

DIABLO WATER DISTRICT

FISCAL YEAR 2024/25 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 2023/24
DISTRICT UPDATES
DISTRICT VISION
FY 2024/25 BUDGET
STRATEGIC PLAN

Acronyms Used

CCWD	Contra Costa Water District	IT	Information Technology
CIP	Capital Improvement Project	IVR	Interactive Voice Response
COP	Certificate of Participation	JPIA	Joint Powers Insurance Authority
CSDA	California Special Districts Association	LAFCO	Local Agency Formation Commission
DEI	Diversity, Equity, and Inclusion	LAIF	Local Agency Investment Fund
DPR	Direct Potable Reuse	LTD	Long-Term Disability
EOC	Emergency Operations Center	MEDI	Medicare
ESG	Environmental, Social & Governance	MERA	Main Extension Reimbursement Assessment
EV	Electric Vehicle	O&M	Operations and Maintenance
FEMA	Federal Emergency Management Agency	OPEB	Other Post-Employment Benefits
FICA	Federal Insurance Contributions Act	PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
FR	Facilities Reserve Fund	RBWTP	Randall-Bold Water Treatment Plant
FTE	Full-Time Equivalent	R1	Reservoir 1 - 2.5-million-gallon reservoir
FY	Fiscal Year	R2	Reservoir 2 - 5-million-gallon reservoir
GF	General Fund	R3	Reservoir 3 - 5-million-gallon reservoir
GFOA	Government Finance Officers Association	SCADA	Supervisory Control and Data Acquisition
GHG	Greenhouse Gas	SCOCO	Sustainable Contra Costa
GIS	Geographical Information System	SMS	Short Message Service
GM	General Manager	STD	Short-Term Disability
GSA	Groundwater Sustainability Agency	SWRCB	State Water Resources Control Board
GSP	Groundwater Sustainability Plan	UCMR	Unregulated Contaminant Monitoring Rule
HR	Human Resources	T&D	Transmission and Distribution
		WTP	Water Treatment Plant

Cover Photos (from left column to right column):

Diablo Water District Construction & Maintenance Crew Emergency Valve Replacement

Big Break Marina, Oakley

New Emergency Operations Center with Staff

Fire Flow Testing, Oakley Logistics Center

District Board of Directors with Summer Series Winner

Table of Contents

General Manager's Message	1
Board of Directors	2
Implementing our Mission & Vision	3
Our Guiding Principles	4
Current Strategic Initiatives	5
District Service Area Map	6
A Year in Review FY 23/24	7
Looking Forward FY 24/25	8
District Teams	9
District Organizational Chart	12
Budget Process	13
FY 2024/25 Budget	14
Projected Future Expenses	15
General Operating Fund 01	16
Facilities Reserve Fund 02	17
MERA Funds	17
Well Funds	17
Budget Figures	
General Operating Fund 01	18
Facilities Reserve Fund 02	22
Knightsen Well M25 Fund	24
Willow Park Marina Well M27 Fund	25
MERA Fund	26
5-Year Capital Project Replacement Plan	27
Debt Service Coverage	28
Appendix A	
Personnel and Pay Summary	29
Appendix B	
District's 5-Year Rolling Strategic Plan (FY 24/25 - FY 28/29)	33
Appendix C	
District Statistics & Supplemental Information	41
Appendix D	
Financial Policies	50
Appendix E	
Audited Basic Financial Statements	66

General Manager's Message



This past Fiscal Year 2023/24, the District continued to position itself as a highly responsive public water district, connected to and fulfilling the needs of our community. This community is the same one that voted on and established the District over 70 years ago, so we recognize the value of public trust and strive to strengthen that trust and commitment every day.

Under the guidance of our elected Board, we made great strides in increasing the resiliency of our water system, employees, and facilities over the past year. This is highlighted by the completion of our emergency operations center, a project five years in the making, from conceptual drawings to project completion. This critical investment stands to benefit the community by preparing us to quickly address routine emergencies, such as water main breaks, as well as larger-scale natural disasters.

As always, we value and encourage public engagement. Please reach out to us to discuss how we can better serve you or to participate in programs we already offer. Your input is vital as we strive to continually enhance our services to meet and exceed both current and future demands.

Email us anytime at customers@diablowater.org.

Working together, I am confident that we will continue to provide sustainable, high-quality water, coupled with exceptional customer service. I am honored to present the Fiscal Year 2024/25 Budget.

Dan Muelrath, General Manager
Diablo Water District



GM: Dan Muelrath

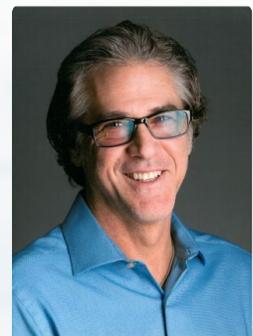
Board of Directors



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 created 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.

The District, with a staff of 27 budgeted employees, obtains, treats, and supplies water for about 45,000 people and the parks, schools, and businesses throughout a 21-square-mile area consisting of Oakley, Cypress Corridor, and Hotchkiss Tract, as well as 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 of our operations. Our mission drives us to lead in delivering high-quality water, exceptional customer service, engaging with the public, furthering 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 2023/24, 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, alongside targeted outreach funded by grants to explore expanding the use of recycled water to enhance our water supply portfolio.

Our Vision: We are a valued community resource.



Ensuring reliable access to water whenever it's needed 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. Nearly 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 the mission and vision. Serving as a beacon, these principles navigate the 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 rate payer's 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.

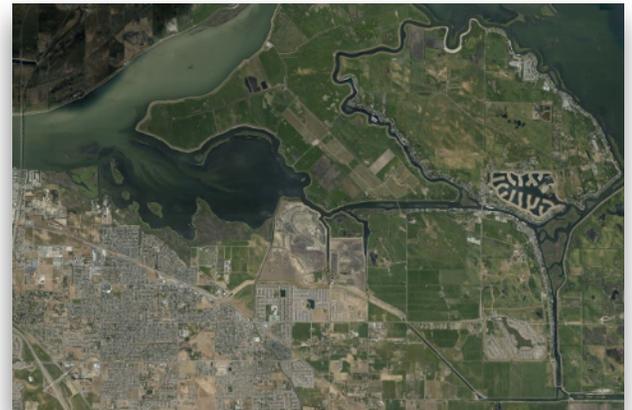
Current Strategic Initiatives

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 to this goal through local, job-producing solar installations and the conversion of its fleet to electric. The District has already installed solar panels at its main office, and the new emergency operations center is fully electric and will be 100% offset with onsite solar.

Living at the confluence of the Sacramento and San Joaquin Rivers, in the heart of the Delta and earthquake country, requires advanced planning and investments in resilient infrastructure. The water district is currently earthquake-retrofitting your water reservoirs and designing future infrastructure to be hardened to future floods and other natural disasters. The overall goal is to maintain water service during a natural disaster.



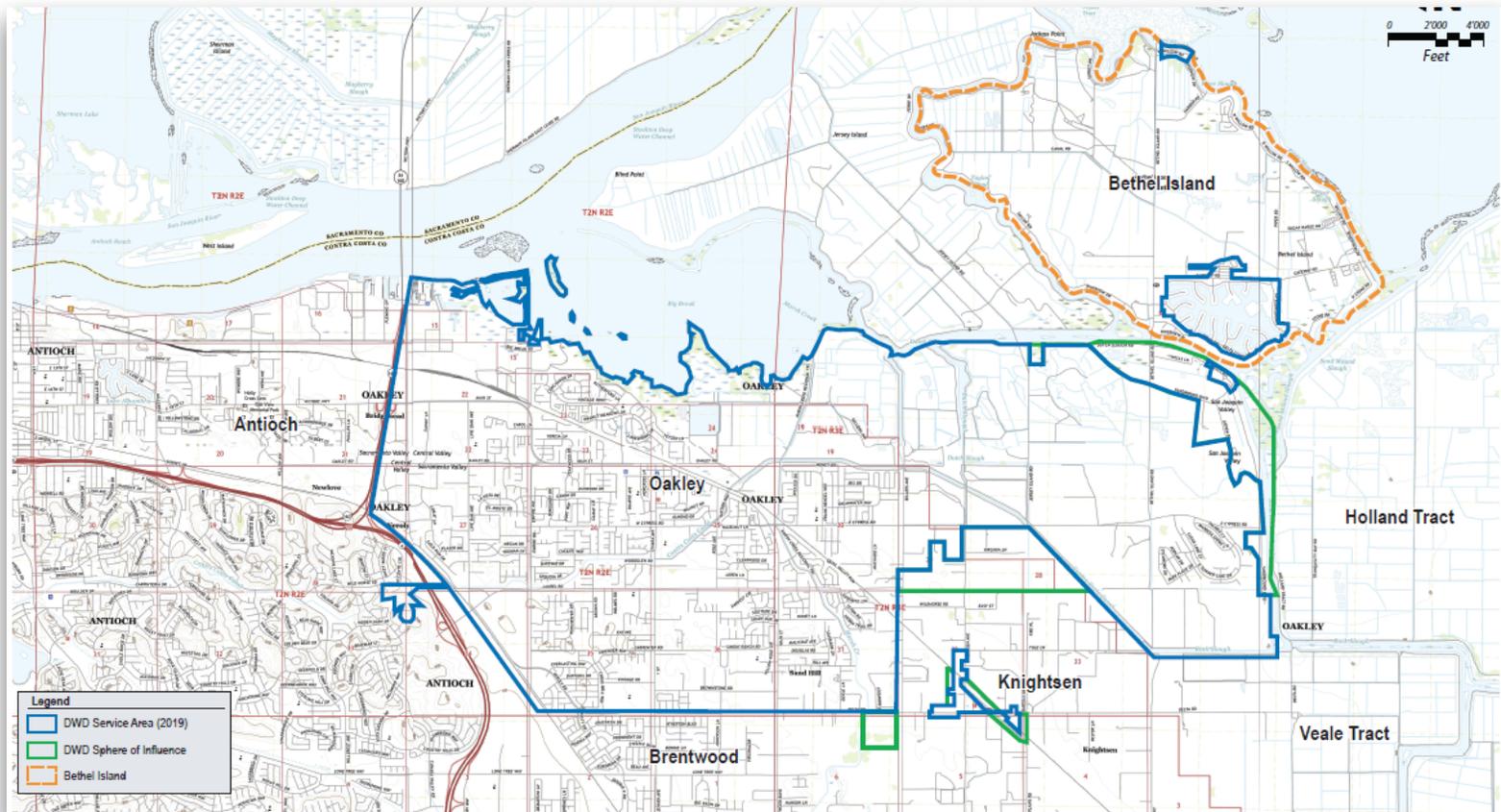
One of the best ways to extend the District's current potable water supply is through the use of recycled water. Diablo Water District has partnered with Ironhouse to research the potential for direct potable reuse. The first steps of public opinion surveys have been completed. The next step is to complete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

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



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

District Service Area Map



Diablo Water District currently provides water to Oakley, Cypress Corridor, and Hotchkiss Tract, as well as 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 the growth and expansion of our service area. We are currently actively pursuing two separate grants to facilitate consolidation opportunities for surrounding disadvantaged communities experiencing primary and secondary water quality exceedances. Our aim is to secure 100% grant funding for these projects.

