

2024-2025
ANNUAL BUDGET
ADOPTED 06/04/2024
RESOLUTIONS NO. 240601 & 240602

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 and Clayton Church
Administration Manager – Amanda Hudson
Finance Manager – Oscar Madrigal
District Counsel – Burke, Williams & Sorensen, LLP
District Auditor – Harshwal, LLP

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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, Fetters 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

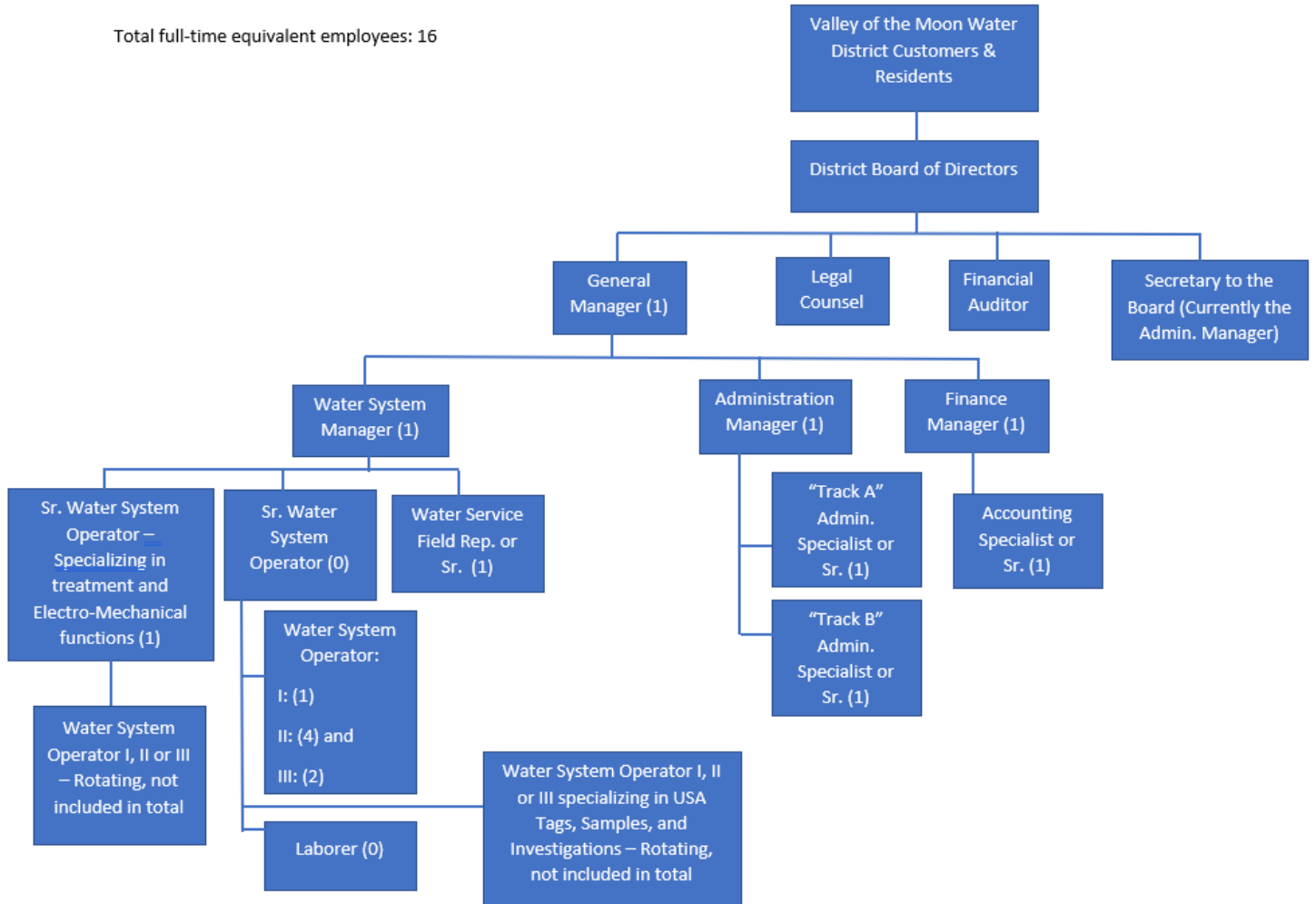
The Operations and Maintenance Department consists of a Water System Manager, eight Water Distribution/Treatment System Operators, and one Field Services Representative.

