

REVIEW: Overview of Significant Items
General Budget FY 2021-22
(a primer for the 2022-23 budget)



Strategic Plan 2019

- | | |
|--------|--|
| Goal 1 | Regional Water Supply Plan |
| Goal 2 | Effective Communication of Agency's strategy and mission |
| Goal 3 | Sustainable Groundwater Management Act Implementation |
| Goal 4 | Infrastructure Plan |
| Goal 5 | Financial Plan |

2021-22 FY Projects

- ~~GSA Support~~ – 2 Plans adopted
 - Infrastructure Plan – Phase 2
 - ~~Grant Support~~ – Consultant team onboard
 - ~~Small Systems Assistance Program~~ – Initiated, can be expanded
 - ~~Backbone Infrastructure Study and Design~~ – Initiated, ongoing
 - ~~Calimesa Area Recharge~~ – Property purchase, ongoing
 - ~~Bunker Hill Banking & Recovery Program~~ – Initiated, ongoing
 - ~~Income Study~~ – Initiated, ongoing
 - ~~Boardroom Upgrades~~ – Initiated, ongoing
 - ~~Headquarters Improvements~~ – Some done, some not
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- ~~Local Supplies~~ – Acquisition in process, may need additional supply
 - ~~Sites Reservoir~~ – Approved final planning costs
 - ~~Delta Tunnel~~ – Approved final planning costs

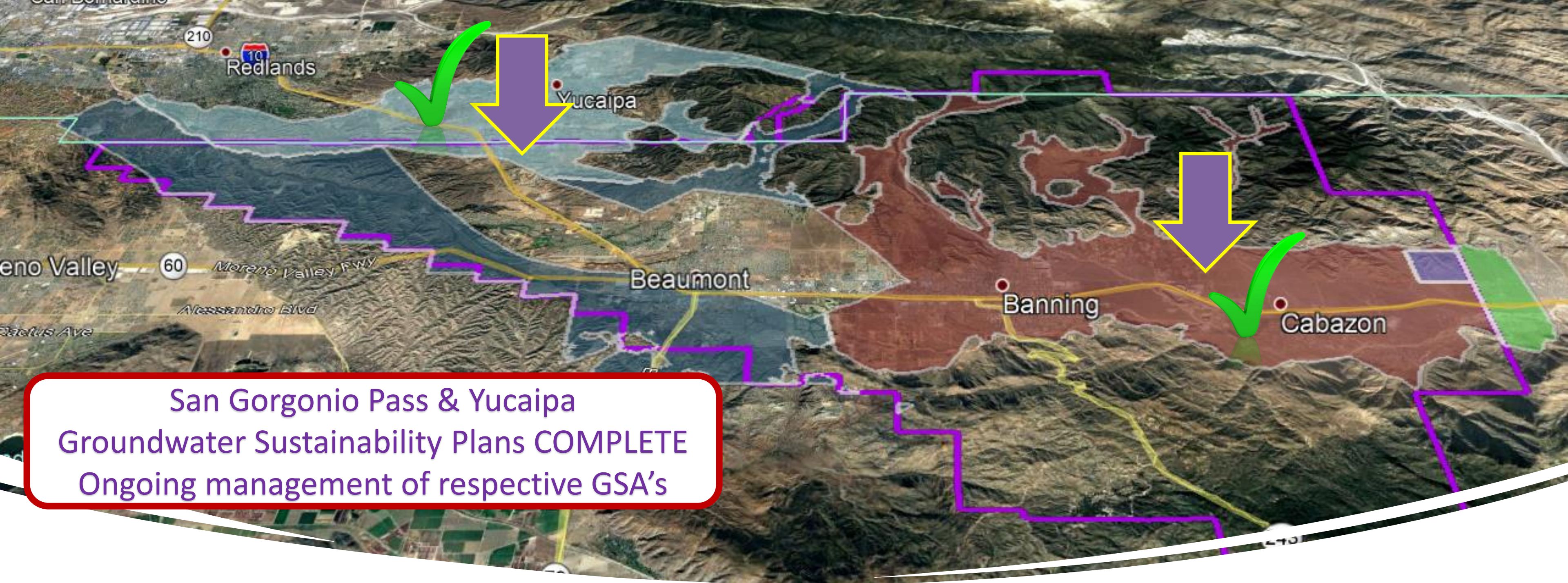




Staffing

- ~~Water Resource Specialist — Full Time~~
- ~~Bookkeeping Support — Part Time/Temp~~
- Additional Position?

