

DIABLO WATER DISTRICT

FISCAL YEAR 2025/26 BUDGET



Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.

FEATURES:
RECAP OF FY 2024/25
DISTRICT UPDATES
DISTRICT VISION
FY 2025/26 BUDGET
STRATEGIC PLAN

Acronyms Used

CCWD	Contra Costa Water District	KPI	Key Performance Indicator
CIP	Capital Improvement Project	LAFCO	Local Agency Formation Commission
CM	Centimeters	LAIF	Local Agency Investment Fund
COP	Certificate of Participation	LTD	Long-Term Disability
CSDA	California Special Districts Association	M	Million
ESG	Environmental, Social & Governance	MEDI	Medicare
EV	Electric Vehicle	MERA	Main Extension Reimbursement Assessment
FEMA	Federal Emergency Management Agency	O&M	Operations and Maintenance
FICA	Federal Insurance Contributions Act	OPEB	Other Post-Employment Benefits
FR	Facilities Reserve Fund	PAYGo	Pay as You Go
FTE	Full-Time Equivalent	PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
FY	Fiscal Year	PG&E	Pacific Gas & Electric Company
GF	General Fund	RBWTP	Randall-Bold Water Treatment Plant
GFOA	Government Finance Officers Association	R1	Reservoir 1 - 2.5-million-gallon reservoir
GIS	Geographical Information System	R2	Reservoir 2 - 5-million-gallon reservoir
GM	General Manager	R3	Reservoir 3 - 5-million-gallon reservoir
GSA	Groundwater Sustainability Agency	S&P	Standard and Poor's
GSP	Groundwater Sustainability Plan	SCADA	Supervisory Control and Data Acquisition
HR	Human Resources	SMS	Short Message Service
HVAC	Heating, Ventilation and Air Conditioning	STD	Short-Term Disability
IDS	Intrusion Detection System	SWRCB	State Water Resources Control Board
IPS	Intrusion Protection System	UCMR	Unregulated Contaminant Monitoring Rule
IT	Information Technology	T&D	Transmission and Distribution
IVR	Interactive Voice Response	WTP	Water Treatment Plant
JPIA	Joint Powers Insurance Authority		

Cover Photos

Aerial view of the Delta from Oakley
District Reservoir 1 (bottom left)
Glen Park Well (bottom right)

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General Manager's Message



This past Fiscal Year 2024/25, the District strengthened its role as a responsive public water provider, committed to meeting the evolving needs of our community. Established over 72 years ago, the District remains dedicated to maintaining and enhancing public trust.

Under the leadership of our elected Board, we have enhanced the resilience of our water system, continued investing in our highly educated and certified workforce, and increased public engagement. A major milestone this past year was the successful opening of our new Emergency Operations Center, aimed at improving our ability to respond swiftly to emergencies.

Looking ahead, the Fiscal Year 2025/26 budget prioritizes critical infrastructure investments to ensure long-term sustainability. Key projects include improvements to the Randall-Bold Water Treatment Plant, full generator backup at all water production facilities to safeguard operations during emergencies and power outages and transitioning to electric vehicles to reduce the District's carbon footprint. These investments reflect our ongoing commitment to reliability, sustainability, and customer service.

Public engagement remains a priority. We encourage community members to connect with us—whether to share feedback, participate in rebate programs, or learn about efforts to secure a reliable water future. Your input is invaluable in refining services to meet both present and future needs. You can always reach us at customers@diablowater.org.

In order to support the required resources and projects needed to keep up with the community's needs, it is with great pride that I present the Fiscal Year 2025/26 Budget.

Dan Muelrath, General Manager
Diablo Water District



GM: Dan Muelrath

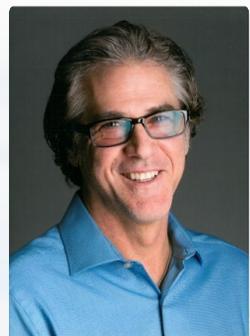
Board of Directors



Marilyn Tiernan
President



Scott Pastor
Vice President



Paul Seger
Director



Joe Kovalick
Director



Jason Shaw
Director

Diablo Water District is an independent, self-governing local public agency established on May 7, 1953, under the County Water District Law of California. The District is governed by an elected five-member Board of Directors.

The District is dedicated to environmentally responsible operations, adhering to principles of sound business and engineering to deliver exceptional service at the lowest reasonable cost. We are committed to equitable treatment of all customers and employees.

With a staff of 28 budgeted employees, the District obtains, treats, and supplies water for approximately 45,000 people, as well as the parks, schools, and businesses throughout a 21-square-mile service area consisting of Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.

Implementing Our Mission & Vision

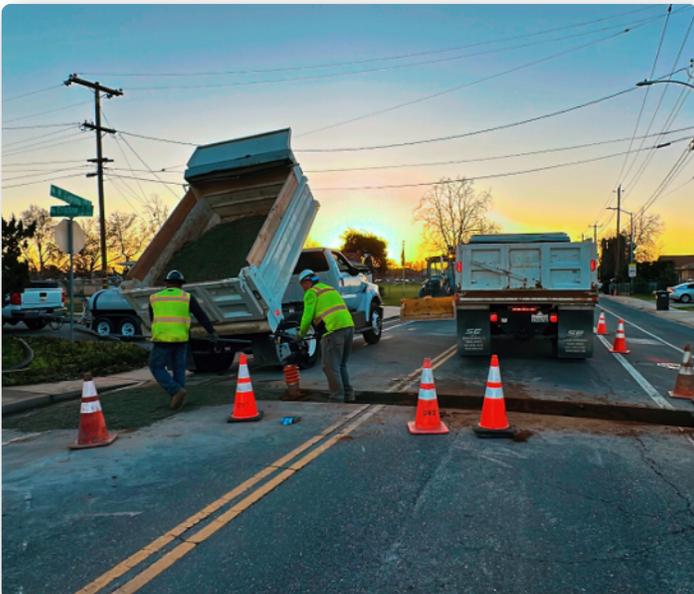
As stewards of our community's water resources, we are committed to environmental responsibility in all our operations. Our mission drives us to lead in delivering high-quality water, exceptional customer service, public engagement, advancing technical innovation, and managing our finances efficiently and responsibly.

Our Mission: To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.



In Fiscal Year 2024/25, the District prioritized long-term water solutions in alignment with our goal to achieve carbon neutrality by December 31, 2027–18 years ahead of the state mandate. We pursued a regional strategy to improve water supply and operational efficiencies, collaborating with local agencies on projects and initiatives aimed at ensuring a resilient water future. Our investments included maintaining and enhancing our current water system and mains on a 100-year replacement cycle and moving forward with Wellhead Treatment to enhance drought resiliency, improve water quality, and reduce reliance on purchased water.

Our Vision: We are a valued community resource.



Ensuring reliable access to water remains our top priority. We've dedicated ourselves to meeting the diverse needs of our customers through both in-person and online resources.

Our committed staff is available 24/7 to promptly respond to emergency repairs. All water main and service line repairs are conducted in-house, ensuring prompt resolution of leaks to save water and minimize interruptions to our customers' water service.

Through ongoing investments in technology and equipment, we aim to deliver excellent service to our customers while safeguarding the resources entrusted to us.

Our Guiding Principles

The District adopted its guiding principles to ensure that all decisions and operations align with our mission and vision. Serving as a beacon, these principles navigate challenges and changes in the water industry, guiding us toward our goal of building a resilient and sustainable future. They are essential for maintaining integrity, efficiency, and innovation, enabling us to remain an industry-leading agency focused on fulfilling our mission of providing safe, reliable, and high-quality drinking water to our customers.

Public service is at the heart of everything we do.



We are focused on long-term water solutions.

Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



We are driven by excellence.

By providing outstanding customer service, high-quality water, and industry best practices in safety.



We are leaders in environmental and sustainable projects.

Through focusing on carbon neutrality, groundwater sustainability, and a One Water approach.



We are transparent with financial and policy decisions.

Through treating ratepayers' funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We are committed to diversity, equity, and inclusion.

Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

Current Strategic Initiatives

Carbon Neutrality - Resiliency - Recycled Water - Groundwater Sustainability



Diablo Water District continues its commitment to a carbon-neutral future. Following the Board resolution adopted in 2021 to achieve carbon neutrality by the end of 2027, the District allocates a portion of its budget toward this goal through local, job-producing solar installations and the conversion of its fleet to electric vehicles. The District has already installed solar panels at its main office, and the new Emergency Operations Center is fully electric and 100% offset with onsite solar generation.

Located at the confluence of the Sacramento and San Joaquin Rivers, in the heart of the Delta and an earthquake region, requires advanced planning and investments in resilient infrastructure. The District is currently earthquake-retrofitting your water reservoirs and designing future infrastructure to withstand floods and other natural disasters. The overall goal is to maintain water service during natural disasters.



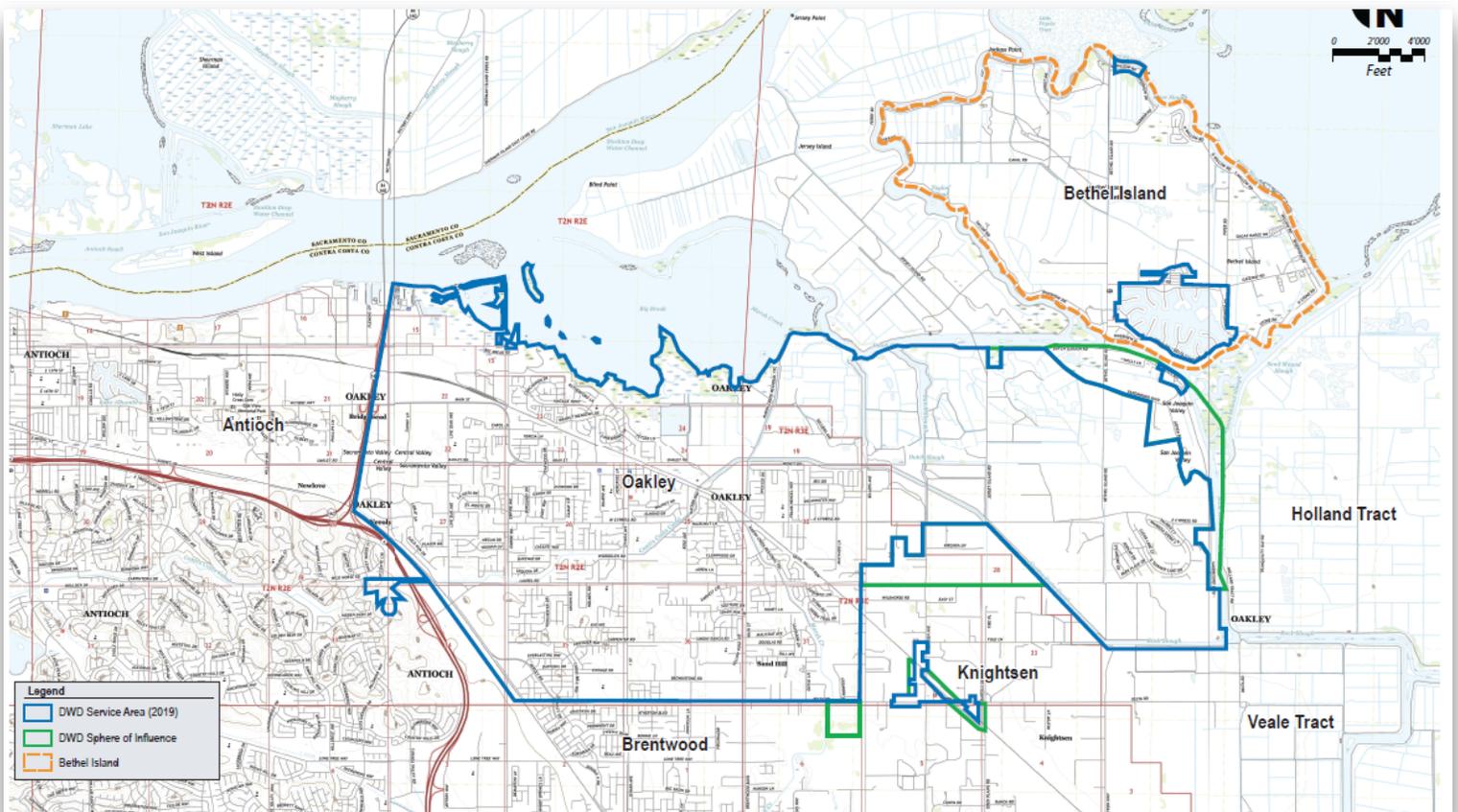
One of the best ways to extend the District's current potable water supply is through the use of recycled water. Diablo Water District has partnered with Ironhouse Sanitary District to research the potential for direct potable reuse. Initial public opinion surveys have been completed, and the next step is to build a demonstration facility for the public to visit.

Diablo Water District also serves as the Groundwater Sustainability Agency (GSA), responsible for the long-term health of our groundwater aquifer. Through advanced groundwater monitoring and ongoing reporting, the District will continue to lead the way toward a sustainable future.



View our complete Strategic Plan here ([Appendix A](#)).

District Service Area Map



Diablo Water District currently provides water to Oakley, Cypress Corridor, Hotchkiss Tract, Summer Lakes, and portions of Bethel Island and Knightsen.

The District remains committed to enhancing long-term water resilience and exploring additional water supply opportunities to accommodate growth and expansion within our service area. We are currently actively pursuing two separate grants to facilitate consolidation opportunities for surrounding communities designated as disadvantaged and experiencing primary and secondary water quality exceedances. Our goal is to secure 100% grant funding for these multi-year expansion projects.

- Water mutuals on Sandmound have experienced primary arsenic exceedances in their water supply and have agreed to consolidate with the District. The project is now 90% complete in its consolidation plans, with the goal of securing construction funding in the upcoming fiscal year.
- Water mutuals on Bethel Island, facing secondary exceedances, have engaged in discussions with the District regarding voluntary consolidation facilitated by District outreach efforts. Currently, we are assessing the feasibility of extending consolidation to 13 additional water systems on Bethel Island.

Please reference [Appendix B](#) for a detailed breakdown of the community we serve.

Year in Review - Fiscal Year 2024/25

Highlights of our goals and accomplishments this year

Resiliency - *we are focused on long-term water solutions*

- Purchased a generator to ensure reliable well operations during emergency power outages.
- Upgraded the SCADA system to enhance operational efficiency and cybersecurity.
- Purchased a mini excavator to minimize traffic disruptions during water system repairs.
- Developed mutual aid agreements and interties with local agencies for emergencies.



Quality - *we are driven by excellence*

- Conducted UCMR 5 sampling for PFAS – results confirmed no PFAS was detected.
- Began operations at the District's new Emergency Operations Center and Corporation Yard.
- Completed randomized meter accuracy testing to ensure accurate water usage billing.
- Established a Citizens' Rate Committee to provide community input on water rates.