- Water mutuals on Sandmound have experienced primary arsenic exceedances in their water supply and have agreed to consolidate with the District. This project has developed 90% plans for consolidation, with construction anticipated to commence in Fall 2025.
- 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 in Bethel Island.

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

A Year in Review

Fiscal Year 2023/24

Water Resources

- Continued Blue Sky Planning Alternative Water Study exploring future water supply sources.
- Completed UCMR 5 Sampling for PFAS - no PFAS recorded.
- Completed all internal backflow testing.
- Secured a grant agreement to expand the use of recycled water in our service area.

Infrastructure

- Purchased generator for continued use of pumping well water during a power outage.
- Installed a recycled water main for landscape irrigation.
- Contributed to the design of a parallel pipeline to ensure water resiliency.
- RBWTP CIP Projects - HighLift pump motor rebuild and pump replacement.

Employees

- Attained certifications beyond industry requirements.
- Initiated ergonomic assessments to prioritize injury prevention.
- Developed a leadership academy to foster professional growth.
- Created career advancement paths and a compensation schedule to align with industry standards.

Sustainability

- Actively mitigated water loss through leak detection and meter calibration.
- Supplied water at community events to diminish the use of single-use plastic bottles.
- Implemented solar panels at the new EOC, designed to completely offset energy consumption.
- Registered with Climate Registry for GHG tracking.

Community

- Public outreach to explore recycled water usage.
- Continued consolidation efforts for Sandmound and Bethel Island.
- Granted two scholarships, supported targeted events, and provided educational resources for students.
- Enhanced resources to cater to the diverse needs of our customers.

Governance

- Awarded GFOA Distinguished Budget, CSDA Transparency Certificate of Excellence, SCOCO Leadership in Sustainability, and achieved a clean audit.
- Implemented Cybersecurity industry best practices, including 24/7 monitoring of assets.
- Completed sanitary survey with SWRCB with zero deficiencies noted.

Looking Forward Fiscal Year 2024/25



Goals for the Year

1. Install two publicly accessible electric vehicle chargers at the new EOC/Corporation Yard.
2. Conduct in-depth customer service survey to enhance service quality and gather feedback from customers.*
3. Acquire two electric vehicles to help achieve District's carbon neutrality goal and reduce emissions.
4. Implement Procore Project Management Software to optimize project development processes.
5. Install Stonecreek Well Filter to mitigate manganese in well water.*
6. Deploy remote access water meters to pilot remote shut-off functionality, monitor water pressure, and track water temperature.
7. Complete comprehensive SCADA system upgrade to enhance monitoring and control capabilities.
8. Collaborate with local agencies to develop mutual aid agreements during emergencies.
9. Host grand opening and commence operations at District's EOC/Corporation Yard.
10. R2 Phase 2 Seismic Retrofit to reinforce infrastructure and enhance resilience against earthquakes.



Follow us on Facebook:
facebook.com/diablowsaterdistrict

* These goals were carried over from FY 2023/24 due to financial and staffing constraints.

Administration Team

- Implement Board Policy Direction
- Finance
- Accounting
- State and Federal Reporting
- Utility Billing
- Customer Service
- Water Conservation
- Education and Outreach
- Public Information
- Legal Compliance
- Legislative Affairs
- Human Resources

Oversees all aspects of District leadership and management. Prepares monthly financial reports, annual operating budgets, manages new bond issuances, serves as internal auditor, and assists with external auditors to safeguard the financial health of the District.

Manages and prepares monthly billing, establishes and maintains accounts, and delivers valuable customer service. Implements water conservation education initiatives, including personal outreach through conservation kit delivery and the Lawn to Garden rebate program.

Engages with customers through targeted community outreach events and resources to enhance communication and service delivery. Manages employee relations, including recruitment, benefits administration, retirement planning, training, workers' compensation, and safety protocols.



Initiatives & Objectives

Grant Funding

Leverage grant and federal funding for resiliency projects, including R1 & R2 seismic, recycled water, and parallel pipeline.

ESG Investments

Reinvest District reserves into ESG-compliant funds as they mature.*

Employee Development

Continue DEI training and develop leadership academy for employees' professional growth.

Customer Service Survey

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

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

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 rehabilitate or replace 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.



Initiatives & Objectives

Stonecreek Well Filter

Install well filter to remove manganese for improved water quality and resiliency.

SCADA Upgrade

SCADA system upgrade for monitoring and control to meet industry standards and support Cybersecurity initiatives.

Remote Access Water Meters

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

Recycled Water

Continue public outreach and the design of the DPR facility for education and training on water reuse and its benefits.

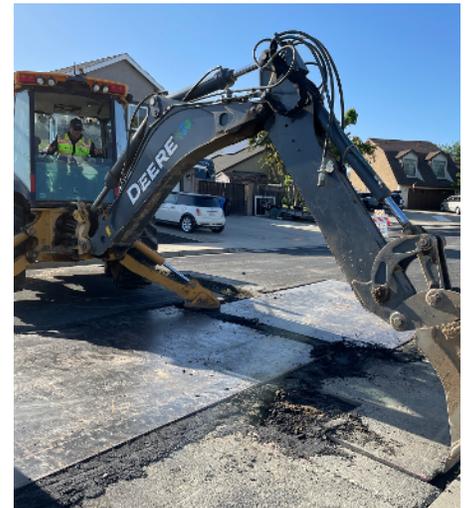
Advanced Planning and Construction Team

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

Plans for the future of the District through comprehensive long-range planning documents spanning 25+ years, addressing water supply sources, water demands, future developments, annexations, and enhancements to water system facilities.

Ensures the resilience and risk management of existing and future facilities under the purview of the District. Collaborates with the District's risk-sharing pool under a JPIA to mitigate potential risks and exposures effectively.

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



Initiatives & Objectives

Reservoir & Pump Station

Begin construction of the new reservoir and pumps at Delta Coves to provide resiliency for water distribution and fire fighting use.

Occupation of Corporation Yard

Occupy the new carbon-neutral, 100% solar-offset emergency operations center/corporation yard.

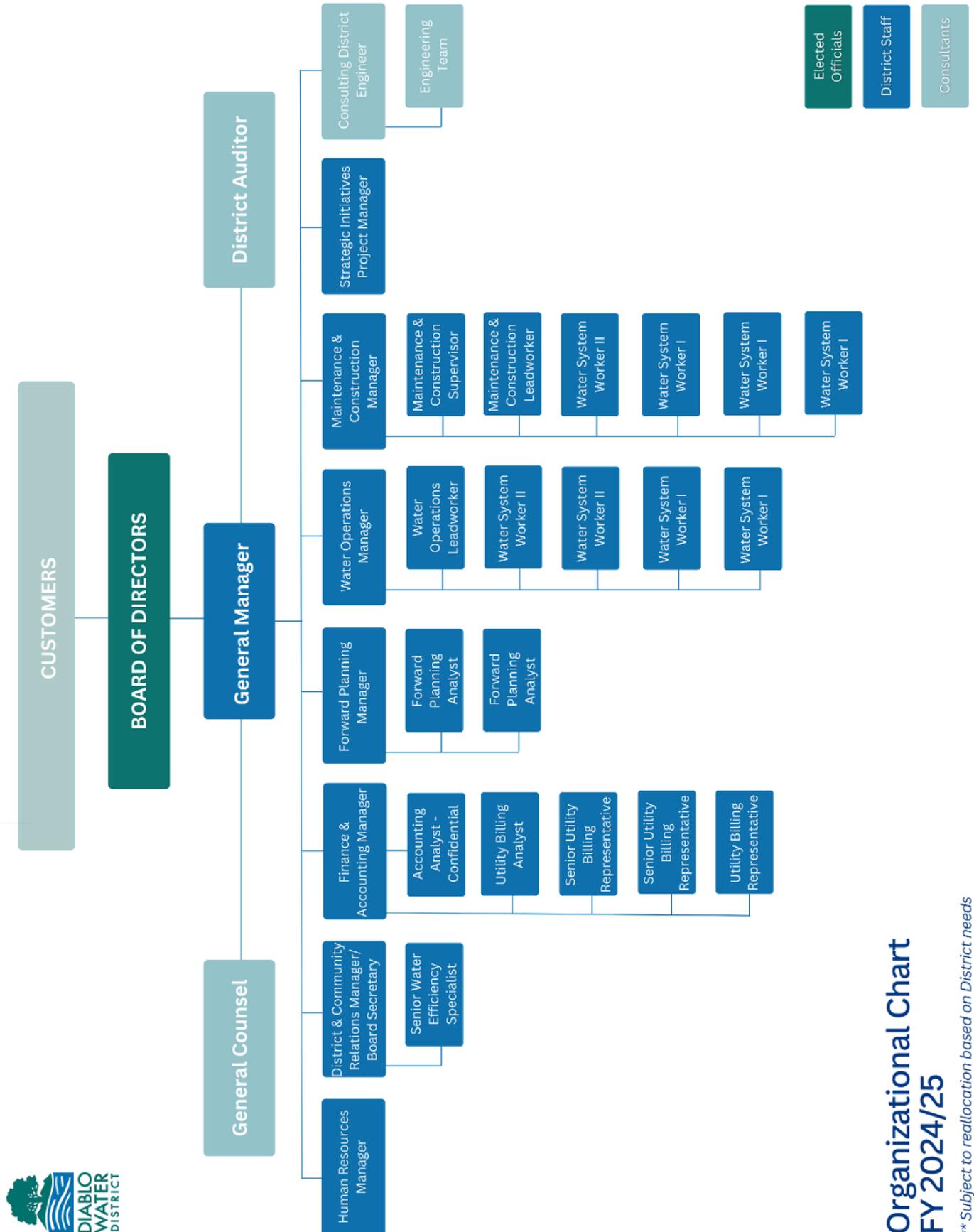
EV FLEET

Acquire two electric vehicles to support carbon neutrality goals, reduce emissions, and promote sustainability.