Part-Time Bookkeeping Support should
transition to permanent status
May need additional staff to support projects



San Gorgonio Pass & Yucaipa
Groundwater Sustainability Plans COMPLETE
Ongoing management of respective GSA's

Yucaipa GSA and San Gorgonio GSA

- First major reports were due 1/2022
- Will need ongoing monitoring and reporting to State
- Most start up costs covered under existing grants
- Both planning areas managed by consultants
- More involved in the San Gorgonio Pass GSA

This needs more attention, especially with the recent acquisition of additional Table A.

Infrastructure Plan (Phase 2)

- First Phase Completed late 2020 (on hold pending 2020 UWMP)
 - [See October 12, 2020 Engineering Workshop](#)
- Deals with external projects with regards to local supply
- Identifies liabilities as well as projects/actions needed for future supply
- Will need to be refined based on 2020 UWMP projections and changing landscape in CA water
- Inclusion of respective retailer's UWMP projections may be beneficial
- Includes optimization of regional (wholesale and retail) investments, Sites water

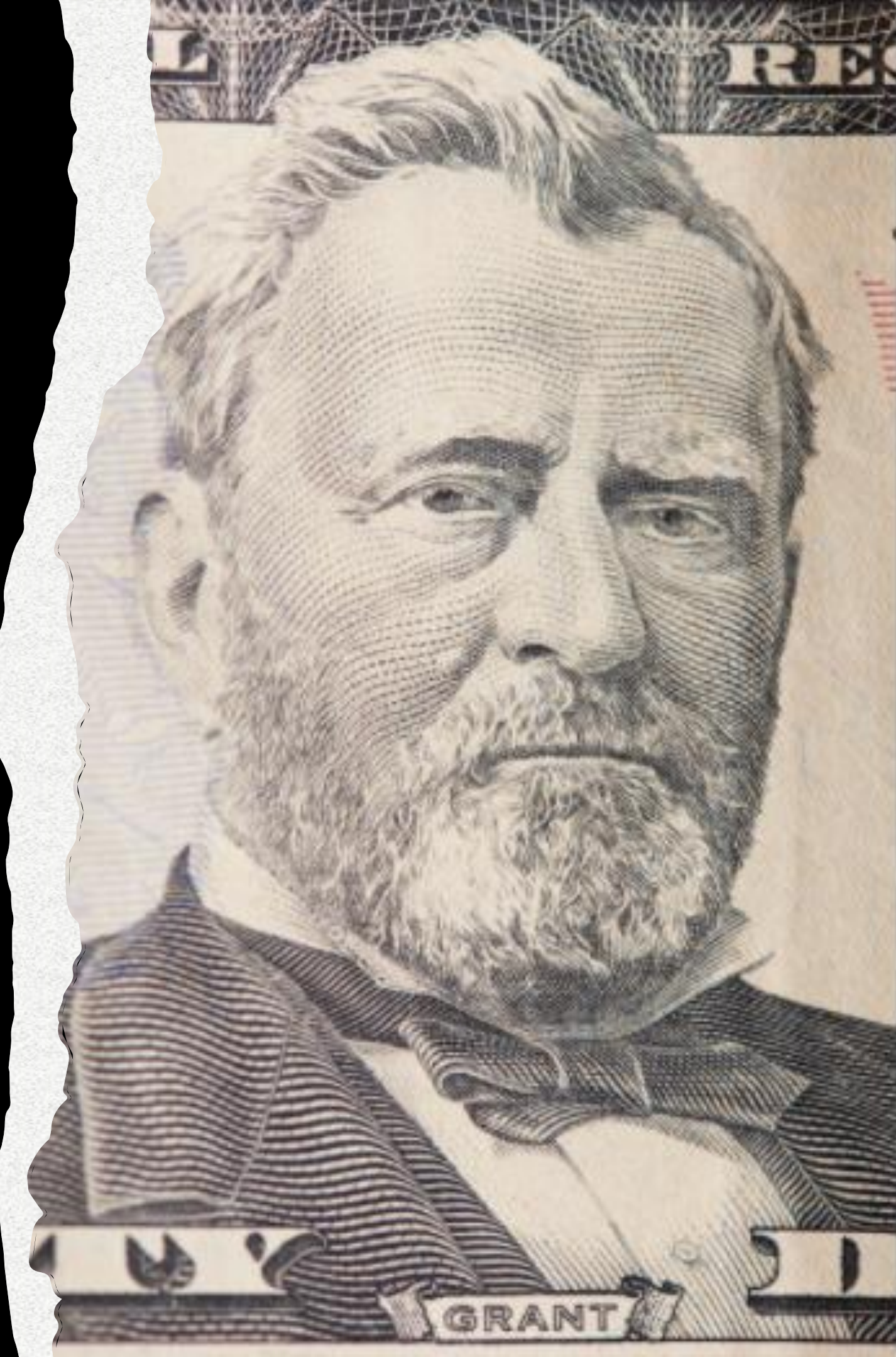
Photo: Pearblossom Pumping Plant, East Branch, east of Palmdale
Known capacity limitation identified in the Phase 1 Infrastructure Plan

