability program(s)
-  Obtained State Water Resources Control Board approval of the New Drop concept allowing the use of New Drop supplies for recycled water use
-  Completed a Monitoring Report update for the Salt and Nutrient Management Plan
-  Maximized use of dry year reserve programs to meet demands through record drought conditions and local supply constraints from PFAS regulations
-  Executed unbalanced water exchange with Metropolitan Water District of Southern California
-  Completed Santa Clara River Habitat Condition Analysis
-  Initiated the application of the California Environmental Flows Framework (CEFF) to the East Basin Santa Clara River
-  Completed LiDAR acquisition of the Santa Clara River for the development of a Habitat Suitability Model in support of the CEFF analysis
-  Developed a Water Resources Integration Model for the Agency to evaluate new and refined operating strategies and quantify the reliability of its water supply portfolio, as well as analyze the tradeoffs between different adaptation strategies
-  Conducted Aquifer Monitoring and Testing Program





















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

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

-  Initiated update to groundwater management plan
-  Applied for and secured state and federal grant funding for multiple CIP projects
-  Developed a draft work plan for the Watershed Resilience Initiative, which maps out technical work and stakeholder engagement and outreach for the next several years
-  Partnered with Los Angeles County Sanitation Districts (LACSD) to align discussions, analysis, and stakeholder outreach related to the Regional Water Quality Control Board's (RWQCB) new discharge requirements from the Valencia and Saugus Water Reclamation Plants
-  Implemented Water Use Efficiency Strategic Plan in advance of Long-Term Framework
-  Developed and implemented conservation program performance management system
-  Developed and launched Home Water Use Efficiency Reports
-  Integrated WaterSAVING Targets with Customer Information System
-  Completed draft Sustainability Plan
-  Implemented long-term solar array operations, maintenance, and performance
-  Updated conservatory garden design and launched construction of the Bridgeport Park Sustainable Landscape Demonstration Garden (pocket park)
-  Finalized Local Watershed and Aquifer Exhibit
-  Implemented Recycled Water Customer Conversion Pilot Program (Purple PREP)
-  Implemented annual Public Outreach Plan
-  Implemented annual legislative advocacy program
-  Hired a Public Affairs Specialist II
-  Implemented inaugural Water Academy, and Water Matters Virtual Webinar Series
-  Completed SCV Water/USC Dornsife Public Exchange Water Conservation and Water Use Efficiency Communications Study
-  Received EPA WaterSense Excellence Awards in 2021 and 2022 (three consecutive years)
-  Successfully implemented Stages 1 and 2 of the Water Shortage Contingency Plan
-  Launched and facilitated the Sustainable Water Action Taskforce with the City and County collaborators.
-  Completed evaluation of the Agency's Lawn Replacement Program and implemented updates for improved outcomes
-  Received incentive eligibility for Agency Battery Storage Projects via the Self-Generation Incentive Program













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

FY 2023/24 and FY 2024/25 OBJECTIVES

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

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

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

-  Develop and implement performance measurement and management system/processes for Agency's sustainability initiatives
-  Expand internal communications and employee engagement efforts through monthly team building opportunities
-  Conduct biannual customer satisfaction/communication preference survey
-  Support internal and external engagement and understanding of Strategic Plan update
-  Implement GSP including
 - monitoring of Groundwater Dependent Ecosystems (GDE), land subsidence, private well water quality,
 - developing policy for well registration and metering for larger wells, equipment maintenance, repair, and installation,
 - grant administration, well permit review.
 - Annual regulatory reporting, database management, flow model maintenance
-  Develop a scope and complete assessments of both the Groundwater Recharge Study locations in Pinetree and Castaic to determine the feasibility of implementing a full-scale recharge project
-  Develop technical tools needed for updating the Salt and Nutrient Management Plan and model on an annual basis, supporting GSP monitoring and reporting efforts as well as future SNMP plan updates
-  Complete an Agency-wide data mapping and consolidation study to determine how information is gathered, stored, managed, and disseminated throughout the Agency
-  Integrate the New Drop online portal into Customer Service's EnQuesta management system
-  Develop technical tools, formulate outreach strategy and activities for next update, and develop policy directions for updating Urban Water Supply Management Plan Evaluate beneficial land use options for Devil's Den to maximize benefits to SCV Water including solar leasing options for property, water sales, farming leases, and easements for neighboring farms
-  Pursue and manage grant funding for Capital Improvement Projects and other Agency initiatives
-  Watershed Resilience Initiative:
 - Evaluate new groundwater management actions and corresponding testing and monitoring plans to support the Agency's objectives in developing and enhancing local water supplies and improving water supply reliability
 - Finalize the California Environmental Flows Framework (CEFF) for the Santa Clara River East Basin to understand flow/ecology relationships
 - Finalize the GoldSim Water Resources Integration Model and evaluate potential benefits of new water supply investment programs
 - Develop a stakeholder outreach and engagement work plan
 - Manage water supply portfolio to ensure sustainable water supplies from different sources including imported and local sources. Including coordinating with operations team, maximizing banking recharge opportunities, seeking partners for long-term exchange agreements, and managing carryover supply to minimize risk of shortage

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

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

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

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







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




Department Water Resources and Outreach Section

Service Area Water Resources and Community Outreach, and Source of Supply

Cost Center Goal			Outcome Indicator		
To develop comprehensive water management policies for SCV Water, considering the connections between land-use, urban growth, surface water and groundwater issues. Protect, improve and rehabilitate the quality and quantity of water and educate the community on water resource issues.			To improve water resource planning, decision making and communication.		
Objective: To improve water resource planning through innovation and technology and to provide a sustainable supply of drinking water.					
	Input Indicators	Output Indicators	Efficiency Indicator	Service Quality Indicator	Outcome Indicator
Indicator	Budget and Projections	Budget and Actual	Cost/Service Improvement	Percent of Service Improvement	Percent of Cost/Service Improvement
Indicator Calculation	Personnel Services + Operating Expenses and Equipment	Total costs	Percent of Budget	Percent of Service Improvement	Percent of Cost Improvement




Performance Indicators




KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
A2, A3	Input	Number of partnerships formed with SWC and local agencies to further long-term water supply reliability	>4		>5	>5
C3	Outcome	AF of recycled water used as part of SCVWA water supply	>450 AF		>500 AF	>500 AF
C1	Outcome	Number projects identified and planned for to further interests of SCVWA	>3		>5	>5
C3	outcome	Grant Funding Obtained to implement projects increasing water supply reliability	>3		>3	>3
C4	Service	Number of available water saving rebates	> 10		> 10	> 10
C4	Input	Cost-Effective Water Use Efficiency Program Portfolio (Savings/Costs)	>1.0		>1.0	>1.0

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

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

Performance Indicators - cont'd

KPI	Indicator	Activity/Criteria	Target FY 2022/23	Target Met? FY 2022/23	Target FY 2023/24	Target FY 2024/25
B1	Input	Sufficient dry-year programs in place to meet demands	> 95% confidence level		> 95% confidence level	> 95% confidence level
C1	Input	Imported and local annual water supply exceeds ten-year average annual projected demand	100%		100%	100%
C4	Outcome	Compliance with Agency Conservation Goals & State Mandates	24% reduction from baseline		Progress towards Urban Water Use Objectives	Progress towards Urban Water Use Objectives
C4	Output	Maintain Annual (and Monthly) Water Loss Audits and Validation Reports	Maintain Report		Maintain Report	Maintain Report
C5	Outcome	Achieve drought water conservation targets as proscribed by relevant Water Shortage Continuency Plan stage	11-20% of unconstrained demand		TBD	TBD
C6	Input	Assess SCV Waters Carbon Footprint	Quantify CO2 emissions		Quantify CO2 emissions	Quantify CO2 emissions
C6	Outcome	Reduce CO2 Emissions (and other GHGs)	Decrease from Baseline		Decrease from Baseline	Decrease from Baseline
C8	Outcome	Advance implementation of the SGMA-GSA	50%		75%	100%
A2	Service	Number of school children educated annually	> 7,500		>8,000	>8,000
A2	Service	Social media engagement (follows/likes/reactions/comments/engagement)	> 500		>15%	>15%
A2	Service	Community events attended****	> 20****		10	10

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

****Target not met due to establishing new criteria for Agency participation in events



SCV Water Employee Lunch Meeting

Pictured: General Manager Matt Stone addresses employees during a general staff meeting on the patio of headquarters located at the Rio Vista Water Treatment Plant (RWTP). Regular and direct communication with staff fosters high morale and furthers transparency within the Agency.



A horizontal banner with a green and blue gradient background and a 3D effect. The word "RESERVES" is written in white, bold, uppercase letters in the center.

RESERVES

[This page intentionally left blank.]



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

UNRESTRICTED RESERVE FUND POLICY

1.0 INTRODUCTION

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

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

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

This policy does not apply to Restricted reserves.

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

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

2.0 POLICY STATEMENT

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



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

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

3.0 MANAGEMENT OF RESERVES

Unrestricted reserves are to be managed utilizing the following criteria:

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



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

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

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

4.1 Operating Reserve

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

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

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

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

Source of funding – Net cash from operations.

4.2 Capital (Pay-go) Reserve

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



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

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

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

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

4.3 Water Supply Reliability Reserve

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

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

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

Source of funding – Net cash from operations.

4.4 Revenue Rate Stabilization Reserve

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



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

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

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

Source of funding – Net cash from operations.

4.5 Emergency Reserves

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

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

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

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



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

Source of funding –Net cash from operations.

5.0 REPORTING

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

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

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

(Originally adopted November 2018; revised December 2020)

SCV WATER
UNRESTRICTED CASH RESERVES

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

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



Santa Clara River

Pictured: Aerial shot of rare above-ground watershed down the Santa Clarita Valley's (SCV) Santa Clara River (center). Unusual heavy rains in late 2022 and early 2023 created this flow in the normally dry riverbed, and helps to replenish the water table below.

(Bottom left): The Agency's Saugus Perchlorate Treatment Facility (SPTF) can be seen at the lower left of the photo, flanking the riverbed and below Bouquet Canyon Road, one of SCV's main thoroughfares, running laterally. The Saugus Perchlorate Treatment Facility was placed into service in early 2010 to treat local wells that were found to be contaminated with perchlorate, a chemical used in the manufacture of solid rocket propellants, munitions and fireworks.



LONG-TERM COMMITMENTS

LONG-TERM COMMITMENTS

LONG-TERM WATER SUPPLY CONTRACTS

State Water Project Contract Commitment

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

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

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

Buena Vista/Rosedale-Rio Bravo Water Acquisition Commitment

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

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

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

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

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

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

DEBT ISSUANCE

Bond Ratings

The Bond ratings for the Agency's outstanding Debt reflect high-grade investment quality debt. They are based on the Agency's good financial management, strong financial policies and diverse water supply portfolio. Debt issued at these ratings results in lower interest rates and correspondingly lower debt service payments. The 2020A bond issue (July 2020) had a Fitch rating of AA-, with a positive outlook, which was upgraded to AA in July 2022. The most recent bond issue in July 2023 (2023A) saw an upgrade by S&P in July 2023 from AA to AA+.

Debt Capacity

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

Total Outstanding Debt

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

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

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

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

¹Excludes 2017A

²Paid by customers of the legacy Valencia Water Division

³Paid by customers of the legacy Santa Clarita Water Division

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

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

¹Paid by customers of the legacy Valencia Water Division

Planned Issuance for the Ten-Year CIP

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

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

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

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

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

Agency Certificates of Participation (COPs) and Bonds

1999 COPs

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

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

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

2010A (2020A)

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

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

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

2015A (2020B)

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

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

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

2016A (2020B)

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

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

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

2020A

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

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

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

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

2023A

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

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

Variable Rate Debt

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

LEGACY DEBT LONG-TERM COMMITMENTS

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

Total Outstanding Legacy Debt

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

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

2017A SCWD (2020B)

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

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

2018A VWD

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

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

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

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

Acquisition Interfund Loan VWD

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

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

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

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

[Return to Table of Contents](#)

Period Ending	2020A	2015A	2016A	SCWD Legacy 2017A	VWD Legacy 2018A	1999A	Annual Debt Service	2023A	Annual Debt Service
6/30/2024	5,332,950	9,629,036	998,111	5,743,865	1,618,038	10,445,000	33,766,999	3,773,750	37,540,749
6/30/2025	5,391,325	9,584,197	998,111	5,878,507	1,614,541	10,445,000	33,911,680	3,773,750	37,685,430
6/30/2026	3,120,950	11,823,504	998,111	6,008,323	1,614,706	10,445,000	34,010,594	3,773,750	37,784,344
6/30/2027	3,120,950	11,837,123	998,111	6,151,421	1,613,856	10,445,000	34,166,461	3,773,750	37,940,211
6/30/2028	3,120,950	956,531	11,862,898	6,717,781	1,616,875	10,445,000	34,720,036	3,773,750	38,493,786
6/30/2029	3,120,950	-	12,800,361	828,544	1,613,281	10,445,000	28,808,136	3,773,750	32,581,886
6/30/2030	3,120,950	-	12,793,178	823,609	1,613,016	10,445,000	28,795,753	3,773,750	32,569,503
6/30/2031	3,120,950	-	12,765,787	827,876	1,616,353	10,445,000	28,775,967	3,773,750	32,549,717
6/30/2032	3,120,950	-	5,047,639	826,121	1,613,244	-	10,607,953	5,733,874	16,341,828
6/30/2033	3,120,950	-	5,038,142	823,360	1,613,669	-	10,596,121	5,733,874	16,329,996
6/30/2034	5,275,700	-	2,874,631	824,685	1,617,397	-	10,592,412	5,733,874	16,326,286
6/30/2035	8,148,700	-	-	823,495	1,613,831	-	10,586,026	5,733,874	16,319,900
6/30/2036	8,138,700	-	-	820,082	1,613,488	-	10,572,270	5,733,874	16,306,144
6/30/2037	4,571,575	-	-	826,145	1,616,738	-	7,014,458	5,733,874	12,748,332
6/30/2038	4,575,950	-	-	826,619	1,613,581	-	7,016,150	5,733,874	12,750,024
6/30/2039	4,584,325	-	-	816,699	1,614,019	-	7,015,043	5,733,874	12,748,917
6/30/2040	4,581,575	-	-	816,386	1,617,163	-	7,015,124	5,733,874	12,748,998
6/30/2041	4,587,450	-	-	815,550	1,612,988	-	7,015,987	5,733,874	12,749,861
6/30/2042	5,399,200	-	-	-	1,617,069	-	7,016,269	5,733,874	12,750,143
6/30/2043	5,402,200	-	-	-	1,614,309	-	7,016,509	5,733,874	12,750,384
6/30/2044	5,399,200	-	-	-	1,614,709	-	7,013,909	5,733,874	12,747,784
6/30/2045	5,400,000	-	-	-	1,613,172	-	7,013,172	5,733,874	12,747,046
6/30/2046	5,404,200	-	-	-	1,614,600	-	7,018,800	5,733,874	12,752,674
6/30/2047	5,406,500	-	-	-	1,613,897	-	7,020,397	5,733,874	12,754,271
6/30/2048	5,401,800	-	-	-	1,615,966	-	7,017,766	5,733,874	12,751,640
6/30/2049	5,399,900	-	-	-	1,615,709	-	7,015,609	5,733,874	12,749,484
6/30/2050	7,017,400	-	-	-	-	-	7,017,400	5,733,874	12,751,274
6/30/2051	7,017,600	-	-	-	-	-	7,017,600	5,733,874	12,751,474
Total	\$ 137,403,850	\$ 43,830,391	\$ 67,175,079	\$ 41,199,068	\$ 41,986,213	\$ 83,560,000	\$ 415,154,601	\$ 144,867,483	\$ 560,022,083

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

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

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



Careful stewardship today and long-term planning for tomorrow helps us ensure a sustainable approach to our water supply and other natural resources.

2022 brought new opportunities and successes as we strive for this goal.

Sustainability

Sus-tain-a-bil-i-ty meeting the needs of the present without compromising the ability of future generations to meet their own needs

As part of our 'one watershed' approach, we've laid a strong foundation that will continue to move us toward more sustainable water resources and operations, benefitting our Valley for generations to come.



RESTORING LOCAL GROUNDWATER

Valley Center Well Water Treatment Facility is operational!



- Celebrated with a ribbon cutting on November 9
- Removes PFAS, restoring water equivalent to serve up to **1,000 families** annually
- Reduces reliance on costly imported water

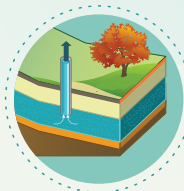
yourSCVwater.com/pfas

PFAS are a group of manmade chemicals that have found their way into our groundwater supplies.



WATER SUPPLY RELIABILITY

Groundwater Sustainability Plan adopted!



- Identifies ways to balance pumping and recharge in the basin
- Provides a buffer against drought and climate variability, contributing to reliable water supplies regardless of weather patterns
- The Plan was adopted in January 2022 with the goal to maintain or achieve sustainability within 20 years

scvgsa.org



SUSTAINABLE OPERATIONS

Sustainability Plan drafted.



- Focusing on effective and efficient organizational resource management – working toward sustainable operations
- Developing a comprehensive roadmap that will measure and track our sustainability performance

yourSCVwater.com/sustainability-plan



WATER EFFICIENT LIFESTYLE

Customers stepped up to meet drought-response goals.

Since enacting our **Stage 2 of our Water Shortage Contingency Plan in May 2022**, SCV Water Customers **saved over**

2.68

BILLION GALLONS OF WATER

(compared to May-Jan 2020)

THAT'S A

15%
REDUCTION!

DroughtReadySCV.com

A UNIFIED CUSTOMER EXPERIENCE

In May 2022, we unified all customers under one billing process and experience. A single billing platform, central customer care location, and expanded 24/7 bill pay methods, provide a consistent, best-in-class customer care experience for everyone.

yourSCVwater.com/customer-care



CELEBRATED OUR 5th ANNIVERSARY JANUARY 1, 2023

CAPITAL IMPROVEMENT

INTRODUCTION

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

PURPOSE

The primary purpose of the Capital Improvement Program includes:

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

METHODOLOGY

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

THE CAPITAL IMPROVEMENT PROGRAM AND SHARED PLANNING

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

CIP DEVELOPMENT

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

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

FINANCIAL PROJECTIONS

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

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

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

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

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

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

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

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

PROJECT RANKING & PRIORITIZATION

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

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

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

Santa Clarita Valley Water Agency CIP serves to:

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

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

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

LINKING THE CAPITAL PLAN TO THE VISION

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

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

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

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

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

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

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

SOURCES OF FUNDING

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

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

¹FYE 2024 Carryover available from prior year

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


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

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

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

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

Castaic Conduit Bypass Pipeline

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

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


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

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

NOTES:	
---------------	--

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

Honby Parallel Phase 2

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

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


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

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

NOTES:	
---------------	--

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

Los Angeles Residential Community (LARC) Pipeline

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

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

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

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

NOTES:	
---------------	--

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

Magic Mountain Pipeline No. 4

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

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


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

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

NOTES:

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

Magic Mountain Pipeline No. 5

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

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	198,000	-	-	-	-	-	250,000	99,110.00
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 198,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 99,110

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

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

NOTES:	
---------------	--

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

Magic Mountain Pipeline No. 6

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

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


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

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

NOTES:	
---------------	--

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

Recycled Water Fill Station

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

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


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,966
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	225,000	1,400,000	-	-	-	1,625,000	-	-
TOTAL	\$ 225,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,625,000	\$ -	\$ 211,966

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

NOTES:

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

Recycled Water Program Phase 2A - Central Park

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

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

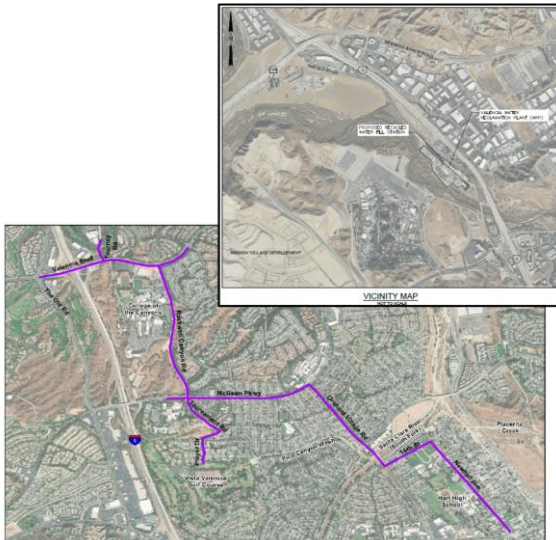
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000	\$ -	\$ 271,476
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-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

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

NOTES:

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

Recycled Water Program Phase 2B - Vista Canyon

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

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

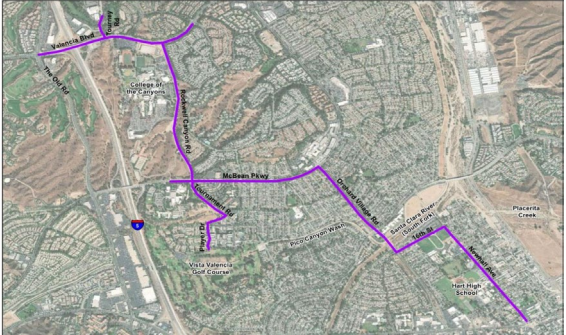
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expended Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,888	\$ 533,888
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource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

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

NOTES:	
---------------	--

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

Recycled Water Program Phase 2C - South End

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

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



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

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

NOTES:	
---------------	--

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

Earl Schmidt Filtration Plant (ESFP) Sludge Collection System

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

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

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

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

NOTES:	
---------------	--

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

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

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc).	LOCATION:	RVIPS
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct PFAS and VOC groundwater treatment improvements, new disinfection facility, as well as well upgrades and Bouquet Cyn Bridge Flexlend upgrades			

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


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

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

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

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

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

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc).	LOCATION:	Valencia
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Provide PFAS groundwater treatment improvements for the E Wells			

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

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

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

NOTES:	
---------------	--

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

S Wells (S6, S7 and S8)

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc).	LOCATION:	Bridgeport Park
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Provides PFAS groundwater treatment improvement and disinfection facility, as well as well pump upgrades and offline piping and landscaping			

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


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

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

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

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

Santa Clara and Honby Wells

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

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

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

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

NOTES:	
---------------	--

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

Saugus Dry Year Reliability Wells 5 & 6

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Principal Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Two wells capable of producing water at the combined rate of 4,200 gpm and associated pipelines to convey water to the Agency's distribution system			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	5,000	100,000	350,000	1,000,000	12,000,000	13,455,000	230,000	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 5,000	\$ 100,000	\$ 350,000	\$ 1,000,000	\$ 12,000,000	\$ 13,455,000	\$ 230,000	\$ -


PROJECT COSTS	BUDGET						Previously Budgeted	Total Expended Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total		
Planning/Design	\$ 5,000	\$ 100,000	\$ 350,000	\$ 1,000,000	\$ -	\$ 1,455,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	-	12,000,000	12,000,000	-	-
TOTAL	\$ 5,000	\$ 100,000	\$ 350,000	\$ 1,000,000	\$ 12,000,000	\$ 13,455,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	TBD
Personnel Costs	-	-	-	-	-	-	Account Number:	200963
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Agency-wide

NOTES:	
---------------	--

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

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

STRATEGIC GOAL:	Goal C: Water Supply and Resource Sustainability - Implement programs to ensure the service area has reliable and sustainable supplies of water	LOCATION:	Agency-wide
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Water Resources		
MANAGER:	Assistant General Manager		
PROJECT TYPE:	Groundwater Banking		
DESCRIPTION/JUSTIFICATION			
Provides for funding to cover planning, land acquisition and initial construction costs for one of three alternative groundwater banking programs			

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

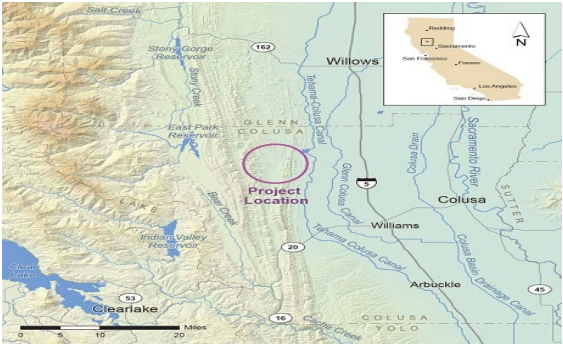
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource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

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

NOTES:	
---------------	--

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

Sites Reservoir

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

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



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

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

NOTES:	
---------------	--

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

Backcountry (fka Magic Mountain) Reservoir

STRATEGIC GOAL:	B.1.1.12 - Complete planning phase of of the Magic Mountain Reservoir Project	LOCATION:	Western Service Area
STATUS:	Final Design	 	
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Design and Construction of potable water storage reservoir with operational volume of 7.9 MG to serve western service area			

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



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

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

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

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

Backcountry (fka Magic Mountain) Pump Station

STRATEGIC GOAL:	B.1.1.12 - Complete planning phase of of the Magic Mountain Reservoir Project	LOCATION:	Western Service Area
STATUS:	Final Design		
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Design and construction of potable water pump station to serve the western service area			

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


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

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

NOTES:	operating expenses - electricy for booster pump motors
---------------	--

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

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

STRATEGIC GOAL:	B.1.1.1 - Complete design and construction of Groundwater VOC Treatment Improvement Project	LOCATION:	25143 Railroad Avenue
STATUS:	Planning		
PRIORITY:	Mld		
DEPARTMENT:	Engineering		
MANAGER:	Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Complete planning, CEQA, design and construction of groundwater treatment improvements for existing groundwater wells N11, N12, and N13 at a central location			

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



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

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

NOTES:

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

Sand Canyon Reservoir Expansion

STRATEGIC GOAL:	B.1 - Plan, design and build facilities to meet demand including storage capacity and interconnections between wholesale and retail water systems	LOCATION:	East Service Area
STATUS:	Planning	 	
PRIORITY:	Mid		
DEPARTMENT:	Engineering		
MANAGER:	Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Complete planning, CEQA, design, and construction of new potable water reservoir to an existing water storage facility to serve SCVWA's eastern service area			

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

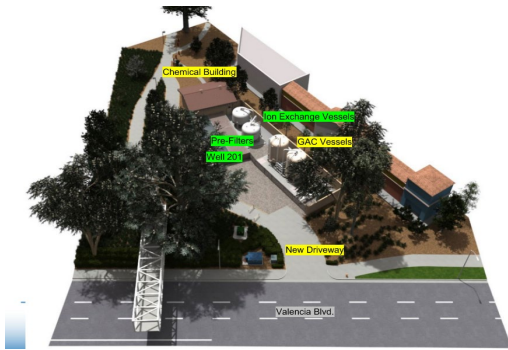
PROJECT COSTS	BUDGET						Previously Budgeted	Total Expended Thru 12/31/22
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total		
Planning/Design	\$ 800,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,800,000	\$ -	\$ 6,982
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-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

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

NOTES:	
---------------	--

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

Well 201 VOC Groundwater Treatment Improvements

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

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


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

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

NOTES:	
---------------	--

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

Well E-14 Site Improvements

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

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


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

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	January 2028
Personnel Costs	-	-	-	-	-	-	Job Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:	
---------------	--

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

Well E-16 Site Improvements

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

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

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

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	January 2028
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:	
---------------	--

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

Sand Canyon Pump Station

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

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


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

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

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

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

Recycled Water Pump Station PS-1 MCC Upgrades

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

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

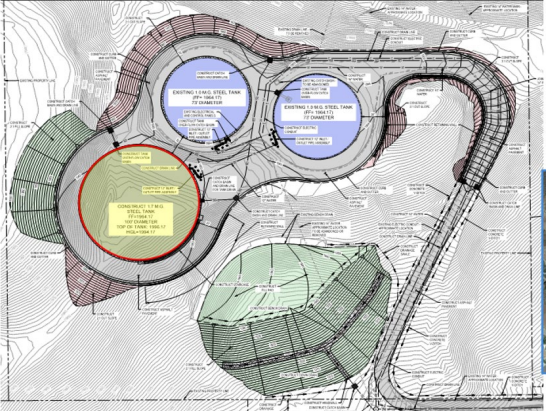
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ 47,525
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource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

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

NOTES:	
---------------	--

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

Sand Canyon Pump Station

STRATEGIC GOAL:	B.1.13 && 14 - Complete design and initiate construction of Dean Pump Station and Storage Tank	LOCATION:	Existing Deane Tank Site
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construction of new 1.58 MG Concrete Tank and site improvements at the existing Deane Tank Site			

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

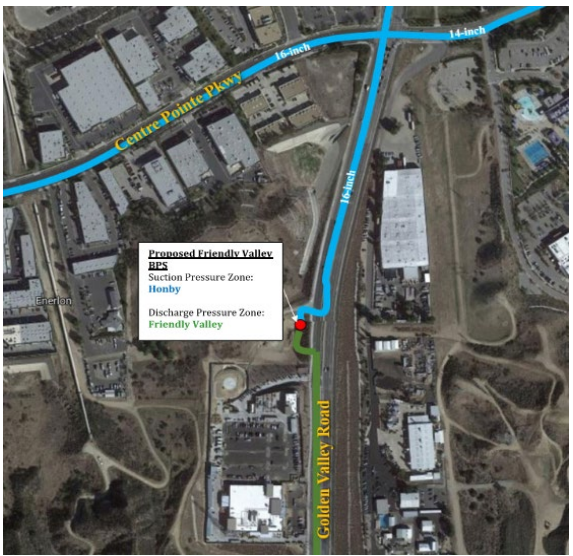
PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000	\$ 86,489
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	4,750,000	1,000,000	-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

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

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

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

Friendly Valley Booster Station (Crossroads)

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

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


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

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

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

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

Well 205 Groundwater Treatment Improvements

STRATEGIC GOAL:	B.1.1.1 - Complete design and construction of Grounwater VOC Treatment Improvement Project	LOCATION:	Agency-wide
STATUS:	Design		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for perchlorate and Volatile Organic Compounds (VOCs) at Well 205			

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

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

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	Completion Date:	06/30/26
Personnel Costs	-	-	-	125,000	125,000	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ 1,625,000	\$ 1,625,000	\$ 3,000,000	Service Area:	Valencia

NOTES:	
---------------	--

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

Friendly Valley Pipeline (Crossroads)

STRATEGIC GOAL:	B.1.1 - Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New		
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new Friendly Valley Pipeline along Golden Valley Road and connect to Via Princessa Extension			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000		\$ -
Bond/Loan	-	75,000	75,000	-	-	150,000		-
Grants	-	-	-	-	-	-		-
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 50,000	\$ 75,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
Materials	-	-	-	-	-	-		-
Labor/Equipment	-	-	75,000	-	-	75,000		-
Outsource	-	-	-	-	-	-		-
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/01/26
Personnel Costs	-	-	-	-	-	-	Job Number:	2301023
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:	
---------------	--

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

Golden Valley Pipeline (Crossroads)

STRATEGIC GOAL:	B.1.1 - Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New	<p>Figure 1 - Crossroad Project Area</p>	
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new Golden Valley Pipeline along Golden Valley Road and connect to Via Princessa Extension			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Bond/Loan	-	75,000	75,000	-	-	150,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 50,000	\$ 75,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	75,000	-	-	75,000	-	-
Outsource	-	-	-	-	-	-	-	-
TOTAL	\$ 50,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/01/26
Personnel Costs	-	-	-	-	-	-	Job Number:	2301021
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:	
---------------	--

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

Golden Valley Tank (Crossroads)

STRATEGIC GOAL:	B.1.1 - Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New		
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new 1.6 MG Golden Valley tank			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -
Bond/Loan	-	100,000	100,000	-	-	200,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 75,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 275,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	100,000	-	-	100,000	-	-
Outsource	-	-	-	-	-	-	-	-
TOTAL	\$ 75,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 275,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/01/26
Personnel Costs	-	-	-	-	-	-	Job Number:	2301027
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES:	
---------------	--

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

Friendly Valley Tank (Crossroads)

STRATEGIC GOAL:	B.1.1 - Implement capital projects related to infrastructure reliability	LOCATION:	Golen Valley Road
STATUS:	New	<p style="text-align: center; font-size: small;">Figure 1 – Crossroad Project Area</p> <p style="text-align: right; font-size: x-small;">LEGEND: PROP. 12" WATER PIPE, GOLDEN VALLEY PROP. 16" WATER PIPE, GOLDEN VALLEY PROP. 12" WATER PIPE, FRIENDLY VALLEY PROP. 16" WATER PIPE, FRIENDLY VALLEY</p>	
PRIORITY:	Medium		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-Recurring		
DESCRIPTION/JUSTIFICATION			
Construct new 3.25 MG Friendly Valley tank			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Bond/Loan	-	375,000	5,750,000	5,750,000	-	11,875,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 100,000	\$ 375,000	\$ 5,750,000	\$ 5,750,000	\$ -	\$ 11,975,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	100,000	375,000	-	\$ -	\$ -	\$ 475,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	5,750,000	5,750,000	-	11,500,000	-	-
Outsource	-	-	-	-	-	-	-	-
TOTAL	\$ 100,000	\$ 375,000	\$ 5,750,000	\$ 5,750,000	\$ -	\$ 11,975,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	01/01/26
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	12/01/26
Personnel Costs	-	-	-	-	-	-	Job Number:	2301026
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Santa Clarita

NOTES: This is a fair share project. Agency to pay 97% of total project cost. Budget above is Agency contributions only.

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

North Oaks Wells Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat at PFAS for North Oaks Wells			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Job Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	Valencia

NOTES:	
---------------	--

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

Sierra Well Groundwater Treatment Improvements

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

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Clark Well Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS at the Clark Well			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS PROJECT COMPONENTS:	BUDGET						Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28				
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -	
Materials	-	-	-	-	-	-	-	-	
Labor/Equipment	-	-	-	-	-	-	-	-	
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-	
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -	

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Well W9 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS at Well W9			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Well W10 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS at Well W10			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Well 207 Groundwater Treatment Improvements

STRATEGIC GOAL:	D.2 - Proactively install, operate, and maintain groundwater treatment infrastructure to avoid impacts on water supply reliability (e.g. VOCs, perchlorate, PFAS, etc.)	LOCATION:	Agency-wide
STATUS:	Planning		
PRIORITY:	High		
DEPARTMENT:	Engineering		
MANAGER:	Senior Engineer		
PROJECT TYPE:	Non-recurring		
DESCRIPTION/JUSTIFICATION			
Construct groundwater treatment improvements to treat for PFAS at Well 207			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	250,000	250,000	700,000	6,000,000	7,450,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ 6,000,000	\$ 7,450,000	\$ -	\$ -


PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ -	\$ 1,450,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	-	6,000,000	6,000,000	-	-
TOTAL	\$ 250,000	\$ 250,000	\$ 250,000	\$ 700,000	\$ 6,000,000	\$ 7,450,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Well D Groundwater Treatment Improvements

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

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond/Loan	250,000	450,000	700,000	6,000,000	6,000,000	13,400,000	-	-
Grants	-	-	-	-	-	-	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

PROJECT COSTS	BUDGET							
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22
Planning/Design	\$ 250,000	\$ 450,000	\$ 700,000	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -
Materials	-	-	-	-	-	-	-	-
Labor/Equipment	-	-	-	-	-	-	-	-
Outsource	-	-	-	6,000,000	6,000,000	12,000,000	-	-
TOTAL	\$ 250,000	\$ 450,000	\$ 700,000	\$ 6,000,000	\$ 6,000,000	\$ 13,400,000	\$ -	\$ -

ANNUAL OPERATING IMPACT							OTHER INFORMATION	
DESCRIPTION:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Start Date:	TBD
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Completion Date:	07/01/28
Personnel Costs	-	-	-	-	-	-	Account Number:	TBD
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Service Area:	vari

NOTES:	
---------------	--

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

Wells & Facility Improvements - GSA

STRATEGIC GOAL:	C.3.1 - Lead implementation of SGMA for the SCV-GSA D.3.2 - Maintain interagency water quality communication collaboration	LOCATION:	Agency-wide
STATUS:	New		
PRIORITY:	High		
DEPARTMENT:	Water Resources		
MANAGER:	Rick Viergutz		
PROJECT TYPE:			
DESCRIPTION/JUSTIFICATION			
Installation of Deep Monitoring Wells - GSA This project will only move forward if grant funding is secured.			