Cybersecurity

Partner with third-party services, federal and state agencies, to enhance cybersecurity measures aimed at protecting our water systems and data.

District Organizational Chart



Organizational Chart FY 2024/25

** Subject to reallocation based on District needs

Please refer to [Appendix A](#) for a detailed breakdown of District employees and the employee compensation schedule.



Budget Process



Our Budget Process

Diablo Water District is committed to sustainable practices and operating 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 with infrastructure improvements, investments in alternative water sources, and continued training of District staff.

The District adopts the budget on an annual basis. The annual process begins in January with strategic planning, including anticipated future CIP projects, followed by policy direction from the Board of Directors in February, and continues in March with the management team beginning 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 is presented with ongoing updated reports through public board meetings, where the public and Board of Directors are encouraged to participate.

Staff from all areas of the organization are essential to the budget process. Management regularly meets with members of their teams for requested resources and improvements needed and collectively brings this information forward in weekly management meetings for review and approval. Staff then incorporates Board input and direction and refines 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, as long as the budget remains balanced at the end of the fiscal year. This would require reallocating other items.

The District prides itself on transparency and including 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 feasible 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 the opportunity to provide public input in person or virtually, during monthly board meetings.

The Board of Directors is presented with a draft budget to 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 2024/25 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, the District's management team works with their colleagues to identify the needs and resources required to achieve the policy goals. While the current economic environment of supply chain constraints and high inflation, coupled with weather extremes that impact water demands, is presenting a challenging time for budget forecasting, the balanced budget presented preserves 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 increase the resiliency of the water distribution system and future water supply by investing more than \$26 million. The identified risks and budgeted projects focus on these main areas:

- Earthquake / seismic retrofits.
- Security upgrades, including Cybersecurity.
- Backup power for public safety power shut-offs.
- Climate change adjustments for long-range planning and infrastructure impacts.
- 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:

- Weather extremes that cause reductions in water demands.
- Wholesale water rates.
- Interest rates causing a slowdown in construction and new connection fees.

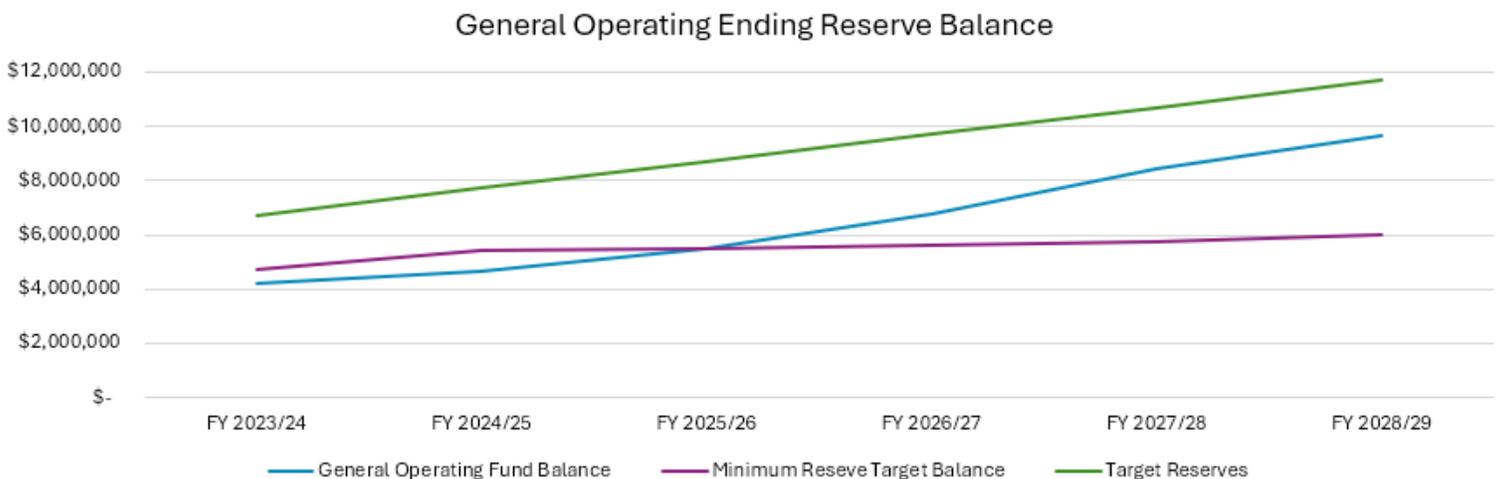


Figure 1.1

Projected Future Expenses

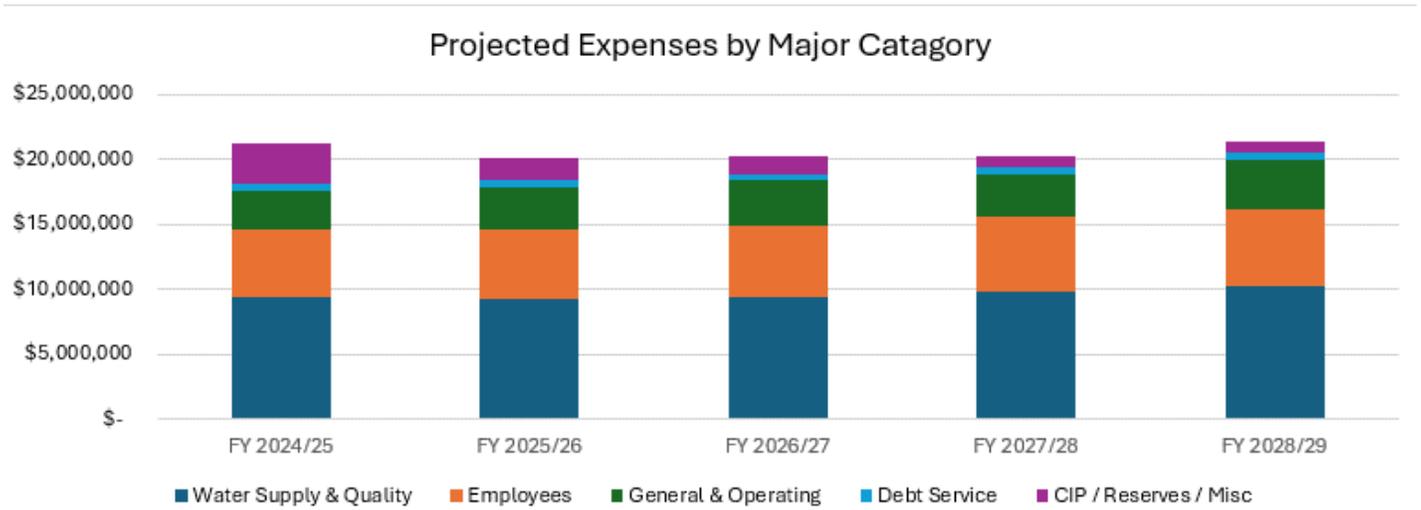


Figure 1.2

The District manages a 10-year long-range financial and rate model forecasting tool. This tool allows the District to anticipate and analyze future revenue requirements and associated 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.
- Increases to the District's reserve fund balances.
 - Establish capital reserve
 - Establish emergency reserves
- Additional capital improvement repair and replacement projects.
- Inflationary pressure on chemicals, fuel, and materials.
- Large expenses at Randall-Bold Water Treatment Plant.
- Climate Change and Resiliency project expenses.
- Development of resilient water supplies to match future demands and weather variability.



Integrity is our guiding principle. The District remains transparent with all financial and policy decisions. In 2024, we will conduct a full rate study to support future revenue requirements and update our rate model. Please visit our website for more information about our best-value water rates.

We recognize the financial impact of rate adjustments on our customers and reaffirm 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, 2024, the District's income from water sales is estimated to be \$13.9 million, which is 6% below budget. This shortfall is due to the historic 3-year drought followed by two above-average rainfall winters that have suppressed water demands.

Fiscal Year 2024/25 income from water sales is estimated to be \$18.1 million, which reflects a 22% increase due to new connections and an inflationary-driven rate pass-through [1].

Fiscal Year 2024/25 Budgeted Total Revenue = \$21.7 million. This includes revenue from all sources, excluding Facilities Reserve fund revenue:

- Water sales.
- Check valve charges.
- Miscellaneous income.
- Interest / rental income.
- Reimbursements (wells systems and developers).
- Grant income for R2 seismic improvement.

Expenses:

As of June 30, 2024, the District's estimated operating expenses are \$72,975 higher than budgeted, primarily due to the higher-than-expected cost of wholesale water. However, the delayed hiring of one budgeted staff position, along with other miscellaneous savings, leaves the District's overall expenses \$99,573 below budget.

Fiscal Year 2024/25 expenses reflect the following priorities, purchases, and project expenses:

- Increase in the costs of wholesale water purchases.
- Customer service survey.
- RBWTP O&M and CIP projects.
- 1.5 new positions.
- Final design for a parallel pipeline from R2/3 to the main transmission system.
- SCADA system upgrades.
- Cybersecurity and alarm improvements.
- Mini excavator.
- East Cypress Parallel 20" transmission water main (city/developer installed).
- Furnishing and equipping a new Emergency Operations Center / Corporation Yard.
- 3.8% [2] cost-of-living adjustment.

[1] 4% increase in February 2024, plus the wholesale rate pass-throughs.

[2] Based on San Francisco Bay Area Consumer Price Index of 3.8% (April 2023 to April 2024)

Facilities Reserve Fund 02

Revenue:

In Fiscal Year ending June 30, 2024, the District's estimated income from developer connection fees is \$1.7 million, which is \$1 million lower than budgeted due to higher interest rates.

Fiscal Year 2024/25 Budgeted Total Revenue = \$2.5 million, which is down 14% from the previous Fiscal Year and still lower than historical trends. The District expects new connections to stabilize around 200 connections per year, which is down over 50% from the pandemic-inspired boom.

Expenses:

As of June 30, 2024, the District's estimated expenses are \$2.3 million less than budgeted due to deferring one capital project to next fiscal year.

Fiscal Year 2024/25 expenses reflect the following priorities, purchases, and project expenses:

- Finish engineering the parallel pipeline from reservoirs to transmission mains.
- Iron and Manganese filter for Stonecreek Well.
- East Cypress parallel 20" transmission water main (city/developer installed).
- Randall-Bold Water Treatment Plant Capacity Preservation Projects.
- Initial investigation of additional water rights.

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 oversized beyond what is required to serve the development. Funds in this account are provided by developers and are paid back out to developers.