**May span multiple fiscal-years*

Grant consultant and advocacy support selected.
More emphasis will be put on this area now that
projects are better defined over the last 2 years

Grant Support

- State/Fed quickly moving into a funding cycle
- Likely the best opportunity to fund projects over next several years
- Professional grant consultants yield higher degree of success
- Success depends on front-side positioning to locate and fit projects into various funding mechanisms
 - \$75K
 - *Average grant application \$20-25K*





Federal Advocate

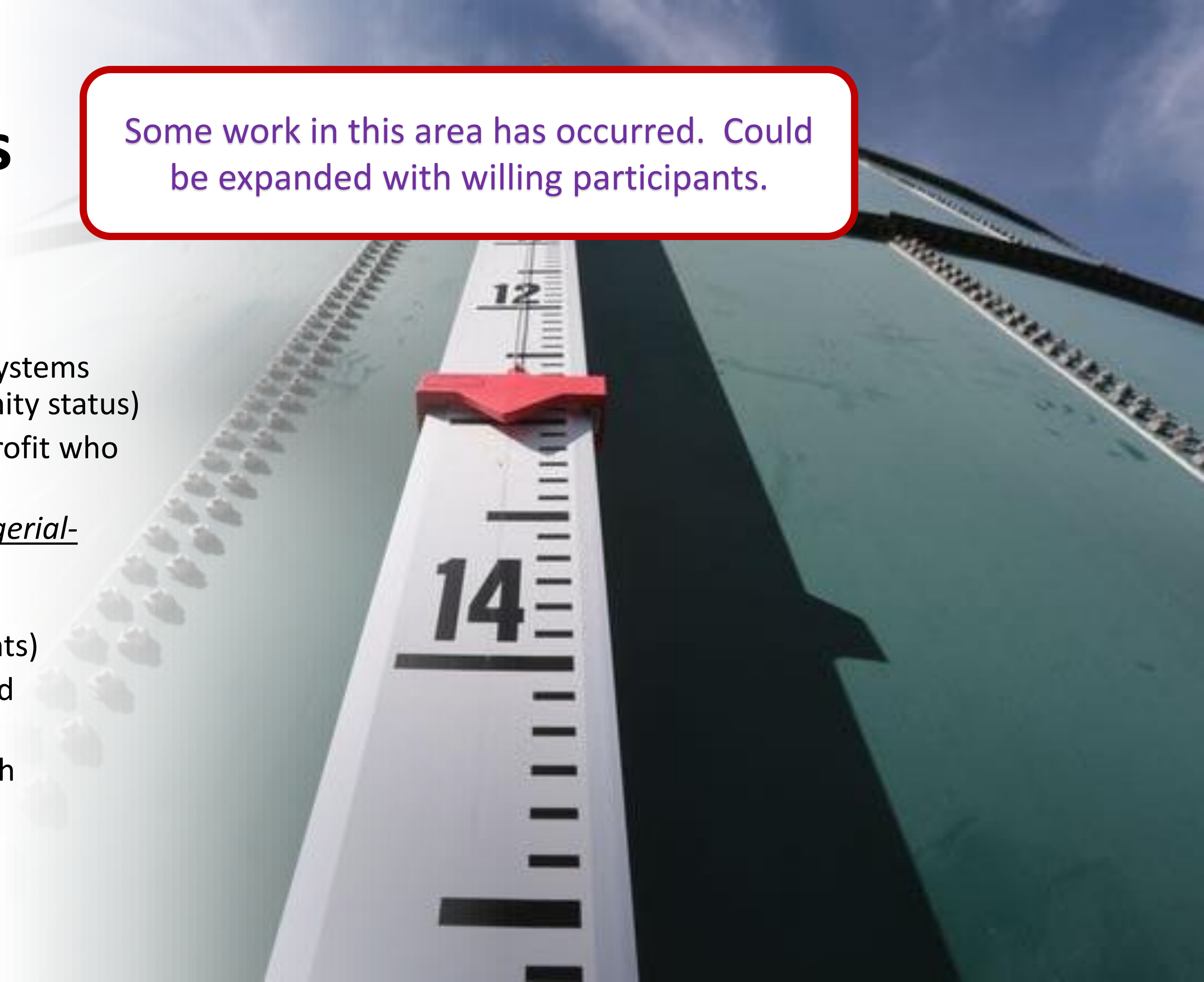
- Represents Agency to promote support for funding capital improvements
- Important for “Big Ticket” projects
- Used for a specific purpose to garner high-level project support