FUNDING SOURCES:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	TOTAL	Previously Budgeted	Total Receipts Thru 12/31/22
Operating (pay-go)	\$ 1,250	\$ 124,512	\$ 119,539	\$ -	\$ -	\$ 245,301	\$ -	\$ -
Bond/Loan	-	-	-	-	-	-	-	-
Grants	23,750	2,375,000	2,270,500	-	-	4,669,250	-	-
TOTAL	\$ 25,000	\$ 2,499,512	\$ 2,390,039	\$ -	\$ -	\$ 4,914,551	\$ -	\$ -

PROJECT COSTS	BUDGET							0	
PROJECT COMPONENTS:	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Five Year Total	Previously Budgeted	Total Expensed Thru 12/31/22	
Planning/Design	\$ 25,000	\$ 225,000	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	
Materials	-	697,000	697,000	-	-	1,394,000	-	-	
Labor/Equipment	-	1,271,140	1,295,727	-	-	2,566,867	-	-	
Outsource	-	306,372	397,312	-	-	703,684	-	-	
TOTAL	\$ 25,000	\$ 2,499,512	\$ 2,390,039	\$ -	\$ -	\$ 4,914,551	\$ -	\$ -	

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

NOTES:	
---------------	--

**SCV WATER - DEBT FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

New Project Number	Old Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description	FY2023/24	FY2024/25
2301147	N/A	Debt	ESS	Capital Planning & Studies	As-Needed Regulatory Support for Non-Potable Recycled Water Permitting	\$ 100,000	\$ 50,000
2301081	N/A	Debt	WR	Capital Planning & Studies	New Water Banking Program (AVEK/Mid Valley/Rosedale)(Could possibly go to Lrg CAP)	\$ 500,000	\$ 750,000
2300598	110022	Debt	WR	Capital Planning & Studies	Sites Reservoir	\$ 800,000	\$ 900,000
2300016	200903F	Debt	ESS	Pipelines & Pipeline Replacements	Castaic Conduit	\$ 370,000	\$ 8,080,000
2300346	200510F	Debt	ESS	Pipelines & Pipeline Replacements	Honby Parallel	\$ 225,000	\$ 475,000
2300036	S16701	Debt	ESS	Pipelines & Pipeline Replacements	LARC Pipeline*	\$ 1,500,000	\$ 250,000
2300389	200525F	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 4	\$ 216,000	
2300045	200526F	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 5	\$ 198,000	
2300051	200527F	Debt	ESS	Pipelines & Pipeline Replacements	Magic Mountain Pipeline No. 6	\$ 908,000	
		Debt	ESS	Pipelines & Pipeline Replacements	Newhall Ave Railroad Crossing		
2301080	N/A	Debt	ESS	Recycled Water Improvements	Recycled Water Fill Station	\$ 225,000	\$ 1,400,000
2300468	200453F	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2A - Central Park	\$ 1,000	\$ 1,000
2300474	200454F	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2B - Vista Canyon Backbone	\$ 200,000	
2300480	200455F	Debt	ESS	Recycled Water Improvements	Recycled Water Program Phase II, 2C - South End Backbone Reach 1 (Grant deadline: April 30, 2025)	\$ 2,000,000	\$ 7,500,000
		Debt	ESS	Recycled Water Improvements	Recycled Water Pump Station PS-1 Upgrades	\$ 450,000	\$ 1,200,000
230028F	200528F	Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Pump Station	\$ 760,000	\$ 9,340,000
2300395	200528F	Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Reservoir	\$ 2,660,000	\$ 23,260,000
		Debt	ESS	Tanks & Tank Facility Improvements	Backcountry (fka Magic Mountain) Reservoir 2		
		Debt	ESS	Tanks & Tank Facility Improvements	Sand Canyon Reservoir Expansion	\$ 810,000	\$ 1,050,000
2300251	200103F	Debt	ESS	Treatment Plant Improvements	ESFP Sludge Collection System	\$ 8,510,000	
2302045		Debt	ESS	Treatment Plant Improvements	Newhall (fka Saugus) Wells (N11, N12, N13) Groundwater Treatment Improvements	\$ 255,000	\$ 550,000
2301146		Debt	ESS	Wellhead Treatment Improvements	Well 201 VOC Groundwater Treatment Improvements	\$ 5,615,000	\$ 2,838,000
		Debt	ESS	Wellhead Treatment Improvements	Well 205 (Perchlorate)	\$ 2,650,000	\$ 8,750,000
200606F		Debt	ESS	Wellhead Treatment Improvements-PFAS	Additional Wells (T7, U4, U6) (includes S1&S2 Wells VOC Treatment & Flexlend)	\$ 7,200,000	\$ 10,000,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Clark Well Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
200605F		Debt	ESS	Wellhead Treatment Improvements-PFAS	E Wells (E-14, E-15, E-16, E-17)	\$ 1,650,000	\$ 985,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	North Oaks Wells Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
200608F		Debt	ESS	Wellhead Treatment Improvements-PFAS	S Wells (S6, S7 and S8)	\$ 2,000,000	\$ 11,200,000
200604F		Debt	ESS	Wellhead Treatment Improvements-PFAS	Santa Clara and Honby Wells	\$ 4,664,000	
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Sierra Well Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Well 207 Groundwater treatment Improvements	\$ 250,000	\$ 250,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Well D Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Well W10 Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
		Debt	ESS	Wellhead Treatment Improvements-PFAS	Well W9 Groundwater Treatment Improvements	\$ 250,000	\$ 450,000
2300493	200963F	Debt	ESS	Wells & Well Facility Improvements	Saugus Dry Year Reliability Wells 5 & 6	\$ 5,000	\$ 100,000
		Debt	ESS	Wells & Well Facility Improvements	Well E-14 Site Improvements	\$ 250,000	\$ 500,000
		Debt	ESS	Wells & Well Facility Improvements	Well E-16 Site Improvements	\$ 250,000	\$ 500,000
		Debt	ESS	Wells & Well Facility Improvements		\$ 46,722,000	\$ 92,779,000

**SCV WATER - PAY-GO FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

New Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description		
					FY2023/24	FY2024/25
2301044	Pay Go	Administration	Admin & Tech	Equipment and Vehicle Improvements & Replacements	\$ 1,900,000	\$ 1,800,000
2301013	Pay Go	Administration	Admin & Tech	Office Improvements - Various	\$ 1,550,000	\$ 800,000
2301033	Pay Go	Administration	Admin & Tech	Technology Improvements and Replacements	\$ 3,710,000	\$ 2,602,500
2302013	Pay Go	ESS	Booster Station/Turnout Improvements	Catala Pump Station	\$ 247,000	\$ 266,000
2300068	Pay Go	ESS	Booster Station/Turnout Improvements	Deane Pump Station @ Sand Canyon Plaza*	\$ 2,750,000	\$ 50,000
2300022	Pay Go	ESS	Booster Station/Turnout Improvements	Deane Pump Station @ Skyline Ranch*	\$ 350,000	\$ 50,000
2301025	Pay Go	ESS	Booster Station/Turnout Improvements	Friendly Valley Booster Station (Crossroads)*	\$ 100,000	\$ 275,000
2302014	Pay Go	ESS	Booster Station/Turnout Improvements	Newhall Zone 4 Pump Station Revamp (Wiley Canyon)*	\$ 200,000	\$ 750,000
2302014	Pay Go	ESS	General Facility Improvements & Replacements	Asset Management	\$ 100,000	\$ 100,000
2302015	Pay Go	ESS	Pipelines & Pipeline Replacements	Abdale Street, Maplebay Court, Beachgrove Court Water Line Improvements	\$ 1,000,000	\$ 1,400,000
2301158	Pay Go	ESS	Pipelines & Pipeline Replacements	Catala PS Pipelines (Bouquet & Central Park)	\$ 333,000	\$ 243,000
2300897	Pay Go	ESS	Pipelines & Pipeline Replacements	Dickason Pipeline Replacement	\$ 75,000	\$ 150,000
2300897	Pay Go	ESS	Pipelines & Pipeline Replacements	Dockweiler-Sierra Hwy Pipeline*	\$ 1,000,000	\$ 1,000,000
2302070	Pay Go	ESS	Pipelines & Pipeline Replacements	External Agency Mandates - Pipeline Relocations	\$ 55,000	\$ 1,000
2301020	Pay Go	ESS	Pipelines & Pipeline Replacements	Foothill Feeder Service Connection CLWA-0101T and CLWA-01 Pipe Repair	\$ 50,000	\$ 75,000
2301026	Pay Go	ESS	Pipelines & Pipeline Replacements	Friendly Valley Pipeline @ Via Princesa (Crossroads)*	\$ 50,000	\$ 75,000
2301021	Pay Go	ESS	Pipelines & Pipeline Replacements	Golden Valley Pipeline @ Via Princesa (Crossroads)*	\$ 350,000	\$ 75,000
2300352	Pay Go	ESS	Pipelines & Pipeline Replacements	Golden Valley Road Bore & Jack	\$ 360,000	\$ 575,500
2300352	Pay Go	ESS	Pipelines & Pipeline Replacements	Honby Pipeline Bottleneck	\$ 250,000	\$ 250,000
2300060	Pay Go	ESS	Pipelines & Pipeline Replacements	McBean/Orchard Village Pipeline Replacement	\$ 125,000	\$ 125,000
2301156	Pay Go	ESS	Pipelines & Pipeline Replacements	MMP Inspection Access Modifications	\$ 1,000,000	\$ 6,000,000
2301155	Pay Go	ESS	Pipelines & Pipeline Replacements	Pipeline Relocations/Modifications	\$ 236,000	\$ 20,000
2302060	Pay Go	ESS	Pipelines & Pipeline Replacements	Pitchess Pipeline Modifications Project	\$ 262,000	\$ 93,000
2301029	Pay Go	ESS	Pipelines & Pipeline Replacements	Sierra Hwy Bridge Expansion Water Pipelines	\$ 1,000,000	\$ 1,200,000
2302081	Pay Go	ESS	Pipelines & Pipeline Replacements	Smvth Drive Water Line Improvements	\$ 3,200,000	\$ 1,000,000
2300010	Pay Go	ESS	Recycled Water Improvements	Valencia Marketplace Pipeline Replacement	\$ 150,000	\$ 200,000
2300017	Pay Go	ESS	Tanks & Tank Facility Improvements	MM Pkwy & The Old Rd Recycled Water Relocation	\$ 173,000	\$ 228,000
2300019	Pay Go	ESS	Tanks & Tank Facility Improvements	RVWTP Sewer Line	\$ 3,500,000	\$ 100,000
2301026	Pay Go	ESS	Tanks & Tank Facility Improvements	Deane Tank (One 2.08 MG Tank) @ Skyline Ranch*	\$ 4,750,000	\$ 1,000,000
2302020	Pay Go	ESS	Tanks & Tank Facility Improvements	Deane Tanks - One 1.5 MG Tank @ Sand Canyon Plaza*	\$ 1,000	\$ 1,000
2302020	Pay Go	ESS	Tanks & Tank Facility Improvements	ESFP Two 5 MG Tanks Improvements	\$ 100,000	\$ 375,000
2302028	Pay Go	ESS	Tanks & Tank Facility Improvements	Friendly Valley Tank (3.25 MG) @ Crossroads*	\$ 75,000	\$ 100,000
2300563	Pay Go	ESS	Tanks & Tank Facility Improvements	Golden Valley Tank (1.6 MG) @ Crossroads*	\$ 150,000	\$ 250,000
2302050	Pay Go	ESS	Tanks & Tank Facility Improvements	Newhall Tank 4 (1.5 MG Tank @Wiley Canyon)*	\$ 150,000	\$ 250,000
2300080	Pay Go	ESS	Tanks & Tank Facility Improvements	Newhall Zone 1 Tank (3 MG) (ShadowBox Studios)*	\$ 212,000	\$ 1,056,000
2301072	Pay Go	ESS	Treatment Plant Improvements	Sand Canyon Sewer Line Relocation	\$ 1,583,000	\$ 290,000
2300050	Pay Go	ESS	Wellhead Treatment Improvements-PFAS	RVWTP Underground Storage Tank Replmt	\$ 248,000	\$ 203,000
2301046	Pay Go	ESS	Wellhead Treatment Improvements	N Wells Drainage Improvements Project	\$ 12,330,000	\$ 4,458,000
2301072	Pay Go	TDOMS	Wellhead Treatment Improvements	Saugus 3 & 4 Replacement Wells (Complete by 7/1/25)	\$ 410,000	\$ 410,000
2301046	Pay Go	TDOMS	Wellhead Treatment Improvements	Appurtenance Improvements & Replacements	\$ 700,000	\$ 750,000
2301073	Pay Go	TDOMS	Wellhead Treatment Improvements	Booster Station/Turnout Improvements & Replacements	\$ 1,100,000	\$ 1,100,000
2301076	Pay Go	TDOMS	Wellhead Treatment Improvements	Disinfection System Improvements & Replacements	\$ 1,755,000	\$ 1,955,000
2301048	Pay Go	TDOMS	Wellhead Treatment Improvements	ESFP Improvements & Replacements	\$ 100,000	\$ 100,000
2301043, 2301221	Pay Go	TDOMS	Wellhead Treatment Improvements	ESIPS Improvements & Replacements	\$ 75,000	\$ 125,000
2301075	Pay Go	TDOMS	Wellhead Treatment Improvements	Laboratory Improvements & Replacements	\$ 2,775,000	\$ 2,700,000
2301075	Pay Go	TDOMS	Wellhead Treatment Improvements	Meter & Meter Infrastructure Improvements & Replacements	\$ 2,165,000	\$ 2,275,000
2301075	Pay Go	TDOMS	Wellhead Treatment Improvements	Pipelines & Pipeline Improvements & Replacements	\$ 540,000	\$ 540,000

**SCV WATER - PAY-GO FUNDED CAPITAL IMPROVEMENT PROJECTS
FY 2023/24 AND FY 2024/25**

New Project Number	Debt/ Pay Go	Dept	Category	Capital Project Description	FY2023/24	FY2024/25
2301074	Pay Go	TDOMS	RVTP Improvements	RVTP Improvements & Replacements (includes Access Gate Improvements)	\$ 2,495,000	\$ 2,465,000
2301047, 2301071	Pay Go	TDOMS	Tanks & Tank Facility Improvements	Tanks & Storage Facility Improvements & Replacements	\$ 1,500,000	\$ 1,200,000
2301049	Pay Go	TDOMS	Technology Improvements	SCADA Improvements & Replacements	\$ 300,000	\$ 300,000
Various	Pay Go	TDOMS	Wells & Well Facility Improvements	Wells & Well Facility Improvements	\$ 2,800,000	\$ 675,000
2300191	Pay Go	WR	Capital Planning & Studies	BVRRB Storage and Recovery Program	\$ 3,250,000	\$ 3,400,000
2301079	Pay Go	WR	Capital Planning & Studies	Invasive Species Management	\$ 265,000	\$ 279,575
2300487	Pay Go	WR	Capital Planning & Studies	Resiliency Water Master Plan	\$ 1,175,000	\$ 1,025,000
2300679	Pay Go	WR	Capital Planning & Studies	Yuba Accord Water	\$ 1,154,340	\$ 1,217,829
2300600	Pay Go	WR	Minor Capital	Devil's Den Property Solar Project	\$ 100,000	\$ 100,000
2301034	Pay Go	WR	Recycled Water Improvements	Recycled Water Program Phase II, 2B - Vista Cyn Customer Conversion	\$ 250,000	\$ 100,000
2301035	Pay Go	WR	Recycled Water Improvements	Recycled Water Program Phase II, 2D - West Ranch Customer Conversion	\$ 600,000	\$ 500,000
New	Pay Go	WR	Water Resources & Supply	Battery Energy Storage Project - SGIP	\$ 3,250,000	
2300190	Pay Go	WR	Water Resources & Supply	Bridgeport Pocket Park	\$ 25,000	
New	Pay Go	WR	Water Resources & Supply	Rosedal Phase 2 Wells	\$ 1,061,800	\$ 2,485,400
2300571	Pay Go	WR	Water Resources & Supply	Solar Array Improvements and Replacements	\$ 150,000	\$ 150,000
New	Pay Go	WR	Water Resources & Supply	Update Water Conservation and Education Garden	\$ 2,000,000	\$ 2,000,000
New	Pay Go	WR	Water Resources & Supply	Water Demand Factor Software Development	\$ 50,000	\$ 75,000
New	Pay Go	WR	Water Resources & Supply	WaterSMART Targets Software Development	\$ 100,000	\$ 100,000
New	Pay Go	WR	Wells & Well Facility Improvements	Deep Monitoring Wells (GSA)	\$ 25,000	\$ 2,500,000
					\$ 76,346,140	\$ 55,689,804

[Return to Table of Contents](#)



Earl Schmidt Filtration Plant

Pictured: Earl Schmidt Filtration Plant (ESFP) sits adjacent to Castaic Lake's lower lagoon in Castaic, CA. This location treats State Water Project and other imported water for domestic uses.

The ESFP was completed in 1980 with an original capacity of 12.5 million gallons per day (mgd) and was expanded to a capacity of 25 mgd in 1988. In 2001, the ESFP was re-rated at 33.6 mgd. In 2005, the ESFP was expanded to 56 mgd. The treatment process includes ozonation, coagulation, contact clarification, and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is recovered, treated and returned to the headworks.

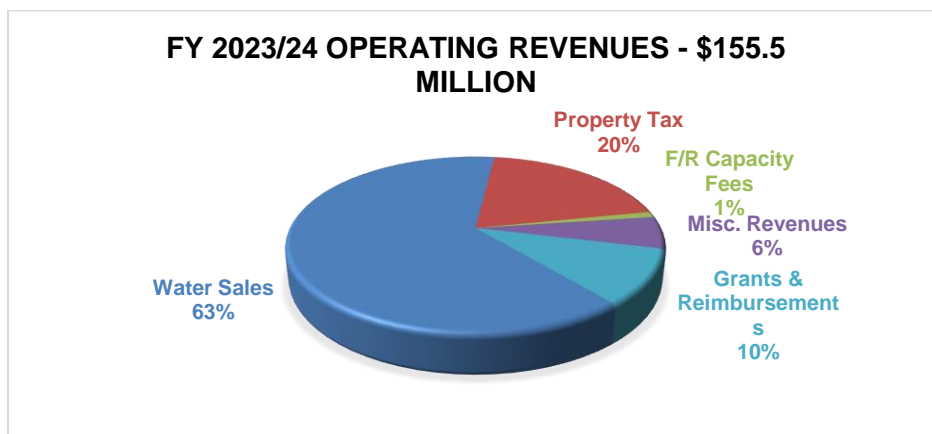
The ESFP also includes sludge drying facilities, an air-water filter backwash system, and facilities for chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two steel tanks provide a total of ten million gallons of treated water storage.



FINANCIAL SUMMARY

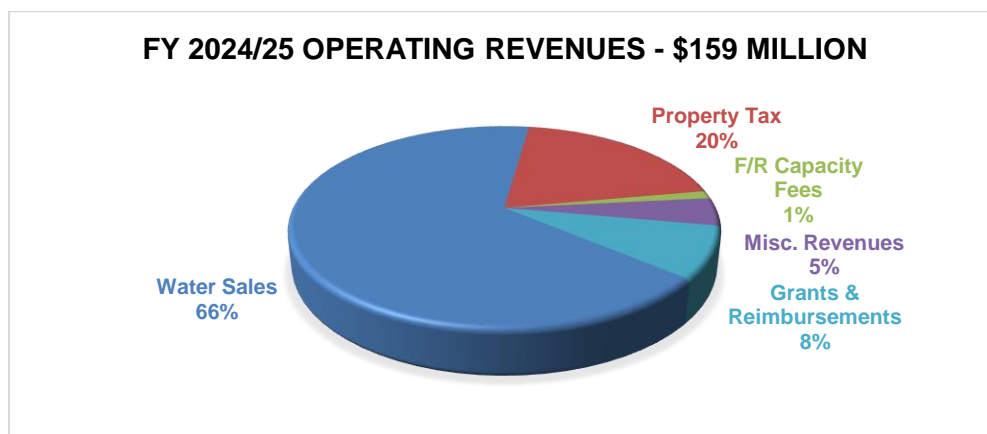
FY 2023/24 OPERATING REVENUE BUDGET

The total revenues of \$155.5 million are comprised of \$98 million in water sales, \$31 million in one-percent property tax revenues, \$15.8 million in grants and reimbursements, \$1.6 million in facility/retail capacity fee, and \$9.1 million in miscellaneous revenues. This is 4.7% or \$7 million over the adopted Budget of FY 2022/23. The Agency is expecting growth of approximately 1.36% or 1,068 equivalent retail service connections but has also accounted for a reduction in sales to meet conservation requirements.



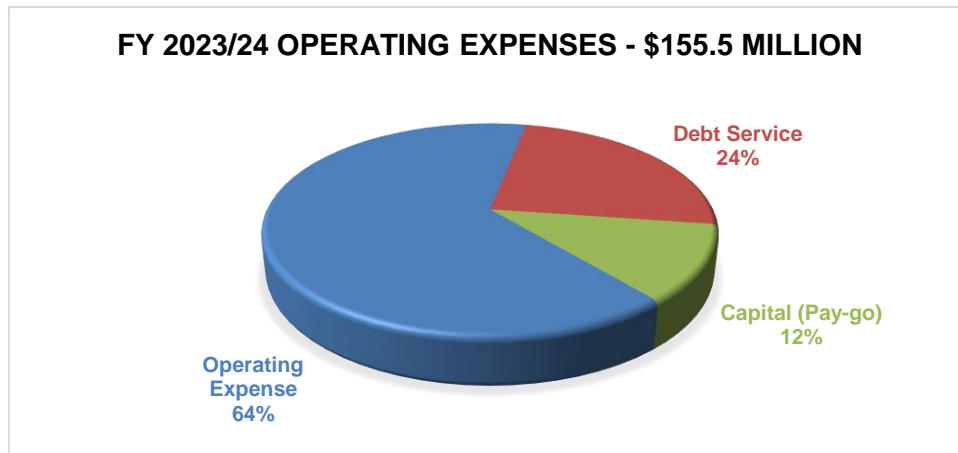
FY 2024/25 OPERATING REVENUE BUDGET

The total revenues of \$159 million are comprised of \$105.1 million in retail water sales, \$31.7 million in one-percent property tax revenues, \$13.2 million in grants and reimbursements, \$2 million in facility/retail capacity fees, and \$7.1 million in miscellaneous revenues. This is a 2.3% or \$3.5 million overall increase over FY 2023/24. Of the \$3.5 million, the most significant increase is attributed to a \$7.1 million increase in water sales revenue due to a 6.5% planned revenue increase, the increase of approximately \$0.7 million of property taxes, the decrease of \$2.6 million of grants and reimbursements, and the decrease of approximately \$1.7 million in miscellaneous revenues. The Agency is expecting to add 1,086 equivalent retail service connections in FY 2024/25.



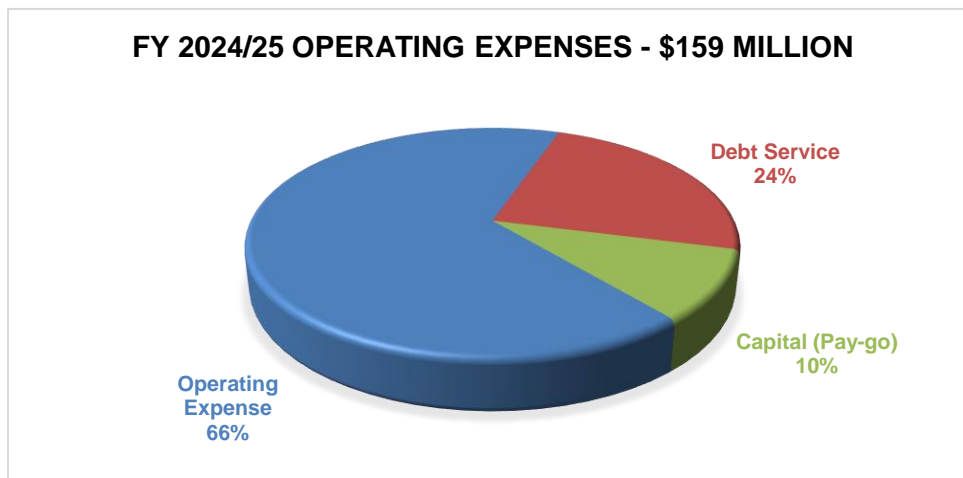
FY 2023/24 OPERATING EXPENSE BUDGET

Total operating expenditures for FY 2023/24 are budgeted at \$155.5 million and are comprised of General Fund/Operating Budget expenditures of \$99.8 million, debt service payments of \$37.5 million and Pay-Go capital improvement program (CIP) expenditures (funded by operating budget) of \$18.1 million. Overall, there was a 4.7% (\$7 million) increase in operating expenditures over the adopted FY 2022/23 Budget. The most significant increases are due to \$4.5 million in debt service payments; \$3.1 million in Finance, Administration & IT primarily due to increases in technology services and liability insurance; and \$2.6 million in Pumping due to PFAS treatment operations and maintenance, as well as additional purchased power costs.



FY 2024/25 OPERATING EXPENSE BUDGET

Total expenditures for FY 2024/25 are budgeted at \$159 million and are comprised of General Fund/Operating Budget expenditures of \$105.6 million, debt service payments of \$37.7 million and capital improvement program (CIP) expenditures of \$15.8 million. Overall, there was a 2.3% (\$3.5 million) increase in operating expenditures over FY 2023/24 Budget. The most significant increases are due to \$1 million in Management for the election, \$1.9 million in Finance, Administration & IT primarily due to increases in technology services and liability insurance; \$0.5 million for increases in treatment and chemical costs; and \$1.2 million in Pumping due to PFAS treatment operations and maintenance, as well as additional purchased power costs.



MAJOR SOURCES OF REVENUES

Water Sales Revenues

The FY 2023/24 projected water sales revenues of \$98 million is an increase of \$5.3 million from the FY 2022/23 adopted Budget and the water sales revenues in FY 2024/25 are projected at \$105 million, which is an increase of \$7 million from FY 2023/24. The increase in water sales revenues is due to the 6.5% planned revenue increase in each fiscal year, which projects adding 1,068 connections in FY 2023/24 and 1,086 connections in FY 2024/25, with a total number of retail connections of 76,895 and 77,987, respectively.

Other Revenues

Other revenues consist of property taxes, facility/retail capacity fees, grants and reimbursements, communication/rental income, and investment revenues. In FY 2023/24, other budgeted revenues are projected at \$57.4 million, which is an increase of \$0.7 million from the FY 2022/23 adopted Budget and other revenues in FY 2024/25 are projected at \$53.9 million, which is a decrease of \$3.5 million from FY 2023/24. The primary decreases are due to a reduction in annexation reimbursements and a projected decrease in grant and reimbursement revenue.

One-Percent Property Tax Revenues

Property tax revenues are unrestricted and can be used to pay for operating expenses, capital projects or debt service for existing users. If these funds were limited or unavailable, it is likely that the Agency water rates would have to increase, or projects would need to be deferred. Based on current trend, SCV Water property tax revenue is projected to increase by 2.34% in both FY 2023/24 and FY 2024/25.

	Adopted Budget FY 2022/23	Projected Budget FY 2022/23	Proposed Budget FY 2023/24	Proposed Budget FY 2024/25
Property Tax	\$30,244,543	\$31,773,451	\$30,952,987	\$31,676,548

Facility/Retail Capacity Fees

Facility/Retail Capacity Fee revenues are projected to decrease from \$6.3 million in the FY 2022/23 adopted Budget to \$1.6 million in the proposed FY 2023/24 Budget, and \$2 million in FY 2024/25. This is based on engineers' estimates of development activity.

MAJOR SOURCES OF EXPENDITURES

General Fund/Operating Budget

The FY 2023/24 projected operating expenses of \$99.8 million has increased approximately \$5.8 million from the FY 2022/23 adopted Budget of \$94 million, and the FY 2024/25 operating expense is projected to increase to \$105.6 million. General Fund/Operating expenses include all departmental expenses (excluding debt service and Pay-Go funded by revenues).

Capital Improvement Program – Pay-Go

The proposed CIP “Pay-Go” (pay-as-you-go) in FY 2023/24 is projected at \$76.4 million and FY 2024/25 is projected at \$55.7 million. The Pay-Go CIP plan is funded by retail water rates, a portion of the one-percent property taxes, retail capacity fees and transfers from the capital reserve. Significant increases are primarily due to scheduling delays from the prior year, which include construction of dry-year replacements wells, pipeline replacements, construction of storage tanks and pump stations, technology service improvements, water resiliency master plan and upgrades to the water conservation garden at the Rio Vista Water Treatment Plant.

In FY 2023/24, \$18.1 million of Pay-Go CIP projects will be funded by revenues, \$49.7 million from prior year carryover funds and \$8.5 million from the Retail Capacity Fee fund. In FY 2024/25, \$15.8 million will be funded by revenues, \$9 million from prior year carryover funds and \$31 million from the Capital and Operating Reserve.

NON OPERATING FUNDS

Capital Improvement Program

The FY 2023/24 Budget for debt-funded Capital Projects is \$46.7 million and \$92.8 million in FY 2024/25, based on significant construction on the Earl Schmidt Filtration Plant (ESFP) sludge collection system, Backcountry Storage Tank and Pump Station, Castaic Conduit, Vista Canyon recycled water project and PFAS treatment facilities.

The Agency’s current CIP for debt-funded projects shows approximately 40 projects being constructed over the next ten years. The Agency is assuming some grant funding will be awarded to offset some of the project costs. The current projection shows a need of funding for \$608 million of projects through FY 2031/32. The FY 2023/24 Budget projects a \$75 million revenue bond to fund all of FY 2023/24 projects and a portion of FY 2024/25 projects. The Agency has been accepted to apply for a Water Infrastructure Financing Innovation Act (WIFIA) loan through the EPA (Environmental Protection Agency) in FY 2024/25, in order to complete the debt-funded projects through FY 2031/32. The exact timing and amounts of future debt issuance would depend on the progress of the CIP, availability of grant proceeds, and market conditions. No new debt would be issued without thorough review and approval by the Board of Directors.

State Water Contract Fund

The FY 2023/24 Expense Budget for the Agency’s SWP supply is \$43.3 million. This is based on projected costs to maintain an aging system and increasing power costs. The Budget also includes funding of \$2.5 million for work on the Delta Conveyance, previously known as California WaterFix or Twin Tunnels. The FY 2024/25 Expense Budget is projected at \$42.2 million, with another \$2.5 million being allocated for the Delta Conveyance project. The projected FY 2023/24 revenues are projected at \$40.9 million, which consists of \$37.7 million from the ad valorem property tax and \$3.2 million of interest income. In FY 2024/25, projected revenues of \$41.4 million consist of \$38.6 million from the ad valorem property tax and \$2.9 million in interest income.

RESERVES

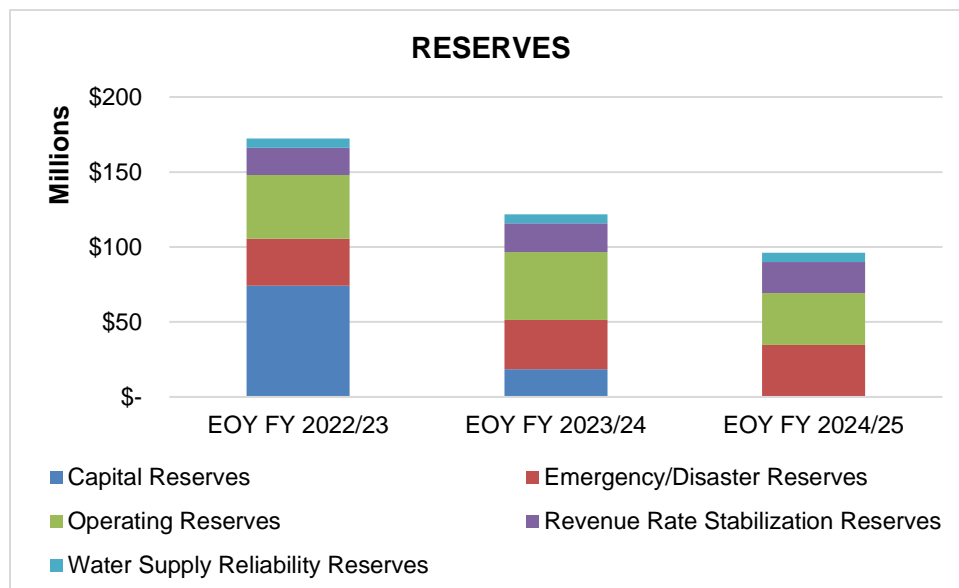
The purpose of SCV Water’s Reserve Fund Policy is to ensure the Agency’s financial stability, and to have sufficient funding available to meet its operating, capital and debt service cost

obligations. The plan establishes the level of reserves necessary for maintaining the Agency's creditworthiness and ratings.

At the beginning of FY 2023/24, the carryover funds from the prior year (per policy) will be added to the Capital Reserve to be used to complete the Pay-Go projects in FY 2023/24 (\$49.7 million) and FY 2024/25 (\$9 million). In order to complete the Pay-Go projects as planned, \$31 million of the reserves will need to be utilized. By the end of FY 2024/25, the reserves will be 76% funded and have a day's cash ratio of 332. As part of the approved financing plan, it was expected that the Agency would need to utilize a portion of its reserves until the WIFIA financing was received, and the timing of when the next cost-of-service and rate study could be implemented.