Innovation - *we are leaders in environmental and sustainable projects*

- Purchased the first electric vehicle to support carbon neutrality goals and reduce emissions.
- Actively mitigated water loss through correlation leak detection on 20% of the system.
- Implemented passive purge in new developments – a system that continuously circulates water to reduce backflows and improve fire suppression in new homes.
- Upgraded from 50% to 100% renewable energy, significantly reducing our carbon footprint.



Integrity - *we are transparent with financial and policy decisions*

- Earned the GFOA Distinguished Budget Award and received a clean audit for Fiscal Year 2023/24.
- Completed all internal backflow testing to protect water quality.
- Conducted a full Cost of Service Rate Study to ensure fair and transparent rates.
- Promoted Budget Billing to help customers maintain consistent monthly payments.



We Care - *we are committed to diversity, equity, and inclusion*

- Improved and expanded forms for better branding, accessibility, and customer convenience, including translation services and streamlined forms in both English and Spanish.
- Completed advanced leadership training and certifications, exceeding industry requirements.
- Engaged with the community through public events and the PFAS-FREE campaign.



Looking Forward - Fiscal Year 2025/26

Top goals for the year ahead

The District tracks Key Performance Indicators (KPIs) - [Click here to view them.]



Goals for the Year

1. Reduce greenhouse gas emissions, building on the reduction already achieved to reduce our carbon footprint.
2. Conduct an in-depth customer service survey to enhance service quality and gather feedback from customers. *
3. Acquire two additional electric vehicles to support the District's carbon neutrality goal and reduce emissions.
4. Conduct system integrity maintenance and audits, including meter accuracy testing and fire hydrant maintenance.
5. Install solar panels at our reservoir site to reduce our carbon footprint and lower electricity bills.
6. Deploy remote-access water meters to enable emergency shut-offs and monitor water pressure throughout the system.
7. Equip critical water facilities with backup generators to ensure service during emergencies.
8. Prioritize employee retention and leadership training to support wellness and development.
9. Maintain our 100-year replacement cycle by upgrading key infrastructure to ensure reliable water service for customers.
10. Mitigate water loss through correlation leak detection, improving accuracy and water efficiency.



Follow us on Facebook:

facebook.com/diablwaterdistrict

** These goals were carried over from FY 2024/25 due to financial and staffing constraints.*

Administration Team

- Strategic Initiatives
- Carbon Neutrality
- Finance
- Accounting
- State and Federal Reporting
- Utility Billing
- Customer Service
- Water Conservation
- Education and Outreach
- Public Information
- Legal Compliance
- Legislative Affairs
- Human Resources

Oversees District leadership and management, including the annual operating budget and new bond issuances. Acts as internal auditor and supports external audits to protect the District's financial health.

Manages monthly billing and customer accounts, and delivers valuable customer service. Leads water efficiency education through programs like conservation kit delivery and the Lawn to Garden rebate.

Explores potential projects for carbon neutrality and oversees strategic initiatives related to the District's carbon neutrality efforts.

Engages the community through targeted outreach events and resources to improve communication and service delivery. Manages employee relations, including recruitment, benefits, retirement planning, training, and safety.



Key Initiatives & Objectives

Carbon Neutrality

Replace office HVAC system from natural gas to heat pumps to reduce greenhouse gas emissions.

Capital Reserve Funds

Increase capital reserves to achieve a \$1.5 million goal, ensuring stable rates for emergency repairs of capital assets.*

Employee Development

Continue the Leadership Academy program to support professional growth and leadership skills.

Customer Service Survey

Conduct a customer service survey to identify areas to enhance public engagement and customer service.

* View our complete ESG Investment Policy here ([Appendix C](#)).

Water Operations Team

- Water Quality
- Water Treatment
- Well Operations
- State Reporting
- SCADA
- Groundwater Sustainability Plan (GSP)
- Reservoir Operations and Maintenance
- Advance Metering Infrastructure
- Field Customer Service

Monitors and maintains systems and equipment to ensure safe drinking water, including SCADA systems, analyzers, chemical feed pumps, and mechanical equipment. Plans, operates, and sustains infrastructure to meet both current and future water needs, as well as rehabilitating or replacing existing infrastructure as outlined in the District's CIP to ensure optimal facility operation over time. Protects the distribution system from contamination or pollution through water quality monitoring programs while adapting to emerging regulatory requirements.

Prioritizes customer inquiries, fostering trust through responsive service and positive experiences. Manages the District's Blending Facility to ensure consistent water quality for all customers by blending locally produced groundwater with treated surface water from the RBWTP. Operates groundwater facilities in a responsible and sustainable manner.



Key Initiatives & Objectives

Wellhead Treatment

Conduct preliminary field research to improve water quality, enhance drought resiliency, and reduce reliance on purchased water.

Vertical Asset Replacement

Proactively replace aging infrastructure at the end of its useful life to prevent failures and ensure reliable water service.

Remote-Access Water Meters

Deploy remote-access water meters for emergency shut-offs and monitor pressure throughout the system.

Generator Upgrades

Purchase and install two generators to ensure reliable operation of critical facilities during power outages.

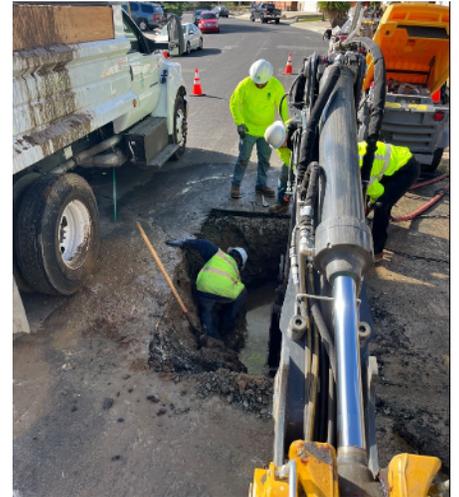
Advanced Planning and Construction Team

- Long-Term Planning
- Engineering
- New Development
- Capital Improvement Projects
- Backflow Testing
- Valve and Hydrant Maintenance
- Resilience / Risk Management
- IT / Cybersecurity
- Grants

Shapes the District's future through comprehensive long-range planning documents spanning 25+ years, focusing on water supply sources, water demand projections, future developments, annexations, and enhancements to water system facilities.

Strengthens the resilience and risk management of current and future District facilities. Collaborates with the District's risk-sharing pool under a JPIA to proactively mitigate potential risks and exposures.

Coordinates with developers, engineers, and contractors to facilitate new or modified water services and main extensions. Oversees the maintenance, replacement, installation, and repair of the District's facilities to uphold the quality and reliability of the distribution system.



Key Initiatives & Objectives

Fire Hydrant Maintenance

Maintain and service fire hydrants to ensure reliable fire protection and maintain water quality.

Valve Replacement

Replace identified aging valves to minimize service interruptions to our customers during water emergencies.

GIS Data Enhancement

Verify locations of system infrastructure (valves, mains, etc.) to improve GIS data accuracy.

Cybersecurity

Monitor all critical District facility network traffic to strengthen system and network security against cyber threats and risks.

Budget Process



Our Budget Process

Diablo Water District is committed to sustainable practices and operates with an environmentally and fiscally responsible mindset. The District understands that the decisions made today affect the water of tomorrow. The budget process is an important part of planning for the future through infrastructure improvements, investments in alternative water sources, and continued training of District staff.

The District adopts the budget on an annual basis. The process begins in January with strategic planning, including anticipated future CIP projects, followed by policy direction from the Board of Directors in February. In March, the management team begins financial review, planning, and development. District policies, initiatives, and long-term strategic planning are at the forefront of this process. The District also identifies all funding and revenue sources that will support these expenditures. The Board of Directors receives ongoing updated reports through public board meetings, where the public and Board members are encouraged to participate.

Staff from all areas of the organization are essential to the budget process. Management regularly meets with their teams to gather requested resources and needed improvements, then collectively brings this information forward in weekly management meetings for review and approval. Staff incorporate Board input and direction and refine budgeted revenue and expenses as needed. If an item is needed after the budget has been adopted, the Board of Directors has the legal authority to approve additional expenditures, provided the budget remains balanced at the end of the fiscal year. This may require reallocating other items.

The District prides itself on transparency and involving the community at all levels of decision-making. The District values input and feedback from ratepayers and continues to make communication and participation easy and accessible for all. The District communicates regularly through social media platforms, as well as through monthly e-Newsletters and bill notifications, about all ongoing financial policies, discussions, and decision-making. Members of the public continue to have opportunities to provide input in person or virtually during monthly board meetings.

The Board of Directors is presented with a draft budget for review at the May board meeting. Additional direction is received, and revisions are made. The final budget is then brought before the Board of Directors at the June board meeting for adoption.

District staff and Board Members work diligently on the budget and budget document throughout the year.
This year, over 400 hours were invested in preparing the budget.

FY 2025/26 Budget

The District has an inclusive budgeting process that involves team members from all levels of the District. With the Board of Directors setting the policy direction, District management collaborates with their teams to identify the needs and resources required to achieve policy goals. Although the current economic environment of high inflation, coupled with weather extremes impacting water demand, is presenting a challenging time for budget forecasting, the balanced budget presented safeguards the District’s reserves, maintains required debt coverage ratios, and allows future flexibility.

Over the next five years, the District is making a concerted effort to reduce risk and enhance the resiliency of the water distribution system and future water supply by investing more than \$35 million. The identified risks and budgeted projects focus on these main areas:

- Earthquake / seismic retrofits.
- Security upgrades, including cybersecurity.
- Generators for backup power (public safety power shut-offs or natural disasters).
- Elimination of District-generated greenhouse gases (pumping, fleet, etc.).
- Improved water quality.

The ending fund balances shown in Figure 1.1 below show a healthy financial picture for both the District's General Operating Fund and the growth of future reserves. Assumptions that may impact future projections include, but are not limited to:

- Legislation that reduces the District's allowable water sales.
- Weather extremes that cause reductions in water demands.
- Rising wholesale water costs.
- Economic slowdown.

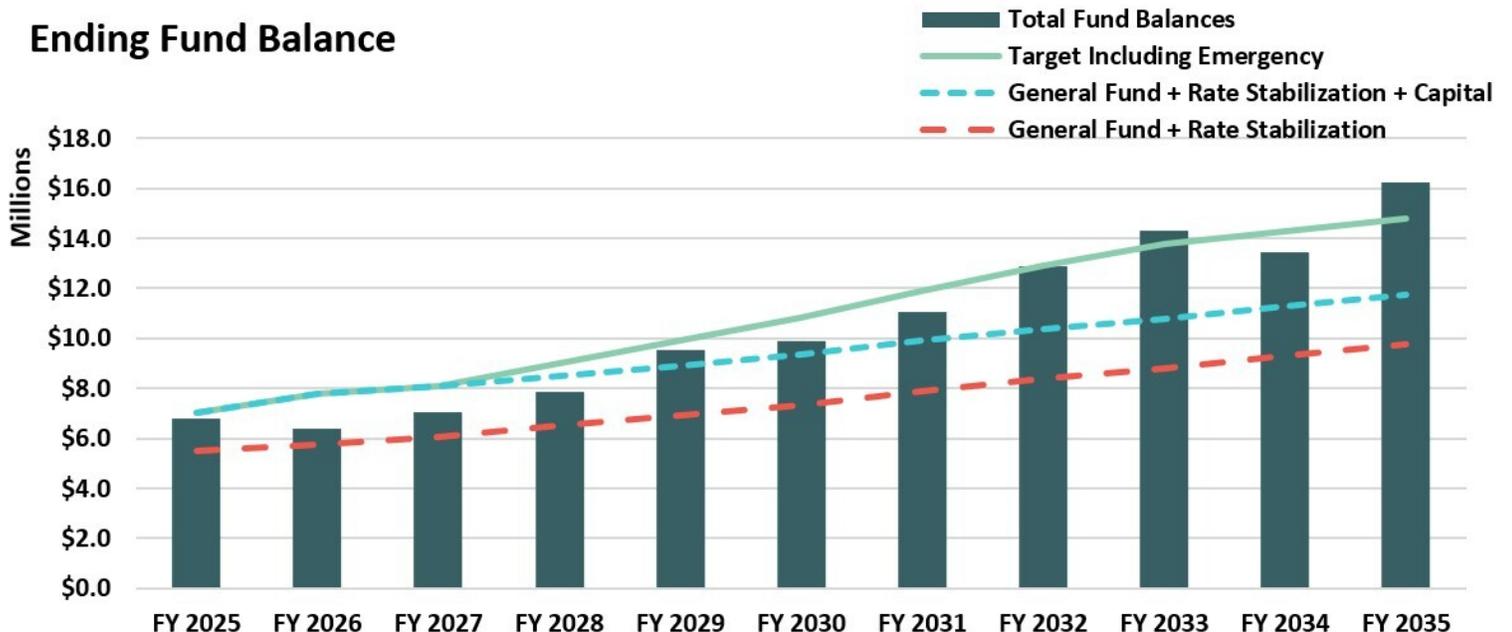


Figure 1.1

Projected Future Expenses

Financial Plan

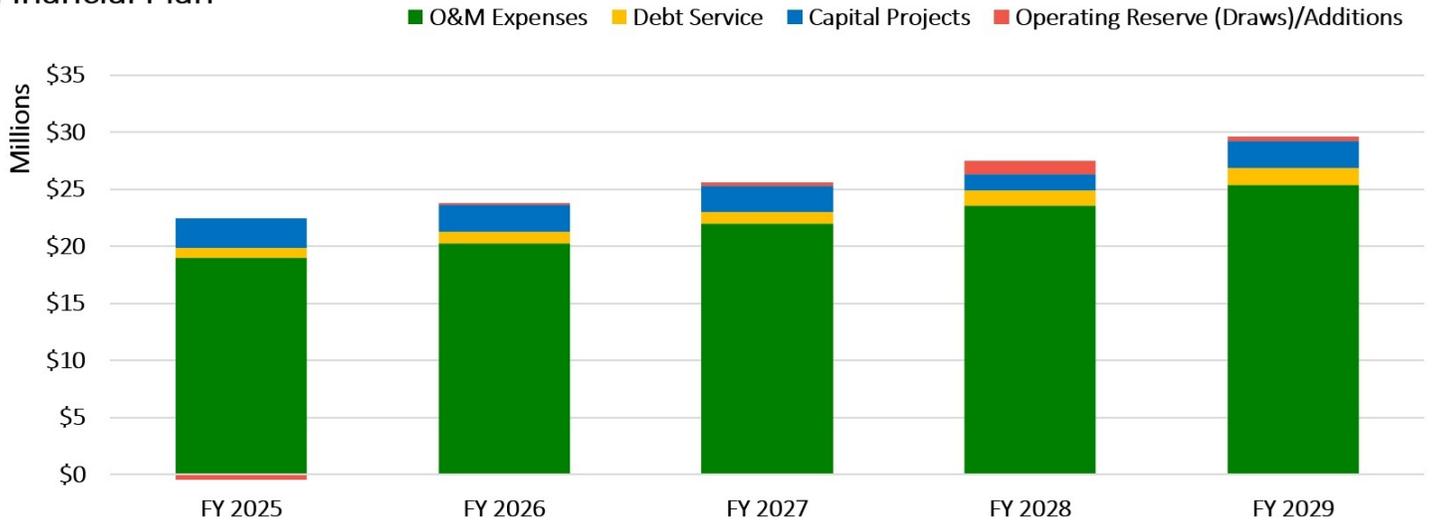


Figure 1.2

The District manages a 10-year long-range financial and rate forecasting model. This tool allows the District to anticipate and analyze future revenue requirements and corresponding water rates to support future expenses.