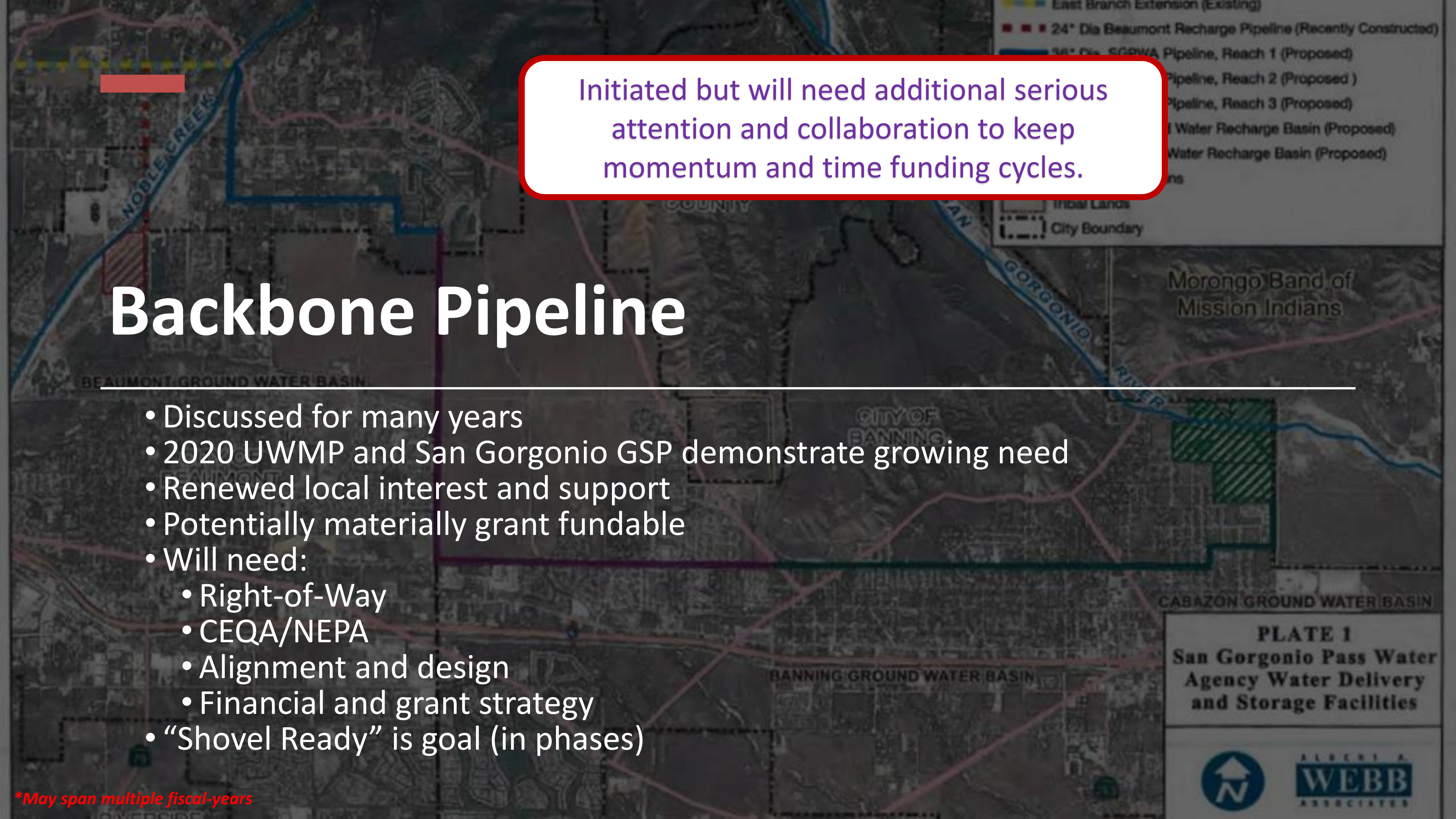
Grant consultant and advocacy selected. More emphasis will be put on this area now that projects are better defined over the last 2 years

