



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

Wednesday, December 4, 2019 at 3:00 p.m.

At the Company Office, 139 N. Euclid Avenue, Upland, CA
In the San Antonio Water Company Boardroom

- Call to Order

1. Recognitions and Presentations: - None

2. Additions-Deletions to the Agenda: - None

3. Shareholder-Public Testimony:

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

4. General Manager's Report on Activities

- A. Request for Proposals – Comprehensive System Master Plan and Asset Management Plan
Discussion and possible action
- B. Office and Operations Yard – Needs Assessment Review
Discussion and possible action

5. Budget Workshop:

- A. "Draft" CY2020 Administration and Operations Budget
Presentation by staff for comments and/or recommendations
- B. "Draft" CY2020 Capital Improvement and Capital Outlay Budget
Presentation by staff for comments and/or recommendations

6. Director's Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting is scheduled for Tuesday, December 17, 2019 at 5 p.m.

NOTE: All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 No. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 – 11:30 & 12:30 – 4:30].

POSTING STATEMENT: On December 2, 2019 a true and correct copy of this agenda was posted at the entry of the Company Office (139 No. Euclid Avenue), and on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library), and on the Company Website.



San Antonio Water Company

Incorporated October 25, 1882
Serving the original Ontario Colony lands

Item 4A

A REQUEST FOR PROPOSALS

TO PROVIDE CONSULTING SERVICES TO THE SAN ANTONIO WATER COMPANY

PROJECT TITLE:

COMPREHENSIVE SYSTEM MASTER PLAN AND ASSET MANAGEMENT PROGRAM

RESPONSE DUE BEFORE 3:00 PM

On January 14th, 2020

Introduction

The San Antonio Water Company is soliciting proposals from qualified firms to assist in developing a Master Plan / Asset Management Program for the Company's domestic and irrigation water systems.

The intent of the Comprehensive System Master Plan and Asset Management Program is to:

- Conduct a detailed study of systems and recommend Capital Improvements,
- Prepare a detailed prioritization of Capital Replacements,
- Develop a comprehensive Capital Master Plan / Asset Management Program based on the findings of the Improvement and Replacement reviews, and
- Develop high-level review concerning loss-risk of water sources and possible alternatives to water supply in consideration of current sources (e.g. 100+ year-old tunnel) and projected regional environmental changes (i.e. global warming) or events (e.g. earthquakes / wildfires).

General Information

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Rancheria water rights established back in the 1700's were transferred to the Company to support the newly established irrigation colony. The brother's vision was to develop a Mutual Water Company whose members shared equally in the locally available water supply.

The brothers sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the San Antonio Water Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful 'per share' distribution plan established over 135 years ago.

The Company does not import any water. Instead we are dependent on our local San Antonio Canyon and Cucamonga Canyon watersheds and downstream groundwater basins.

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, local quarries and the proud heritage of remaining grove irrigators.

Annual shareholder water entitlements are established based on projected availability. For 2018, full water entitlement was established at 12,000 Acre Feet (AF). The table below shows how that 12,000 AF was divided among current shareholders, along with actual water delivered in 2018.

| Shareholders | Shares | Annual Entitlement, Acre Feet per Year (AFY) | Delivered (AFY) |
|----------------------------|----------|--|-----------------|
| City of Upland | 4,338.75 | 8,150 | 7,544 |
| City of Ontario | 295.25 | 555 | 359 |
| Monte Vista Water District | 329.75 | 619 | 405 |
| Domestic Customers | 625.25 | 1,174 | 1,259 |
| Rock Company | 36.25 | 68 | 384 |
| Golf Courses | 116.75 | 219 | 366 |
| Grove Irrigators | 87.25 | 164 | 53.32 |
| Inactive Shares | 559.75 | 1,051 | 0 |
| Total shares | 6,389 | 12,001 | 10,369 |

The Company provides water through two separate systems; domestic and irrigation.

The domestic system receives the majority of its water through the San Antonio tunnel. The tunnel is built into the head of the San Antonio Canyon about 90 feet below the ground surface. The tunnel consists of 5,400 feet of 36" concrete pipe and 600 feet of a six-foot square shaft built into the bedrock below the alluvium. Portions of the shaft are supported by redwood beams. There are ten access hatches spaced about 600 feet apart; three access hatches for the tunnel and six for the pipeline. Groundwater percolating through the alluvium collects in the tunnel and, after chlorination provides 4-log inactivation, is channeled into the Company's potable water system. Two wells supply the remainder of our domestic supply. Domestic water is distributed by six booster pump stations through 25 miles of pipeline to five reservoirs.

The domestic water system provides service to the San Antonio Heights, also known as our Basic Service Area. Consisting primarily of large residential lots, the Heights is an unincorporated area of San Bernardino County approximately 2.6 square miles in size located immediately north of the City of Upland. The Company provides water to individual residential lots through 1,200 domestic meters.

The irrigation system primarily receives water from surface water diversions in the San Antonio Canyon. Additional irrigation water is supplied through seven wells located in three groundwater basins; Cucamonga Basin, Six Basins and Chino Basin. Irrigation water is distributed by two booster pump stations through 21 miles of pipeline to three reservoirs.

The irrigation system provides service to the Company's 'extended' service area. Shareholders in the extended service area include municipal and private companies. A majority of the distributed

irrigation water is treated by municipal shareholders and then delivered to their customers as domestic water. The remaining irrigation water is used for farming, landscaping and commercial use (quarry).

The Company's most recent Master Plan was developed in 2017, along with the most recent hydraulic model of the domestic water system.

Project Scope of Services

Task 1 – Project Management

Provide overall project management services including:

- Quality assurance/ quality control
- Teleconferences and meetings at appropriate intervals to keep Company staff updated on progress and address any needed management level decisions.

Task 2 – Data Gathering and System Evaluation Criteria

The Company recognizes that a major upfront component of this project involves discovery tasks that will assist in developing a remaining scope of work. Consultant shall propose a mechanism to collaboratively work with staff to review, prioritize, sequence and implement dependent tasks.

Task 3 – Capital Improvement Program

Domestic Hydraulic Model

1. Review and modernize existing domestic hydraulic model.
2. Conduct flow tests within and throughout domestic system. Verify the hydraulic model adequately represents real-world operating conditions of the domestic system.

Irrigation Hydraulic Model

3. Develop an irrigation system hydraulic model based on existing facility map book information.
4. Conduct flow tests within and throughout irrigation system. Verify the hydraulic model adequately represents real-world operating conditions of the irrigation system.

Capital Improvement Projects Based on Modeling Results

5. Using the modernized and calibrated hydraulic models, identify weaknesses in the existing domestic and Irrigation systems in regard to flow (fire and peak day demand), pressure and/or storage. Determine what improvements could be made to increase/improve service. Company expects consultant to use two separate models, one for each system.
6. Develop an Engineer's Opinion of Probable Construction Cost, in 2020 dollars, for each facility/project proposed for improvement in subtasks 5.

Task 4 – Capital Replacement Program

1. Refine a comprehensive database of Company facilities and their metadata (e.g. age, material, size) from the Company's GIS system.
2. Aggregate existing facilities into groups based on location and similarity. The intent of this task is to develop a list of replacement projects that represents all Company assets.
3. Develop an Engineer's Opinion of Probable Replacement Cost, in 2020 dollars, for each facility/project identified in subtask 2.

Task 5 – Master Plan and Facility Asset Management Program

1. Using costs developed in tasks one and two and an 'industry standard estimated service life' for facilities, develop a theoretical yearly asset management budget that would ensure timely system improvements and that all facilities are replaced in a timely manner.
2. Review Company's revenue and operating expenses and develop a best-fit yearly total spending limit devoted to Capital replacement, in 2020 dollars.
3. Reconcile the difference between the spending limit in subtask 1 with the spending requirement in subtask 2.
4. Develop a review and ranking process whereby each facility can be assessed compared to like facilities. The intent of this task is to develop a replacement/improvement priority list that contains all Company facilities.
5. Using all of the information developed above, prepare a 10-year Capital Replacement Prioritization List and a 5-year Capital Replacement Program.

Task 6 – Source Water Loss-Risk Review

1. Provide a review of projected environmental changes (e.g. rainfall and temperature patterns) in the local area that are predicted to occur over the next twenty years. What is the future local water source outlook for the Company?
2. Provide a review of catastrophic failures that could potentially impact the Company's source water (e.g. wildfire, earthquake). Of particular concern is the Company's domestic source - the San Antonio Tunnel.
3. In consideration of the findings in subtask 1 and 2, develop alternative scenarios in which the Company can continue providing full yearly entitlement to shareholders. Alternatives to consider include:
 - a. Staying-the-course. No change in operation.
 - b. Developing a conjunctive use program in one or more groundwater basins.
 - c. Develop alternative water sources (e.g. Increase yield in local watersheds and/or connection to Metropolitan Water District)
 - d. Consultant developed alternatives.

How can the Company prepare for catastrophic impacts to source water and systems?

4. Develop high-level project scope and costs for each alternative considered in subtask 3.

Schedule

The Company anticipates the following timeline and key milestones for award of the project:

| | |
|---|---------------------------------|
| Proposal Due Date | January 14, 2020 |
| Planning, Resource and Operations Committee (PROC) Review | January 28 th , 2020 |
| Interview | TBD – If necessary |
| Board of Director’s Approval | February 18 ,2020 |
| Consultant’s Notification | February 20, 2020 |

Proposal Requirements

The proposal shall not exceed 19 pages excluding resumes, cover letter, dividers, front and back covers. No other documents will be reviewed. Please do not submit additional material. Responses to this RFP shall be in the following order and shall include:

Executive Summary (2 pages maximum)

Summarize the contents of your firm’s proposal in a clear and concise manner.

Firm Background and Experience (4 pages maximum)

Brief description of the firm and subconsultants, if any, including the size of the organization, location of offices and relevant capabilities and resources in relation to the project. This section should include:

- I. Experience with developing master plans and asset management programs
- II. Experience in water system planning.
- III. Similar projects with other water companies or districts
- IV. Firm’s local experience
- V. Procedures and/or policies associated with or related to work quality and cost control
- VI. Management and organizational capabilities
- VII. Verification of professional liability insurance for coverage of not less than \$1,000,000.

Project Organization and Experience of the Project Team (2 pages maximum, not including resumes)

Proposing firm shall identify the team to be assigned to the project, by name, including at a minimum the principal, project manager, key staff and any subconsultants. Proposing firm shall describe the project team’s qualifications and experience on projects related to this specific project. Proposing firm shall explain the project team’s experience regarding all tasks associated with the scope of work. This section should include:

- I. Describe proposed project organization, including identification and responsibilities of key personnel, including sub-consultants. Include only one- page resumes.
- II. Describe the experience of the Project Manager and the experience that the proposed personnel have working on past projects as a team.
- III. Describe project management approach to the work effort, locations where work will be done, responsibilities for coordination with the Company, and lines of communication necessary to maintain project on schedule.

Project Understanding and Approach (8 pages maximum)

Proposer shall demonstrate its preliminary understanding of the project by providing a clear and concise description of the project and major issues, based on the information provided in this RFP.