Over the next 10 years, the following cost categories are the largest drivers of increased future expenses:

- Cost to purchase wholesale water.
- Increase operating reserve.
- Increase capital reserve.
- Establish emergency reserve.
- Additional capital improvement repair and replacement projects.
- Inflationary pressure on chemicals, fuel, and materials.
- Large capital expenses at Randall-Bold Water Treatment Plant.
- Climate change and resiliency project expenses.
- Advanced treatment for groundwater wells.



Integrity is one of our guiding principles. The District remains transparent in all financial and policy decisions. In 2025, we conducted a full rate study to support future revenue requirements and update our rate model. Please visit our website to learn more about our best-value water rates.

We recognize the financial impact of rate adjustments on our customers and reaffirm that your District water rates are based on the actual cost of providing water service.

General Operating Fund 01

Revenue:

In Fiscal Year ending June 30, 2025, the District's income from water sales is estimated to be \$18.71 million, which is 3.2% above budget. Fiscal Year 2025/26 income from water sales is estimated to be \$19.87 million.

Fiscal Year 2025/26 Budgeted Total Revenue = \$22.00 million. This includes revenue from all sources, excluding Facilities Reserve fund revenue:

- Water sales.
- Backflow and Private Fire Line charges.
- Miscellaneous income.
- Interest / rental income.
- Reimbursements (well systems and developers).
- Late fees and charges.

Expenses:

As of June 30, 2025, the District's estimated operating expenses are \$1.02 million lower than budgeted, primarily due to one-time savings by the delayed hiring of budgeted staff positions, along with other miscellaneous savings (training, fuel, conservation, etc.).

Fiscal Year 2025/26 expenses reflect the following priorities, purchases, and project expenses:

- Solar installation at District reservoirs.
- Increased costs of wholesale water purchases.
- Increased water treatment input costs.
- Customer service survey.
- Randall-Bold Water Treatment Plant O&M and CIP projects.
- New website upgrade.
- Vertical Asset Replacements (wells, pump stations, blending facility, etc.)
- Two new electric trucks.
- Crane truck or Skid steer tractor.
- One new position.
- Preliminary field research for Wellhead Treatment Project.
- Furnishing and equipping new Emergency Operations Center / Corporation Yard.
- Increased PG&E rates.
- 2.7%* cost-of-living adjustment.

* Based on San Francisco Bay Area Consumer Price Index of 2.7% (February 2024 to February 2025)

Facilities Reserve Fund 02

Revenue:

In Fiscal Year ending June 30, 2025, the District's estimated income from developer connection fees is \$2.5 million, which is \$500,000 more than budgeted.

Fiscal Year 2025/26 Budgeted Total Revenue = \$3.6 million, which is up 46% from the previous Fiscal Year and reflects the number of housing projects that are moving from the underground infrastructure phase to the vertical building and home completion phase. The District expects long-term new connections to stabilize around 200 connections per year.

Expenses:

As of June 30, 2025, the District's estimated expenses are \$4.36 million below budget, primarily due to the deferral of two capital projects to future years.

Fiscal Year 2025/26 expenses reflect the following priorities, purchases, and project expenses:

- Preliminary field research for Wellhead Treatment Project.
- East Cypress parallel 20" transmission water main (city / developer installed).
- Randall-Bold Water Treatment Plant Capacity Preservation Projects.
- Investigation of additional water rights.
- Solar installation.
- Fuel Farm.
- Emergency back-up generators.

MERA Funds

The main extension reimbursement assessment (MERA) is the funding mechanism to reimburse the costs for water main extensions constructed by developers that are sized beyond what is required to serve the development. Funds in this account are contributed by developers and disbursed back to them.

Well Funds

Well Systems M-25 and M-27 have been reviewed, and proposed rate increases incorporated.

- M-25 - SCADA upgrades and maintenance.
- M-27 - Over time, the cost to operate this system will expend more funds than revenue it generates. This, combined with the compliance order due to high arsenic levels, is why the District is seeking to eliminate M-27 via consolidation with the District's larger system. This consolidation is expected to take place in Fiscal Year 2029/30.

Other Assumptions in the Fiscal Year 2025/26 Annual Budget:

- *Future rate increase will occur on July 1 of each year.*
- *Future water demands per connection will continue to decline.*

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Beginning Fiscal Year Fund Balance - Includes Rate Stabilization	5,126,955	5,126,955	7,789,677
Operating Revenues				
	Water Usage & Service Charges	18,119,427	18,715,968	19,866,624
01-00-500-000	<i>Residential/Multi-Family/Non-Residential/Irrigation Customers</i>	18,119,427	18,715,968	19,866,624
	Water Usage & Service Charges	400,000	563,000	455,812
01-00-500-001	<i>Construction/Hydrant Customers</i>	350,000	505,000	405,812
01-00-500-002	<i>Water Sales - Industrial/Chemours</i>	-	-	-
01-24-500-000	<i>South Park Well M-24 Customers</i>	50,000	58,000	50,000
	Backflow & Private Fire Line Charges	317,415	326,306	364,594
01-00-515-000	<i>Backflow & Private Fire Line</i>	315,000	320,762	362,082
01-00-515-001	<i>Backflow Installation</i>	2,000	5,136	2,080
01-24-515-000	<i>Backflow - South Park Well M-24</i>	415	408	432
	Miscellaneous Income	432,500	412,379	432,500
01-00-520-004	<i>Late Charges</i>	110,000	112,000	110,000
01-00-520-000	<i>Trip Charges</i>	42,000	24,100	42,000
01-00-520-001	<i>Call-Out Charges</i>	2,400	1,200	2,400
01-00-520-007	<i>Tampering Charges</i>	50,000	35,000	50,000
01-00-520-003	<i>Returned Item Charges</i>	5,000	5,600	5,000
01-00-520-005	<i>Meter Repairs</i>	1,000	1,395	1,000
Multiple	<i>Application/Delinquent/Disconnect Fees</i>	101,100	99,912	101,100
01-00-530-000	<i>Hydrant Meter Replacement</i>	2,000	-	2,000
01-00-530-001	<i>Hydrant Meter Repairs</i>	500	-	500
01-00-530-002	<i>Field Service Charges</i>	1,000	420	1,000
01-00-540-000	<i>Bad Debt Recovery</i>	2,500	3,700	2,500
01-10-580-004	<i>Delta Coves Property Tax Income</i>	75,000	71,265	75,000
01-13-725-000	<i>Reimbursement for Retirees Health Benefits - OPEB</i>	40,000	57,788	40,000
Non-Operating Revenues				
	Interest/Rental Income/Other	2,060,900	693,897	502,578
01-00-510-001	<i>Interest Income Investments</i>	200,000	260,000	120,138
01-00-510-002	<i>Interest Income LAIF</i>	75,000	180,000	75,000
01-00-580-000	<i>Other Income</i>	155,000	100,000	155,000
01-00-580-010	<i>Grant Revenue</i>	1,482,900	5,500	-
01-00-581-000	<i>Rental Income</i>	148,000	148,397	152,440
	Reimbursements from Well Systems/Developers	400,000	244,000	400,000
25-00-109-000	<i>Knightsen Well M-25</i>	4,000	6,000	4,000
Multiple	<i>Developers</i>	392,000	225,000	392,000
27-00-109-000	<i>Willow Park Marina Well M-27</i>	4,000	13,000	4,000
	Total General Fund Revenues	21,730,242	20,955,550	22,022,108

*Basis of accounting: accrual.

**For the previous three years of audited data, please see [Appendix E](#).

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
Operating Expenses				
	Administrative and General	227,550	228,499	243,080
Multiple	<i>District Regulatory Permits and Dues</i>	94,000	101,707	111,000
Multiple	<i>District Associations and Subscriptions</i>	37,925	35,101	40,455
01-00-733-000	<i>Audit</i>	60,000	59,510	58,000
01-00-733-001	<i>LAFCO (50% GF & 50% FR)</i>	3,000	2,764	3,000
Multiple	<i>Taxes and Licenses</i>	2,625	2,417	2,625
01-04-800-028	<i>Office Record Imaging</i>	30,000	27,000	28,000
	Board of Directors	44,362	21,198	47,830
01-00-751-000	<i>Payroll & Taxes</i>	13,287	10,717	13,750
01-00-750-000	<i>Mailings/Workers' Comp/Elections/Training/Miscellaneous</i>	31,075	10,481	34,080
	Engineering / Consulting	348,500	319,500	392,500
Multiple	<i>Engineering</i>	115,000	103,000	165,000
Multiple	<i>Consulting</i>	233,500	216,500	227,500
	Finance	391,000	412,609	426,000
01-05-735-000	<i>Bank Charges</i>	2,000	3,500	3,000
01-05-735-001	<i>Collections Expense</i>	3,000	2,000	3,000
01-05-735-002	<i>Bills/Envelopes/Mailing Service</i>	26,000	23,000	25,000
01-05-735-004	<i>Postage Account</i>	77,000	73,000	77,000
01-05-735-005	<i>Postage Meter</i>	3,000	3,000	3,000
01-05-735-003	<i>Upgrades for Software</i>	5,000	500	5,000
01-05-735-008	<i>Credit Card Processing</i>	275,000	307,609	310,000
	Customer Service	161,650	66,933	169,650
01-03-734-000	<i>Answering Service</i>	2,150	1,950	2,150
01-03-734-002	<i>Conservation</i>	50,000	7,500	30,000
01-00-734-001	<i>Website</i>	8,000	2,129	15,000
01-03-734-003	<i>Tyler Software - SMS Customer Notifications & IVR</i>	1,500	2,600	5,000
01-03-734-005	<i>Customer Service Survey</i>	25,000	-	10,000
01-03-734-004	<i>Scholarship</i>	3,500	1,430	1,000
Multiple	<i>Public Information</i>	71,500	51,324	106,500
	Office	259,800	180,685	282,790
Multiple	<i>Maintenance Agreements</i>	53,300	-	56,520
01-04-737-000	<i>Janitorial Service</i>	12,500	10,000	12,500
01-04-742-001	<i>Office Supplies/Logo Uniforms</i>	22,500	19,170	25,000
01-04-742-000	<i>Miscellaneous</i>	5,000	7,500	5,000
01-04-739-000	<i>New Equipment</i>	25,000	5,200	35,000
Multiple	<i>Manager Expenses</i>	7,000	5,000	7,000
01-04-738-000	<i>Landscaping Services</i>	9,000	8,000	9,570
01-04-738-001	<i>Office Building Maintenance</i>	10,000	10,000	10,000
01-04-740-000	<i>Software - Annual Fees</i>	95,000	95,000	100,000
01-04-741-000	<i>Office - Utilities</i>	8,000	9,000	9,000
Multiple	<i>Office - Phone Line Services</i>	12,500	11,815	13,200

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Insurance	180,000	180,000	225,000
01-00-732-000	<i>Business, Auto, Liability, Commercial, etc.</i>	180,000	180,000	225,000
	Legal Expenses	55,000	45,000	56,650
01-00-730-000	<i>Legal Expenses (50% GF & 50% FR)</i>	55,000	45,000	56,650
	Operations and Maintenance	1,622,780	1,373,631	1,461,892
Multiple	<i>Maintenance Corporation Yard</i>	42,260	63,162	40,560
Multiple	<i>Maintenance T&D</i>	526,120	446,851	439,000
Multiple	<i>Maintenance Backflow</i>	80,000	89,644	114,600
Multiple	<i>Maintenance Reservoirs</i>	38,000	19,640	47,000
Multiple	<i>Maintenance Blending</i>	25,150	11,800	19,650
Multiple	<i>Maintenance Glen Park Well</i>	14,600	11,706	13,160
Multiple	<i>Maintenance Stonecreek Well</i>	134,300	113,757	13,160
Multiple	<i>Maintenance Delta Coves</i>	10,300	9,993	13,830
Multiple	<i>Maintenance South Park Well M-24</i>	144,300	5,495	12,860
01-00-766-000	<i>Water Samples</i>	82,400	72,967	84,872
Multiple	<i>General Operating Corporation Yard</i>	88,950	68,437	115,350
Multiple	<i>Telephone Services for Field</i>	32,200	31,500	18,500
Multiple	<i>Utilities for Field</i>	404,200	428,679	529,350
	Payroll - Salaries/Benefits/Taxes	5,212,024	4,652,334	5,811,318
Multiple	<i>Salaries</i>	3,157,176	2,854,842	3,501,991
Multiple	<i>Overtime</i>	181,129	161,127	200,132
Multiple	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	1,320,875	1,160,349	1,490,948
Multiple	<i>Taxes - Workers' Compensation/FICA/Medi</i>	318,744	263,749	338,714
01-13-725-000	<i>Retired Employees Benefits</i>	43,000	63,187	74,519
01-13-726-000	<i>Contra Costa County Employee Retirement Association</i>	97,100	96,763	100,013
Multiple	<i>Human Resources - Tuition Reimbursement/HR Needs/Recruitments</i>	94,000	52,317	105,000
	Transmission and Distribution	404,800	320,304	507,800
Multiple	<i>Automotive Fuel, Maintenance, Miscellaneous</i>	154,200	122,725	166,800
01-09-767-000	<i>Chemicals Glen Park Well</i>	10,000	9,989	10,000
01-16-767-000	<i>Chemicals Blending Facility</i>	49,500	37,847	49,500
01-08-767-000	<i>Chemicals Stonecreek Well</i>	7,500	-	7,500
01-10-767-000	<i>Chemicals Delta Coves</i>	10,500	6,493	10,500
01-24-767-000	<i>Chemicals South Park Well M-24</i>	3,000	2,345	3,000
Multiple	<i>General Operating - T&D</i>	122,250	100,153	207,500
Multiple	<i>General Operating Blending</i>	36,100	29,843	39,000
01-09-766-000	<i>General Operating Glen Park Well</i>	3,000	3,000	3,000
01-08-766-000	<i>General Operating Stonecreek Well</i>	3,500	3,500	3,500
Multiple	<i>General Operating South Park Well M-24</i>	4,200	3,952	5,500
Multiple	<i>General Operating Delta Coves</i>	1,050	457	2,000
	Training	147,600	101,461	154,600
Multiple	<i>Training & Professional Development</i>	108,300	71,909	106,900
Multiple	<i>Safety</i>	39,300	29,552	47,700