Small Systems Support

Some work in this area has occurred. Could be expanded with willing participants.

- Focuses on local small water systems (many disadvantaged community status)
- Works with established non-profit who caters to work
- Foundational Technical-Managerial-Financial (TMF) support
- Conduit between local needs state/federal support (i.e. grants)
- Well established successful and recognized model for support
- Return on investment very high





Initiated but will need additional serious attention and collaboration to keep momentum and time funding cycles.

Backbone Pipeline

- Discussed for many years
- 2020 UWMP and San Gorgonio GSP demonstrate growing need
- Renewed local interest and support
- Potentially materially grant fundable
- Will need:
 - Right-of-Way
 - CEQA/NEPA
 - Alignment and design
 - Financial and grant strategy
- “Shovel Ready” is goal (in phases)

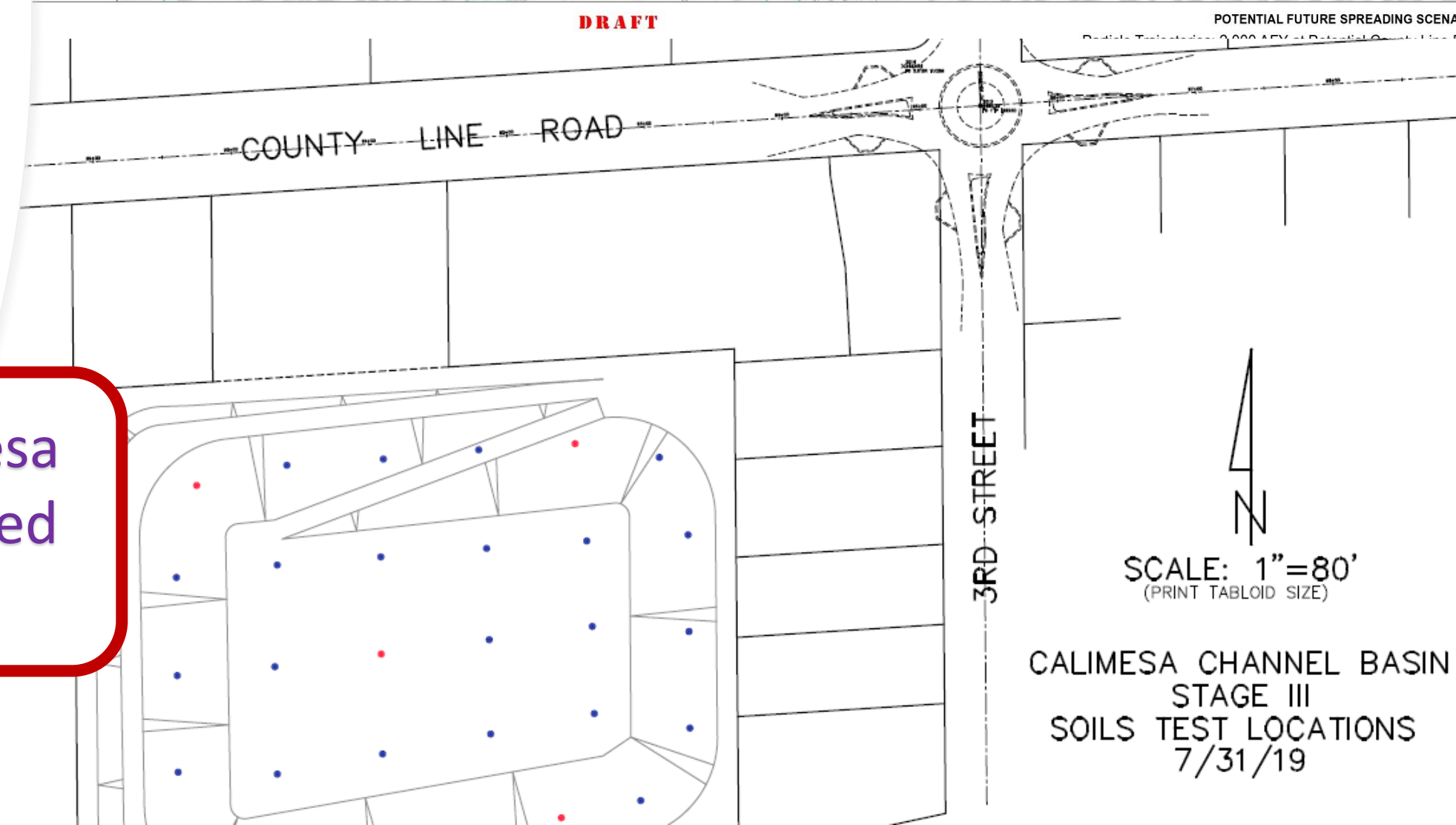
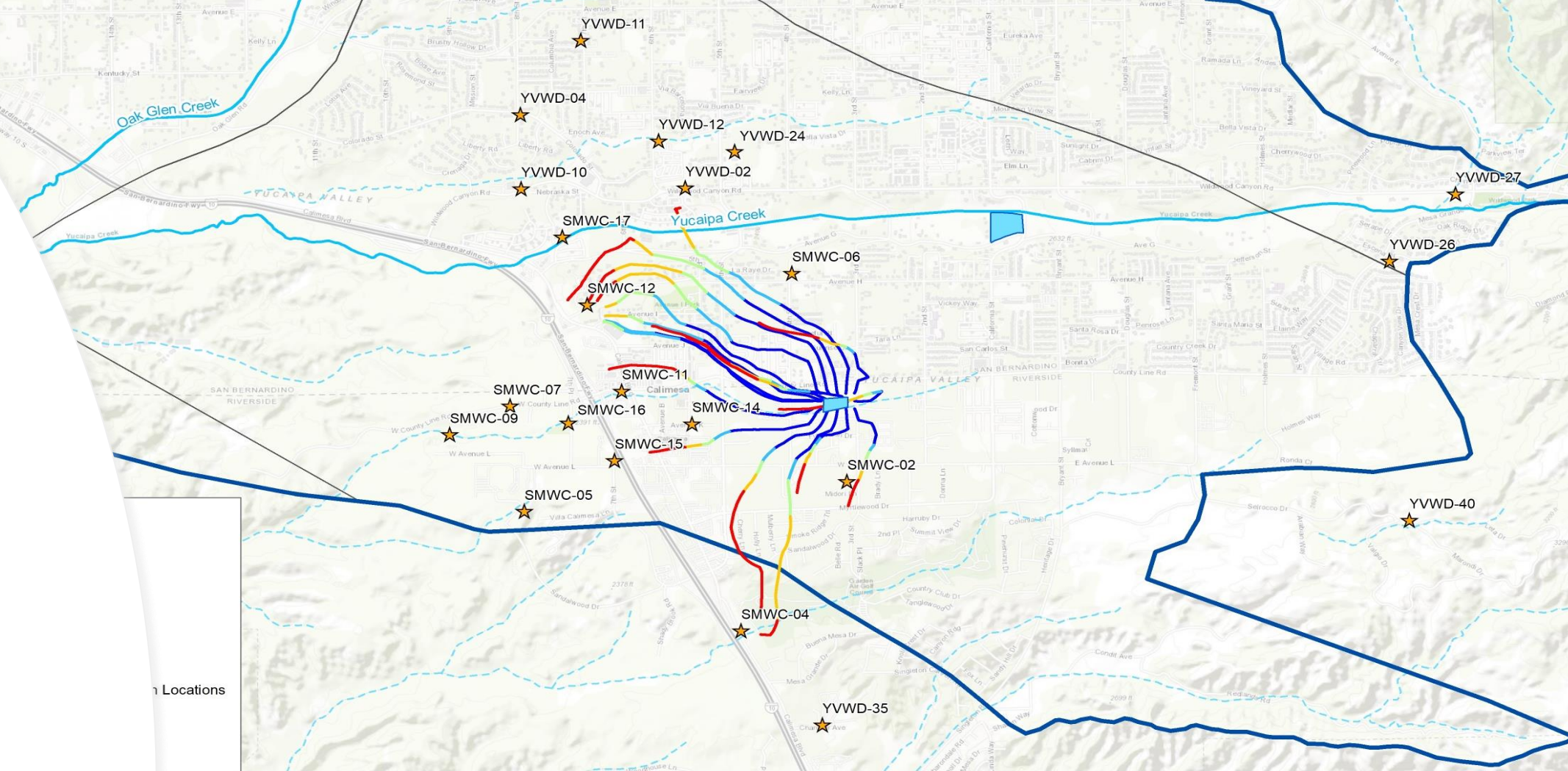
**May span multiple fiscal-years*