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 2024-2025 is projected to be \$8,670,218, including \$155,805 in estimated interest earnings. The total O&M expenses are projected to be \$6,391,013. This represents a 6% increase over FY 2023-2024 budget and would have been 1.5% without election expenses and increased purchased water costs. Total revenue less Operations & Maintenance (O&M) expenses is projected to be \$2,279,205 of which \$2,069,401 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 \$360,000.

The operating revenue (water rates and service charge) for FY 2024-2025 is projected to be \$8,436,790. This is an increase of \$674,987 from the FY 2023-2024 year-end estimated operating revenue and represents a 7% rate increase and a small rebound in water sales following the drought. The operating revenue projection is also based on the 2022 Rate Study carried out by NBS, and inclusive of the rate passthrough from FY 2023-2024 as a result of the larger than anticipated wholesale rate increase from Sonoma Water.

The net position of the O&M Budget at the end of FY 2024-2025 is anticipated to be \$209,804, which will partially fund the following year's CIP.

B. 2024-2025 Operations & Maintenance Budget Display

Valley of the Moon Water District Proposed Budget FY 2024-2025	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025
Revenues						
Interest Income	\$ 50,000	\$ 181,403	\$ 155,805	212%	-14%	
Gain on Sale of Assets	-	-	-	0%	0%	
Operating Revenue	7,814,166	7,761,803	8,436,790	8%	9%	
Backflow Testing Revenue	53,821	44,020	51,596			
Customer Penalties & Fees	23,211	64,325	23,640	2%	-63%	
Misc. Income	12,000	166,535	12,000	0%	-93%	
Leak Adjustments	(9,613)	(7,388)	(9,613)			
Total Revenue	7,943,586	8,210,697	8,670,218			
Expenses						
Salaries:						
O&M - Operating Wages	1,156,283	960,472	1,105,430	-4%	15%	
Stand-By	32,098	31,400	35,371	10%	13%	

Valley of the Moon Water District Proposed Budget FY 2024-2025	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025

Net O&M Operating Wages	1,188,380	991,872	1,140,801	-4%	15%	
Administration	688,660	687,677	768,149	12%	12%	
Total Salaries	1,877,041	1,679,550	1,908,949	2%	14%	
Weighted Wages Transferred to Capital Projects	(469,260)	(419,887)	(477,237)	2%	14%	
Net Operating Wages	1,407,781	1,259,662	1,431,712	2%	14%	<i>Net Wages used to calculate Net Position</i>
Benefits:						
O&M - Operating & Maintenance	226,708	227,499	243,149	7%	7%	Based on actual employee enrollment
Administration	128,668	125,743	128,662	0%	2%	Based on actual employee enrollment
Retirees	66,702	49,623	65,917	-1%	33%	Based on active retiree health plans
Total Benefits	422,078	402,864	437,727	4%	9%	
Mandatory Costs						
Workers Comp:						
Operating & Maintenance	55,671	47,367	39,683	-29%	-16%	Confirmed rate with ACWA/JPIA

Valley of the Moon Water District Proposed Budget FY 2024-2025						
	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025
Acct/Administration FICA/Medicare:	7,519	7,137	5,774	-23%	-19%	Confirmed rate with ACWA/JPIA
Operating & Maintenance	86,354	75,416	86,353	0%	15%	Proportionately to salaries.
Administration	50,662	46,177	54,759	8%	19%	Proportionately to salaries.
FICA/Medicare:						
Operating & Maintenance	86,354	75,416	86,353	0%	15%	Proportionately to salaries.
Administration	50,662	46,177	54,759	8%	19%	Proportionately to salaries.
District Portion/Retirement:						
Operating & Maintenance	100,007	92,432	96,880	-3%	5%	Proportionately to salaries.
Administration	77,033	75,020	83,438	8%	11%	Proportionately to salaries.
CalPERS Accrued Liability	235,000	229,834	272,276	16%	18%	District will save 3% by prepaying in July 2024 as a lump sum.
Total Mandatory Costs	612,245	573,383	639,164			
Travel & Training						
Operating & Maintenance	8,466	8,172	13,985	65%	71%	Includes WSM at ACWA