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Water Purchases - Source of Supply CCWD	5,642,395	5,922,360	6,037,343
01-00-610-000	<i>Water Purchases from CCWD</i>	5,642,395	5,922,360	6,037,343
	Water Treatment and Maintenance - RBWTP O&M	2,889,009	2,739,841	3,029,959
01-14-700-000	<i>Randall-Bold Water Treatment Plant O&M</i>	2,889,009	2,739,841	3,029,959
	Total Operating Expenses	17,586,470	16,564,355	18,846,412
Operating Debt Service Expenses				
01-09-801-001	<i>Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)</i>	104,770	105,278	105,142
01-00-801-001	<i>Capital Projects Financing - 2022 Loan (50% GF & 50% FR)</i>	240,603	240,942	240,622
01-00-801-002	<i>Office Building 2019 COP (57.5% GF & 42.5% FR)</i>	146,798	148,580	147,718
NEW	<i>Proposed Debt Service - Capital Projects</i>	-	-	210,095
	Total Operating - Debt Service Expenses	492,171	494,800	703,576
Operating - Capital Expenses				
01-00-800-001	<i>Public Right of Way Relocations</i>	130,000	130,000	130,000
Multiple	<i>RBWTP - Projects & Improvements WTP (51% GF & 49% FR)</i>	811,336	193,581	1,235,355
01-02-800-071	<i>Field Equipment Purchases</i>	225,000	225,000	175,000
01-02-800-038	<i>Valve Replacement</i>	40,000	40,000	40,000
01-02-800-001	<i>Add/Replace Vehicles</i>	158,000	393,729	447,400
Multiple	<i>Vertical Asset Replacement CIP</i>	42,500	41,738	199,170
01-12-800-002	<i>Seismic Upgrades - R2 (50% GF & 50% FR and R1 - 100% GF)</i>	1,560,000	2,029	100,000
01-00-800-014	<i>SCADA Upgrade (50% GF & 50% FR)</i>	88,100	93,745	12,000
01-04-800-001	<i>New Office Equipment</i>	15,000	-	15,000
01-04-736-007	<i>Office - Building Upgrades</i>	25,000	89,772	15,000
01-01-800-045	<i>Corporation Yard Improvements - Covered Area for Bulk Materials</i>	75,000	-	-
Multiple	<i>Wellhead Treatment (50% GF & 50% FR)</i>	-	-	125,000
	Total Operating - Capital Expenses	3,169,936	1,209,594	2,493,925
Operating - Non-Capital Expenses				
Multiple	<i>Corporation Yard Improvements</i>	13,500	9,080	172,000
01-02-800-032	<i>Pipeline Corrosion Testing/Repairs</i>	15,000	15,000	15,000
	Total Operating - Non-Capital Expenses	28,500	24,080	187,000
	Total General Fund Operating Expenses	21,277,077	18,292,829	22,230,912
	Ending Fiscal Year Fund Balances - Includes Rate Stabilization	5,580,120	7,789,677	7,580,872

District scholarships, sponsorships, and income-based assistance programs are funded through alternative revenue sources, not ratepayer funds.

The ending fund balance indicates a stable and balanced budget by managing within the District's Reserve Regulation ([Appendix C](#)).

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Beginning Fiscal Year Balance	6,285,325	6,285,325	5,901,424
Operating Revenues				
02-00-588-000	Developer Fees Income	2,000,000	2,523,674	3,385,881
02-00-581-000	Rental Income	30,814	30,814	31,738
02-00-510-000	Interest Income	200,000	199,195	203,000
02-00-580-010	Grant Revenue	250,000	12,227	-
02-00-580-000	Other Income	-	21,799	-
	Total Facilities Reserve Fund Operating Revenues	2,480,814	2,787,709	3,620,619
Operating Expenses				
	Administrative	29,000	5,760	31,500
02-00-733-001	LAFCO (50% GF & 50% FR)	3,000	2,764	3,000
Multiple	Travel & Training for Employees & Directors	19,500	2,996	28,500
02-00-733-000	Accounting - Single Audit for Grants	6,500	-	-
	Payroll - Salaries/Benefits/Taxes*	1,334,748	1,209,836	1,358,027
02-00-722-000	Salaries	928,259	854,634	955,280
02-00-722-000	Overtime	50,000	44,887	50,300
02-00-723-000	Benefits - Health/LTD/STD/Life Insurance/Retirement	280,158	235,000	276,358
02-00-723-000	Taxes - Workers' Compensation/FICA/Medi	76,331	75,315	76,088
	Total Operating Expenses	1,363,748	1,215,596	1,389,527
Operating Debt Service Expenses				
02-09-801-000	Refinance Glen Park & Blending - 2022 Loan (24% GF & 76% FR)	331,772	331,772	332,948
02-00-801-000	Stonecreek Well 2019 COP (100% FR)	234,100	237,200	227,900
02-00-801-001	Capital Projects Financing - 2022 Loan (50% GF & 50% FR)	240,603	240,603	240,622
02-00-801-000	New Office Building 2019 COP (57.5% GF & 42.5% FR)	108,503	108,503	109,183
02-00-801-000	New Corporation Yard 2019 COP (100% FR)	210,100	211,600	212,000
NEW	Proposed Debt Service - Capital Projects	-	-	173,238
	Total Operating - Debt Service Expenses	1,125,078	1,129,678	1,295,890

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
Operating - Capital Expenses				
02-00-800-028	SCADA Upgrade (50% GF & 50% FR)	88,100	93,745	12,000
Multiple	Asset Management System / GIS / Mapping Update	64,500	83,550	90,000
02-00-800-030	Grant Project - Bethel Island Water Main Extension & Fire Flow	125,000	35,000	-
NEW	Grant Project - Direct Potable Reuse Training Facility	250,000	1,903	-
02-14-800-044	RBWTP Improvements and Projects (51% GF & 49% FR)	280,789	206,289	656,298
02-08-800-045	Wellhead Treatment (50% GF & 50% FR)	1,850,000	44,098	125,000
02-09-800-001	Glen Park Permanent Generator	-	6,425	-
02-12-800-001	Parallel R2/R3 Transmission Main	250,000	125,000	-
02-12-800-002	R2 Seismic Upgrades (50% GF & 50% FR)	1,440,000	-	100,000
	Total Operating - Capital Expenses	4,348,389	596,010	983,298
Operating - Non-Capital Expenses				
02-00-735-000	Publications	1,500	-	1,500
02-00-730-000	Legal Expenses (50% GF & 50% FR/Water Rights 100% FR)	130,000	52,000	50,000
02-00-800-027	Groundwater Sustainability Plan	48,500	5,000	10,000
Multiple	Engineering/Consulting/Water Rights/Miscellaneous	303,500	102,789	288,200
02-00-800-039	Facilities Plan Update	75,000	-	200,000
02-00-800-040	Recycled Water Feasibility Study	100,000	32,261	25,000
02-04-736-007	Financial and Project Tracking Software	42,000	38,276	42,600
	Total Operating - Non-Capital Expenses	700,500	230,326	617,300
	Total Facilities Reserve Fund Operating Expenses	7,537,715	3,171,609	4,286,015
	Ending Fiscal Year Balance	1,228,424	5,901,424	5,236,029

DIABLO WATER DISTRICT
Knightsen Well Fund M-25
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Beginning Fiscal Year Balance		44,706	29,987
Operating Revenues				
25-25-500-000	<i>Knightsen Water Sales</i>	22,500	23,943	25,739
25-25-520-004	<i>Knightsen Late Charges/Miscellaneous Charges</i>	-	1,200	500
25-25-510-000	<i>Interest Income</i>	500	850	500
	Total Knightsen Well Fund M-25 Operating Revenues	23,000	25,993	26,739
Operating Expenses				
25-25-770-000	<i>General Operating Expenses</i>	22,000	28,000	22,000
25-25-779-000	<i>Utilities</i>	2,000	2,375	2,500
	Total Knightsen Well Fund M-25 Operating Expenses	24,000	30,375	24,500
25-25-705-000	<i>Auto</i>	1,750	1,771	1,750
<i>Multiple</i>	<i>Reimburse Fund 01 for Benefits</i>	800	1,973	800
25-25-720-000	<i>Overhead Charges to Fund 01</i>	1,000	2,057	1,000
25-25-722-000	<i>Reimburse Fund 01 for Wages</i>	2,300	4,536	2,300
	Total Knightsen Well Fund M-25 Reimbursement to Fund 01	5,850	10,337	5,850
	Ending Fiscal Year Balance		29,987	26,376

DIABLO WATER DISTRICT
Willow Park Marina Well Fund M-27
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Beginning Fiscal Year Balance		12,692	42,325
Operating Revenues				
27-27-500-000	<i>Willow Park Marina Water Sales</i>	74,844	82,296	82,296
27-27-510-000	<i>Interest Income</i>	-	150	150
	Total Willow Park Marina Well Fund M-27 Operating Revenues	74,844	82,446	82,446
Operating Expenses				
27-27-770-000	<i>Contra Costa County Admin Fees</i>	500	500	500
27-27-770-002	<i>General Operating Expenses</i>	47,000	23,000	47,000
27-27-779-000	<i>Utilities</i>	8,000	7,500	8,000
27-27-730-000	<i>Legal Expenses</i>	-	1,647	-
	Total Willow Park Marina Well Fund M-27 Operating Expenses	55,500	32,647	55,500
27-27-705-000	<i>Auto</i>	1,750	4,834	1,750
Multiple	<i>Reimburse Fund 01 for Benefits</i>	1,750	2,903	1,250
27-27-720-000	<i>Overhead Charges from Fund 01</i>	1,000	3,725	1,000
27-27-722-000	<i>Reimburse Fund 01 for Wages</i>	3,000	8,704	3,000
	Total Willow Park Marina Well Fund M-27 Reimbursement to Fund 01	7,500	20,166	7,000
	Ending Fiscal Year Balance		42,325	62,271

DIABLO WATER DISTRICT
MERA Fund
Fiscal Year 2025/26

Account Number	Account Name	Adopted Budget FY 24/25	Estimated Actual FY 24/25	Budget FY 25/26
	Beginning Fiscal Year Balance		562,320	630,696
<i>Operating Revenues</i>				
01-07-215-000	<i>MERA Income</i>	200,000	217,067	296,696
01-07-510-003	<i>Interest Income</i>	10,000	12,000	10,000
	Total MERA Fund Operating Revenues	210,000	229,067	306,696
<i>Operating Expenses</i>				
01-07-215-000	<i>MERA Reimbursements to Developers</i>	91,745	91,495	91,745
01-07-215-000	<i>Salaries and Benefits Charged to MERA</i>	75,877	69,196	78,042
	Total MERA Fund Operating Expenses	167,622	160,691	169,787
	Ending Fiscal Year Balance		630,696	767,605

5-Year Capital Project Replacement Plan

The following capital projects address District priorities and current strategic initiatives discussed earlier in this document.

Diablo Water District 5-Year Capital Improvement Plan					
Projects:	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
R1 Seismic Upgrades (Fund 01) <i>Needs grant/FEMA or other funds to move forward</i>			\$2,500,000		
R1 Exterior Repaint (Fund 01) Combination of cash (\$300k) and debt finance (\$500k)			\$800,000		
R2 Seismic Upgrades (Fund 01 & 02) combination of cash funded, debt finance and grant/FEMA funds	\$200,000	\$3,120,000			
Electric Trucks (Fund 01)	\$197,400	\$485,000	\$85,000	\$85,000	\$85,000
Crane Truck (Fund 01)	\$200,000				
Track Loader (Fund 01)	\$125,000				
Backhoe Replacement (Fund 01)					\$150,000
Dump Truck Replacement (Fund 01)					\$150,000
Emergency Response Trailer (Fund 01)	\$50,000				
Parallel R2/R3 pipeline (Fund 01 & 02) <i>Needs grant/FEMA or other funds to move forward</i>		\$250,000			\$4,250,000
Water Main Line and Service Line Capital Repair & Rehabilitation Program (Fund 01)					\$1,000,000
Corporation Yard - Bulk Materials (Fund 01) - debt financed	\$80,000				
RBWTP Capital Improvements (Fund 01 & 02)	\$1,891,653	\$2,062,508	\$774,101	\$513,301	\$1,752,106
Blending Facility Vertical Assets (Fund 01)	\$50,644	\$213,198	\$95,107	\$28,073	\$62,195
Corporation Yard Vertical Assets (Fund 01)	\$78,377				
Delta Coves Chemical Feed Facility Vertical Assets (Fund 01)				\$144,217	
Glen Park Well Vertical Assets (Fund 01)		\$44,369		\$37,823	
RBWTP Pump Station Vertical Assets (Fund 01)				\$291,476	
R2 & R3 Site Vertical Assets (Fund 01)	\$70,149	\$44,142		\$111,021	
Stonecreek Well Vertical Assets (Fund 01)		\$74,945			
South Park Well M-24 Vertical Assets (Fund 01)		\$360,622			
Carol Lane Admin Building HVAC (Fund 01) - debt financed	\$150,000				
Wellhead Treatment (Fund 01 & 02)	\$250,000	\$500,000	\$1,000,000		
Proposed New Well (Fund 01 & 02) - debt financed				\$8,000,000	
Generators at Facilities (Fund 01 & 02) - debt financed	\$1,680,000				
Solar R2/R3 (Fund 01 & 02) - debt financed	\$525,000				
Fuel Station & Pumps (Fund 01 & 02) - debt financed	\$525,000				

Fiscal Year 26/27 and beyond are best estimates that will be refined as part of CIP Plans and Future Budgets

\$6,073,223	\$7,154,784	\$5,254,208	\$9,210,911	\$7,449,301
\$35,142,427				

Figure 1.3

Debt Service Coverage

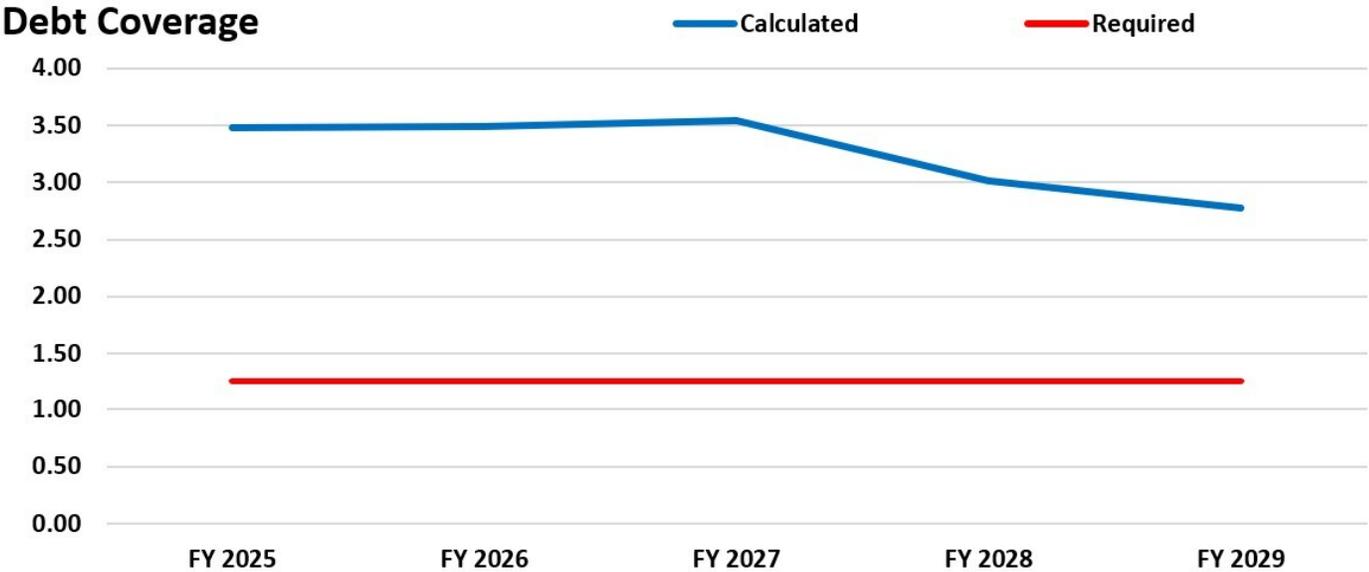


Figure 1.4

As evidenced by the District's debt-coverage ratio and bond rating of AA-, the District has strong and consistent financial coverage.

