



Cucamonga Crosswalls - 1942

San Antonio Water Company Annual Operating & Capital Improvement Budget

Fiscal Year Ending December 31, 2024

General Manager's Message

Dear Board of Directors and Shareholders,

I am pleased to present you with the recommended budget for Fiscal Year 2024 (FY2024). We begin the year in a healthy financial position with the fiscal resources available to continue providing high quality service, continue advancing infrastructure replacement, while maintaining emergency reserves. Given the current financial health of the Company, no rate increases are projected. However, with the completion of our 2020 Master Plan and the state of national inflation over the last few years staff is proposing a rate study to ensure our revenues and expenses remain in alignment.

As presented for FY2024, budget revenue is projected to be \$5.10M and expenditures are projected to be \$7.25M. Expenditures include all expected operating, non-operating and capital costs for the next year.

The Company's anticipated operating (non-capital) expenses total \$3.73M, an 6% increase over the previous year's budget. The increase is primarily a result of inflationary pressure.

Staff recommends keeping Company entitlement at 13,000 acre-feet. Operating revenue is expected to decrease slightly from prior year, for a total of \$5.10M. This decrease is because in 2023 we received the final payment from the City of Upland for the Benson Avenue property. Setting the entitlement at 13,000 acre-feet assumes that rainfall will be near average this upcoming winter. The Company currently has about 10,000 acre-feet in groundwater storage, which will help offset any reduction in rainfall in 2024.

Water sales in 2024 are anticipated to account for 98% of the company's revenue; funding operations and a large chunk of capital projects (pipes, pumps and tanks). Remaining revenue comes from lease and interest income.

The Company's anticipated capital expenses total \$3.52M. Projects scheduled for 2024 include two pipeline replacements. design of a new pipeline and design of new company facilities. Two of the proposed capital projects are hold-overs from 2023. Old projects account for \$2.56M (72%) of the proposed 2024 CIP budget. Delayed capital efforts are the result of focused engineering taking longer than anticipated. Money for the new company facility review is expected to come from the sale of surplus property, not rates.

Our year-end review shows an approximately \$5.6M balance in the Company's capital and operating reserves. The Company is entering the last year of it's efforts to accelerate the replacement of pipes, pumps and tanks above expected water sales revenue. To that end, our 2024 budget relies on the use of approximately \$2.13M of our reserve funds for infrastructure replacement. At the end of 2024 remaining reserves available for use should total about \$3.59M.

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



2024 Quick Data

- Annual Entitlement..... 13,000 acre-feet
(No change from 2023)
- Total Company Shares as of January 1, 2024 6,389 shares
- Active Shares as of January 1, 2024 6,178 shares
(inactive shares are those shares currently not taking entitlement water)
- Yearly 2024 entitlement per share 2.035 acre-feet
- Total 2024 active share entitlement 12,570 acre-feet

- Estimated 2024 Water Production, by source:

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

- Projected 2024 Revenue:

Shareholder	\$5,011,800
Non-shareholder	\$92,000
TOTAL	\$5,103,800

- Projected 2024 Operating Expenses:

Operations and Maintenance.....	(\$2,162,500)
General Administrative.....	(\$1,566,000)
TOTAL	(\$3,717,500)

- Projected 2024 Capital Expenses..... (\$3,520,500)

- Projected 2024 Revenue minus Expenses..... (\$2,145,200)

- Reserves:

Targets:

- Operating Reserves:\$893,000
(3 months of 2024 Budget Operating Expenses)
- Capital Reserves: \$1.1M - \$4.4M
(5% - 20% of 2022 audited property, plant and equipment)

TOTAL TARGET RESERVES:..... \$2.0M - \$5.3M

Cash on Deposit as of September 2023	\$6,644,000
Projected CoD as of December 2023	\$5,644,000
Projected CoD as of December 2024	\$3,585,000

Company at a Glance

ORGANIZATIONAL

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

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

HEADCOUNT

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

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

Changes in 2023

- Office: No change.
- Field: One employee retired from the company in late 2022 and a replacement was hired in 2023.