Valley of the Moon Water District Proposed Budget FY 2024-2025						
	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025
Administration	12,768	8,468	11,007	-14%	30%	Includes GM, FM & AM at ACWA
Total Travel & Training	21,234	16,640	24,992			
Board of Directors:						
Meeting Compensation	33,580	16,451	24,109	-28%	47%	Includes COLA
Travel & Training	9,363	3,562	4,111	-56%	15%	
Total Board Expenses	42,943	20,013	28,220			
Purchased Water						
Purchased Water	2,279,970	2,261,295	2,488,078	9%	10%	
GSA Fee	15,000	7,425	15,000	0%	102%	Sonoma Valley Groundwater Sustainability Agency (Estimated Fee)
Total Purchased Water	2,294,970	2,268,720	2,503,078	9%	10%	
Services & Supplies						
Safety & Clothing Allowance	24,573	16,685	12,534	-49%	-25%	
Vehicle Maintenance	9,150	24,553	16,099	76%	-34%	Increased to 3-year average actual.

Valley of the Moon Water District Proposed Budget FY 2024-2025	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025
Election Costs	-	-	62,203			Election year, dollar based on information from elections office. Contributes additional 1% to overall budget.
Employee Relations	4,570	5,265	5,493	20%	4%	
Legal Fees	84,000	115,583	73,935	-12%	-36%	Includes only base this year.
SDC Expenses	30,000	18,648	30,000	0%	61%	Moved some of the legal expenses to SDC.
HR Expenses	10,000	5,727	5,163	-48%	-10%	Moved some of the legal expenses to HR.
Engineering General Support	3,830	9,700	3,955	3%	-59%	
Advertising	4,000	9,112	1,033	-74%	-89%	
Outside Services	43,143	29,295	35,025	-19%	20%	
Outside Services BackFlow	53,821	-	51,596			
Annual Audit	20,651	10,326	21,323	3%	107%	
Bad Debts/Collections	16,000	7,639	13,788	-14%	81%	
Building MTNC.	11,026	21,432	9,825	-11%	-54%	
Dues and Subscriptions	26,801	26,359	29,206	9%	11%	
Equipment MTNC./Repairs	30,856	27,019	25,157	-18%	-7%	
Fees (County/State)	71,248	70,529	74,975	5%	6%	
Fuel	34,739	36,549	38,550	11%	5%	
Bank Charges	16,003	19,601	18,585	16%	-5%	
Liability Ins. (Incl. Losses)	87,664	87,556	104,280	19%	19%	
Postage	26,600	21,933	26,600	0%	21%	
Public Information	5,723	4,805	5,567	-3%	16%	

Valley of the Moon Water District Proposed Budget FY 2024-2025						
	Approved Budget	Estimated Year End Actual	Proposed Budget			
	2023-2024	2023-2024	2024-2025	% change from previous budget	% change from estimated year end actual	Forecasting Notes & Significant Changes for 2024-2025
Service Contracts	82,511	62,581	82,124	0%	31%	
Office Supplies	11,485	6,127	9,043	-21%	48%	
Telephone-Internet	16,980	17,119	18,444	9%	8%	
Small Tools & Equipment	30,812	35,388	28,612	-7%	-19%	
Trash Disposal	6,357	6,975	7,046	11%	1%	
Utilities - PG&E	170,240	195,959	210,044	23%	7%	
Professional Services	123,211	40,615	111,060	-10%	173%	Includes AWSDA, LHMP, and regional UWMP effort this year.
Water Testing	48,076	37,360	46,271	-4%	24%	Includes UCMR 5
Water Main Maintenance	48,412	5,439	51,162	6%	841%	Budgeted on average.
Service Line Maintenance	10,959	4,276	11,315	3%	165%	Budgeted on average.
Hydrant Repairs	4,256	1,166	4,394	3%	277%	Budgeted on average.
Misc. System Maintenance	7,858	11,176	5,525	-30%	-51%	Budgeted on average.
Wells Maintenance	13,723	10,264	20,777	51%	102%	Includes \$4500 of additional one-time cost.
Pump Maintenance	10,621	19,533	11,364	7%	-42%	Budgeted on average.
Storage Tank Maintenance	8,512	12,080	12,906	52%	7%	Budgeted on average.
Water Conservation Program	19,000	8,665	28,084	48%	224%	Includes \$19K Billing Data Audit but decided to push \$30K Leak detection Survey back a year.
Equipment Replacement	3,000	2,701	3,057	2%	13%	
Total Services & Supplies	1,230,411	1,045,739	1,326,120	8%	27%	
Total Expenses	6,031,661	5,587,020	6,391,013	6%	14%	This 6% would have been 1.5% without election expenses and increased purchased water costs.

