



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

**CALL OF SPECIAL MEETING
OF THE FINANCE AND AUDIT COMMITTEE
of the Board of Directors
NOTICE AND AGENDA**

*The President of the Board of Directors has called a Special Meeting
This meeting is hereby noticed pursuant to
California Government Code Section 54950 et. seq.*

Thursday, October 15, 2026 – 2:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223

TELECONFERENCE NOTICE

*The BCVWD F&A Committee members will attend in person
at the BCVWD Administrative Office.*

*The meeting is available to the public via Zoom video teleconference
To access the Zoom conference, use the link below:*
<https://us02web.zoom.us/j/81357113079?pwd=QTZYV2RZTVBNQ1lqQ2FkTEpXNFdUUT09>

To telephone in, please dial: (669) 900-9128
Enter Meeting ID: 813 5711 3079
Enter Passcode: 346756

*For Public Comment, use the “Raise Hand” feature if on the video call when
prompted. If dialing in, please dial *9 to “Raise Hand” when prompted*

BCVWD provides remote attendance options primarily as a matter of convenience to the public. Unless a Board member is attending remotely pursuant to provisions of GC 54953 et. seq., BCVWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the Zoom teleconference or call-in line listed on the agenda. Members of the public are encouraged to attend BCVWD meetings in person at the above address, or remotely using the options listed.

Meeting materials will be available on the BCVWD’s website:
<https://bcvwd.gov/document-category/fa-committee-agendas/>

FINANCE & AUDIT COMMITTEE SPECIAL MEETING – October 15, 2026

CALL TO ORDER

ROLL CALL

	David Hoffman, Chair
	Lona Williams

	John Covington (alternate)
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PUBLIC COMMENT

PUBLIC COMMENT: RAISE HAND OR PRESS *9 for Public Comment or to request to speak when prompted. At this time, any person may address the Finance and Audit Committee only on matters within its jurisdiction which are on the agenda. Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

ACTION ITEMS

1. **Adjustments to the Agenda:** In accordance with Government Code Section 54954.2, additions to the agenda require a 2/3 vote of the legislative body, or if less than 2/3 of the members are present, a unanimous vote of those members present, which makes the determination that there is a need to take action, and the need to take action arose after the posting of the agenda.
 - a. Item(s) to be removed or continued from the Agenda
 - b. Emergency Item(s) to be added to the Agenda
 - c. Changes to the order of the agenda
2. **Review of the Draft Fiscal Year 2027 Operating Budget Revenues and Expenses** (pages 4 - 16)
3. **Review of the Draft Fiscal Year 2027 Operating Budget Narratives Sections** (Pages 17 - 46)

ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Finance and Audit Committee in connection with a matter subject to discussion or consideration at a meeting of the Finance and Audit Committee are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office") during business hours, Monday through Thursday from 7:30 a.m. to 5 p.m. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Office at the same time or within 24 hours' time as they are distributed to all or a majority of the Board of Directors, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available in the Board Room at the District Office. Materials may also be available on the District's website: www.bcvwd.gov.

REVISIONS TO THE AGENDA - In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 24 hours before the special Finance and Audit Committee Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District Office, located at 560 Magnolia Avenue, Beaumont, California, up to 24 hours prior to the special Finance and Audit Committee Meeting.

REQUIREMENTS RE: DISABLED ACCESS - In accordance with Government Code §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the District Office, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. The District Office may be contacted by telephone at (951) 845-9581, email at info@bcvwd.gov or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

CERTIFICATION OF POSTING: A copy of the foregoing notice was posted near the regular meeting place of the Finance and Audit Committee of the Beaumont-Cherry Valley Water District and to its website at least 24 hours in advance of the meeting (Government Code §54954.2(a)).



**Beaumont-Cherry Valley Water District
Special Finance and Audit Committee
Meeting
October 15, 2026**

Item 2

STAFF REPORT

TO: Finance and Audit Committee

FROM: Finance and Administration Department

SUBJECT: Review of the Draft Fiscal Year 2027 Operating Budget Revenues and Expenses

Staff Recommendation

Review the proposed Draft Fiscal Year 2027 Operating Budget revenues and expenses and provide direction to staff as appropriate.

Executive Summary

Staff has prepared the estimated revenues and expenses for the Draft Fiscal Year 2027 Operating Budget, which include proposed organizational and personnel changes. The proposed figures are being presented separately from the draft budget document to provide the Finance and Audit Committee an opportunity to review the financial recommendations and provide direction. Following the Committee's review, staff will incorporate the feedback received and prepare a draft budget document for presentation at the November 5, 2026, Finance and Audit Committee meeting, followed by the November Board of Directors budget presentation.

Background

The 2027 revenue projections are based on staff's evaluation of historical water production and sales trends, the water rate increase effective January 1, 2027, anticipated District growth, and prudent estimates of investment earnings.

The 2027 expense projections are based on historical and current expenditure trends, anticipated inflationary impacts, recommendations from the water rate study, and proposed personnel changes to address District growth and operational needs. Each department participates in developing its proposed budget, which is subsequently evaluated by Finance staff and reviewed by the General Manager prior to presentation to the Finance and Audit Committee.

Discussion

Staff will present the proposed Revenues and Expenses for each General Ledger account in the Draft Fiscal Year 2027 Operating Budget. The discussion will provide the Finance and Audit Committee with a detailed review of the projections, assumptions, and rationale supporting staff's recommendations. This review will also provide an opportunity for the Committee to evaluate the proposed budget, ask questions, and provide additional direction or recommendations prior to the preparation of the draft budget document.