Well Funds

Well Systems M25 and M27 have been reviewed, and proposed rate increases incorporated.

- M25 - SCADA upgrades and maintenance.
- M27 - Continues to 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 M27 via consolidation with the District's larger system. This consolidation is expected to take place in Fiscal Year 2026/27.

Other Assumptions in the Fiscal Year 2024/25 Annual Budget:

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

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Beginning Fiscal Year Fund Balance - Includes Rate Stabilization	4,326,819	4,326,819	4,222,832
Operating Revenues				
	Water Sales - Residential/Business	14,820,000	13,923,483	18,119,427
01-00-500-000	Water Sales - Domestic & Business	14,820,000	13,923,483	18,119,427
	Water Sales - Other	430,000	347,091	400,000
01-00-500-001	Water Sales - Hydrant/Fire/Construction	350,000	306,091	350,000
01-24-500-000	Water Sales - Non Potable from Southpark Well	80,000	41,000	50,000
	Check Valve Charges	252,965	260,675	317,415
01-00-515-000	Check Valve Maintenance	250,000	258,782	315,000
01-00-515-001	Check Valve Installation	2,575	1,528	2,000
01-24-515-000	Check Valve Maintenance Southpark	390	365	415
	Miscellaneous Income	415,000	439,079	432,500
01-00-520-004	Late Charges	100,148	107,000	110,000
01-00-520-000	Trip Charges	35,000	40,000	42,000
01-00-520-001	Call-Out Charges	2,000	2,200	2,400
01-00-520-007	Tampering Charges	45,000	60,000	50,000
01-00-520-003	Returned Item Charges	4,000	4,600	5,000
01-00-520-005	Meter Repairs	2,000	500	1,000
01-00-520-009	Application/Delinquent/Disconnect Fees	98,000	95,500	101,100
01-00-530-000	Hydrant Meter Replacement	2,000	-	2,000
01-00-530-001	Hydrant Meter Repairs	500	-	500
01-00-530-002	Field Service Charges	2,000	175	1,000
01-00-540-000	Bad Debt Recovery	2,000	2,500	2,500
01-10-580-004	Delta Coves Property Tax Income	61,800	68,816	75,000
01-13-725-000	Reimbursement for Retirees Health Benefits - OPEB	60,552	57,788	40,000
Non-Operating Revenues				
	Interest/Rental Income/Other	305,061	821,900	2,060,900
01-00-510-001	Interest Income Investments	30,000	260,000	200,000
01-00-510-002	Interest Income LAIF	40,000	180,000	75,000
01-00-580-000	Other Income	50,000	185,000	155,000
01-00-580-010	Grant Revenue	50,000	51,000	1,482,900
01-00-581-000	Rental Income	135,061	145,900	148,000
	Reimbursements from Well Systems/Developers	511,000	351,000	400,000
25-00-109-000	Knightsen Well - M25	3,000	3,700	4,000
Multiple	Developers	500,000	343,500	392,000
27-00-109-000	Willow Park Marina Well - M27	8,000	3,800	4,000
	Total General Fund Revenues	16,734,026	16,143,227	21,730,242

*Basis of accounting: accrual.

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

19 | Diablo Water District
 FY 2024/25 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
Operating Expenses				
	Administrative and General	204,405	199,819	227,550
Multiple	District Regulatory Permits and Dues	93,500	89,477	94,000
Multiple	District Associations and Subscriptions	24,580	26,698	37,925
01-00-733-000	Audit	50,700	53,450	60,000
01-00-733-001	LAFCO - 50% GF and 50% FR	3,000	2,776	3,000
Multiple	Taxes and Licenses	2,625	2,417	2,625
01-04-800-028	Office Record Imaging	30,000	25,000	30,000
	Board of Directors	24,010	20,555	44,362
01-00-751-000	Payroll & Taxes	13,450	11,180	13,287
01-00-750-000	Mailings/Workers' Comp/Elections/Training/Miscellaneous	10,560	9,375	31,075
	Engineering / Consulting	270,500	286,500	348,500
Multiple	Engineering	212,500	197,500	115,000
Multiple	Consulting	58,000	89,000	233,500
	Finance	365,000	360,890	391,000
01-05-735-000	Bank Charges	2,500	1,200	2,000
01-05-735-001	Collections Expense	3,000	3,000	3,000
01-05-735-002	Bills/Envelopes/Mailing Service	26,500	24,000	26,000
01-05-735-004	Postage Account	75,000	75,000	77,000
01-05-735-005	Postage Meter	3,000	3,000	3,000
01-05-735-003	Upgrades for Software	5,000	1,000	5,000
01-05-735-008	Credit Card Processing	250,000	253,690	275,000
	Customer Service	178,650	33,170	161,650
01-03-734-000	Answering Service	2,150	2,000	2,150
01-03-734-002	Conservation	75,000	4,200	50,000
01-00-734-001	Website	8,000	3,500	8,000
01-03-734-003	Tyler Software - SMS Customer Notifications & IVR	750	1,000	1,500
01-03-734-005	Customer Service Survey	25,000	-	25,000
01-03-734-004	Scholarship	1,000	2,000	3,500
Multiple	Public Information	66,750	20,470	71,500
	Office	235,980	220,560	259,800
Multiple	Maintenance Agreements	52,980	46,460	53,300
01-04-737-000	Janitorial Service	12,500	12,500	12,500
01-04-742-001	Office Supplies/Logo Uniforms	27,500	22,500	22,500
01-04-742-000	Miscellaneous	5,000	5,000	5,000
01-04-739-000	New Equipment	12,000	12,000	25,000
01-00-731-000	Manager Expenses	6,000	4,000	7,000
01-04-738-000	Landscaping Services	9,000	7,500	9,000
01-04-738-001	Office Building Maintenance	7,500	7,500	10,000
01-04-740-000	Software - Annual Fees	85,000	85,000	95,000
01-04-741-000	Office - Utilities	7,500	7,500	8,000
Multiple	Office - Phone Line Services	11,000	10,600	12,500

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Insurance	140,000	146,022	180,000
01-00-732-000	<i>Business, Auto, Liability, Commercial, Etc.</i>	140,000	146,022	180,000
	Legal Expenses	45,000	60,000	55,000
01-00-730-000	<i>Legal Expenses - 50% GF and 50% FR</i>	45,000	60,000	55,000
	Operations and Maintenance	1,240,250	1,152,995	1,622,780
Multiple	<i>Maintenance Corpyard</i>	29,760	27,014	42,260
Multiple	<i>Maintenance T&D</i>	444,120	388,620	526,120
Multiple	<i>Maintenance Backflow</i>	78,000	108,485	80,000
Multiple	<i>Maintenance Reservoirs</i>	29,500	7,046	38,000
Multiple	<i>Maintenance Blending</i>	24,650	15,000	25,150
Multiple	<i>Maintenance Glen Park Well</i>	25,580	80,300	14,600
Multiple	<i>Maintenance Stonecreek Well</i>	10,280	10,120	134,300
Multiple	<i>Maintenance Delta Coves</i>	5,430	6,780	10,300
Multiple	<i>Maintenance M24 Southpark - Non Potable Water</i>	140,280	5,300	144,300
01-00-766-000	<i>Water Samples</i>	80,000	80,000	82,400
Multiple	<i>General Operating Corpyard</i>	56,450	54,690	88,950
Multiple	<i>Telephone Services for Field</i>	13,700	12,800	29,500
Multiple	<i>Utilities for Field</i>	302,500	356,840	406,900
	Payroll - Salaries/Benefits/Taxes	4,308,760	4,072,481	5,212,024
Multiple	<i>Salaries</i>	2,572,932	2,416,479	3,157,176
Multiple	<i>Overtime</i>	169,487	275,179	181,129
Multiple	<i>Benefits - Health/LTD/STD/Life Insurance/Retirement</i>	1,132,885	993,901	1,320,875
Multiple	<i>Taxes - Workers' Compensation/FICA/Medi</i>	237,021	237,280	318,744
01-13-725-000	<i>Retired Employees Benefits</i>	45,372	41,878	43,000
01-13-726-000	<i>Contra Costa County Employee Retirement Association</i>	96,763	96,763	97,100
Multiple	<i>Human Resources - Tuition Reimb/HR Needs/Recruitment Costs</i>	54,300	11,000	94,000
	Transmission and Distribution	345,400	285,245	404,800
Multiple	<i>Automotive Fuel, Maintenance, Miscellaneous</i>	149,200	104,350	154,200
01-09-767-000	<i>Chemicals Glen Park Well</i>	10,000	8,000	10,000
01-16-767-000	<i>Chemicals Blending Facility</i>	37,650	42,823	49,500
01-08-767-000	<i>Chemicals Stonecreek Well</i>	7,500	3,000	7,500
01-10-767-000	<i>Chemicals Delta Coves</i>	10,500	8,000	10,500
01-24-767-000	<i>Chemicals M24 Southpark - Non Potable Water</i>	3,000	2,800	3,000
Multiple	<i>General Operating - T&D</i>	80,550	70,946	122,250
Multiple	<i>General Operating Blending</i>	36,000	35,461	36,100
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>	3,000	3,000	3,500
Multiple	<i>General Operating M24 Southpark - Non Potable Water</i>	4,000	3,428	4,200
Multiple	<i>General Operating Delta Coves</i>	1,000	437	1,050
	Training	78,500	70,058	147,600
Multiple	<i>Training & Professional Development</i>	53,700	59,222	108,300
Multiple	<i>Safety</i>	24,800	10,836	39,300