Adequate reserves provide for:

- Cash flow requirements and working capital
- Economic uncertainties and other financial hardships, including performance of the regional economy and water supply reliability
- Infrastructure replacements
- Emergency repairs
- Local disasters, natural disasters or catastrophic events
- Loss of significant revenue sources due to variations in water sales resulting from variable weather conditions or conservation
- Unfunded mandates including costly regulatory requirements



**SCV WATER - SUMMARY BUDGET
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING REVENUES						
Water Sales - Residential	\$ 51,449,640	\$ 49,633,514	\$ 54,993,689	6.9%	\$ 59,316,439	7.9%
Water Sales - Commercial	4,926,889	4,752,974	5,275,848	7.1%	5,689,800	7.8%
Water Sales - Industrial	1,615,373	1,558,352	1,729,786	7.1%	1,865,508	7.8%
Water Sales - Irrigation	19,303,711	17,107,378	20,670,945	7.1%	22,292,824	7.8%
Water Sales - Public Authority & Other	3,473,053	4,059,729	3,719,040	7.1%	4,010,843	7.8%
Water Sales - Fire	669,515	632,780	722,743	8.0%	780,220	8.0%
Legacy Debt Revenue - VWD	3,603,809	3,532,651	3,630,349	0.7%	3,657,045	0.7%
Legacy Debt Revenue - SCWD	5,873,249	5,434,140	5,999,173	2.1%	6,127,751	2.1%
Water Sales - WWR Variable	1,045	-	1,076	2.9%	1,108	3.0%
Water Sales - WWR Fixed	296,729	292,344	305,622	3.0%	314,793	3.0%
Water Sales - Recycled	468,612	432,408	487,198	4.0%	524,381	7.6%
Misc Fees and Charges	1,020,000	570,160	500,000	-51.0%	550,000	10.0%
Lab Revenues	23,000	21,320	23,230	1.0%	23,462	1.0%
Communication & Rental	752,174	521,744	530,273	-29.5%	540,879	2.0%
Property Tax 1%	30,244,543	31,773,451	30,952,265	2.3%	31,676,548	2.3%
Annexation Reimbursements	2,099,650	2,140,287	2,691,987	28.2%	470,000	-82.5%
Interest Income	650,000	2,013,687	5,893,996	806.8%	6,055,559	2.7%
PERCH Reimbursements - O&M & CIP	8,900,000	8,215,000	4,207,000	-52.7%	3,047,000	-27.6%
Grants & Reimbursements	6,791,105	3,500,900	11,566,840	70.3%	10,111,300	-12.6%
Transfer In - Facility/Retail Capacity Fees	6,300,000	1,897,682	1,577,800	-75.0%	1,948,800	23.5%
Total Operating Revenues	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING EXPENSES						
Management	5,722,541	3,824,886	3,094,046	-45.9%	4,210,276	36.1%
Finance, Administration & IT	20,725,318	18,351,844	23,917,379	15.4%	25,773,077	7.8%
Customer Care	2,810,685	2,775,795	3,068,214	9.2%	3,143,402	2.5%
Transmission & Distribution	10,599,865	9,893,411	11,151,577	5.2%	11,377,167	2.0%
Pumping Wells & Storage	14,959,138	14,863,153	17,540,767	17.3%	18,763,365	7.0%
Water Resources	9,584,392	7,813,278	11,380,616	18.7%	11,678,620	2.6%
Source of Supply	12,535,000	10,517,669	11,108,816	-11.4%	11,632,181	4.7%
Water Quality, Treatment & Maintenance	11,781,761	12,500,464	14,093,165	19.6%	15,283,884	8.4%
Engineering Services	5,342,361	3,784,674	4,484,004	-16.1%	3,699,025	-17.5%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
Capital (Pay-go)	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Total Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

Total Operating Expenses	118,215,995	105,240,492	120,402,915	1.8%	121,254,579	0.7%
Total Salaries and Benefits	30,246,104	32,850,009	35,075,945	16.0%	37,749,682	7.6%
Net Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

Available Fund Balance, July 1	\$ 75,010,273	\$ 72,056,728	\$ 58,712,522	-21.7%	\$ 8,973,411	-84.7%
Capital Pay-go	(54,618,864)	(16,386,637)	(58,246,610)	6.6%	(39,931,970)	-31.4%
Transfer from Capital Reserve	-	-	-	0.0%	30,958,559	0.0%
CF Transfer to Offset CIP Pay-go	7,260,170	1,304,000	8,507,501	17.2%	-	-100.0%
FCF Transfer to Offset Debt Payments	5,606,225	1,738,431	-	-100.0%	-	0.0%
Ending Fund Balance, June 30	\$ 33,257,803	\$ 58,712,522	\$ 8,973,411	-73.0%	\$ -	-100.0%

(1) Changes of more than 10% and \$20,000 (Revenue only - Expense variances noted in Department schedules)

- (a) Residential water sales were reduced by \$100K each year to allocate Ratepayer Assistance Program
- (b) Misc Fees changed with the adoption of SB 998
- (c) Acquisition Costs paid in FY2023/24 and only carrying costs in FY2024/25 for Tapia and Tesoro Developments
- (d) Investments in long term assets that have a higher rate of return based on Investment Advisor estimate
- (e) Remainder of Saugus 3&4 balance of construction reimbursement and annual O&M costs
- (f) Executed grants, awarded grants, grants due under SRF Program, and Prop 1 IRWM Round 2 Grant
- (g) Based on Engineers Estimate

SCV WATER - FINANCIAL SUMMARY
FY 2023/24

Pro Forma FY24

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
Beginning Fund Balance	\$ 180,543,026	\$ (726,530)	\$ 99,055,399	\$ 8,507,501	\$ 287,379,396
RESERVES:					
Capital Reserve	(18,492,738)	-	-	-	(18,492,738)
Emergency/Disaster Reserve	(32,823,644)	-	-	-	(32,823,644)
Operating Reserve	(45,165,808)	-	-	-	(45,165,808)
Revenue Rate Stabilization Reserve	(19,348,314)	-	-	-	(19,348,314)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (121,830,504)	\$ -	\$ -	\$ -	\$ (121,830,504)
Net Available	\$ 58,712,522	\$ (726,530)	\$ 99,055,399	\$ 8,507,501	\$ 165,548,892
REVENUES:					
Water Sales - Retail	\$ 96,741,572	\$ -	\$ -	\$ -	\$ 96,741,572
Water Sales - Wholesale	306,698	-	-	-	306,698
Water Sales - Recycled	487,198	-	-	-	487,198
Misc Fees and Charges ¹	500,000	-	-	-	500,000
Communication and Rental	530,273	-	-	-	530,273
Property Tax	30,952,265	-	40,424,280	-	71,376,545
Facility Capacity Fees	1,577,800	-	-	-	1,577,800
Interest Income	5,893,996	1,706,250	3,932,499	-	11,532,745
Reimbursements ²	6,898,987	-	-	-	6,898,987
Grant Reimbursements - State	11,566,840	-	-	-	11,566,840
Bond/Loan Proceeds	-	75,000,000	-	-	75,000,000
Other Revenues ³	23,230	-	-	-	23,230
Subtotal	\$ 155,478,860	\$ 76,706,250	\$ 44,356,779	\$ -	\$ 276,541,889
Transfers In - Reserves					\$ -
	\$ 155,478,860	\$ 76,706,250	\$ 44,356,779	\$ -	\$ 276,541,889
EXPENDITURES:					
Operating	\$ (99,838,583)	\$ -	\$ (440,548)	\$ -	\$ (100,279,131)
Capital Improvement Program	(67,838,639)	(46,722,000)	-	(8,507,501)	(123,068,140)
Department of Water Resources	-	-	(40,402,000)	-	(40,402,000)
Debt Service Principal & Interest	(37,540,749)	-	-	-	(37,540,749)
Subtotal	\$ (205,217,971)	\$ (46,722,000)	\$ (40,842,548)	\$ (8,507,501)	\$ (301,290,020)
Available Fund Balance EOY (Estimated)	\$ 8,973,411	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 140,800,761

Italics = Estimated

Notes:

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

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

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

SCV WATER - FINANCIAL SUMMARY
FY 2024/25

Pro Forma FY25

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	\$ 136,001,023	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 267,828,373
<u>RESERVES:</u>					
Capital Reserve	(18,479,826)	-	-	-	(18,479,826)
Emergency/Disaster Reserve	(34,704,985)	-	-	-	(34,704,985)
Operating Reserve	(47,094,716)	-	-	-	(47,094,716)
Revenue Rate Stabilization Reserve	(20,748,086)	-	-	-	(20,748,086)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (127,027,613)	\$ -	\$ -	\$ -	\$ (127,027,613)
Net Available	\$ 8,973,411	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 140,800,760
<u>REVENUES:</u>					
Water Sales - Retail	\$ 103,740,431	\$ -	\$ -	\$ -	\$ 103,740,431
Water Sales - Wholesale	315,901	-	-	-	315,901
Water Sales - Recycled	524,381	-	-	-	524,381
Misc Fees and Charges ¹	550,000	-	-	-	550,000
Communication and Rental	540,879	-	-	-	540,879
Property Tax	31,676,548	-	41,370,208	-	73,046,756
Facility Capacity Fees	1,948,800	-	-	-	1,948,800
Interest Income	6,055,559	390,000	3,938,674	-	10,384,233
Reimbursements ²	3,517,000	-	-	-	3,517,000
Grant Reimbursements - State	10,111,300	-	-	-	10,111,300
Bond/Loan Proceeds	-	63,206,722	-	-	63,206,722
Other Revenues ³	23,462	-	-	-	23,462
Subtotal	\$ 159,004,262	\$ 63,596,722	\$ 45,308,882	\$ -	\$ 267,909,866
Transfers In - Reserves	\$ 30,958,559				\$ 30,958,559
	\$ 189,962,821	\$ 63,596,722	\$ 45,308,882	\$ -	\$ 298,868,425
<u>EXPENDITURES:</u>					
Operating	\$ (105,560,997)	\$ -	\$ (460,374)	\$ -	\$ (106,021,371)
Capital Improvement Program	(55,689,804)	(92,779,000)	-	-	(148,468,804)
Department of Water Resources	-	-	(39,292,000)	-	(39,292,000)
Debt Service Principal & Interest	(37,685,430)	-	-	-	(37,685,430)
Subtotal	\$ (198,936,231)	\$ (92,779,000)	\$ (39,752,374)	\$ -	\$ (331,467,605)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 0	\$ 75,442	\$ 108,126,138	\$ -	\$ 108,201,579

Italics = Estimated

Notes:

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

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

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

**SCV WATER - STATE WATER CONTRACT FUND
FY 2023/24 TO FY 2026/27 BUDGET and FORECAST**

	Revised Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Forecast FY 2025/26	Forecast FY 2026/27
Revenues						
Agency Set Property Tax	\$ 36,833,262	\$ 39,500,000	\$ 40,424,280	\$ 41,370,208	\$ 42,338,271	\$ 43,328,987
Interest Revenue	430,000	1,839,000	3,932,499	3,938,674	4,152,044	4,248,183
	\$ 37,263,262	\$ 41,339,000	\$ 44,356,780	\$ 45,308,882	\$ 46,490,315	\$ 47,577,170
Expenses						
Salaries & Compensation	\$ 46,000	\$ 17,000	\$ 68,942	\$ 72,123	\$ 74,287	\$ 76,515
Benefits & Burden	23,000	5,000	49,606	51,251	52,789	54,372
Employee Expenses	100,000	1,000	18,000	22,000	22,660	23,340
Legal Consulting	15,000	-	10,000	10,000	10,300	10,609
State Water Cont/SWPCA Dues	250,000	232,505	260,000	270,000	283,500	297,675
SWC Audit Finance Commit.	33,000	32,406	34,000	35,000	36,750	38,588
DWR Variable	11,000,000	7,206,000	11,550,000	12,128,000	12,734,400	13,371,120
State Water Contract Payment	24,768,000	25,082,942	29,324,000	27,635,000	28,753,000	30,178,000
Devil's Den Variable DWR Charge	-	-	-	-	-	-
Delta Conveyance	2,413,339	27,000	28,000	29,000	2,519,000	4,866,000
Refund of Excess SWC Fixed Chg	(2,000,000)	(2,000,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Contingencies	2,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000
	\$ 38,648,339	\$ 30,603,853	\$ 40,842,548	\$ 39,752,374	\$ 43,986,685	\$ 48,416,219
Annual Change in Net Position	(1,385,077)	10,735,147	3,514,232	5,556,508	2,503,630	(839,049)
Estd Beginning Net Position July	86,945,848	88,320,251	99,055,398	102,569,630	108,126,138	110,629,767
Estd Ending Net Position June	\$ 85,560,771	\$ 99,055,398	\$ 102,569,630	\$ 108,126,138	\$ 110,629,767	\$ 109,790,719



Customer Care and Paying Your Water Bill

Pictured: The Agency recently consolidated all of its customer service locations into the one pictured below at 24631 Avenue Rockefeller in Valencia, CA.

SCV Water offers its customers several additional ways to pay their water bills, via phone, online, or auto-pay. Additionally, the Agency recently made an agreement with PayNearMe, a collaborative service that allows customers to make convenient in-person payments at participating locations such as 7-Eleven and CVS Pharmacy.

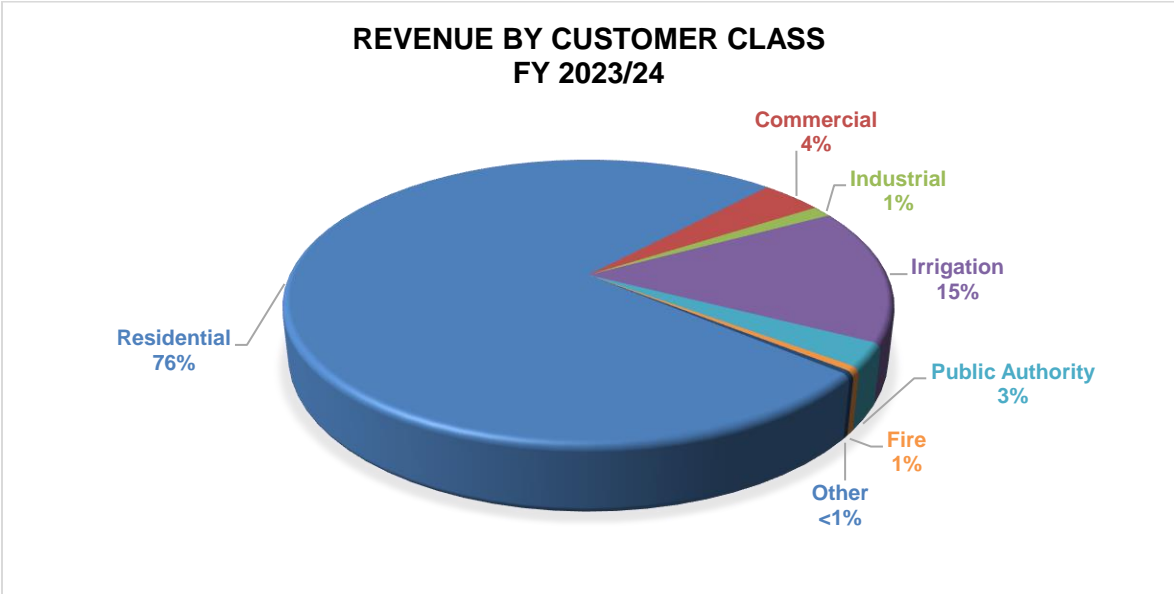


REVENUES

Water Sales

Developing accurate demand forecasts is one of the biggest challenges in creating long-term financial forecasts. There are many factors that influence customer demand projections. Climate and weather conditions, economic drivers, and conservation are a few of the factors that must be considered. Different factors affect consumption trends of each customer class, and therefore, consumption data is primarily analyzed and forecast by class.

SCV Water will provide water service to approximately 76,000 customers by the end of Fiscal Year (FY) 2023/24. Of the Agency's water sales, 65% of the revenues come from residential customers, 21% from landscaping/irrigation and the remaining 14% are comprised of commercial, public authority and industrial. Retail water sales also include private fire services, including private fire hydrants. Retail water sales account for 63% of the Agency's total revenues. SCV Water is expecting to add 1,068 service connections in FY 2023/24 and 1,086 service connections in FY 2024/25, an approximate 1.36% growth rate.



Residential revenue has been reduced by \$100,000 to fund the pilot Ratepayer Assistance Program. Eligible residential customers (those customers that are enrolled in the Southern California Edison or So Cal Gas, California Alternate Rates for Energy (CARE) program), on a first-come, first-served basis, could receive \$10 per month off the customer's fixed charge in ratepayer assistance. If more than 833 customers applied, a lottery system could select 833 customers. Priority is given to eligible senior citizens age 62 and older, disabled persons or veterans.

The amount of funding would be approved through the budget process each year and may be increased or decreased on an annual basis.

SCV Water is planning to receive approximately 63% of its FY 2023/24 retail revenue from metered sales and approximately 66% in FY 2024/25. The remaining 37% and 34% of other revenues come from property taxes, communication/rental leases, investment income, grants and reimbursements as depicted below:

Other Revenues	FY 2023/24	FY 2024/25
Lab Revenues	\$ 23,230	\$ 23,462
Communication & Rental	530,276	540,879
Property Tax 1%	30,952,265	31,676,548
Annexation Reimbursements	2,691,987	470,000
Interest Income	5,893,996	6,055,559
PERCH Reimbursements - O&M & CIP	4,207,000	3,047,000
Grant Reimbursements	11,566,840	10,111,300
Total Other Revenues	\$ 55,865,591	\$ 51,924,748

Billing units (CCF = 748 gallons) are expected to increase by approximately 1% from the previous year's budget. Even though there is an addition of 1,068 service connections in FY 2023/24, the Agency has included additional conservation to address conservation mandates by the state. Growth projections were incorporated with historical trends of customers' reactions to weather and drought to determine the average consumption by meter size and class. As a result of the most recent drought, subsequent mandate, and consistent with previous years, the Agency is projecting its water sales revenues based on State AB 1668 and SB 606, that gives us conservation long-term framework for annual water use objectives. Using the old target from SB x7-7, which required the Agency to achieve a 20% reduction in urban per capita water use, we are maintaining an interim strategy of reaching 25% by FY 2024/25 until the conservation long-term framework gets finalized.

SCV Water is continuing to promote conservation and water efficiency targets in order to meet the conservation goals established by the State. The Agency is not expecting customers to return to their pre-drought usage, we are expecting that customers will continue to voluntarily conserve, but we may see a slight rebound in usage over the summer months due to the above average rainfall received in the area.

Recycled Water

The Agency began recycled water sales during FY 2003/04. To-date, recycled water has only been sold to the Valencia Water Division to provide service for the Tournament Players Club (now The Oaks Club) golf course and median landscaping in the Westridge development, and sales are estimated to be 294,736 CCF in FY 2023/24 and 314,465 CCF in FY 2024/25 at an estimated rate of \$676/AF in FY 2023/24 and \$721/AF in FY 2024/25. Revenue is estimated to be \$487,198 and \$524,381, respectively. When Vista Canyon comes online or should recycled water be used for grading for Mission Village in the Newhall Ranch development, revenues would be higher.

One-Time Water Sales

In the past, the Agency has been able to sell water from the Buena Vista/Rosedale-Rio Bravo water supplies. As we recover from the drought, it is unlikely that the Agency would sell any of its surplus water in FY 2023/24 and FY 2024/25; instead, we will replenish our banking supplies so that water will be available when needed. This revenue is known as one-time water sales

and in the event that the Agency has the ability to sell any supply, it will be allocated to the Operating Fund.

One-Percent Property Tax Revenues

One-percent property tax revenues are unrestricted and can be used to fund operating expenses, as well as debt service dedicated to fund existing users’ share of the Agency debt (excluding Legacy debt), the pay-go portion of the capital improvement program, as well as a portion of core non-SWP water supplies. FY 2023/24 revenues are estimated at \$31 million; assuming a 2.3% annual increase, the FY 2024/25 revenues are projected at \$31.7 million. This assumption is based on the 13-year average of property tax revenues.

This budget estimate also assumes the State does not divert these funds. During FY 2004/05 and FY 2005/06, the State of California diverted over 65% of the Agency’s one-percent property tax revenues. The Agency was able to absorb the two-year loss due to sufficient cash and reserves to maintain debt coverage and to fund the capital budget. During FY 2009/10, the State invoked a Proposition 1A borrowing of 8% of the Agency’s allocation of one-percent tax revenues, or approximately \$1.7 million, intended to be repaid by FY 2012/13. The Agency participated in the State of California Proposition 1A Receivables Program to securitize the receivable and received the entire repayment during FY 2009/10.

Any future diversions by the State will impact the Agency’s ability to fully fund existing users’ share of the debt service and pay-go capital improvement projects. At this time, it seems unlikely the State will again shift some amount of property tax revenue away from the Agency in FY 2023/24 or FY 2024/25. If the property tax formula is permanently changed in the future, it would impact the Agency’s ability to maintain debt coverage and fund the capital budget.

Agency-Set Property Tax Revenues (SWC Fund)

The Agency-set property tax revenues are estimated to total \$37.7 million in FY 2023/24 and \$38.6 million in FY 2024/25. These revenues are restricted to pay for the Agency’s share of the cost of operating and administering the State Water Project supply. This revenue estimate is based on an increase of a 2.3% annual property tax revenue increase and no change in the current tax rate of 7.06 cents per \$100 valuation.

Agency-Set Property Tax Revenues – Last Ten Fiscal Years

Fiscal Year	Los Angeles County	Ventura County	Total
2011/12	\$ 22,897,145	\$ 24,913	\$ 22,922,058
2012/13	23,117,274	27,904	23,145,178
2013/14	24,090,084	25,790	24,115,874
2014/15	26,044,550	25,800	26,070,350
2015/16	27,076,572	22,783	27,099,355
2016/17	28,343,916	22,887	28,366,803
2017/18	31,245,039	22,670	31,267,709
2018/19	31,973,100	22,900	31,996,000
2019/20	32,094,246	27,587	32,121,833
2020/21	35,127,914	32,905	35,160,819
2021/22	35,535,006	34,107	35,569,113
2022/23*	36,798,222	35,040	36,833,262

*Estimated

Facility/Retail Capacity Fee Revenues

Facility Capacity Fee (FCF) revenues are estimated at \$1.6 million in FY 2023/24 and \$2 million in FY 2024/25. The estimated capacity fee revenue is based on engineers' estimates. FCFs are used to pay for the portion of debt that has been allocated to future users.

Perchlorate Reimbursements

In May 2007, legacy divisions of SCV Water settled a long-running lawsuit against the current and past owners of the former Whittaker-Bermite industrial site, and approved a settlement agreement to remove perchlorate from the Santa Clarita Valley's groundwater aquifers. The Agency estimates this settlement, when added to past settlements, will provide up to \$100 million on an undiscounted basis. Settlement Agreement revenues in FY 2023/24 are \$4.2 million, and \$3.1 in FY 2024/25 for operations and maintenance (O&M) and for the construction of the Saugus #3 & #4 replacement wells.

Grants

Grants and reimbursements for Capital Improvement Programs are provided by Proposition 1 Round 2, Proposition 84 Rounds 1 and 2 Planning and Implementation Grants and Prop 68 Round 3 through the Department of Water Resources for a variety of water studies, implementation, administration of the grants and updating various programs and plans. Reimbursements are provided for the processing of annexations.

Project	FY 2023/24	FY 2024/25
Prop 84 R1 Imp Grant	\$ -	\$ -
Prop 1 & 68 SGWP Grant	130,000	-
Prop 1 Round 1 IRWM Grant (Grant Admin, Santa Clara Honby PFAS, RW Phase 2C)	3,213,500	1,051,500
SWRCB Grant - LARC Ranch	2,500,000	750,000
T&U Wells (EPA EC + LARC Incentive)	3,850,000	2,250,000
Prop 1 Round 2 Grant (Grant Admin, Sand Canyon Sewer Relocation, T&U Wells)	552,340	1,089,800
Rosedale Phase II Wells	280,000	842,000
S Wells PFAS	441,000	3,528,000
AMI Project	600,000	600,000
ESTIMATED GRANT REIMBURSEMENTS	\$ 11,566,840	\$ 10,111,300

The above table includes executed grants, awarded grants, grants due under the Clean Water State Revolving Fund (CWSRF) Program, and Prop 1 IRWMP Round 2 grant (award assured). Does not include grants applied for where awards have not been announced. Below is a list of grant applications submitted or in progress. As these grants have not been awarded, the grant request is not included in grant revenue.

Grant Program	Project	Grant Request
2022 Urban Drought Relief GR	Saugus 3&4 Equipping; S Wells PFAS	\$5.9M
Recycled Water Grant Program	RW Phase 2C	\$2.9M
Watersmart WEEG	Conservation Program Funding	\$2.0M
Sustainable Groundwater Management	GSA (Monitoring Wells, etc.)	\$5.1M

Other Sources of Revenue

Laboratory Revenues

The Agency performs laboratory work for DWR, UCLA and various other entities. FY 2023/24 and FY 2024/25 laboratory revenues are estimated at \$23,230 and \$23,462, respectively, per year based on the current workload.

Communications Revenues

The Agency has several agreements with communication companies for lease of communication sites at Agency facilities. In addition, the Agency receives rent from a commercial property. FY 2023/24 revenues are estimated at \$487,198 and \$540,879 in FY 2024/25 based on existing contracts.

Investment Revenues

FY 2023/24 investments revenues are estimated to be \$10,792,511 and \$9,292,277 in FY 2024/25 across all funds. The breakdown by funding source for the FY 2023/24 and FY 2024/25 Budget is as follows:

Fund	FY 2023/24	FY 2024/25
General Fund/Operating	\$ 5,893,996	\$ 6,055,559
Capital Improvement Program	1,706,250	390,000
State Water Contract Fund	3,192,265	2,846,718
Facility/Retail Capacity Fees	0	0
Total	\$ 10,792,511	\$ 9,292,277

SCV WATER - REVENUES
FY 2023/24 and FY 2024/25 BUDGET

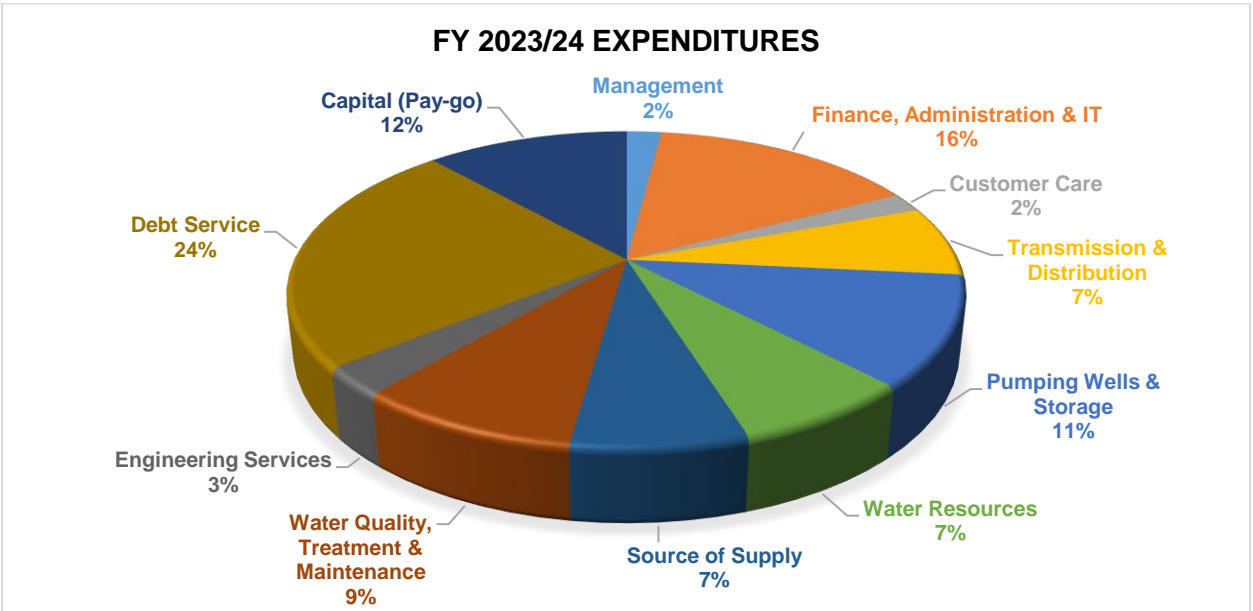
	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
OPERATING REVENUES							
Water Sales - Residential	\$ 51,449,640	\$ 49,633,514	\$ 54,993,689	6.9%	\$ 59,316,439	7.9%	(a)
Water Sales - Commercial	4,926,889	4,752,974	5,275,848	7.1%	5,689,800	7.8%	
Water Sales - Industrial	1,615,373	1,558,352	1,729,786	7.1%	1,865,508	7.8%	
Water Sales - Irrigation	19,303,711	17,107,378	20,670,945	7.1%	22,292,824	7.8%	
Water Sales - Public Authority & Other	3,473,053	5,800,369	3,719,040	7.1%	4,010,843	7.8%	
Water Sales - Fire	669,515	632,780	722,743	8.0%	780,220	8.0%	
Legacy Debt Revenue - VWD	3,603,809	3,532,651	3,630,349	0.7%	3,657,045	0.7%	
Legacy Debt Revenue - SCWD	5,873,249	5,434,140	5,999,173	2.1%	6,127,751	2.1%	
Water Sales - WWR Variable	1,045	-	1,076	2.9%	1,108	3.0%	
Water Sales - WWR Fixed	296,729	292,344	305,622	3.0%	314,793	3.0%	
Water Sales - Recycled	468,612	432,408	487,198	4.0%	524,381	7.6%	
Misc Fees and Charges	1,020,000	570,160	500,000	-51.0%	550,000	10.0%	(b)
Lab Revenues	23,000	21,320	23,230	1.0%	23,462	1.0%	
Communication & Rental	752,174	521,744	530,273	-29.5%	540,879	2.0%	
Property Tax 1%	30,244,543	31,773,451	30,952,265	2.3%	31,676,548	2.3%	
Annexation Reimbursements	2,099,650	2,140,287	2,691,987	28.2%	470,000	-82.5%	(c)
Interest Income	650,000	2,013,687	5,893,996	806.8%	6,055,559	2.7%	(d)
PERCH Reimbursements - O&M & CIP	8,900,000	8,215,000	4,207,000	-52.7%	3,047,000	-27.6%	(e)
Grant & Reimbursements	6,791,105	3,500,900	11,566,840	70.3%	10,111,300	-12.6%	(f)
Transfer In - Facility/Capacity Fees	6,300,000	1,897,682	1,577,800	-75.0%	1,948,800	23.5%	(g)
Total Operating Revenues	\$ 148,462,098	\$ 139,831,141	\$ 155,478,860	4.7%	\$ 159,004,261	2.3%	

(1) Changes of more than 10% and \$20,000 (Revenue only - Expense variances noted in Department schedules)

- (a) Residential water sales were reduced by \$100K each year to allocate Ratepayer Assistance Program
- (b) Misc Fees changed with the adoption of SB 998
- (c) Acquisition Costs paid in FY2023/24 and only carrying costs in FY2024/25 for Tapia and Tesoro Developments
- (d) Investments in long term assets that have a higher rate of return based on Investment Advisor estimate
- (e) Remainder of Saugus 3&4 balance of construction reimbursement and annual O&M costs
- (f) Executed grants, awarded grants, grants due under SRF Program, and Prop 1 IRWM Round 2 Grant
- (g) Based on Engineers Estimate

EXPENDITURES

The FY 2023/24 and FY 2024/25 Biennial Budget’s use of funds (including debt service and Pay-go CIP) is projected to be \$155.5 million and \$159 million, respectively. There is a 4.7% increase in expenditures in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 2.3% in FY 2024/25 compared to FY 2023/24. A significant factor in the rise in use of funds in FY 2023/24 is due to a 13% increase in the debt service payments for the 2023A bonds; a 17.3% increase in Pumping, Wells & Storage for the PFAS treatment and purchased power expense; 19.6% increase in Water Quality, Treatment and Maintenance for employee expense and treatment chemicals; and a 15.4% increase in Finance, Administration and IT due to increases in technology services and liability insurance.



Certain types of expenses are combined into spending categories for easier management. These categories combine several similar line items to facilitate analysis by Agency management. A brief description of use in each category is as follows:

Source of Supply

The Source of Supply department represents approximately 7% of the Agency’s expense budget and includes the cost of acquiring water supplies, outside of the State Water Project or the Agency’s groundwater wells. This department includes the purchase of recycled water from the Los Angeles County Sanitation District, the cost for the Buena Vista/Rosedale-Rio Bravo water supply contract and firming supplies, in order to have funds to draw from the Agency’s water banking programs due to dry weather years.

Pumping, Wells and Storage

The Pumping, Wells and Storage department represents 11% of the Agency’s expense budget and provides funds for the cost of power to the Agency’s wells, booster stations, storage tanks

and sewer lift station. This category also provides funds for labor and maintenance of pumping equipment, structures, Cla-Vals (automatic control valves) and the groundwater treatment of Perchlorate and PFAS. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$17.5 million and \$18.8 million, respectively. This is an increase of 17.3% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 7% in FY 2024/25 compared to FY 2023/24. The change in both years is primarily due to the increase of purchased power and treatment costs for the current facilities and new facilities, including perchlorate and PFAS, that will be maintained or coming online during this budget period.

Water Quality and Treatment

The Water Quality and Treatment department represents 9% of the Agency's expense budget and provides funds for costs associated with laboratory testing, bacteriological sampling and special analysis as noted in Title 22 of the California Code of Regulations, as well as State Water Resources – Division of Drinking Water. This category also includes labor, maintenance and power for the Agency's treatment facilities and purchase of treatment chemicals and salt, etc., necessary for water treatment operations. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$14.1 million and \$15.3 million, respectively. There is a 19.6% increase in FY 2023/24 compared to the FY 2022/23 Budget due to increased treatment chemical costs and a reallocation of labor, and an increase of 8.4% in FY 2024/25 compared to FY 2023/24. The change in both years is primarily due to an increase in cost and amount of chemicals for the treatment process, and additional sampling and testing to comply with new regulations.

Transmission and Distribution

The Transmission and Distribution department represents 7% of the Agency's expense budget and provides funds for labor and maintenance of the Agency's mains, recycled water system, services, meters and hydrants. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$11.2 million and \$11.4 million, respectively. This is an increase of 5.2% in FY 2023/24 compared to the FY 2022/23 budget and an increase of 2% in FY 2024/25 compared to FY 2023/24. The primary increase is due to the increase in labor and benefits, as well as overtime, as this department is responsible for after hour repairs.

Customer Care

The Customer Care department represents 2% of the Agency's expense budget and provides funds for labor and supervision for billing, collecting, connects, disconnects, investigations, meter reading support and applications. It also includes funds for the outsourcing of printing and mailing water bills, meter reconstruction, testing, repairs and calibrations. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$3.07 million and \$3.14 million, respectively. This is an increase of 9.2% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 2.5% in FY 2024/25 compared to FY 2023/24. The primary increase in FY 2023/24 is due to an increase in labor and benefits, as well as cost increases to outsource, print and mail customer bills.

Engineering

The Engineering department represents 3% of the Agency's expense budget and provides funds for planning, design and construction management of the Agency's capital projects, and oversees developer activities to ensure that capital facilities meet Agency standards. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$4.5 million and \$3.7 million, respectively. This is a decrease of 16.1% in FY 2023/24 compared to the

FY 2022/23 Budget and a decrease of 17.5% in FY 2024/25 compared to FY 2023/24. The decrease is primarily due to the completion of the Master Plan. Although this department will add staffing positions, those positions will offset engineering consulting costs.