Proposer shall clearly define the tasks and activities necessary to meet the objectives outlined in the scope of work. This section should include:

- I. Description of the tasks and activities, the methodology that will be used to accomplish them.
- II. Description of the products that would result from each task and activity.
- III. Identification of points of input and review with Company staff.
- IV. Proposed project schedule identifying key tasks, their expected duration, and milestone dates.
- V. Proposers are invited to suggest additional (optional) work tasks that could be performed in conjunction with or subsequent to the scope of work. Any such tasks are to be described as optional and the benefits of performing such tasks shall be described.

Past Projects (3 pages maximum)

Proposer shall provide project descriptions of up to three similar projects. Include the following information:

- I. Owner contact name and phone number
- II. Project team members
- III. Project size and description

Proposed Total Professional Fee and Fee Schedule Submitted Under Separate Sealed Cover

Proposed fee shall not be the sole basis of award but will be used to evaluate the Consultant's understanding of the Scope of Work.

Include the hourly rates of all staff that will charge to the project.

Company expects to award a 'time and material, not to exceed' contract for Implementation.

Exceptions to this RFP

The Consultant shall certify that it takes no exceptions to this RFP including, but not limited to, the Professional Service Agreement (attached).

Evaluation Criteria

The evaluation criteria and the respective weights that will be given to each criterion are as follows:

- a) 30% Understanding and approach to the work to be done
- b) 20% Experience of firm with similar kinds of work
- c) 30% Experience of staff for work to be done
- d) 10% Overall clarity and presentation of Proposal
- e) 5% Firm's Local Experience
- f) 5% Proposed Project Fee

Selection Process and Schedule

Key senior staff and select Company Directors will independently review and rank each proposal. Based on an aggregate of those reviews, the Company will likely enter into negotiations with the top ranked firm. If there is no clear 'top ranked' firm, interviews may be scheduled.

At this time, the Company contemplates the use of a Time and Material Not to Exceed contract for the services requested. Negotiations will cover scope of work, contract terms and conditions, attendance requirements, and appropriateness of the proposed fee.

After negotiating a proposed agreement that is fair and reasonable the General Manager will present the contract to the Company's Board for authorization to execute a contract with the most responsive firm.

Related Documents

- Company standard Professional Service Agreement (attached)

Link for downloading available upon request

- Company GIS database
- 2017 Company Water Master Plan
- 2017 InfoWater Hydraulic Model

Interested proposers should immediately contact the Company to register for inclusion on the project distribution list. Revisions or supplemental information to this RFP will be issued through addenda by email and posted on the Company's website. Proposers are responsible for receipt of any and all addenda.

Submittal Requirements

One (1) executed original marked "ORIGINAL" in red ink and 6 copies of the Proposal shall be delivered, along with one electronic copy in PDF format on thumb drive. One single sealed

Proposed Fee Estimate marked “FEE ESTIMATE – 2020 Master Plan” in red ink shall be submitted separate from the proposal. Proposals will not be accepted in any other format. Proposals will not be accepted by email, fax or verbally. The proposal shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.

The Response Proposal must be received no later than **3:00 p.m.** local time, on or before **January 14th, 2020** at the office of:

PROPOSAL – 2020 Master Plan
San Antonio Water Company
139 North Euclid Avenue
Upland, CA 91786
Attn: Brian Lee

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to blee@sawaterco.com.



City Manager's Office
Telephone (909) 931-4106
Facsimile (909) 931-4301

December 2, 2019

Brian Lee, General Manager
San Antonio Water Company
139 N. Euclid Avenue
Upland, CA. 91786

Subject: Proposed Implementation of a New Centralized Office Headquarter Building Facility

Dear Brian:

As you know, the Upland City Council discussed the above-referenced project at its meeting on November 25, 2019, during which the City Council expressed concerns regarding the need and the expense associated with the new replacement centralized headquarter facility. It was mentioned that other SAW Co. shareholders have also similarly expressed concerns with the proposed headquarters, as did some members of the public who spoke at the City Council meeting.

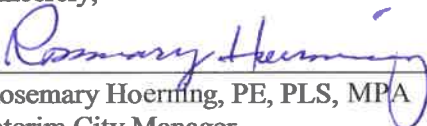
Concerns expressed by members of the City Council included the following:

- There has been very little public outreach for this project;
- SAW Co. has not adequately explained either the need for the facility or possible alternatives to it;
- The SAW Co. service area doesn't appear to have significant future growth;
- The replacement facility as a whole is unnecessary;
- The size of the replacement facility seems too large given there are only 11 staff members;
- The proposed 60-seat meeting room is unnecessary. SAW Co. has been using the City Council Chambers for public meetings and the Pinky Alder Room at City Hall for closed session meetings and has never been denied access to these facilities;
- The \$2-4 million that SAW Co. would spend could be used for facilities, including replacement pumps, reservoirs, and other water facilities; and
- SAW Co. could instead expand and consolidate at the Public Works Yard.

At this time, the City is requesting SAW Co. not expend any additional funds on the project. The City is requesting a presentation be provided at a future City Council.

Should you like to discuss this, please contact me at (909) 931-4102.

Sincerely,



Rosemary Hoerning, PE, PLS, MPA
Interim City Manager

cc: Tom Thomas, SAW Co. President
Debbie Stone, Mayor

SAN ANTONIO WATER COMPANY
DRAFT FISCAL YEAR 2020 BUDGET



December 4th, 2019



General Manager's Message

Dear Board of Directors and Shareholders,

I am pleased to present you with the recommended budget for Fiscal Year 2020 (FY2020). We begin the year in a healthy financial position with the fiscal resources available to continue providing high quality service, replace a significant number of pipes, pumps and tanks, while maintaining emergency reserves. Given the current financial health of the Company, no rate increases are projected for the foreseeable future.

The presentation of this year's budget is a departure from prior years. We hope you find the information presented in a more meaningful format. As presented for FY2020, budget revenue is projected to be \$5.4M and expenditures are projected to be \$5.6M. Expenditures include all expected operating, non-operating and capital costs for the next year.

The District's anticipated operating (non-capital) expenses total \$3.2M, an 8% decrease over the previous year's budget. A majority of the decrease is attributable to a reduction in needed facility repairs and legal expenses.

Operating revenue is expected to increase 7% from prior year, for a total of \$5.4M. This increase assumes that total water entitlement is increased to 13,000 acre-feet, from 12,000 acre-feet in 2019. The recommended 1,000 acre-foot increase in entitlement is attributable to surface water capture projects completed in 2018-19; the Edison Pond Intake Structure, Basin 6a Desilting and the Cucamonga Crosswalls Restoration. Completion of these projects allowed the Company to increase surface water capture during the above-average rainy season of 2019, contributing to increased surface water delivery and also a localized increase in groundwater levels around select wellheads.

Water sales account for 90% of the company's revenue; funding operations and capital projects (pipes, pumps and tanks). Remaining revenue comes from the sale of surplus property, lease income and interest income.

The Company's anticipated capital expenses total \$2.3M. We are planning to begin construction on many of the remaining 2017 Master Plan capital projects this upcoming budget year. An additional and major capital expense planned for this upcoming year will be completion of the 2020 Mater Plan and Asset Management Program. With this master plan we intend to chart the Company's asset management program for the next ten years, including a source-water loss-risk review to help prepare the Company for catastrophic impacts to our source water and system.

The greatest challenge facing the District in 2020 will be completion of the capital replacement program. It is an aggressive program consisting of many projects. The company's projected revenue allows an acceleration of capital projects above the estimated \$1.3M per year needed to replace infrastructure that has reached end-of-service life. Capital spending is projected to accelerate over the next few years to catch-up on pipes, pumps and tanks that have remained in service beyond their design life. Smaller projects are intended to be completed by staff. For larger projects the Company intends to rely on professional engineering consultants to provide

appropriate project management. Company staff intends to focus on managing the project managers.

In addition to replacement of pipes, pumps and tanks, the Company is continuing a multi-year review of consolidating services onto a single property. Money for the 'consolidated campus' is expected to come from the sale of surplus property, not rates. Construction of the campus is not anticipated to begin any earlier than 2023.

Our year-end review shows an approximately \$6M balance in the Company's capital and operating reserves. The Company is currently reviewing our reserve and investment policies, intending to clarify both minimum and maximum fiscal reserve levels.

As mentioned earlier, the Company is proposing to accelerate the replacement of pipes, pumps and tanks above expected water sales revenue over the next three years. To that end, our 2020 budget relies on the use of approximately \$150k of our reserve funds for infrastructure replacement. At the end of 2020 remaining reserves available for emergency use should total about \$5.9M.

As a result of the Company's increased surface water capture and expected availability to deliver full entitlement in 2020, I am requesting that the Board consider reducing the water alert from 'Moderate Shortage Stage' to 'Conservation Program – Year Round Stage', per Company Resolution 2006-06-03. With this proposed change, restrictions on outdoor watering days would be lifted, allowing shareholders to irrigate on any day of the week they choose, while still restricting irrigation between 10am to 6pm. A smaller positive impact would remove the time restriction for washing of vehicles, while still requiring a shut-off nozzle.

A big thank you goes to Teri Layton, Salena Holley and the Administration Department for the incredible effort put forth in creating this new budget format. It was time well spent and very much appreciated. 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.



2020 Quick Data

- Annual Entitlement..... 13,000 acre-feet
(12,000 acre-feet in 2019)
- Total Company Shares as of January 1, 2020 6,389 shares
- Active Shares as of January 1, 2020 6,178 shares
(inactive shares are those shares currently not taking entitlement water)
- Yearly 2020 entitlement per share 2.035 acre-feet
- Total 2020 active share entitlement 12,570 acre-feet

- Estimated 2020 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 2020 Revenue:

| | |
|-----------------------|-------------|
| Shareholder | \$4,918,000 |
| Non-shareholder | \$490,000 |
| TOTAL | \$5,408,000 |

- Projected 2020 Expenses:

| | |
|---------------------------------|---------------|
| Operations and Maintenance..... | (\$1,776,000) |
| General Administrative | (\$1,446,000) |
| TOTAL | (\$3,222,000) |

- Projected 2020 Capital Expenses..... (\$2,336,000)

- Projected 2020 Revenue minus Expenses..... (\$150,000)

- Reserves:

| | |
|---|-------------|
| Cash on Deposit as of October 2019..... | \$6,008,787 |
| Projected CoD as of December 2020 | \$5,900,000 |

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 2 part-time employees.