21 | Diablo Water District
FY 2024/25 Budget

DIABLO WATER DISTRICT
General Operating Fund 01
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Water Purchases - Source of Supply CCWD	4,985,000	5,280,944	5,642,395
01-00-610-000	<i>Water Purchases from CCWD</i>	4,985,000	5,280,944	5,642,395
	Water Treatment and Maintenance - RBWTP O&M	2,434,649	2,739,841	2,889,009
01-14-700-000	<i>Randall-Bold Water Treatment Plant O&M</i>	2,434,649	2,739,841	2,889,009
	Total Operating Expenses	14,856,104	14,929,079	17,586,470
Operating Debt Service Expenses				
01-09-801-001	<i>Refinance Glen Park & Blending 2022 Loan - 24% GF and 76% FR</i>	105,278	105,278	104,770
01-00-801-001	<i>Capital Projects Financing Loan 2022 - 50% GF and 50% FR</i>	240,942	240,942	240,603
01-00-801-002	<i>Office Building 2019 COP - 57.5% GF and 42.5% FR</i>	148,580	148,580	146,798
	Total Operating - Debt Service Expenses	494,800	494,800	492,171
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 66.5% GF & 33.5% FR)</i>	384,883	290,353	811,336
01-02-800-071	<i>Field Equipment Purchases</i>	15,000	15,000	225,000
01-02-800-038	<i>Valve Replacement</i>	25,000	25,000	40,000
01-02-800-001	<i>Add/Replace Vehicles - Construction Trucks 50% GF and 50% FR</i>	227,500	194,060	158,000
NEW	<i>Vertical Asset Replacement CIP</i>	-	-	42,500
01-12-800-002	<i>R2 Seismic Upgrades - 52% GF and 48% FR</i>	50,000	25,000	1,560,000
01-00-800-014	<i>SCADA Upgrade - 50% GF and 50% FR</i>	10,000	5,000	88,100
01-04-800-001	<i>New Office Equipment</i>	-	-	15,000
01-04-736-007	<i>Office - Building Upgrades</i>	125,000	115,000	25,000
NEW	<i>Bulk Material Covered Area</i>	-	-	75,000
	Total Operating - Capital Expenses	967,383	799,413	3,169,936
Operating - Non Capital Expenses				
Multiple	<i>Corpyard Improvements</i>	13,500	8,922	13,500
01-02-800-032	<i>Pipeline Corrosion Testing/Repairs</i>	15,000	15,000	15,000
	Total Operating - Non Capital Expenses	28,500	23,922	28,500
	Total General Fund Operating Expenses	16,346,787	16,247,214	21,277,077
	Ending Fiscal Year Fund Balances - Includes Rate Stabilization	4,714,058	4,222,832	4,675,997

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

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
	Beginning Fiscal Year Balance	7,120,041	7,120,041	5,983,177
Operating Revenues				
02-00-588-000	Developer Fees Income	2,737,218	1,676,432	2,000,000
02-00-581-000	Rental Income	29,010	30,465	30,814
02-00-510-000	Interest Income	100,000	240,000	200,000
02-00-580-010	Grant Revenue	-	4,303	250,000
02-00-580-000	Other Income	25,000	-	-
	Total Facilities Reserve Fund Operating Revenues	2,891,228	1,951,200	2,480,814
Operating Expenses				
	Administrative	3,000	2,776	3,000
02-00-733-001	LAFCO - 50% GF and 50% FR	3,000	2,776	3,000
NEW	Travel & Training for Employees & Directors	3,000	2,776	19,500
NEW	Accounting - Single Audit for Grants	-	-	6,500
	Payroll - Salaries/Benefits/Taxes*	991,338	896,000	1,334,748
02-00-722-000	Salaries	702,852	638,000	928,259
02-00-722-000	Overtime	13,058	13,000	50,000
02-00-723-000	Benefits - Health/LTD/STD/Life Insurance/Retirement	221,821	196,641	280,158
02-00-723-000	Taxes - Workers' Compensation/FICA/Medi	53,607	48,359	76,331
	Total Operating Expenses	994,338	898,776	1,337,748
Operating Debt Service Expenses				
02-09-801-000	Refinance Glen Park & Blending 2022 Loan - 24% GF and 76% FR	333,382	333,382	331,772
02-00-801-000	Stonecreek Well 2019 COP - 100% FR	235,200	235,200	234,100
02-00-801-001	Capital Projects Financing Loan 2022 - 50% GF and 50% FR	240,942	240,942	240,603
02-00-801-000	New Office Building 2019 COP - 57.5% GF and 42.5% FR	109,820	109,820	108,503
02-00-801-000	New Corporation Yard 2019 COP - 100% FR	213,100	213,100	210,100
	Total Operating - Debt Service Expenses	1,132,444	1,132,444	1,125,077

23 | Diablo Water District
FY 2024/25 Budget

DIABLO WATER DISTRICT
Facilities Reserve Fund 02
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Expected FY 23/24 Finish	FY 24/25 Budget
Operating - Capital Expenses				
02-00-800-028	SCADA Upgrade - 50% GF and 50% FR	10,000	5,000	88,100
Multiple	Asset Management System / GIS / Mapping Update	58,000	57,450	64,500
02-00-800-030	Grant Project - Bethel Island Water Main Extension & Fire Flow	-	5,000	125,000
NEW	Grant Project - Direct Potable Reuse Training Facility	-	-	250,000
02-14-800-044	RBWTP Improvements and Projects - 66.5% GF and 33.5% FR	83,817	33,214	280,789
02-08-800-045	Stonecreek Well Filter (Manganese Treatment)	1,715,000	100,000	1,850,000
02-02-800-001	Add/Replace District Vehicles - Construction Trucks 50%GF and 50% FR	-	-	-
02-09-800-001	Glen Park Permanent Generator	250,000	253,000	-
02-12-800-001	Parallel R2/R3 Transmission Main	350,000	250,000	250,000
02-12-800-002	R2 Seismic Upgrades - 52% GF and 48% FR	50,000	15,000	1,440,000
	Total Operating - Capital Expenses	2,516,817	718,664	4,348,389
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	145,000	100,000	130,000
02-00-800-027	Groundwater Sustainability Plan	48,500	25,000	48,500
Multiple	Engineering/Consulting/Water Rights/Miscellaneous	490,000	115,785	303,500
02-00-800-039	Facilities Plan Update	45,000	-	75,000
02-00-800-040	Recycled Water Feasibility Study	-	52,500	100,000
02-04-736-007	Financial and Project Tracking Software	19,000	44,895	42,000
	Total Operating - Non Capital Expenses	749,000	338,180	700,500
	Total Facilities Reserve Fund Operating Expenses	5,392,599	3,088,064	7,511,714
	Ending Fiscal Year Balance	4,618,670	5,983,177	952,277

DIABLO WATER DISTRICT
Knightsen Well M25 Fund
Fiscal Year 2024/25

Account Number	Account Name	Approved Budget FY 23/24	Estimated Actual FY 23/24	Budget FY 24/25
	Beginning Fiscal Year Balance		38,096	39,596
Operating Revenues				
25-25-500-000	<i>Knightsen Water Sales</i>	20,350	22,326	22,500
25-25-520-004	<i>Knightsen Late Charges</i>	-	350	-
25-25-510-000	<i>Interest Income</i>	500	1,000	500
	Total Knightsen Well Fund Operating Revenues	20,850	23,676	23,000
Operating Expenses				
25-25-770-000	<i>General Operating Expenses</i>	18,000	15,000	22,000
25-25-779-000	<i>Utilities</i>	2,000	1,875	2,000
	Total Knightsen Well Fund Operating Expenses	20,000	16,875	24,000
25-25-705-000	<i>Auto</i>	1,000	1,628	1,750
Multiple	<i>Reimburse Fund 01 for Benefits</i>	800	617	800
25-25-720-000	<i>Overhead Charges to Fund 01</i>	1,000	905	1,000
25-25-722-000	<i>Reimburse Fund 01 for Wages</i>	2,300	2,151	2,300
	Total Knightsen Well Fund Reimbursement to Fund 01	5,100	5,302	5,850
	Ending Fiscal Year Balance		39,596	32,746

DIABLO WATER DISTRICT
Willow Park Marina Well M27 Fund
Fiscal Year 2024/25

Account Number	Account Name	Adopted Budget FY 23/24	Estimated Actual FY 23/24	Budget FY 24/25
	Beginning Fiscal Year Balance		(7,555)	11,784
Operating Revenues				
27-27-500-000	<i>Willow Park Marina Water Sales</i>	74,844	74,844	74,844
27-27-510-000	<i>Interest Income</i>	-	140	-
	Total Willow Park Marina Well Fund Operating Revenues	74,844	74,984	74,844
Operating Expenses				
27-27-770-000	<i>Contra Costa County Admin Fees</i>	700	368	500
27-27-770-002	<i>General Operating Expenses</i>	30,000	43,000	47,000
27-27-779-000	<i>Utilities</i>	7,000	7,000	8,000
	Total Willow Park Marina Well Fund Operating Expenses	37,700	50,368	55,500
27-27-705-000	<i>Auto</i>	2,200	1,500	1,750
Multiple	<i>Reimburse Fund 01 for Benefits</i>	1,500	624	1,750
27-27-720-000	<i>Overhead Charges from Fund 01</i>	1,750	931	1,000
27-27-722-000	<i>Reimburse Fund 01 for Wages</i>	4,000	2,222	3,000
	Total Willow Park Marina Well Fund Reimbursement to Fund 01	9,450	5,276	7,500
	Ending Fiscal Year Balance		11,784	23,628

DIABLO WATER DISTRICT
MERA Fund
Fiscal Year 2024/25

Account Number	Account Name	Approved FY 23/24 Budget	Estimated Actual FY 23-24	Budget FY 24-25
	Beginning Fiscal Year Balance		541,706	587,925
Operating Revenues				
01-07-215-000	<i>MERA Income</i>	308,100	174,524	200,000
01-07-510-003	<i>Interest Income</i>	4,000	15,000	10,000
	Total MERA Fund Operating Revenues	312,100	189,524	210,000
Operating Expenses				
01-07-215-000	<i>MERA Reimbursements to Developers</i>	91,495	91,495	91,745
01-07-215-000	<i>Salaries and Benefits Charged to MERA</i>	61,404	51,810	75,877
	Total MERA Fund Operating Expenses	152,899	143,305	167,622
	Ending Fiscal Year Balance		587,925	630,303

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					
Project	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
R1 Seismic Upgrades (Fund 01) <i>Needs grants/FEMA or other funds to move forward</i>			\$2,000,000		
R1 Exterior Repaint (Fund 01)			\$500,000		
R2 Seismic Upgrades (Fund 01 & 02)	\$3,000,000				
Electric Trucks (Fund 01)	\$150,000	\$450,000	\$450,000		
Stonecreek Well Manganese Treatment System (Fund 02)	\$1,850,000				
SCADA Server and Software Upgrades (Fund 01 & 02)	\$150,000				
Emergency Response Trailer (Fund 01)	\$50,000				
R2/R3 Solar (Fund 01 & 02)	\$750,000				
Parallel R2/R3 pipeline (Fund 02) <i>Needs grants/FEMA/financing or other funds to move forward</i>	\$125,000		\$4,250,000		
East Cypress Parallel 20" transmission main - <i>Developer installed in-lieu of District fees</i>		\$2,130,000			
Direct Potable Reuse Demonstration Facility (Fund 02)			\$3,000,000		
Water Main Line and Service Line Capital Repair and Rehabilitation Program** (Fund 01)		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
RBWTP Capital Improvements (Fund 01 & 02)	\$811,336	\$939,472	\$575,858	\$663,276	\$500,564
Total	\$26,345,506				
<p>** Preliminary forecast shows need to debt finance these improvements.</p> <p>FY 2025/26 and beyond are best estimates that will be refined as part of CIP Plan and Future Budgets.</p>					

