

2023-2024  
ANNUAL BUDGET  
ADOPTED 06/08/2023  
RESOLUTIONS NO. 230601 & 230602

Valley of the Moon  
Water District

Board of Directors

Jon Foreman, President  
Gary Bryant, Vice President  
Steven Caniglia, Director  
Steve Rogers, Director  
Colleen Yudin-Cowan, Director

Staff

General Manager – Matt Fullner  
Water System Manager – Brian Larson  
Administration Manager – Amanda Hudson  
Finance Manager – Oscar Madrigal  
District Counsel – Burke, Williams & Sorensen, LLP  
District Auditor – Harshwal, LLP

- I. INTRODUCTION TO VALLEY OF THE MOON WATER DISTRICT..... 4
- A. HISTORY ..... 4
- B. GOVERNING BOARD..... 4
- C. DISTRICT GOALS..... 5
- II. DEPARTMENT DESCRIPTIONS..... 5
- A. BOARD OF DIRECTORS ..... 5
- B. GENERAL MANAGER ..... 5
- C. ADMINISTRATION ..... 5
- D. FINANCE..... 6
- E. OPERATIONS & MAINTENANCE..... 7
- F. ORGANIZATION CHART ..... 8
- III. OPERATIONS & MAINTENANCE BUDGET..... 9
- A. OPERATIONS & MAINTENANCE BUDGET DESCRIPTION..... 9
- B. 2023-2024 OPERATIONS & MAINTENANCE BUDGET DISPLAY ..... 10
- IV. ACCOUNT DESCRIPTIONS:..... 16
- V. CAPITAL IMPROVEMENT PLAN..... 18
- A. CAPITAL IMPROVEMENT PLAN DESCRIPTION ..... 18
- B. 2023-2024 CAPITAL IMPROVEMENT PLAN DISPLAY ..... 19
- VI. BOARD DESIGNATED RESERVES AND FORECASTED FUNDS AVAILABLE FOR THE CAPITAL IMPROVEMENT PLAN..... 30
- A. ANNUAL REVENUE FROM WATER USE AND SERVICE CHARGES:..... 31
- B. OTHER SOURCES OF FUNDS: ..... 31
- VII. ENABLING DOCUMENTS ..... 32
- A. RESOLUTION NO. 230601 ..... 32
- B. RESOLUTION NO. 230602 ..... 33

## *I. Introduction to Valley of the Moon Water District*

### *A. History*

Valley of the Moon Water District (District) was formed in 1960 through a special election under Water Code Section 30000 et seq. for the primary purpose of providing a dependable supply of potable water in the Valley of the Moon.

The service area covers approximately 7,545 acres and includes the unincorporated communities of Agua Caliente, Boyes Hot Springs, El Verano, Feters Hot Springs, Glen Ellen, Eldridge, and the Temelec subdivision of Sonoma County.

The District began operations on June 1, 1962, with the acquisition of the assets of Sonoma Water and Irrigation Company and the Mountain Avenue Water System. In 1963, the District acquired the facilities of the Glen Ellen Water Company and annexed its service area.

Today, water is purchased from the Sonoma County Water Agency and delivered through an aqueduct running from the Russian River. The District also uses wells within the service area to augment its water supply.

District customers authorized the purchase and improvement of existing facilities and procurement of Russian River water through the Sonoma Aqueduct with \$1,250,000 of voter-approved 30-year General Obligation bonds, which were issued in 1962. All District assets, including land, water rights, water production, distribution, and storage facilities, are by law held in trust by the District for the benefit of all property owners and customers within the District.

### *B. Governing Board*

The Board of Directors of the Valley of the Moon Water District consists of five members who are elected officials. They each serve four-year terms, which are staggered with elections held during November of each even-numbered year.

The Board of Directors sets the overall goals for the District and the policies to accomplish those goals. The Board appoints a General Manager who is charged with carrying out the policy direction of the Board. The Board also appoints a Counsel, Auditor, and Board Secretary. All persons appointed to these positions serve at the pleasure of the Board. The Board performs its duties during regularly scheduled Board meetings held at 6:30 p.m. on the first Tuesday of each month. The Board may also schedule special meetings of the Board. The public is notified in advance of all regular and special meetings of the Board as well as any meetings of standing committees, as required by law.

The Board may appoint standing or ad hoc committees to assist it in developing policy. It may also confer with consultants or other experienced specialists in water resource management in determining appropriate policies for the District.

### *C. District Goals*

- Ensure ethical behavior in the conduct of District business.
- Openly conduct District business, providing information, reasons for decisions, and access to the decision-makers.
- Please refer to the District’s Strategic Plan for detailed goals and objectives. The most recent Strategic Plan can be found in the FY 2022-2023 Budget document.

## *II. Department Descriptions*

### *A. Board of Directors*

The Board of Directors oversees all District operations by hiring and setting goals for the General Manager. The five-member Board adopts policies to guide the General Manager and District staff in providing efficient and effective services to present and future District customers.

### *B. General Manager*

The General Manager is responsible for organizing, supervising, and directing activities of the District and carrying out policies set by the Board of Directors to ensure that efficient and effective services are provided through the approved policies and budget.

### *C. Administration*

The administrative staff consists of an Administration Manager a full-time Administrative Specialist *or* Senior (Track A), and a full-time Administrative Specialist *or* Senior (Track B), for a total of three employees in the department.

Responsibilities of this group include customer services, office services, human resources, risk management, regulatory compliance, project administration, grant administration, public information, and Board administration.

Customer Service: Billing, payments, conservation, and responding to water service-related inquiries.

Office Services: Correspondence, purchase orders, file maintenance/archiving, and meeting/travel coordination.