Changes in 2019

- Office: 1 full-time position reduced to part-time

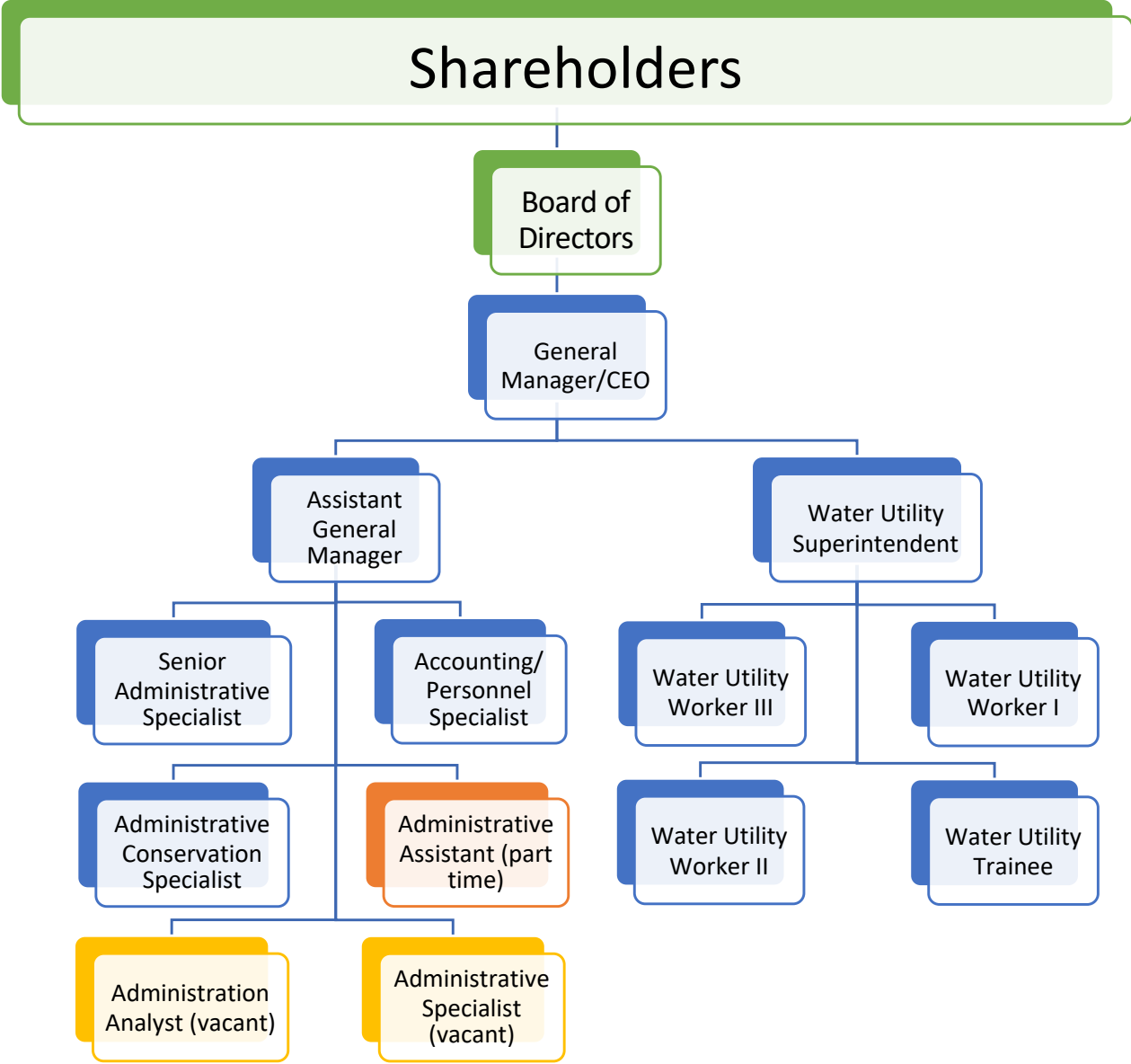
Management was able to grant a personal request to go to part-time by our Admin/Conservation Specialist while increasing the time worked for our part-time Administrative Assistant.

- Field: 1 full-time Water Utility Worker I resigned

Position will be filled by the end of the year.

Changes in 2020

- A benefit and compensation study is budgeted this year. Management last did this study in 2015/16.



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 2020 the Company plans to continue reaching towards our goals by the following actions:

Evaluate and Prioritize Projects for Supply Maximization – Staff is proposing a 2020 Water Master Plan Update. This update will evaluate and prioritize projects for supply maximization. The process will include public participation and we strongly encourage our shareholders to participate.

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.

Invest in Technology – A few years back, the company partnered with MIH to run a microbiological filtration process at its Well #31 site. While this technology is new to the United States, Europe has been using it for some time. The Company needs to consider where this technology would work best since we are currently utilizing all our water rights in the Cucamonga Basin without the added cost.

While Smart meters are not necessarily new technology, it would be an improvement to our domestic shareholders. This technology allows individual shareholders the ability to track their own usage and to know of possible leaks as soon as possible. The Company is reviewing the cost and benefit in 2020.

Another bit of technology that will help move the company in the right direction is the GIS Mapping. This will enable staff to pull up information on the company facilities in the field with a laptop and locate critical piping and valving.

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 2020, 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 will hire a consultant to perform a benefit and comp study to keep us competitive with the current market.

Improve Internal 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. A public relations campaign will help to inform our shareholders and employees. Strong leadership will help to carry the company in one direction.

San Antonio Water Company

2019 ACCOMPLISHMENTS:

- Approved Chino Basin Appropriative Pool Pooling Plan and Court Approved Management Agreement (CAMA)
- Adopted 9/80 Work Schedule
- Sold Property – 17th Street and Benson
- Cucamonga Basin Crosswall Rehabilitations
- Reservoir 7 Reroof and Liner
- Holly Drive Tank Pad and Retaining Wall
- Piedmont Drive Service Lateral Replacements
- Conversion to liquid chlorine at Shaft 6
- Stock Auction – May 2019
- Improved Relationships with Cucamonga Basin Parties
- Memorandum of Understanding with West Valley Mosquito and Vector Control District
- Ad Hoc Committee for new office/yard facilities
- Campus Avenue Waterline
- Updated and Improved Website
- On-line Payment Transaction Charge
- Start GIS Mapping
- SCADA Upgrade

2020 GOALS & OBJECTIVES:

- Compensation and Benefit Study
- Update of Water Facilities Master Plan
- Update of Water Sanitary Survey
- Office Equipment Upgrade [copier, 3 computers]
- Policy Manual
- GIS Mapping
- Pre-design of new office/yard facilities

FINANCIALS

DRAFT 2020 OPERATING BUDGET OVERVIEW

| | 2020 Budget | 2019 Budget | 2019 Actual thru Aug | 2019 Projected | 2018 Actual | 2017 Actual |
|--|---------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|
| SHAREHOLDER REVENUE | | | | | | |
| 1185 1 | \$ 301,000 | \$ 340,000 | \$ 142,284 | \$ 213,426 | \$ 243,142 | \$ 205,055 |
| 1215 3 | \$ 148,000 | \$ 246,000 | \$ 104,329 | \$ 156,494 | \$ 208,833 | \$ 254,751 |
| 1220 4 | \$ 104,000 | \$ 206,000 | \$ 115,056 | \$ 172,584 | \$ 262,440 | \$ 186,041 |
| 1230 2 | \$ 200,000 | \$ 200,000 | \$ 133,301 | \$ 199,952 | \$ 199,271 | \$ 199,967 |
| 1235 5 | \$ 60,000 | \$ 60,000 | \$ 40,548 | \$ 60,823 | \$ 59,622 | \$ 28,910 |
| 1245 6 | \$ 3,073,000 | \$ 2,500,000 | \$ 2,014,002 | \$ 3,021,003 | \$ 2,480,476 | \$ 2,500,530 |
| 1260 8 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 561,419 |
| 1268 7 | \$ 80,000 | \$ 80,000 | \$ 54,450 | \$ 81,675 | \$ 79,800 | \$ 79,800 |
| 1274 10 | \$ 477,000 | \$ 477,000 | \$ 317,766 | \$ 476,649 | \$ 476,320 | \$ 166,232 |
| 1275 12 | \$ 224,000 | \$ 189,000 | \$ 126,321 | \$ 189,482 | \$ 198,374 | \$ 190,679 |
| 1276 9 | \$ 126,000 | \$ 174,000 | \$ 74,591 | \$ 111,886 | \$ 125,881 | \$ 238,140 |
| 1280 13 | \$ 15,000 | \$ 15,000 | \$ 4,732 | \$ 7,099 | \$ 14,365 | \$ 15,433 |
| 1288 11 | \$ 23,000 | \$ 23,000 | \$ 15,380 | \$ 23,070 | \$ 24,070 | \$ 23,730 |
| 1290 14 | \$ 24,000 | \$ 23,000 | \$ 15,376 | \$ 23,064 | \$ 23,064 | \$ 11,532 |
| 1295 15 | \$ 54,000 | \$ 54,000 | \$ 35,052 | \$ 52,578 | \$ 53,696 | \$ 27,202 |
| 1302 16 | \$ - | \$ - | \$ 3,881 | \$ 5,822 | \$ - | \$ 3,256 |
| 1400 35 | \$ 5,000 | \$ 5,000 | \$ 2,250 | \$ 3,375 | \$ 4,800 | \$ 3,630 |
| 1405 38 | \$ - | \$ - | \$ 10,725 | \$ 16,088 | \$ - | \$ 5,691 |
| 1410 26 | \$ 4,000 | \$ 5,000 | \$ 4,275 | \$ 6,413 | \$ 5,770 | \$ 3,740 |
| 1415 27 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100 |
| 1420 33 | \$ - | \$ - | \$ 175 | \$ 263 | \$ 100 | \$ 200 |
| 1425 28 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25 |
| 1430 30 | \$ - | \$ - | \$ 100 | \$ 150 | \$ 220 | \$ 120 |
| TOTAL | \$ 4,918,000 | \$ 4,597,000 | \$ 3,214,594 | \$ 4,821,891 | \$ 4,460,246 | \$ 4,706,182 |
| NON-SHAREHOLDER REVENUE | | | | | | |
| 1635 21 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1725 23 | \$ 2,000 | \$ 1,000 | \$ 1,634 | \$ 2,450 | \$ 51 | \$ 1,649 |
| 1728 31 | \$ - | \$ 2,000 | \$ - | \$ - | \$ 125 | \$ - |
| 1730 24 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,659 |
| 1750 32 | \$ - | \$ 1,000 | \$ 429 | \$ 643 | \$ 686 | \$ 787 |
| 1753 18 | \$ 54,000 | \$ 52,000 | \$ 38,853 | \$ 58,279 | \$ 53,645 | \$ 58,786 |
| 1755 17 | \$ 90,000 | \$ 48,000 | \$ 62,397 | \$ 93,596 | \$ 62,015 | \$ 29,337 |
| 1875 22 | \$ - | \$ - | \$ 736 | \$ 1,104 | \$ 2,468 | \$ - |
| 37 | \$ 344,000 | \$ 344,000 | \$ - | \$ - | \$ - | \$ 17,802 |
| Subtotal: | \$ 490,000 | \$ 448,000 | \$ 104,048 | \$ 156,073 | \$ 118,991 | \$ 115,019 |
| DEPRECIATION & OBSOLESCENCE REVENUE | | | | | | |
| 1300 36 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 180,000 |
| Subtotal: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 180,000 |
| Revenue Total: | \$ 5,408,000 | \$ 5,045,000 | \$ 3,318,643 | \$ 4,977,964 | \$ 4,579,237 | \$ 5,001,201 |