South Mesa Recharge

- 4-acre multi-purpose basin
- Calimesa, County Flood, SBVMWD, SMWD and SGPWA
- Flood, Recharge and other benefits
- Some design and feasibility done

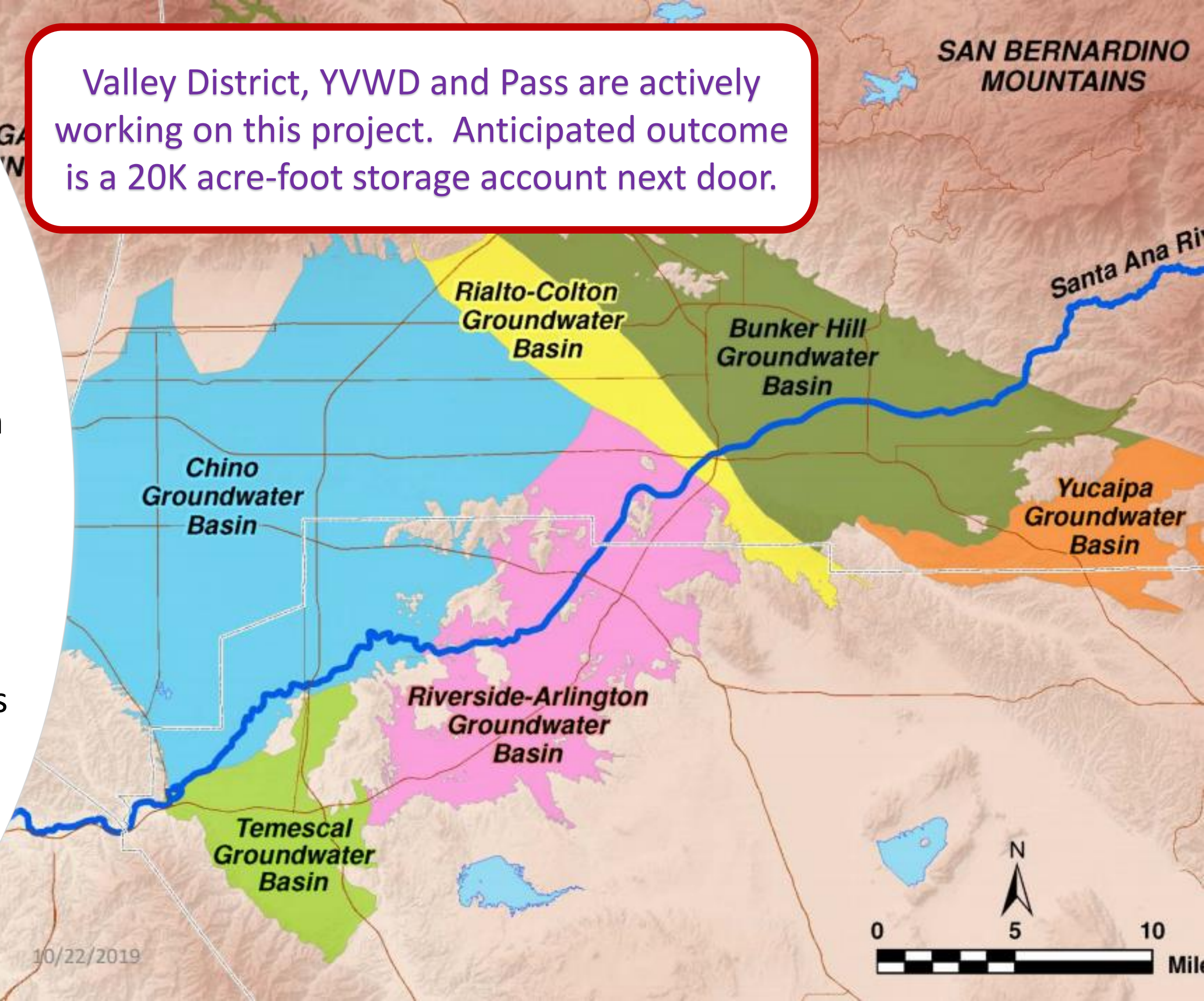
Property purchased. Valley District and South Mesa are partnering on the project. Final Design initiated and then pursue grants to construct.



Three-Party Deal (Bunker Hill)

- Agreement to bank water in Bunker Hill Basin
- Principles of Agreement Drafted
- Some technical challenges
- Will need local support via Valley District's stakeholders

Valley District, YVWD and Pass are actively working on this project. Anticipated outcome is a 20K acre-foot storage account next door.



Initiated and work will continue in FY 2022-23.
The conversation has become more complex as
the supply portfolio and supply infrastructure
investments have been expanded.

Income Study

- Develop a fair and reliable rate structure
- Business certainty all the way around
- Evaluates tax/income trends against needs
- Evaluates other sources of income (e.g. capacity fee) against fiscal needs
- Transparent process (no surprises)
- Plugs into financial model



Agency Audio/Video Update

- Update Boardroom/Conference room IT
- Leverage experience of 1+ year of remote meetings
- Meetings and participation has changed
- Facilitate “New Normal”
- Facilitate remote participation
- Accessibility and convenience

Audio/Video solution selected. Boardroom modifications current. Expected completion early in FY 2022-23.

May add Boardroom furniture in FY 2022-23.



Maintenance and Improvements

- ~~Paint Building~~
- Demonstration Garden
- Power Backup





Schedule

May 9, 2022 — Board Meeting
Recap of 2021-22 FY and Discussion

May 16, 2022 – Workshop
Discuss 2022-23 FY General Fund Budget

May 23, 2022 – Board Meeting*
Discuss 2022-23 FY General Fund Budget

June 13, 2022 – Board Meeting*
Discuss 2022-23 FY General Fund Budget

June 27, 2022 – Board Meeting*
Discuss 2022-23 FY General Fund Budget

**Possible Adoption*