Human Resources: Monitor employee agreements/compliance to agreements, recruitment, CalPERS, retirees, orientation of new hires, Workers Comp Administration, and employee evaluations.

Risk Management: Contracts and Insurance.

Compliance: Department of Water Resource Reporting, Urban Water Management Plan, Prop 218 Notices, Sanitation Reports, OSHA, and FEMA.

Project Administration: Request for Proposals writing & advertising, contract/agreement writing & review, notarization, contract compliance monitoring and file management, lien & retention management, quitclaim deeds, and recording.

Grant Administration: grant contract compliance and tracking, compiling of required reports, delineation of District and contractor billing, and grant agency communications.

Public Information: Public notices, newsletters, website management, social media, news releases, and annual Consumer Confidence Report.

Board Administration: Agenda preparation, staff reports, minutes preparation, Public Official ethics, harassment, financial interest compliance, tracking & reporting.

#### *D. Finance*

The finance department consists of a Finance Manager and one full-time Accounting Specialist or Senior for a total of two employees in the department.

Responsibilities of this group include accounting and finance, budgeting & forecasting, and overlap in the areas of risk management, regulatory compliance, project administration, and customer service.

Accounting and finance: Accounts receivable, accounts payable, payroll, general ledger, financial statements, collections, audits, inventory, actuarial, monthly/annual/periodic/management reports & analysis, rates, budgets & forecasts.

Office Services: Correspondence, purchase orders, file maintenance/archiving, and meeting/travel coordination.

Risk Management: Contracts and Insurance.

Compliance: Department of Water Resource Reporting, Urban Water Management Plan, Prop 218 Notices, Sanitation Reports, OSHA, and FEMA.

Project Administration: Request for Proposals writing & advertising, contract/agreement writing & review, contract compliance monitoring, and file management.

Public Information: Provide input on the financial aspects of public notices, newsletters, news releases, and annual Consumer Confidence Report.

### *E. Operations & Maintenance*

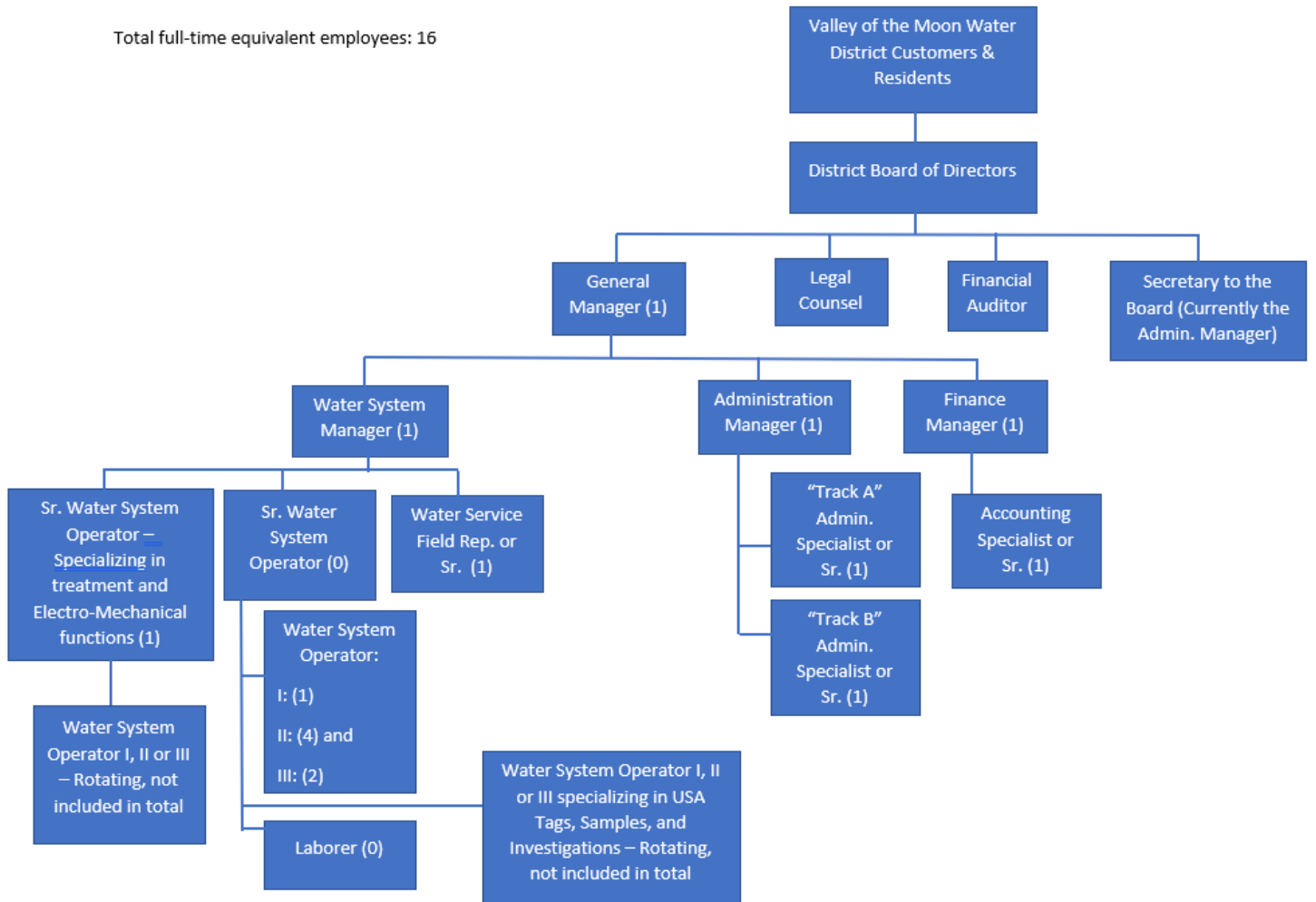
The Operations and Maintenance Department consists of a Water System Manager, eight Water Distribution/Treatment System Operators, and one Field Services Representative.