| | 2020 Budget | 2019 Budget | 2019 Actual thru Aug | 2019 Projected | 2018 Actual | 2017 Actual |
|--|---------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|
| FACILITIES & O&M EXPENSES | | | | | | |
| Operating Facilities | | | | | | |
| 2175 20 Facility Related Field Labor | \$ 221,000 | \$ 228,000 | \$ 141,788 | \$ 212,681 | \$ 207,400 | 234,075 |
| 2235 21 Repairs to Facilities and Equipment | \$ 305,000 | \$ 393,000 | \$ (24,033) | \$ (36,049) | \$ 576,907 | 473,345 |
| 2265 22 Power-Gas & Electric (utilities) | \$ 600,000 | \$ 725,000 | \$ 361,597 | \$ 542,396 | \$ 776,905 | 588,303 |
| Operating Facilities Total: | \$ 1,126,000 | \$ 1,346,000 | \$ 479,352 | \$ 719,028 | \$ 1,561,211 | \$ 1,295,723 |
| Operating Activities | | | | | | |
| 2475 18 Customer Services/Billing | \$ 86,000 | \$ 85,000 | \$ 51,637 | \$ 77,456 | \$ 94,764 | 77,589 |
| 2498 19 Conservation Activities | \$ 30,000 | \$ 45,000 | \$ 13,542 | \$ 20,313 | \$ 33,165 | 27,871 |
| Operating Activities Total: | \$ 116,000 | \$ 130,000 | \$ 65,179 | \$ 97,768 | \$ 127,930 | \$ 105,460 |
| Other Operating Expense | | | | | | |
| 2205 24 Non-Facility Related Labor | \$ 83,000 | \$ 87,000 | \$ 51,232 | \$ 76,848 | \$ 83,899 | 86,082 |
| 2210 25 O&M - All Other | \$ 1,000 | \$ 2,000 | \$ 282 | \$ 423 | \$ 809 | 2,151 |
| 2280 26 Purchased Water | \$ - | \$ - | \$ - | \$ - | \$ - | 0 |
| 2295 23 Supplies (Inventory & Tools Expense) | \$ 10,000 | \$ 10,000 | \$ 4,945 | \$ 7,417 | \$ 5,221 | 15,304 |
| 2715 28 Property Taxes | \$ 220,000 | \$ 247,000 | \$ 107,475 | \$ 161,212 | \$ 216,774 | 218,227 |
| 2805 27 Wtr. Resource Mgmt. (Basin Assm'ts) | \$ 220,000 | \$ 300,000 | \$ 53,309 | \$ 79,963 | \$ 220,869 | 200,078 |
| 2850 30 Inventory Shrinkage | \$ - | \$ - | \$ - | \$ - | \$ - | 160 |
| Other Operating Expense Total: | \$ 534,000 | \$ 646,000 | \$ 217,242 | \$ 325,863 | \$ 527,573 | \$ 521,842 |
| O & M Expense Total: | \$ 1,776,000 | \$ 2,122,000 | \$ 761,773 | \$ 1,142,659 | \$ 2,216,714 | \$ 1,923,025 |

| | | | | | | |
|---|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| GENERAL ADMINISTRATIVE EXPENSES | | | | | | |
| Personnel | | | | | | |
| 2115 2 Administrative Services | \$ 295,000 | \$ 223,000 | \$ 187,812 | \$ 281,718 | \$ 232,498 | 206,212 |
| 2130 3 Development/Water Svc App | \$ 1,000 | \$ 2,000 | \$ 420 | \$ 631 | \$ 876 | 1,878 |
| 2325 13 Taxes - Payroll (office and field) | \$ 78,000 | \$ 70,000 | \$ 49,338 | \$ 74,007 | \$ 70,873 | 67,213 |
| 2355 4 Worker's Compensation Insurance | \$ 16,000 | \$ 18,000 | \$ 9,710 | \$ 14,565 | \$ 14,997 | 16,642 |
| 2385 5 Benefit Pay (Vac., Sick, Etc.) | \$ 147,000 | \$ 143,000 | \$ 92,233 | \$ 138,350 | \$ 172,649 | 138,241 |
| 2415 6 Benefit Insurance (Pension, Life, Medical, Dental, Vision) | \$ 241,000 | \$ 223,000 | \$ 147,779 | \$ 221,669 | \$ 207,301 | 226,182 |
| 2430 7 Benefit Administrative Services | \$ 1,000 | \$ 2,000 | \$ 1,197 | \$ 1,796 | \$ 1,375 | 1,425 |
| Personnel Total: | \$ 779,000 | \$ 681,000 | \$ 488,490 | \$ 732,735 | \$ 700,569 | \$ 657,793 |
| Other | | | | | | |
| 2445 9 Office/ IT Support | \$ 70,000 | \$ 62,000 | \$ 43,025 | \$ 64,537 | \$ 61,979 | 55,281 |
| 2505 1 Directors Fees & Expenses | \$ 32,000 | \$ 35,000 | \$ 21,092 | \$ 31,637 | \$ 33,283 | 31,580 |
| 2535 11 Liability Insurance (Non-empl. benft.) | \$ 39,000 | \$ 32,000 | \$ 28,891 | \$ 43,337 | \$ 27,227 | 31,778 |
| 2595 14 Communications | \$ 106,000 | \$ 92,000 | \$ 51,792 | \$ 77,688 | \$ 21,671 | 31,127 |
| 2625 15 Dues & Subscriptions | \$ 3,000 | \$ 4,000 | \$ 1,967 | \$ 2,950 | \$ 2,450 | 3,339 |
| 2655 10 Outside Services | \$ 69,000 | \$ 81,000 | \$ 10,202 | \$ 15,303 | \$ 37,749 | 60,271 |
| 2745 12 Taxes - Income | \$ 8,000 | \$ 8,000 | \$ 9,900 | \$ 14,850 | \$ 9,830 | 7,395 |
| 2775 8 Accounting Expense | \$ 76,000 | \$ 59,000 | \$ 63,339 | \$ 95,009 | \$ 62,494 | 54,968 |
| 2276 8 Legal Expense | \$ 180,000 | \$ 242,000 | \$ 121,444 | \$ 182,166 | \$ 213,557 | 158,695 |
| 2790 16 Human Resource Expense | \$ 42,000 | \$ 39,000 | \$ 28,445 | \$ 42,667 | \$ 45,398 | 34,010 |
| 2865 17 All Other | \$ 42,000 | \$ 40,000 | \$ 19,279 | \$ 28,918 | \$ 33,144 | 30,040 |
| Other Total: | \$ 667,000 | \$ 694,000 | \$ 399,374 | \$ 599,061 | \$ 548,782 | \$ 498,484 |
| G. & A. Expense Total: | \$ 1,446,000 | \$ 1,375,000 | \$ 887,864 | \$ 1,331,796 | \$ 1,249,351 | \$ 1,156,277 |

| | | | | | | |
|----------------------------|--------------|--|--|--|--|--|
| Capital Expenditure | | | | | | |
| Facilities | \$ 2,302,000 | | | | | |
| Equipment | \$ 34,100 | | | | | |
| CIP Total: | \$ 2,336,100 | | | | | |

| | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Expenses excluding CIP: | \$ 3,222,000 | \$ 3,497,000 | \$ 1,649,636 | \$ 2,474,455 | \$ 3,466,065 | \$ 3,079,302 |
| Total Expenses including CIP: | \$ 5,558,100 | | | | | |
| Net Income without D&O funds: | \$ 2,186,000 | \$ 1,548,000 | \$ 1,669,006 | \$ 2,503,509 | \$ 1,113,172 | \$ 1,741,899 |
| Net Income with D&O funds: | \$ 2,186,000 | \$ 1,548,000 | \$ 1,669,006 | \$ 2,503,509 | \$ 1,113,172 | \$ 1,921,899 |

| | | | | | | |
|----------------------|------------|------------|------------|------------|------------|---------|
| 2565 29 Depreciation | \$ 901,000 | \$ 974,807 | \$ 454,249 | \$ 908,499 | \$ 881,254 | 913,315 |
|----------------------|------------|------------|------------|------------|------------|---------|

| | | | | | | |
|---|----------------|------------|--------------|--------------|------------|--------------|
| Net income excluding Capital Expenditures less Depreciation | \$ 1,285,000 | \$ 573,193 | \$ 1,214,757 | \$ 1,595,011 | \$ 231,918 | \$ 1,008,584 |
| Net income including Capital Expenditures less Depreciation | \$ (1,051,100) | | | | | |
| Net income including Capital Expenditures | \$ (150,100) | | | | | |
| Net income including Capital Expenditures less NSR | \$ (640,100) | | | | | |