Debt Schedule - Operating Fund 01

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Existing	\$ 494,800	\$ 493,482	\$ 491,259	\$ 492,227	\$ 492,225	\$ 491,741
New	\$ -	\$ 210,095	\$ 338,483	\$ 622,293	\$ 622,293	\$ 622,293
Total	\$ 494,800	\$ 703,577	\$ 829,742	\$ 1,114,520	\$ 1,114,518	\$ 1,114,034

Figure 1.5

New debt issuances are for capital projects that include:

- Generators
- Solar R2 / R3
- Bulk material storage cover
- Office HVAC Replacement
- Fuel Farm
- Wellhead Treatment
- R1 steel tank recoat
- R1 seismic improvements

Please see [Appendix C](#) for our Debt Management Policy.

District Key Performance Indicators

The District's Guiding Principles are the foundation of our operational framework. This year, in our ongoing commitment to maintain industry leadership and ensure responsible fiscal management, we have introduced Key Performance Indicators (KPIs) into our budget. As this is our initial year of implementation, historical data is not available; however, future budgets will include this information to uphold the trust placed in us by our partners and community.

Strategy	Goal	KPI	Target	FY 25/26 Projected
Resiliency	Ensure adequate future water supply to meet customer demands	Wellhead Treatment	Preliminary field research for Wellhead Treatment	Preliminary field research for Wellhead Treatment
Resiliency	Develop sustainable and cost-effective water supplies	Improve ability to operate critical facilities during power outages	Facility generator upgrades at Stonecreek Well and Corporation Yard	Complete design and purchase and install 2 generators
Quality	Proactively invest in and protect District assets	Enhance emergency water shut-off response and pressure monitoring	40 remote-access water meters deployed	40 remote-access water meters deployed
Quality	Proactively invest in and protect District assets	Strengthen system and network security against cyber threats and risks	100% of critical infrastructure monitored (IDS / IPS)	All critical District facilities on Network System
Quality	Proactively invest in and protect District assets	Vertical Asset Replacement	Blending Facility, R1, South Park Well	Replace 5 vertical assets
Quality	Consider life-cycle costs and environmental impacts	Acquire crane truck for hydrant and backflow repairs	1 crane truck acquired	1 crane truck acquired
Quality	Consider life-cycle costs and environmental impacts	Replace aging valves in neighborhoods with older infrastructure	6 identified aging valves	6 identified aging valves
Quality	Consider life-cycle costs and environmental impacts	Maintain and service fire hydrants	20% of fire hydrants maintained	350 fire hydrants maintained
Quality	Empower customers through information	Increase 24-hour leak alert sign-ups	5% increase in leak alert sign-ups	700 new customer sign-ups
Innovation	Implement cost-effective greenhouse gas reduction projects	Purchase electric vehicles to reduce greenhouse gas emissions	13% of fleet replaced with EVs	Purchase 2 electric vehicles
Innovation	Implement cost-effective greenhouse gas reduction projects	Reduce greenhouse gas emissions through electric vehicles, new HVAC systems, and monitoring	17% reduction in greenhouse gases (0.7% from vehicles)	Reduce greenhouse gas emissions by 23 metric tons
Innovation	Implement cost-effective greenhouse gas reduction projects	Replace the natural gas HVAC system at Carol Lane with heat pumps	99% reduction in natural gas usage	Reduce greenhouse gas emissions by 7 metric tons
Innovation	Implement cost-effective greenhouse gas reduction projects	Provide public EV charging access at the corporation yard	New EV charging station installed	New EV charging station installed
Innovation	Plan with the future in mind	Increase capital reserves	\$1M increase in capital reserves	Capital reserve balance fully funded
Innovation	Plan with the future in mind	Complete staff training and implementation of Procore for developer projects	75% of relevant staff utilizing Procore within 90 days of implementation	8 Staff using Procore
Innovation	Plan with the future in mind	Enhance GIS data accuracy by verifying system valves - identify location of assets	25% of valves verified within 10 cm	340 valves verified within 10 cm

Figure 1.6

District Key Performance Indicators

Strategy	Goal	KPI	Target	FY 25/26 Projected
Integrity	Open and transparent	Maintain a strong debt coverage ratio	Debt Coverage Ratio > 1.25	Debt Coverage Ratio > 1.25
Integrity	Open and transparent	Manage Operations & Maintenance (O&M) budget efficiently	O&M actuals within 100% of budget	O&M actuals within 100% of budget
Integrity	Foster ideas that support great service and reasonable costs	Reduce service disconnections for non-payment	5% decrease in service disconnections	20 fewer service disconnections for non-payment
Integrity	Support water-use efficiency and eliminating waste	Promote and support the Lawn to Garden Program	5% increase in completed projects	1 completed project
Integrity	Support water-use efficiency and eliminating waste	Mitigate water loss through correlation leak detection on 20% of the system	20% of system	36 miles of pipeline
We Care	Participate in community events and outreach	Expand educational resources for OUESD	4th-grade assembly for OUESD students	4th-grade assembly for OUESD students
We Care	Actively seek community engagement	Conduct customer service survey	Customer service survey in 2025	Customer service survey in 2025
We Care	Encourage professional development	Continue Leadership Academy to support employee development	60% Leadership Academy participation	16 staff completions
We Care	Encourage professional development	Pilot the Tuition Reimbursement Program	10% participation in tuition reimbursement program	2.5 staff participants
We Care	Train staff well enough that they could leave, but treat them well enough that they stay	Maintain employee retention rates	95% employee retention	< 1 employee turnover
We Care	Train staff well enough that they could leave, but treat them well enough that they stay	Maintain and track average employee tenure	Average employee tenure: 8 years	Average employee tenure: 8 years

Figure 1.6 continued

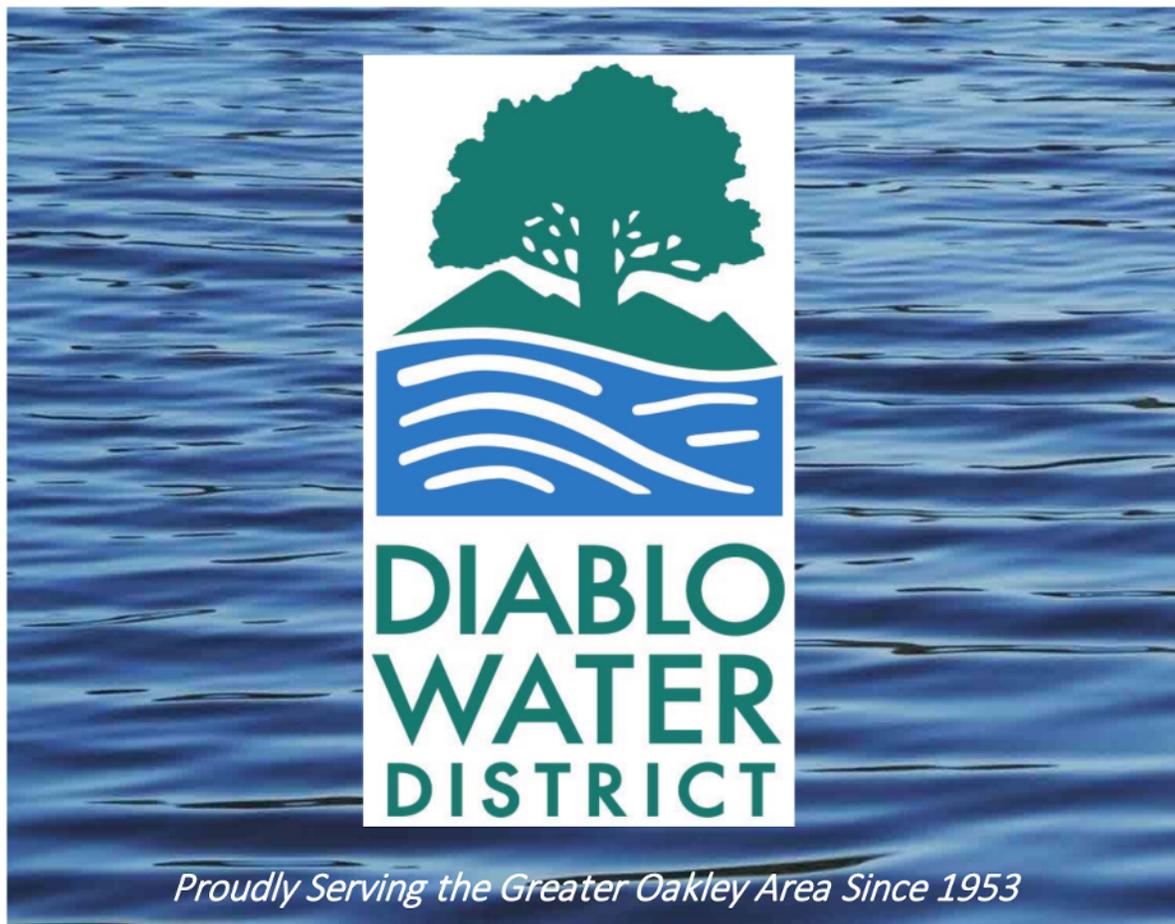


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Appendix A

**District's 5-year Rolling Strategic Plan
Fiscal Year 25/26 through Fiscal Year 29/30**

Strategic Goals & Strategies



The District operates a 5-year rolling strategic plan. Every January, the plan is evaluated with new goals and initiatives being added, and existing items being revised and amended. This process is developed during public Board meetings, where the focus is on strategic adjustments and updates to align with the strategic plan and current goals of the District.

Your District



Mission / Vision / Strategy



Mission

To be environmentally responsible stewards of the water resources in our care for the benefit of our community by continually striving to be leaders in: high-quality water, customer service, public engagement, technical innovation, and responsible fiscal management.



Vision

We are a valued community resource.

Guiding Principles

Resiliency

Quality

Innovation

Integrity

We Care

District Principles

Public service is at the heart of everything we do.



We are focused on long-term water solutions.
Through advanced planning, construction of sustainable infrastructure, diversified water supply sources, and partnering with other local agencies for regional solutions.



We are driven by excellence.
By providing outstanding customer service, high-quality water, and industry best practices in safety.



We are leaders in environmental and sustainable projects.
Through focusing on carbon neutrality, groundwater sustainability, and a One Water approach.



We are transparent with financial and policy decisions.
Through treating ratepayers' funds as our own, best value-based purchasing, and providing customers with tools to reduce their individual water usage and bills.



We are committed to diversity, equity, and inclusion.
Through community engagement, taking initiative to assist our customers, and promoting employee development and wellness.

District Strategies



Resiliency - we are focused on long-term water solutions

- Ensure adequate future water supply to meet customer demands
- Develop sustainable and cost-effective water supplies
- Consider life-cycle costs and environmental impacts



Quality - we are driven by excellence

- Proactively invest in and protect District assets
- Prioritize projects that lead to resiliency of the transmission system
- Recognize employees as the District's most valuable assets
- Empower customers through information



Innovation - we are leaders in environmental and sustainable projects

- Implement cost-effective greenhouse gas reduction projects
- Protect surface and groundwater quality
- Plan with the future in mind



Integrity - we are transparent with financial and policy decisions

- Open and transparent
- Foster ideas that support great service and reasonable costs
- Support water-use efficiency and eliminating waste



We Care - we are committed to diversity, equity, and inclusion

- Participate in community events and outreach
- Actively seek community engagement
- Encourage professional development
- Train staff well enough that they could leave, but treat them well enough that they stay

Goals 2025 - 2030

Annually

- Evaluate capital asset purchases (lifespans exceeding 20 years) based on lifecycle costs
- Continually provide innovative support and training for all employees
- Annually adopt conservative, balanced budgets that maintain District reserves
- Participate in community and outreach events

FY 25/26

- Achieve 75% carbon neutrality
- Purchase generators for 100% backup at all water production facilities
- Perform customer feedback survey
- Complete 2025 Urban Water Management Plan

FY 26/27

- Achieve an AA or higher Bond Rating (currently AA-)
- Complete Reservoir 2 seismic upgrade
- Reduce non-revenue water to industry-leading low levels through the use of advanced technologies
- Implement carbon mitigation project(s)

FY 27/28

- Begin contributions to the District's Emergency Reserve Fund
- Replace 100% of eligible fleet with electric vehicles
- 100% carbon neutral
- Perform customer feedback survey

FY 28/29

- Install production well No. 3
- Begin design work for reverse osmosis groundwater treatment facility
- Complete Sandmound voluntary water mutual consolidation project
- Earn CSDA District of Distinction Certification

FY 29/30

- Implement a service and mainline replacement program
- Perform next cost of service and rate study
- Achieve state-mandated indoor and outdoor conservation levels
- Perform customer feedback survey

The goals listed above do not represent all goals as they currently exist or will be developed in the future.

Quick Facts



Budget

- \$23.5 million
- \$7.6 million in reserves
- Rates adopted to cover long range expenses - zero profit



Water System

- Over \$1.13 billion of infrastructure to operate and maintain
- 175 miles of water main
- 12.5 million gallons of storage



Water Supply

- Source: 90% delta; 10% local groundwater
- 1.8 billion gallons pumped to customers annually



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www.facebook.com/dialowaterdistrict

Mailing Address: PO Box 127, Oakley, CA 94561

Physical Address: 87 Carol Lane, Oakley, CA 94561

Office/24Hrs. (925) 625-3798

Appendix B

District Statistics & Supplemental Information

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF OAKLEY

The following information is included only for the purpose of supplying general information regarding the service area of the District. The Certificates are not an obligation of the City of Oakley (the “City”), Contra Costa County (the “County”), the State of California (the “State”) or any of its political subdivisions (other than the District to the limited extent set forth in this Official Statement), and neither the County, the State nor any of its political subdivisions (other than the District to the limited extent set forth in this Official Statement) is liable therefor.