The Water System Manager coordinates the operation and maintenance of a 24-hour water delivery system; plans, assigns, and directs personnel involved; trains employees in operations, procedures, and safety equipment; sets up and modifies the operating and preventive maintenance schedules; prepares requisitions for stock and material for operations and maintenance of plant and pipeline and in-house projects; participates in annual inventory; responds to, investigates, and resolves inquiries and complaints from public about water usage.

The primary responsibility of this department is to assure the uninterrupted delivery of water by locating and fixing leaks, flushing lines, repairing mains, operating wells, and replacing aging infrastructure. The department also monitors water quality, inspects construction projects in progress, performs preventive maintenance and repairs of all water system facilities, and performs building and ground maintenance of District facilities.

F. Organization Chart

Total full-time equivalent employees: 16





### *III. Operations & Maintenance Budget*

#### *A. Operations & Maintenance Budget Description*

The total revenue for FY 2023-2024 is projected to be \$7,943,586. The total O&M expenses are projected to be \$6,031,661. Total revenue less Operations & Maintenance (O&M) expenses is projected to be \$1,911,924 of which \$682,323 will be transferred to the capital improvement plan (CIP). The remainder of the CIP budget is funded by a transfer of capacity fees in the amount of \$1,200,000. The FY 2023-2024 O&M Budget is approximately 7.9% greater than the FY 2022-2023 budget, however, this would have been only 3.72 with the previous wage transfer rate assumption (now 25% rather than 37% based on an internal audit).

The operating revenue (water rates and service charge) for FY 2023-2024 is projected to be \$7,814,166. This is an increase of \$1,264,039 from the FY 2022-2023 year-end estimated operating revenue largely due to suppressed water sales as a result of the drought, and projected water sales rebounds in FY 2023-2024. The operating revenue projection is also based on the 2022 Rate Study carried out by NBS and the addition of passthrough rates as a result of the larger than anticipated wholesale rate increase from Sonoma Water. The passthrough rate is designed to only recapture the difference between assumed and actual rate increases from Sonoma Water and amounts to an increase of approximately \$100,227 in additional revenue for the year.

B. 2023-2024 Operations & Maintenance Budget Display

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2022-2023	2022-2023	2023-2024	<i>% change from previous budget</i>	<i>% change from estimated year end actual</i>	Forecasting Notes & Significant Changes for 2023-2024
<b>Revenues</b>						
Interest Income	27,540	57,606	50,000	81.55%	-13.20%	
Gain on Sale of Assets	-	-	-	0.00%	0.00%	
Operating Revenue	7,359,813	6,550,127	7,814,166	6.17%	19.30%	
Backflow Testing Revenue	50,584	45,704	53,821			
Customer Penalties & Fees	50,000	67,184	23,211	-53.58%	-65.45%	Resuming regular door tag amount.
Misc. Income	12,000	27,922	12,000	0.00%	-57.02%	
Leak Adjustments	(9,613)	(7,869)	(9,613)			
<b>Total Revenue</b>	<b>7,490,324</b>	<b>6,740,673</b>	<b>7,943,586</b>			
<b>Expenses</b>						
<b>Salaries:</b>						
O&M - Operating Wages	1,051,859	965,862	1,156,283	9.93%	19.72%	
Stand-By	32,098	32,098	32,098	0.00%	0.00%	

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2022-2023	2022-2023	2023-2024	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2023-2024
<b>Net O&amp;M Operating Wages</b>	<b>1,083,956</b>	<b>997,960</b>	<b>1,188,380</b>	9.63%	19.08%	
Administration	632,163	590,186	688,660	8.94%	16.69%	
<b>Total Salaries</b>	<b>1,716,119</b>	<b>1,588,145</b>	<b>1,877,041</b>	9.38%	18.19%	
<b>Weighted Wages Transferred to Capital Projects</b>	<b>(642,687)</b>	<b>(594,760)</b>	<b>(469,260)</b>	-26.98%	-21.10%	Updated rate for weighted wage transfer.
<b>Net Operating Wages</b>	<b>1,073,433</b>	<b>993,385</b>	<b>1,407,781</b>	31.15%	41.72%	<i>Net Wages used to calculate Net Position</i>
<b>Benefits:</b>						
O&M - Operating & Maintenance	203,559	191,150	226,708	11.37%	18.60%	Based on actual employee enrollment
Administration	122,389	121,230	128,668	5.13%	6.14%	Based on actual employee enrollment
Retirees	65,175	64,526	66,702	2.34%	3.37%	Based on active retiree health plans
<b>Total Benefits</b>	<b>391,122</b>	<b>376,905</b>	<b>422,078</b>	7.91%	11.99%	
<b>Mandatory Costs</b>						
<b>Workers Comp:</b>						
Operating & Maintenance	56,511	49,456	55,671	-1.49%	12.57%	Confirmed rate with ACWA/JPIA
Acct/Administration	7,436	6,596	7,519	1.11%	13.99%	Confirmed rate with ACWA/JPIA
<b>FICA/Medicare:</b>						
Operating & Maintenance	81,469	73,886	86,354	6.00%	16.88%	Proportionately to salaries.
Administration	45,554	38,904	50,662	11.21%	30.22%	Proportionately to salaries.