Water Resources

The Water Resources department represents 7% of the Agency's expense budget and provides funds to ensure there is adequate water resources available to meet the community's current and future water needs, and to provide outreach to communicate the overall mission and vision of the Agency. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$11.4 million and \$11.7 million, respectively. This is an increase of 18.7% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 2.6% in FY 2024/25 compared to FY 2023/24. Several planning documents, such as the Conservation Long-term Framework and Sustainability Initiatives, have increased the FY 2023/24 Budget.

Management

The Management department represents 2% of the Agency's expense budget and provides funds for the Board of Director stipends, benefits and activities, General Manager labor, benefits, and activities, as well as the biennial election expense, litigation, and general legal costs. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$3.1 million and \$4.2 million, respectively. This is a decrease of 45.9% in FY 2023/24 compared to the FY 2022/23 Budget, and an increase of 36.1% in FY 2024/25 compared to FY 2023/24. The primary changes from year to year are due to the biennial election cycle.

Finance, Administration and IT

The Finance, Administration and IT department represents 16% of the Agency's expense budget and provides funds for: administrative and general salaries, office supplies, technology supplies and service, supplies and contracts (procurement), human resources recruitment and services, facilities maintenance, fleet and warehousing, liability insurance, professional services, conferences and seminars, professional development, training and other general office expenses. For the FY 2023/24 and FY 2024/25 Biennial Budget, this department is projected to be \$23.9 million and \$25.7 million, respectively. This is an increase of 15.4% in FY 2023/24 compared to the FY 2022/23 Budget and an increase of 7.8% in FY 2024/25 compared to FY 2023/24. The primary increases for this department are labor and benefits for additional positions, as well as an increase in technology services and an increase in liability insurance.

The safety needs of the Agency's customers and employees, as well as compliance with regulatory agencies are of utmost importance to the Agency, and these insurance costs or regulatory fees are considered necessary expenses. Some of the administration and general expenses are more discretionary in which the Agency may be able to better control other expenses such as training or business meetings to some extent.

Salaries and Related Costs

The Board authorizes all regular full-time positions. All requests for new positions must contain justification and an evaluation of total costs, including benefits. There were seven (7) additional positions added in FY 2023/24 and an additional seven (7) in FY 2024/25. The FY 2023/24 Budget provides funding for 231 full-time employees, ten (10) part-time employees and one (1) limited duration employee for a total full-time equivalent (FTE) of 237 employees. A 6% cost of living adjustment (COLA) has been included in FY 2023/24 and a 3% COLA is estimated for FY 2024/25.

Portions of salaries and related costs (benefits) that occur in one department may be applied to another, and costs associated with developer-funded projects or capital improvements projects are directly charged to those projects. Employee benefits include expenses for workers compensation, group medical insurance, disability insurance and retirement.

Eligible full-time employees become members of the California Public Employees Retirement System (CalPERS).

For the FY 2023/24 and FY 2024/25 Biennial Budget, salaries and related costs are projected to be \$35.1 million and \$37.8 million, respectively. This is an increase of 16% in FY 2023/24 compared to the FY 2022/23 Budget and an increase of 7.6% in FY 2024/25 compared to FY 2023/24.

Capital Improvement Projects “Pay-Go”

The “Pay-go” (pay-as-you-go) capital improvement projects (CIP) category represents 12% of the Agency’s expense budget that is funded by revenues and provides funds to enhance asset management, maintenance, water system improvements, equipment replacements and technology improvements. Additional information can be found in the Capital Improvement Program section of the Budget. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$18.1 million and \$15.8 million, respectively. This is a decrease of 14.6% in FY 2023/24 compared to the FY 2022/23 Budget, and a decrease of 12.9% in FY 2024/25 compared to FY 2023/24.

Debt Service

The debt service category represents 24% of the Agency’s expense budget. Debt is used for financing the Agency’s infrastructure and project needs. Debt is issued and managed prudently in order to maintain a sound financial position and protect credit quality. The Agency pays its debt service (legacy debt is paid by those legacy agencies who incurred the debt, per SB 634) from Facility Capacity Fees (FCF), 1% property tax revenues, and water sales. The Agency anticipates issuing revenue bonds in FY 2023/24 in the amount of \$75 million to fund major capital improvements. Current FCF, 1% property tax revenues and water rates will be sufficient to pay for the projected issuance as was included in the Cost of Service and Rate Study. Additional long-term debt information can be found in the Long-Term Commitment and Forecast sections of the Budget. For the FY 2023/24 and FY 2024/25 Biennial Budget, this category is projected to be \$37.5 million and \$37.7 million, respectively. The Agency continues to monitor its bond covenants to ensure there are sufficient funds to cover its debt service obligations.

**SCV WATER - TOTAL EXPENSES
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
OPERATING EXPENSES						
Management	5,722,541	3,824,886	3,094,046	-45.9%	4,210,276	36.1%
Finance, Administration & IT	20,725,318	18,351,844	23,917,379	15.4%	25,773,077	7.8%
Customer Care	2,810,685	2,775,795	3,068,214	9.2%	3,143,402	2.5%
Transmission & Distribution	10,599,865	9,893,411	11,151,577	5.2%	11,377,167	2.0%
Pumping Wells & Storage	14,959,138	14,863,153	17,540,767	17.3%	18,763,365	7.0%
Water Resources	9,584,392	7,813,278	11,380,616	18.7%	11,678,620	2.6%
Source of Supply	12,535,000	10,517,669	11,108,816	-11.4%	11,632,181	4.7%
Water Quality, Treatment & Maintenance	11,781,761	12,500,464	14,093,165	19.6%	15,283,884	8.4%
Engineering Services	5,342,361	3,784,674	4,484,004	-16.1%	3,699,025	-17.5%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
Capital (Pay-go)	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Total Operating Expenses	\$ 148,462,098	\$ 138,090,501	\$ 155,478,860	4.7%	\$ 159,004,262	2.3%

SCV Water Expense Detail by Account

Salary	20,412,753	21,836,870	23,610,203	15.7%	25,599,541	8.4%
Overtime	733,243	1,924,307	1,325,057	80.7%	1,280,169	-3.4%
Burden & Benefits	9,100,106	9,343,285	10,140,685	11.4%	10,869,972	7.2%
51301 - Election	550,000	550,000	-	-100.0%	800,000	0.0%
51326 - Directors Compensation	236,160	344,421	271,026	14.8%	271,026	0.0%
51327 - Directors Expenses	70,000	20,645	76,000	8.6%	76,000	0.0%
51328 - Directors Travel	40,000	7,954	50,000	25.0%	55,000	10.0%
51329 - Directors Training	35,000	10,258	52,000	48.6%	52,000	0.0%
51505 - Employee Expense	192,305	131,756	256,125	33.2%	264,031	3.1%
51515 - Employee Travel	144,310	46,312	195,075	35.2%	188,221	-3.5%
52005 - Safety Training & Expense	300,000	367,184	326,000	8.7%	336,000	3.1%
52006 - Safety Emergency Supplies	-	-	75,000	100.0%	75,000	0.0%
52010 - Supplies & Services	547,500	335,730	443,000	-19.1%	468,000	5.6%
52024 - Internal Relations	86,600	86,012	120,000	38.6%	120,000	0.0%
52030 - DD Landowner Expenditures	176,500	200,000	300,000	70.0%	300,000	0.0%
52050 - Analytical Supplies	305,000	320,649	365,000	19.7%	400,000	9.6%
52085 - Small Tools, Materials and Supplies	720,300	810,977	635,000	-11.8%	641,000	0.9%
52605 - Gases	5,000	6,826	5,000	0.0%	5,000	0.0%
52611 - Chemicals	2,307,000	1,695,881	2,625,000	13.8%	3,125,000	19.0%
52651 - Fuel	576,500	583,008	550,000	-4.6%	550,000	0.0%
52654 - M&R - Vehicles & Equipment	824,000	1,325,001	700,000	-15.0%	700,000	0.0%
53101 - Employee Education/Seminars	295,400	162,219	361,100	22.2%	360,200	-0.2%
53104 - Uniforms & Apparel	106,700	125,000	140,000	31.2%	150,000	7.1%
53105 - Outside Service/Contracting	3,290,000	2,786,269	3,990,000	21.3%	4,280,000	7.3%
53120 - M&R Surface Restoration	1,800,000	1,118,498	1,800,000	0.0%	1,800,000	0.0%
53121 - M&R - Storage - Potable Water	180,000	58,506	180,000	0.0%	200,000	11.1%
53122 - M&R - Mains	900,000	1,146,840	900,000	0.0%	900,000	0.0%
53123 - M&R City/County Overlay Projects	250,000	257,210	250,000	0.0%	250,000	0.0%
53124 - M&R - Hydrants	185,000	269,083	250,000	35.1%	250,000	0.0%
53126 - M&R Meters	610,000	329,248	500,000	-18.0%	500,000	0.0%
53127 - M&R - Wells and Structures	150,000	285,274	200,000	33.3%	250,000	25.0%
53128 - M&R - Pumping Stations & Structures - Potable Water	200,000	153,062	225,000	12.5%	250,000	11.1%
53129 - M&R - Sewer Lift Station & Structures	45,000	1,086	60,000	33.3%	60,000	0.0%
53130 - M&R - Equipment Water Treatment	65,000	90,457	100,000	53.8%	125,000	25.0%
53131 - M&R - Pumping Equipment & Structures - Recycled Water	30,000	-	30,000	0.0%	30,000	0.0%
53132 - M&R - Storage - Recycled Water	20,000	-	75,000	275.0%	20,000	-73.3%
53133 - M&R - Groundwater PFAS Treatment	1,810,000	1,535,461	2,000,000	10.5%	2,500,000	25.0%
53134 - M&R - Groundwater Perchlorate Treatment	1,554,785	343,427	1,554,785	0.0%	1,554,785	0.0%
53135 - M&R - Mains & Services - Recycled Water	200,000	7,585	200,000	0.0%	200,000	0.0%
53136 - M&R - Valves	300,000	39,259	300,000	0.0%	300,000	0.0%
53137 - M&R - Control Valves	200,000	310,578	250,000	25.0%	250,000	0.0%
53138 - M&R - Air Vac / Blow Offs	100,000	119,064	100,000	0.0%	100,000	0.0%
53139 - M&R - Warehouse & Yard	180,000	54,847	50,000	-72.2%	50,000	0.0%

SCV WATER - TOTAL EXPENSES
FY 2023/24 and FY 2024/25

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SCV Water Expense Detail By Account						
53140 - M&R Treatment Plants and Intake Pump Stations	160,000	99,647	350,000	118.8%	350,000	0.0%
53202 - Legal General	1,110,000	650,401	700,000	-36.9%	725,000	3.6%
53204 - Litigation Perchlorate	2,000,000	1,050,644	200,000	-90.0%	500,000	150.0%
53205 - Litigation Other	200,000	28	200,000	0.0%	200,000	0.0%
53210 - Professional Services Accounting	111,000	105,000	119,000	7.2%	128,000	7.6%
53212 - Licenses & Fees	206,000	90,000	95,000	-53.9%	97,000	2.1%
53213 - Office Storage and Rent/HOA Dues	150,000	121,069	150,000	0.0%	155,000	3.3%
53214 - Technology Services	4,503,129	3,967,355	5,777,315	28.3%	6,154,768	6.5%
53215 - Recruitment Expenses	51,000	80,193	75,000	47.1%	75,000	0.0%
53216 - Security & Alarm Services	-	(0)	193,000	100.0%	200,700	4.0%
53218 - Printing & Publications	47,100	9,085	25,000	-46.9%	17,000	-32.0%
53219 - BMP Implementation	2,535,860	2,050,000	2,610,000	2.9%	2,690,000	3.1%
53222 - Public Affairs & Partnerships	110,000	70,000	105,000	-4.5%	105,000	0.0%
53223 - Public Outreach Consultants	120,000	120,000	100,000	-16.7%	100,000	0.0%
53226 - Engineering Consulting	2,810,000	560,473	2,059,456	-26.7%	1,000,000	-51.4%
53228 - Pipe Inspection Program Services	175,000	16,720	200,000	14.3%	210,000	5.0%
53229 - Hazardous Waste Disposal	255,000	570	25,000	-90.2%	25,000	0.0%
53232 - Tools & Equipment Rental	75,000	22,838	75,000	0.0%	75,000	0.0%
53236 - Professional Services - Other	2,442,017	1,336,654	2,910,488	19.2%	2,769,968	-4.8%
53239 - Other - Misc Permits	100,000	76,290	125,000	25.0%	125,000	0.0%
53241 - Temporary Personnel Services	546,000	182,356	395,000	-27.7%	388,100	-1.7%
53242 - Legislative Advocate Services	350,000	284,862	350,000	0.0%	315,000	-10.0%
53243 - Groundwater Sustainability Agency	450,000	577,500	909,000	102.0%	794,000	-12.7%
53244 - Website Online Presence	61,000	61,000	52,000	-14.8%	52,000	0.0%
53245 - Campaigns & Messaging	100,000	60,000	100,000	0.0%	100,000	0.0%
53246 - Regulatory Fees	365,000	534,194	565,000	54.8%	615,000	8.8%
53301 - Uncollectible Accounts	150,000	115,197	175,000	16.7%	175,000	0.0%
53303 - Amortization Expense	-	22,738	-	0.0%	-	0.0%
53304 - Dues & Memberships	120,000	133,300	153,000	27.5%	155,000	1.3%
53329 - Other General Expenses	135,000	135,000	140,000	3.7%	145,000	3.6%
54300 - DD Variable DWR Charges	100,000	100,000	100,000	0.0%	100,000	0.0%
54310 - Refuse Disposal	40,000	59,856	68,000	70.0%	70,000	2.9%
54401 - Electricity - Wells, Pump Stations, and Potable Water Facilities	7,500,000	8,779,676	9,000,000	20.0%	9,500,000	5.6%
54402 - Electricity - Treatment Plant & Intake Pump Stations	1,000,000	1,800,000	1,000,000	0.0%	1,000,000	0.0%
54405 - Electricity - Sewer Lift Station	20,000	11,390	30,000	50.0%	30,000	0.0%
54407 - Electricity - Recycled Water Pump Stations & Facilities	70,000	53,316	90,000	28.6%	110,000	22.2%
54408 - Electricity - Other	250,000	209,799	250,000	0.0%	257,000	2.8%
54415 - Natural Gas	30,000	48,248	50,000	66.7%	50,000	0.0%
54426 - Recycled Water Purchase	335,000	17,669	108,816	-67.5%	121,181	11.4%
55200 - Retiree Med/Dental Insurance	808,792	827,500	914,251	13.0%	955,934	4.6%
55205 - Unemployment Insurance	63,000	49,808	55,000	-12.7%	55,000	0.0%
55215 - Liability Insurance	2,282,000	1,251,086	2,600,000	13.9%	2,800,000	7.7%
55501 - Core Water Supplies	8,200,000	8,200,000	8,600,000	4.9%	9,011,000	4.8%
55502 - Firming Programs	4,000,000	2,300,000	2,400,000	-40.0%	2,500,000	4.2%
57501 - Real Property Taxes	90,000	5,860	3,200	-96.4%	3,400	6.3%
58030 - Overhead Allocated to Projects	-	(1,378,191)	-	0.0%	-	0.0%
58101 - Lease Clearing (GASB 87)	-	(8,308)	-	0.0%	-	0.0%
59001 - Transfer Out	-	324,302	-	0.0%	-	0.0%
56020 - Capital/Other	21,186,966	20,551,257	18,099,530	-14.6%	15,757,834	-12.9%
Debt Service	33,214,071	33,214,071	37,540,749	13.0%	37,685,430	0.4%
SCV Water Expense Detail by Account	148,462,098	138,090,501	155,478,860	4.7%	159,004,262	2.3%

**SCV WATER - OPERATING EXPENSE
MANAGEMENT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ 519,756	\$ 493,932	\$ 555,338	7%	\$ 566,715	2%
OVERTIME	2,708	249	580	-79%	564	-3%
BENEFITS	389,916	255,753	409,902	5%	419,771	2%
51301 - Election	550,000	550,000	-	-100%	800,000	0%
51326 - Directors Compensation	236,160	344,421	271,026	15%	271,026	0%
51327 - Directors Expenses	70,000	20,645	76,000	9%	76,000	0%
51328 - Directors Travel	40,000	7,954	50,000	25%	55,000	10%
51329 - Directors Training	35,000	10,258	52,000	49%	52,000	0%
51505 - Employee Expense	8,000	5,814	11,200	40%	11,200	0%
51515 - Employee Travel	5,000	1,438	10,000	100%	10,000	0%
53101 - Employee Education/Seminars	6,000	2,648	8,000	33%	8,000	0%
53202 - Legal General	1,110,000	650,401	700,000	-37%	725,000	4%
53204 - Litigation Perchlorate	2,000,000	1,050,644	200,000	-90%	500,000	150%
53205 - Litigation Other	200,000	28	200,000	0%	200,000	0%
53236 - Professional Services - Other	200,000	145,840	200,000	0%	200,000	0%
53241 - Temporary Personnel Services	-	-	-	0%	-	0%
53242 - Legislative Advocate Services	350,000	284,862	350,000	0%	315,000	-10%
Total Management	\$ 5,722,541	\$ 3,824,886	\$ 3,094,046	-46%	\$ 4,210,276	36.1%

(1) Changes of more than 10% and \$20,000

(a) Potential Director stipend increase and increase of meeting attendance due to lifting of COVID restrictions

**SCV WATER - OPERATING EXPENSE
FINANCE, ADMINISTRATION and IT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 5,285,656	\$ 5,333,745	\$ 6,295,248	19%	\$ 6,853,472	9%	(a)
OVERTIME	57,866	169,845	128,743	122%	124,384	-3%	(b)
BENEFITS	2,272,824	2,149,611	2,612,821	15%	2,807,117	7%	(c)
51505 - Employee Expense	51,150	44,104	68,925	35%	72,031	5%	
51515 - Employee Travel	23,800	8,722	36,575	54%	39,971	9%	
52010 - Supplies & Services	420,000	236,633	328,000	-22%	353,000	8%	
52085 - Small Tools, Materials and Supplies	150,000	100,000	150,000	0%	155,000	3%	
52651 - Fuel	576,500	583,008	550,000	-5%	550,000	0%	
52654 - M&R - Vehicles & Equipment	824,000	1,325,001	700,000	-15%	700,000	0%	
53101 - Employee Education/Seminars	96,900	70,843	137,300	42%	131,200	-4%	(d)
53104 - Uniforms & Apparel	106,700	125,000	140,000	31%	150,000	7%	(e)
53105 - Outside Service/Contracting	1,005,000	771,481	1,170,000	16%	1,380,000	18%	(f)
53210 - Professional Services Accounting	111,000	105,000	119,000	7%	128,000	8%	
53212 - Licenses & Fees	206,000	90,000	95,000	-54%	97,000	2%	
53213 - Office Storage and Rent/HOA Dues	150,000	121,069	150,000	0%	155,000	3%	
53214 - Technology Services	4,503,129	3,967,355	5,777,315	28%	6,154,768	7%	(g)
53215 - Recruitment Expenses	51,000	80,193	75,000	47%	75,000	0%	(h)
53216 - Security & Alarm Services	-	0	193,000	100%	200,700	4%	(i)
53218 - Printing & Publications	15,000	85	10,000	-33%	2,000	-80%	
53228 - Pipe Inspection Program Services	175,000	16,720	200,000	14%	210,000	5%	(j)
53236 - Professional Services - Other	600,000	332,341	600,000	0%	800,000	100%	(k)
53241 - Temporary Personnel Services	255,000	40,000	197,000	-23%	193,100	-2%	
53304 - Dues & Memberships	120,000	134,890	153,000	28%	155,000	1%	(l)
53329 - Other General Expenses	135,000	135,211	140,000	4%	145,000	4%	
54310 - Refuse Disposal	40,000	59,856	68,000	70%	70,000	3%	(m)
54408 - Electricity - Other	250,000	209,799	250,000	0%	257,000	3%	
55200 - Retiree Med/Dental Insurance	808,792	827,500	914,251	13%	955,934	5%	(n)
55205 - Unemployment Insurance	63,000	49,808	55,000	-13%	55,000	0%	
55215 - Liability Insurance	2,282,000	1,258,164	2,600,000	14%	2,800,000	8%	(o)
57501 - Real Property Taxes	90,000	5,860	3,200	-96%	3,400	6%	
Total Finance, Administration and IT	\$ 20,725,318	\$ 18,351,844	\$ 23,917,379	15%	\$ 25,773,077	7.8%	

(1) Changes of more than 10% and \$20,000

- (a) Additional department positions, COLA increases, and merit increases
- (b) Overtime increased due to hybrid meetings, on-call overtime for Technology Services and Buildings and Grounds
- (c) Increase to burden and benefits for additional staff, health premium increase
- (d) Increase in employee expenses, travel, and education/seminars due to lift of COVID restrictions and increase with in-person conferences and meetings
- (e) Uniform contract and apparel
- (f) Yard and facility maintenance, new landscaping services, additional security patrol
- (g) Increase due to expansion of applications used by CCare, and anticipated maintenance for Agency-wide Camera system
- (h) Increase to recruitment expense due to additional positions and internship program
- (i) Additional security services to seven locations throughout the agency, increase security services for after hour meetings and additional alarm services to buildings
- (j) Ongoing Pipe inspection services
- (k) WIFIA application and consultant costs, Ratepayer Advocate, Studies, Investment Services Fees
- (l) Centralizing Dues & Memberships under one department
- (m) Price adjustments to services, services to new location(s), and increase in cost of fuel
- (n) Additional retirees and health premium increase
- (o) Anticipated premium increase of 14%

**SCV WATER - OPERATING EXPENSE
CUSTOMER CARE
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 1,053,582	\$ 994,195	\$ 1,182,230	12%	\$ 1,239,035	5%	(a)
OVERTIME	4,389	43,538	26,377	501%	25,623	-3%	(b)
BENEFITS	459,213	464,725	508,107	11%	527,243	4%	(c)
51505 - Employee Expense	1,500	2,604	1,500	0%	1,500	0%	
51515 - Employee Travel	1,500	695	4,500	200%	4,500	0%	
53101 - Employee Education/Seminars	10,500	12,502	10,500	0%	10,500	0%	
53105 - Outside Service/Contracting	1,110,000	1,051,676	1,140,000	3%	1,140,000	0%	
53241 - Temporary Personnel Services	20,000	90,663	20,000	0%	20,000	0%	
53301 - Uncollectible Accounts	150,000	115,197	175,000	17%	175,000	0%	(d)
Total Customer Care	\$ 2,810,685	\$ 2,775,795	\$ 3,068,214	9%	\$ 3,143,402	2.5%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Increase in overtime due to new software implementations and staff participation in community events
- (c) Burden and benefit, health premium increases
- (d) Customer accounts - bad debt write-offs

**SCV WATER - OPERATING EXPENSE
TRANSMISSION and DISTRIBUTION
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 3,013,315	\$ 3,468,989	\$ 3,485,200	16%	\$ 3,665,771	5%	(a)
OVERTIME	315,409	839,521	528,562	68%	513,307	-3%	(b)
BENEFITS	1,521,141	1,603,101	1,702,815	12%	1,763,089	4%	(c)
51505 - Employee Expense	10,000	12,530	20,000	100%	20,000	0%	
51515 - Employee Travel	15,000	358	15,000	0%	15,000	0%	
52085 - Small Tools, Materials and Supplies	245,000	157,777	245,000	0%	245,000	0%	
53101 - Employee Education/Seminars	30,000	1,200	30,000	0%	30,000	0%	
53120 - M&R Surface Restoration	1,800,000	1,118,498	1,800,000	0%	1,800,000	0%	
53122 - M&R - Mains	900,000	1,146,840	900,000	0%	900,000	0%	
53124 - M&R - Hydrants	185,000	269,083	250,000	35%	250,000	0%	(d)
53126 - M&R Meters	610,000	329,248	500,000	-18%	500,000	0%	
53135 - M&R - Mains & Services - Recycled Wat	200,000	7,585	200,000	0%	200,000	0%	
53136 - M&R - Valves	300,000	39,259	300,000	0%	300,000	0%	
53137 - M&R - Control Valves	200,000	310,578	250,000	25%	250,000	0%	(d)
53138 - M&R - Air Vac / Blow Offs	100,000	119,064	100,000	0%	100,000	0%	
53139 - M&R - Warehouse & Yard	180,000	54,847	50,000	-72%	50,000	0%	
53229 - Hazardous Waste Disposal	255,000	570	-	-100%	-	0%	
53232 - Tools & Equipment Rental	75,000	22,838	75,000	0%	75,000	0%	
53239 - Other - Misc Permits	100,000	76,290	125,000	25%	125,000	0%	(e)
53241 - Temporary Personnel Services	75,000	-	85,000	13%	85,000	0%	
54415 - Natural Gas	30,000	48,248	50,000	67%	50,000	0%	(f)
Total Transmission and Distribution	\$ 10,599,865	\$ 9,893,411	\$ 11,151,577	5%	\$ 11,377,167	2.0%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Overtime increased due to main and service leak repairs and on-call overtime
- (c) Increase to burden and benefits, health premium increase
- (d) Additional planned maintenance
- (e) Increase to regulatory permits
- (f) Increase to So Cal Gas rates

**SCV WATER - OPERATING EXPENSE
PUMPING, WELLS and STORAGE
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 1,861,312	\$ 1,918,916	\$ 2,153,716	16%	\$ 2,241,426	4%	(a)
OVERTIME	217,158	373,057	289,133	33%	278,044	-4%	(b)
51505 - Employee Expense	5,000	884	7,000	40%	7,000	0%	
51515 - Employee Travel	5,000	1,505	7,000	40%	7,000	0%	
52085 - Small Tools, Materials and Supplies	50,000	83,484	100,000	100%	100,000	0%	(c)
53101 - Employee Education/Seminars	25,000	5,127	25,000	0%	25,000	0%	
53105 - Outside Service/Contracting	200,000	256,496	400,000	100%	425,000	6%	(d)
53121 - M&R - Storage - Potable Water	180,000	58,506	180,000	0%	200,000	11%	
53127 - M&R - Wells and Structures	150,000	285,274	200,000	33%	250,000	25%	(e)
53128 - M&R - Pumping Stations & Structures - Potable Water	200,000	153,062	225,000	13%	250,000	11%	(e)
53129 - M&R - Sewer Lift Station & Structures	45,000	1,086	60,000	33%	60,000	0%	
53130 - M&R - Equipment Water Treatment	65,000	90,457	100,000	54%	125,000	25%	(e)
53131 - M&R - Pumping Equipment & Structures - Recycled Water	30,000	-	30,000	0%	30,000	0%	
53132 - M&R - Storage - Recycled Water	20,000	-	75,000	275%	20,000	-73%	(f)
53133 - M&R - Groundwater PFAS Treatment	1,810,000	1,535,461	2,000,000	10%	2,500,000	25%	
53134 - M&R - Groundwater Perchlorate Treatment	1,554,785	343,427	1,554,785	0%	1,554,785	0%	
54401 - Electricity - Wells, Pump Stations, and Potable Water Facilities	7,500,000	8,779,676	9,000,000	20%	9,500,000	6%	(g)
54404 - Electricity - Treatment Wells	-	-	-	0%	-	0%	
54405 - Electricity - Sewer Lift Station	20,000	11,390	30,000	50%	30,000	0%	
54407 - Electricity - Recycled Water Pump Stations & Facilities	70,000	53,316	90,000	29%	110,000	22%	
Total Pumping Wells and Storage	\$ 14,959,138	\$ 14,863,153	\$ 17,540,767	17%	\$ 18,763,365	7.0%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases
- (b) Overtime increased due to facility repairs and on-call overtime
- (c) Increased cost to tools, speciality tools
- (d) Increased due to panel cleaning and miscellaneous improvements
- (e) Parts and material costs increases, and additional planned maintenance
- (f) Additional facilities coming online
- (g) Edison rate increases and contingency for reduced solar offsets

**SCV WATER - OPERATING EXPENSE
WATER RESOURCES
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 2,842,424	\$ 2,545,027	\$ 3,372,391	19%	\$ 3,861,845	15%	(a)
OVERTIME	1,065	8,647	13,709	1187%	13,320	-3%	(b)
BENEFITS	950,111	828,992	1,003,828	6%	1,185,987	18%	(c)
51505 - Employee Expense	54,755	24,741	66,900	22%	69,200	3%	
51515 - Employee Travel	55,960	22,725	71,500	28%	59,600	-17%	
52010 - Supplies & Services	127,500	99,000	115,000	-10%	115,000	0%	
52024 - Internal Relations	86,600	86,012	120,000	39%	120,000	0%	(d)
52030 - DD Landowner Expenditures	176,500	200,000	300,000	70%	300,000	0%	(e)
53101 - Employee Education/Seminars	34,500	24,000	45,800	33%	47,700	4%	
53105 - Outside Service/Contracting	-	-	115,000	100%	120,000	4%	(f)
53218 - Printing & Publications	32,100	9,000	15,000	-53%	15,000	0%	
53219 - BMP Implementation	2,535,860	2,050,000	2,610,000	3%	2,690,000	3%	
53222 - Public Affairs & Partnerships	110,000	70,000	105,000	-5%	105,000	0%	
53223 - Public Outreach Consultants	120,000	120,000	100,000	-17%	100,000	0%	
53236 - Professional Services - Other	1,642,017	858,473	2,110,488	29%	1,769,968	-16%	(g)
53241 - Temporary Personnel Services	104,000	51,693	55,000	-47%	60,000	9%	
53243 - Groundwater Sustainability Agency	450,000	577,500	909,000	102%	794,000	-13%	(h)
53244 - Website Online Presence	61,000	61,000	52,000	-15%	52,000	0%	
53245 - Campaigns & Messaging	100,000	60,000	100,000	0%	100,000	0%	
54300 - DD Variable DWR Charges	100,000	100,000	100,000	0%	100,000	0%	
Total Water Resources	\$ 9,584,392	\$ 7,813,278	\$ 11,380,616	19%	\$ 11,678,620	2.6%	

(1) Changes of more than 10% and \$20,000

- (a) Additional department positions, COLA increases, and merit increases
- (b) Increase in overtime due to new conservation program implementation and staff participation in community events
- (c) Increase in attending in-person conferences and meetings
- (d) Reflects added efforts in employee relations and morale; with monthly team building activities
- (e) Increase due to anticipated legal expenses re-name/title change to SCVWA and anticipated maintenance & water quality analysis
- (f) Solar corrective, and continued maintenance
- (g) Work deferred from FY 2022/23, includes planning components for Conservation Long-term Framework and Sustainability initiatives
- (h) Includes 15% budget contingency and initiation of new grant funded work (if grant is awarded); and the need to replace field equipment.