The proposed budget includes personnel-related changes that are scheduled for further discussion at the October 20, 2026, Personnel Committee meeting. These recommendations are



incorporated into the current draft and remain subject to additional review and direction from the Personnel Committee.

Feedback from both Committees will guide staff in refining the proposed revenues and expenses and preparing the draft budget document. Staff anticipates presenting the draft document to the Finance and Audit Committee on November 5, 2026, followed by a presentation to the Board of Directors on November 12, 2026, and consideration for adoption in December.

Fiscal Impact

The proposed Draft Fiscal Year 2027 Operating Budget is balanced, with net revenues exceeding net expenses by \$807,600.

The proposed budget includes gross revenues of \$26,916,100 and net revenues of \$25,610,800. Net revenues exclude capacity charges, which are designated for developer-related capital projects.

The proposed budget includes gross expenses of \$29,416,500 and net expenses of \$24,803,200. Net expenses exclude non-cash accounting adjustments, including depreciation.

A summary of the proposed Draft Fiscal Year 2027 Operating Budget, including comparisons to prior-year actuals, the adopted budget, and current-year projections, is provided in Table 1, 2027 Proposed Budget Summary.

Table 1 – 2027 Proposed Budget Summary

	2025 ACTUAL	2026 ADOPTED (AMENDED)	2026 PROJECTED	2027 PROPOSED	Difference (Proposed - Adopted)
Gross Revenue	\$ 31,355,900	\$ 25,876,900	\$ 30,903,300	\$ 26,916,100	\$ 1,039,200
Less Capacity Charges	(2,344,200)	(2,133,400)	(1,325,500)	(1,305,300)	828,100
Net Revenue	\$ 29,011,700	\$ 23,743,500	\$ 29,577,800	\$ 25,610,800	\$ 1,867,300
Gross Expenses	\$ 24,519,803	\$ 27,880,400	\$ 25,141,100	\$ 29,416,500	\$ 1,536,100
Less Non-Cash Expenses	(85,411)	(460,900)	(200,800)	(235,200)	225,700
Less Depreciation	(3,924,316)	(3,876,500)	(4,285,800)	(4,378,100)	(501,600)
Net Expenses	\$ 20,510,076	\$ 23,543,000	\$ 20,654,500	\$ 24,803,200	\$ 1,260,200
Net Increase/(loss)	\$ 8,501,624	\$ 200,500	\$ 8,923,300	\$ 807,600	\$ 607,100

Attachments

1. 2027 Operating Budget – DRAFT Revenues
2. 2027 Operating Budget – DRAFT Expenses (Redline)