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2022-2023	2022-2023	2023-2024	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2023-2024
<b>District Portion/Retirement:</b>						
Operating & Maintenance	93,424	86,127	100,007	7.05%	16.12%	
Administration	72,547	62,880	77,033	6.18%	22.51%	
CalPERS Accrued Liability	260,000	241,836	235,000	-9.62%	-2.83%	District can save 3% (\$7,125) by prepaying in July 2023 as a lump sum.
<b>Total Mandatory Costs</b>	<b>616,941</b>	<b>559,685</b>	<b>612,245</b>			
<b>Travel &amp; Training</b>						
Operating & Maintenance	7,957	4,860	8,466	6.40%	74.20%	
Administration	12,000	4,100	12,768	6.40%	211.45%	
<b>Total Travel &amp; Training</b>	<b>19,957</b>	<b>8,960</b>	<b>21,234</b>			
<b>Board of Directors:</b>						
Meeting Compensation	31,560	20,870	33,580	6.40%	60.90%	Includes COLA
Travel & Training	5,000	4,766	9,363	87.26%	96.48%	Additional ACWA
<b>Total Board Expenses</b>	<b>36,560</b>	<b>25,635</b>	<b>42,943</b>			
<b>Purchased Water</b>						
Purchased Water	2,337,159	2,068,884	2,279,970	-2.45%	10.20%	
GSA Fee	25,000	7,394	15,000			Sonoma Valley Groundwater Sustainability Agency (Estimated Fee)
<b>Total Purchased Water</b>	<b>2,362,159</b>	<b>2,076,278</b>	<b>2,294,970</b>	<b>-2.84%</b>	<b>10.53%</b>	

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget			Forecasting Notes & Significant Changes for 2023-2024
	2022-2023	2022-2023	2023-2024	% change from previous budget	% change from estimated year end actual	
<b>Services &amp; Supplies</b>						
Safety & Clothing Allowance	20,760	23,981	24,573	18.37%	2.47%	
COVID-19 Response	500	890	-			
Vehicle Maintenance	8,600	19,230	9,150	6.40%	-52.42%	
Election Costs	60,245	25,854	-	0.00%	0.00%	
Employee Relations	4,570	4,988	4,570	0.00%	-8.39%	
Legal Fees	82,000	107,243	84,000	2.44%	-21.67%	
SDC Expenses	-	-	30,000			
HR Expenses	-	-	10,000			
Engineering General Support	3,600	2,130	3,830	6.40%	79.83%	
Advertising	3,000	1,098	4,000	33.33%	264.30%	Anticipating advertising for WSM
Outside Services	40,103	40,103	43,143	7.58%	7.58%	
Outside Services BackFlow	50,584	45,704	53,821			
Annual Audit	20,651	10,326	20,651	0.00%	100.00%	
Bad Debts/Collections	12,000	32,583	16,000	33.33%	-50.89%	
Building MTNC.	6,000	10,869	11,026	83.76%	1.44%	Includes special projects
Dues and Subscriptions	27,000	26,625	26,801	-0.74%	0.66%	
Equipment MTNC./Repairs	27,000	27,000	30,856	14.28%	14.28%	
Fees (County/State)	60,000	70,892	71,248	18.75%	0.50%	
Fuel	29,000	32,650	34,739	19.79%	6.40%	
Bank Charges	12,000	11,406	16,003	33.35%	40.30%	
Liability Ins. (Incl. Losses)	55,000	70,079	87,664	59.39%	25.09%	
Postage	25,000	22,620	26,600	6.40%	17.60%	
Public Information	8,000	5,000	5,723	-28.46%	14.46%	
Service Contracts	69,300	74,966	82,511	19.06%	10.07%	

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget			Forecasting Notes & Significant Changes for 2023-2024
	2022-2023	2022-2023	2023-2024	% change from previous budget	% change from estimated year end actual	
Office Supplies	12,900	15,485	11,485	-10.97%	-25.83%	
Telephone-Internet	14,900	16,109	16,980	13.96%	5.41%	
Small Tools & Equipment	15,891	24,602	30,812	93.89%	25.24%	
Trash Disposal	5,700	5,979	6,357	11.52%	6.32%	
Utilities - PG&E	160,300	165,548	170,240	6.20%	2.83%	
Professional Services	115,800	130,000	123,211	6.40%	-5.22%	Unbudgeted Comp survey FY 22-23
Water Testing	36,000	43,182	48,076	33.54%	11.33%	Includes UCMR 5 and Lead & Copper testing
Water Main Maintenance	35,000	35,000	48,412	38.32%	38.32%	Includes PRV Pit Lid Repair
Service Line Maintenance	10,300	10,300	10,959	6.40%	6.40%	
Hydrant Repairs	4,000	4,000	4,256	6.40%	6.40%	
Misc. System Maintenance	5,500	7,386	7,858	42.88%	6.40%	
Wells Maintenance	8,100	12,898	13,723	69.42%	6.40%	
Pump Maintenance	7,000	9,982	10,621	51.73%	6.40%	
Storage Tank Maintenance	11,500	9,921	8,512	-25.98%	-14.20%	
Water Conservation Program	19,000	25,854	19,000	0.00%	-26.51%	
Interest Expense	-	(23)	-	0.00%	-100.00%	
Equipment Replacement	3,000	2,782	3,000	0.00%	7.84%	
<b>Total Services &amp; Supplies</b>	<b>1,089,804</b>	<b>1,185,238</b>	<b>1,230,411</b>	<b>12.90%</b>	<b>3.81%</b>	
<b>Total Expenses</b>	<b>5,589,976</b>	<b>5,226,084</b>	<b>6,031,661</b>	<b>7.90%</b>	<b>15.41%</b>	Would have been 3.72% with previous wage transfer rate.