DRAFT 2020 OPERATING BUDGET REVENUE

| | | 2020 | | | | | | | | | | | | TOTAL | |
|--|----|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | |
| SHAREHOLDER REVENUE | | | | | | | | | | | | | | | |
| 1185 | 1 | Domestic Water Income (Base) | \$ 17,100 | \$ 17,000 | \$ 19,400 | \$ 22,800 | \$ 29,200 | \$ 30,200 | \$ 33,400 | \$ 33,000 | \$ 28,200 | \$ 27,500 | \$ 23,400 | \$ 19,400 | \$ 300,600 |
| 1215 | 3 | Domestic Water Income (Supplemental) | \$ 8,400 | \$ 8,400 | \$ 9,500 | \$ 11,200 | \$ 14,300 | \$ 14,800 | \$ 16,400 | \$ 16,200 | \$ 13,800 | \$ 13,500 | \$ 11,500 | \$ 9,500 | \$ 147,500 |
| 1220 | 4 | Domestic Water Income (Tier 3) | \$ 5,900 | \$ 5,900 | \$ 6,700 | \$ 7,900 | \$ 10,100 | \$ 10,500 | \$ 11,600 | \$ 11,500 | \$ 9,800 | \$ 9,600 | \$ 8,100 | \$ 6,700 | \$ 104,300 |
| 1230 | 2 | Domestic Water Income (Readi/Chrg) | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 16,700 | \$ 200,400 |
| 1235 | 5 | Domestic Water Availabilty Charge (WAC) | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 60,000 |
| 1245 | 6 | Municipal Water Income (Base) | \$ 173,700 | \$ 172,900 | \$ 198,400 | \$ 230,300 | \$ 292,600 | \$ 303,700 | \$ 332,400 | \$ 328,500 | \$ 304,400 | \$ 298,500 | \$ 236,900 | \$ 200,900 | \$ 3,073,200 |
| 1260 | 8 | Municipal Water Income (Supplemental) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1268 | 7 | Municipal Water Income (Readi/Chrg) | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 6,650 | \$ 79,800 |
| 1276 | 9 | Municipal Water Availability Charge (WAC) | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 39,732 | \$ 476,784 |
| 1274 | 10 | Misc Water Income (Base) | \$ 6,100 | \$ 3,600 | \$ 9,900 | \$ 18,700 | \$ 17,700 | \$ 24,900 | \$ 29,100 | \$ 27,800 | \$ 28,200 | \$ 22,200 | \$ 21,400 | \$ 13,900 | \$ 223,500 |
| 1275 | 12 | Misc Water Income (Supplemental) | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 126,000 |
| 1280 | 13 | Misc Water Income (Tier 3) | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 15,000 |
| 1288 | 11 | Misc Water Income (Readi/Chrg) | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 1,900 | \$ 22,800 |
| 1290 | 14 | Misc Water Availability Charge (WAC) | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 24,000 |
| 1295 | 15 | Dormant Water Availability Charge (WAC) | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 54,000 |
| 1302 | 16 | Meter Service Fees (Connections) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1400 | 35 | Stock Transfer | \$ - | \$ 750 | \$ - | \$ 750 | \$ - | \$ 750 | \$ - | \$ 750 | \$ - | \$ 750 | \$ - | \$ 750 | \$ 4,500 |
| 1405 | 38 | Capital Facilities Connection Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1410 | 26 | Late/Re-establishment Fee | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 300 | \$ 3,600 |
| 1415 | 27 | Drought Ordinance Violation Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1420 | 33 | Return Check Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1425 | 28 | Broken/Missing Lock Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1430 | 30 | Stock Certificate Storage & Handling Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotal: | | \$ 299,732 | \$ 297,082 | \$ 332,432 | \$ 380,182 | \$ 452,432 | \$ 473,382 | \$ 511,432 | \$ 506,282 | \$ 472,932 | \$ 460,582 | \$ 389,832 | \$ 339,682 | \$ 4,915,984 | |
| NON-SHAREHOLER REVENUE | | | | | | | | | | | | | | | |
| 1635 | 21 | Development Plan Check Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1725 | 23 | Miscellaneous Income | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 167 | \$ 2,004.00 |
| 1728 | 31 | Plans & Spec Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1730 | 24 | Construction Permit & Inspection | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1750 | 32 | Service/Litigation Agreements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1753 | 18 | Ground Lease Income | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ 54,000.00 |
| 1755 | 17 | Interest Income | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 90,000.00 |
| 1875 | 22 | Overhead Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 37 | | Gain on Sale of Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 344,000 | \$ 344,000.00 |
| Subtotal: | | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 12,167.00 | \$ 356,167.00 | \$ 490,004.00 |
| DEPRECIATION & OBSOLESCENCE REVENUE | | | | | | | | | | | | | | | |
| 1300 | 36 | Water Sales from Stored G. W. [D&O Reserves] | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotal: | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Total: | | \$ 311,899 | \$ 309,249 | \$ 344,599 | \$ 392,349 | \$ 464,599 | \$ 485,549 | \$ 523,599 | \$ 518,449 | \$ 485,099 | \$ 472,749 | \$ 401,999 | \$ 695,849 | \$ 5,405,988 | |

DRAFT 2020 OPERATING BUDGET EXPENSES

| | | 2020 | | | | | | | | | | | | TOTAL |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| FACILITIES & O&M EXPENSES | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| Operating Facilities | | | | | | | | | | | | | | |
| 2175 | 20 Facility Related Field Labor | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 18,416.67 | \$ 221,000.00 |
| 2235 | 21 Repairs to Facilities and Equipment | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 25,416.67 | \$ 305,000.00 |
| 2265 | 22 Power-Gas & Electric (utilities) | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 54,180.00 | \$ 54,180.00 | \$ 54,180.00 | \$ 72,240.00 | \$ 72,240.00 | \$ 72,240.00 | \$ 42,140.00 | \$ 42,140.00 | \$ 30,100.00 | \$ 602,000.00 |
| Operating Facilities Total: | | \$ 79,953.33 | \$ 79,953.33 | \$ 79,953.33 | \$ 98,013.33 | \$ 98,013.33 | \$ 98,013.33 | \$ 116,073.33 | \$ 116,073.33 | \$ 116,073.33 | \$ 85,973.33 | \$ 85,973.33 | \$ 73,933.33 | \$ 1,128,000.00 |
| Operating Activities | | | | | | | | | | | | | | |
| 2475 | 18 Customer Services/Billing | \$ 6,020.00 | \$ 6,020.00 | \$ 17,200.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 6,020.00 | \$ 8,600.00 | \$ 6,020.00 | \$ 86,000.00 |
| 2498 | 19 Conservation Activities | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 30,000.00 |
| Operating Activities Total: | | \$ 8,520.00 | \$ 8,520.00 | \$ 19,700.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 8,520.00 | \$ 11,100.00 | \$ 8,520.00 | \$ 116,000.00 |
| Other Operating Expense | | | | | | | | | | | | | | |
| 2205 | 24 Non-Facility Related Labor | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 6,916.67 | \$ 83,000.00 |
| 2210 | 25 O&M - All Other | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 1,000.00 |
| 2280 | 26 Purchased Water | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2295 | 23 Supplies (Inventory & Tools Expense) | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 833.33 | \$ 10,000.00 |
| 2715 | 28 Property Taxes | \$ - | \$ - | \$ 110,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 110,000.00 | \$ 220,000.00 |
| 2805 | 27 Wtr. Resource Mgmt. (Basin Assm'ts) | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 13,636.36 | \$ 70,000.00 | \$ 13,636.36 | \$ 220,000.00 |
| 2850 | 30 Inventory Shrinkage | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Operating Expense Total: | | \$ 21,469.70 | \$ 21,469.70 | \$ 131,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 21,469.70 | \$ 77,833.33 | \$ 131,469.70 | \$ 534,000.00 |
| O & M Expense Total: | | \$ 109,943.03 | \$ 109,943.03 | \$ 231,123.03 | \$ 128,003.03 | \$ 128,003.03 | \$ 128,003.03 | \$ 146,063.03 | \$ 146,063.03 | \$ 146,063.03 | \$ 115,963.03 | \$ 174,906.67 | \$ 213,923.03 | \$ 1,778,000.00 |
| GENERAL ADMINISTRATIVE EXPENSES | | | | | | | | | | | | | | |
| Personnel | | | | | | | | | | | | | | |
| 2115 | 2 Administrative Services | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 24,583.33 | \$ 295,000.00 |
| 2130 | 3 Development/Water Svc App | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 83.33 | \$ 1,000.00 |
| 2325 | 13 Taxes - Payroll (office and field) | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 | \$ 78,000.00 |
| 2355 | 4 Worker's Compensation Insurance | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 1,333.33 | \$ 16,000.00 |
| 2385 | 5 Benefit Pay (Vac., Sick, Etc.) | \$ 22,050.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 9,555.00 | \$ 29,400.00 | \$ 147,000.00 |
| 2415 | 6 Benefit Insurance (Pension, Life, Medical, Dental, Vision) | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 20,058.80 | \$ 240,705.55 |
| 2430 | 7 Benefit Administrative Services | \$ - | \$ - | \$ - | \$ - | \$ 95.53 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,269.22 | \$ - | \$ 1,364.75 |
| Personnel Total: | | \$ 74,608.80 | \$ 62,113.80 | \$ 62,113.80 | \$ 62,113.80 | \$ 62,209.33 | \$ 62,113.80 | \$ 62,113.80 | \$ 62,113.80 | \$ 62,113.80 | \$ 62,113.80 | \$ 63,383.01 | \$ 62,113.80 | \$ 779,070.30 |
| Other | | | | | | | | | | | | | | |
| 2445 | 9 Office/ IT Support | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 5,833.33 | \$ 70,000.00 |
| 2505 | 1 Directors Fees & Expenses | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 2,666.67 | \$ 32,000.00 |
| 2535 | 11 Liability Insurance (Non-empl. benft.) | \$ - | \$ - | \$ - | \$ 39,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 39,000.00 |
| 2595 | 14 Communications | \$ 5,300.00 | \$ 5,300.00 | \$ 15,900.00 | \$ 5,300.00 | \$ 5,300.00 | \$ 15,900.00 | \$ 5,300.00 | \$ 5,300.00 | \$ 15,900.00 | \$ 5,300.00 | \$ 5,300.00 | \$ 15,900.00 | \$ 106,000.00 |
| 2625 | 15 Dues & Subscriptions | \$ 930.00 | \$ - | \$ - | \$ - | \$ - | \$ 930.00 | \$ - | \$ 300.00 | \$ 840.00 | \$ - | \$ - | \$ - | \$ 3,000.00 |
| 2655 | 10 Outside Services | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 5,750.00 | \$ 69,000.00 |
| 2745 | 12 Taxes - Income | \$ - | \$ - | \$ 6,000.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,000.00 | \$ 8,000.00 |
| 2775 | 8 Accounting Expense | \$ 4,836.36 | \$ 4,836.36 | \$ 22,800.00 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 4,836.36 | \$ 76,000.00 |
| 2276 | 8 Legal Expense | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 180,000.00 |
| 2790 | 16 Human Resource Expense | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 42,000.00 |
| 2865 | 17 All Other | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ 42,000.00 |
| Other Total: | | \$ 47,316.36 | \$ 46,386.36 | \$ 80,950.00 | \$ 85,386.36 | \$ 46,386.36 | \$ 57,916.36 | \$ 46,386.36 | \$ 46,686.36 | \$ 57,826.36 | \$ 46,386.36 | \$ 46,386.36 | \$ 58,986.36 | \$ 667,000.00 |
| G. & A. Expense Total: | | \$ 121,925.16 | \$ 108,500.16 | \$ 143,063.80 | \$ 147,500.16 | \$ 108,595.69 | \$ 120,030.16 | \$ 108,500.16 | \$ 108,800.16 | \$ 119,940.16 | \$ 109,769.38 | \$ 108,500.16 | \$ 140,945.16 | \$ 1,446,070.30 |
| Total Expenses: | | \$ 231,868.19 | \$ 218,443.19 | \$ 374,186.83 | \$ 275,503.19 | \$ 236,598.72 | \$ 248,033.19 | \$ 254,563.19 | \$ 254,863.19 | \$ 266,003.19 | \$ 225,732.41 | \$ 283,406.83 | \$ 354,868.19 | \$ 3,224,070.30 |

DRAFT 2020 OPERATING BUDGET EQUIPMENT

| | | DRAFT 2020 EQUIPMENT | | | | | | | | | | | | |
|---|---|----------------------|----------|----------|----------|----------|-----------|----------|--------|------|------|------|------|-----------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
| # | Equipment Purchases | | | | | | | | | | | | | |
| 1 | Color copier/scanner replacement for Administration | | | | | | \$ 10,000 | | | | | | | \$ 10,000 |
| 2 | Check Scanner replacment for Administration | | | | \$ 4,000 | | | | | | | | | \$ 4,000 |
| 3 | Computers | | \$ 6,000 | | | | | \$ 6,000 | | | | | | \$ 12,000 |
| 4 | Asphalt Concrete Cutting Saw | | | \$ 3,600 | | | | | | | | | | \$ 3,600 |
| 5 | Pipeline Locator | | | | | \$ 2,000 | | | | | | | | \$ 2,000 |
| 6 | Misc. Hand Tools for Trucks | | \$ 500 | | \$ 500 | | \$ 500 | | \$ 500 | | | | | \$ 2,000 |
| 7 | Submersible Trash Pump w/ hoses | \$ 500 | | | | | | | | | | | | \$ 500 |
| | Total | \$ 500 | \$ 6,500 | \$ 3,600 | \$ 4,500 | \$ 2,000 | \$ 10,500 | \$ 6,000 | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ 34,100 |