General Description and Background

The District is located in the northeastern corner of the County, about 50 miles northeast of San Francisco. The District provides water service over an area totaling approximately 21 square miles. The District’s service area includes 11,600 acres in and around the City of Oakley. An additional 4,400 adjacent acres lie within the District’s sphere of influence and are planned to be served by the District when developed. The District’s sphere of influence includes the City of Oakley, the small community of Knightsen, portions of the City of Antioch and a portion of Bethel Island, as well as several thousand acres of reclaimed land surrounded by levees including Hotchkiss Tract, and Veale Tract.

The City. The City is situated in the eastern portion of the County, along the shore of the Sacramento-San Joaquin Delta, near the cities of Pittsburg, Antioch, and Brentwood. Close to the junction of Highways 4 and 160, with access to San Francisco, the Silicon Valley, and the state capital at Sacramento, the City is equidistant from both San Francisco and Sacramento at 55 miles.

The County. Situated northeast of San Francisco, the County is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County’s heavy industry. The central section is developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

Population

The following table lists population figures for the City, the County and the State for the last five calendar years.

**CITY OF OAKLEY, CONTRA COSTA COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2017 Through 2021**

Year	City of Oakley	Contra Costa County	State of California
2017	40,424	1,137,577	39,352,398
2018	41,124	1,143,188	39,519,535
2019	41,775	1,147,623	39,605,361
2020	42,268	1,149,853	39,648,938
2021	42,895	1,153,854	39,466,855

Source: California Department of Finance for January 1.

Commercial Activity

Total taxable sales for the first two quarters of calendar year 2021 in the City were reported to be \$100,606,325, an 35.69% increase over the total taxable sales of \$74,145,116 reported for the first two quarters of calendar year 2020. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table for the years 2016 through 2020. Retailers that operate part-time are now tabulated with retail stores.

**CITY OF OAKLEY
Taxable Retail Sales
Number of Permits and Valuation of
Taxable Transactions (shown in thousands of dollars)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	300	\$117,560	468	\$139,456
2017	307	127,273	479	149,116
2018	343	137,228	526	170,800
2019	358	134,941	565	159,209
2020	363	105,443	583	151,264

Source: State Department of Tax and Fee Administration.

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Total taxable sales for the first two quarters of calendar year 2021 in the County were reported to be \$9,994,118,630, a 24.05% increase over the total taxable sales of \$8,056,802,040 reported for the first two quarters of calendar year 2020. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table for the years 2016 through 2020.

CONTRA COSTA COUNTY
Taxable Retail Sales
Number of Permits and Valuation of
Taxable Transactions
(\$000's)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	14,920	\$11,746,808	24,064	\$15,924,592
2017	14,945	12,302,863	24,114	16,558,840
2018	15,095	13,163,891	25,317	17,608,890
2019	15,337	13,301,946	26,201	18,048,985
2020	15,832	13,037,715	27,445	17,907,507

Source: State Department of Tax and Fee Administration.

Employment and Industry

The unemployment rate in the Oakland-Hayward-Berkeley Metropolitan Division was 4.4 percent in November 2021, down from a revised 5.1 percent in October 2021, and below the year-ago estimate of 6.9 percent. This compares with an unadjusted unemployment rate of 5.4 percent for California and 3.9 percent for the nation during the same period. The unemployment rate was 4.6 in the County. The table below shows average annual employment by industry group, and the unemployment rate, for the years 2016 to 2020.

OAKLAND-HAYWARD-BERKELEY METROPOLITAN DIVISION (Contra Costa County) Civilian Labor Force, Employment and Unemployment (Annual Averages-March 2020 benchmark)

	2016	2017	2018	2019	2020
Civilian Labor Force ⁽¹⁾	1,385,000	1,396,900	1,401,800	1,400,800	1,355,100
Employment	1,324,400	1,344,300	1,357,900	1,358,000	1,235,600
Unemployment	60,600	52,600	43,900	42,800	119,400
Unemployment Rate	4.4%	3.8%	3.1%	3.1%	8.8%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	1,300	1,400	1,300	1,400	1,500
Mining, Logging and Construction	68,200	71,400	75,100	75,700	70,600
Manufacturing	91,300	95,700	100,600	101,000	98,200
Wholesale Trade	48,100	48,700	47,500	45,400	42,000
Retail Trade	113,400	114,400	114,400	111,700	100,500
Transportation, Warehousing and Utilities	39,700	41,300	42,300	43,700	45,100
Information	38,900	38,900	37,500	37,200	36,000
Finance and Insurance	16,900	17,400	17,800	18,100	16,700
Real Estate and Rental and Leasing	181,100	184,500	189,500	193,200	184,600
Professional and Business Services	185,900	191,500	194,300	198,400	189,800
Educational and Health Services	111,700	114,900	117,700	121,000	84,100
Leisure and Hospitality	39,100	40,200	41,000	41,200	32,900
Other Services	13,900	13,800	13,400	13,400	14,100
Federal Government	39,700	39,300	39,400	39,600	38,000
State Government	119,800	121,500	121,800	121,800	113,800
Local Government	1,300	1,400	1,300	1,400	1,500
Total, All Industries ⁽³⁾	1,135,400	1,161,800	1,181,300	1,190,400	1,093,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

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The table below shows the average annual the unemployment rate for the City, the County and the State for calendar years 2017 through 2021.

CITY OF OAKLEY, CONTRA COSTA COUNTY AND STATE OF CALIFORNIA
Unemployment Rate Estimates
Calendar Years 2017 Through 2021

City of Oakley	2017	2018	2019	2020	2021
Unemployment	800	700	700	1,000	1,000
Unemployment Rate	4.2%	3.6%	3.6%	5.4%	5.3%
Contra Costa County	2017	2018	2019	2020	2021
Unemployment	21,400	18,100	17,300	24,800	22,900
Unemployment Rate	3.8%	3.2%	3.1%	4.6%	4.2%
State of California	2017	2018	2019	2020	2021
Unemployment	927,000	815,500	803,200	1,040,500	960,400
Unemployment Rate	4.8%	4.3%	4.2%	5.4%	5.0%

Source: California State Employment Development Department Labor Market Information Division.

Major Employers

The following table lists the principal employers in the City for the fiscal year ended June 30, 2021.

CITY OF OAKLEY
Principal Employers
Fiscal Year Ended June, 30, 2021

Rank	Employer	Number of Employees	Percent of Total City's Employment
1	Oakley Union Elementary School	568	22.4%
2	Lucky's	74	2.9
2	Diamond Hills Sports Club and Spa	61	2.4
3	Starbucks Coffee Store #9330	59	2.3
4	McDonalds	51	2.0
5	Raley's	44	1.7
6	Round Table Development Co.	43	1.7
7	Dutch Bros Coffee	38	1.5
8	Taco Bell	36	1.4
9	Starbucks Coffee Store #22433	36	1.4
10	Foundation Constructors	32	1.3

Source: City of Oakley.

The following table lists the principal employers in the County, listed alphabetically, as of December 2021.

**CONTRA COSTA COUNTY
 Principal Employers
 December 2021**

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Bart	Richmond	Transit Lines
Bio-Rad Laboratories Inc	Hercules	Physicians & Surgeons Equip & Supls-Mfrs
Broadspectrum Americas	Richmond	Oil Refiners (mfrs)
C & H Sugar Co Inc	Crockett	Sugar Refiners (mfrs)
Chevron Corp	San Ramon	Oil Refiners (mfrs)
Chevron Research & Technology	San Ramon	Service Stations-Gasoline & Oil
Chevron Richmond Refinery	Richmond	Oil Refiners (mfrs)
Contra Costa Regional Med Ctr	Martinez	Hospitals
John Muir Health Concord Med	Concord	Hospitals
Kaiser Permanente Antioch Med	Antioch	Hospitals
Kaiser Permanente Martinez Med	Martinez	Clinics
Kaiser Permanente Walnut Creek	Walnut Creek	Hospitals
La Raza Market	Richmond	Grocers-Retail
Longs Drug Store	Walnut Creek	Drug Millers (mfrs)
Los Medanos College	Pittsburg	Junior-Community College-Tech Institutes
Martinez Arts Outpatient Clnc	Martinez	Surgical Centers
Nordstrom	Walnut Creek	Department Stores
Oakley Union School District	Oakley	School Districts
Robert Half Intl	San Ramon	Employment Agencies & Opportunities
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Santa Fe Pacific Pipe Lines	Richmond	Pipe Line Companies
Shell Oil Prod US Martinez	Martinez	Oil & Gas Producers
Sutter Delta Medical Ctr	Antioch	Hospitals
US Veterans Medical Ctr	Martinez	Outpatient Services
Uss Posco Industries	Pittsburg	Steel Mills (mfrs)

Source: State of California Employment Development Department, compiled from America's Labor Market Information System (ALMIS) Employer Database, 2022 1st Edition.

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Construction Activity

The following table shows a five-year summary of the valuation of building permits issued in the City.

CITY OF OAKLEY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Permit Valuation</u>					
New Single-family	\$85,091.6	\$51,183.7	\$60,005.9	\$63,841.0	\$89,780.1
New Multi-family	0.0	8,111.8	0.0	0.0	21,867.5
Res. Alterations/Additions	<u>1,375.8</u>	<u>1,863.3</u>	<u>2,289.5</u>	<u>1,295.7</u>	<u>1,112.0</u>
Total Residential	86,467.4	61,158.8	62,295.4	65,136.7	112,759.6
New Commercial	3,669.4	3,688.0	5,987.9	1,285.5	27,473.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	3,125.6	4,467.5	3,831.2	3,196.2	8,594.6
Com. Alterations/Additions	<u>761.0</u>	<u>1,065.5</u>	<u>2,630.9</u>	<u>273.6</u>	<u>390.0</u>
Total Nonresidential	7,556.0	9,221.0	12,450.0	4,755.3	36,458.5
<u>New Dwelling Units</u>					
Single Family	298	175	191	231	341
Multiple Family	<u>0</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>260</u>
TOTAL	298	250	191	231	601

Source: Construction Industry Research Board, Building Permit Summary.

The following table shows a five-year summary of the valuation of building permits issued in the County.

CONTRA COSTA COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Permit Valuation</u>					
New Single-family	\$605,151.7	\$541,940.5	\$576,116.0	\$502,567.7	\$458,503.6
New Multi-family	155,051.9	55,154.8	169,461.5	213,697.9	203,967.0
Res. Alterations/Additions	<u>312,967.0</u>	<u>354,340.6</u>	<u>337,089.0</u>	<u>300,066.4</u>	<u>213,070.0</u>
Total Residential	1,073,170.6	951,435.9	1,082,666.5	1,016,332.0	875,540.6
New Commercial	144,878.8	133,930.0	200,592.4	148,405.7	175,260.2
New Industrial	11,624.9	3,552.0	52,919.3	2,974.5	50,551.2
New Other	309,861.2	108,530.0	189,246.6	81,032.5	55,865.5
Com. Alterations/Additions	<u>333,717.2</u>	<u>361,757.0</u>	<u>287,139.5</u>	<u>240,543.0</u>	<u>142,395.8</u>
Total Nonresidential	800,082.1	607,769.0	729,897.8	472,955.7	424,072.7
<u>New Dwelling Units</u>					
Single Family	1,853	1,732	1,647	1,573	1,525
Multiple Family	<u>1,043</u>	<u>272</u>	<u>1,161</u>	<u>1,229</u>	<u>1,243</u>
TOTAL	2,896	2,004	2,808	2,802	2,768

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2017 through 2022.

**CITY OF OAKLEY, CONTRA COSTA COUNTY,
 STATE OF CALIFORNIA & UNITED STATES
 Effective Buying Income
 2017 through 2022**

<u>Year</u>	<u>Area</u>	<u>Total Effective Buying Income (in Thousands)</u>	<u>Median Household Effective Buying Income</u>
2017	City of Oakley	\$913,862	\$66,618
	Contra Costa County	39,248,375	69,967
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Oakley	\$1,022,054	\$73,992
	Contra Costa County	42,543,271	74,398
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Oakley	\$1,102,038	\$75,177
	Contra Costa County	46,121,254	79,603
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Oakley	\$1,197,760	\$82,093
	Contra Costa County	48,775,464	83,242
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Oakley	\$1,319,133	\$87,303
	Contra Costa County	51,959,070	87,804
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Oakley	\$1,538,277	\$101,709
	Contra Costa County	57,555,435	98,409
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2022.

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Appendix C

Financial Policies

DIABLO WATER DISTRICT

REGULATION NO. 14

RESERVE FUND MANAGEMENT

Section I. Policy

The complex nature of Diablo Water District's (District) operations and its various legal, legislative, contractual, and fiduciary requirements, dictate a multifaceted and sophisticated financial structure. A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital improvements, debt service, repair and rehabilitation of existing assets, and unplanned future emergencies. In order to meet these requirements, funds will be accumulated, maintained, expended, and restored according to this regulation and when appropriate, invested per the District's investment policy.

Section II. General Provisions

- a. Reserve balances are considered the minimum necessary to maintain the District's creditworthiness and adequately provide for:
 1. Compliance with applicable statutory requirements
 2. Financing of future capital facilities and replacement of existing assets
 3. Cash flow requirements
 4. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy
 5. Contingencies for unforeseen operating or capital needs
- b. In the context of funding future capital facilities and replacing existing assets, the District will analyze the most cost effective and efficient method to finance a project, be it through debt financing, pay-as-you go (PAYGo) financing, use of reserves, use of grant proceeds,

or through some combination of those sources.

- c. The District has established the following two categories that comprise its reserves:
 1. Restricted Cash and Investments – comprised of unspent bond proceeds, bond reserve funds (held by trustee), facilities reserve charges, and catastrophic emergency.
 - a. These funds require a resolution of the Board to access funds that are not part of an approved budget. Additionally, unspent bond proceeds and bond reserve funds can only be spent according to the legal bond documents.
 2. Unrestricted Cash and Investments – comprises of funds to be spent on capital repair and rehabilitation, unforeseen operating expenses, seasonal cash flow fluctuations, temporary revenue reductions due to economic or drought-induced, and other prudent expenses authorized by the Board.
 - a. These reserves can be encumbered through annual budgets, board approval, or by staff adhering to this regulation.