Figure 1.3

Debt Service Coverage

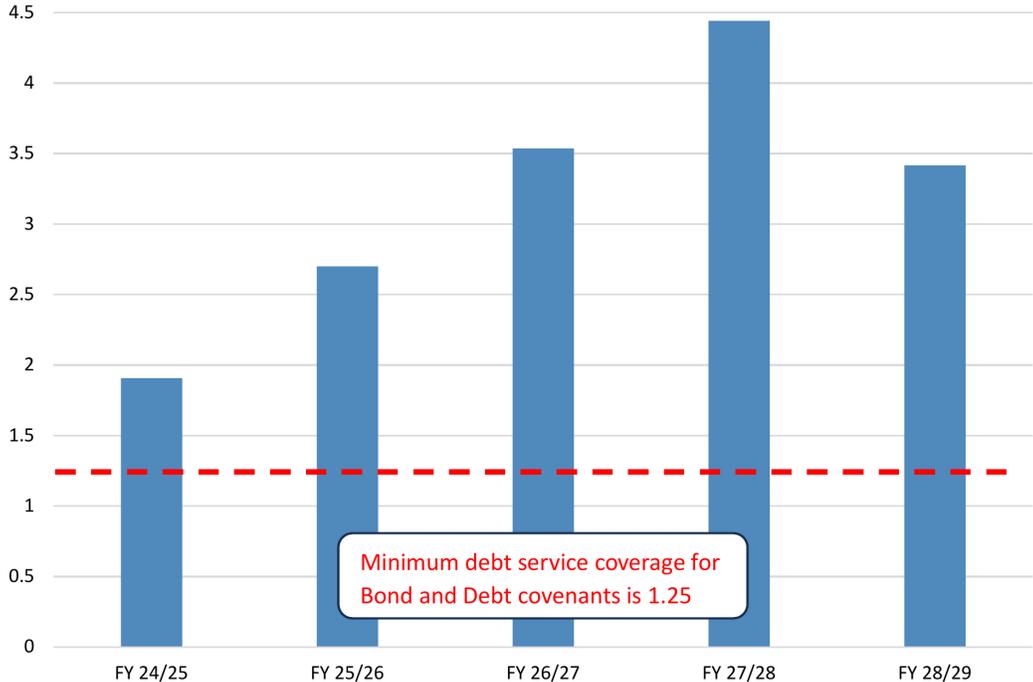


Figure 1.4

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

SCHEDULE OF TOTAL PAYMENTS

Payment Date	Total Loan Repayments	Total Installment Payments	Total Debt Service Payments
7/1/2024	\$ 104,885	\$ 208,356	\$ 313,241
1/1/2025	\$ 833,885	\$ 488,356	\$ 1,322,241
7/1/2025	\$ 92,058	\$ 202,950	\$ 295,008
1/1/2026	\$ 844,058	\$ 495,950	\$ 1,340,008
7/1/2026	\$ 78,832	\$ 197,293	\$ 276,125
1/1/2027	\$ 857,832	\$ 503,293	\$ 1,361,125
7/1/2027	\$ 65,124	\$ 191,383	\$ 256,507
1/1/2028	\$ 877,124	\$ 506,383	\$ 1,383,507
7/1/2028	\$ 50,817	\$ 185,301	\$ 236,118
1/1/2029	\$ 884,817	\$ 514,301	\$ 1,399,118

Figure 1.5

The above table reflects the next five years of scheduled debt service payments.

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

Appendix A

Personnel and Pay Summary

Employee Compensation Schedule

Pay rates across all classifications remain competitive with industry standards.

Field positions include a modest increase in lieu of the industry-standard on-call pay.

Last salary survey performed in 2024.

Next salary survey to be performed in 2026.



District Staff Holiday Lunch

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 - 07/01/2024

Job Title/Classification	Hourly						FTE**
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	
General Manager*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
Administrative Assistant	\$ 29.60	\$ 31.08	\$ 32.63	\$ 34.26	\$ 35.97	\$ 37.77	0
Utility Billing Representative	\$ 37.77	\$ 39.66	\$ 41.64	\$ 43.72	\$ 45.91	\$ 48.21	1
Senior Utility Billing Representative	\$ 43.72	\$ 45.91	\$ 48.21	\$ 50.62	\$ 53.15	\$ 55.81	2
Utility Billing Analyst	\$ 54.73	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	1
Accounting Analyst - Confidential	\$ 56.10	\$ 58.91	\$ 61.86	\$ 64.95	\$ 68.20	\$ 71.61	1
Finance & Accounting Manager (E)	\$ 89.94	\$ 94.44	\$ 99.16	\$ 104.12	\$ 109.33	\$ 114.80	1
Forward Planning Analyst	\$ 54.73	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	2
Forward Planning Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Human Resources Analyst - Confidential	\$ 57.47	\$ 60.34	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35	0
Human Resources Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Strategic Initiatives Project Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Water Efficiency Specialist	\$ 48.47	\$ 50.89	\$ 53.43	\$ 56.10	\$ 58.91	\$ 61.86	0
Senior Water Efficiency Specialist	\$ 56.10	\$ 58.91	\$ 61.86	\$ 64.95	\$ 68.20	\$ 71.61	1
District & Community Relations Manager (E)	\$ 71.37	\$ 74.94	\$ 78.69	\$ 82.62	\$ 86.75	\$ 91.09	1
Field Services Technician	\$ 36.69	\$ 38.52	\$ 40.45	\$ 42.47	\$ 44.59	\$ 46.82	0
Water System Worker I	\$ 42.47	\$ 44.59	\$ 46.82	\$ 49.16	\$ 51.62	\$ 54.20	5
Water System Worker II	\$ 49.16	\$ 51.62	\$ 54.20	\$ 56.91	\$ 59.76	\$ 62.75	3
Maintenance & Construction Leadworker	\$ 56.91	\$ 59.76	\$ 62.75	\$ 65.89	\$ 69.18	\$ 72.64	1
Water Operations Leadworker	\$ 56.91	\$ 59.76	\$ 62.75	\$ 65.89	\$ 69.18	\$ 72.64	1
Maintenance & Construction Supervisor	\$ 65.89	\$ 69.18	\$ 72.64	\$ 76.27	\$ 80.08	\$ 84.08	1
Water Operations Supervisor	\$ 65.89	\$ 69.18	\$ 72.64	\$ 76.27	\$ 80.08	\$ 84.08	0
Maintenance & Construction Manager	\$ 80.65	\$ 84.68	\$ 88.91	\$ 93.36	\$ 98.03	\$ 102.93	1
Water Operations Manager (E)	\$ 89.94	\$ 94.44	\$ 99.16	\$ 104.12	\$ 109.33	\$ 114.80	1

Total: 27

*General Manager is contracted at \$24,834.15 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 2024/25 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 2024/25 , highlighting our commitment to excellence and operational efficiency.