DRAFT 2020 OPERATING BUDGET CAPITAL IMPROVEMENTS

| | | DRAFT 2020 CIP | | | | | | | | | | | | TOTAL |
|----|---|----------------|-----------|-----------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|--------------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| # | Domestic Water System | | | | | | | | | | | | | |
| 1 | Holly Drive Tank, Phase II | | | | \$ 95,400 | \$ 95,400 | \$ 95,400 | \$ 95,400 | \$ 95,400 | | | | | \$ 477,000 |
| 2 | Glendale Road between Mountain and Park | \$ 2,500 | \$ 2,500 | \$ 3,000 | | | \$ 17,000 | \$ 17,000 | | | | | | \$ 42,000 |
| 3 | Cliff near Euclid Crescent and Cliff | \$ 18,667 | \$ 18,667 | \$ 18,667 | | \$ 56,000 | \$ 56,000 | \$ 56,000 | \$ 56,000 | | | | | \$ 280,000 |
| 4 | Primrose, north of 25th | | \$ 9,000 | \$ 9,000 | | \$ 21,750 | \$ 21,750 | \$ 21,750 | \$ 21,750 | | | | | \$ 105,000 |
| 5 | Linda, north of 24th | | | \$ 7,333 | \$ 7,333 | \$ 7,333 | | | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | | \$ 134,000 |
| 6 | Master Plan/ Asset Mngmt Schd. | | | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 28,000 | | | | | | \$ 140,000 |
| 7 | Domestic Water Meter Replacement (1,215 meters/15yrs) | | | | | | | | \$ 25,000 | \$ 25,000 | | | | \$ 50,000 |
| 8 | SCADA PLC Controller Replacement | | \$ 10,000 | \$ 20,000 | \$ 10,000 | | | | | | | | | \$ 40,000 |
| 9 | Cucamonga Crosswall Enviro Mitigation | | | | \$ 50,000 | | | | \$ 23,000 | | | | | \$ 73,000 |
| 10 | Frankish Tunnel Pipeline Repair and Meter Install | | | | | | \$ 5,000 | \$ 5,000 | | \$ 15,000 | \$ 15,000 | | | \$ 40,000 |
| 11 | Site 19 Well | | | | | | | | | \$ 26,667 | \$ 26,667 | \$ 26,667 | | \$ 80,000 |
| 12 | Company Geographical Information System | \$ 10,000 | \$ 20,000 | \$ 10,000 | | | | | | | | | | \$ 40,000 |
| | Total | \$ 31,167 | \$ 60,167 | \$ 96,000 | \$ 190,733 | \$ 208,483 | \$ 223,150 | \$ 223,150 | \$ 249,150 | \$ 68,000 | \$ 69,667 | \$ 54,667 | \$ 26,667 | \$ 1,501,000 |

| | | DRAFT 2020 CIP | | | | | | | | | | | | TOTAL |
|----|----------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| # | Irrigation System | | | | | | | | | | | | | |
| 13 | Water Meter Replacement (15yrs) | | | | | | \$ 10,000 | \$ 10,000 | | | | | | \$ 20,000 |
| 14 | SCADA PLC Controller Replacement | | \$ 10,000 | \$ 20,000 | \$ 10,000 | | | | | | | | | \$ 40,000 |
| 15 | Master Plan/ Asset Mngmnt Schd. | | \$ 15,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | \$ 13,000 | | | | | | \$ 80,000 |
| 16 | Reservoir 9 Pipeline Replacement | | | | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | | | \$ 81,600 | \$ 81,600 | \$ 81,600 | \$ 324,800 |
| 17 | Viewpoint, Canyon View to Campus | \$ 11,500 | \$ 11,500 | \$ 11,500 | \$ 11,500 | | | \$ 76,667 | \$ 76,667 | \$ 76,667 | | | | \$ 276,000 |
| | Total | \$ 11,500 | \$ 36,500 | \$ 44,500 | \$ 54,500 | \$ 33,000 | \$ 43,000 | \$ 119,667 | \$ 76,667 | \$ 76,667 | \$ 81,600 | \$ 81,600 | \$ 81,600 | \$ 740,800 |

| | | DRAFT 2020 CIP | | | | | | | | | | | | TOTAL |
|---|---------------------|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| # | Company | | | | | | | | | | | | | |
| | Consolidated Campus | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 60,000 |
| | Total | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 60,000 |

| | | | | | | | | | | | | | |
|--------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| TOTAL | \$ 47,667 | \$ 101,667 | \$ 145,500 | \$ 250,233 | \$ 246,483 | \$ 271,150 | \$ 347,817 | \$ 330,817 | \$ 149,667 | \$ 156,267 | \$ 141,267 | \$ 113,267 | \$ 2,301,800 |
|--------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|

| |
|--------------------|
| Design/Engineering |
| Construction |

CAPITAL IMPROVEMENTS

Company CIP Needs

| Domestic System | Number | | Per facility replacement cost | Facilities cost | Design Life | Cost per year |
|--------------------------------|-----------|---------|-------------------------------|-----------------|-------------|-------------------|
| Wells | 3 | ea | \$ 1,000,000 | \$ 3,000,000 | 25 | \$ 120,000 |
| Reservoirs | 7,560,000 | gallons | \$ 1.25 | \$ 9,450,000 | 80 | \$ 118,000 |
| Booster Stations | 6 | ea | \$ 400,000 | \$ 2,400,000 | 40 | \$ 60,000 |
| Intakes | 2 | ea | \$ 400,000 | \$ 800,000 | 40 | \$ 20,000 |
| Pipelines | 133,256 | lf | \$ 200 | \$ 26,651,200 | 80 | \$ 333,000 |
| TOTAL YEARLY CIP BUDGET | | | | | | \$ 651,000 |

| Irrigation System | Number | | Per facility replacement cost | Facilities cost | Design Life | Cost per year |
|--------------------------------|-----------|---------|-------------------------------|-----------------|-------------|-------------------|
| Wells | 7 | ea | \$ 1,000,000 | \$ 7,000,000 | 25 | \$ 280,000 |
| Reservoirs | 3,000,000 | gallons | \$ 1.25 | \$ 3,750,000 | 80 | \$ 47,000 |
| Booster Stations | 3 | ea | \$ 400,000 | \$ 1,200,000 | 40 | \$ 30,000 |
| Intakes | 2 | ea | \$ 400,000 | \$ 800,000 | 40 | \$ 20,000 |
| Pipelines | 112,967 | lf | \$ 200 | \$ 22,593,400 | 80 | \$ 282,000 |
| TOTAL YEARLY CIP BUDGET | | | | | | \$ 659,000 |

TOTAL COMPANY YEARLY CIP BUDGET **\$ 1,310,000**

Project Title: **Holly Drive Tank, Phase II**

Total Budget: **\$527,000**

Engineering: \$50,000

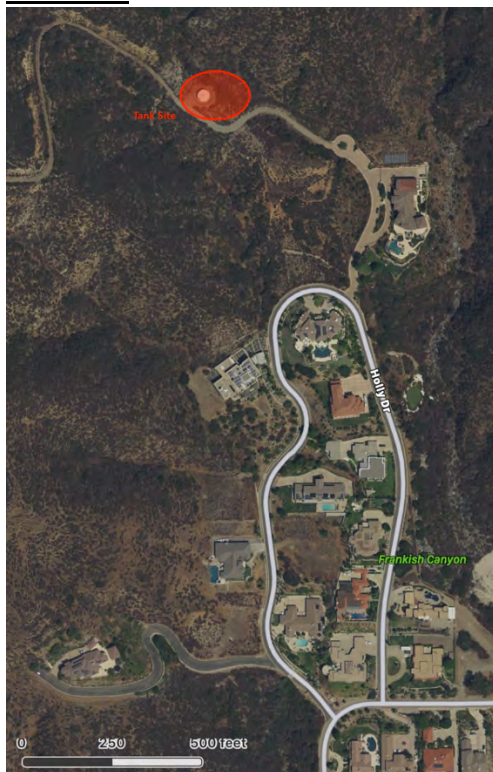
Construction: \$477,000

Schedule:

Bidding: February-March 2020

Construction: April-August 2020

Location:



Justification: Provide an additional 170,000-gallon storage capacity to meet operational storage, emergency storage and fire flow requirements. Install two inline system control valves.

Project Title: **Glendale Road between Mountain and Park**

Total Budget: **\$42,000**

Engineering: \$8,000

Construction: \$34,000

Schedule:

Engineering: January - March 2020

Construction: June – July 2020

Location:



Justification: There are currently two pipelines in Glendale Road; an old 2" and a new 6". This project abandons the small diameter pipeline between Mountain Avenue and Park Boulevard. Connect existing 3 service laterals to existing 6" pipeline. Identified in the 2017 Master Plan as a high priority project.

Project Title: **Cliff near Euclid Crescent and Cliff**

Total Budget: **\$280,000**

Engineering: \$56,000

Construction: \$224,000

Schedule:

Engineering: January – March 2020

Bidding: March-April 2020

Construction: May – August 2020

Location:



Justification: Upgrade small diameter pipeline in Cliff Road, from 25th Street to Euclid Crescent. Install new laterals to five homes on Cliff Drive, connecting them to the new upper zone pipeline. The existing FH does not meet available fire flow. Pipeline has exceeded its useful life. Identified in the 2017 Master Plan as a medium priority project.

Project Title: **Primrose, north of 25th**

Total Budget: **\$105,000**

Engineering: \$18,000

Construction: \$87,000

Schedule:

Engineering: February - March 2020

Bidding: District Forces

Construction: May 2020

Location:



Justification: Replace pipeline on Primrose Lane, north of West 25th Street. The pipeline was installed before 1976 and has exceeded its useful life. Also will relocate one service lateral from a backyard run into Mountain Avenue. Identified in the 2017 Master Plan as a low priority project.