Staff Report prepared by Sylvia Molina, Director of Finance and Administration

BCVWD DRAFT REVENUES - 2027	10/13/2026	2025		2025		2026		2026		YTD		2027		%		
Account No.	Account Name	ADOPTED		ACTUAL		ADOPTED		ADOPTED (Amended)		Projection notes	PROJECTED	9/30/2026	PROPOSED	Change	of change	2027 Notes
Water Sales																
01-50-510-410100	Sales	\$	6,158,300	\$	7,601,000	\$	7,185,500	\$	7,185,500	PY Actuals, no change	\$ 8,934,500	\$ 6,825,414	\$ 8,136,100	\$ 950,600	13.23%	Based on 10-year avg production of 13,274.80AF, less 7% for 10-year avg water loss, less 9% El Nino weather factor, for all customers based on 2027 rates
01-50-510-410111	Drought Surcharges	\$	-	\$	-	\$	-	\$	-	PY + Inflation	-	-	-	-	0.00%	No drought emergency in place
01-50-510-410151	Agricultural Irrigation Sales		22,600		32,500		32,000		32,000	PY Actuals, no change	31,600	25,480	36,200	4,200	13.13%	Based on Agriculture portion of 10-year avg production of 13,274.80AF, less 7% for 10-year avg water loss, less 9% El Nino weather factor, for all customers based on 2027 rates
01-50-510-410171	Construction Sales		73,600		92,300		77,500		77,500	PY Actuals, no change	98,400	72,404	87,300	9,800	12.65%	Based on half of Construction Sales portion of 10-year avg production of 13,274.80AF, less 7% for 10-year avg water loss, less 9% El Nino weather factor, for all customers based on 2027 rates
01-50-510-413011	Fixed Meter Charges		6,123,200		6,799,800		6,956,700		6,956,700	PY Actuals, no change	7,822,200	6,072,270	7,605,500	648,800	9.33%	Based on Active meters as of 9/30/2026, reduced by 20% for potential locked meters (increased from 15% in 2026)
Development and Installation Charges																
01-50-510-413021	Meter Fees		537,300		284,200		337,100		337,100	PY Actuals, no change	\$ 325,200	\$ 315,486	\$ 354,400	\$ 17,300	5.13%	Based on 165 Potable and 10 Non-potable meters at 2027 rates No changes from 2026 No changes from 2026
01-50-510-419011	Development Income		241,900		245,500		200,000		200,000	PY Actuals, no change	296,100	198,660	200,000	-	0.00%	
01-50-510-419012	Development Income - GIS		51,200		12,800		-		-	PY Actuals, no change	34,700	34,672	-	-	0.00%	
Pass thru Surcharges																
01-50-510-415001	SGPWA Importation Charges		3,793,300		4,375,400		4,118,900		4,118,900	PY Actuals, no change	\$ 4,818,300	\$ 3,623,075	\$ 4,277,200	\$ 158,300	3.84%	Based on all water sales, less 5% for rounding and adjustments (prior year was 10%)
01-50-510-415011	SCE Power Charges		2,212,800		3,117,600		2,625,700		2,625,700	PY Actuals, no change	3,352,000	2,525,739	2,975,400	349,700	13.32%	Based on all water sales, less 5% for rounding and adjustments (prior year was 10%)
Other Charges for Service																
01-50-510-413001	Backflow Administration Charges		91,000		105,700		96,900		96,900	PY Actuals, no change	\$ 129,200	\$ 100,375	\$ 141,300	\$ 44,400	45.82%	Based on 1385 Active backflows, as of 09/30/2026 at the 2027 backflow rate (\$102 per year); the 2026 rate of \$100 was approved after the budget was drafted, based on the \$75 rate from 2025
01-50-510-417001	2nd Notice Charges		82,700		111,000		90,400		90,400	3-Year Average	103,400	77,430	87,100	(3,300)	-3.65%	Rounded average of 17,413 @\$5 based on 5-year average; Note: Pre-Covid average 19,222
01-50-510-417011	3rd Notice Charges		115,100		174,800		130,500		130,500	3-Year Average	160,500	124,890	119,100	(11,400)	-8.74%	Rounded average of 7,938 @\$15 based on 5-year average; Note: Pre-COVID average 7,034
01-50-510-417021	Account Reinstatement Fees		37,500		61,800		44,800		44,800	3-Year Average	47,400	35,950	47,600	2,800	6.25%	Rounded average of 952 @\$50 based on 5-year average; Note: Pre-COVID average 1,040
01-50-510-417030	WaterRestrictn Noncomp10-50%		-		200		-		-	Months Remaining	-	-	-	-	0.00%	Only applied to Water Waste non-compliance
01-50-510-417031	Lien Processing Fees		7,200		4,600		6,800		6,800	3-Year Average	9,200	7,740	9,400	2,600	38.24%	Rounded average of 45 @\$210 based on 5-year average; Note: Pre-COVID average 59
01-50-510-417041	Credit Check Processing Fees		18,500		16,300		18,400		18,400	3-Year Average	16,500	11,970	18,800	400	2.17%	Based on 5-year average @\$10 per application
01-50-510-417051	Return Check Fees		5,500		13,100		11,200		11,200	3-Year Average	12,500	10,275	12,300	1,100	9.82%	Increase in online payment activity = increase in returned payment fees. 2025/2026 average 493 compared to 229 before; applied new average @\$25 per reversal
01-50-510-417061	Customer Damages		30,000		6,100		30,800		30,800	3-Year Average	18,500	11,135	30,000	(800)	-2.60%	5-year average \$36,700 but ranges from \$6100 to \$79890, conservative approach by rounding down average to nearest \$10k
01-50-510-417071	After-Hours Call Out Charges		2,800		4,700		3,700		3,700	3-Year Average	4,500	3,300	4,100	400	10.81%	Based on 5-year average @\$100 per occurrence
01-50-510-417081	Bench Test Fees (Credits)		100		100		100		100	3-Year Average	100	-	100	-	0.00%	Rare, cost of 1 occurrence
01-50-510-417091	Credit Card Processing Fees		-		14,500		-		-	Months Remaining	-	-	-	-	0.00%	Eliminated in 2025 with 3rd party vendor, keeping for tracking purposes until 2028 Budget
01-50-510-417101	Customer Upgrade Charges		-		-		100		100	3-Year Average	200	100	100	-	0.00%	Rare, cost of 1 occurrence, rounded up
01-50-510-419001	Rebates/Reimbursements		-		4,700		2,700		2,700	PY Actuals, no change	21,900	21,855	3,000	300	11.11%	Based on 5-year average; 2026 was 1x project for helahydrant reimbursement
01-50-510-419021	Recharge Income		-		-		-		-	3-Year Average	-	-	-	-	0.00%	Banning may not buy, budget as zero