Valley of the Moon Water District Proposed Budget FY 2023-2024	Approved Budget	Estimated Year End Actual	Proposed Budget	<i>% change from previous budget</i>	<i>% change from estimated year end actual</i>	Forecasting Notes & Significant Changes for 2023-2024
	2022-2023	2022-2023	2023-2024			
<b>Revenues Less Expenses</b>	<b>1,900,348</b>	<b>1,514,589</b>	<b>1,911,924</b>	0.61%	26.23%	
O&M Allocation to CIP	(2,494,894)	(2,209,394)	(682,323)			Includes \$1.2 million in capacity fees transfer to CIP.
<b>Net Position</b>	<b>(594,546)</b>	<b>(694,805)</b>	<b>1,229,601</b>			

#### IV. Account Descriptions:

Purchased Water: Water purchased from the Sonoma County Water Agency and leased wells.

GSA Fee: Sonoma Valley Groundwater Sustainability Agency groundwater extraction fees for District wells within the GSA boundary.

Safety & Clothing Allowance: Personal protection and safety equipment, and personnel clothing allowance.

Vehicle Maintenance: All repair and maintenance costs to District vehicles, including SMOG tests and certification, tire repair/replacement, and lube and oil changes, as necessary.

Election Costs: Costs incurred by the District for the election of Directors.

Employee Relations: Expenses related to improving employee relations and team building.

Legal Fees: Attorney fees for service.

SDC Expense: Expenses related to the District's involvement of the water supply and distribution system redevelopment at the former Sonoma Developmental Center (SDC)

HR Expense: Human resources expenses which are sensitive in nature.

Engineering General Support: Includes updates to hydraulic modeling and non-CIP specific services.

Advertising: Public hearings, meetings, legal notices, employment openings.

Outside Services: Alarm monitoring, answering service, billing service, janitorial, landscaping, tree trimming, pest control services, annual weed abatement at District-owned properties, and Underground Service Alert services.

Outside Services Backflow: Backflow prevention device testing district wide. The Backflow Testing Revenue account offsets this account.

Annual Audit: Annual financial statement audit and periodic consultation with the District auditor.

Bad Debts/Collections: All uncollectible closed customer accounts that are sent for collection. If collection is made, an entry is made to offset the amount.

Building Maintenance: Maintenance and repairs to District-owned facilities.

Leak Adjustments: District leak adjustment policy.

Dues and Subscriptions: Water-related association and organization memberships.



Equipment Maintenance & Repairs: All maintenance to equipment other than vehicles and buildings.

Fees (County/State): Any work done by the Drinking Water Program is charged to the District at an hourly rate. Also includes Hazardous Materials Program fees assessed by the Sonoma County Emergency Services, LAFCO annual fees, annual sewer fees, and miscellaneous permits.

Fuel: Fuel for District vehicles including backhoes and various pieces of equipment.

Bank Charges: Fees for direct deposit, stop payments, and wire transfers.

Liability Insurance: Insurance for District-owned facilities, including all buildings and structures, and covers liability claims relating to District operations.

Postage: Postage for District correspondence and customer billing.

Public Information: Materials and services including Proposition 218 notification, annual water quality report, and billing inserts.

Service Contracts: Maintenance for handheld meter reader devices, copier and printer equipment, computer system software, maintenance, and updates.

Office Supplies: All supplies required for the operation of the District.

Telephone-Internet: All telephone charges including cellular phones, data, and internet.

Small Tools & Equipment: Small tools, new and replacement.

Trash Disposal: Weekly garbage pick-up and disposal.

Utilities – PG&E: Gas and electricity for office, corporation building, pumps, and booster stations.

Professional Services: All non-engineering professional services, including but not limited to the Urban Water Management Plan required every five years, rate studies, etc.

Water Testing: Water is tested from various locations throughout the District weekly. There are additional tests required periodically throughout the year.

Water Main Maintenance: Materials used in the repair and maintenance of main lines.

Service Line Maintenance: Materials used in the repair of service lines connecting mains to customer meters.

Misc. System Expenses: Includes materials other than to repair water mains and service lines.

Wells Maintenance: Materials used in the repair and maintenance of wells.

Pump Maintenance: Materials used in the repairs and maintenance of pumping equipment.

Storage Tank Maintenance: Materials used in the repairs and maintenance of storage tanks.

Water Conservation Program: Water-conserving devices, educational programs, and compliance with the Best Management Practices (BMP).

Interest Expense: Interest for loans.

Equipment Replacement: Fixed assets \$5,000 and under.

## *V. Capital Improvement Plan*

### *A. Capital Improvement Plan Description*

The District's five-year Capital Improvement Plan (CIP) is updated annually. The updated CIP covers fiscal years 2023-2024 through 2027-2028. The basis for the plan is "The Master Water Plan" by EKI, January 2019.

Resolution No. 230602 authorizes the budget for the first year of CIP (FY 2023-2024) for \$3,414,295, of which \$1,531,972 is rollover funded by FY 2022-2023 and \$ 1,882,323 is new CIP. The main reason for the high level of rollover funding is the contractor timing and availability for installing the new Park Avenue well and Chestnut exploratory well. The projected CIP needs for fiscal years 2023-2024 through 2027-2028 have been reviewed by the Board and are considered best estimates at this time.