Section III. Reserve Funds and Target Levels

- a. Rate Stabilization Fund
 1. Events or Conditions Prompting the Use of the Fund: Up to 10% temporary revenue reductions due to economic or drought-induced conditions, larger than budgeted increases in wholesale water rates, minor fluctuations in cash flow, and other prudent expenses authorized by the Board.
 2. Authorization Required: None. This is the default fund that is automatically reduced for month-to-month cash flow coverage. If exhausted, the next reserve to be accessed is the General Fund Operating Reserve.

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3. Target Level: \$1,000,000, has been established by the District's 2021 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies.

b. General Operating Reserve

1. Events or Conditions Prompting the Use of the Fund: Working capital to meet cash flow shortfalls, unexpected capital asset replacement, and minor emergencies (less than \$1 million).
2. Authorization Required: Staff will provide a recommendation to the Board when operating reserves are expected to be needed. Board authorization required.
3. Target Level: 3 Months of current fiscal year operating and maintenance expenses.
 - a. Example: FY O&M expense = \$10,000,000 x .25 = \$2,500,000 in budgeted reserves.

c. Capital Reserve

1. Events or Conditions Prompting the Use of the Fund: Repair and rehabilitation of capital assets for PAYGo projects or a combination of PAYGo and debt-financed projects.
2. Authorization Required: Staff will provide a recommendation to the Board as needed or during the annual budget setting process when capital reserves are expected to be needed. Board authorization required.
3. Target Level: \$2,000,000 has been established by the District's 2025 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies, and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2027.

d. Emergency Reserve

1. Events or Conditions Prompting the Use of the Fund: Catastrophic emergency and natural disaster expenses required to keep the District operational and start repairs, moderate to severe temporary revenue reduction due to economic or drought-induced conditions, or other force majeure events.
2. Authorization Required: These reserves may only be accessed after the depletion of the rate stabilization reserve. An emergency declaration via Board resolution and Board authorization is required.
3. Target Level: \$3,000,000 has been established by the District's 2025 Water Rate Study. The contribution level will be periodically reviewed at intervals that coincide with future water rate cost of service studies, and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2033.

e. Bond Proceeds (held by Trustee)

1. Events or Conditions Prompting the Use of the Fund: Can solely be spent on the projects approved in the bond legal documents.
2. Authorization Required: Surplus/excess bond proceeds can be spent on other eligible projects, subject to bond counsel and Board approval via a resolution.
3. Target Level: Zero
4. Bond proceeds should equal expected project expenses and be spent on qualified projects within three years of issuance.

f. Bond Debt Service Reserves (held by trustee)

1. Events or Conditions Prompting the Use of the Fund: Can solely be used towards the payment of the associated bond.

2. Authorization Required: No Board or Staff discretion.
3. Target Level: As established in the bond legal documents and must be maintained at this level.

g. Facilities Reserve

1. Events or Conditions Prompting the Use of the Fund: Projects, assets, staffing, etc., identified in District's Facilities Master Plan that are for the capacity (or preservation thereof), expansion and/or improvement of the District' systems due to new development.
2. Target Level: 3 years' worth of facilities funds debt payment expenditures.
 - a. Example: FY Facilities Fund debt expenditure = \$900,000 x 3 = \$2,700,000.

Section IV. Management of Reserves

- a. The General Manager or their designee is responsible for adherence to this regulation. Further management guidance is provided below:
 1. The board shall approve any reallocation of funds or any transfers among funds.
 2. Any reserve that is accessed for eligible uses shall have an adopted restoration/repayment plan adopted at the time of access of the reserve fund.
 3. The exception is the rate stabilization fund that should be fully restored during the annual budget setting process or at maximum within two years of depletion.
 4. Eligible reserve funds may be used to perform interfund loans.
 5. The interest rate shall be adjusted annually to equal the December 31st Local Agency Investment Fund rate.
 6. Length of loan and repayment schedule are to be determined on a case-by-case basis and in consultation with General Counsel.

7. Reserve funds that are invested shall be credited interest income.
8. Investments of Debt Service Reserve Funds should mature prior to the first optional redemption date. If advance refunding of outstanding bonds is being considered, then Debt Service Reserve Fund balances should remain liquid.
9. Reserve balances will be reviewed, at minimum on an annual basis during annual budget preparation to ensure compliance with this regulation.
10. To preserve its strong credit ratings, in every fiscal year, the District shall endeavor to maintain 150 to 270 days of operating cash.
11. The target established for each fund represents the baseline financial condition that is acceptable to the District from risk and long-range financial planning perspectives.

DIABLO WATER DISTRICT

Amended and Restated Debt Management Policy

This Amended and Restated Debt Management Policy (“Debt Policy”) of Diablo Water District (“District”) was approved by the District’s Board of Directors on April 27, 2022. The Debt Policy may be amended by the Board of Directors as it deems appropriate from time to time in the prudent management of the debt of the District. Any approval of debt by the Board of Directors that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy. This Debt Policy amends and restates the District’s Debt Management Policy approved by the District’s Board of Directors on September 25, 2019, in its entirety.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District.

The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit worthiness. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives, and capital improvement program or budgets, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the District.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.

- When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- (b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
- (c) The District may use long-term debt financings subject to the following conditions:
- The project to be financed must be approved by the Board of Directors.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- State or Federal loans, including Revolving Fund loans
- loans and lines of credit with banks and other financial institutions
- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- refunding bonds, notes, loans, and other obligations

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available

when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund, facilities reserve fund, or other fund from which capital improvements are paid for.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the District to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the District.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues; and
- the District's investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the District shall retain records of all expenditures of proceeds through the final payment date for the debt.

DIABLO WATER DISTRICT

REGULATION NO. 111

INVESTMENT POLICY

Section I. Investments and Deposits

- A. Surplus money in the treasury of the District not required for the immediate necessities of the District may be invested only in accordance with the provisions of Government Code, section 53601.
- B. As far as possible, all money belonging to or in the custody of the District not otherwise invested shall be deposited for safekeeping in state or national banks in accounts insured by the Federal Deposit Insurance Corporation or in savings or other financial institutions as authorized by Government code, section 53635.
- C. District funds may be invested in public agency bonds where the issuing agency has a rating of:

<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>Aaa</u>	<u>AAA</u>	<u>AAA</u>
<u>Aa1</u>	<u>AA+</u>	<u>AA+</u>
<u>Aa2</u>	<u>AA</u>	<u>AA</u>
<u>Aa3</u>	<u>AA-</u>	<u>AA-</u>

Section II. Investment Objectives

- A. When investing, reinvesting, and managing the funds of the District, the

primary objective shall be to safeguard the principal of the funds under the District's control. The secondary objective shall be to meet the liquidity needs of the District. The third objective shall be to invest in funds that align with the District's Environments, Social, and Governance philosophy. The fourth objective shall be to achieve a return on the funds under its control.

Section III. Control

- A. All funds of the District, and the deposit and investment thereof, shall be under the continuous control of the Board of Directors. The General Manager shall have the authority to make investment decisions on behalf of the District. As trustee of said funds the Board and the General Manager are subject to the prudent investor standard as defined by Government Code, section 53600.3.

Section IV. Financial Reporting

- A. The District's staff Auditor shall render annually to the Board for its consideration a statement of investment policy as required by Government Code, Section 53646(a).
- B. The District's staff Auditor shall submit not less than quarterly to the Board and the General Manager a financial report as required by Government Code, section 53646 (b).

Section V. Interfund Loans

- A. The District will require an Interfund Loan Agreement between the lending fund and the borrowing fund for organizational, capital, operational, and maintenance purposes. The Loan Agreement shall be as approved by the

District's Board of Directors.

- B. The District's General Fund or Facilities Reserve Fund may loan monies to other funds within the District as circumstances may arise to meet current obligations. The Finance and Accounting Manager shall affect such transfers by journal entry upon the request of the General Manager.
- C. The borrowing fund shall pay the lending fund interest on the monies loaned at the current average monthly effective yield rate per LAIF (Local Agency Investment Fund).

Section VI. Environmental, Social and Governance Investment

- A. Philosophy: to invest in funds that contribute to a sustainable future for the environment, enrich the human experience, while minimizing risks and maximizing transparency of the company.
- B. Investment Criteria (if available):
 - 1. Sustainalytics ESG Score: Require a low to negligible risk score.
 - 2. Statista: Bank shall not be listed in top 25 carbon dioxide emitting banks.
 - 3. Banking on Climate Chaos: Bank shall not be listed in top 30 banks investing in fossil fuels.
 - 4. Agency bonds that support community investment, infrastructure improvements and/or environmental projects.
 - 5. Additional data sources may be considered.

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Appendix D

Personnel and Pay Summary

Employee Compensation Schedule

Pay rates across all classifications remain competitive with industry standards.

Last salary survey performed in 2025.

Next salary survey to be performed in 2026.



District Staff

District operations are committed to an industry-leading level of excellence in customer service, resiliency, water quality, and innovation. The dedicated, highly trained, certified, and hardworking employees of the District continue to be the most valuable asset and investment of the organization. Every day, we diligently and proudly deliver safe, reliable, and high-quality drinking water 24/7. Our unwavering commitment to being a valuable community resource drives the District and is the heart of everything we do.





DIABLO WATER DISTRICT
Employee Compensation Schedule
 Effective - 06/27/2025

Job Title/Classification	Hourly						FTE**
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
General Manager*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
Administrative Technician	\$ 44.90	\$ 47.15	\$ 49.51	\$ 51.99	\$ 54.59	\$ 57.32	1
Utility Billing Representative	\$ 38.79	\$ 40.73	\$ 42.77	\$ 44.91	\$ 47.16	\$ 49.52	2
Senior Utility Billing Representative	\$ 44.90	\$ 47.15	\$ 49.51	\$ 51.99	\$ 54.59	\$ 57.32	2
Utility Billing Analyst	\$ 51.99	\$ 54.59	\$ 57.32	\$ 60.19	\$ 63.20	\$ 66.36	0
Accounting Analyst - Confidential	\$ 57.61	\$ 60.50	\$ 63.53	\$ 66.71	\$ 70.05	\$ 73.55	1
Finance & Accounting Manager (E)	\$ 92.37	\$ 96.99	\$ 101.84	\$ 106.93	\$ 112.28	\$ 117.89	1
Forward Planning Analyst	\$ 56.21	\$ 59.02	\$ 61.97	\$ 65.07	\$ 68.32	\$ 71.74	2
Senior Forward Planning Analyst	\$ 65.07	\$ 68.32	\$ 71.74	\$ 75.33	\$ 79.10	\$ 83.06	0
Forward Planning Manager	\$ 73.30	\$ 76.96	\$ 80.81	\$ 84.85	\$ 89.09	\$ 93.54	1
Human Resources Analyst - Confidential	\$ 59.02	\$ 61.97	\$ 65.07	\$ 68.32	\$ 71.74	\$ 75.33	0
Human Resources Manager (E)	\$ 73.30	\$ 76.96	\$ 80.81	\$ 84.85	\$ 89.09	\$ 93.54	1
Strategic Initiatives Project Manager (E)	\$ 73.30	\$ 76.96	\$ 80.81	\$ 84.85	\$ 89.09	\$ 93.54	1
Water Efficiency Specialist	\$ 50.98	\$ 52.12	\$ 54.73	\$ 57.47	\$ 60.34	\$ 63.36	0
Senior Water Efficiency Specialist	\$ 59.02	\$ 61.97	\$ 65.07	\$ 68.32	\$ 71.74	\$ 75.33	0
Public Relations Specialist	\$ 49.78	\$ 52.27	\$ 54.88	\$ 57.62	\$ 60.50	\$ 63.53	1
Senior Public Relations Specialist	\$ 57.61	\$ 60.50	\$ 63.53	\$ 66.71	\$ 70.05	\$ 73.55	0
District & Community Relations Manager (E)	\$ 73.30	\$ 76.96	\$ 80.81	\$ 84.85	\$ 89.09	\$ 93.54	1
Water System Trainee	\$ 37.68	\$ 39.56	\$ 41.54	\$ 43.62	\$ 45.80	\$ 48.09	0
Water System Worker I	\$ 43.62	\$ 45.80	\$ 48.09	\$ 50.49	\$ 53.01	\$ 55.66	3
Water System Worker II	\$ 50.49	\$ 53.01	\$ 55.66	\$ 58.44	\$ 61.36	\$ 64.43	5
Maintenance & Construction Leadworker	\$ 58.45	\$ 61.37	\$ 64.44	\$ 67.66	\$ 71.04	\$ 74.59	1
Water Operations Leadworker	\$ 58.45	\$ 61.37	\$ 64.44	\$ 67.66	\$ 71.04	\$ 74.59	1
Maintenance & Construction Supervisor	\$ 67.67	\$ 71.05	\$ 74.60	\$ 78.33	\$ 82.25	\$ 86.36	1
Water Operations Supervisor	\$ 67.67	\$ 71.05	\$ 74.60	\$ 78.33	\$ 82.25	\$ 86.36	0
Maintenance & Construction Manager (E)	\$ 92.37	\$ 96.99	\$ 101.84	\$ 106.93	\$ 112.28	\$ 117.89	1
Water Operations Manager (E)	\$ 92.37	\$ 96.99	\$ 101.84	\$ 106.93	\$ 112.28	\$ 117.89	1

Total: 28

*General Manager is contracted at \$26,142.29 per month

**FTE = Number of full-time employees budgeted by classification

(E) = Exempt Status

Position allocation may be adjusted at the General Manager's discretion to meet operational needs, but the total number of FTEs will remain as budgeted.

Merit and promotion increases, except for the General Manager, are subject to District Regulation 129.

The compensation ranges above were approved during the adoption of the FY 2025/26 Budget.

Personnel Summary

Diablo Water District takes pride in our exceptional team, which is committed to providing high-quality water service to our community. Our team is not only highly skilled, but many hold certifications that exceed industry standards and the requirements necessary to operate our water system. This dedication to advanced training and continuous improvement highlights our commitment to excellence and operational efficiency.

The following table provides a summary of the District's personnel and reflects changes for Fiscal Year 2025/26, highlighting our commitment to excellence and operational efficiency.