BCVWD DRAFT REVENUES - 2027		10/13/2026		2025	2025	2026	2026	2026	YTD	2027	%	
Account No.	Account Name	ADOPTED	ACTUAL	ADOPTED	ADOPTED (Amended)	Projection notes	PROJECTED	9/30/2026	PROPOSED	Change	of change	2027 Notes
01-50-510-419031	Well Maintenance Reimbursement	107,700	45,200	74,800	74,800	Current Trend	20,900	14,597	74,000	(800)	-1.07%	5-year average \$113,752, but ranges from \$10k to \$313k; conservative approach by taking blended average of 5-year with current year projection
01-50-510-419041	Gain (Loss) - Asset Disposal	-	-	-	-	3-Year Average	-	-	-	-	0.00%	Not guaranteed, budget as zero
01-50-510-419061	Miscellaneous Income	5,000	55,200	4,800	4,800	Months Remaining	6,100	4,557	2,000	(2,800)	-58.33%	Based on unclaimed funds identified for 2027 as other items, like prior year refunds or contract credits, are not guaranteed
District Housing Charges												
01-50-510-471001	Maintenance Fees - 12303 Oak Glen Rd	-	-	-	-	3-Year Average	\$ -	\$ -	\$ -	\$ -	0.00%	Property likely to be vacant in 2027
01-50-510-471011	Maintenance Fees - 13695 Oak Glen Rd	7,500	7,200	7,500	7,500	3-Year Average	7,300	5,591	7,800	300	4.00%	CPI increase of 3.4% + 2027 water rates for 8ccf
01-50-510-471021	Maintenance Fees - 13697 Oak Glen Rd	8,000	8,000	8,300	8,300	3-Year Average	8,200	6,235	8,700	400	4.82%	CPI increase of 3.4% + 2027 water rates for 8ccf
01-50-510-471031	Maintenance Fees - 9781 Avenida Miravilla	7,000	6,700	6,900	6,900	3-Year Average	6,800	5,198	7,300	400	5.80%	CPI increase of 3.4% + 2027 water rates for 8ccf
01-50-510-471101	Utilities - 12303 Oak Glen Rd	-	-	-	-	Current Trend	-	-	-	-	0.00%	Property likely to be vacant in 2027
01-50-510-471111	Utilities - 13695 Oak Glen Rd	3,500	3,100	3,700	3,700	3-Year Average	2,600	1,833	2,700	(1,000)	-27.03%	Based on projection + CPI of 3.4%
01-50-510-471121	Utilities - 13697 Oak Glen Rd	6,000	5,800	7,600	7,600	3-Year Average	4,900	4,114	5,100	(2,500)	-32.89%	Based on projection + CPI of 3.4%
01-50-510-471131	Utilities - 9781 Avenida Miravilla	4,000	3,500	3,100	3,100	3-Year Average	2,600	2,035	2,700	(400)	-12.90%	Based on projection + CPI of 3.4%
Capacity Charges												
01-50-510-481001	Capacity Charges-Wells	360,000	491,600	383,600	383,600	PY Actuals, no change	\$ 186,400	\$ 56,714	\$ 186,400	\$ (197,200)	-51.41%	2026 schedule of 198.1 EDUs not updated
01-50-510-481006	Capacity Charges-Water Rights (SWP)	227,800	19,400	242,700	242,700	PY Actuals, no change	4,300	613	4,300	(238,400)	-98.23%	2026 schedule of 198.1 EDUs not updated
01-50-510-481012	Capacity Charges-Water Treatment Plant	171,300	233,900	182,500	182,500	PY Actuals, no change	151,700	89,948	151,700	(30,800)	-16.88%	2026 schedule of 198.1 EDUs not updated
01-50-510-481018	Capacity Charges-Local Water Resources	90,200	7,700	96,100	96,100	PY Actuals, no change	41,100	39,656	41,100	(55,000)	-57.23%	2026 schedule of 198.1 EDUs not updated
01-50-510-481024	Capacity Charges-Recycled Water Facilities	260,800	438,200	355,500	355,500	PY Actuals, no change	268,800	174,839	268,800	(86,700)	-24.39%	2026 schedule of 198.1 EDUs not updated
01-50-510-481030	Capacity Charges-Transmission (16")	291,600	398,200	310,700	310,700	PY Actuals, no change	193,000	87,924	193,000	(117,700)	-37.88%	2026 schedule of 198.1 EDUs not updated
01-50-510-481036	Capacity Charges-Storage	373,400	543,600	397,800	397,800	PY Actuals, no change	279,100	116,860	279,100	(118,700)	-29.84%	2026 schedule of 198.1 EDUs not updated
01-50-510-481042	Capacity Charges-Booster	25,900	35,300	27,600	27,600	PY Actuals, no change	43,400	34,055	43,400	15,800	57.25%	2026 schedule of 198.1 EDUs not updated
01-50-510-481048	Capacity Charges-Pressure Reducing Stations	13,300	18,000	14,100	14,100	PY Actuals, no change	13,600	8,838	13,600	(500)	-3.55%	2026 schedule of 198.1 EDUs not updated
01-50-510-481054	Capacity Charges-Miscellaneous Projects	11,600	15,700	12,300	12,300	PY Actuals, no change	36,900	32,745	36,900	24,600	200.00%	2026 schedule of 198.1 EDUs not updated
01-50-510-481060	Capacity Charges-Financing Costs	56,800	79,900	60,500	60,500	PY Actuals, no change	29,100	8,659	29,100	(31,400)	-51.90%	2026 schedule of 198.1 EDUs not updated
01-50-510-485001	Front Footage Fees	26,200	62,700	50,000	50,000	PY Actuals, no change	78,100	78,148	57,900	7,900	15.80%	Based on 5-year average
01-50-510-419042	Asset Disposal Account	-	(4,300)	-	-	PY Actuals, no change	17,800	17,830	-	-	0.00%	Not guaranteed, budget as zero
01-50-510-419043	Fixed Asset Inv (Treated as contributed capital)	-	-	-	-	Months Remaining	-	-	-	-	0.00%	Not guaranteed, budget as zero
Interest Earned												
01-50-510-490001	Interest Income - Bonita Vista	300	200	100	100	3-Year Average	\$ 100	\$ 72	\$ 100	\$ -	0.00%	Only 7 assessments with balances, 4 to close in 2027, the rest by 2030
01-50-510-490011	Interest Income - Fairway Canyon	192,000	189,400	159,200	159,200	Manual	123,000	-	103,400	(55,800)	-35.05%	Based on amortization schedule Phase IV (final phase), billed in January for December
01-50-510-490021	Interest Income - General	1,131,500	3,446,800	1,379,000	1,379,000	Current Trend	2,703,600	2,022,265	1,148,700	(230,300)	-16.70%	Conservative approach, using blended YTD with consultant's earnings projection (\$2,572,397), reduced by 50% to account for market volatility
01-50-510-490051	Net Amort/Accret on Investment	250,000	144,300	118,700	118,700	3-Year Average	122,600	68,397	103,300	(15,400)	-12.97%	Started recording in 2023, took average since, reduced by 50% to account for market volatility
Grant Revenue												
01-50-510-419051	Grant Revenue	861,000	2,021,900	-	-	Manual	\$ 314,400	\$ -	\$ -	\$ -	0.00%	No grant awards as of 09/30/2026
Updated by SMM; 10/13/2026												
		\$ 24,097,000	\$ 31,355,900	\$ 25,876,900	\$ 25,876,900		\$ 30,903,300	\$ 22,979,940	\$ 26,916,100	\$ 1,039,200		\$ -