Significant projects in the CIP for FY 2023-2024 include:

- New EPA lead service line inventory requirements
- Pressure Zone 3-D Fire flow improvement mainline upgrades
- Altamira Fire Flow Improvement design work; and
- Finalizing the Park Avenue Well and Chestnut Exploratory Well drilling projects

B. 2023-2024 Capital Improvement Plan Display

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Facilities and Maintenance Projects</b>					-				
CIP - 3012	Replace GM Vehicle with an EV	Replacing gas SUV with electric vehicle to reduce greenhouse gas emissions and increase resiliency in emergencies where fuel deliveries could be difficult.	46,184	7,828	54,012	-	-	-	-
CIP-3013	Replace #32 & #33 with F250 or F350 utility body trucks	These two vehicles were purchased at the same time about 20 years ago and have higher mileage. Replacement is needed to maintain fleet reliability.	20,000	-	20,000	-	-	-	-
CIP-3014	Verano Well Tow-Behind Generator	Provided Verano well is producing by fiscal year 2024/2025, this generator will be necessary to maintain consistent system performance during PSPSs and emergencies.	-	-	-	-	87,924	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
CIP-3015	Caltrans Project on Hwy 12	Work done by Caltrans affecting District facilities.	50,000	-	50,000	-	-	-	-
CIP-5107	County of Sonoma Paving Projects requiring adjustments and or relocation of District facilities	Work done by the County of Sonoma affecting District facilities on Cherry Avenue and Riverside Drive.	116,979	78,327	195,306	57,114	58,616	66,173	67,913
CIP-6001	New Services	Customer pays 100%.	-	-	-	-	-	-	-
CIP-6004	All Service Replacements	All service replacements combined.	-	38,076	38,076	39,980	41,031	42,110	43,218
CIP-8100	Valve Replacement Program	Valve replacement for system reliability and control.	-	31,484	31,484	34,711	37,406	40,309	43,437

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
CIP-9300	Meter Replacement Program	Part “roll-over” moving to supported software and shifting from a physical server to cloud-based. Remainder is to buy and install one new AMI collector for better system backhaul. The AMI meters will need to be replaced beginning year 7 to stay ahead of battery life expectancy.	15,395	16,318	31,713	-	-	-	-
TBD	Seismic Vulnerability Assessment (LHMP)	From LHMP. FY1: application for grant funding FY2: carry out assessment. 25% district match. Outsource grant management.	-	21,758	21,758	-	-	-	-
TBD	Lead Service Line Inventory	LCRR - Required by federal EPA.	-	195,818	195,818	205,609	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
TBD	Replace Vac Truck	The Vac trucks are critical emergency and leak response vehicles. It is important to replace them while they are still very reliable (est. 15 years). It is also suggested that the next replacement be a purpose-built machine, and the District no longer rehabilitate the trailer-style vector units for use on a truck.	-	-	-	-	-	64,454	66,149
TBD	Facility cameras replace all/ same brand		-	-	-	-	23,446	-	-
TBD	Emergency Preparedness	Update parts and repair clamps in the emergency trailer. Provide MREs and emergency response PPE to ensure system reliability in the days following a major disaster.	-	32,636	32,636	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over 2022/23	Proposed CIP 2023/24	Total CIP Budget 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28
TBD	Replace Generator at AC Booster	This Generator is now 24 years old and is beginning to experience mechanical issues. It is proposed that this generator be replaced with a Blue Star Final Tier 4 generator.	-	-	-	-	-	60,157	-
TBD	Energy Consumption Evaluation	Engineering level energy evaluation. May result in additional CIP recommendations that will help reduce overall power consumption saving the District money and reducing greenhouse gas emissions.	-	32,636	32,636	-	-	-	-
TBD	Donald Well Rehab		-	-	-	57,114	-	-	-
TBD	Placeholder	Vehicles/equipment etc.	-	-	-	176,609	198,113	251,760	308,697
<b>Total Facilities and Maintenance Projects</b>			<b>248,557</b>	<b>454,882</b>	<b>703,438</b>	<b>571,136</b>	<b>446,535</b>	<b>524,963</b>	<b>529,415</b>

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Pipeline Projects</b>									
CIP-2996	WMP: P-2. Glen Ellen Transmission and Fire Flow Improvement	Replace existing 6-inch and 8-inch steel and ACP water mains with new 10-inch and 12-inch PVC water mains, replace existing service connections, and replace existing fire hydrants. RFP sent 03/2020. Engineering 07/2020, Construction to begin Spring 2021.	146,098	-	146,098	-	-	-	-
CIP-3021	WMP: P-5A. Pressure Zone 3D Fire Flow Improvement	Replace existing 4-inch ACP, PVC, and DIP water mains with new 8-inch PVC throughout PZ-3D, replace eight existing service connections, and replace one existing fire hydrant. Model 1800 Conveyor included.	-	565,697	565,697	-	-	-	-



Project #	Project	Improvement Description	CIP Roll Over 2022/23	Proposed CIP 2023/24	Total CIP Budget 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28
CIP-3022	WMP: P-7. Altamira Middle School Fire Flow Improvement	Replace existing 6-in and 8-in PVC & ACP water mains w/new 12-in PVC water mains along Arnold Drive, replace existing 6-in pipe w/new 8 & 12-in pipe adjacent to Altamira Middle School, replace 15 existing service connections, & replace three existing fire hydrants.	-	191,467	191,467	910,391	934,334	-	-
CIP-3023	WMP: P-8. Upper Sobre Vista Fire Flow Improvement	Replace existing 6-in PVC and HDPE water mains w/new 8-in PVC water mains, & replace two existing fire hydrants.	-	-	-	-	117,231	601,573	-