Revenues Less Expenses	1,911,924	2,623,677	2,279,205	19%	-13%
O&M Allocation to CIP	(682,323)	(682,323)	(2,069,401)		
Net Position	1,229,601	1,941,354	209,804		

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 2024-2025 through 2028-2029. The basis for the plan is "The Water Master Plan" by EKI, January 2019, the "Energy Evaluation and Prioritized Pump Replacement Plan" prepared by STEA, February 2024, and capital projects and purchases known to be a priority at the time of the creation of this budget.

Resolution No. 240602 authorizes the budget for the first year of CIP (FY 2024-2025) for \$3,342,349, of which \$912,948 is rollover funded by FY 2023-2024 and \$2,429,401 is new CIP. The largest factor contributing to the high level of rollover funding is the timing of completion of the new Park Avenue well outfitting, which will need to occur after the feasibility study and pilot testing of ASR there. The projected CIP needs for fiscal years 2024-2025 through 2028-2029 have been reviewed by the Board and are considered best estimates at this time.

Significant projects in the CIP for FY 2024-2025 include:

- A seismic vulnerability assessment
- A water plant and transmission system OPC for the SDC site
- Finalizing the Altamira Fire Flow Improvement design work
- Designing a new production well at Chestnut
- Finalizing the Park Avenue Well outfitting; and
- The recoating of the Temelec 1-million-gallon tank

B. 2024-2025 Capital Improvement Plan Display

Project #	Project	Improvement Description	CIP Roll Over 2023/24	Proposed CIP 2024/25	Total CIP Budget 2024/25	2 2025/26	3 2026/27	4 2027/28	5 2028/29
Facilities and Maintenance Projects									
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.	-	-	-	86,458	-	-	-
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.	-	-	-	115,278	65,070	66,781	68,538
CIP-6001	New Services	Customer pays 100%.	-	-	-	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
CIP-6004	All Service Replacements	All service replacements combined.	-	59,000	59,000	59,000	59,000	59,000	59,000
CIP-8100	Valve Replacement Program	Valve replacement for system reliability and control.	-	59,000	59,000	59,000	59,000	59,000	59,000
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.	-	-	-	-	-	-	300,000
CIP-3047	Seismic Vulnerability Assessment (LHMP)	From LHMP. District to pay 100% of assessment. District will seek FEMA grant funds for resulting projects.	21,758	228,242	250,000	-	-	-	-
CIP-3050	Lead Service Line Inventory	LCRR - Required by federal EPA.	-	73,010	73,010	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
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.	-	-	-	-	443,660	-	-
TBD	Small Dump Truck Replacement	Move to Diesel	-	-	-	-	-	-	124,614
TBD	Facility cameras replace all/ same brand		-	-	-	23,056	-	-	-
TBD	Spare Generator purchase	In case of failure in generator (The District operates many older generators that may fail at any time).	-	109,007	109,007	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
TBD	IPMHG Assessment	Assess the value of installing in pipe micro hydro generators at specific locations in the distribution system. This may lead to further engineering and equipment purchases.	-	8,000	8,000	-	-	-	-
CIP-2991	GPS Facilities	Finish GPSing the meters and valves. Assumes \$50 per location.	-	59,000	59,000	59,000	59,000	59,000	-
TBD	District Device upgrade	Equipment upgrades needed to facilitate mobile work order systems. Includes mounting, software, 3 laptops, 1 desktop, 2 iPads.	-	21,384	21,384	-	-	-	-
TBD	Temelec Area Irrigation service line abandonment	Re-evaluate after first year for future funding.	-	59,000	59,000	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
TBD	1-1/2 & 2" PB service line replacement	Re-evaluate after first year for future funding.	-	59,000	59,000	59,000	-	-	-
TBD	Boardroom Upgrade		-	40,436	40,436	-	-	-	-
TBD	Electric Forklift	6,000 LB capacity with pneumatic tires	-	-	-	-	79,267	-	-
TBD	Roof Repair on Main Office Building	Leaking roof caused framing damage.	-	44,929	44,929	-	-	-	-
TBD	SDC Evaluation	Evaluate water treatment plant and transmission systems for needed upgrades and provide OPC for construction.	-	280,809	280,809	-	-	-	-
TBD	Placeholder	vehicles/equipment etc.	-	-	-	194,811	228,201	303,552	311,536
Total Facilities and Maintenance Projects			71,758	1,100,818	1,172,576	655,602	993,198	547,334	922,688