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
Board of Directors															
01-10-110-500101	Board of Directors Fees	\$ 128,000	\$ 112,500	\$ 131,100				\$ 131,100	PY + Inflation	\$ 100,400	\$ 71,565	131,100	\$ -	0.00%	
01-10-110-500115	Social Security	8,000	6,965	8,200				8,200	PY + Inflation	6,200	4,447	8,200	-	0.00%	
01-10-110-500120	Medicare	2,000	1,629	2,000				2,000	PY + Inflation	1,500	1,040	2,000	-	0.00%	
01-10-110-500125	Health Insurance	94,500	54,756	110,400				110,400	PY + Inflation	70,300	56,180	119,500	9,100	8.24%	
01-10-110-500140	Life Insurance	2,500	108	2,500				2,500	PY + Inflation	100	82	2,500	-	0.00%	
01-10-110-500143	EAP Program	500	118	300				300	PY + Inflation	100	91	300	-	0.00%	
01-10-110-500145	Workers' Compensation	1,000	704	1,100				1,100	PY + Inflation	500	376	1,100	-	0.00%	
01-10-110-500175	Training/Education/Mtgs/Travel	55,000	33,462	63,400				63,400	Current Trend	34,900	27,463	63,400	-	0.00%	Maintain prior year budget for consistent event attendance, annual conferences, and general meetings
01-10-110-550012	Election Expenses	143,000	142,418	6,000				6,000	3-Year Average	-	6	150,000	144,000	2400.00%	2026 election cost to be billed in 2027, based on 2025 with increase for population growth
01-10-110-550043	Supplies-Other	1,700	171	1,400				1,400	3-Year Average	300	243	1,400	-	0.00%	Although regular supplies average under \$300 annually, allows for pictures OR clothing
01-10-110-550051	Advertising/Legal Notices	2,000	-	1,000				1,000	3-Year Average	100	12	1,000	-	0.00%	Allows for per diem public hearing notice, or seat advertisement
		438,200	352,831	327,400	-	-		327,400		214,400		480,500	153,100	46.76%	69.12% % of budget
Engineering								0							
01-20-210-500105	Labor	539,500	377,696	619,600				619,600	PY + Inflation	403,700	295,010	654,000	34,400	5.55%	
01-20-210-500114	Incentive Pay	2,500	-	2,400				2,400	PY + Inflation	-	-	1,500	(900)	-37.50%	
01-20-210-500115	Social Security	42,000	24,646	47,200				47,200	PY + Inflation	26,100	20,633	47,700	500	1.06%	
01-20-210-500120	Medicare	10,000	6,203	11,100				11,100	PY + Inflation	6,700	4,887	11,200	100	0.90%	
01-20-210-500125	Health Insurance	97,000	91,569	113,600				113,600	PY + Inflation	103,300	79,852	122,200	8,600	7.57%	
01-20-210-500140	Life Insurance	1,000	600	1,000				1,000	PY + Inflation	600	482	1,100	100	10.00%	
01-20-210-500143	EAP Program	500	115	300				300	PY + Inflation	100	90	300	-	0.00%	
01-20-210-500145	Workers' Compensation	5,500	2,970	5,900				5,900	PY + Inflation	2,800	2,051	6,200	300	5.08%	
01-20-210-500150	Unemployment Insurance	8,000	-	15,100				15,100	PY + Inflation	-	-	15,900	800	5.30%	
01-20-210-500155	Retirement/CalPERS	55,500	35,150	69,300				69,300	PY + Inflation	40,100	32,787	80,700	11,400	16.45%	
01-20-210-500165	Uniforms & Employee Benefits	500	-	500				500	3-Year Average	100	-	500	-	0.00%	No change, but amount based on 2024 use
01-20-210-500175	Training/Education/Mtgs/Travel	8,000	2,312	8,000				8,000	3-Year Average	1,300	528	8,000	-	0.00%	No change, but includes option for Director to attend 1 Conference
01-20-210-500180	Accrued Sick Leave Expense	35,500	9,038	33,900				33,900	PY + Inflation	15,400	13,111	41,600	7,700	22.71%	
01-20-210-500185	Accrued Vacation Leave Expense	31,500	20,201	37,400				37,400	PY + Inflation	15,300	10,030	37,800	400	1.07%	
01-20-210-500187	Accrued Leave Payments	27,500	17,557	27,900				27,900	PY + Inflation	28,000	19,272	32,300	4,400	15.77%	
01-20-210-500190	Temporary Labor	21,100	15,453	-				-	3-Year Average	200	-	-	-	0.00%	No change
01-20-210-500195	CIP Related Labor	(225,000)	(111,418)	(225,000)				(225,000)	3-Year Average	(21,800)	(7,364)	(225,000)	-	0.00%	No change
01-20-210-540012	Development Reimbursable Engineering	-	-	-				-	3-Year Average	22,800	22,785	-	-	0.00%	Moved from Professional Services, no change
01-20-210-540014	Development Reimbursable GIS	8,000	7,680	-				-	3-Year Average	33,000	30,400	-	-	0.00%	Moved from Professional Services, no change
01-20-210-540048	Permits, Fees & Licensing	3,000	-	3,000				3,000	3-Year Average	-	-	3,000	-	0.00%	Moved from Professional Services, no change
01-20-210-550029	Administrative Expenses	11,000	9,035	11,000				11,000	3-Year Average	8,200	6,272	11,000	-	0.00%	No change
01-20-210-550030	Membership Dues	2,100	751	2,000				2,000	3-Year Average	600	506	2,000	-	0.00%	No change
01-20-210-550042	Office Supplies	1,000	851	1,000				1,000	Current Trend	500	475	1,000	-	0.00%	No change
01-20-210-550046	Office Equipment	5,000	2,837	5,000				5,000	3-Year Average	3,700	2,621	5,000	-	0.00%	No change
01-20-210-550051	Advertising/Legal Notices	5,000	1,156	5,000				5,000	3-Year Average	400	427	5,000	-	0.00%	No change
01-20-210-580031	Outside Engineering	112,000	2,720	120,000				120,000	3-Year Average	51,800	43,064	120,000	-	0.00%	No change
01-20-210-580032	CIP Related Outside Engineering	-	-	-				-	3-Year Average	-	-	-	-	0.00%	Moved from Professional Services, no change
		807,700	517,121	915,200	-	-		915,200		742,900		983,000	67,800	7.41%	30.61% % of budget
Development Services															
01-20-220-500105	Labor	77,000	72,652	81,800				81,800	PY + Inflation	68,400	48,400	88,800	7,000	8.56%	
01-20-220-500114	Incentive Pay	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	
01-20-220-500115	Social Security	5,000	4,088	5,300				5,300	PY + Inflation	3,800	3,031	5,600	300	5.66%	
01-20-220-500120	Medicare	1,500	1,058	1,300				1,300	PY + Inflation	1,000	709	1,300	-	0.00%	
01-20-220-500125	Health Insurance	19,500	13,618	21,000				21,000	PY + Inflation	12,900	9,149	22,600	1,600	7.62%	
01-20-220-500140	Life Insurance	500	100	200				200	PY + Inflation	100	74	200	-	0.00%	
01-20-220-500143	EAP Program	500	13	100				100	PY + Inflation	-	8	100	-	0.00%	
01-20-220-500145	Workers' Compensation	1,000	542	800				800	PY + Inflation	400	309	900	100	12.50%	