Project #	Project	Improvement Description	CIP Roll Over 2022/23	Proposed CIP 2023/24	Total CIP Budget 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28
TBD	Madrone 4" ACP Replacement (NOT IN 2019 WMP)	Replace existing 4-in ACP water mains with new 8-in PVC water mains, replace 78 existing service connections, & replace existing fire hydrants in the Madrone/Glenwood area. District to coordinate with Fire Dept to determine if additional hydrants are needed. These hydrants would be funded by the Fire Dept.	-	-	-	-	-	120,315	926,091
<b>Total Pipeline Projects</b>			<b>146,098</b>	<b>757,163</b>	<b>903,262</b>	<b>910,391</b>	<b>1,051,565</b>	<b>721,887</b>	<b>926,091</b>
<b>Wells, Pumping, &amp; Supply</b>									
CIP-2987	Chestnut Exploratory Well	Develop a minimum 100gpm District owned Well.	203,286	501,656	704,943	1,085,158	-	-	-
CIP-2989	Redrill Park	Drilled next to & operated with existing well. Develop a min 100gpm District owned well.	934,031	-	934,031	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
CIP - 3026	VFDs on all well pumps	Install VFDs at AC and Donald	-	32,636	32,636	-	-	-	-
CIP- 3027	WMP: P-10. SDC - Glen Ellen Booster	Booster to be installed at SDC to boost water from lower zones into Glen Ellen for fire flow or other needed transfers	-	-	-	-	-	-	308,697
TBD	Pump Station Battery Wall	A battery wall would operate the remote site during power outages unless a large power demand occurs (i.e. water pumps are called by SCADA) in which case the existing generator would turn on and supply the needed power. This would reduce the number of fuel deliveries needed in an emergency, increasing the District's staff time to respond to the emergency in other ways (i.e. leak response/system inspections, etc.)	-	54,394	54,394	-	-	-	-
<b>Total Wells, Pumping, &amp; Supply</b>			<b>1,137,317</b>	<b>588,687</b>	<b>1,726,004</b>	<b>1,085,158</b>	-	-	<b>308,697</b>

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Tanks</b>									
CIP-2986	Richards (Kearney) Tank Site	1 MG Tank at Richards Avenue would increase the system storage capacity and therefore the time available to respond to a water outage from the wholesaler (Sonoma Water). This project also renders WMP: P-9 "Agua Caliente Road Transmission Improvement" unnecessary, saving over \$1 million. Engineering proposed in year 4 with construction beginning in year 5.	-	-	-	-	-	481,258	177,810
CIP- 3029	Bolli Tanks Recoating & Railing/Solar Retrofit	Original interior coating is failing. Good time to add the required handrails and add solar mounting brackets.	-	-	-	-	1,055,082	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
CIP- 3031	Temelec 1M Tanks Recoating & Railing/Solar Retrofit	This is the last tank in the system with the old “cold-tar” interior coating. The coating is cracked and no longer providing protection to the steel tank. This is a good time to add the required railing, solar mounting brackets, and new mag rod cathodic protection in both Temelec and Chestnut tanks.	-	-	-	976,642	-	-	-
CIP-3032	Tank Site Solar upgrade	Right size the solar equipment and use industry-standard batteries and enclosures. Engineered by professionals and installed by VOMWD staff.	-	81,591	81,591	-	-	-	-
<b>Total Tanks</b>			-	<b>81,591</b>	<b>81,591</b>	<b>976,642</b>	<b>1,055,082</b>	<b>481,258</b>	<b>177,810</b>
		<b>Total</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>
		<b>Total Water System Improvements:</b>	<b>\$1,531,972</b>	<b>\$1,882,323</b>	<b>\$3,414,295</b>	<b>\$3,543,327</b>	<b>\$2,553,182</b>	<b>\$1,728,108</b>	<b>\$1,942,012</b>

VI. Board Designated Reserves and Forecasted Funds available for the Capital Improvement Plan

Valley of the Moon Water District	Forecasted Reserves (SCWA Passthrough 23-24)					
	Estimated Year End Actual	Proposed Budget	Forecast	Forecast	Forecast	Forecast
	22-23	23-24	24-25	25-26	26-27	27-28
<b>Revenue:</b>						
Beginning Enterprise Fund Balance	\$3,524,592	\$2,829,788	\$4,059,390	\$2,912,844	\$2,989,095	\$4,941,605
Annual CIP Allocation	2,494,893	682,323	3,183,327	2,178,782	1,338,732	1,537,061
Capacity Charges	123,262	1,200,000	360,000	374,400	389,376	404,951
FEMA Reimbursement					776,206	
Prop 1 Funds (for conservation)					123,027	
<b>Total</b>	<b>6,142,747</b>	<b>4,712,111</b>	<b>7,602,717</b>	<b>5,466,026</b>	<b>5,616,437</b>	<b>6,883,618</b>
<b>Less:</b>						
Capital Improvement Projects	(2,618,155)	(1,882,323)	(3,543,327)	(2,553,182)	(1,728,108)	(1,942,012)
Debt Service - Westamerica (principal)		-	-	-	-	-
Debt Service - I-Bank (principal)		-	-	-	-	-
Transfer from Undesignated Reserves to O&M	(694,804)	1,229,601	(1,146,546)	76,252	1,053,277	967,999
<b>Total Expenditures</b>	<b>(3,312,959)</b>	<b>(652,721)</b>	<b>(4,689,873)</b>	<b>(2,476,931)</b>	<b>(674,832)</b>	<b>(974,014)</b>
<b>Less Board Designated Reserves:</b>						
Operations & Maintenance Reserve (3 Months Operations)	1,425,000	1,509,932	1,592,000	1,682,000	1,778,000	1,880,000
Rate Stabilization Reserve	610,000	642,828	710,000	770,000	830,000	890,000
Capital Improvement Program	820,000	870,000	930,000	980,000	1,010,000	1,070,000
<b>Total Board Designated Reserves</b>	<b>2,855,000</b>	<b>3,022,761</b>	<b>3,232,000</b>	<b>3,432,000</b>	<b>3,618,000</b>	<b>3,840,000</b>
<b>Undesignated Reserves available for Capital Improvement Plan</b>	<b>\$(25,212)</b>	<b>\$1,036,629</b>	<b>\$(319,156)</b>	<b>\$(442,905)</b>	<b>\$1,323,605</b>	<b>\$2,069,604</b>

*A. Annual Revenue from Water Use and Service Charges:*

It is anticipated that the Board, through the annual budget process, will allocate funds each fiscal year to the Capital Improvement Plan (CIP) from revenues derived from water usage and service charges.