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
Pipeline Projects									
CIP-3022	WMP: P-7. Altamira Middle School Fire Flow Improvement	Replace existing 6-inch and 8-inch PVC and ACP water mains with new 12-inch PVC water mains along Arnold Drive, replace existing 6-inch pipe with new 8 and 12-inch pipe adjacent to Altamira Middle School, replace 15 existing service connections, and replace three existing fire hydrants.	54,394	-	54,394	1,800,000	1,800,000	-	-
CIP-3023	WMP: P-8. Upper Sobre Vista Fire Flow Improvement	Replace existing 6-inch PVC and HDPE water mains with new 8-inch PVC water mains, and replace two existing fire hydrants.	-	-	-	-	236,619	947,083	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
TBD	Madrone 4" ACP Replacement (NOT IN 2019 WMP)	Replace existing 4-inch ACP water mains with new 8-inch PVC water mains, replace 78 existing service connections, and replace existing fire hydrants in the Madrone/Glenwood area. District to coordinate with Fire Department to determine if additional hydrants are needed. These hydrants would be funded by the Fire Department.	-	-	-	-	-	303,552	1,433,063
TBD	Oleander Hill - Steel Pipe	Replace or abandoned steel pipe.	-	-	-	-	59,000	-	-
TBD	Richards - Steel Pipe	Replace or abandon steel pipe.	-	-	-	-	-	59,000	-
TBD	Carmel - Steel Pipe	Replace or abandon steel pipe.	-	-	-	-	-	-	59,000
Total Pipeline Projects			54,394	-	54,394	1,800,000	2,095,619	1,309,635	1,492,063

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
Wells, Pumping, & Supply									
CIP-2987-1	Chestnut Exploratory Well. Drill & Develop production well.	Develop a minimum 100gpm District owned Well. Phase 1, Rolling over funds from FY23/24 for engineering of the final production well. If funded starting FY25/26.	165,512	-	165,512	600,000	76,760	76,760	76,760
CIP-2987-2	Chestnut Exploratory Well. Outfit and add treatment system.	Develop a minimum 100gpm District owned Well. Phase 2	-	-	-	-	135,640	135,640	135,640
CIP-2989	Redrill Park	Drilled next to & operated with existing well. Develop a minimum 100gpm District owned Well.	578,328	-	578,328	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
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	-	-	-	-	-	303,552	280,382
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 this case, the existing generator would turn on and supply the power needed. This would reduce 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.)	42,956	-	42,956	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
TBD	Recommended in Energy Eval report 2024 - Donald well pump replacement	Replace well pump with high efficiency, add VFD, video well, replace column pipe & add sounding tube.	-	77,300	77,300	-	-	-	-
TBD	Recommended in Energy Eval report 2024 - Hannah BPS	Replace both pumps with high efficiency, (In house staff). Includes \$7K for two Badger meters that will allow SCADA and AMI data.	-	32,574	32,574	-	-	-	-
TBD	Recommended in Energy Eval report 2024 - Agua Caliente well pump replacement	Replace well pump with high efficiency, add VFD, video well, replace column pipe & add sounding tube.	-	-	-	-	103,402	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
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.	-	-	-	34,583	-	-	-
TBD	Add SCADA to Larbre well	Improve data and controllability.	-	16,849	16,849	-	-	-	-
Placeholder	Future pump replacements	This will result in further projects from the 2024 Energy Evaluation report.	-	-	-	23,056	-	24,284	24,923
Total Wells			786,796	126,722	913,519	657,639	315,802	540,236	517,705

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
Tanks									
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.	-	-	-	-	473,237	242,842	242,842

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
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. Includes \$50K for two electric water mixers.	-	-	-	1,095,136	-	-	-
CIP- 3031	Temelec 1M Tanks Recoating & Railing	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 tanks and Chestnut tank. Includes \$200K for road paving at Temelec.	-	1,185,012	1,185,012	-	-	-	-