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
01-20-220-500150	Unemployment Insurance	1,500	-	2,000				2,000	PY + Inflation	-	-	2,200	200	10.00%	
01-20-220-500155	Retirement/CalPERS	7,000	5,727	7,900				7,900	PY + Inflation	5,600	4,574	10,200	2,300	29.11%	
01-20-220-500180	Accrued Sick Leave Expense	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	
01-20-220-500185	Accrued Vacation Leave Expense	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	
01-20-220-500187	Accrued Leave Payments	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	
		113,500	97,799	120,400	-	-		120,400		92,200		131,900	11,500	9.55%	5.19% % of budget
Human Resources and Risk Management -----NEW DEPARTMENT and NUMBERING SYSTEM															
01-25-215-500105 was 01-30-320-500105	Labor	119,000	116,353	145,400				145,400	PY + Inflation	135,000	95,833	150,300	4,900	3.37%	Formerly 01-30-320
01-25-215-500110 was 01-30-320-500110	Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Formerly 01-30-320
01-25-215-500111 was 01-30-320-500111	Double Time	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Formerly 01-30-320
01-25-215-500112 was 01-50-510-500112	Stipend-Association Mtg Attend	1,300	525	2,000				2,000	Manual	500	525	2,000	-	0.00%	Formerly 01-50-510
01-25-215-500114 was 01-30-320-500114	Incentive Pay	1,000	-	600				600	PY + Inflation	-	-	300	(300)	-50.00%	Formerly 01-30-320
01-25-215-500115 was 01-30-320-500115	Social Security	8,500	7,436	10,100				10,100	PY + Inflation	9,000	6,528	10,500	400	3.96%	Formerly 01-30-320
01-25-215-500120 was 01-30-320-500120	Medicare	2,000	1,739	2,400				2,400	PY + Inflation	2,100	1,527	2,500	100	4.17%	Formerly 01-30-320
01-25-215-500125 was 01-30-320-500125	Health Insurance	30,500	30,330	27,200				27,200	PY + Inflation	28,200	20,314	30,000	2,800	10.29%	Formerly 01-30-320
01-25-215-500140 was 01-30-320-500140	Life Insurance	500	177	300				300	PY + Inflation	200	164	300	-	0.00%	Formerly 01-30-320
01-25-215-500143 was 01-30-320-500143	EAP Program	500	24	100				100	PY + Inflation	-	18	100	-	0.00%	Formerly 01-30-320
01-25-215-500145 was 01-30-320-500145	Workers' Compensation	1,000	713	1,200				1,200	PY + Inflation	800	554	1,200	-	0.00%	Formerly 01-30-320
01-25-215-500150 was 01-30-320-500150	Unemployment Insurance	2,000	-	3,600				3,600	PY + Inflation	-	-	3,700	100	2.78%	Formerly 01-30-320
01-25-215-500155 was 01-30-320-500155	Retirement/CalPERS	11,000	10,662	13,400				13,400	PY + Inflation	13,100	9,622	16,100	2,700	20.15%	Formerly 01-30-320
01-25-215-500165 was 01-30-320-500165	Uniforms & Employee Benefits	300	27	300				300	Manual	100	71	300	-	0.00%	Formerly 01-30-320
01-25-215-500175 was 01-30-320-500175	Training/Education/Mtgs/Travel	3,800	285	3,800				3,800	Manual	-	-	3,800	-	0.00%	Formerly 01-30-320
01-25-215-500176 was 01-30-320-500176	District Professional Development	18,800	500	18,800				18,800	Manual	9,800	9,786	18,800	-	0.00%	Formerly 01-30-320
01-25-215-500177 was 01-30-320-500177	General Safety Training & Supplies	24,069	10,060	24,200		(3,000)	mid-year	21,200	Manual	11,800	11,834	21,200	-	0.00%	Formerly 01-30-320
01-25-215-500180 was 01-30-320-500180	Accrued Sick Leave Expense	7,500	6,450	8,900				8,900	PY + Inflation	2,100	2,107	9,200	300	3.37%	Formerly 01-30-320
01-25-215-500185 was 01-30-320-500185	Accrued Vacation Leave Expense	6,500	8,438	7,400				7,400	PY + Inflation	7,300	7,267	7,700	300	4.05%	Formerly 01-30-320
01-25-215-500187 was 01-30-320-500187	Accrued Leave Payments	-	-	-				-	PY + Inflation	100	75	-	-	0.00%	Formerly 01-30-320
01-25-215-500190 was 01-30-320-500190	Temporary Labor	-	-	-				-	Manual	-	-	-	-	0.00%	Formerly 01-30-320
01-25-215-540066 was 01-50-510-540066	Property Damage & Theft	40,000	16,402	60,000				60,000	Manual	8,000	14,345	60,000	-	0.00%	Formerly 01-50-510
01-25-215-550024 was 01-30-320-550024	Employment Testing	4,631	4,823	5,100	3,000		mid-year	8,100	Manual	3,800	3,795	10,000	1,900	23.46%	Formerly 01-30-320, in anticipation of new employees for new positions and general new hires
01-25-215-550025 was 01-30-320-550025	Employee Retention	6,000	2,665	6,000				6,000	Manual	500	528	6,000	-	0.00%	Formerly 01-30-320
01-25-215-550026 was 01-30-320-550026	Recruitment Expense	9,000	1,348	9,000				9,000	Manual	400	428	9,000	-	0.00%	Formerly 01-30-320
01-25-215-550028 was 01-30-320-550028	District Certification	4,500	4,179	4,500				4,500	Manual	4,200	4,221	5,000	500	11.11%	Formerly 01-30-320, increase in costs
01-25-215-550030 was 01-30-320-550030	Membership Dues	1,100	932	1,100				1,100	Manual	500	499	1,500	400	36.36%	Formerly 01-30-320, increase in costs
01-25-215-550042 was 01-30-320-550042	Office Supplies	1,400	272	1,900				1,900	Manual	100	52	2,000	100	5.26%	Formerly 01-30-320, increase in costs
01-25-215-550051 was 01-30-320-550051	Advertising/Legal Notices	1,600	-	1,600				1,600	Manual	200	220	1,600	-	0.00%	Formerly 01-30-320
01-25-215-550054 was 01-30-310-550054	Property, Auto & General Liability Insurance	378,000	230,477	319,000		(1,500)	mid-year	317,500	Manual	151,300	176,080	317,500	-	0.00%	Formerly 01-30-310