STRATEGIC PLAN

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

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

In 2024 the Company plans to continue reaching towards our goals by the following actions:

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

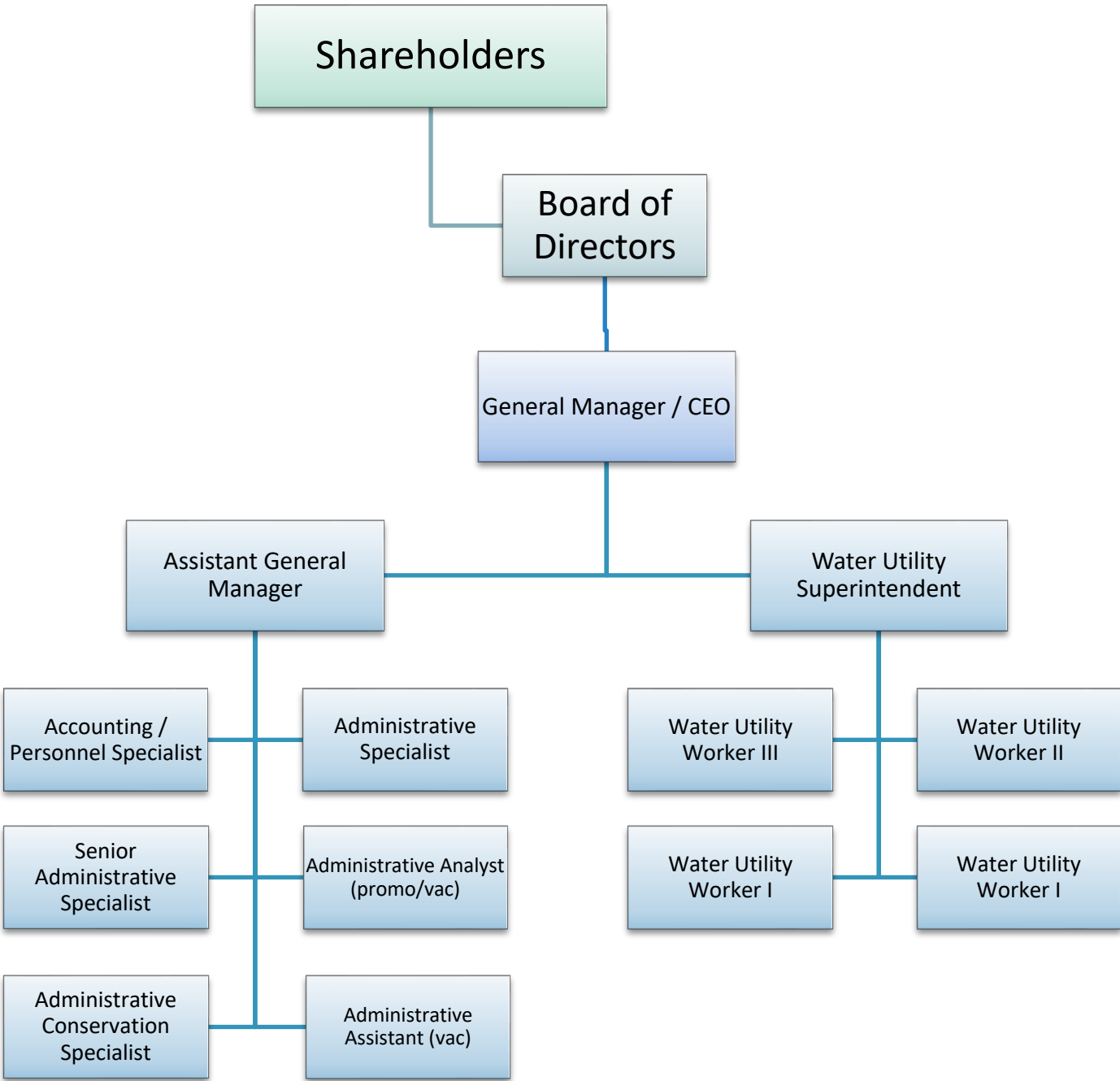
Develop Strategic Partnerships to Initiate and Further Joint Projects – Staff continues to reach-out and build relationships with the different shareholders. We will continue to discuss joint projects that may be beneficial to our shareholders. The Master Plan update may uncover future possibilities.