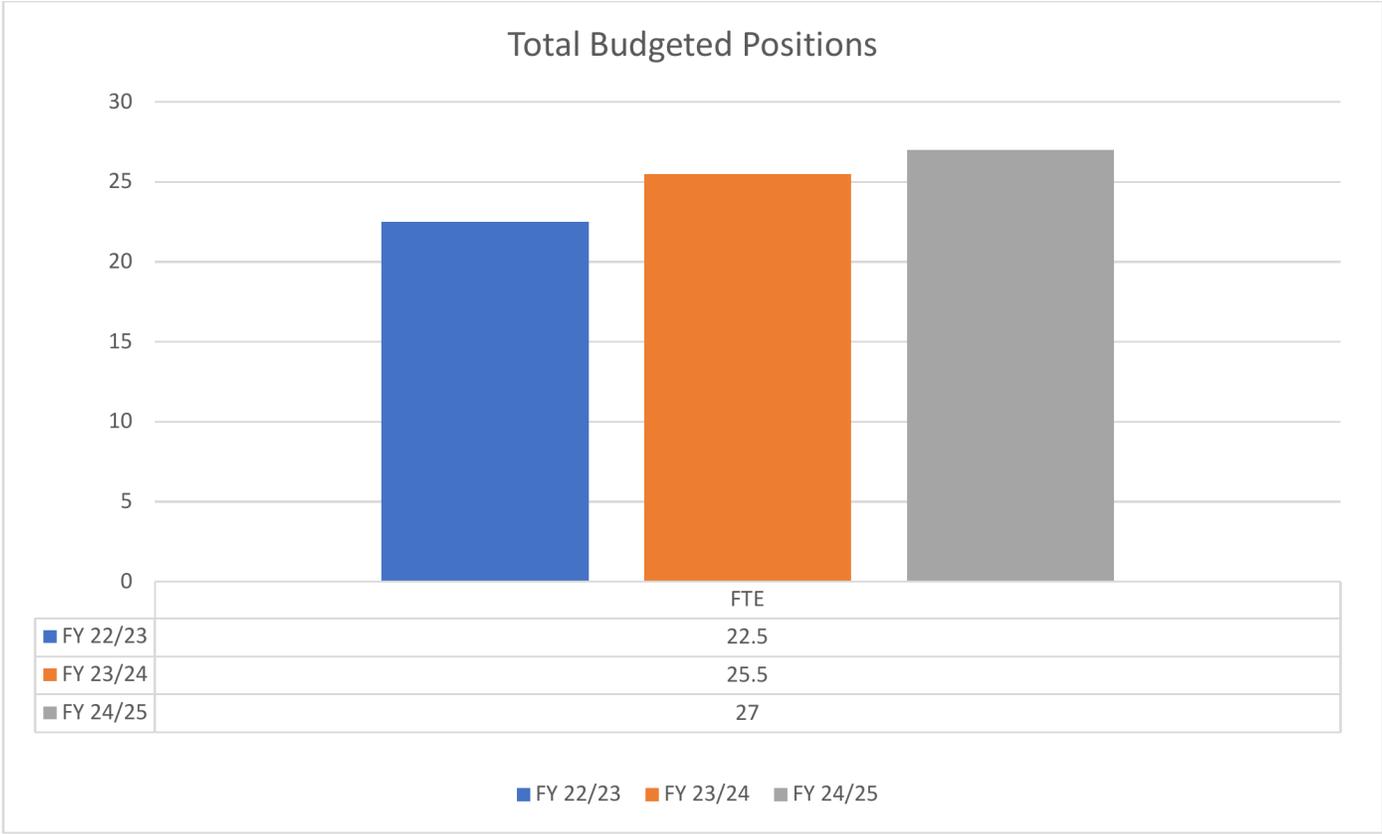


Figure 1.6

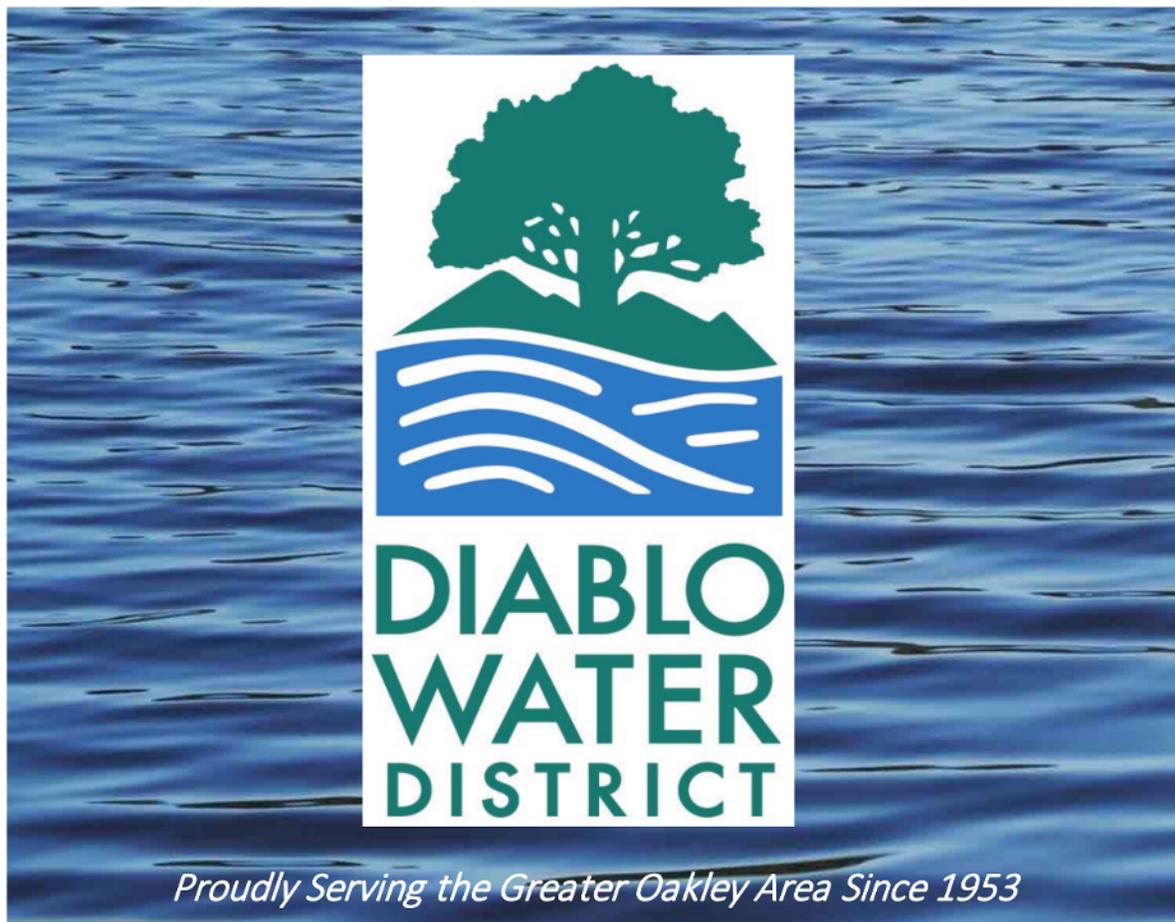
The District approved the addition of 1.5 additional FTE's for Budget Year 2024/25. These changes include the following:

- 1. Addition of one new Water System Worker I(FTE).
- 2. Conversion of one Part-Time Employee to a Full-Time Employee (FTE).

Appendix B

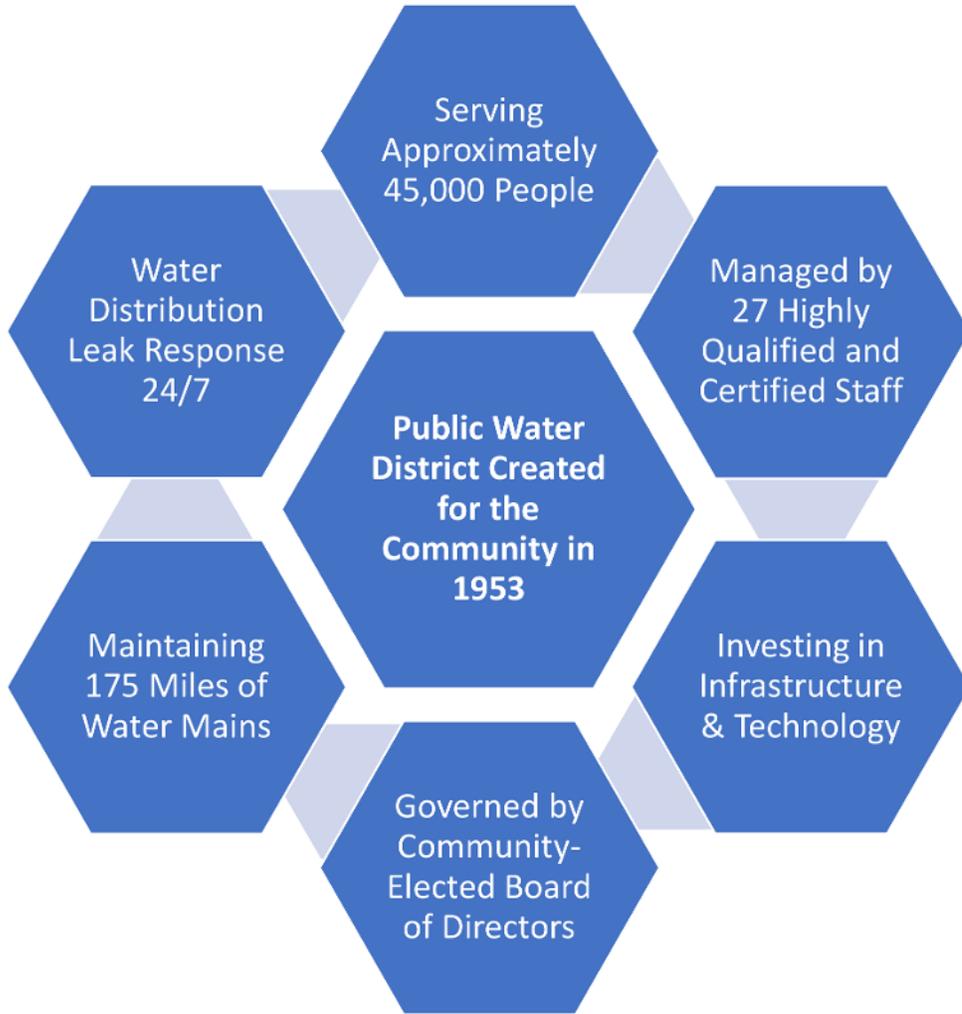
District's 5-year Strategic Plan
Fiscal Year 24/25 through Fiscal Year 28/29

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 develops 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 Diablo Water 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.

Strategy: Invest In

Water Resources

Capital Improvement Projects

Employees

Sustainable Practices

Community Relations

Governance

Strategies



Water Resources

- Ensure adequate high-quality future water supplies to meet customer demands
- Develop sustainable and cost-effective water supplies
- Protect surface and groundwater quality



Capital Improvement Projects

- Proactively invest in District assets
- Prioritize projects that lead to resiliency of the transmission system
- Plan with the future in mind



Employees

- Recognize employees as the District's most valuable assets
- Train staff well enough so they can leave, but treat them well enough so they stay
- Encourage professional development



Sustainable Practices

- Support water-use efficiency and eliminating waste
- Implement cost-effective greenhouse gas reduction projects
- Consider life-cycle costs and environmental impacts



Community Relations

- Empower customers through information
- Actively participate in the community
- Seek community engagement



Governance

- Open and transparent
- Foster ideas that support great service and reasonable costs
- Represent all customers

Guiding 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 rate payer's 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.

Goals 2024 - 2029

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 24/25

- Activate the District's first recycled water customer(s)
- Conduct cost of service water rate study
- Perform customer feedback survey
- Implement emergency assistance agreements with neighboring agencies

FY 25/26

- Achieve 75% carbon neutrality, and remain on target for 100% neutrality by December 31, 2027
- Complete 2025 Urban Water Management Plan
- Reduce non-revenue water to industry-leading low levels through use of advanced technologies
- Implement a service and water mains replacement program

FY 26/27

- Achieve an AA or higher Bond Rating (currently AA-)
- Begin contributions to the District's Emergency Reserve Fund
- Perform customer feedback survey
- Implement carbon mitigation project(s)

FY 27/28

- Replace 100% of eligible fleet with electric vehicles
- 100% carbon-neutral
- Complete Sandmound voluntary water mutual consolidation project
- Finish R2/R3 reservoirs parallel pipeline

FY 28/29

- Earn CSDA District of Distinction Certification
- Advanced water treatment facility for groundwater
- All District reservoirs built for 100% build out
- Achieve state-mandated indoor and outdoor conservation levels

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

Quick Facts



Budget

- \$21 Million O&M
- \$4.7 Million in Reserves
- Rates adopted to cover long-range expenses - zero profit



Water System

- \$721 Million 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
- 1.7 Billion gallons pumped to customers annually

Stay Connected

www.diablowater.org

www.facebook.com/diablowaterdistrict

customers@diablowater.org

Mailing Address: PO Box 127, Oakley, CA 94561

Physical Address: 87 Carol Ln, Oakley, CA 94561

Office/24Hrs: (925) 625-3798



Appendix C

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.

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.

45 | Diablo Water District
FY 2024/25 Budget

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.

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.

47 | Diablo Water District
FY 2024/25 Budget

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.

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.

49 | Diablo Water District
FY 2024/25 Budget

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.

Appendix D

Financial Policies

DIABLO WATER DISTRICT
REGULATION NO. 14
RESERVE FUND MANAGEMENT

Section I. Policy

- A. 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 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.
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.

$$\begin{aligned} \text{(a) Example: FY O\&M expense} &= \$10,000,000 \times .25 \\ &= \$2,500,000 \text{ in budgeted reserves.} \end{aligned}$$

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 2021 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, 2024.