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
01-25-215-550074 was 01-50-510-550074	Disaster Preparedness Ongoing Expenses	11,000	8,087	11,000				11,000	Manual	2,800	2,759	11,000	-	0.00%	Formerly 01-50-510
01-25-215-580036 was 01-30-320-580036	Other Professional Services	7,000	3,131	11,000				11,000	Manual	2,200	2,230	11,000	-	0.00%	Formerly 01-30-320
		702,500	466,035	699,900	3,000	(4,500)		698,400		394,100		712,600	14,200	2.03% 6.41%	% of budget
Finance and Administration															
01-30-310-500105	Labor	1,114,000	1,044,361	1,238,800				1,238,800	PY + Inflation	1,074,200	795,839	1,414,200	175,400	14.16%	
01-30-310-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Manually tracked, absorbed into regular OT
01-30-310-500110	Overtime	4,000	330	6,000				6,000	PY + Inflation	200	236	2,300	(3,700)	-61.67%	
01-30-310-500111	Double Time	2,500	77	4,100				4,100	PY + Inflation	-	-	4,200	100	2.44%	
01-30-310-500114	Incentive Pay	4,500	600	3,600				3,600	PY + Inflation	600	450	3,600	-	0.00%	
01-30-310-500115	Social Security	89,000	61,734	99,000				99,000	PY + Inflation	64,200	51,942	112,500	13,500	13.64%	
01-30-310-500120	Medicare	21,000	14,853	23,200				23,200	PY + Inflation	17,300	12,638	26,300	3,100	13.36%	
01-30-310-500125	Health Insurance	184,500	179,440	205,200				205,200	PY + Inflation	191,200	144,787	234,200	29,000	14.13%	
01-30-310-500130	CalPERS Health Administration Costs	3,000	1,803	2,500				2,500	3-Year Average	1,200	732	1,500	(1,000)	-40.00%	Based on 2026 projections with 10% increase notice and 3.4% CPI
01-30-310-500140	Life Insurance	2,000	1,641	2,000				2,000	PY + Inflation	1,700	1,305	2,300	300	15.00%	
01-30-310-500143	EAP Program	500	189	500				500	PY + Inflation	200	145	500	-	0.00%	
01-30-310-500145	Workers' Compensation	9,500	7,015	10,100				10,100	PY + Inflation	6,400	4,662	11,700	1,600	15.84%	
01-30-310-500150	Unemployment Insurance	16,500	11,700	29,800				29,800	PY + Inflation	6,000	-	34,300	4,500	15.10%	
01-30-310-500155	Retirement/CalPERS	242,000	241,961	285,800				285,800	PY + Inflation	255,600	186,474	349,100	63,300	22.15%	
01-30-310-500165	Uniforms & Employee Benefits	1,000	524	1,000				1,000	3-Year Average	200	-	1,500	500	50.00%	To account for the increase in costs, goal to provide 2 items, embroidered, per team member
01-30-310-500175	Training/Education/Mtgs/Travel	35,000	11,353	38,000				38,000	PY Actuals, no change	16,400	10,483	45,000	7,000	18.42%	Increase in travel costs; expecting Management to attend more conferences in 2027 (CSDA, CMTA, ACWA, CSMFO, GFOA, Springbrook)
01-30-310-500180	Accrued Sick Leave Expense	63,500	48,729	67,500				67,500	PY + Inflation	37,400	29,728	92,100	24,600	36.44%	
01-30-310-500185	Accrued Vacation Leave Expense	100,500	68,386	114,900				114,900	PY + Inflation	59,500	37,437	121,200	6,300	5.48%	
01-30-310-500187	Accrued Leave Payments	138,000	38,311	144,500				144,500	PY + Inflation	52,400	34,237	156,300	11,800	8.17%	
01-30-310-500190	Temporary Labor	-	-	-				-	Current Trend	-	-	-	-	0.00%	None planned, if any, will pull from labor
01-30-310-500195	CIP Related Labor	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No CIP projects involving finance planned
01-30-310-540018 was 01-20-210-540018	Grant & Loan Procurement	-	-	-				-	Manual	-	-	-	-	0.00%	Moved from Professional Services (210); If pursue Grant or Loan with cost, will request budget amendment