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

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

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

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



San Antonio Water Company

2023 ACCOMPLISHMENTS:

- Design of Forebay Outfall Pipeline (formerly the Paloma Curve Hydraulic Break modernization)
- Design of Well 31 Pipeline replacement
- Construction of Glendale Road pipeline replacement
- Construction of Holly Drive Reservoir, Phase III
- Construction of both Test and Production Well 19
- State mandated Supply Assessment report
- State mandated Water Audit Validation report

2024 GOALS & OBJECTIVES:

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

FINANCIALS

2024 OPERATING BUDGET OVERVIEW

		2024	2023	2023	2023	2022	2021	
		<u>Budget</u>	<u>Budget</u>	<u>Actual thru Sept</u>	<u>Projected</u>	<u>Actual</u>	<u>Actual</u>	
SHAREHOLDER REVENUE								
1185	1	Domestic Water Income (Base)	\$ 270,000	\$ 270,000	\$ 143,437	\$ 191,249	\$ 250,985	\$ 269,580
1215	3	Domestic Water Income (Supplemental)	\$ 230,000	\$ 230,000	\$ 48,403	\$ 64,537	\$ 198,807	\$ 240,588
1220	4	Domestic Water Income (Tier 3)	\$ 230,000	\$ 230,000	\$ 79,379	\$ 105,838	\$ 233,502	\$ 332,874
1230	2	Domestic Water Income (Readi/Chrg)	\$ 200,000	\$ 200,000	\$ 134,992	\$ 179,989	\$ 202,014	\$ 201,506
1235	5	Domestic Water Availability Charge (WAC)	\$ 61,000	\$ 61,000	\$ 41,249	\$ 54,998	\$ 61,298	\$ 60,906
1245	6	Municipal Water Income (Base)	\$ 3,100,000	\$ 3,100,000	\$ 2,464,913	\$ 3,286,551	\$ 2,878,822	\$ 2,581,330
1260	8	Municipal Water Income (Supplemental)	\$ -	\$ -	\$ -	\$ -	\$ 140,528	\$ -
1268	7	Municipal Water Income (Readi/Chrg)	\$ 77,000	\$ 77,000	\$ 57,600	\$ 76,800	\$ 76,800	\$ 77,300
1274	10	Municipal Water Availability Charge (WAC)	\$ 477,000	\$ 477,000	\$ 357,804	\$ 477,072	\$ 477,072	\$ 476,968
1275	12	Misc Water Income (Base)	\$ 205,000	\$ 205,000	\$ 143,010	\$ 190,679	\$ 212,577	\$ 199,772
1276	9	Misc Water Income (Supplemental)	\$ 50,000	\$ 50,000	\$ 69,950	\$ 93,267	\$ 140,528	\$ 9,016
1280	13	Misc Water Income (Tier 3)	\$ 5,000	\$ 5,000	\$ 51,414	\$ 68,552	\$ 19,239	\$ 48
1288	11	Misc Water Income (Readi/Chrg)	\$ 23,000	\$ 23,000	\$ 17,290	\$ 23,053	\$ 23,240	\$ 23,370
1290	14	Misc Water Availability Charge (WAC)	\$ 23,000	\$ 23,000	\$ 17,306	\$ 23,075	\$ 23,064	\$ 23,064
1295	15	Dormant Water Availability Charge (WAC)	\$ 52,000	\$ 52,000	\$ 34,085	\$ 52,000	\$ 51,860	\$ 52,094
1300		Sale of Water/From Storage	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 330,000
1302	16	Meter Service Fees (Connections)	\$ 1,500	\$ 1,500	\$ 2,178	\$ 2,178	\$ 3,256	\$ -
1400	35	Stock Transfer	\$ 5,000	\$ 5,000	\$ 2,970	\$ 2,970	\$ 4,500	\$ 5,070
1405	38	Capital Facilities Connection Fee	\$ -	\$ -	\$ 2,341	\$ 2,341	\$ 5,691	\$ -
1410	26	Late/Re-establishment Fee	\$ 2,000	\$ 2,000	\$ 1,565	\$ 1,565	\$ 2,215	\$ 840
1415	27	Drought Ordinance Violation Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1420	33	Return Check Fee	\$ -	\$ -	\$ 125	\$ 125	\$ 200	\$ 50
1425	28	Broken/Missing Lock Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1430	30	Stock Certificate Storage & Handling Fee	\$ 300	\$ 300	\$ 180	\$ 180	\$ 280	\$ 280
TOTAL		\$ 5,011,800	\$ 5,011,800	\$ 3,670,190	\$ 4,897,021	\$ 5,256,476	\$ 4,884,655	
NON-SHAREHOLDER REVENUE								
1635	21	Development Plan Check Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1725	23	Miscellaneous Income	\$ 2,000	\$ 2,000	\$ 314	\$ 500	\$ 1,356	\$ 8,065
1728	31	Plans & Spec Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1730	24	Construction Permit & Inspection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1750	32	Service/Litigation Agreements	\$ -	\$ -	\$ 1,350	\$ 1,350	\$ 1,348	\$ 1,071
1753	18	Ground Lease Income	\$ 70,000	\$ 70,000	\$ 51,996	\$ 70,000	\$ 74,950	\$ 69,514
1755	17	Interest Income	\$ 20,000	\$ 20,000	\$ 94,901	\$ 126,535	\$ 35,612	\$ 34,948
1815		Quitclaim of Easements	\$ -	\$ -	\$ 4,440	\$ 4,440	\$ -	\$ -
1875	22	Overhead Income	\$ -	\$ -	\$ -	\$ -	\$ 1,628	\$ -
37		Gain on Sale of Assets	\$ -	\$ 344,000	\$ 14,450	\$ 358,450	\$ 343,059	\$ 343,059
Subtotal:		\$ 92,000	\$ 436,000	\$ 167,452	\$ 561,275	\$ 457,953	\$ 456,657	
DEPRECIATION & OBSOLESCENCE REVENUE								
1300	36	Water Sales from Stored G. W. [D&O Reserves]	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 100,000
Subtotal:		\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 100,000	
Revenue Total:		\$ 5,103,800	\$ 5,447,800	\$ 3,837,642	\$ 5,458,296	\$ 5,964,429	\$ 5,441,313	
Non-Shareholder as a percentage of Total Revenue:		1.8%	8.0%	4.4%	10.3%	11.9%	10.2%	