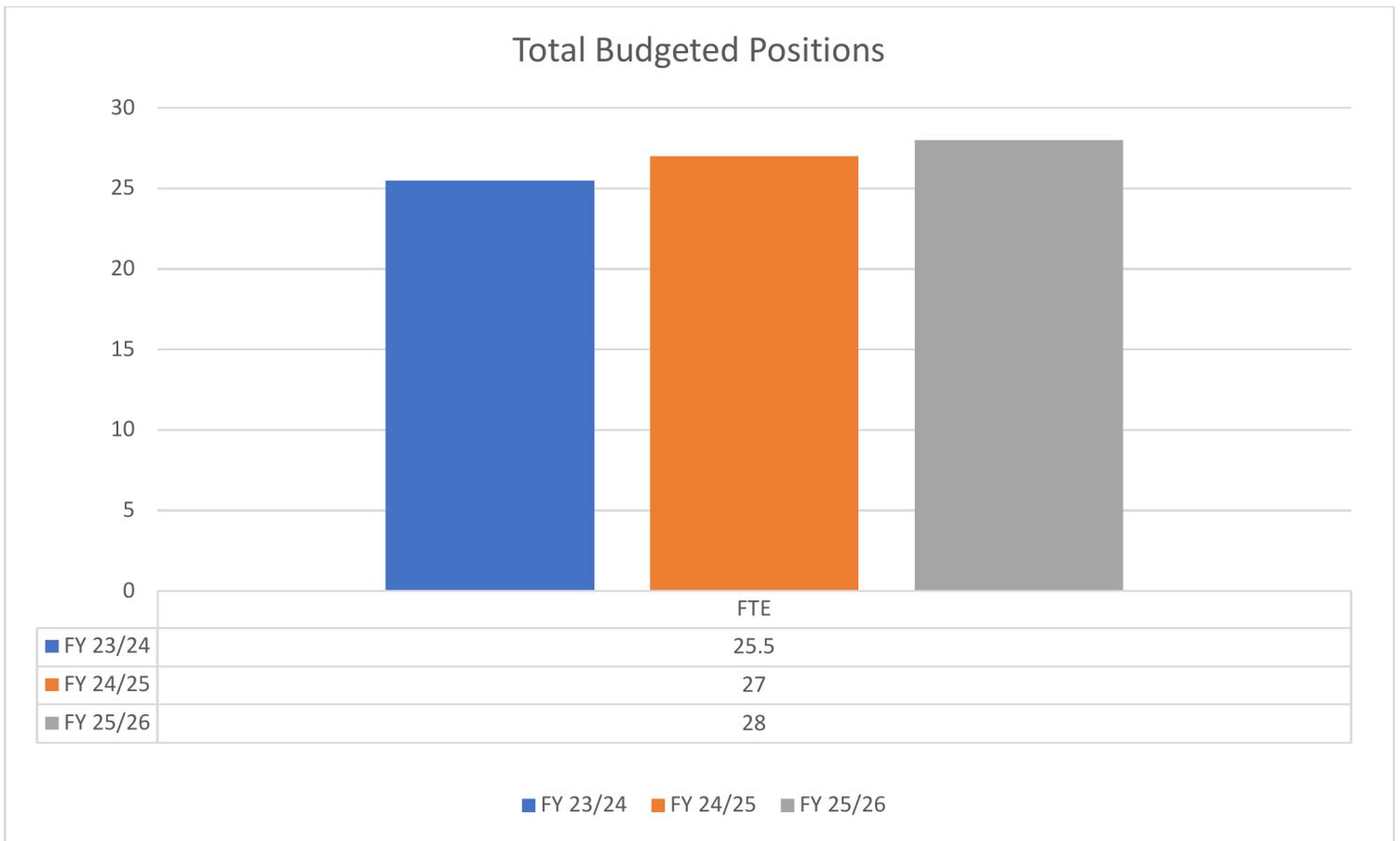


Figure 1.7

The District approved the addition of one additional FTE for Budget Year 2025/26.

This change includes the following:

- Addition of one new Administrative Technician (FTE).

Appendix E

Audited Basic Financial Statements

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FY 2025/26 Budget

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Condensed Statement of Net Position

	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Assets:					
Current assets	\$ 12,482,976	\$ 14,957,235	\$ (2,474,259)	\$ 14,974,630	\$ (17,395)
Non-current assets	7,616,693	10,196,826	(2,580,133)	12,359,545	(2,162,719)
Capital assets, net	<u>76,324,251</u>	<u>72,766,924</u>	<u>3,557,327</u>	<u>69,737,069</u>	<u>3,029,855</u>
Total assets	<u>96,423,920</u>	<u>97,920,985</u>	<u>(1,497,065)</u>	<u>97,071,244</u>	<u>849,741</u>
Deferred outflows of resources	<u>2,994,560</u>	<u>2,859,789</u>	<u>134,771</u>	<u>2,008,802</u>	<u>850,987</u>
Total assets and deferred outflows of resources	<u>\$ 99,418,480</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>
Liabilities:					
Current liabilities	\$ 3,879,949	\$ 3,695,446	\$ 184,503	\$ 3,701,052	\$ (5,606)
Non-current liabilities	<u>22,265,766</u>	<u>22,751,522</u>	<u>(485,756)</u>	<u>22,118,371</u>	<u>633,151</u>
Total liabilities	<u>26,145,715</u>	<u>26,446,968</u>	<u>(301,253)</u>	<u>25,819,423</u>	<u>627,545</u>
Deferred inflows of resources	<u>1,782,837</u>	<u>2,025,550</u>	<u>(242,713)</u>	<u>2,988,900</u>	<u>(963,350)</u>
Net position:					
Net investment in capital assets	62,652,133	61,657,923	994,210	57,675,377	3,982,546
Restricted	6,285,325	8,740,823	(2,455,498)	10,934,928	(2,194,105)
Unrestricted	<u>2,552,470</u>	<u>1,909,510</u>	<u>642,960</u>	<u>1,661,418</u>	<u>248,092</u>
Total net position	<u>71,489,928</u>	<u>72,308,256</u>	<u>(818,328)</u>	<u>70,271,723</u>	<u>2,036,533</u>
Total liabilities, deferred outflow of resources and net position	<u>\$ 99,418,480</u>	<u>\$ 100,780,774</u>	<u>\$ (1,362,294)</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$71,489,928 and \$72,308,256 as of June 30, 2024 and 2023, respectively.

By far the largest portion of the District's net position (88% as of June 30, 2024 and 85% as of June 30, 2023) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of fiscal years 2024 and 2023, the District showed a positive balance in its unrestricted net position of \$2,552,470 and \$1,909,510, respectively, which may be utilized in future years.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Operating revenues	\$ 15,236,114	\$ 14,390,909	\$ 845,205	\$ 12,572,567	\$ 1,818,342
Operating expenses	<u>(16,125,908)</u>	<u>(14,875,541)</u>	<u>(1,250,367)</u>	<u>(13,153,515)</u>	<u>(1,722,026)</u>
Operating income (loss) before depreciation	<u>(889,794)</u>	<u>(484,632)</u>	<u>(405,162)</u>	<u>(580,948)</u>	<u>96,316</u>
Depreciation expense	<u>(2,472,175)</u>	<u>(2,442,468)</u>	<u>(29,707)</u>	<u>(1,762,000)</u>	<u>(680,468)</u>
Operating income (loss)	<u>(3,361,969)</u>	<u>(2,927,100)</u>	<u>(434,869)</u>	<u>(2,342,948)</u>	<u>(584,152)</u>
Non-operating revenues (expenses)	<u>1,027,607</u>	<u>1,159,885</u>	<u>(132,278)</u>	<u>(10,862)</u>	<u>1,170,747</u>
Net loss before capital contributions	<u>(2,334,362)</u>	<u>(1,767,215)</u>	<u>(567,147)</u>	<u>(2,353,810)</u>	<u>586,595</u>
Capital contributions	<u>1,516,034</u>	<u>3,803,748</u>	<u>(2,287,714)</u>	<u>4,332,775</u>	<u>(529,027)</u>
Change in net position	<u>(818,328)</u>	<u>2,036,533</u>	<u>(2,854,861)</u>	<u>1,978,965</u>	<u>57,568</u>
Net position:					
Beginning of year (includes adjustment)	<u>72,308,256</u>	<u>70,271,723</u>	<u>2,036,533</u>	<u>68,292,758</u>	<u>1,978,965</u>
End of year	<u>\$ 71,489,928</u>	<u>\$ 72,308,256</u>	<u>\$ (818,328)</u>	<u>\$ 70,271,723</u>	<u>\$ 2,036,533</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position decreased by \$818,328 and increased by \$2,036,533 for the fiscal years ended June 30, 2024 and 2023, respectively.

Total Revenues

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating Revenues:					
Water sales - residential and business	\$ 14,272,953	\$ 13,376,006	\$ 896,947	\$ 11,655,609	\$ 1,720,397
Water sales - other	307,559	368,622	(61,063)	507,538	(138,916)
Other charges for services	655,602	646,281	9,321	409,420	236,861
Total operating revenues	<u>\$ 15,236,114</u>	<u>\$ 14,390,909</u>	<u>\$ 845,205</u>	<u>\$ 12,572,567</u>	<u>\$ 1,818,342</u>
Non-operating:					
Investment (loss) gain	1,043,114	389,038	654,076	(239,694)	628,732
Lease revenue	169,435	169,435	-	125,568	43,867
Other non-operating revenues	322,701	1,298,880	(976,179)	820,062	478,818
Total non-operating revenues	<u>1,535,250</u>	<u>1,857,353</u>	<u>(322,103)</u>	<u>705,936</u>	<u>1,151,417</u>
Total revenues	<u>\$ 16,771,364</u>	<u>\$ 16,248,262</u>	<u>\$ 523,102</u>	<u>\$ 13,278,503</u>	<u>\$ 2,969,759</u>

In 2024, operating revenues increased by 5.87% or \$845,205 from \$14,390,909 to \$15,236,114, from the prior year, primarily due to a increase in water sales of \$835,884. Water sales increased from the prior year due to the annual rate increase that went into effect in March 2024. This rate increase is primarily due to the cost of inflation and passing through the increased cost of purchasing water from CCWD.

In 2023, operating revenues increased by 14.46% or \$1,818,342 from \$12,572,567 to \$14,390,909, from the prior year, primarily due to a increase in water sales of \$1,581,481. Water sales increased from the prior year due to updated and corrected water rates that went into effect in July 2022. The District also increased rates again in March 2023, to pass-through the increased cost of purchasing water and to recoup the drought surcharge rates that were charged by CCWD.

Total Expenses

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating expenses:					
Source of supply - water purchases	\$ 5,357,836	\$ 5,469,681	\$ (111,845)	\$ 5,336,023	\$ 133,658
Water treatment - Randall-Bold water treatment	2,739,841	2,105,829	634,012	1,957,748	148,081
Well expenses	41,432	413,275	(371,843)	129,442	283,833
Maintenance	604,685	491,879	112,806	584,641	(92,762)
Transmission and distribution	2,627,234	2,465,026	162,208	1,844,446	620,580
Customer service	1,874,312	1,467,139	407,173	1,210,812	256,327
Administrative and general	2,880,568	2,462,712	417,856	2,090,403	372,309
Operating expenses before depreciation	<u>16,125,908</u>	<u>14,875,541</u>	<u>1,250,367</u>	<u>13,153,515</u>	<u>1,722,026</u>
Depreciation expense	2,472,175	2,442,468	29,707	1,762,000	680,468
Total operating expenses	<u>18,598,083</u>	<u>17,318,009</u>	<u>1,280,074</u>	<u>14,915,515</u>	<u>2,402,494</u>
Non-operating expenses:					
Interest and amortization expense	507,643	697,468	(189,825)	716,798	(19,330)
Total non-operating	<u>507,643</u>	<u>697,468</u>	<u>(189,825)</u>	<u>716,798</u>	<u>(19,330)</u>
Total expenses	<u>\$ 19,105,726</u>	<u>\$ 18,015,477</u>	<u>\$ 1,090,249</u>	<u>\$ 15,632,313</u>	<u>\$ 2,383,164</u>

In 2024, operating expenses before depreciation expense increased by 8.41% or \$1,250,367 from \$14,875,541 to \$16,125,908, from the prior year, primarily due to increases in water treatment plant expenses of \$634,012, customer service expenses of \$407,173, administrative expenses of \$417,856 and transmission/distribution expenses of \$162,208. Expenses increased due to adding full-time employees to the District, Randall Bold Treatment Plant operation costs, as well as the cost of inflation on items such as energy costs and processing fees.

In 2023, operating expenses before depreciation expense increased by 13.09% or \$1,722,026 from \$13,153,515 to \$14,875,541, from the prior year, primarily due to increases in source of supply – water purchases of \$133,658, well expenses of \$283,833, administrative expenses of \$372,309 and transmission/distribution expenses of \$620,580. Expenses were higher due to adding full-time employees to the District, as well as the cost of inflation on items such as chemical and energy costs.

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FY 2025/26 Budget

Capital Asset Administration

	Balance June 30, 2024	Balance June 30, 2023	Balance June 30, 2022
Capital assets:			
Non-depreciable assets	\$ 12,024,312	\$ 7,470,219	\$ 4,494,436
Depreciable assets	106,216,079	104,730,280	102,395,204
Accumulated depreciation	(41,916,140)	(39,595,039)	(37,152,571)
Total capital assets, net	<u>\$ 76,324,251</u>	<u>\$ 72,605,460</u>	<u>\$ 69,737,069</u>

At the end of fiscal year 2024 and 2023, the District's investment in capital assets amounted to \$76,324,251 and \$72,605,460 (net of accumulated depreciation), respectively. Major capital asset additions during the year amounted to \$6,029,502 and \$5,472,323 for various projects and equipment. See Note 3 for further information.

Debt Administration

The long-term debt position of the District is summarized below:

	Balance June 30, 2024	Balance June 30, 2023	Balance June 30, 2022
Long-term debt:			
Certificates-of-participation	\$ 7,737,560	\$ 8,193,855	\$ 8,626,229
Loans payable	9,751,000	10,309,000	10,806,000
Revenue bonds payable	-	-	-
Total	<u>\$ 17,488,560</u>	<u>\$ 18,502,855</u>	<u>\$ 19,432,229</u>

Structured long-term debt items decreased by \$1,014,295 for the fiscal year ended June 30, 2024, due to regular principal payments on the District's structured long-term debt items. See Note 7 for further information.

Structured long-term debt items decreased by \$929,374 for the fiscal year ended June 30, 2023, due to regular principal payments on the District's structured long-term debt items as well as a new loan agreement. See Note 7 for further information.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Economic Conditions

The economic condition of the District continues to be stable. We have seen an increase in water sales due to the Governor easing some of the drought restrictions on residential customers that went into effect March 2023. The District does however, continue to be challenged by the continued cost of inflation and supply chain shortages.

The main area of uncertainty is the possibility of another drought and what our anticipated water sales will be in future years. In Fiscal year 2022, the District hired a rate consultant that restructured the rates to ensure accurate cost recovery from the appropriate customer classes (single family, multi-family, non-residential, etc.). As customer demands change over time and costs increase, the District must review its cost allocations to ensure a legal and equitable application of these costs. The new rate structure also includes drought shortage rates to help stabilize District revenue during times of drought. However, due to the continued cost of inflation, the District is budgeted to perform another rate study in FY25 to ensure that the application of costs remain equitable across these newly structured class codes.

Requests for Information

This financial report is designed to provide the District's ratepayers and creditors with a general overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Diablo Water District, Finance Department, at P.O. Box 127, Oakley, CA 94561 or (925) 625-3798.

Diablo Water District

FY 2025/26 Budget



***Public service is at the heart of
everything we do.***

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