Project #	Project	Improvement Description	CIP Roll Over	Proposed CIP	Total CIP Budget	2	3	4	5
			2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
TBD	Replace section Sobre Vista 30K roof.		-	16,849	16,849	-	-	-	-
TBD	Tank Cleaning & Inspection	All tanks	-	-	-	-	59,155	-	-
Total Tanks			-	1,201,860	1,201,860	1,095,136	532,392	242,842	242,842
		Total	FY 23-24	FY 24-25	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
		Total Water System Improvements:	\$912,948	\$2,429,401	\$3,342,349	\$4,208,377	\$3,937,011	\$2,640,046	\$3,175,297

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

Valley of the Moon Water District	Forecasted Reserves					
	Estimated Year End Actual	Proposed Budget	Forecast	Forecast	Forecast	Forecast
	23-24	24-25	25-26	26-27	27-28	28-29
Revenue:						
Beginning Enterprise Fund Balance	\$ 1,941,883	\$ 3,984,755	\$ 4,194,559	\$ 2,887,628	\$ 2,790,197	\$ 3,372,227
Annual CIP Allocation	682,323	2,069,401	3,833,977	3,547,635	2,235,095	2,754,148
Capacity Charges	1,200,000	360,000	374,400	389,376	404,951	421,149
FEMA Reimbursement				776,206		
Prop 1 Funds (for conservation)	101,518					
Total	3,925,724	6,414,156	8,402,936	7,600,845	5,430,243	6,547,525
Less:						
Capital Improvement Projects	(1,882,323)	(2,429,401)	(4,208,377)	(3,937,011)	(2,640,046)	(3,175,297)
Transfer from Undesignated Reserves to O&M	1,941,354	209,804	(1,306,931)	(873,638)	582,030	(69,241)
Total Expenditures	59,031	(2,219,597)	(5,515,308)	(4,810,648)	(2,058,016)	(3,244,538)
Less Board Designated Reserves:						
Operations & Maintenance Reserve (3 Months Operations)	1,509,932	1,597,753	1,682,000	1,778,000	1,880,000	1,987,000
Rate Stabilization Reserve	642,828	722,518	770,000	830,000	890,000	950,000
Capital Improvement Program	870,000	930,000	980,000	1,010,000	1,070,000	1,120,000
Total Board Designated Reserves	3,022,761	3,250,271	3,432,000	3,618,000	3,840,000	4,057,000
Undesignated Reserves available for Capital Improvement Plan	\$ 961,995	\$ 944,288	\$ (544,372)	\$ (827,803)	\$ (467,773)	\$ (754,014)

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. 240601*

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT ADOPTING THE FISCAL YEAR 2024-2025 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 2024-2025; 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 2024-2025, 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 4th DAY OF JUNE 2024, by the following votes:

Director Rogers

Nay

Director Foreman

Aye

Director Bryant

Aye

Director Yudin-Cowan

Nay

Director Caniglia

Aye

By Jim Z. Z...
Board President

By W. Hudson
Board Secretary

Ayes: 3 Noes: 2 Absent: 0 Abstain: 0

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 4th day of June 2024, of which meeting all Directors were duly notified and at which meeting a quorum was present at all times and acting.

By W. Hudson
Board Secretary

B. RESOLUTION NO. 240602

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY OF THE MOON WATER DISTRICT ADOPTING THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2024-2025 THROUGH 2028-2029 AND APPROVING FUNDS FOR FISCAL YEAR 2024-2025 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 2024-2025 through 2028-2029, 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 2024-2025 through 2028-2029, attached hereto and made a part hereof by reference is hereby adopted.

BE IT FURTHER RESOLVED THAT funding for fiscal year 2024-2025 CIP budget is hereby approved.

THIS RESOLUTION PASSED AND ADOPTED THIS 4th DAY OF JUNE 2024, by the following votes:

Director Rogers

Nay

Director Foreman

Aye

Director Bryant

Aye

Director Yudin-Cowan

Nay

Director Caniglia

Aye

By 
Board President

By 
Board Secretary

Ayes: 3 Noes: 2 Absent: 0 Abstain: 0

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 4th day of June 2024, of which meeting all Directors were duly notified and at which meeting a quorum was present at all times and acting.

By 
Board Secretary