**SCV WATER - OPERATING EXPENSE
SOURCE OF SUPPLY
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ -	\$ -	\$ -	0%	\$ -	0%
OVERTIME	-	-	-	0%	-	0%
BENEFITS	-	-	-	0%	-	0%
54426 - Recycled Water Purchase	335,000	17,669	108,816	-68%	121,181	11%
55501 - Core Water Supplies	8,200,000	8,200,000	8,600,000	5%	9,011,000	5%
55502 - Firing Programs	4,000,000	2,300,000	2,400,000	-40%	2,500,000	4%
Total Source of Supply	\$ 12,535,000	\$ 10,517,669	\$ 11,108,816	-11%	\$ 11,632,181	4.7%

(1) Changes of more than 10% and \$20,000

**SCV WATER - OPERATING EXPENSE
ENGINEERING
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
SALARY	\$ 1,718,737	\$ 2,202,142	\$ 1,637,048	-5%	\$ 1,836,331	12%
OVERTIME	7,689	14,636	5,974	-22%	5,877	-2%
BENEFITS	678,185	935,806	642,424	-5%	710,867	11%
51505 - Employee Expense	28,400	22,086	40,100	41%	42,000	5%
51515 - Employee Travel	16,050	6,489	23,000	43%	24,150	5%
52085 - Small Tools, Materials and Supplies	30,300	14,958	20,000	-34%	21,000	5%
53101 - Employee Education/Seminars	43,000	28,085	56,000	30%	58,800	5%
53226 - Engineering Consulting	2,810,000	560,473	2,059,456	-27%	1,000,000	-51%
53241 - Temporary Personnel Services	10,000	-	-	-100%	-	0%
Total Engineering Services Expenses	\$ 5,342,361	\$ 3,784,674	\$ 4,484,004	-16%	\$ 3,699,025	-17.5%

(1)

(1) Changes of more than 10% and \$20,000

**SCV WATER - OPERATING EXPENSE
WATER QUALITY and TREATMENT
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24	(1)
SALARY	\$ 4,117,970	\$ 4,170,189	\$ 4,929,031	20%	\$ 5,334,946	8%	(a)
OVERTIME	126,957	436,751	331,979	161%	319,050	-4%	(b)
BENEFITS	1,877,833	1,876,260	2,246,655	20%	2,405,788	7%	(c)
51505 - Employee Expense	33,500	18,993	40,500	21%	41,100	1%	(d)
51515 - Employee Travel	22,000	4,380	27,500	25%	28,000	2%	(d)
52005 - Safety Training & Expense	300,000	367,184	326,000	9%	336,000	3%	
52006 - Safety Emergency Supplies	-	-	75,000	100%	75,000	0%	(e)
52010 - Supplies & Services	-	97	-	0%	-	0%	
52050 - Analytical Supplies	305,000	320,649	365,000	20%	400,000	10%	(f)
52085 - Small Tools, Materials and Supplies	245,000	454,758	120,000	-51%	120,000	0%	
52605 - Gases	5,000	6,826	5,000	0%	5,000	0%	
52611 - Chemicals	2,307,000	1,695,881	2,625,000	14%	3,125,000	19%	(g)
53101 - Employee Education/Seminars	49,500	17,814	48,500	-2%	49,000	1%	
53105 - Outside Service/Contracting	785,000	696,839	975,000	24%	1,025,000	5%	(h)
53140 - M&R Treatment Plants and Intake Pump Stations	160,000	99,647	350,000	119%	350,000	0%	(i)
53229 - Hazardous Waste Disposal	-	-	25,000	0%	25,000	0%	(j)
53241 - Temporary Personnel Services	82,000	-	38,000	-54%	30,000	-21%	
53246 - Regulatory Fees	365,000	534,194	565,000	55%	615,000	9%	(k)
54402 - Electricity - Treatment Plant & Intake Pump Stations	1,000,000	1,800,000	1,000,000	0%	1,000,000	0%	
Total Water Quality, Treatment and Maintenance	\$ 11,781,761	\$ 12,500,464	\$ 14,093,165	20%	\$ 15,283,884	8.4%	

(1) Changes of more than 10% and \$20,000

- (a) COLA and merit increases, distribution of positions
- (b) Overtime increased due to facility repairs and on-call overtime
- (c) Increase to burden and benefits, health premium increase
- (d) Increase in attending in-person meetings conferences
- (e) Moved from Transmission & Distribution Department
- (f) Cost of analytical supplies have increased. We will also be sampling more facilities
- (g) Chemical costs have increased significantly. We will have more disinfection facilities brought online
- (h) Increased lab costs, lead service line inventory requires additional consulting costs, compliance with UCMR5 monitoring and cost for vendor to print and mail backflow
- (i) Anticipated price increases
- (j) Allocate funds for hazardous waste supplies and disposal fees to Safety as we schedule pickups, order supplies, and maintain manifests for regulatory reporting
- (k) Increased permit fees and more permits for recycled water. Also, recycled water review by regulators included

**SCV WATER - OPERATING EXPENSE
SALARY and BENEFITS
FY 2023/24 and FY 2024/25**

	ADOPTED BUDGET FY 2022/23	PROJECTED 06/30/2023 FY 2022/23	PROPOSED BUDGET FY 2023/24	% Change Over FY 2022/23	PROPOSED BUDGET FY 2024/25	% Change Over FY 2023/24
DEPARTMENT						
Management						
Salary	\$ 519,756	\$ 493,932	\$ 555,338	7%	\$ 566,715	2%
Overtime	2,708	249	580	-79%	564	-3%
Burden & Benefits*	389,916	255,753	409,902	5%	419,771	2%
Finance, Administration and IT						
Salary	5,285,656	5,333,745	6,295,248	19%	6,853,472	9%
Overtime	57,866	169,845	128,743	122%	124,384	-3%
Burden & Benefits	2,272,824	2,149,611	2,612,821	15%	2,807,117	7%
Customer Care						
Salary	1,053,582	994,195	1,182,230	12%	1,239,035	5%
Overtime	4,389	43,538	26,377	501%	25,623	-3%
Burden & Benefits	459,213	464,725	508,107	11%	527,243	4%
Transmission and Distribution						
Salary	3,013,315	3,468,989	3,485,200	16%	3,665,771	5%
Overtime	315,409	839,521	528,562	68%	513,307	-3%
Burden & Benefits	1,521,141	1,603,101	1,702,815	12%	1,763,089	4%
Pumping Wells and Storage						
Salary	1,861,312	1,918,916	2,153,716	16%	2,241,426	4%
Overtime	217,158	373,057	289,133	33%	278,044	-4%
Burden & Benefits	950,882	912,029	1,014,132	7%	1,050,111	4%
Water Resources						
Salary	2,842,424	2,545,027	3,372,391	19%	3,861,845	15%
Overtime	1,065	8,647	13,709	1187%	13,320	-3%
Burden & Benefits	950,111	828,992	1,003,828	6%	1,185,987	18%
Source of Supply						
Salary	-	-	-	0%	-	0%
Overtime	-	-	-	0%	-	0%
Burden & Benefits	-	-	-	0%	-	0%
Water Quality, Treatment & Maintenance						
Salary	4,117,970	4,170,189	4,929,031	20%	5,334,946	8%
Overtime	126,957	431,849	331,979	161%	319,050	-4%
Burden & Benefits	1,877,833	1,876,260	2,246,655	20%	2,405,788	7%
Engineering Services						
Salary	1,718,737	2,202,142	1,637,048	-5%	1,836,331	12%
Overtime	7,689	14,636	5,974	-22%	5,877	-2%
Burden & Benefits	678,185	935,806	642,424	-5%	710,867	11%
Total						
Salary	20,412,753	21,127,135	23,610,203	16%	25,599,541	8%
Overtime	733,243	1,881,341	1,325,057	81%	1,280,169	-3%
Burden & Benefits	9,100,106	9,026,277	10,140,685	11%	10,869,972	7%
Total Personnel Costs	\$ 30,246,103	\$ 32,034,753	\$ 35,075,945	16%	\$ 37,749,682	7.6%
Burden & Benefits as a % of Salary	43.28%	39.23%	40.59%		40.36%	

* In FY 2023/24 and FY 2024/25 Budget, Director Benefits have been allocated to the Burden and Benefit section of the Management Department

Salary Charged to CIP	4,144,027	3,824,215	4,010,580
Burden & Benefits Charged to CIP	1,845,100	1,534,050	1,596,070
Total Salary, Benefits incl CIP	36,235,229	40,434,211	43,356,332

SCV WATER LONG-TERM FINANCIAL PLAN FY 2023/24 – 2032/33

OVERVIEW

1. Executive Summary

A long-term financial plan (LTFP or Plan) is not a static, one-time document, but represents a process where the Board and Management review financial strategies to help achieve the Agency’s overall Strategic Plan. The objective of this LTFP for the Fiscal Year (FY) commencing 2023/24 through FY 2032/33 represents an updated look at individual financial strategies for SCV Water, as well as a look at the Agency as a whole and serves as the basis for future analysis and decision making. Since the merger on January 1, 2018, the Agency has undergone significant changes in operations, which may have substantial and foreseeable financial impacts. The intent of this document is to develop and implement an LTFP through a process that emphasizes transparency, accountability and feasibility. The LTFP helps identify potential financial issues and risks.

This plan is to ensure that SCV Water is financially sustainable in the short-to-medium-term (1-5 years) and beyond, with the ability to provide at least the current level of services over the ten (10) years of the plan and achieve the goals as stated in its 2019 Strategic Plan. Based on the decisions and guidance provided by the Board, the LTFP is a rolling “look-ahead” to help identify priorities and focus. To this end, the Agency will annually review its LTFP using the latest available financial and service level data and cost indices, and incorporate all known future projects and variations to ensure that a realistic forecast is presented.

2. Overview

This LTFP continues to build upon current practices and incorporates recent long-term planning efforts including the Agency’s Strategic Plan, the 2020 Urban Water Management Plan (UWMP) process, the Integrated Regional Water Management Plan (IRWMP), the 2019 Facility Capacity Fee study, the Santa Clarita Valley Water Use Efficiency Strategic Plan (SCVWUESP) and the adopted 2021 Cost-of-Service and Rate Study.

Past Budgets and LTFPs have been significantly influenced by long-term drought and water supply conditions, as well as state mandates for major reductions in per capita water use. Looking back, FY 2022/23 was a “wet” year and provided some relief, but it is a short-lived situation. Long-term drought and water supply conditions will continue to be influenced by various mandates, regulations and climate change. Current and future Budgets and LTFPs will be heavily influenced by the Agency’s ability to finance the major capital improvement program to maintain water supply reliability.

This LTFP is separate from the Agency’s Strategic Plan and its objectives, goals and action items. This plan is intended to discuss financial strategies to achieve the Agency’s Strategic

Plan, as well as respond to challenges and opportunities presented by economic, demographic, regulatory, political and environmental conditions.

The LTFP is not intended to address every fiscal issue, but to identify high priority fiscal programs and strategies to be monitored so that the Agency is positioned to address them at the appropriate time. The LTFP is a companion piece to the Budget line items, which include estimates for the near-term. The LTFP addresses broader, more strategic issues that will impact the forecast over time. None of these issues can be definitively answered nor fully addressed now. However, ongoing review of the LTFP will help keep the Agency focused on high priority financial issues.

Year 1 and Year 2 are the third and fourth years of the Retail Rate Study and serve as the baseline. From Years 3–10 of the LTFP, revenue adjustments revert to a number of assumptions ranging from 1% to 8% annually. While maintaining and renewing existing assets at a safe and functional standard to meet community needs and expectations, water sales revenue is vital for the delivery of the Agency’s current services over the next 10 years and beyond.

The Agency’s 10-year water revenue forecasts are explained in detail later in this Plan. The actual increase payable by any individual ratepayer may be more or less than the forecasted water sales revenue increase, depending on the customer’s demand. Other sources of income remain flat or increase slightly based on property values and investment returns. The Agency will continue to seek grants to offset expenditures.

Continuing with the increased focus on renewal of existing assets, the Agency, from Year 1 to Year 5, is proposing to allocate approximately \$468.7 million in debt-funded capital projects and \$187.9 million of pay-as-you-go (“Pay-Go”) projects. In order to complete the capital projects as proposed, the Agency is expecting that its application with the Environmental Protection Agency’s (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) will be approved and the Agency will also need to complete a cost-of-service and rate study, with changes from that study becoming effective July 2025. Individual projects will be determined by the Engineering and Operations Departments and are subject to final approval by the Board of Directors. Based on the proposed revenue and expenditure forecasts in the LTFP, the Agency will achieve a balanced Plan to ensure availability of funds to meet asset renewal targets. Several debt issuances are forecast in this Plan in order to meet the Agency’s capital needs. Any proposal in the future to borrow for specific purposes will be evaluated using the LTFP model prior to any decision being made.

3. Key Challenges and Opportunities

The key challenges and opportunities facing the Agency regarding its long-term financial position are:

- Diversity and certainty of revenues ensuring ongoing financial sustainability of the Agency
- Meeting ongoing expectations of our customers for a safe and reliable water supply at a fair cost to the customer
- Managing water conservation and water-use efficiency
- Maximizing funding for renewal and replacement of aging assets in line with improved asset management principles and practices
- Managing political and legislative changes and their financial impact
- Recycled water program and groundwater management
- Minimizing the impact of economic instability

- Monitoring impact of decisions made outside the Plan
- Facility Capacity/Connection Fees (FCF)
- The use of debt to leverage funding for asset renewal and the Capital Improvement Program (CIP)
- Review of operations to reduce expenditure, increase efficiency, effectiveness and ratepayer transparency
- Use of technology to reduce costs and increase productivity, efficiency and effectiveness

4. Planning Framework

The financial basis of this Plan is consistent with the audited Annual Financial Statements from June 30, 2022 and the FY 2023/24 and FY 2024/25 Biennial Budget. The LTFP forecasts have been based on the FY 2023/24 Budget along with strategic financial policies and a set of assumptions necessary, given the high level of this Plan and the long-term nature of all forecasts proposed.

Once adopted, the LTFP is then primarily used as a tool to establish and communicate the Agency’s general financial direction over the long-term. It is also used to assist in the assessment of the Agency’s current financial position in conjunction with its FCF study and Biennial Budget preparation, together with ongoing semi-annual budget reviews.

This is intended to be a “live” document requiring adjustment and assessment as the Agency makes financial decisions that may impact its long-term financial position. The Agency will review this Plan annually, post an audit of its financial statements in conjunction with the development of its Budget. Other updates will be made when considered necessary.

The Agency’s FCF study and Budget will be prepared on the basis of an LTFP, taking into account new information at hand regarding economic, political and water reliability factors at the time of preparation. The LTFP is prepared using a number of assumptions (starting on page 7), especially with regard to projected water sale revenues, property taxes, fees, charges, grants, debt, and future operational and capital expenditure requirements. Given the long-term nature of this Plan and forecasts derived from an estimate of future demand, it should be noted that actual results are likely to vary from the information contained in this Plan. Some of these variations, as a result of Agency decisions or changes to regulations, could be material.

The accuracy of predictions over the long-term becomes less certain. The FCF study is updated periodically for its major capital assets to assist in determining the funding impact of maintaining and replacing assets when required. These projections are based on current understanding of asset management needs over the life of this Plan and ensure that assets are constructed and maintained to meet ratepayer needs within the funding available, all while keeping water rates at a reasonable cost. The Plan relies on debt issuances to fund major capital projects, and is a strategic tool to be used for the acquisition of new assets and upgrading or renewal of existing assets.

Ideally, the Agency should collect enough operating revenues to cover all operating expenditures, including the portion of debt services funded by water rates and Pay-Go capital on an annual basis. This means it has a positive or balanced budget, and ratepayers in that year are paying for all resources consumed. However, mindful of the ratepayer’s ability to pay – hence in order to avoid excessive rate increases – the Agency has planned to reach a positive or balanced budget over the rate-setting period. Operating deficits are not sustainable

or equitable in the long-term, as they result in costs incurred by current ratepayers being paid for by future ratepayers. The LTFP forecasts are presented in summary.

Water Supply Reliability

The Agency's service area has a diversified water supply portfolio. The alluvium aquifer and Saugus Formation provide approximately 40% of the current supplies during a normal year. Imported supplies are primarily comprised of State Water Project (SWP), which are funded from a separated ad valorem tax, and purchased Buena Vista/Rosedale-Rio Bravo water. SWP supplies are subject to significant near-term variations due to hydrology and are subject to a general longer-term decline due to climate change and regulatory decisions. To a lesser degree, alluvium supplies can be impacted by dry hydrology. To deal with hydrologic variations, the Agency has made significant investments in water banking programs with Semitropic and Rosedale-Rio Bravo water storage districts. In addition, the Agency is planning the installation of two dry-year wells to increase pumping capacity in the Saugus Formation. These wells, along with installation of treatment at Valencia Water Division's Well V-201, will make significant additional Saugus water available during dry periods.

The Agency's service area is over 60% built out. While the impact of new development will be mitigated by increases in water-use efficiency, most of this new demand will be met by existing supplies not required for current residents, as well as the repurposing of agricultural supplies into urban supplies and significant increases in the use of recycled water. A great deal of the demand for the Newhall Ranch project and the other planned Westside communities will be met by a reduction in agricultural pumping on Newhall Land's current operations. These and other factors are addressed in the 2020 Urban Water Management Plan update.

Looking forward, the Agency will have to manage its supplies in an environment of increasing fiscal and regulatory uncertainty, some of which is identified below and some that is currently unknown and not included in this Plan. Water supply reliability items to be monitored include: Recycled Water, Groundwater Management, State Water Project and the Delta Conveyance Project.

Banking Programs

The Agency currently participates in two long-term banking programs, the Rosedale-Rio Bravo Exchange program (RRB) and the Semitropic Stored Water Recovery Unit (SWRU). The Agency is also currently participating in two exchange programs.

The Agency has funded the capital costs for the existing programs but will incur significant costs for future withdrawals from the programs, as well as for the development of emergency storage within the Agency's service area. Funding sources have not been identified for these programs.

The Agency can currently extract approximately 15,000 – 25,000 acre-feet per year (AFY) from banking programs, of which 5,000 comes from the SWRU program. In 2019, the Agency completed a major capital project to increase the extraction capacity at RRB by 7,000 AFY for an interim total of 10,000 AFY, at an estimated cost of \$6.7 million. The 2020 UWMP identifies additional capital investments to occur before 2033 to increase the extraction capacity by an additional 10,000 AFY. This is estimated to cost approximately \$13 million in current dollars.

5. Measuring Financial Sustainability

The LTFP identifies financial indicators that allow assessment of the Agency's long-term financial performance, position and eventually long-term financial sustainability. The assumptions forecast over the life of the Plan are based on expected trend and projections.

The expectation of the Plan is to achieve a positive or balanced budget over the term of the Plan, with the aim of building a solid foundation beyond Year 10 (FY 2032/33), and to minimize the impact of any risks and uncertainty while maintaining current levels of service without excessive rate increases.

6. Key Assumptions and Influences

The Plan is based on a “business as usual” model, including any impacts of the completed cost-of-service study. Based on the most recent 2020 UWMP results for the Agency’s service area, it has been assumed that demand in the area will increase by approximately 10.8% by the end of Year 10 (FY 2032/33). Influences that impact this Plan are listed below. A number of assumptions have been made for these influences and are detailed later in the Plan. The influences are as follows:

- Cost of water
- Diversity and security of revenues
- Water supply reliability
- Facility Capacity/Connection Fees
- Recycled Water
- Debt financing of major capital projects
- Water conservation and water-use efficiency
- Groundwater management
- Technology
- Operations and maintenance
- Water sales
- Energy costs
- Interest rates and current fiscal environment
- Legislative compliance cost increases and policy changes
- Climate change
- Risk management and insurance

Debt Issuance

As stated earlier, there are several debt issuances forecast for the life of this Plan; however, the option remains to borrow as the need arises for strategic capital projects. Any such borrowings will need to be modeled through the Plan in order to determine the impact on the Agency’s ongoing financial performance and position. As mentioned earlier in this Plan, the Agency is seeking funding through the EPA’s WIFIA program. The Agency’s application needs to be submitted to the EPA by December 2023, and if excepted, the first disbursement of the loan would be received in the fall of 2024.

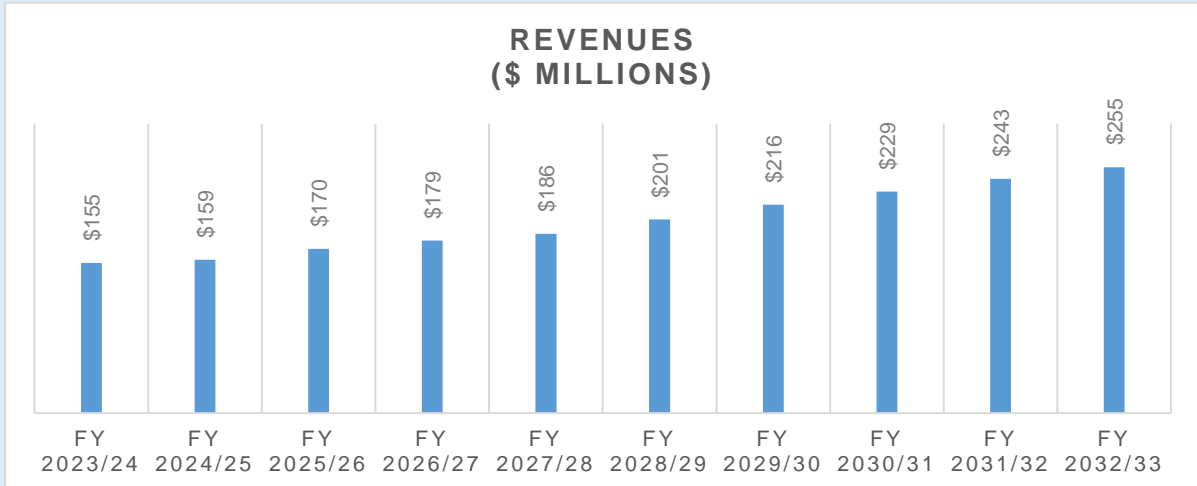
Operating Income

The Agency is fortunate to have multiple sources of revenue. In general, each revenue stream faces different risks, so it is rare for all to be negatively impacted at the same time.

Potential risks to the Agency include high annual debt service, risk of technical default on debt covenants should the Agency not have sufficient revenues, lower-than-projected Facility/Retail Capacity Fee revenue or water sales, and potential diversion of

one-percent property tax revenues by the State. In addition, the Agency should continue to consider new revenue sources, such as outside water sales when water supplies are sufficient to meet Agency needs.

The Agency’s revenue (including transfers from other funds) based on which this Plan is built is currently \$159.5 million, of which approximately 63% is derived from Rates and Service charges. At the end of the Plan, revenues are forecast to be \$254.7 million (keeping in mind that \$1 today will not be worth that in Year 10: FY 2032/33). Values as presented in this LTFP are in future (nominal) values, i.e., they have been adjusted each year by the forecast assumption rate.



Revenue

Water sales revenue (\$98 million base) includes retail water service (service charges, water usage, recycled water, and miscellaneous charges) revenue and fixed and variable wholesale rate revenues (Waterworks District No. 36).

Rate revenue forecasts are based on demand and growth to ensure targets are likely to be met. Year 1 is the third year of the rate study and forecast. In the near-term (2–5 years), fixed and water usage (variable) revenue are expected to increase as follows:

Revenue Assumptions

Key Assumptions	YEAR 1 FY 2023/24	YEAR 2 FY 2024/25	YEAR 3 FY 2025/26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28
Water Sales	X	6.5%	12.0%	11.0%	10.0%
Water Sales - WWR	X	3.0%	3.0%	3.0%	3.0%
Water Sales - Recycled	X	8.0%	3.0%	3.0%	3.0%
Misc. Fees & Charges	X	10.0%	10.0%	10.0%	10.0%

The table below provides detail of the assumptions that make up the proposed annual water sales assumption for Years 6-10. Actual changes to rates may vary, depending on growth and demand.

Key Assumptions	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Water Sales	9.0%	8.0%	6.0%	5.0%	4.0%
Water Sales - WWR	3.0%	3.0%	3.0%	3.0%	3.0%
Water Sales - Recycled	3.0%	3.0%	3.0%	3.0%	3.0%
Misc. Fees & Charges	10.0%	10.0%	10.0%	10.0%	10.0%

The proposed revenue increase is the minimum required in order to meet the criteria to achieve financial sustainability in the medium-to-long-term and maintain it for the remainder of this Plan and beyond. Water rate revenue is used to provide the funds to deliver water and maintain infrastructure.

Property Taxes

One-percent property tax revenues are unrestricted and are available to fund existing users' share of the bond debt, Pay-Go CIP, operating expenses, as well as a portion of core non-SWP water supplies. Based on current trend, the assumption is that the property tax revenues will increase at a rate of 2.34% per year. The property tax revenue base in Year 1 (FY 2023/24) is \$30.9 million and is projected to increase in Year 10 (FY 2032/33) to \$38.1 million.

Facility Capacity Fees (including Retail Capacity Fees)

FCFs are fees collected at the time new development occurs within the Agency's water service area to recover the appropriate growth-related costs for facilities that are built to serve future water users. The 2020 UWMP projects a much smaller increase in growth in population and water demand, resulting in annual revenues that will be insufficient to pay for the future users' debt service. It is necessary to renew the FCF study periodically in order to capture and update changes from the previous plan. If FCFs are not sufficient to cover future user's debt service it will be supplemented with other revenue sources, including one-percent property tax revenue.

The FCF base is approximately \$21.6 million for Years 1–10. FCF revenues are contingent on development. This Plan assumes a 3%-4% revenue increase for each year of the Plan.

Investment Income

Investment Income (\$5.9 million base) is derived from interest on Agency investments and surplus cash, and the forecast assumes an increase of approximately 2.5%-3% per year. Investment income has been forecast based on cash flow projections over the life of the Plan. The current cash rate and investment rates have also been used as a guide. The Agency's Investment Policy ensures that available funds are managed on a regular basis to maximize returns.

Grants and Reimbursements

Grants and reimbursements for Capital Improvement Programs are provided by Proposition 1 IRWM Round 2, Proposition 84 Rounds 1 and 2 Planning and Implementation Grants and Prop 68 Round 3 through the Department of Water Resources for a variety of water studies, implementation, administration of the grants and updating various programs and plans. In addition, grants are expected from the State Water Resources Control Board for the LARC ranch pipeline and PFAS

treatment facilities, as well as Bureau of Reclamation (BOR) grants for PFAS treatment facilities, Rosedale Phase II Wells, and the AMI Project. Reimbursements are provided for the processing of annexations. This income source has a current base (FY 2023/24) of \$11.6 million, \$10.1 million in Year 2 (FY 2024/25), \$9.6 million in Year 3 (FY 2025/26) and \$6.6 million in Year 4 (FY 2026/27) then decreases to zero in Year 5 (FY 2027/28). The Agency will continue to search for additional grants, but additional revenue is unknown after Year 4. This trend is maintained for the remainder of this Plan, resulting in overall stagnation over the 10-year period.

Other Revenue

All income that cannot be classified in the categories above is included here. The current base is \$4.2 million with the biggest item being the Perchlorate CIP and operations and maintenance (O&M) reimbursement. After Year 2 (FY 2024/25), the CIP portion of the Perchlorate Replacement Well project will drop and only reimbursements for O&M are forecast.

Operating Expenditure

The Agency’s operating expense base upon which this Plan is built is \$155.5 million (including debt service and Pay-Go CIP funded by revenues), of which approximately 64% or \$99.8 million consists of purchased power, materials, supplies and labor and benefits; 24% consists of bond/debt payments and 12% consists of Pay-Go CIP. At the end of the Plan, operating expenditure is forecast to be \$146.1 million (keeping in mind that \$1 today will not be worth that in Year 10: FY 2032/33). Values as presented in this LTFP are in future (nominal) values, i.e., they have been adjusted each year by the forecast assumption rate. The forecast for operating expenditures for Year 1-5 in this Plan is best shown by the following table:

Expense Assumptions

Key Assumptions	YEAR 1 FY 2023/24	YEAR 2 FY 2024/25	YEAR 3 FY 2025/26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28
Overall Inflation	X	4.86%	3.64%	3.64%	2.69%
Utility/Chemical Inflation	X	6.95%	4.93%	4.93%	4.93%
Treatment Inflation	X	5.00%	5.00%	5.00%	5.00%
Pumping and Wells Inflation	X	5.00%	5.00%	5.00%	5.00%
Employee Expenses Inflation	X	3.96%	3.96%	3.96%	3.96%
Equipment Inflation	X	3.78%	3.78%	3.78%	3.78%
Fuels & Automobile Inflation	X	8.27%	8.27%	8.27%	3.57%
Construction Inflation	X	6.12%	5.33%	5.33%	3.94%

Variations from year-to-year are primarily due to the fluctuations of Pay-Go capital. A majority of the operating expenses, with the exception of Pay-Go capital and debt service, have been increased by the assumption factor. The table above details the annual variations to operating expenditures and the annual amounts forecast and are consistent each year over the life of this Plan.

Materials, Services and Other Expenses

Materials, services and other expenses cover payments for physical goods including the purchase of power for the treatment plants and distribution system, regulatory compliance, chemicals, fuel and office consumables. This category also includes payments to consultants, as well as legal fees incurred. The total materials, services and other expenses base is approximately \$99.8 million. As mentioned earlier, while an underlying assumption

is built into most expense lines in this category of expenditure, some expense lines in Year 3 have changed by more than the assumption or have had to be adjusted to reflect their one-off nature. Year 1 and Year 2 are the base years (not shown).

	YEAR 3 FY2025/ 26	YEAR 4 FY 2026/27	YEAR 5 FY 2027/28	YEAR 6 FY 2028/29	YEAR 7 FY 2029/30	YEAR 8 FY 2030/31	YEAR 9 FY 2031/32	YEAR 10 FY 2032/33
Source of Supply	5%	5%	5%	5%	5%	5%	5%	5%
Pumping, Wells & Storage	5%	5%	5%	5%	5%	5%	5%	5%
Water Quality & Treatment	4%	4%	4%	4%	4%	4%	4%	4%
Transmission & Distribution	5%	5%	4%	4%	4%	4%	4%	4%
Customer Care	4%	4%	3%	3%	3%	3%	3%	3%
Management	-16%	27%	-16%	26%	-15%	25%	-15%	24%
Engineering	4%	4%	4%	4%	4%	4%	4%	4%
Finance, Admin & IT	2%	5%	4%	4%	4%	4%	4%	4%
Water Resources	4%	4%	3%	3%	3%	3%	3%	3%

The Agency’s infrastructure is expanding and will continue to expand. The number and complexity of Agency facilities have grown in recent years and will continue to do so. Each CIP project that becomes operational adds new complexity and costs to the Agency’s overall system. As this additional infrastructure is implemented, the Agency will require additional staff resources and will incur additional costs to operate and maintain the infrastructure. Future development of the recycled water program will have significant operating costs that should be identified as part of the planning process but is not included in this Plan.

Employee Costs

Employee costs include all labor costs and are inclusive of salaries, wages and benefits such as insurance, pensions, allowances and workers compensation insurance. Wage costs (including allocation of staff overheads) relating to capital projects are included in the total capital expenditure for renewal and replacement of existing assets or projects funded by developers. The split between operating and capital can vary from year-to-year depending on capital projects approved by the Engineering and Operations Departments; however overall, the LTFP assumes the trend on this split remains consistent across the life of this Plan. Approximately \$5.4 million (indexed annually) has been allocated in capital wages every year. The total employee cost base (operating and capital) is approximately \$40.4 million.

Salary and wage increases are forecast reflective of the current year Budget and increases at approximately 3%-5% every year for reclassifications, step increments and cost-of-living adjustments, and approximately 5% for employee benefits. The FY 2023/24 budgeted employee costs are driven by a full-time equivalent (FTE) base of 237.

Long-Term Commitments

The Agency’s Debt Management Policy states that the “Agency will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term investments and thus ensure that existing and future users pay their fair share” (“generational equity”). Long-term investments include the acquisition of land, facilities, public works, water treatment, improvements and supplies of water, as well as enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water.

Debt spreads out the cost of capital improvements over time. In general, public agencies find that debt financing is an appropriate use for one-time projects, generally with a project life of 20 years or more. To-date, a significant portion of the Agency’s major capital programs are required for future needs. This makes the use of debt appropriate for two reasons: (1) debt financing allows each generation to pay for what it uses and (2) Facility Capacity Fees collected in one year may not be expended until future years. Likewise, in some years, there will not be sufficient FCF collected to cover that year’s debt service. However, at this time, as discussed above, there is uncertainty about the FCF revenue stream and its ability to pay for its share of debt service. The flexibility of the WIFIA loan program will allow the Agency to complete its major capital projects, as well as its planned Pay-Go projects until the rates can generate enough revenue for each year of Pay-Go projects.

Near-Term

Management has identified a need to invest in the Agency infrastructure and the Capital Improvement Program. Management recommends moving forward with certain critical elements of the Agency’s CIP. In July 2023, the Agency will issue \$75 million in revenue bonds to fund the ongoing CIP for Major Capital projects. In addition, as mentioned previously, the Agency plans to participate in the WIFIA loan program, with its first disbursement from the WIFIA loan program in the fall of 2024. If the Agency’s loan application is accepted by the EPA, certain projects, such as PFAS treatment facilities will be prioritized as well as additional treatment facilities that will be needed to comply with new regulations. The Agency’s ten-year forecast shows sufficient funds to pay debt service and maintain bond covenants.

	Year 1 FY 2023/24	Year 2 FY 2024/25	Year 3 FY 2025/26	Year 4 FY 2026/27	Year 5 FY 2027/28
Total CIP	\$130,514,353	\$169,728,349	\$187,742,270	152,850,811	\$108,196,607
<i>Funding Sources:</i>					
Pay-go	12,594,000	1,410,000	840,000	877,800	912,912
Pay-go WIFIA	35,641,438	35,563,404	32,619,149	35,057,116	32,407,695
WIFIA Loan #1	23,672,800	79,164,900	103,980,350	51,141,124	6,581,000
WIFIA Loan #2	-	-	28,420,000	50,340,000	51,170,000
2023 Bond	37,890,500	36,376,000	-	-	-
Grants	11,566,840	10,111,300	9,628,000	6,610,000	-
SWRCB Loan	2,009,660	6,160,200	-	-	-
Future Bond	-	-	11,887,750	8,457,750	17,125,000
Outside Funding	7,139,115	942,545	367,021	367,021	-

Long-Term

A more long-term aspect of this issue is the Agency’s transition to “build-out.” Debt service incurred for future users is funded by FCFs, and that incurred for existing users is funded by other non-operating revenues. The Agency is at a transition point where existing users represent about half of total users, which consist of the combination of existing and future users. Over time, debt service funding will transition to existing users. Should other non-operating revenues or water rates not be sufficient to fund increasing debt service, other mechanisms to fund the existing users’ share would need to be identified.

The exact timing and amounts of debt will depend on the progress of the CIP, availability of grant proceeds and market conditions. Management will review the situation with its financial advisor and report to the Board as needed. No new debt will be issued without thorough review and approval by the Board of Directors.

**SCV WATER - LONG-TERM FINANCIAL FORECAST
FY 2023/24 to FY 2032/33**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	FY 2023/24 Budget	FY 2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast	FY 2030/31 Forecast	FY 2031/32 Forecast	FY 2032/33 Forecast
OPERATING REVENUES										
Water Consumption Sales and services	\$ 97,535,468	\$ 104,580,713	\$ 117,387,745	\$ 130,835,147	\$ 144,776,111	\$ 158,944,057	\$ 173,081,699	\$ 184,905,725	\$ 196,891,580	\$ 207,179,281
Water Sales	96,741,572	103,740,431	116,822,254	129,943,691	143,857,912	157,998,312	172,107,581	183,902,384	195,858,139	206,114,837
Water Sales - WWR	306,698	315,901	325,378	335,140	345,194	355,550	366,216	377,203	388,519	400,174
Water Sales - Recycled	487,198	524,381	540,113	556,316	573,006	590,196	607,902	626,139	644,923	664,270
Other charges and services	\$ 2,631,303	\$ 3,063,141	\$ 3,197,411	\$ 3,339,965	\$ 3,485,009	\$ 3,638,634	\$ 3,802,028	\$ 3,976,001	\$ 4,161,437	\$ 4,359,304
Facility/Connection Fees	1,577,800	1,948,800	2,017,017	2,087,801	2,154,801	2,223,499	2,294,415	2,367,619	2,443,188	2,521,198
Misc. Fees and Charges	500,000	550,000	605,000	665,500	732,050	805,255	885,781	974,359	1,071,794	1,178,974
Lab Revenues	23,230	23,462	23,697	23,934	24,173	24,415	24,659	24,905	25,154	25,406
Communication & Rental	530,273	540,879	551,697	562,731	573,985	585,465	597,174	609,118	621,300	633,726
1% Property Tax	30,952,265	31,676,548	32,417,779	33,176,355	33,952,682	34,747,175	35,560,259	36,392,369	37,243,950	38,115,459
Interest Income	5,893,996	6,055,559	3,864,755	3,196,102	1,837,220	1,683,402	1,933,299	2,474,672	2,902,115	3,287,732
Other Revenue	\$ 18,465,827	\$ 13,628,300	\$ 13,377,124	\$ 8,161,378	\$ 1,582,405	\$ 1,614,053	\$ 1,646,334	\$ 1,679,261	\$ 1,712,846	\$ 1,747,103
Annexation Reimbursements	2,691,987	470,000	2,228,165	-	-	-	-	-	-	-
PERCH Reimbursements - O&M & CIP	4,207,000	3,047,000	1,520,959	1,551,378	1,582,405	1,614,053	1,646,334	1,679,261	1,712,846	1,747,103
Grant Reimbursements	11,566,840	10,111,300	9,628,000	6,610,000	-	-	-	-	-	-
Total Operating Revenues	\$ 155,478,860	\$ 159,004,261	\$ 170,244,814	\$ 178,708,947	\$ 185,633,427	\$ 200,627,321	\$ 216,023,619	\$ 229,428,028	\$ 242,911,929	\$ 254,688,879
OPERATING EXPENSES										
Source of Supply	\$ 11,108,816	\$ 11,632,181	\$ 12,213,791	\$ 12,824,480	\$ 13,465,704	\$ 14,138,989	\$ 14,845,939	\$ 15,588,236	\$ 16,367,647	\$ 17,186,030
Pumping Wells & Storage	17,540,767	18,763,365	19,657,619	20,594,800	21,570,428	22,563,176	23,601,911	24,688,776	25,826,014	27,015,972
Water Quality, Treatment & Maintenance	14,093,165	15,283,884	15,927,198	16,597,936	17,285,906	17,967,815	18,677,599	19,416,424	20,185,507	20,986,117
Transmission & Distribution	11,151,577	11,377,167	11,893,010	12,432,771	12,923,717	13,419,529	13,934,545	14,469,513	15,025,209	15,602,440
Customer Care	3,068,214	3,143,402	3,259,053	3,379,098	3,492,075	3,609,055	3,730,184	3,855,615	3,985,506	4,120,020
Management	3,094,046	4,210,276	3,539,114	4,501,949	3,791,809	4,766,212	4,041,907	5,047,635	4,309,143	5,347,410
Engineering Services	4,484,004	3,699,025	3,842,268	3,991,066	4,135,430	4,284,725	4,439,546	4,600,101	4,766,607	4,939,289
Finance, Administration & IT	23,917,379	25,773,077	26,391,226	27,625,153	28,790,587	30,015,227	31,307,129	32,671,105	34,112,386	35,636,651
Water Resources	11,380,616	11,678,620	12,120,675	12,579,491	12,990,594	13,415,634	13,855,102	14,309,504	14,779,364	15,265,227
Debt Service*	35,272,820	37,045,180	37,418,089	39,465,706	40,019,281	34,755,212	38,630,579	38,610,793	48,089,189	48,092,732
Total Operating Expenses	\$ 135,111,404	\$ 142,606,177	\$ 146,262,043	\$ 153,992,452	\$ 158,465,532	\$ 158,935,576	\$ 167,064,442	\$ 173,257,703	\$ 187,446,572	\$ 194,191,888
Total Debt Service Coverage	1.58	1.44	1.64	1.63	1.68	2.20	2.27	2.45	2.15	2.26
CIP Total Expenditures	\$ 130,514,353	\$ 169,728,349	\$ 187,742,270	\$ 152,850,811	\$ 108,196,607	\$ 92,956,849	\$ 119,643,261	\$ 113,129,593	\$ 46,231,697	\$ 44,877,928

*The annual debt service amount for the 2023A bond issuance is an estimate only and continues to fluctuate. Once final pricing is concluded, the annual debt service will be updated.