		2024	2023	2023	2023	2022	2021	
		Budget	Budget	Actual thru Sept	Projected	Actual	Actual	
FACILITIES & O&M EXPENSES								
Operating Facilities								
2175	20	Facility Related Field Labor	\$ 480,000	\$ 280,000	\$ 300,378	\$ 400,503	\$ 324,071	\$ 241,099
2235	21	Repairs to Facilities and Equipment	\$ 350,000	\$ 350,000	\$ 529,854	\$ 575,000	\$ 381,852	\$ 261,314
2265	22	Power-Gas & Electric (utilities)	\$ 900,000	\$ 900,000	\$ 575,366	\$ 767,155	\$ 1,053,356	\$ 793,788
Operating Facilities Total:			\$ 1,730,000	\$ 1,530,000	\$ 1,405,598	\$ 1,742,658	\$ 1,759,279	\$ 1,296,201
Operating Activities								
2475	18	Customer Services/Billing (labor merged w/ Facility Related)	\$ 10,000	\$ 79,000	\$ 8,127	\$ 10,836	\$ 67,771	\$ 82,812
2498	19	Conservation Activities	\$ 26,000	\$ 26,000	\$ 12,502	\$ 12,502	\$ 45,204	\$ 12,842
Operating Activities Total:			\$ 36,000	\$ 105,000	\$ 20,629	\$ 23,338	\$ 112,975	\$ 95,654
Other Operating Expense								
2205	24	Non-Facility Related Labor (Merged w/ Facility Related)		\$ 70,000	\$ -	\$ -	\$ 82,806	\$ 61,072
2210	25	O&M - All Other	\$ 3,500	\$ 3,500	\$ 4,007	\$ 5,342	\$ 1,420	\$ 5,789
2280	26	Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2295	23	Supplies (Inventory & Tools Expense)	\$ 10,000	\$ 10,000	\$ 13,118	\$ 17,491	\$ 8,677	\$ 13,482
2715	28	Property Taxes	\$ 240,000	\$ 240,000	\$ 130,351	\$ 240,000	\$ 249,238	\$ 222,112
2805	27	Wtr. Resource Mgmt. (Basin Assm'ts)	\$ 143,000	\$ 143,000	\$ 40,462	\$ 143,000	\$ 147,002	\$ 120,552
2830		Loss on Disposal of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2850	30	Inventory Shrinkage	\$ -	\$ -	\$ -	\$ -	\$ 2,112	\$ 2,119
Other Operating Expense Total:			\$ 396,500	\$ 466,500	\$ 187,938	\$ 405,833	\$ 491,255	\$ 423,006
O & M Expense Total:			\$ 2,162,500	\$ 2,101,500	\$ 1,614,165	\$ 2,171,830	\$ 2,363,509	\$ 1,814,861