*B. Other Sources of Funds:*

Other capital improvement funds may be obtained from outside sources, such as Federal, State, or County grants, and/or loans. These funds can be budgeted only after such sources are “firmed up”. It is the policy of the District, that it will evaluate the use of loan funding, particularly for CIP projects, each year as part of its budget-making process.

Additional sources of funds include developer-funded projects. Often District water mains must be installed or upgraded as part of new development projects. These projects are not identified in the CIP as they are unknown at this time and are neutral in terms of income versus expense and result in contributed infrastructure. These projects are booked by the District at the project cost when completed and accepted then are reflected in the annual financial statement as “Contributions in Aid to Construction” and thereby become part of the District’s depreciable fixed assets.

Charges are also assessed at the time of connection for meters and service lines, fire hydrants, reduced pressure devices, and any other materials and features needed to be supplied by the District to accommodate the new connection. These charges compensate the District for actual cash outlays including associated labor and overhead. Income from these charges is not included in the budget but is booked at the time of receipt as “Contributions in Aid to Construction”.

VII. *Enabling Documents*

A. *RESOLUTION NO. 230601*

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT ADOPTING THE FISCAL YEAR 2023-2024 OPERATIONS AND MAINTENANCE BUDGET, BOARD DESIGNATED RESERVES AND DESIGNATING THE GENERAL MANAGER TO ACT AS TREASURER FOR THE DISTRICT

---

WHEREAS, the Valley of the Moon Water District (District) is required to adopt a final operations and maintenance (O&M) budget for the fiscal year 2023-2024; and

WHEREAS, In compliance with section 53607 of the Government Code, the General Manager will be considered the "Treasurer" of the District if so appointed by the Board of Directors annually.

WHEREAS, the Board of Directors of the District has created an ad hoc budget subcommittee and considered both a preliminary and final operations and maintenance budget; and

WHEREAS, the Board of Directors of the District set appropriate Board Designated Operating Reserve, Rate Stabilization Reserve, and Capital Reserve;

NOW, THEREFORE, BE IT RESOLVED that the final operations and maintenance budget packet in its entirety for fiscal year 2023-2024, Board Designated Operating Reserve, Rate Stabilization Reserve, and Capital Reserve levels made in accordance with the Reserve Policy are attached hereto and made a part hereof by reference and are hereby adopted and the General Manager is appointed as District Treasurer.

THIS RESOLUTION PASSED AND ADOPTED THIS 8<sup>th</sup> DAY OF JUNE 2023, by the following votes:

Director Rogers	<u>Aye</u>	By <u>Jim L. [Signature]</u> Board President
Director Foreman	<u>Aye</u>	
Director Bryant	<u>Aye</u>	By <u>[Signature]</u> Board Secretary
Director Yudin-Cowan	<u>Aye</u>	
Director Caniglia	<u>Aye</u>	
Ayes: <u>5</u> Noes: <u>0</u> Absent: <u>0</u> Abstain: <u>0</u>		

I HEREBY CERTIFY that the foregoing Resolution was duly adopted at a meeting of the Board of Directors of Valley of the Moon Water District, held on the 8<sup>th</sup> day of June 2023, of which meeting all Directors were duly notified and at which meeting a quorum was present at all times and acting.

By [Signature]  
Board Secretary



B. RESOLUTION NO. 230602

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT ADOPTING THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2023-2024 THROUGH 2027-2028 AND APPROVING FUNDS FOR FISCAL YEAR 2023-2024 CAPITAL IMPROVEMENT PLAN BUDGET

---

WHEREAS, it is desirable for the Valley of the Moon Water District (District) to have a five-year capital improvement plan (CIP) to provide policy and procedural guidance for planning and accomplishing improvements to the District's water system and capital equipment; and

WHEREAS, staff has prepared such a CIP for the fiscal years 2023-2024 through 2027-2028, and presented it to the Board of Directors, with recommendation to adopt the same.

NOW, THEREFORE, BE IT RESOLVED that the CIP for the fiscal years 2023-2024 through 2027-2028, attached hereto and made a part hereof by reference is hereby adopted.

BE IT FURTHER RESOLVED THAT funding for fiscal year 2023-2024 CIP budget is hereby approved.

THIS RESOLUTION PASSED AND ADOPTED THIS 8<sup>th</sup> DAY OF JUNE 2023, by the following votes:

Director Rogers	<u>Aye</u>	By <u>[Signature]</u> Board President	
Director Foreman	<u>Aye</u>		
Director Bryant	<u>Aye</u>	By <u>[Signature]</u> Board Secretary	
Director Yudin-Cowan	<u>Aye</u>		
Director Caniglia	<u>Aye</u>		
Ayes: <u>5</u>	Noes: <u>0</u>	Absent: <u>0</u>	Abstain: <u>0</u>

I HEREBY CERTIFY that the foregoing Resolution was duly adopted at a meeting of the Board of Directors of Valley of the Moon Water District, held on the 8<sup>th</sup> day of June 2023, of which meeting all Directors were duly notified and at which meeting a quorum was present at all times and acting.

By [Signature]  
Board Secretary