CALIFORNIA'S WATER JOURNEY

The crossword puzzle grid consists of 12 numbered starting points for clues:

- 1: Down, 10 letters
- 2: Across, 7 letters
- 3: Down, 3 letters
- 4: Down, 10 letters
- 5: Across, 6 letters
- 6: Down, 10 letters
- 7: Across, 3 letters
- 8: Across, 4 letters
- 9: Down, 10 letters
- 10: Across, 5 letters
- 11: Across, 10 letters
- 12: Across, 4 letters

Across

- The microscopic material that we want to get rid of in raw water (water that hasn't been cleaned yet).
- The big lake in the Santa Clarita Valley that provides our drinking water.
- SCV Water uses sand and _____ in the filtration process to clean our water.
- Our _____ is 75% water and of that water 97% is salt water.
- _____ Lake is north of Santa Clarita, and it has a nice visitor center called Vista Del Lago.
- The California _____ is a 444 mile man-made river that brings water from Northern California to Southern California.
- The first step in the water treatment process is to apply _____ gas.

[Return to Table of Contents](#)

Down

- Snow melts from the _____ Nevada mountains in Northern California.
- A place to store water
- Water is sent down through the _____ River (hint: samename as our state capital).
- A disinfectant that we use to clean the water (hint: used in swimming pools)
- This lake has the tallest dam in the United States.

RESOLUTION NO. SCV-350

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

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

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

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

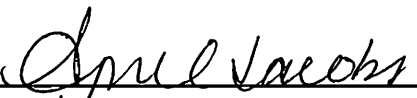
1. Adopts the FY 2023/24 and FY 2024/25 Budget (Attachments 1 and 2).
2. Appropriates the Operating Expenditures, Capital Expenditures, and Debt Principal and Interest Payment for FY 2023/24 and FY 2024/25 as shown in the Financial Summary (Attachments 1 and 2).
3. Authorizes the General Manager to adjust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



President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular scheduled meeting of the Board of Directors of said Agency held on May 16, 2023 the foregoing Resolution No. SCV-350 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: May 16, 2023



Secretary



**SCV WATER - FINANCIAL SUMMARY
FY 2023/24**

ATTACHMENT 1

Pro Forma FY24

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
Beginning Fund Balance	\$ 180,543,026	\$ (726,530)	\$ 99,055,399	\$ 8,507,501	\$ 287,379,396
RESERVES:					
Capital Reserve	(18,492,738)	-	-	-	(18,492,738)
Emergency/Disaster Reserve	(32,823,644)	-	-	-	(32,823,644)
Operating Reserve	(45,165,808)	-	-	-	(45,165,808)
Revenue Rate Stabilization Reserve	(19,348,314)	-	-	-	(19,348,314)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (121,830,504)	\$ -	\$ -	\$ -	\$ (121,830,504)
Net Available	\$ 58,712,522	\$ (726,530)	\$ 99,055,399	\$ 8,507,501	\$ 165,548,892
REVENUES:					
Water Sales - Retail	\$ 96,741,572	\$ -	\$ -	\$ -	\$ 96,741,572
Water Sales - Wholesale	306,698	-	-	-	306,698
Water Sales - Recycled	487,198	-	-	-	487,198
Misc Fees and Charges ¹	500,000	-	-	-	500,000
Communication and Rental	530,273	-	-	-	530,273
Property Tax	30,952,265	-	40,424,280	-	71,376,545
Facility Capacity Fees	1,577,800	-	-	-	1,577,800
Interest Income	5,893,996	1,706,250	3,932,499	-	11,532,745
Reimbursements ²	6,898,987	-	-	-	6,898,987
Grant Reimbursements - State	11,566,840	-	-	-	11,566,840
Bond/Loan Proceeds	-	75,000,000	-	-	75,000,000
Other Revenues ³	23,230	-	-	-	23,230
Subtotal	\$ 155,478,860	\$ 76,706,250	\$ 44,356,779	\$ -	\$ 276,541,889
Transfers In - Reserves					\$ -
	\$ 155,478,860	\$ 76,706,250	\$ 44,356,779	\$ -	\$ 276,541,889
EXPENDITURES:					
Operating	\$ (99,838,583)	\$ -	\$ (440,548)	\$ -	\$ (100,279,131)
Capital Improvement Program	(67,838,639)	(46,722,000)	-	(8,507,501)	(123,068,140)
Department of Water Resources	-	-	(40,402,000)	-	(40,402,000)
Debt Service Principal & Interest	(37,540,749)	-	-	-	(37,540,749)
Subtotal	\$ (205,217,971)	\$ (46,722,000)	\$ (40,842,548)	\$ (8,507,501)	\$ (301,290,020)
Available Fund Balance EOY (Estimated)	\$ 8,973,411	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 140,800,761

Italics = Estimated

Notes:

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

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

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

**SCV WATER - FINANCIAL SUMMARY
FY 2024/25**

ATTACHMENT 2

Pro Forma FY25

Description	General Fund/ Operating	Capital Project Fund	State Water Contract Fund	Capacity Fees Fund	TOTAL
<i>Beginning Fund Balance</i>	\$ 136,001,023	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 267,828,373
<u>RESERVES:</u>					
Capital Reserve	(18,479,826)	-	-	-	(18,479,826)
Emergency/Disaster Reserve	(34,704,985)	-	-	-	(34,704,985)
Operating Reserve	(47,094,716)	-	-	-	(47,094,716)
Revenue Rate Stabilization Reserve	(20,748,086)	-	-	-	(20,748,086)
Water Supply Reliability Reserve	(6,000,000)	-	-	-	(6,000,000)
Subtotal	\$ (127,027,613)	\$ -	\$ -	\$ -	\$ (127,027,613)
Net Available	\$ 8,973,411	\$ 29,257,720	\$ 102,569,630	\$ -	\$ 140,800,760
<u>REVENUES:</u>					
Water Sales - Retail	\$ 103,740,431	\$ -	\$ -	\$ -	\$ 103,740,431
Water Sales - Wholesale	315,901	-	-	-	315,901
Water Sales - Recycled	524,381	-	-	-	524,381
Misc Fees and Charges ¹	550,000	-	-	-	550,000
Communication and Rental	540,879	-	-	-	540,879
Property Tax	31,676,548	-	41,370,208	-	73,046,756
Facility Capacity Fees	1,948,800	-	-	-	1,948,800
Interest Income	6,055,559	390,000	3,938,674	-	10,384,233
Reimbursements ²	3,517,000	-	-	-	3,517,000
Grant Reimbursements - State	10,111,300	-	-	-	10,111,300
Bond/Loan Proceeds	-	63,206,722	-	-	63,206,722
Other Revenues ³	23,462	-	-	-	23,462
Subtotal	\$ 159,004,262	\$ 63,596,722	\$ 45,308,882	\$ -	\$ 267,909,866
Transfers In - Reserves	\$ 30,958,559				\$ 30,958,559
	\$ 189,962,821	\$ 63,596,722	\$ 45,308,882	\$ -	\$ 298,868,425
<u>EXPENDITURES:</u>					
Operating	\$ (105,560,997)	\$ -	\$ (460,374)	\$ -	\$ (106,021,371)
Capital Improvement Program	(55,689,804)	(92,779,000)	-	-	(148,468,804)
Department of Water Resources	-	-	(39,292,000)	-	(39,292,000)
Debt Service Principal & Interest	(37,685,430)	-	-	-	(37,685,430)
Subtotal	\$ (198,936,231)	\$ (92,779,000)	\$ (39,752,374)	\$ -	\$ (331,467,605)
<i>Available Fund Balance EOY (Estimated)</i>	\$ 0	\$ 75,442	\$ 108,126,138	\$ -	\$ 108,201,579

Italics = Estimated

Notes:

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

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

³ Other includes Laboratory Revenues and Other Non-Operating Revenues

RESOLUTION NO. SCV-353

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY
ADOPTING THE APPROPRIATION LIMIT
FOR FY 2023/24**

WHEREAS, the Agency's General Manager has caused to be prepared a calculation of the Agency's annual appropriation limit for the Agency FY 2023/24; and

WHEREAS, documentation used in the determination of said appropriation limit has been publicly available at the Agency's offices for the period required by law; and

WHEREAS, Proposition 111 has determined that the appropriation limit may be set by using either the change in California per capita income or the change in assessed value of non-residential development; and

WHEREAS, it has been determined that the change in California per capita income is the appropriation selection of the Agency; and

WHEREAS, the calculation is hereby found to have been completed in full accordance with Article XIII-B of the California State Constitution and the implementing legislation for Article XIII-B.

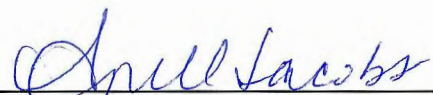
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does hereby, based upon said calculation, adopt the sum of \$53,236,756 as its FY 2023/24 appropriation limit.



President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular scheduled meeting of the Board of Directors of said Agency held on June 6, 2023 the foregoing Resolution No. SCV-353 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: June 6, 2023



Secretary



**Santa Clarita Valley Water Agency
GANN Appropriations Limit
Fiscal Year 2023/24 Calculation**

	<u>Ratio</u>	<u>Amount</u>
Fiscal Year 2022/23 GANN Limit		\$ 51,330,990
Fiscal Year 2023/24 Change in California Per Capita Income ¹	1.044400	
2022 to 2023 Change in Population ¹	0.993037	
Calculation Factor (1.04440 x .993037)	1.037127	
Fiscal Year 2023/24 GANN Limit (\$51,330,990 x 1.037127)		\$ 53,236,756
Estimated Proceeds from General Property Taxes ²		30,952,265
Amount under Limit		\$ 22,284,491

¹ Source: California Department of Finance Price Factor and Population Information May 2023

² Source: SCV Water FY 2023/24 and FY 2024/25 Biennial Budget



Water Conservation Education

Pictured: SCV Water employs several Water Education Instructors who regularly host tours of local school children in and around the Agency's Water Conservation Garden, or visit community schools to teach them about water conservation.



POLICIES

This section includes a brief summary of the Agency's Investment Policy, Debt Management Policy, Disclosure Procedure Policy, Derivatives Policy, Purchasing Policy, Capitalization Policy for Fixed Assets, and the Wire Transfer Policy. It is the intent of the Financial Policies section to define a sound financial plan when developing annual budgets. The FY 2023/24 and FY 2024/25 Biennial Budget is balanced and adheres to adopted Agency financial policies. A balanced budget is one which total revenues equal total expenses.

Investment Policy

The Agency annually reviews and updates the Investment Policy. It is the policy of the Agency to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Agency and conforming to all statutes governing the investment of Agency funds. The policy follows the "prudent investor" standard of the California Government Code 53601.

Debt Management Policy

The Debt Management Policy was established to serve as a guideline for the use of debt for financing the Agency infrastructure and project needs. Debt is issued and managed prudently in order to maintain a sound financial position and protect credit quality. The policy identifies the criteria for issuing new debt that includes the Standards for Use and guidelines to determine when refinancing of outstanding debt would be beneficial to the Agency and its customers.

Disclosure Procedures Policy

The Disclosure Procedures Policy is a government's policy that requires local officials to fully disclose particular financial transactions to comply with the anti-fraud rules of federal securities laws. The purpose of the policy is to memorialize and communicate procedures in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Santa Clarita Valley Water Agency.

Derivatives Policy

The Derivatives Policy establishes accounting and reporting standards for derivative instruments, a financial instrument which derives its value from the value of some other financial instrument, variable or index, including certain derivative instruments embedded in other contracts (collectively referred to as "derivatives"), and for hedging activities. Derivatives will not be used to speculate on perceived movements in interest rates.

Purchasing Policy

The Purchasing Policy outlines the procedures for the procurement of all goods and services and applies best practices for optimizing cost savings, quality products and services, and for assuring proper authority and limits, as adopted by the Board of Directors.

Capitalization Policy for Fixed Assets

The Capitalization Policy for Fixed Assets is used by the Santa Clarita Valley Water Agency to set a threshold, above which qualifying expenditures are recorded as fixed assets, and below which are charged to expenses as incurred. The policy provides specific guidance to determine which capital assets are subject to separate accounting and reporting.

Wire Transfer Policy

The Wire Transfer Policy, bank transfer or credit transfer, is a method of electronic funds transfer from one person or entity to another. The Agency recognizes the trend toward electronic payment methods and will receive and distribute funds through electronic wire transfers.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

INVESTMENT POLICY

1.0 POLICY

- 1.1 WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and
- 1.2 WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and
- 1.3 WHEREAS; the Treasurer of the Santa Clarita Valley Water Agency (“Agency”), acting under the direction and authority of the Finance Committee of the Agency, shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;
- 1.4 NOW THEREFORE, it shall be the policy of the Agency to invest funds in a manner, which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Agency and conforming to all statutes governing the investment of Agency funds.

2.0 SCOPE

This investment policy applies to all financial assets of the Agency. These funds are accounted for in the annual Agency audit. The Agency pools all cash for investment purposes. This policy is applicable, but not limited to all funds listed below:

General/Operating Fund - 101

Special Revenue Funds

- a) One Percent Property Tax Fund - 101
- b) Facility Capacity Fee Fund -202
- c) State Water Project Fund - 204

Capital Project Fund

Debt Service Fund

Reserve Funds

Enterprise Fund

Grant Funds



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

Blended Component Units

- a) Devil’s Den Water District – 970
- b) Upper Santa Clara Valley JPA – 975
- c) SCV Groundwater Sustainability Agency - 980

3.0 PRUDENCE; RESPONSIBILITY

3.1 **Prudence:** Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3.2 **Responsibility:** The Treasurer and other individuals assigned to manage the investment portfolio, acting with the intent and scope of this investment policy while exercising due diligence, shall be relieved of personal responsibility for the credit risk and market price risk for securities held in the investment portfolio, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2 **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements and budgeted expenditures. Investments will be undertaken with the expectation that unplanned expenses will



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

be incurred; therefore, portfolio liquidity will be created to cover reasonable contingency costs.

4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The goal is to maximize return while ensuring that safety and liquidity objectives are not compromised.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600, et seq. Overall accountability and authority for implementation of this policy shall remain with the Board of Directors of the Agency and overseen by the Agency’s Finance Committee. The day-to-day responsibility for management and implementation of the investment program is the responsibility of the General Manager who may delegate the responsibility to the Treasurer, who, where and when appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. With this delegation the Treasurer is given the authority to utilize internal staff and outside investment managers to assist in the investment program. The Treasurer shall use care to assure that those assigned responsibility to assist in the management of the Agency's portfolio do so in accordance with this policy.

External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Treasurer and officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officials and staff members involved with the investment function shall disclose to the Board of Directors any personal financial interest with a financial institution, broker or investment issuer conducting business with the Agency. Officials and staff members shall further disclose to the Board of Directors any personal financial interest in any entity related to the investment performance of the Agency's portfolio.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Agency’s account with that firm has reviewed the Agency’s Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Agency that are appropriate under the terms and conditions of the Investment Policy.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the Agency, except where the Agency utilizes an external investment adviser in which case the Agency may rely on the adviser for selection. To the extent practicable, the Treasurer or its external investment advisor shall endeavor to complete investment transactions using a competitive bid process whenever possible.

The Agency is a local agency authorized to invest surplus monies in the Local Agency Investment Fund (LAIF). LAIF is a special trust fund in the custody of the State Treasurer and the Local Investment Advisory Board created under Government Code Section 16429.2, which advises the State Treasurer on the investment and reinvestment of LAIF deposits. Each local agency with LAIF deposits has a separate account within LAIF, but the total deposits in LAIF are managed as a pooled investment account. The securities eligible for LAIF investments are statutorily specified in Government Code Section 16430 and are more conservative than those investments permitted under Government Code Section 53601, which governs the management of invested surplus monies by local agencies. Accordingly, the Treasurer need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

8.0 PORTFOLIO MATURITY LIMITS

8.1 The maximum maturity for any single investment in the portfolio shall not exceed five years, unless the Board of Directors has by resolution granted authority to make such an investment either specifically or as a part of an investment program it has approved no less than three months prior to the investment, or is otherwise stated in this policy.

8.2 Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The Agency recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Agency will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The Agency further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. Therefore, the duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the Agency based on the Agency’s investment objectives, constraints and risk tolerances.

9.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Agency is empowered by California Government Code 53601 et seq. to invest in the following:

9.1 Bonds issued by the Agency.

9.2 United States Treasury Bills, Notes and Bonds.

9.3 Registered state warrants or treasury notes or bonds issued by the State of California.

9.4 Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”). No more than 30% of the portfolio may be in Municipal Securities.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

- 9.5 Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency; and also including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”). No more than 30% of the portfolio may be in Municipal Securities. The LAIF is an approved pooled investment account.
- 9.6 Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 30% of the portfolio may be invested in any single federal agency/GSE issuer. The maximum percent of federal agency callable securities in the portfolio will be 20%.
- 9.7 Bankers’ acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers’ acceptances may not exceed 180 days’ maturity or 40% of the Agency’s money that may be invested pursuant to this policy. However, no more than 30% of the Agency’s money can be invested in the bankers’ acceptances of any single commercial bank.
- 9.8 Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally-recognized statistical-rating organization. The entity that issues the commercial paper shall either be:
 - 9.8.1 organized and operating within the United States as a general corporation, shall have total assets in excess of Five Hundred Million Dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by a nationally-recognized statistical-rating organization; or
 - 9.8.2 organized within the United States as a special-purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated “A-1” or



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

higher, or the equivalent, by a nationally-recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. The Agency shall invest no more than 25% of its money in eligible commercial paper. Under a provision sunseting on January 1, 2026, provided that if the Agency has \$100,000,000 or more of investment assets under management, the Agency may invest no more than 40% of its money in eligible commercial paper.

- 9.9 (i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federal or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the Agency’s money which may be invested pursuant to this policy. The Board of Directors and the Treasurer are prohibited from investing Agency funds, or funds in the Agency’s custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision-making authority within the Agency also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- (ii) Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the Agency’s money which may be invested pursuant to this policy.
- 9.10 Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53061. The market value of securities that underlay a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and are subject to the special limits and conditions of California Government Code 53601(j).



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

- 9.11 Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this policy and shall not exceed 30% of the Agency’s money which may be invested pursuant to this policy.

- 9.12 Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of California Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed 20% of the Agency’s investments under this policy. However, no more than 10% of the Agency’s money may be invested in any one mutual fund.

- 9.13 Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- 9.14 Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

- 9.15 Asset backed, mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond from issuers not defined in sections 9.2 and 9.6 shall have:
 - 9.15.1 A maximum legal final maturity that does not exceed five years.
 - 9.15.2 A rating category of “AA” or its equivalent or better by a nationally recognized rating service.
 - 9.15.3 May not exceed 20% of the Agency's surplus moneys that may be invested pursuant to this policy.
 - 9.15.4 No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.

- 9.16 Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five hundred million dollars (\$500,000,000).

- 9.17 Proposition 1A receivables sold pursuant to California Government Code Section 53999. A “Proposition 1A receivable” constitutes the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

- 9.18 United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by a nationally recognized rating service and shall not exceed 30 percent of the Agency's moneys that may be invested pursuant to this policy. No more than 10% of the portfolio may be invested in any single issuer.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

- 9.19 Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the District's money which may be invested pursuant to this policy.

- 9.20 Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

California Code (Source: CDIAC)

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper—Non-Pooled Funds (under \$100,000,000 of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper— Pooled Funds ¹	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

10.0 PROHIBITED INVESTMENTS

The following are prohibited:

- 10.1 Investment in futures and options.
- 10.2 Investment in inverse floaters, range notes, or mortgage derived interest-only strips. (Gov. Code §53601.6.)
- 10.3 Investment in any security that could result in a zero interest accrual if held to maturity. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. (Gov. Code §53601.6.)
- 10.4 Trading securities for the sole purpose of speculating on the future direction of interest rates.
- 10.5 Purchasing or selling securities on margin.
- 10.6 The use of reverse repurchase agreements as a form of leverage, securities lending or any other form of borrowing or leverage.
- 10.7 The purchase of foreign currency denominated securities.

11.0 COLLATERALIZATION

The Agency shall require any depository to adhere to the collateralization requirements of Government Code section 53652.

12.0 SAFEKEEPING AND CUSTODY

All securities owned by the Agency, except collateral for repurchase agreements, will be held in safekeeping at a third party bank trust department that will act as agent for the Agency under terms of a custody agreement.

Securities used as collateral for repurchase agreements with a term of up to seven days can be safe kept by a third party bank trust department, or by the broker/dealer's safekeeping institution, acting as agent for the Agency under the terms of a custody agreement executed by the broker/dealer and the Agency and specifying the Agency's perfected ownership of the collateral.

All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the Agency from the custodian listing all securities held in safekeeping with current market data and other



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

information. Payment for all transactions will be conducted on a delivery-versus-payment (DVP) basis.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

13.0 LEVERAGING

Investments may not be purchased on margin. Securities can be purchased on a "When Issued" basis only when a cash balance can be maintained to pay for the securities on the purchase settlement date.

14.0 DIVERSIFICATION

The Agency will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- 14.1 Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- 14.2 Maturities selected shall provide for stability of income and liquidity.
- 14.3 Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.
- 14.4 No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless except treasuries, agencies, Supranationals, and money market funds and otherwise specified in this policy.
- 14.5 If a security owned by the Agency is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
 - a. Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

- b. If a decision is made to retain the security, the credit situation will be monitored and reported to the Board of Directors.

14.6 Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Agency will mitigate credit risk by adopting diversification requirements, issuer limitations and downgrade language. The Agency may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity or yield of the portfolio in response to market conditions or the Agency’s risk preferences.

15.0 **REPORTING**

Monthly transaction reports will be submitted by the Treasurer to the Board of Directors within 30 days of the end of the reporting period in accordance with California Government Code Section 53607.

The Treasurer shall submit to each member of the Board of Directors an investment report at least monthly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Agency by third party contracted managers. The report will also include the source of the portfolio valuation. For funds, which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

16.0 **INTERNAL CONTROLS**

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



POLICIES, RULES AND REGULATIONS	
Title: INVESTMENT POLICY	
Approval Date: October 2022	Effective Date: October 2022
Approved By: Board of Directors	DMS #29814

Periodically, as deemed appropriate by the Agency and/or the Board of Directors, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

17.0 PORTFOLIO REVIEW AND PERFORMANCE EVALUATION:

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board of Directors.

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Agency’s risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio’s performance relative to the chosen market benchmark(s), which will be included in the Treasurer’s quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

18.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Agency. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

(Originally Adopted February 2018; Re-adopted January 2019; Revised February 2020, February 2021, February 2022, October 2022)

[This page intentionally left blank.]



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

DEBT MANAGEMENT POLICY

1.0 INTRODUCTION

The Agency’s overriding goal in issuing debt is to respond to, and provide for, the infrastructure, capital project and other financing needs the Agency’s water system while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

The issuance of long-term debt is a valuable funding resource for the Agency. Used appropriately and prudently, long-term debt can stabilize the Agency’s charges and rates over time.

- 1.1 Long-term debt financings are appropriate when the following conditions exist:
 - When unrestricted cash and cash reserves fall below 80% of target levels
 - When the project meets the goals of equitable treatment of all Agency customers, respectively, both current and future
 - When total debt outstanding does not constitute an unreasonable burden to the Agency and its ratepayers
 - When it is fiscally prudent, responsible, and diligent under the prevailing economic conditions
 - When the debt is used to refinance outstanding debt in order to generate debt service savings or to realize the benefits of a debt restructuring
 - If the projects are determined to be of major, non-recurring items or improvements with a minimum of 20-30 years of useful life
 - If there are other important policy reasons thereof

- 1.2 Long-term debt financings will not be considered appropriate for current operating expenses and routine maintenance expenses

- 1.3 The Agency may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the Agency Board of Directors
 - The Agency estimates that sufficient revenues will be available to service debt through its maturity
 - The Agency has determined that assets being acquired have a long useful life and the Agency wants to allocate or distribute the cost of the asset among both current and future users
 - The availability of significant, incremental and typically discretionary revenues, including capital reserves for the replacement of capital assets is limited or restricted



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

- The Agency determines that the issuance of the debt will comply with the applicable state and federal law.
- The Agency determines that the issuance of debt will comply with the existing financial covenants

2.0 STATEMENT OF PURPOSE

The Agency may utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term facility investments and thus ensure that existing and future users pay their fair share. If able to do so, the Agency may use the pay-as-you-go method of using current revenues to pay for long-term infrastructure and other projects. This method is preferred when sufficient discretionary revenues or reserves are available and long-term borrowing rates are higher than expected. For growth-related projects, debt financing may be utilized, as needed, to better match the cost of anticipated facility needs with timing of expected new connections to the system and spread the costs evenly over time.

2.1 Purposes and Use of Debt

The Agency will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term investments and thus ensure that existing and future users pay their fair share. Long-term capital investments include the acquisition of land, facilities, works, improvements and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. These investments are typically included in the Agency’s Capital Improvement Program Debt financings can be issued to fund the planning, design, land acquisition, construction, attached fixtures or equipment and movable pieces or equipment, or other costs as permitted by law. Debt financings can also be used to refinance obligations of the Agency.

2.2 Purpose of Policy

The purpose of a debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:
 - With respect to all options available to finance infrastructure, capital projects, and other financing needs
 - So that the most prudent, equitable and cost effective method of financing can be chosen
- Document the objectives to be achieved by staff both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

- Facilitate the financing process by establishing important policy decisions in advance
- The Agency will adhere to the following legal requirements for the issuance of public debt: The state law which authorizes the issuance of the debt
- The federal and state laws which govern the eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of tax-exempt debt
- The federal and state laws, which govern disclosure, sale, and trading of the debt

3.0 GENERAL PROVISIONS

The Agency will provide for a periodic review of its financial performance, and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting process.

Necessary appropriations for annual debt service requirements will be routinely included in the Agency’s annual budget.

The Agency will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

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

- The Agency will issue debt only in the case where there is an identified source of repayment. Debt will be incurred to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt. That is, the maximum amount of a debt issue will be determined in part by conditions (i) and (ii) above.
- The Agency will not issue debt to finance operating needs except in case of an extreme financial emergency which is beyond its control or reasonable ability to forecast, and unless specifically approved by the Board of Directors.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the Agency’s capital planning process, or as otherwise approved by the Board of Directors.



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

4.0 CONDITIONS FOR DEBT ISSUANCE

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

In issuing debt, the Agency’s objectives will be to:

- Achieve the lowest cost of capital
- Ensure ratepayer equity for the Agency’s customers
- Maintain the adopted credit rating strategy and access to credit enhancement
- Preserve financial flexibility

4.1 Standards for Use of Debt Financing

When appropriate, the Agency will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future system users, to provide more manageable rates in the near and medium term and to minimize rate volatility.

The Agency shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life.

Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.

4.2 Types of Debt

Revenue bonds, federal or state credit programs or loans, certificates of participation, refunding revenue bonds, commercial paper, capital leases and lease-purchase financing will be treated as debt and subject to these same policies.

4.3 Debt Capacity

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

4.4 Financing Criteria

Each debt issuance should be evaluated on an individual basis within the context of the Agency’s overall financing objectives and current market conditions.



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

The Agency will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

- 4.4.1 *Credit Enhancement* – the Agency will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.
- 4.4.2 *Cash-Funded Reserve vs. Surety* – If the issuance of debt requires a cash-funded Debt Service Reserve Fund, then the Agency may purchase a surety policy or replace an existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous. The Agency may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of the Agency’s debt when it is approved by the Board of Directors.
- 4.4.3 *Call Provisions* – In general, the Agency’s securities should include optional call provisions. The Agency will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.
- 4.4.4 *Additional Bonds Test/Rate Covenants* – The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.
- 4.4.5 *Short-Term Debt* – The Agency may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.
- 4.4.6 *Variable Rate Debt* – Variable rate debt products are priced at the short-end of the yield curve at low interest rates, but subject to various risks. Variable rate debt may be appropriate for the Agency’s portfolio, depending on market conditions and a careful consideration of the risks involved. Variable rate debt products include variable rate demand obligations, commercial paper, and other obligations which have interest rates adjusting periodically. The Agency may consider the use of variable rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining whether or not to use variable rate debt, the Agency will analyze the risk associated with the variable rate debt and the impact on the Agency’s overall portfolio. The principal amount of variable



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

rate debt products, including those synthetically fixed through the use of derivative products, shall not exceed 25% of total Agency outstanding debt.

- 4.4.7 *Derivatives* – The use of derivatives is covered by the Agency’s Derivatives Policy. This policy states that is has been developed to guide the Agency in its use of interest rate risk mitigation products such as interest rate swaps and other such financing techniques. These financing products can increase Agency financial flexibility and provide opportunities for interest rate savings or enhanced investment yields. Careful monitoring of such products is required to preserve Agency credit strength and budget flexibility. Derivatives will not be used to speculate on perceived movements in interest rates. The notional amount of derivative products shall not exceed 15% of total Agency outstanding debt. The notional principal amount, in a derivative project, is the predetermined dollar amount on which the exchanged payments are based. The notional principal never changes hands in the transaction, which is why it is considered notional, or theoretical. Neither party pays nor receives the notional principal amount at any time; only interest rate payments change hands. More detailed information is contained in the Derivatives Policy.
- 4.4.8 *Upper Santa Clara Valley Joint Powers Authority* – The Agency is a member of the Upper Santa Clara Valley Joint Powers Authority. The Agency will consider issuing revenue bonds, or federal or state loan programsthrough the Authority on a case-by-case basis. The Agency will only issue debt through the Authority when clearly demonstrable savings can be realized.
- 4.4.9 *Investment of Bond Proceeds* - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction, unless further restricted or limited in the Agency’s Statement of Investment Policy. The Agency will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

4.5 Refinancing Outstanding Debt

The Treasurer shall have the responsibility to evaluate potential refunding opportunities. The Agency will consider the following issues when analyzing potential refinancing opportunities:

Debt Service Savings – The Agency shall establish a target savings level equal to 3% for current refundings and 5% for advance refundings of the par of debt refunded on a net present value (NPV) basis. The target savings levels serve only as a guidelines and the Agency may determine that different savings targets are appropriate; the Agency shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- Remaining time to maturity
- Size of the issue
- Current interest rate environment
- Annual cash flow savings
- The value of the call option

The decision to take all savings upfront or on a deferred basis must be explicitly approved by the Board of Directors.

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

4.5.2 *Term/Final Maturity* – The Agency may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the bonds should not extend beyond 120% of the reasonably expected useful life of the asset being financed. The Agency may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity will guide these decisions.

4.5.3 *Economic versus Legal Defeasance* - When evaluating an economic versus legal defeasance, the Agency shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The Agency shall take all necessary steps to optimize the yield on its refunding escrows investments and avoid negative arbitrage.



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

4.6 Outstanding Debt Limitations

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

4.7 Method of Issuance

The Agency will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

4.7.1 *Competitive Sale* – In a competitive sale, the Agency’s bonds shall be awarded to the bidder providing the lowest true interest cost (TIC), as long as the bid adheres to the requirements set forth in the official notice of sale.

4.7.2 *Negotiated Sale* – The Agency recognizes that some bond issues are best sold through negotiation with a selected underwriter. The Agency has identified the following circumstances below in which this would likely be the case:

- Issuance of variable rate or taxable bonds
- Complex structures or credit considerations (such as non-rated bonds), which require a strong pre-marketing effort. Significant par value, which may limit the number of potential bidders, unique/proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process
- Market volatility, such that the Agency would be better served by flexibility in the timing of its sale, such as in the case of a refunding issue wherein the savings target is sensitive to interest rate fluctuations, or in a changing interest rate environment
- When an underwriter has identified new financing opportunities or presented alternative structures that financially benefit the Agency
- As a result of an underwriter’s familiarity with the project/financing, that enables the Agency to take advantage of efficiency and timing considerations

4.7.3 *Private Placement* – From time to time the Agency may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

access to the public market is unavailable and timing considerations require that a financing be completed.

4.8 Internal Controls

The Agency will maintain segregation of duties and will provide reconciliation and documentation controls.

To ensure bond proceeds from bond sales are used in accordance with legal requirements, invoices are submitted by the appropriate Project Manager and are approved for payment by the appropriate Department Manager and/or delegated staff/supervisor, the Controller and the General Manager for payment. In the case of an issuance of bonds for which the proceeds will be used by a government entity other than the Agency, the Agency may rely upon a certification by such other governmental entity that it has adopted the policies described in SB 1029.

A separate fund and/or account will be setup to hold proceeds from bond sales to ensure only properly approved invoices are paid as permitted per legal requirements.

Debt issuance transactions are approved by the Board of Directors.

Responsibility for general ledger reconciliations and records is segregated from the invoice processing, cash receipting and cash disbursement functions.

4.9 Market Communication, Debt Administration and Reporting Requirements

Rating Agencies – The Treasurer shall be responsible for maintaining the Agency’s relationships with S&P Global Ratings, Fitch Ratings, and Moody’s Investors Service, to the extent the Agency has ratings from such firms. The Agency shall from time to time, maintain relationships with these agencies as circumstances dictate. The Agency may choose based upon market conditions the number of ratings to obtain for any individual debt issuance. In addition to general communication, the Treasurer should attempt to meet (either in person or via phone or email) with credit analysts at least once each fiscal year. The Treasurer shall prior to each competitive or negotiated sale, offer conference calls or meeting(s) with rating agency analysts in connection with the planned sale.

4.10 *Observance of Debt Covenants* – The Treasurer will periodically ensure that the Agency is in compliance with all legal covenants for each debt issue.