GENERAL ADMINISTRATIVE EXPENSES								
Personnel								
2115	2	Administrative Services	\$ 540,000	\$ 300,000	\$ 400,404	\$ 533,872	\$ 292,286	\$ 304,461
2130	3	Development/Water Svc App	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2325	13	Taxes - Payroll (office and field)	\$ 80,000	\$ 78,000	\$ 65,510	\$ 87,347	\$ 74,509	\$ 73,214
2355	4	Worker's Compensation Insurance	\$ 18,000	\$ 15,000	\$ 12,359	\$ 16,478	\$ 16,170	\$ 16,151
2385	5	Benefit Pay (Vac., Sick, Etc.)	\$ 195,000	\$ 190,000	\$ 143,762	\$ 191,683	\$ 204,124	\$ 165,629
2415	6	Benefit Insurance (Pension, Life, Medical, Dental, Vision)	\$ 250,000	\$ 295,000	\$ 186,329	\$ 248,439	\$ 246,698	\$ 245,781
2430	7	Benefit Administrative Services	\$ 2,000	\$ 2,000	\$ 100	\$ 133	\$ 100	\$ 2,275
Personnel Total:			\$ 1,085,000	\$ 880,000	\$ 808,464	\$ 1,077,952	\$ 833,887	\$ 807,511
Other								
2445	9	Office/ IT Support	\$ 60,000	\$ 60,000	\$ 72,973	\$ 80,000	\$ 42,943	\$ 54,866
2505	1	Directors Fees & Expenses	\$ 32,000	\$ 32,000	\$ 22,683	\$ 30,244	\$ 32,540	\$ 31,655
2535	11	Liability Insurance (Non-empl. benft.)	\$ 60,000	\$ 41,000	\$ 58,979	\$ 58,979	\$ 41,692	\$ 35,510
2595	14	Communications	\$ 43,000	\$ 43,000	\$ 28,739	\$ 38,319	\$ 39,757	\$ 41,227
2625	15	Dues & Subscriptions	\$ 3,500	\$ 3,500	\$ 9,476	\$ 12,635	\$ 4,483	\$ 2,653
2655	10	Outside Services	\$ 20,000	\$ 20,000	\$ 17,735	\$ 20,000	\$ 25,486	\$ 12,017
2745	12	Taxes - Income	\$ 12,500	\$ 12,500	\$ 9,700	\$ 9,700	\$ 9,676	\$ 9,142
2775	8	Accounting Expense (Labor merged w/ Admin Services)	\$ 20,000	\$ 65,000	\$ 19,448	\$ 19,448	\$ 76,184	\$ 43,202
2276	8	Legal Expense	\$ 200,000	\$ 150,000	\$ 196,752	\$ 262,336	\$ 151,565	\$ 187,143
2790	16	Human Resource Expense (Merged w/ Admin Services)		\$ 60,000	\$ 1,149	\$ 1,149	\$ 52,440	\$ 71,245
2865	17	All Other	\$ 30,000	\$ 30,000	\$ 7,731	\$ 10,308	\$ 30,168	\$ 42,199
Other Total:			\$ 481,000	\$ 517,000	\$ 445,365	\$ 543,118	\$ 506,934	\$ 530,860
G. & A. Expense Total:			\$ 1,566,000	\$ 1,397,000	\$ 1,253,829	\$ 1,621,070	\$ 1,340,821	\$ 1,338,371

Capital Expenditure							
Facilities		\$ 3,063,000	\$ 4,895,000	\$ 2,588,712	\$ 4,834,129	\$ 60,000	\$ 3,297,871
Equipment/Studies/Reports		\$ 457,500	\$ 405,000	\$ 97,592	\$ 97,592	\$ 120,000	
CIP Total:		\$ 3,520,500	\$ 5,300,000	\$ 2,686,304	\$ 4,931,721	\$ 180,000	\$ 3,297,871