Project Title: **Linda, North of 24th**

Total Budget: **\$134,000**

Engineering: \$22,000

Construction: \$112,000

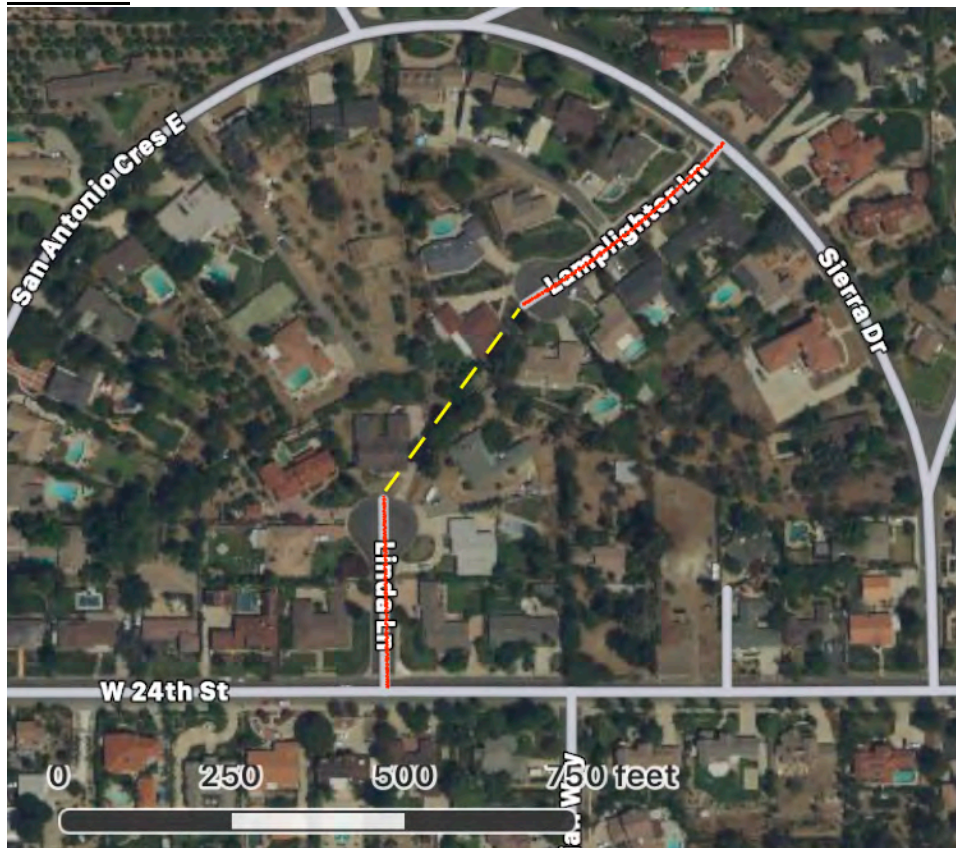
Schedule:

Engineering: March-May 2020

Bidding: May-June 2020

Construction: August-November 2020

Location:



Justification: Replace pipeline on Linda Lane, north of W 24th Street and Lamplighter Lane, west of Sierra Drive. Abandon pipeline located in backyards between Linda and Lamplighter. Install flushing hydrants at end of Linda and Lamplighter. The existing pipeline was installed before 1976 and has exceeded its useful life. Identified in the 2017 Master Plan as a low priority project.

Project Title: **Domestic Water Master Plan / Asset Management Program**

Total Budget: **\$140,000**

Engineering: \$140,000

Schedule:

RFP: December 2019-January 2020

Engineering: March – July 2020

Location: System Wide

Justification: The 2017 Master Plan identified projects in High, Medium and Low priority categories. The Company has implemented a successful CIP and is nearing the end of the project lists from the 2017 CIP. Projects remaining to be completed from the 2017 Master Plan represent significant costs (\$1,000,000+ each project). Appropriate scheduling will be critical to funding the remaining projects, as well as prioritizing additional projects.

Project Title: **Domestic Water Meter Replacement**

Total Budget: **\$50,000**

Engineering: \$0

Construction: \$50,000

Schedule:

Installation: August-September 2020

Location:



Justification: Water meters have an average operating life of seven to fifteen years. Newer meters with improved technology lasting longer than older meters. To avoid a large replacement program in any one or two years, an on-going program that replaces a small subset of meters in any given year is recommended, with the ultimate goal of replacing every meter on a ten to fifteen-year cycle.

Staff is proposing replacement of 200+- meters per year. The Domestic Water Meter Replacement program was not implemented in 2019. For 2020 staff is proposing replacement of 300+- meters located in books 1 through 4, west of Mountain Avenue.

This project may be impacted by the Company's review of Automated Meter Reading (AMR) that would provide daily information regarding domestic consumption. Staff has budgeted this project later in the fiscal year to allow time for the AMR review to complete before spending money.

The Company has 1,300+- domestic meters.

Project Title: **SCADA PLC Controller Replacement**

Total Budget: **\$40,000**

Engineering: \$0

Construction: \$40,000

Schedule:

Installation: February - April 2020

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.

For this year staff is proposing replacement of the PLCs at the Forebay and Office.

Project Title: **Cucamonga Crosswall Environmental Mitigation**

Total Budget: **\$73,000**

Maintenance: \$73,000

Schedule:

Maintenance: April & August 2020

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: **Frankish Tunnel Pipeline Repair and Meter Install**

Total Budget: **\$50,000**

Engineering: \$10,000

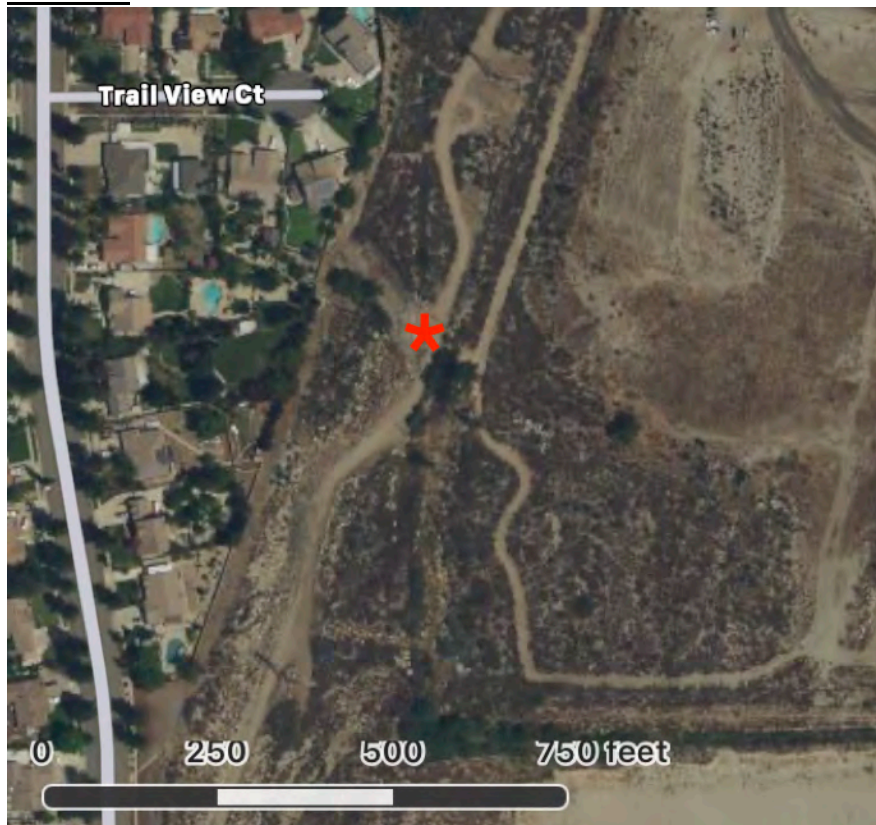
Construction: \$40,000

Schedule:

Design: June – July 2020

Construction: September – October 2020

Location:



Justification: The metering arrangement at the Frankish Tunnel outflow is not set to the appropriate hydraulic grade and the Company is unable to meter all waterflow from the tunnel. Additionally, this location is a transfer point for spread water from the forebay into Basin 6A. To improve metering and accounting for all available water, staff would like to upgrade the tunnel outfall and install an additional meter.

Project Title: **Well Site 19**

Total Budget: **\$1,312,000**

Engineering: \$160,000

Construction: \$1,152,000 total (\$691,000 in 2020)

Schedule:

Engineering: October 2020 – March 2021

Bidding: June-July 2021

Construction: October 2021 – February 2022

Location:



Justification: Unable to meet supply requirements, 2008 Master Plan recommendation. Construct a new well at Site 19. Identified in the 2017 Master Plan as a high priority project.

Project Title: **Company Geographical Information System**

Total Budget: **\$50,000**

Consulting: \$30,000

Hardware/Software: \$20,000

Schedule:

Project was approved in 2019

Consulting: November 2019-March 2020

Location: Company wide

Justification:

The intent of the new GIS database is to:

- Aggregate pertinent information of Company facilities into a database that can be readily queried. (location, size, material, year constructed, as-builts, photos, etc.)
- Aggregate known Company easements into a geospatial database.
- Incorporate appropriate external geospatial information including photogrammetry imagery and County parcel information.
- Create a facility records database with a graphic front-end that is readily accessible in the field (tablet enabled 'system map').
- Develop a facility records database that is flexible and easily updated.
- Include meters with appropriate information including GPS location, size, identifying number and customer account records.
- Link the new GIS database to Company finance and billing database to provide the ability to query billing records and present results in a graphical environment (e.g. monthly consumption by parcel, color-coded by amount consumed). This feature does not necessarily have to be in 'real-time'. But the links need to be established for at least monthly updates.
- Link the new GIS database elements to Company asset management records/ depreciating assets database.
- The data should be compatible with modeling software for future Company needs.

Project Title: **Irrigation Water Meter Replacement**

Total Budget: **\$20,000**

Installation: \$20,000

Schedule:

Installation: June – July 2020

Location: System Wide

Justification: Water meters have an average operating life of seven to fifteen years. Newer meters with improved technology lasting longer than older meters. To avoid a large replacement program in any one or two years, an on-going program that replaces a small subset of meters in any given year is recommended, with the ultimate goal of replacing every meter on a ten to fifteen-year cycle.

Staff is proposing replacement of 2 meters per year.

This project may be impacted by the Company's review of Automated Meter Reading (AMR) that would provide daily information regarding domestic consumption. Staff has budgeted this project later in the fiscal year to allow time for the AMR review to complete before spending money.

Company has 12 irrigation meters.

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

Total Budget: **\$40,000**

Installation: \$40,000

Schedule:

Installation: February - April 2020

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. For 2020 staff is proposing replacement of PLCs at Well 31 and Reservoir 1.

Project Title: **Irrigation Master Plan and Asset Management Program**

Total Budget: **\$80,000**

Engineering: \$80,000

Schedule:

Engineering: February-July 2020

Location: System Wide

Justification: The 2017 Master Plan identified projects in High, Medium and Low priority categories. The Company has implemented a successful CIP and is nearing the end of the project lists from the 2017 CIP. Projects remaining to be completed from the 2017 Master Plan represent significant costs (\$1,000,000+ each project). Appropriate scheduling will be critical to funding the remaining projects, as well as prioritizing additional projects.

Project Title: **Reservoir 9 Pipeline Replacement**

Total Budget: **\$488,000**

Engineering: \$80,000

Construction: \$408,000

Schedule:

Design: April – July 2020

Construction: October – December 2020

Location:



Justification:

Replace pipeline on 25th Street and along backside of Burt Street homes to Reservoir #9. Abandon pipeline installed in backyard along Electric Avenue and Newman Street. The 24" concrete pipeline was installed before 1976 and has exceeded its useful life. Identified by staff as a high maintenance root-bound pipeline.