POLICIES, RULES AND REGULATIONS	
Title: DEBT MANAGEMENT POLICY	
Approval Date: March 2023	Effective Date: March 2023
Approved By: Board of Directors	DMS #35318

- 4.11 *Continuing Disclosure* – The Treasurer will periodically confirm that all debt issued is in compliance with Rule 15c2-12(b)(5) by required filing as covenanted in each debt issue’s Continuing Disclosure Agreement.
- 4.12 *State Reporting Requirements* – Pursuant to Government Code Section 8855(k), the Agency will submit annual debt transparency reports for any debt for which it has submitted a report of final sale on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent. The Agency shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of debt.
- 4.13 *Record Keeping* – A copy of all debt-related records shall be retained at the Agency’s offices or in an approved storage facility. At minimum, these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). To the extent possible, the Agency shall retain an electronic copy of each document, preferably in PDF or CD-ROM format.
- 4.14 *Arbitrage Rebate* – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The Treasurer shall ensure that all bond proceeds and investments are tracked in a manner that facilitates accurate calculation; if a rebate payment is due, such payment is made in a timely manner.
- 4.15 *Policy Review* – This policy should be reviewed periodically by the Board and updated as needed. This policy is intended to comply with SB 1029.

(Originally Adopted April 2018; revised March 2023)



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

DISCLOSURE PROCEDURES POLICY

1.0 INTRODUCTION

The Agency from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively Obligations) to fund or refund capital investments, other long-term programs and working capital needs. These Obligations may be issued directly by the Agency, through the Upper Santa Clara Valley Joint Powers Authority or on behalf of the Agency by the Santa Clarita Valley Water Agency Financing Corporation (collectively the Issuer). In offering Obligations to the public, and at other times when making certain reports, the Agency and/or the Issuer (if other than the Agency) must comply with the anti-fraud rules of federal securities laws. (Anti-fraud rules refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly Rule 10b-5 under the 1934 Act.)

2.0 STATEMENT OF PURPOSE

The purpose of these Disclosure Procedures (Procedures) is to memorialize and communicate procedures in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Santa Clarita Valley Water Agency (Agency) to ensure the Agency continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

3.0 BACKGROUND

The core requirement of the anti-fraud rules is that potential investors in Obligations must be provided with all material information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the Agency and/or the Issuer (if other than the Agency) must not omit material information that would be necessary to provide to investors a complete and transparent description of the Obligations and the Agency’s financial condition. In the context of the sale of securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

When Obligations are issued, the two central disclosure documents that are prepared are typically a preliminary official statement (POS) and a final official statement (OS, and collectively with the POS, Official Statement). The Official Statement generally consists of (i) the forepart, which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, (ii) a section that provides information on the Agency, including its financial condition as well as certain operating information of the wholesale division or the retail division, as



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

applicable (Agency Section) and (iii) various other appendices, including the Agency’s audited financial report, form of the proposed legal opinion and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

4.0 DISCLOSURE PROCESS

When the Agency determines to issue Obligations, the Agency’s Treasurer requests the involved departments to commence preparation of the portions of the Official Statement (including particularly the Agency Section) for which they are responsible. While the general format and content of the Official Statement does not normally change substantially from offering to offering, except as necessary to reflect major events, the Agency’s Treasurer is responsible for reviewing and preparing or updating certain portions of the Agency Section that are within his/her particular area of knowledge. After the Official Statement has been substantially updated, the entire Official Statement is shared with the General Manager for review and input. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire Official Statement.

Members of the financing team, including the Bond Counsel and the Agency’s Financial Advisor with respect to the Obligations, assist staff in determining the materiality of any particular item, and in the development of specific language in the Agency Section. Members of the financing team also assist the Agency in the development of a big picture overview of the Agency’s financial condition, which is included in the Agency section. This overview highlights particular areas of concern. Bond Counsel has a confidential, attorney-client relationship with officials and staff of the Agency.

The Agency’s Treasurer or a member of the financing team at the direction thereof schedules one or more meetings or conference calls of the financing team (which includes Agency officials, Bond Counsel, the Agency’s Financial Advisor, the underwriter of the Obligations and the underwriter’s counsel), and new drafts of the forepart of the Official Statement and the Agency Section are circulated and discussed. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among Agency staff and other members of the financing team to discuss issues that may arise, determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call that includes Agency officials involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter’s counsel, during which the Official Statement is reviewed in its entirety to obtain final comments and to allow the



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

underwriters to ask questions of the Agency’s senior officials. This is referred to as a due diligence meeting.

A substantially final form of the POS is provided to the Agency Board of Directors (and the Authority Board of Directors, if relevant) in advance of approval to afford the Board(s) of Directors an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Board(s) of Directors, which generally authorizes certain senior staff to make additional corrections, changes and updates to the POS in consultation with General Counsel and Bond Counsel.

At the time the POS is posted for review by potential investors, senior Agency officials (and under certain circumstances the Issuer) execute certificates deeming certain portions of the POS complete (except for certain pricing terms) as required by SEC Rule 15c2-12.

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the Agency Section, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior Agency officials (and under certain circumstances the Issuer) execute 10b-5 certificates. General Counsel also provides a 10b-5 opinion letter (generally addressed to the underwriter). General Counsel does not opine to the underwriters or other third parties as to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion and certain other customary matters.

5.0 **AGENCY SECTION**

The information contained in the Agency Section is developed by personnel under the direction of the Treasurer. The Treasurer coordinates with the General Manager, senior management positions and Controller. The finance team assists as well in certain circumstances and additional officials will be involved as necessary. The following principles govern the work of the respective staffs that contribute information to the Agency Section:

- Agency staff involved in the disclosure process is responsible for being familiar with its responsibilities under federal securities laws as described above.
- Agency staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.

- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the Agency should consider revisions to the Procedures.
- The process of updating the Agency Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the Agency Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.
- The Agency must make sure that the staff involved in the disclosure process is of sufficient seniority so that it is reasonable to believe that, collectively, they are in possession of material information relating to the Agency, its operations and its finances.

6.0 TRAINING

Periodic training for the staff involved in the preparation of the Official Statement (including the Agency Section) is coordinated by the finance team and the Treasurer. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the Agency Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the Agency Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

7.0 ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

In connection with the issuance of Obligations, the Agency has entered into a number of contractual agreements (Continuing Disclosure Certificates) to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

Certificates. The Agency must comply with the specific requirements of each Continuing Disclosure Certificate. The Agency’s Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the Agency’s fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require material event notices are set forth in each particular Continuing Disclosure Certificate.

The Treasurer shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

8.0 SEC RULE 15c-2-12 REPORTING

Effective February 27, 2019, General Counsel, the General Manager, the Chief Financial and Administrative Office or the Agency Secretary, as applicable, will provide written notice to the Treasurer of receipt by the Santa Clarita Valley Water Agency (the “Agency”) of a notice of any default, event of acceleration, termination event, modification of terms (only if material or may reflect financial difficulties), or other similar events (collectively, a “Potentially Reportable Event”) received by the Agency under any agreement or obligation to which the Agency is a party and which may be a “financial obligation” as discussed below. Such written notice should be provided by General Counsel or the Agency Secretary, as applicable, to the Treasurer as soon as General Counsel or the Agency Secretary, as applicable, is placed on written notice by Agency staff, consultants, or external parties of such event or receives written notice of such event so that the Treasurer can determine, with the assistance of bond counsel, whether notice of such Potentially Reportable Event is required to be filed on EMMA pursuant to the disclosure requirements of SEC Rule 15c2-12. If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with the continuing disclosure undertaking for the various debt obligations of the Agency.

General Counsel or other senior staff (ie. General Manager, Chief Financial and Administrative Officer, the Secretary, or other executive positions within the Agency), as applicable, will report to the Treasurer the execution by the Agency of any agreement or other obligation which might constitute a “financial obligation” for purposes of Rule 15c2-12 and which is entered into after February 27, 2019. Amendments to existing Agency agreements or obligations with “financial obligation” which relate to covenants, events of default, remedies, priority rights, or other similar terms should be reported to the Treasurer as well as soon as General Counsel or such other senior staff is placed on written notice by Agency staff, consultants, or external parties of such event or receives



POLICIES, RULES AND REGULATIONS	
Title: DISCLOSURE PROCEDURES POLICY	
Approval Date: February 2019	Effective Date: February 2019
Approved By: Board of Directors	DMS #14891

a written notice of such amendment requests. Notice to the Treasurer is necessary so that the Treasurer can determine, with the assistance of bond counsel, whether such agreement or other obligation constitutes a material “financial obligation” for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material “financial obligation” or a material amendment to a “financial obligation” described above, notice thereof would be required to be filed on EMMA within 10 business days of execution or incurrence. The types of agreements or other obligations which could constitute “financial obligations” and which could need to be reported on EMMA are discussed in the memorandum from bond counsel attached hereto as Attachment 1.

(Originally Adopted April 2018)

ATTACHMENT 1

FINANCIAL OBLIGATIONS ON THE

AMENDMENT TO SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12

An amendment to Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule”) becomes effective as to underwriters of publicly offered municipal securities on February 27, 2019 (the “Effective Date”). As a result, we would expect that with respect to any debt offered publicly by the Santa Clarita Valley Water Agency (the “Agency”) or by the Upper Santa Clara Valley Joint Powers Authority (the “Authority”) on behalf of the Agency after the Effective Date to which the Rule applies, the Agency will be required to enter into a continuing disclosure undertaking pursuant to which it will agree to provide notice on the Electronic Municipal Market Access system (“EMMA”) of the incurrence of any “financial obligation” if material and will be obligated to disclose default on and certain other information with respect to any “financial obligation” regardless of when the financial obligation was incurred.

The Rule provides a general definition of a “financial obligation.” While the impetus for the proposed changes to the Rule was a perception by the SEC and others that municipal issuers were increasingly entering into bank or other private placement debt, the final amendment to the Rule defines “financial obligation” more broadly to include “a debt obligation, derivative instrument or a guarantee of either a debt obligation or a derivative instrument.”

To date the SEC has provided limited guidance on the specific application of the definition of “financial obligation”. The SEC release accompanying the final amendment does suggest a key concept is that a “financial obligation” involves the borrowing of money. In public comments representatives of the SEC have declined to provide a definition of a “guarantee” or a “debt” but did indicate that the SEC will not necessarily look to state law definitions of a “guarantee” or “debt”.

The Agency will need to monitor agreements or other obligations entered into by the Agency after the Effective Date, and any modifications to such agreements or other obligations, carefully to determine whether they constitute “financial obligations” under the Rule and, if material, would need to be disclosed on EMMA within 10 business days of execution or incurrence.

In addition, if the Agency receives a notice of default or an event of default or of an acceleration, termination event, modifications of or other similar event on any agreement or other obligation after the Effective Date, the Agency will need to determine whether such agreement or obligation constitutes a financial obligation (regardless of when originally incurred) and whether such default or other event reflects financial difficulty (i.e., reduction in overall liquidity, creditworthiness or debt owner’s rights).

Types of agreement or other obligations which are likely to be “financial obligations” under the Rule include:

- 1 Bank loans or other obligations which are privately placed;
- 2 State or federal loans;
- 3 Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
- 4 Letters of credit, surety policies or other credit enhancement with respect to the Agency’s publicly offered debt or the Authority’s publicly offered debt issued on behalf of the Agency;
- 5 Letters of credit, including letters of credit which are provided to third parties to secure the Agency’s obligation to pay or perform (an example of this is a standby

- letter of credit delivered to secure the Agency's obligations for performance under a mitigation agreement);
- 6 Capital leases for property, facilities, fleet or equipment; and
- 7 Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).

Types of agreements which could be a "financial obligation" under the Rule include:

- 1 Payment agreements which obligate the Agency to pay a share of another public agency's debt service (for example, an agreement with a joint powers agency whereby the Agency agrees to pay a share of the joint powers agency's bonds, notes or other obligations);
- 2 Service contracts with a public agency or a private party pursuant to which the Agency is obligated to pay a share of such public agency or private party's debt service obligation (for example, certain types of P3 arrangements);
- 3 Water purchase, water banking or other similar agreements pursuant to which the Agency is obligated to pay amounts expressly tied to the other party's debt service obligations, regardless of whether service is provided or not (for example, the Agency's State Water Project contract); and
- 4 Water purchase, water banking or similar agreements which include a rate component that expressly passes through debt service or capital obligation of the other party.

Types of agreements which may be a "financial obligation" subject to the Rule include:

- 1 Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money.

The above list is based on bond counsel advice as of January 28, 2019. The Treasurer will continue to work with General Counsel and bond counsel to refine the definition of financial obligation going forward based on future SEC guidance.



POLICIES, RULES AND REGULATIONS	
Title: DERIVATIVES POLICY	
Approval Date: April 2018	Effective Date: April 2018
Approved By: Board of Directors	DMS #14892

DERIVATIVES POLICY

1.0 INTRODUCTION

This policy has been developed to guide the Santa Clarita Valley Water Agency (Agency) in its use of derivative financing/interest rate risk mitigation products such as interest rate swaps and other such financing techniques. These derivative financing products can increase the Agency’s financial flexibility and provide opportunities for interest rate savings. The use of derivatives should be integrated into the Agency’s overall debt and investment management policy. Careful monitoring of such products is required to preserve the Agency’s credit strength and budget flexibility.

Derivatives will not be used to speculate on perceived movements in interest rates.

2.0 STATEMENT OF PURPOSE

2.1 PURPOSES FOR WHICH DERIVATIVES WILL BE USED

Derivatives can be structured differently, such as Interest rate swaps to create variable rate exposure through a fixed-to-floating interest rate swap or to create fixed rate exposure through a floating-to-fixed interest rate swap. In any situation, the Agency will only undertake such a financing product to achieve one or more of the following objectives:

- Derivatives may be used to lower interest expense of Agency debt, for a particular financing or for the overall debt portfolio.
- Derivatives may be used to reduce exposure to changes in interest rates.
- Derivatives may be used to achieve an appropriate asset/liability match.

2.2 PURPOSES FOR WHICH DERIVATIVES WILL NOT BE USED

- Derivatives may not be used for speculative purposes.
- Derivatives may not be used where they would create either extraordinary financial leverage or extraordinary financial risk.
- Derivatives may not be used if they present an extraordinary risk to the Agency’s liquidity to terminate the agreement due to unforeseen events, or
- Derivatives may not be used if there is insufficient price transparency to allow for fair market valuation.



POLICIES, RULES AND REGULATIONS	
Title: DERIVATIVES POLICY	
Approval Date: April 2018	Effective Date: April 2018
Approved By: Board of Directors	DMS #14892

3.0 ANALYSIS OF RISK ASSOCIATED WITH DERIVATIVES

The Agency will evaluate all derivatives with respect to the unique risks they present. A specific determination must be made that the proposed or estimated benefits exceed the identified risks by an adequate margin over those available in the traditional cash market. The analysis will assess the risk associated with the following factors:

3.1 Amortization Risk for Interest Rate Swap Agreements

Amortization risk is defined as the mismatch of the expiration of the underlying obligation and its hedge, the swap agreements. Amortization risk is the possibility that, as the result of early redemption of the underlying variable rate bonds, the repayment schedule of the bonds differs from the underlying notional amount of the swap agreements. This risk will only arise if the Agency wants to redeem the variable rate bonds ahead of schedule. This is not expected for the Agency financings.

3.2 Basis Risk

Basis risk refers to the mismatch between the actual variable rate debt service and variable rate index used to determine the derivative payments. Different fixed income market indices will be evaluated as part of the analysis of an interest rate swap agreement. The analysis will identify the amount of basis risk that may result from various indices.

3.3 Credit Risk

Credit risk refers to the credit worthiness of the counterparty. The Agency will only enter into business with highly rated counterparties. The Agency will structure derivative agreements to protect itself from credit deterioration. The Agency will only enter into transactions with counterparties with a credit rating of AA (or equivalent) or better at the time of execution. In the event that the credit rating falls below AA (or equivalent) during the transaction, the derivative documentation shall include protections and remedies. At the time of execution, the Agency should negotiate credit enhancement, subject to market conditions, in the form of:

- Contingent swap counter party providing support
- One-way collateral
- Ratings downgrade triggers



POLICIES, RULES AND REGULATIONS	
Title: DERIVATIVES POLICY	
Approval Date: April 2018	Effective Date: April 2018
Approved By: Board of Directors	DMS #14892

3.4 Counterparty Risk

Counterparty risk refers to the failure of the counterparty to make its required payments. This risk can be minimized by establishing strong minimum counterparty credit standards and diversifying the Agency’s exposure to counterparties.

3.5 Rollover Risk

Rollover risk refers to the potential need to find a replacement counterparty as part of the overall plan of finance if the interest rate swap does not extend to the final maturity of the underlying variable rate bonds. The rollover risk can be minimized through the initial plan of finance by not relying on the execution of future swap agreements.

3.6 Tax Events Risk

Tax events risk is defined as the risk created by potential changes to the Federal and State income tax codes on the interest rates to be paid by the Agency on its variable rate bonds. Tax events risk is a form of basis risk. The evaluation should analyze the potential impact of changes in marginal tax brackets as part of its analysis of basis risk.

3.7 Termination Risk

Termination risk refers to the possibility that, upon a default by the counterparty, the Agency may be required to make a large payment to the counterparty if the swap agreement is terminated prior to its scheduled maturity pursuant to its terms. For certain types of swaps, a payment by the Agency may be required if interest rates have fallen causing the market value of the remaining payments to be in favor of the counterparty.

4.0 INTEREST RATE SWAP FINANCING DOCUMENTATION

The Agency will use standard forms and documentation for derivatives. For interest rate swaps, the Agency will use the International Swaps and Derivatives Association (ISDA) swap documentation including the Schedule to the Master Agreement and a Credit Support Annex. The Agency derivative documentation should include the following terms:

- Downgrade provisions triggering termination of the swap should be bilateral.
- Governing law for swaps will be New York or California, but should reflect California authorization provisions.
- The specified indebtedness related to credit events in the master agreement should be narrowly drafted and refer only to specific debt and in no case provide recourse to the Agency.



POLICIES, RULES AND REGULATIONS	
Title: DERIVATIVES POLICY	
Approval Date: April 2018	Effective Date: April 2018
Approved By: Board of Directors	DMS #14892

- Eligible collateral should be limited to Treasuries and Federal Agencies.
- Collateral thresholds should be set on a sliding scale reflective of credit ratings.
- Termination value should be set by “market quotation” methodology.

5.0 FINANCIAL CONSIDERATIONS

5.1 Savings Targets

Derivative transactions shall have higher savings targets, due to the greater complexity and higher risk. In calculating the prospective savings for implementing a fixed-to-variable swap, the cost of re-marketing, in addition to the cost of credit enhancement and liquidity fees must be added to the projected average variable rate. The specific targets are as follows:

- Financial transactions, using swaps or other derivative products, intended to produce the effect of a synthetic fixed rate transaction, must generate 8% or greater present value savings compared to standard fixed-rate bonds which have the same optional redemption features.
- The notional amount of all derivative financing products shall not exceed 15% of total Agency outstanding debt.

5.2 Reporting and Accounting

The Agency shall report derivative financing transactions in accordance with Governmental Accounting Standards Board and Financial Accounting Standards Board statements.

5.3 Derivative Procurement

The Agency shall use a professional advisor or designated swap representative (Swap Advisor) to assist in the assessment, structuring, and pricing of proposed or existing interest rate swap agreements. The Agency shall select a Swap Advisor as part of the financing team where a Swap is expected to be executed. The Swap Advisor must meet the following qualifications:

- (1) Has sufficient knowledge to evaluate the swap transaction and risks
- (2) Is not subject to a statutory disqualification
- (3) Is independent of the swap dealer or major swap participant
- (4) Undertakes a duty to act in the best interests of the Agency
- (5) Provides appropriate and timely disclosures to the Agency
- (6) Evaluates fair pricing and the appropriateness of the swap



POLICIES, RULES AND REGULATIONS	
Title: DERIVATIVES POLICY	
Approval Date: April 2018	Effective Date: April 2018
Approved By: Board of Directors	DMS #14892

The Agency shall obtain an opinion from its Swap Advisor that the terms and conditions of any financial product entered into reflect a fair market value as of the execution date.

The General Manager is authorized to solicit derivative-proposals from firms that meet or exceed the following criteria:

- The derivative transaction provider shall have a credit rating of AA (or equivalent) or better from at least two nationally recognized credit rating agencies.
- The derivative provided shall have a demonstrated record of successfully executing derivative transactions and have a minimum capitalization of \$2 billion.

(Originally Adopted April 2018)

[This page intentionally left blank.]



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

PURCHASING POLICY

1.0 INTRODUCTION

This Purchasing Policy provides uniform procedures for acquiring goods, services and equipment for the operations of the Santa Clarita Valley Water Agency (SCV Water).

Staff will seek quotes from local vendors whenever feasible and will select local vendors when they provide the best product or service at the most favorable price. Requests for proposals, quotes, bids or other such processes may be advertised in the local newspaper, on the Agency’s website and on other local websites, where appropriate.

2.0 STATEMENT OF PURPOSE

This Purchasing Policy authorizes the conditions under which the Chief Financial and Administrative Officer is authorized to release Agency funds. All purchases of goods, services and equipment to be paid for by the Agency must comply with the methods, authority and dollar limits set forth in this Purchasing Policy. This Purchasing Policy does not apply to non-discretionary operating expenditures including, but not limited to, utilities, payroll, employee benefits, water purchases, election costs, conservation rebates, reimbursable expenditures (such as grants or litigation settlements), PFAS resin changeouts, deposit refunds, insurance and payroll taxes. Improvements or units of construction work are subject to the competitive bidding requirements of Public Contract Code, section 21530 et seq.

This Purchasing Policy does not supersede statutory law in existence at the time the Agency enters into a contract for the purchase of goods, services or equipment. California statutes that govern such contracts shall control to the extent they are in conflict with this Purchasing Policy.

3.0 AUTHORITY OF GENERAL MANAGER TO EXECUTE CONTRACTS

The Agency’s General Manager is hereby empowered to execute contracts for the purchase of goods, services and equipment up to a limit of \$100,000 per transaction in accordance with Section 4.0. In times of his/her absence, the General Manager may delegate his/her power.

4.0 METHODS OF ACQUISITION - GENERAL RULES

Except as provided in Section 5.0, the following methods of acquisition shall be used in the circumstances indicated:

- 4.1 Items of less than \$30,000. The General Manager or designee, may acquire items, the cost or estimated cost of which does not exceed \$30,000 (excluding sales tax and delivery fees) in any single acquisition, from any vendor who, in the



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

General Manager’s judgment, will provide the best product or service at the most favorable price.

4.2 Items of \$30,000 or more but less than \$100,000. The General Manager may acquire items, the cost or estimated cost of \$30,000 or more but less than \$100,000 (excluding sales tax and delivery fees) in any single acquisition, by requesting three (3) or more quotations from qualified vendors, and then purchasing the item from the responsible vendor whose product or service offers SCVWA the best value. The General Manager may consider quality and relevant factors other than price in reaching his/her decision as to what product or service to purchase. If fewer than three vendors or contractors are available, or if the product is not readily obtainable on the open market, or in the event of an emergency, this procedure shall be adjusted as required and the reasons for such adjustments shall be noted on the purchase records. If an acquisition is made pursuant to this Subsection and has a cost or is estimated to have a cost of more than \$50,000 and is not listed in the budget, the Board approval procedures established in Subsection (4.3) below shall apply.

4.3 Items of \$100,000 or more (excluding sales tax and delivery fees). Items, the cost or estimated cost of which equals or exceeds \$100,000 in any single acquisition (excluding sales tax and delivery fees), shall be submitted to the Board for approval before purchase. Once approved by the Board, the General Manager may acquire such items by requesting (3) or more quotations from qualified vendors, and then purchasing the item from the responsible vendor whose product or service offers the Agency the best value, in the sole and absolute discretion of the Board. If the item is (1) of a specified brand or type which is the only article which will properly meet the needs of the Agency, or (2) is not readily obtainable on the open market, or (3) is an item or service for which comparable quotations or bids cannot be secured, the determination of sole source must be approved by the Board.

5.0 METHODS OF ACQUISITION – SPECIAL RULES

- 5.1 The requirements of Section 4.0 shall not be applicable if:
- a. The item is a utility service such as telephone, power or other such item where the rates or prices therefore are fixed by legislation, government regulation or contract, or
 - b. The item is to be used in improvements or units of construction work subject to the competitive bidding requirements of Public Contract Code, section 21530 et seq.



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

5.2 In the event of an emergency and a written finding by the General Manager that it is immediately necessary to purchase or contract for goods, services and equipment, and the emergency will not permit a delay resulting from complying with Section 4 or, if applicable, Public Contract Code Section 21531, the General Manager is authorized to make the required purchase(s) or enter into the required contract(s). The General Manager shall, report at the next meeting of the Board any such action involving a cost of more than \$30,000 and shall describe the emergency and the actual or probable impact on the Agency, the reasons justifying why the action is necessary to respond to the emergency, and why the emergency will not permit a delay resulting from compliance with Section 4 or, if applicable, Public Contract Code Section 21531.

In the case of any action subject to the requirements of Public Contract Code section 21531, the Board shall review any such action within 7 days of it being taken, or at its next regularly scheduled Board meeting if that meeting will occur not more than 14 days after the action, and at every regularly scheduled Board meeting thereafter until the action is terminated, to determine by a four-fifths vote that there is a need to continue the action, unless the General Manager has completed the action prior to the review by the Board. When the Board reviews the emergency action it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

5.3 The Agency purchases goods or services in which: (1) a competitive purchasing procedure has been conducted by another public agency, including, but not limited to, another local agency, the State through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), or a joint powers agency, authority or alliance that procures competitive contracts; and (2) the price to the Agency is equal to or better than the price to that public agency.

5.4 The Agency Board finds that the nature of the subject of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable, impractical, or impossible.

6.0 **MOTOR VEHICLES**

The State of California shall be used as the first source of supply for vehicle procurement. In the event the State does not offer the vehicle desired or a lower price can be found on the open market, Section 4.0 shall be in force. The General Manager shall report any vehicle purchase to the Board as soon as practical.



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

7.0 ITEMS MANUFACTURED FOR SCV Water

When necessary, the Agency may contract for goods or equipment, which must be manufactured especially for the Agency and are not suitable for sale to others in the ordinary course of business. Such contracts may provide for progress payments for work performed and cost incurred, so long as not less than 5% of the contract price is withheld until after final delivery and acceptance of the supplies or equipment. Such contracts may also provide for a faithful performance bond in a sum determined by the Agency.

8.0 AUTHORITY OF GENERAL MANAGER AND CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER TO MAKE DISBURSEMENTS

The General Manager and Chief Financial and Administrative Officer are hereby authorized to make all necessary disbursements in payment for goods, services and equipment contracted for pursuant to this Purchasing Policy. This disbursement authority is, however, subject to the Agency’s rules and procedures on checks exceeding \$30,000.

9.0 AUTHORITY OF GENERAL MANAGER TO EXECUTE CONSTRUCTION CHANGE ORDERS

The Agency’s General Manager is hereby empowered to bind the Agency by change order up to the total amounts identified below based on the original Contract amount.

Original Contract Amount
Up to \$1,000,000

Change Order Authority
\$20,000 or 5% of original contract amount,
whichever is greater.

Greater than \$1,000,001

\$50,000 or 4% of original contract amount,
whichever is greater.

The Board may grant different change order authority on a project-specific basis. Board approval is required for any and all change orders once the total amount of change orders reaches the specific level of authority given to the General Manager. The General Manager shall brief the appropriate Committee and the Board on the details of all final approved change orders.

10.0 PROFESSIONAL SERVICE CONTRACTS

Professional services are defined as unique, technical and/or infrequent functions performed by an independent contractor/vendor qualified by education, experience, certification and/or technical ability to provide services. Typical Agency services that are obtained through professional services contracts include engineering and design, construction and project management, land surveying, legal, finance, planning,



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

environmental studies, legislative advocacy, public relations and outreach, organizational studies and strategic planning.

Professional services contracts shall be awarded based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, at fair and reasonable prices to the Agency. All professional service contracts or work authorizations in excess of \$100,000 annually shall be approved by the Board. The General Manager shall have the authority to approve changes in professional service contracts or work authorizations up to 10% (cumulative) of the amount authorized by the Board. When the General Manager makes such an increase, details of the changes shall be reported to the appropriate Committee and the Board as soon as practical. On an annual basis, the General Manager will present to an appropriate Committee a report of current professional services contracts, including name, service, amount, and expiration date. If the General Manager enters into a legal services agreement that exceeds \$30,000, the General Manager shall notify the Board as soon as practicable.

11.0 ENGINEERING SERVICES

Engineering services provided by consulting firms for the Agency include conducting evaluations, performing studies, preparing preliminary and final designs, preparing technical specifications, providing engineering support during construction, performing construction management and inspection, water resources and other miscellaneous services.

Engineering services will be performed by a pool of engineering consulting firms working under an on-call engineering services contract.

(A) Engineering Services Consultant Selection. Every four years, or more often if necessary, the Agency will request proposals from interested and qualified consulting engineering firms. Submitted proposals will be reviewed, and staff will recommend to the Engineering and Operations Committee and Board of Directors the qualified firms to provide Engineering services.

(B) Work Assignments. Engineering services will be provided by the selected consultants based on the firm's qualifications, experience, similar project experience, convenience, schedule, historical knowledge and overall cost. Scope of work, schedule, and compensation for each work assignment will be detailed in a specific Work Authorization.

When a specific project requires unique qualifications or a specialty service, as determined by the General Manager, the Agency may develop a specific selection



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

procedure and select a consultant without regard to the pool of engineering consulting firms.

(C) Contract Duration. Each firm in the pool will be under contract to provide services for the four-year duration noted above. However, should a firm have a work authorization underway at the end of the four-year term, its work and its contract with the Agency will remain in effect until the completion of the work authorization.

12.0 **AUTHORITY OF GENERAL MANAGER TO APPROVE PLANS AND SPECIFICATIONS FOR ADVERTISING, ACCEPTANCE OF CONSTRUCTION PROJECTS, AND REVIEW CONSTRUCTABILITY OF CAPITAL IMPROVEMENT PROJECTS**

(A) The General Manager shall have the authority to approve plans and specifications prepared for advertising capital improvement projects for construction bids.

(B) The General Manager shall have the authority to accept construction projects and issue and record the Notice of Completion with the Los Angeles County Recorder’s Office. Staff shall notify the Board of Directors each time the General Manager accepts a construction project.

(C) Constructability reviews shall be performed on all major capital improvement projects and other capital improvement projects, as appropriate, as determined by the General Manager or his designee.

13.0 **WORK AUTHORIZATIONS**

A written Work Authorization shall be executed to define scope, schedule, and budget for tasks or projects authorized under General Services Contracts. Staff will prepare and the General Manager or his designee is authorized to execute Work Authorizations where the value is \$100,000 or less, provided the item is listed in the budget. The Board of Directors shall approve Work Authorizations when the value is greater than \$100,000, provided the item is listed in the budget. If the item is not listed in the budget, the General Manager or his designee is authorized to execute Work Authorizations when the value is \$50,000 or less. If the item is not listed in the budget, the Board of Directors shall approve Work Authorizations when the value is greater than \$50,000. Approval by the Board shall be in accordance with its customary procedures. The General Manager shall have the authority to approve changes in Professional Services Contracts or Work Authorizations up to ten percent of the Amount authorized by the Board of Directors. When the General Manager approves such an increase, details of the change shall be reported to the Board of Directors at its next meeting. An appropriate Committee, as determined by the Board of



POLICIES, RULES AND REGULATIONS	
Title: PURCHASING POLICY	
Approval Date: December 2021	Effective Date: December 2021
Approved By: Board of Directors	DMS #27615

Directors, shall review contracts as needed to determine if the terms still meet the requirements and needs of the Agency or if the contracts should be modified.

14.0 **AUTHORITY OF GENERAL MANAGER TO ENTER INTO THIRD PARTY FUNDED DESIGN AND/OR CONSTRUCTION CONTRACTS**

The General Manager shall have the authority to enter into design agreements and/or construction contracts where the value is more than \$100,000 that are solely funded by third parties (i.e. private developers, The City of Santa Clarita, Los Angeles County, etc.) provided that funds have been deposited with the Agency prior to the execution of the design agreement and/or construction contract. Details of such agreements and contracts shall be reported to the appropriate Committee and the Board of Directors.

15.0 **PROCUREMENT POLICY FOR FEDERAL GRANTS**

Organizations receiving federal funds are subject to the procurement guidelines of the Uniform Guidance (UG), formally 2 C.F.R 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Projects seeking federal grant funding will follow the UG procurement standards.

(Originally Adopted January 2018)

(Revised February 2018; September 2019; December 2019; May 2020 and December 2021)

[This page intentionally left blank.]



POLICIES, RULES, AND REGULATIONS	
Title: CAPITALIZATION POLICY FOR FIXED ASSETS	
Approval Date: July 2022	Effective Date: July 2022
Approved By: Board of Directors	DMS #29470

CAPITALIZATION POLICY FOR FIXED ASSETS

1.0 INTRODUCTION

The Santa Clarita Valley Water Agency (SCV Water) Capitalization Policy is intended to promote good accounting and financial reporting. The policy allows SCV Water to accurately account for and report capital assets in financial reports issued to external reporting agencies, granting agencies and the public. The policy provides specific guidance to determine which capital assets are subject to separate accounting and reporting (i.e., Capitalization).

2.0 STATEMENT OF PURPOSE (excludes Leases and Subscription-Based Information Technology Arrangements)

In general, all capital assets, including land, improvements, buildings, machinery, and equipment, with an original cost of \$5,000 or more, and with economic lives greater than one year, are considered fixed assets and will be capitalized for accounting purposes. All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, professional fees, and legal claims directly attributable to asset acquisition.

2.1 Specific Capitalization Requirements

For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single capital asset.

Repairs to existing capital assets will generally not be subject to capitalization unless it extends the useful life of the asset. In this case, it represents an improvement and is subject to the requirements described below.

A group purchase of items which are individually below the \$5,000 capitalization threshold may still qualify for capitalization. If the items are similar in nature, they qualify as a fixed asset, and in total they exceed the \$5,000 capitalization threshold, then they should be capitalized. An example is a purchase of 100 meters which cost \$500 each – the meters would be capitalized because they qualify as a fixed asset (useful life of greater than 2 years), they are similar in nature, and in total the value exceeds \$5,000.



POLICIES, RULES, AND REGULATIONS	
Title: CAPITALIZATION POLICY FOR FIXED ASSETS	
Approval Date: July 2022	Effective Date: July 2022
Approved By: Board of Directors	DMS #29470

Assets will be capitalized as a unit. Assets will not be recorded for individual items unless the project costs are defined. An example is construction of a booster station that includes pumps, motors, electrical, structures, etc. If the separate costs are not defined, the total project cost will be capitalized as one unit.

Staff training, on new Capital Assets, should not be capitalized.

2.2 Improvements to Capital Assets

Improvements to existing capital assets will be presumed (by definition) to extend the useful life or increase the capacity or performance of the related capital asset and, therefore, will be subject to capitalization if the cost of the improvement meets the \$5,000 threshold. An improvement to a capital asset that had an original cost of less than \$5,000, but now exceeds the threshold because of the improvement completed within the same fiscal year as the original purchase, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.

2.3 Capital Projects

Capital projects under construction will be capitalized as Construction-In-Progress until they are at least 90% complete, or the project is operational and placed in use, or the construction has been certified as substantially complete. Costs to be capitalized include direct costs, such as labor and materials, as well as ancillary costs. SCV Water adopted GASB 89, therefore construction period interest costs are no longer capitalized; they are to be expensed in the period incurred.