Total Revenue:	\$ 5,103,800	\$ 5,447,800	\$ 3,837,642	\$ 5,458,296	\$ 5,964,429	\$ 5,441,313
Total Expenses excluding CIP:	\$ 3,728,500	\$ 3,498,500	\$ 2,867,994	\$ 3,792,900	\$ 3,704,330	\$ 3,153,232
Total Expenses including CIP:	\$ 7,249,000	\$ 8,798,500	\$ 5,554,298	\$ 8,724,621	\$ 3,884,330	\$ 6,451,103
Net Income without D&O funds:	\$ 1,375,300	\$ 1,949,300	\$ 969,648	\$ 1,665,396	\$ 2,010,099	\$ 2,188,081
Net Income with D&O funds:	\$ 1,375,300	\$ 1,949,300	\$ 969,648	\$ 1,665,396	\$ 2,260,099	\$ 2,288,081

2565	29	Depreciation	\$ 1,100,000	\$ 1,100,000	\$ 775,414	\$ 1,033,885	\$ 947,867	\$ 917,344
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Net income excluding Capital Expenditures less Depreciation	\$ 275,300	\$ 849,300	\$ 194,234	\$ 631,511	\$ 1,312,232	\$ 1,370,737
Net income including Capital Expenditures less Depreciation	\$ (3,245,200)	\$ (4,450,700)	\$ (2,492,070)	\$ (4,300,210)	\$ 1,132,232	\$ (1,927,134)
Net income including Capital Expenditures	\$ (2,145,200)	\$ (3,350,700)	\$ (1,716,657)	\$ (3,266,325)	\$ 1,830,099	\$ (1,109,790)
Net income including Capital Expenditures less NSR	\$ (2,237,200)	\$ (3,786,700)	\$ (1,884,108)	\$ (3,827,600)	\$ 1,372,146	\$ (1,566,447)

Labor expenses are merging into fewer categories to increase budget clarity. Customer Service (2475) and Non-Facility (2205) labor has moved to Facility Related (2175). Accounting (2775) and Human Resources (2790) labor has moved to Administrative Services (2115).

2024 OPERATING BUDGET CAPITAL IMPROVEMENTS

	DRAFT 2024 CIP												TOTAL	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Domestic Water System														
SCADA PLC Controller Replacement		\$ 40,000												\$ 40,000
Cucamonga Crosswall Enviro Mitigation					\$ 73,000									\$ 73,000
Well 19 Pipeline Design						\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500					\$ 130,000
Total	\$ -	\$ 40,000	\$ -	\$ -	\$ 73,000	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 243,000
Irrigation System														
SCADA PLC Controller Replacement			\$ 80,000											\$ 80,000
Well 31 Pipeline Relocation/Replacement								\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000			\$ 1,280,000
Paloma Curve Hydraulic Break				\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000							\$ 1,280,000
Total	\$ -	\$ -	\$ 80,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ 320,000	\$ -	\$ 2,640,000
General Company														
Consolidated Campus	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 180,000
Total CIP + Equipment + Reports	\$ 15,000	\$ 55,500	\$ 222,500	\$ 380,500	\$ 523,000	\$ 396,000	\$ 412,500	\$ 393,000	\$ 392,500	\$ 380,000	\$ 335,000	\$ 15,000	\$ -	\$ 3,520,500

2024 OPERATING BUDGET EQUIPMENT/STUDIES/REPORTS

		DRAFT 2024 EQUIPMENT												TOTAL
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
#	Equipment Purchases													
1	Computers						\$ 3,000							\$ 3,000
2	24" Backhoe Bucket			\$ 2,500										\$ 2,500
3	Misc. Hand Tools for Trucks		\$ 500		\$ 500		\$ 500		\$ 500					\$ 2,000
4	John Deere 35G Mini Excavator					\$ 90,000								\$ 90,000
5	Operations Trucks (Pump Truck)			\$ 100,000										\$ 100,000
	Total	\$ -	\$ 500	\$ 102,500	\$ 500	\$ 90,000	\$ 3,500	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 197,500

		DRAFT 2024 STUDIES AND REPORTS												TOTAL
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
#	Studies and Reports													
1	Five Year Rate Study			\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000			\$ 200,000
2	UWMP				\$ 20,000			\$ 20,000			\$ 20,000			\$ 60,000
	Total	\$ -	\$ -	\$ 25,000	\$ 45,000	\$ 25,000	\$ 25,000	\$ 45,000	\$ 25,000	\$ 25,000	\$ 45,000	\$ -	\$ -	\$ 260,000