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: \$5,000,000 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, and/or future capital repair and rehabilitation plans. This reserve will be funded incrementally and is expected to be fully funded by June 30, 2029.

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 =

$$\$900,000 \times 3 = \$2,700,000.$$

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.

Appendix E

Audited Basic Financial Statements

67 | Diablo Water District

FY 2024/25 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, 2023	June 30, 2022	Change	June 30, 2021	Change
Assets:					
Current assets	\$ 14,957,235	\$ 14,974,630	\$ (17,395)	\$ 8,302,937	\$ 6,671,693
Non-current assets	10,196,826	12,359,545	(2,162,719)	11,029,656	1,329,889
Capital assets, net	<u>72,766,924</u>	<u>69,737,069</u>	<u>3,029,855</u>	<u>67,732,971</u>	<u>2,004,098</u>
Total assets	<u>97,920,985</u>	<u>97,071,244</u>	<u>849,741</u>	<u>87,065,564</u>	<u>10,005,680</u>
Deferred outflows of resources	<u>2,859,789</u>	<u>2,008,802</u>	<u>850,987</u>	<u>1,396,727</u>	<u>612,075</u>
Total assets and deferred outflows of resources	<u>\$ 100,780,774</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>	<u>\$ 88,462,291</u>	<u>\$ 10,617,755</u>
Liabilities:					
Current liabilities	\$ 3,695,446	\$ 3,701,052	\$ (5,606)	\$ 3,326,428	\$ 374,624
Non-current liabilities	<u>22,751,522</u>	<u>22,118,371</u>	<u>633,151</u>	<u>16,541,889</u>	<u>5,576,482</u>
Total liabilities	<u>26,446,968</u>	<u>25,819,423</u>	<u>627,545</u>	<u>19,868,317</u>	<u>5,951,106</u>
Deferred inflows of resources	<u>2,025,550</u>	<u>2,988,900</u>	<u>(963,350)</u>	<u>65,821</u>	<u>2,923,079</u>
Net position:					
Net investment in capital assets	61,657,923	57,675,377	3,982,546	54,817,845	2,857,532
Restricted	8,740,823	10,934,928	(2,194,105)	10,718,413	216,515
Unrestricted	<u>1,909,510</u>	<u>1,661,418</u>	<u>248,092</u>	<u>2,991,985</u>	<u>(1,330,567)</u>
Total net position	<u>72,308,256</u>	<u>70,271,723</u>	<u>2,036,533</u>	<u>68,528,243</u>	<u>1,743,480</u>
Total liabilities, deferred outflow of resources and net position	<u>\$ 100,780,774</u>	<u>\$ 99,080,046</u>	<u>\$ 1,700,728</u>	<u>\$ 88,462,381</u>	<u>\$ 10,617,665</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 \$72,308,256 and \$70,271,723 as of June 30, 2023 and 2022, respectively.

By far the largest portion of the District's net position (85% as of June 30, 2023 and 82% as of June 30, 2022) 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 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$1,909,510 and \$1,661,418, respectively, which may be utilized in future years.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	June 30, 2023	June 30, 2022	Change	June 30, 2021	Change
Operating revenues	\$ 14,390,909	\$ 12,572,567	\$ 1,818,342	\$ 12,881,410	\$ (308,843)
Operating expenses	<u>(14,875,541)</u>	<u>(13,153,515)</u>	<u>(1,722,026)</u>	<u>(12,747,073)</u>	<u>(406,442)</u>
Operating income (loss) before depreciation	<u>(484,632)</u>	<u>(580,948)</u>	<u>96,316</u>	<u>134,337</u>	<u>(715,285)</u>
Depreciation expense	<u>(2,442,468)</u>	<u>(1,762,000)</u>	<u>(680,468)</u>	<u>(2,135,376)</u>	<u>373,376</u>
Operating income (loss)	<u>(2,927,100)</u>	<u>(2,342,948)</u>	<u>(584,152)</u>	<u>(2,001,039)</u>	<u>(341,909)</u>
Non-operating revenues (expenses)	<u>1,159,885</u>	<u>(10,862)</u>	<u>1,170,747</u>	<u>487,158</u>	<u>(498,020)</u>
Net loss before capital contributions	<u>(1,767,215)</u>	<u>(2,353,810)</u>	<u>586,595</u>	<u>(1,513,881)</u>	<u>(839,929)</u>
Capital contributions	<u>3,803,748</u>	<u>4,332,775</u>	<u>(529,027)</u>	<u>8,370,600</u>	<u>(4,037,825)</u>
Change in net position	<u>2,036,533</u>	<u>1,978,965</u>	<u>57,568</u>	<u>6,856,719</u>	<u>(4,877,754)</u>
Net position:					
Beginning of year (includes adjustment)	<u>70,271,723</u>	<u>68,292,758</u>	<u>1,978,965</u>	<u>61,671,434</u>	<u>6,621,324</u>
End of year	<u>\$ 72,308,256</u>	<u>\$ 70,271,723</u>	<u>\$ 2,036,533</u>	<u>\$ 68,528,153</u>	<u>\$ 1,743,570</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 increased by \$2,036,533 and increased by \$1,978,965 for the fiscal years ended June 30, 2023 and 2022, respectively.

**68| Diablo Water District
FY 2024/25 Budget**

Total Revenues

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Operating Revenues:					
Water sales - residential and business	\$ 13,376,006	\$ 11,655,609	\$ 1,720,397	\$ 11,896,683	\$ (241,074)
Water sales - other	368,622	507,538	(138,916)	490,219	17,319
Other charges for services	646,281	409,420	236,861	494,508	(85,088)
Total operating revenues	<u>\$ 14,390,909</u>	<u>\$ 12,572,567</u>	<u>\$ 1,818,342</u>	<u>\$ 12,881,410</u>	<u>\$ (308,843)</u>
Non-operating:					
Investment (loss) gain	389,038	(239,694)	628,732	45,871	(285,565)
Lease revenue	169,435	125,568	43,867	143,996	(18,428)
Other non-operating revenues	1,298,880	820,062	478,818	732,852	87,210
Total non-operating revenues	<u>1,857,353</u>	<u>705,936</u>	<u>1,151,417</u>	<u>922,719</u>	<u>(216,783)</u>
Total revenues	<u>\$ 16,248,262</u>	<u>\$ 13,278,503</u>	<u>\$ 2,969,759</u>	<u>\$ 13,804,129</u>	<u>\$ (525,626)</u>

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. In 2022, operating revenues decreased by 2.40% or \$308,843 from \$12,881,410 to \$12,572,567, from the prior year, primarily due to a consultant error in the water rate study that led to artificially low rates for 4 months, the new corrected rates became effective July 2022.

Total Expenses

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Operating expenses:					
Source of supply - water purchases	\$ 5,469,681	\$ 5,336,023	\$ 133,658	\$ 5,330,564	\$ 5,459
Water treatment - Randall-Bold water treatment	2,105,829	1,957,748	148,081	1,805,073	152,675
Well expenses	413,275	129,442	283,833	175,925	(46,483)
Maintenance	491,879	584,641	(92,762)	562,117	22,524
Transmission and distribution	2,465,026	1,844,446	620,580	1,899,217	(54,771)
Customer service	1,467,139	1,210,812	256,327	1,022,460	188,352
Administrative and general	2,462,712	2,090,403	372,309	1,951,717	138,686
Operating expenses before depreciation	<u>14,875,541</u>	<u>13,153,515</u>	<u>1,722,026</u>	<u>12,747,073</u>	<u>406,442</u>
Depreciation expense	2,442,468	1,762,000	680,468	2,135,376	(373,376)
Total operating expenses	<u>17,318,009</u>	<u>14,915,515</u>	<u>2,402,494</u>	<u>14,882,449</u>	<u>33,066</u>
Non-operating expenses:					
Interest and amortization expense	697,468	716,798	(19,330)	435,561	281,237
Total non-operating	<u>697,468</u>	<u>716,798</u>	<u>(19,330)</u>	<u>435,561</u>	<u>281,237</u>
Total expenses	<u>\$ 18,015,477</u>	<u>\$ 15,632,313</u>	<u>\$ 2,383,164</u>	<u>\$ 15,318,010</u>	<u>\$ 314,303</u>

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.

In 2022, operating expenses before depreciation expense increased by 3.19% or \$406,442 from \$12,747,073 to \$13,153,515, from the prior year, primarily due to increases in source of supply – water purchases of \$5,459, and water treatment plant expenses of \$152,675 and customer expenses of \$188,352. Water treatment plant expenses were higher than expected due to inflation on chemical and energy costs.

69 | Diablo Water District

FY 2024/25 Budget

Capital Asset Administration

	Balance June 30, 2023	Balance June 30, 2022	Balance June 30, 2021
Capital assets:			
Non-depreciable assets	\$ 7,631,683	\$ 4,494,436	\$ 3,170,309
Depreciable assets	104,730,280	102,395,204	100,694,186
Accumulated depreciation	(39,595,039)	(37,152,571)	(36,131,524)
Total capital assets, net	\$ 72,766,924	\$ 69,737,069	\$ 67,732,971

At the end of fiscal year 2023 and 2022, the District's investment in capital assets amounted to \$72,766,924 and \$69,737,069 (net of accumulated depreciation), respectively. Major capital asset additions during the year amounted to \$3,272,627 and \$2,199,696 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, 2023	Balance June 30, 2022	Balance June 30, 2021
Long-term debt:			
Certificates-of-participation	\$ 8,193,855	\$ 8,626,229	\$ 12,994,720
Loans payable	10,309,000	10,806,000	-
Revenue bonds payable	-	-	-
Total	\$ 18,502,855	\$ 19,432,229	\$ 12,994,720

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. See Note 7 for further information.

Structured long-term debt items increased by \$6,437,509 for the fiscal year ended June 30, 2022, 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 effective March 2023. We have also been able to collect on and bring down our receivable balances on customers' past due water bills. The District does however, continue to be challenged by the COVID-19 pandemic with the continued cost of inflation and supply chain shortage.

The main area of uncertainty is the possibility of another drought and what our anticipated water sales will be through next year. 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.

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 2024/25 Budget



*We value water and our
community; public service is at
the heart of everything we do.*

Diablo Water District
PO Box 127
87 Carol Lane
Oakley, CA 94561



www.diablowater.org
customers@diablowater.org

 Follow us on Facebook:
facebook.com/diablowaterdistrict