2.4 Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Depreciation will be calculated when the project is operational and placed in use, or the construction has been certified as substantially complete beginning with fiscal year 2021. Depreciation will be posted monthly.

3.0 CAPITALIZATION POLICY FOR LEASES AND SUBSCRIPTION-BASED ARRANGEMENTS

This policy will increase the usefulness of the Agency’s financial statements by requiring reporting of certain lease liabilities and subscription-based arrangements that currently are not reported. A lease or subscription-based arrangement that meets the criteria below will have a \$100,000 capitalization threshold.



POLICIES, RULES, AND REGULATIONS	
Title: CAPITALIZATION POLICY FOR FIXED ASSETS	
Approval Date: July 2022	Effective Date: July 2022
Approved By: Board of Directors	DMS #29470

3.1 Leases (GASB 87)

A lease is defined as a contract that conveys control of the right-to-use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

The lease term is defined as the period during which a lessee has a noncancelable right-to-use an underlying asset, plus the following periods, if applicable

A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

3.2 Subscription-Based Information Technology Arrangements (GASB 96)

A Subscription-Based Information Technology Agreement (SBITA) is defined as a contract that conveys control of the right-to-use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right-to-use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government, or SBITA vendor, will exercise that option) or to terminate (if it is reasonably certain that the government, or SBITA vendor, will not exercise that option).

3.3 Amortization

Amortization is recorded on a straight-line basis, over the estimated useful lives, of the assets. Amortization will begin once the Lease or SBITA is capitalized and will be posted monthly.



POLICIES, RULES, AND REGULATIONS	
Title: CAPITALIZATION POLICY FOR FIXED ASSETS	
Approval Date: July 2022	Effective Date: July 2022
Approved By: Board of Directors	DMS #29470

Depreciation lives (years) will be as follows:

Amortization	Varies
Castaic Turnout - Regional	50
Communications Equipment	7
Computer Equipment - Hardware & Software	5
Fencing	15
Fire Mains	50
Franchise & Consents	20
Hydrants	30
Lab Equipment	5
Lighting and Roads	25
Maintenance Facility	30
Meter Installations	20
Meters	20
Office Furniture & Equipment	10
Organizational Costs	33
Other General Plant	8
Other Intangible Plant	20
Other Pumping Equipment (Disinfection)	30
Other Transmission & Distribution Plant	35
Power Operating Equipment	10
Pumping Equipment	20
Reservoirs & Tanks	50
Services	30
Sewer Lift Stations	51
Sewer Plant	50
Stores Equipment	10
Structures & Improvement (General)	40
Structures & Improvements (Pumping Plant)	30
Structures & Improvements (Reservoirs & Tanks)	30
Structures & Improvements (Wells)	30
Tools, Shop & Garage	10
Transmission & Distribution Mains	50
Treatment Plant - Regional	50
Treatment Structures	35
Vehicles	10
Water Treatment Equipment	30
Wells	30

(Originally Adopted May 2018; revised December 2020, July 2022)



POLICIES, RULES AND REGULATIONS	
Title: WIRE TRANSFER POLICY	
Approval Date: May 2018	Effective Date: May 2018
Approved By: Board of Directors	DMS #14895

WIRE TRANSFER POLICY

1.0 INTRODUCTION

The Board of Directors of the Santa Clarita Valley Water Agency (Agency) recognizes that the trend towards electronic payments and collections is increasing every year due to the efficiencies and effectiveness of these transactions. It is the policy of the Agency that it will receive and disburse funds through electronic fund transfers otherwise known as “wire transfers”.

2.0 STATEMENT OF PURPOSE

The purpose of this policy is to outline the policy and procedure on wire transfers.

2.1 Procedures

The Agency will designate authorized representatives that have authority to approve wire transfers. The following employees and Agency Officers are designated as authorized representatives for all Agency divisions:

- General Manager
- Assistant General Manager
- Chief Finance and Administrative Officer
- Director of Finance and Administration
- Controller
- President of the Board of Directors
- Vice-Presidents of the Board of Directors (2)

In addition, the following authorized representatives have authority to approve wire transfers for only the specific Agency division indicated:

Retail Administrative Officer – Santa Clarita Water Division

The Treasurer may delegate additional authority to employees to initiate a wire (but not approve a wire).

All out-going wire transfers shall be documented with a signed Wire Transfer Form. Wire amounts greater than \$25,000 shall require two signatures. Non-repetitive wire amounts of more than \$1 million will require the approval of either the President or the Vice-President of the Board of Directors. Repetitive wires of more than \$1 million, including but not limited to investments, utilities, payroll, employee benefits, water purchases, election costs, insurance and payroll taxes, do not require the approval of a Board officer.



POLICIES, RULES AND REGULATIONS	
Title: WIRE TRANSFER POLICY	
Approval Date: May 2018	Effective Date: May 2018
Approved By: Board of Directors	DMS #14895

An authorized representative cannot initiate and approve the same wire transfer; another authorized representative must perform one of these tasks. Terminal-initiated wires, both repetitive and non-repetitive, must be approved by a second-level approval online, in order to release the payment instructions. Telephone-initiated, non-repetitive wire transfers shall be approved with the Wire Transfer Form which requires two signatures.

(Originally Adopted May 2018)

GLOSSARY

Accounts Receivable: The Agency extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at fiscal year-end. Retailers extend credit to customers in the normal course of operations. Management deems at least 99% of all accounts receivable as collectible at fiscal year-end.

Accrual: The basis of accounting in which revenues are recognized as soon as they are earned. Expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

Accrual Basis of Accounting: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time), and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at the time).

Acre-Foot/Acre-Feet (AF): A unit of measure equivalent to 325,851 gallons of water.

Advanced Metering Infrastructure (AMI): This technology includes hardware, meter data management software, communications equipment and smart meters that provide real-time meter reads and consumption to the customer and the utility. This information will then allow the customer to be more aware of water usage, identify problems sooner, and allows the Utility to improve meter reading accuracy and efficiency.

Agency: Refers to Santa Clarita Valley Water Agency (SCV Water).

Alluvial Aquifer or Alluvium: The shallow aquifer that generally underlies the Santa Clara River and its several tributaries within the Santa Clarita Valley.

Alternative Water Resources Management (AWRM): A program that will attempt to achieve a total daily maximum load for chloride in the Santa Clara River by blending high chloride and low chloride waters. The Agency has signed a MOU and is helping the Sanitation District (the lead agency) implement the plan.

American Water Works Association (AWWA): An international scientific and educational society dedicated to the improvement of drinking water quality and supply. The Agency is a member of AWWA.

Appropriation: An amount of money in the budget authorized for expenditure or obligation within organizational units for specific purposes.

Aquifer: An underground layer of permeable rock, sediment (usually sand or gravel), or soil that yields water.

Arbitrage: the simultaneous buying and selling of securities, currency or commodities in different markets or in derivative forms in order to take advantage of differing prices for the same asset.

Assessed Valuation: An official government value placed upon real estate or other property as a basis for levying taxes.

Asset Management: A set of systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organizational strategic plan.

Assets: Resources having monetary and economic value that are owned or held by the Agency.

Association of California Water Agencies (ACWA): A statewide organization comprised of a coalition of public water agencies. The Agency is a member of ACWA.

Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA): A statewide organization dedicated to consistently and cost-effectively providing the broadest possible affordable insurance coverage, as well as training and related services to its member agencies. The Agency is a member of ACWA/JPIA.

Audit: An audit is the process of evaluation or analysis of something to determine its accuracy. Governmental audits are typically performed by independent Certified Public Accountants. Financial statement audits are designed to provide users of financial statements with assurance on their reliability. Auditing is important in public sector finance and is essential to the credibility of government financial reporting.

Automated Meter Reading (AMR): Automatic collection of water meter data using remote reading devices.

Backbone: Refers to all infrastructure necessary to deliver recycled water into the distribution system.

Balanced Budget (General Fund – Operating): A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means for a specific period.

Board of Directors: The governing body of the Santa Clarita Valley Water Agency (SCV Water). The Agency is divided into three elective divisions; the governing board is currently made up of 13 members.

Bond: A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service.

Budget: A balanced financial plan for a given period, which matches proposed expenditures to the expected revenues for that same period.

Buena Vista Water Storage District (BVWSD): The Agency acquires 11,000 acre-feet (AF) of water supply per year for a 30-year period from the BVWSD.

California Aqueduct: The main conveyance facility of the State Water Project which brings water via a series of pumping plants from northern California to the Bay Area, San Joaquin Valley, Central Coast area and Southern California.

California Public Utilities Commission (CPUC): Commission governing the business operations of private utilities in so much as they affect the rates of the services sold.

Delta Conveyance: Formerly known as California Water Fix and the Bay Delta Conservation Plan (BDCP), it is one part of the California Water Action Plan to bolster self-sufficiency, reduce consumption, improve water management, and reduce dependence on the Delta to meet future needs. It is the product of decades of deliberation and the evolution of California's twin goals of protecting and securing water resources to meet growing demand, while maintaining a healthy environment.

Capacity Fees (Also Facility Capacity Fee (FCF) or Retail Capacity Fee (RCF):

Fees imposed when a customer requests a new service connection. The Capacity Fee funds (also referred to as Expansion Fund or Connection Fees) are used by the Agency to plan, design and construct new facilities to support the additional demand placed on the water system by new and future service connections.

Capital Equipment: Fixed assets such as vehicles, computers, furniture, technical instruments which have a life expectancy of more than one year and a value over \$5,000.

Capital Improvement Plan (CIP): A long-range plan of the Agency for the construction, rehabilitation and modernization of the Agency-owned and operated infrastructure.

Capital Planning, Studies and Administration: Non-operating expenses, including but not limited to: (1) studies in support of major capital projects; and (2) non-recurring studies.

Capital Project: A non-operating expense item of the budget, which includes expenditures for fixed asset / equipment purchases, as well as the accumulation of expenditures associated with construction projects. Capital projects typically have a life of five years or more.

Castaic Lake Water Agency (CLWA): A former entity of SCV Water. The Castaic Lake Water Agency, formerly known as the area's wholesaler, imported water from the State Water Project that is used to supplement the local retailers' groundwater supply. CLWA acquired SCWD in 1999, and, along with VWC and NWD, merged into SCV Water in January 2018 by an act of legislation, SB 634.

Castaic Lake Water Agency Financing Corporation: A corporation the former CLWA formed in 1990 to issue Certificates of Participation, now known as SCV Water Financing Corporation.

Catalytic Project: High leverage, high impact activity, project or program which will achieve the greatest positive impact on the performance measures. A catalytic project may also be a collection of programs and activities.

CCF or ccf: The CCF is the standard rate of billing for retail water service. One CCF is equal to 100 cubic feet of water, which is equal to 748 gallons of water.

Certificate of Participation (COP): The financing technique that provides long-term financing through a lease (with an option to purchase) or installment agreement that does not constitute indebtedness under the state constitutional debt limit, and does not require voter approval.

CIP Fund: Funds allocated for projects through Retail Water sales excluding COP financed projects and expansion projects due to development.

Collateralization: Occurs when a borrower pledges an asset as recourse to the lender in the event that the borrower defaults on the initial loan.

Commodity Charge: A charge per CCF that includes retail water usage charges and pass-through charges for purchased water.

Computerized Maintenance Management System (CMMS): A CMMS software package maintains a computer database of information about an organization's maintenance operations. This aids in making informed decisions regarding preventative maintenance and helps maintenance workers do their jobs more efficiently.

COP Fund: Funds allocated for specific projects through COP financing.

CSMFO: California Society of Municipal Finance Officers.

Customer Class: Retail divisions have three customer class categories: Residential, Industrial and All Others.

Customer Information System (CIS): Computer database and information system that contains all billing and personal data pertaining to utility customers usually combined with Utility Billing (UB).

Dead End Flushing: Dead end water mains are often found at the end of cul-de-sac streets, and may not provide enough flow to maintain disinfectant levels. Therefore, a preventative maintenance program has been set up for flushing dead end water mains to ensure high quality water and acceptable disinfection residual.

Department of Water Resources (DWR): The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation: Reduction in value of an asset with the passage of time, due in particular to wear and tear.

Derivative: A financial security with a value that is reliant upon or derived from an underlying asset or group of assets; a benchmark.

Developer: A person or entity that invests in and develops potentialities of real estate, especially by subdividing the land into home sites and then building houses and selling them.

Developer Refundable Deposit: Initial funds received from developers to do engineering studies and construction related to a retailer's water system for their specific development. Any unused amount is refundable.

Devil's Den Ranch: Agricultural land in Kern and Kings Counties that the Agency owns and operates.

Devil's Den Water District: A California Water District in Kern and Kings Counties (the Agency is the primary landowner).

Disbursements: Payments made on obligations.

Earl Schmidt Filtration Plant (ESFP): One of two treatment plants operated by SCV Water.

Earl Schmidt Intake Pumping Station (ESIPS): SCV Water pumping station that pumps water up to the ESFP.

EIR: Environment Impact Report prepared in compliance with the California Environmental Quality Act.

EIS: Environmental Impact Statement prepared in compliance with the National Environmental Protection Act.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to business enterprises where (1) the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) the governing body or higher governmental authority has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control and accountability for other purposes.

Equipment: The purchase, replacement, maintenance and upgrading of equipment essential to supporting administrative and service needs with a cost of \$5,000 or more.

Equipment Purchases: The purchases of office equipment, furniture, automobiles, trucks, pumps, shop equipment and other items.

Expenditure: An amount of money disbursed or obligated. Expenditures include current operating expenses and capital improvements requiring the present or future use of net current assets and the current year portion of debt service.

FICA: Federal Insurance Compensation Act.

Finance and Administration Committee: A committee of the Board of Directors consisting of six Board members, that meets monthly to discuss finance, administration, budget and rate issues for regional and retail functions.

Financial Management Information System (FMIS): An accounting software that records and processes accounting transactions.

Fiscal Year: The timeframe in which the Budget applies. This is the period from July 1 through June 30 of the following year.

Fixed Assets: Long-term tangible assets that have a normal use expectancy of more than three years and do not lose their individual identity through use. Fixed assets include buildings, equipment and improvements other than buildings and land.

Fund: A set of accounts used to account for a specific activity, such as a water enterprise fund. A fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

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

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

General Obligation Bonds: Bonds, the payment for which the full faith and credit of the issuing government are pledged.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic Financial Statements of an entity. The responsibility for setting GAAP for state and local governments rests with the Governmental Accounting Standards Board (GASB).

Geographic Information System (GIS): GIS is a system designed to capture, store, manipulate, analyze, manage and present all types of geographically referenced data.

GFOA: Government Finance Officers Association of the United States and Canada.

Goal: A description of a desired end state, condition or outcome expressed in qualitative terms.

Governmental Accounting Standards Board (GASB): The organization that sets the standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports. and guide and educate the public, including issuers, auditors, and users of those financial reports.

Governmental Fund: Fund category used to account for tax-supported (governmental) activities. These are the funds through which most governmental functions typically are financed.

Grant Administration: Grant funds that are used only for intended purposes and are subject to Single Audit requirements (OMB Super Circular – Subpart F of the federal Uniform Grant Guidance).

Integrated Regional Water Management (IRWM): A collaborative, stakeholder-driven process to integrate planning and implementation efforts and facilitate regional cooperation with the goals of reducing water demands, improving operational efficiency, increasing water supply, improving water quality and promoting resources stewardship over the long term. The Upper

Santa Clara River IRWM plan, adopted in July 2008 (and updated February 2014), examines current and future water-related needs, identifies regional objectives for water-related resource management, develops strategies to address identified needs and then evaluates and offers various projects to meet the regional objectives.

Integrated Regional Water Management Plan (IRWMP): A plan for upper Santa Clara River watershed management that was adopted in July of 2008. The Agency is a stakeholder and on the Regional Water Management Group, which leads the IRWMP effort. The IRWMP is critical for identifying programs for possible state grant funding under Propositions 50, 84, and 1.

Interfund Loan: Payments from SCWD and VWD to SCV Water.

Internal Control: Agency management is responsible for the establishment and maintenance of internal control structure that ensures that the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

LAIF: Local agency investment fund.

Los Angeles County Waterworks District No. 36. (LACWD No. 36.): A retail purveyor of SCV Water.

Major Capital Improvement Projects: Projects associated with the expansion of service due to growth or increase in demand which cost more than \$250,000.

Major Capital Project: The acquisition of land, facilities, works, improvements and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. Major capital projects are typically included in the Agency's Capital Improvement Program and Data Document, and cost more than \$500,000.

Major Fund: Funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise), and 5 percent for the aggregate of all governmental and enterprise funds in total.

Materials and Supplies: Cost of the various materials and supplies purchased to operate and maintain the Agency. Examples of supplies include office, computer, engineering, janitorial and gardening. Materials include glass, lumber, concrete, painting and small tools.

Meter Service Charge: A monthly charge for water availability based on meter size.

Minor Capital Improvement Projects: Projects associated with the expansion of service due to growth or increase in demand that cost \$250,000 or less.

Minor Capital Project: Minor capital projects include the acquisition of land, facilities, works and improvements, enhancements or enlargements to existing capacity and facilities. Minor capital projects take less time to develop and are not generally included in the Agency's Capital Improvement Program. Minor capital projects cost \$500,000 or less.

Modified Accrual Basis of Accounting: The basis of accounting under which revenues are recognized when they become "susceptible to accrue," (i.e., measurable and available to finance expenditures of the current period). The Agency considers property taxes to be available and subject to accrual if they are levied for and due within the fiscal year and collected within 60 days after fiscal year end. Expenditures are recorded when the liabilities are incurred, except that principal and interest payments on general long-term debt are recognized as an expenditure when due.

Newhall Water District (NWD): One of the four SCV Water retail divisions, formerly known as Newhall County Water District.

Objective: A description of the result that is expected to be achieved. An objective is time specific and measurable. Fiscal year objectives are the yearly organizational levels of achievement expected.

Operating Budget: The normal, ongoing operating costs to operate the Agency, including salaries, employer expenses, professional and outside services, and other operating expenses.

Other Post-Employment Benefits (OPEB): Post-employment benefits that an employee will begin to receive at the start of retirement. OPEB does not include pension benefits paid to the retired employee.

Pay-Go: A term to describe "pay-as-you-go" (as opposed to debt-funded) funding for the Agency's capital projects.

Perchlorate: Compounds used in the manufacturing of explosives, munitions and rocket fuel.

Performance Measurement: A qualitative or quantitative indicator of successful goal attainment. A "good" performance measure is a reasonable approximation or representation of goal attainment. The performance measure cited should also be one that the Agency can affect, gather data on and measure.

Planning and Engineering Committee: A committee of the Board of Directors consisting of five Board members that meets monthly to discuss planning and engineering issues affecting regional and retail functions.

Potable Water: Water that meets the drinking water standards of the US Environmental Protection Agency.

Public Employees Retirement System (PERS). An agent, multiple-employer, public retirement system to which the Agency contributes that acts as a common investment and administrative agent for participating public entities within the State of California.

Public Employees' Pension Reform Act (PEPRA): In September 2012, the legislature passed and the Governor signed into law the "California Public Employees' Pension Reform Act of 2013" (PEPRA) (Government Code Sections 7522, *et seq.*): PEPRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees:

Purchased Water: Water purchased from the regional division to supplement the retail divisions' groundwater supplies.

Recycled Water: Beneficial use of treated wastewater for such planned uses as irrigation, industrial cooling, recreation, groundwater recharge, environmental enhancement, and other uses permitted under California law.

Redundancy: A fail-safe in the water distribution system to ensure continued service when a critical portion of the water system is out of service due to unforeseen conditions.

Regional: A term, formerly known as "wholesale," used to describe a combined source of imported water, recycled water and groundwater.

Reliability: Providing a consistent level of water.

Repair and Replacement: Minor changes or additions to existing Agency-owned grounds or buildings and the electrical, lighting, plumbing, air conditioning or heating systems contained therein, which correct unsafe or unhealthful working conditions, increase operating efficiency, promote improved service to the public, and provide for the installation of equipment and security devices.

Repair and Replacement Projects: Any repair or replacement to the existing water infrastructure that extends the life a minimum of five years or more and costs \$5,000 or more.

Replacements: Projects related to replacement of existing infrastructure.

Revenue: Income generated by taxes, notes, bonds, investment income, land rental, user charges and water rates.

Rio Vista Intake Pumping Station (RVIPS): SCV Water pumping station that supplies water to the RVWTP.

Rio Vista Water Treatment Plant (RVWTP): One of two treatment plants operated by SCV Water.

Rosedale-Rio Bravo Water Storage District (RRBWSD): The Agency participates in the Groundwater Banking Program through RRBWSD which allows the storage of 20,000 acre-feet annually of the Agency's State Water Project Table A amount or other State Water Project supplies.

Santa Clarita Valley Sanitation Districts (SCVSD): The public agency tasked with managing wastewater in the Santa Clarita Valley including the conversion of said wastewater into recycled water for further beneficial use.

Santa Clarita Water Division (SCWD): One of SCV Water's retail divisions. Santa Clarita Water Company was acquired by the Agency in 1999.

Saugus Formation: The deep aquifer that underlies the Alluvial Aquifer.

Semitropic Water Storage District (SWSD): The Agency participates in the Groundwater Banking Program through SWSD which includes two short-term accounts that distribute excess State Water Project Table A water.

Service Charge: A flat monthly charge based on the meter size to cover the cost of reading, billing, maintaining meters and services.

Services: The normal, ongoing operating costs incurred to operate the Agency. Examples include repair, maintenance, auditing, security and engineering.

Southern California Edison (SCE): The primary electricity supply company for most of Southern California.

Southern California Water Committee, Inc. (SCWC): A nonprofit, nonpartisan, public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources. The Agency is a member of SCWC.

State Water Project (SWP): A water development and distribution system owned and operated by the State of California Department of Water Resources, which transports water from northern California. It entails the operation and maintenance of the collection and transportation facilities.

State Water Resources Control Board (SWRCB): Also known as the State Water Board. Along with the nine Regional Water Quality Control Boards, the SWRCB is tasked with preserving California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations. The SWRCB plays a key role in the State's response to current drought conditions.

Strategic Goal: A discrete aim for future achievement that is necessary to meet a component of the Agency's mission.

Strategic Plan: A long-term plan defining the Agency's mission, goals, objectives and implementing actions.

Strategy/Tactic/Action/Program/Project/Activity: Means by which we will achieve an objective and move towards a goal. A tactic is a specific action whereas a strategy is a broader concept to gain leverage and solve a problem.

Studies and Administration: Expenses related to planning, feasibility studies and other non-recurring reports, evaluations or tests.

Supervisory Control and Data Acquisition (SCADA): The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water and facilities throughout SCV Water's service area.

Total Budget: The sum of the total operating budget, debt service, water purchases and total capital budget requests.

Total Capital Budget: The total budget requests for equipment purchases and construction projects.

Treated Water: Water treated at the Agency’s ESFP and RVWTP and delivered to retail divisions.

Upgrades: Projects related to the repair or refurbishment of existing infrastructure.

Upper Santa Clara Valley Joint Powers Authority (USCVJPA): A joint exercise of powers between the former Castaic Lake Water Agency, now successor agency SCV Water, and the Devil’s Den Water District.

Urban Water Management Plan (UWMP): A water management planning document required by the “California Urban Water Management Planning Act.” This Plan provides a description of supplies and demands for existing and future conditions over a 20-year time horizon.

Utilities: This includes gas, electricity, water, sewer, sanitation, and telephone service.

Utility Billing System (UB): Billing software system for utilities usually combined with a Customer Information System (CIS).

Valencia Water Division (VWD): One of SCV Water’s retail divisions, formerly known as Valencia Water Company (VWC).

Water Conservation / Water Use Efficiency: Encompasses the policies, strategies and activities made to manage fresh water as a sustainable resource, to protect the water environment and to meet current and future demand.

Water Infrastructure Finance and Innovation Act (WIFIA) – The Water Infrastructure Finance and Innovation Act of 2014 established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. WIFIA and the WIFIA implementation rule outline the eligibility and other requirements for prospective borrowers.

Water Master Plan: An engineering study that recommends and prioritizes capital improvements based on long-range planning efforts through analysis and assessment of the capacity of existing and planned infrastructure, with respect to established design criteria.

Water Purchases: Water purchased from the Department of Water Resources.

Water Rates: Retail water rates charged to SCV Water customers. The water rates consist of two main components: a fixed monthly Service Charge and a variable water usage Commodity Charge. The Service Charge rates vary based on meter size, whereas the Commodity Charge is based on the amount of water used in CCF.

Water Resources and Outreach Committee: A Committee of the Board of Directors consisting of five Board members that meets monthly to discuss water resource issues and outreach efforts.

Water System: The whole and each part of the water system of SCV Water, comprising all facilities for the supply, storage, treatment and distribution of water, together with all additions, extensions and improvements to such system.

Water Use Efficiency Strategic Plan (WUESP): A comprehensive long-term conservation plan for the Santa Clarita Valley which provides objectives, policies and programs designed to promote proven and cost-effective conservation practices. The plan was first adopted in 2008 and subsequently updated in 2015.

Weather-based Irrigation Controller (WBIC): An irrigation controller that adjusts watering patterns based on real-time weather conditions.

BUDGET ACRONYMS

AB	Assembly Bill
ACFR	Annual Comprehensive Financial Report
ACWA	Association of California Water Agencies
ACWA/JPIA	Association of California Water Agencies/Joint Powers Insurance Authority
ACOE	U.S. Army Corps of Engineers
Act	California Urban Water Management Planning Act
AF	acre-foot/acre-feet
AFY	acre-feet per year
Agency	Santa Clarita Valley Water Agency (SCV Water)
AWRM	Alternative Water Resources Management Program
AWWA	American Water Works Association
AWWARF	American Water Works Association Research Foundation
BDCP	Bay Delta Conservation Plan
BMPs	Best Management Practices
BO	Biological Opinion
BOD	Board of Directors
BVWSD	Buena Vista Water Storage District
CCF	One Hundred Cubic Feet
CCR	Consumer Confidence Report
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CIP	Capital Improvement Plan
CLWA	Castaic Lake Water Agency
COLA	Cost-of-Living Adjustment
COPs	Certificates of Participation
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CPI	Consumer Price Index
CVP	Central Valley Project
CWSRF	Clean Water State Revolving Fund
DBP	Disinfection by-products
D/DBP	Disinfectants and Disinfectant By-Products
DDW	Division of Drinking Water
Delta	Sacramento-San Joaquin Delta
DFW	California Department of Fish and Wildlife
DHS	California Department of Health Services
DOF	Department of Finance
DPH	Department of Public Health
DTSC	Department of Toxic Substances Control
DWR	Department of Water Resources
Edison	Southern California Edison
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
ESA	Endangered Species Act
ESFP	Earl Schmidt Filtration Plant
ESIPS	Earl Schmidt Intake Pump Station
ETo	evapotranspiration
FCF	Facility Capacity Fee

FEMA	Federal Emergency Management Agency
FWS	United States Fish and Wildlife Service
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GPCD	gallons per capita per day
GPD	gallons per day
GPM	gallons per minute
GWMP	Groundwater Management Plan
IRWMP	Integrated Regional Water Management Plan
IT	Information Technology
KCWA	Kern County Water Agency
L.A. Co. WWD #36	Los Angeles County Water Works District #36
LACDRP	Los Angeles County Department of Regional Planning
LACSD	Sanitation Districts of Los Angeles County
LADWP	Los Angeles Department of Water and Power
LAIF	Local Agency Investment Fund
Metropolitan	Metropolitan Water District of Southern California
MAF	Million Acre-Feet
MCL	Maximum Contaminant Level
MG	Million Gallons
MGD	Million Gallons per Day
mg/l	milligrams per liter
MOU	Memorandum of Understanding
MWD	Metropolitan Water District of Southern California
NCWD	Newhall County Water District
NEPA	National Environmental Protection Act
NMFS	National Marine Fishery Service
NPDES	National Pollutant Discharge Elimination System
NWD	Newhall Water Division
O&M	Operations and Maintenance
OMB	Federal Office of Management and Budget
OVOV	One Valley One Vision
PFAS	Per- and polyfluoroalkyl substances
PUC	California Public Utilities Commission
RCF	Retail Capacity Fee
RWQCB	Regional Water Quality Control Board
RVIPS	Rio Vista Intake Pump Station
RVWTP	Rio Vista Water Treatment Plant
RRB	Rosedale-Rio Bravo
RRBWS	Rosedale-Rio Bravo Water Storage District
SB 634	Senate Bill 634
SBX7-7	Senate Bill SBX7-7
SCV Water	Santa Clarita Valley Water Agency
SCVGSA	Santa Clarita Valley Groundwater Sustainability Agency
SCVWUESP	Santa Clarita Valley Water Use Efficiency Strategic Plan
SCWC	Southern California Water Committee
SCWD	Santa Clarita Water Division
SGMA	Sustainable Groundwater Management Act
SPTP	Saugus Perchlorate Treatment Plant
SRF	(Clean Water) State Revolving Fund
SWP	State Water Project
SWRCB	State Water Resources Control Board
SWSD	Semitropic Water Storage District

TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
USCR	Upper Santa Clara River
USEPA	United States Environmental Protection Agency
UWMP	Urban Water Management Plan
VWC	Valencia Water Company
VWD	Valencia Water Division
Valley	Santa Clarita Valley
WIFIA	Water Infrastructure Finance and Innovation Act



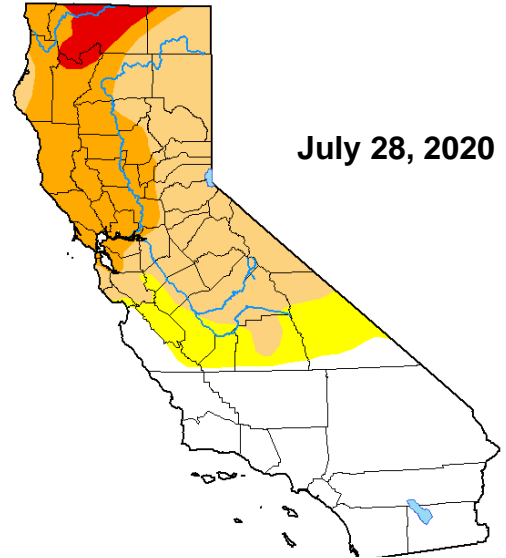
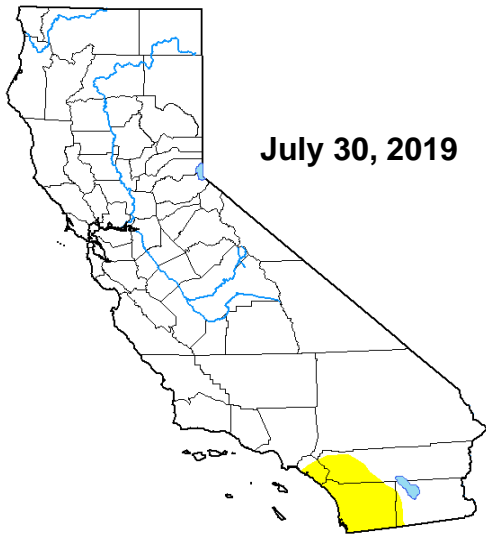
SCV Water Utility Operators In Action

Pictured: SCV Water utility operators work to repair a water leak on The Old Road in Valencia, CA.

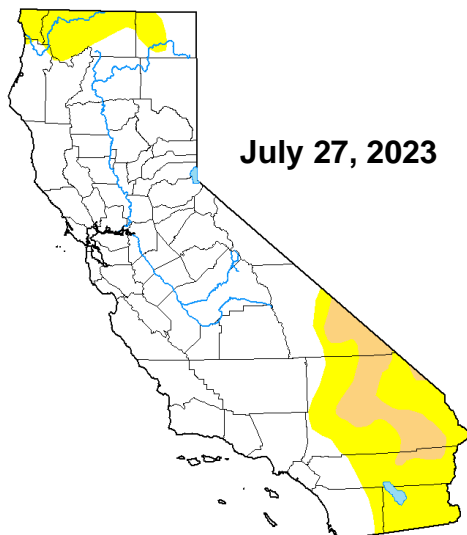
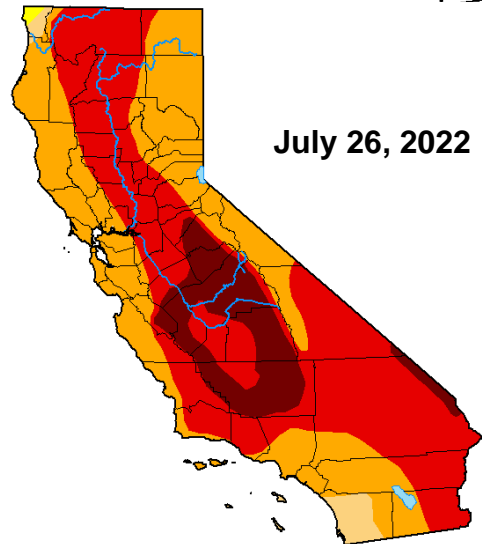
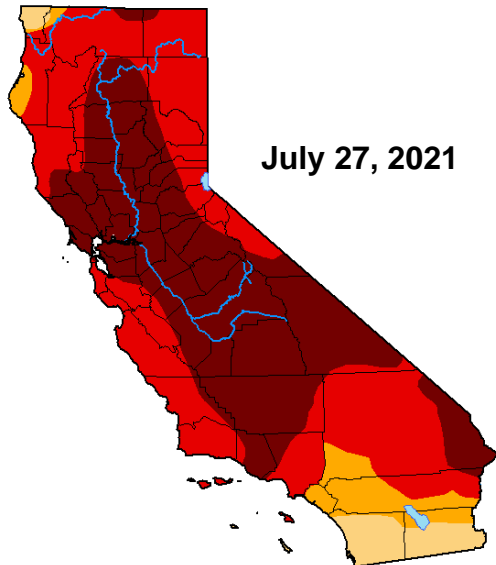


California Drought Monitor

Pictured: Graphics of the same week over the past 5 consecutive years from the drought monitor of the National Drought Mitigation Center depicting California's ongoing drought cycles.



U.S. Drought Monitor
California



Intensity:

- | | |
|--|--|
|  D0 Abnormally Dry |  D3 Extreme Drought |
|  D1 Moderate Drought |  D4 Exceptional Drought |
|  D2 Severe Drought | |

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Authors:

Richard Heim, Chris Fenimore, Brad Rippey and Curtis Riganti, Brian Fuchs



<http://droughtmonitor.unl.edu/>

The U.S. Drought Monitor is jointly produced through a partnership between the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC-UNL. Used with permission.



SCV Water - Customer Care

24631 Avenue Rockefeller
Valencia, CA 91355

661-294-0828
ccare@scvwa.org

SCV Water - Administration

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173

661-297-1600

YOURSCVWATER.COM



Board of Directors

Gary R. Martin, *President*

Maria Gutzeit, *Vice President*

Piotr Orzechowski, *Vice President*

Kathye Armitage, *Director*

Beth Braunstein, *Director*

Ed Colley, *Director*

William Cooper, *Director*

Dirk Marks, *Director*

Kenneth J. Petersen P.E., *Director*