CAPITAL IMPROVEMENTS

Project Title: **SCADA PLC Controller Replacement**

Total Budget: \$40,000

Construction: \$40,000

Schedule:

Installation: February 2024

Location: System Wide

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

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

Project Title: **Cucamonga Crosswall Environmental Mitigation**

Total Budget: \$73,000

Maintenance: \$73,000

Schedule:

Maintenance: April & August 2024

Location:



Justification: As a condition of the Cucamonga Crosswalls repair project, the Company committed to conduct mitigation and associated environmental monitoring for a period of no less than five years. This commitment was a condition of the California Department of Fish and Wildlife Streambed Alteration Agreement.

The mitigation includes yearly removal of invasive plant species and seeding of native plant species. Mitigation will occur in the late winter-early spring months. The intent is to provide enough time for native and invasive seed to germinate but not establish strong roots or go to seed.

Project Title: **Well Site 19 Pipeline**

Total Budget: \$2,920,000

Design and Permitting: \$130,000 (scheduled for 2024)

Construction Management: \$130,000 (scheduled for 2025)

Construction: \$2,660,000 (scheduled for 2025)

Schedule:

Design: 2024

Construction: 2025

Location:



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

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

Total Budget: \$80,000

Installation: \$80,000

Schedule:

Installation: March 2023

Location: System Wide

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

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

Project Title: Well 31 Pipeline Relocation/Replacement

Total Budget: \$420,000 (1,400 LF x \$300/LF)

Soft Costs (Engineering, Permitting, Easements, Inspection, Testing): \$63,000 (15% of project cost)

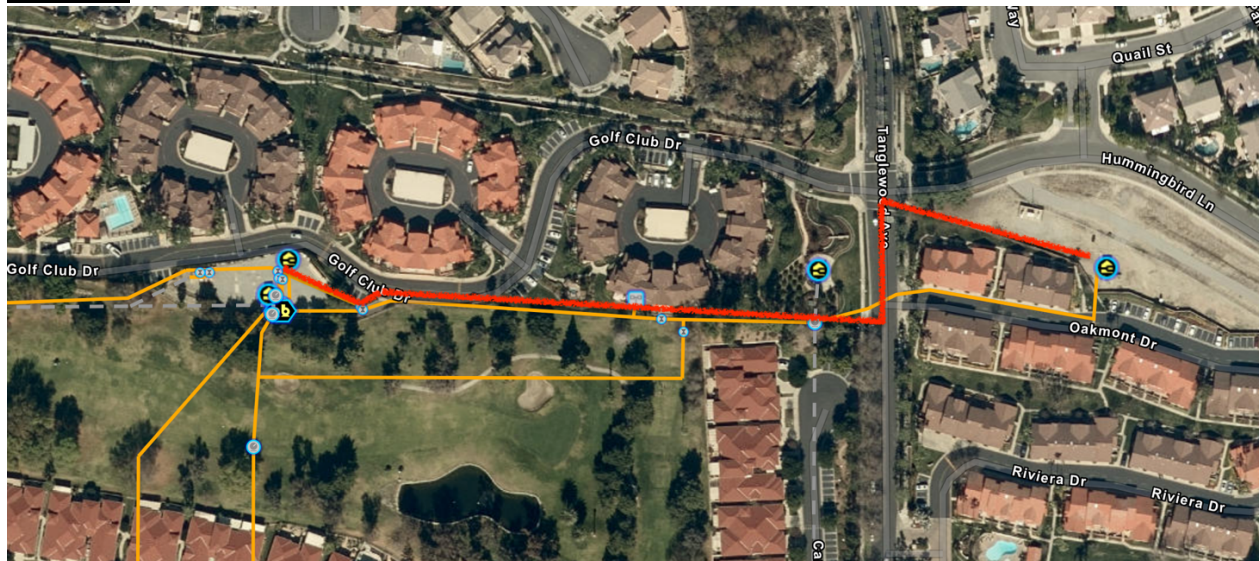
Construction: \$357,000 (85% of project cost)

Schedule:

Design: 2023

Construction: 2024

Location:



Justification:

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

Project Title: **Paloma Curve Hydraulic Break**

Total Budget: \$1,080,000

Engineering: \$120,000

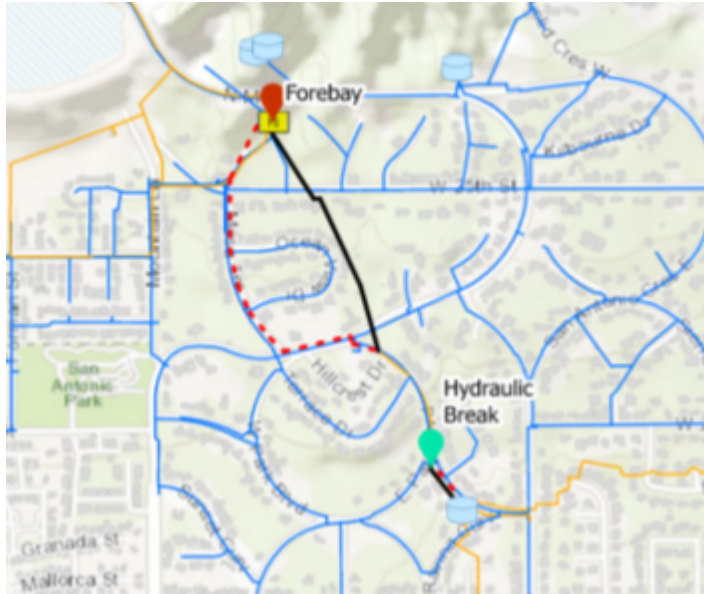
Construction: \$960,000

Schedule:

Design: 2023

Construction: 2024

Location:



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

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

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

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

Schedule:

Design: 2023-2024
Construction: 2025

Location:



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

ENTITLEMENT PROJECTIONS

		2024 Projections												Entitlement
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
San Antonio Heights	Projected Monthly Delivery	60	65	60	62	112	140	150	160	160	120	100	80	
	Projected Cumulative Delivery	60	125	185	247	359	499	649	809	969	1,089	1,189	1,269	= 1,269
City of Upland	Projected Monthly Delivery	500	500	400	400	800	1,300	1,300	1,100	950	720	620	596	
	Projected Cumulative Delivery	500	1,000	1,400	1,800	2,600	3,900	5,200	6,300	7,250	7,970	8,590	9,186	= 9,186
Monte Vista Water District	Projected Monthly Delivery	48	48	48	48	52	52	52	52	52	48	48	48	
	Projected Cumulative Delivery	48	96	144	192	244	296	348	400	452	500	548	596	= 672
City of Ontario	Projected Monthly Delivery	38	38	38	38	42	42	42	42	42	38	38	38	
	Projected Cumulative Delivery	38	76	114	152	194	236	278	320	362	400	438	476	= 601
Holiday Rock Company	Projected Monthly Delivery	20	20	20	20	24	25	30	30	30	20	20	10	
	Projected Cumulative Delivery	20	40	60	80	104	129	159	189	219	239	259	269	= 269
Red Hills Golf Course	Projected Monthly Delivery	8	15	8	20	45	55	60	60	55	50	40	30	
	Projected Cumulative Delivery	8	23	31	51	96	151	211	271	326	376	416	446	= 444
Red Hills HOA	Projected Monthly Delivery	1	1	1	1	1	2	2	2	2	2	1	1	
	Projected Cumulative Delivery	1	2	3	4	5	7	9	11	13	15	16	17	= 20
Minor Irrigators	Projected Monthly Delivery	1	2	1	1	6	8	8	10	10	8	6	4	
	Projected Cumulative Delivery	1	3	4	5	11	19	27	37	47	55	61	65	= 102
COMPANY TOTAL (EX. INACTIVE)	Projected Monthly Delivery	676	689	576	590	1,082	1,624	1,644	1,456	1,301	1,006	873	807	
	Projected CumulativeConsumption	676	1,365	1,941	2,531	3,613	5,237	6,881	8,337	9,638	10,644	11,517	12,324	
	Straight Line Mnthly Ent	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	1,047.56	
	Cumulative Mnthly Ent	1,048	2,095	3,143	4,190	5,238	6,285	7,333	8,380	9,428	10,476	11,523	12,571	
	Active Share Ent	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	12,571	

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