Project Title: **Irrigation Pipeline Viewpoint, Canyon View Ave to Campus Ave**

Total Budget: **\$276,000**

Engineering: \$46,000

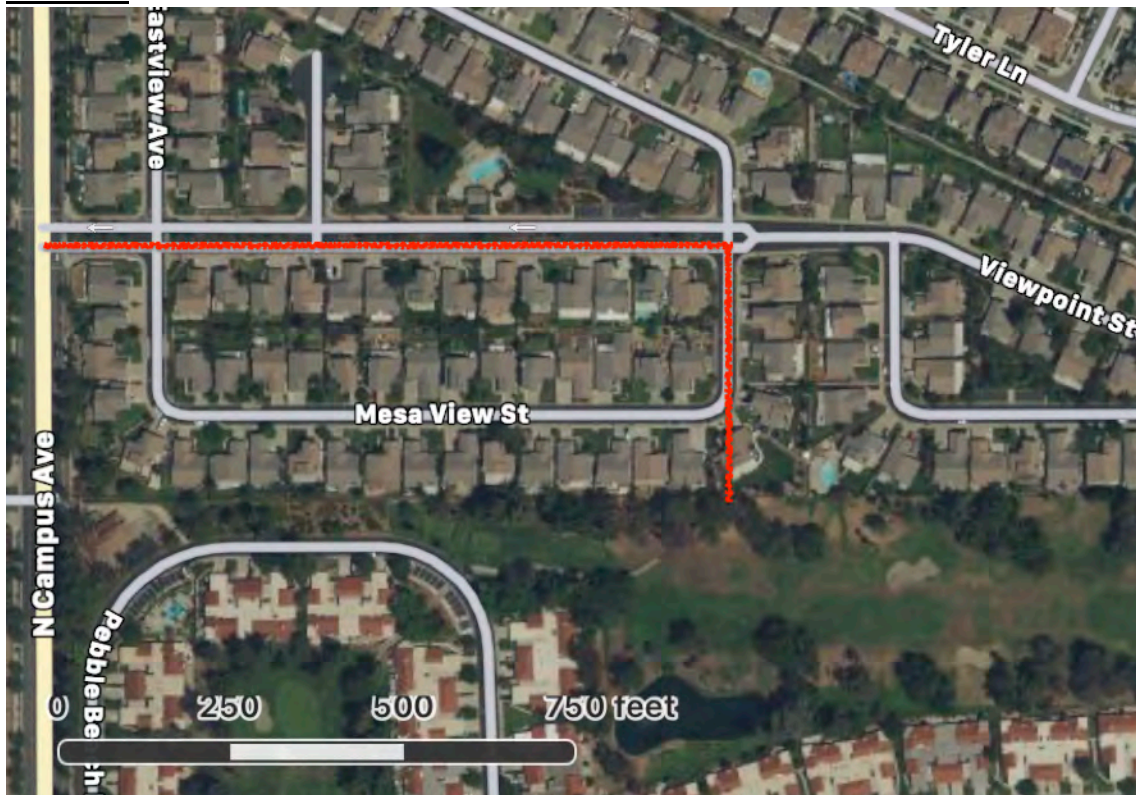
Construction: \$230,000

Schedule:

Engineering: January - April 2020

Construction: July – September 2020

Location:



Justification:

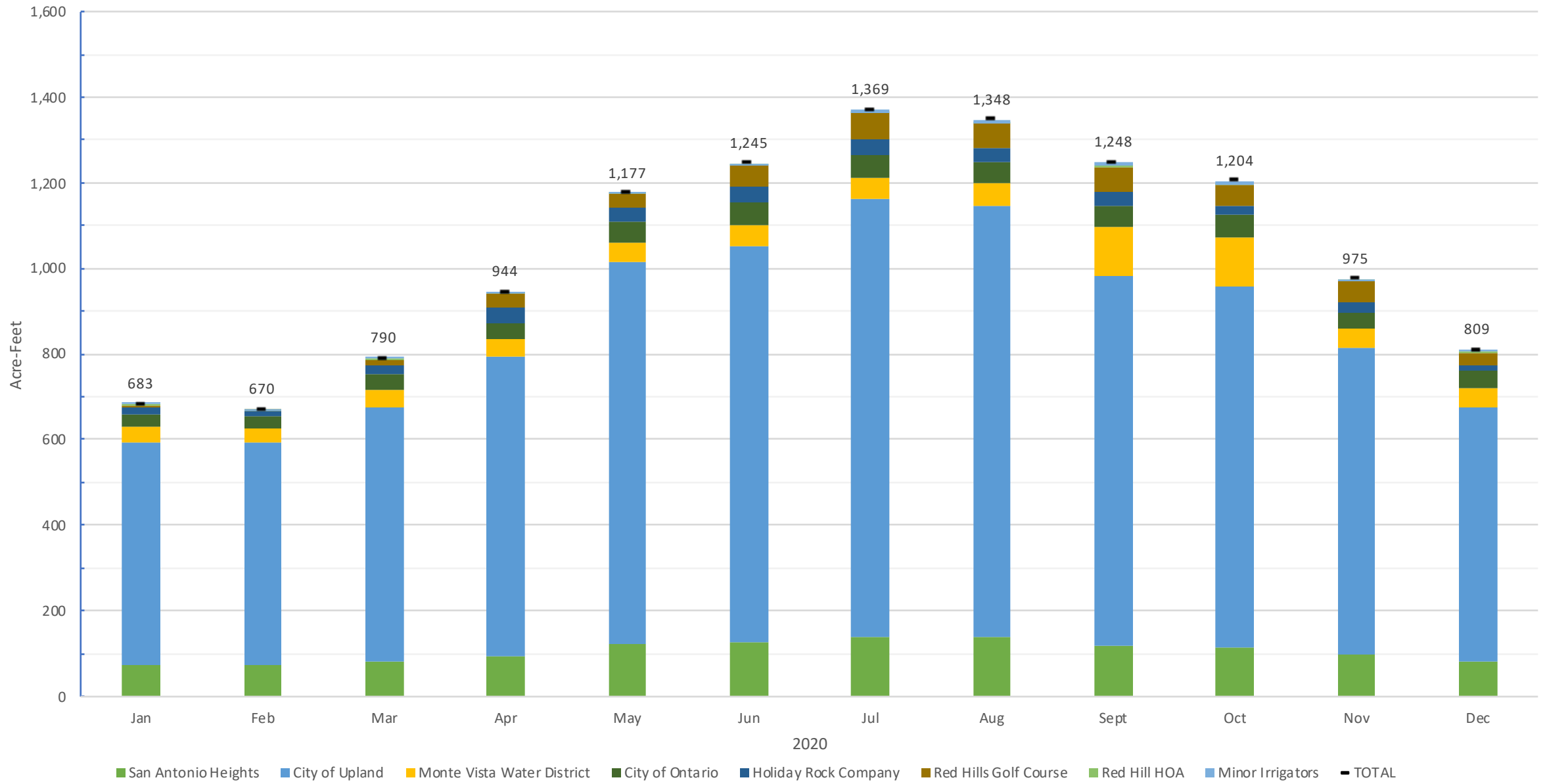
Replace pipeline on Viewpoint St. between Canyon View Ave and Campus Ave. The pipeline was installed before 1976 and has exceeded its useful life. Identified by operations staff as a high maintenance pipeline.

ENTITLEMENT PROJECTIONS

| | | 2020 Projections | | | | | | | | | | | Entitlement |
|---|--|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | |
| San Antonio Heights | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 72 | 72 | 82 | 96 | 123 | 128 | 141 | 139 | 119 | 116 | 99 | 82 |
| Projected Cumulative Delivery | | 72 | 144 | 226 | 322 | 445 | 573 | 714 | 853 | 972 | 1,088 | 1,187 | 1,269 |
| | | = 1,269 | | | | | | | | | | | |
| City of Upland | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 522 | 520 | 593 | 696 | 891 | 924 | 1,021 | 1,008 | 862 | 842 | 715 | 593 |
| Projected Cumulative Delivery | | 522 | 1,042 | 1,635 | 2,331 | 3,222 | 4,146 | 5,167 | 6,175 | 7,037 | 7,879 | 8,593 | 9,186 |
| | | = 9,186 | | | | | | | | | | | |
| Monte Vista Water District | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 34 | 34 | 41 | 41 | 47 | 51 | 51 | 51 | 116 | 116 | 45 | 45 |
| Projected Cumulative Delivery | | 34 | 68 | 109 | 150 | 197 | 248 | 299 | 350 | 466 | 582 | 627 | 672 |
| | | = 671 | | | | | | | | | | | |
| City of Ontario | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 30 | 30 | 36 | 40 | 50 | 50 | 50 | 50 | 50 | 50 | 40 | 40 |
| Projected Cumulative Delivery | | 30 | 60 | 96 | 136 | 186 | 236 | 286 | 336 | 386 | 436 | 476 | 516 |
| | | = 601 | | | | | | | | | | | |
| Holiday Rock Company | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 18 | 10 | 24 | 34 | 32 | 40 | 40 | 32 | 32 | 24 | 24 | 12 |
| Projected Cumulative Delivery | | 18 | 28 | 52 | 86 | 118 | 158 | 198 | 230 | 262 | 286 | 310 | 322 |
| | | = 269 | | | | | | | | | | | |
| Red Hills Golf Course | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 4 | 2 | 12 | 32 | 32 | 46 | 58 | 58 | 58 | 46 | 46 | 32 |
| Projected Cumulative Delivery | | 4 | 6 | 18 | 50 | 82 | 128 | 186 | 244 | 302 | 348 | 394 | 426 |
| | | = 444 | | | | | | | | | | | |
| Red Hill HOA | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| Projected Cumulative Delivery | | 1 | 2 | 4 | 5 | 6 | 8 | 10 | 12 | 14 | 16 | 17 | 18 |
| | | = 20 | | | | | | | | | | | |
| Minor Irrigators | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 1 | 1 | 1 | 3 | 1 | 4 | 6 | 8 | 10 | 8 | 6 | 4 |
| Projected Cumulative Delivery | | 1 | 2 | 3 | 6 | 7 | 11 | 17 | 25 | 35 | 43 | 49 | 53 |
| | | = 102 | | | | | | | | | | | |
| COMPANY TOTAL (EX. INACTIVE) | | | | | | | | | | | | | |
| Projected Monthly Delivery | | 683 | 670 | 790 | 944 | 1,177 | 1,245 | 1,369 | 1,348 | 1,248 | 1,204 | 975 | 809 |
| Projected Cumulative Consumption | | 683 | 1,352 | 2,142 | 3,086 | 4,263 | 5,508 | 6,877 | 8,225 | 9,474 | 10,677 | 11,653 | 12,462 |
| 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 | | | | | | | | | | | Entitlement |
|-----------------------|--|----------------------|-----|------|------|------|------|------|------|------|------|------|-------------|
| Gravity | | 300 | 600 | 600 | 600 | 600 | 400 | 300 | 200 | 100 | 100 | 100 | |
| Gravity Cumulative | | 300 | 900 | 1500 | 2100 | 2700 | 3100 | 3400 | 3600 | 3700 | 3800 | 3900 | 4000 |
| Chino | | | | | | | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Chino Cumulative | | 0 | 0 | 0 | 0 | 0 | 100 | 200 | 300 | 400 | 500 | 600 | 700 |
| 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 |
| 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 |

2020 Budget Estimated Consumption



10 Year Consumption Average