01-30-310-550001	Bank/Financial Service Fees	4,448	3,755	4,000	500		mid-year	4,500	3-Year Average	4,000	3,292	6,000	1,500	33.33%	Increase in armored courier services, based on 2026 projected + CPI of 3.4% + 20%
01-30-310-550030	Membership Dues	46,200	42,332	49,000	1,500		mid-year	50,500	3-Year Average	45,100	38,361	54,500	4,000	7.92%	Continued memberships with known increases included for ACWA, AICPA, AWWA, Chamber of Commerce, CSMFO, CalWEP (new), etc.
01-30-310-550042	Office Supplies	11,200	10,029	12,100		(500)	mid-year	11,600	3-Year Average	7,800	5,245	11,000	(600)	-5.17%	Reduced slightly based on 2026 projected
01-30-310-550046	Office Equipment	5,500	364	3,300				3,300	3-Year Average	2,000	1,556	3,000	(300)	-9.09%	Reduced slightly based on 2026 projected
01-30-310-550048	Postage	54,900	22,729	141,900				141,900	Months Remaining	93,600	70,237	130,000	(11,900)	-8.39%	Slight reduction, but still above 2026 projected to account for potential notices for Chromium VI, Backflow, and possibly Phase 2 of rate study
01-30-310-550051	Advertising/Legal Notices	1,500	862	1,500				1,500	3-Year Average	1,400	798	1,500	-	0.00%	Retained for potential RFPs
01-30-310-550064	Media Outreach	-	-	5,000				5,000	3-Year Average	-	-	-	(5,000)	-100.00%	Moved from Professional Services, absorbed in to 510 account for Public Outreach
01-30-310-550066	Subscriptions	500	134	500				500	3-Year Average	-	-	500	-	0.00%	No expected changes for new year
01-30-310-550072	Miscellaneous Operating Expenses	500	319	500				500	3-Year Average	300	(74)	500	-	0.00%	No expected changes for new year
01-30-310-550078	Bad Debt Expense	25,000	-	25,000				25,000	3-Year Average	-	-	25,000	-	0.00%	No expected changes for new year
01-30-310-580001	Accounting and Audit	48,400	47,755	48,200				48,200	3-Year Average	39,200	39,249	50,000	1,800	3.73%	Moved from Professional Services; includes potential single audit, GASB 75 Actuarial Valuation Services, GASB 68 Accounting Report, and final year of RAMS contract
01-30-310-580011	General Legal	219,500	171,605	179,300				179,300	Current Trend	139,200	102,730	140,000	(39,300)	-21.92%	Moved from Professional Services; based on 2026 projection, but varies widely year-to-year, based on cases
01-30-310-580036	Other Professional Services	194,000	89,328	142,800				142,800	3-Year Average	34,700	2,529	140,000	(2,800)	-1.96%	Moved from Professional Services; includes Phase II of rate study (\$45k) and potential Grant Assistance (\$30k)
		3,020,648	2,352,696	3,208,600	2,000	(2,000)		3,208,600		2,388,600		3,174,800	(33,800)	-1.05% -15.26%	% of budget

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
Depreciation and Non-Cash transactions															
01-30-310-560000	GASB 68 Pension Expense	215,000	(27,406)	361,200				361,200	Current Trend	47,100	35,325	48,000	(313,200)	-86.71%	Based on CEPPT Pension Payment (\$4000/mo); 2025 included initial valuation
01-30-310-500161	Estimated Current Year OPEB Expense	111,300	54,424	99,700				99,700	Current Trend	95,700	71,775	99,600	(100)	-0.10%	Based on most recent GASB 75 valuation (06/30/2024)
01-30-310-550086	Amort Expense - ROU Asset	-	58,393	-				-	Current Trend	58,000	-	87,600	87,600	100.00%	2025 actual + 50% for additional vehicles + first full year + rental property
01-30-310-550084	Depreciation	3,616,300	3,924,316	3,876,500				3,876,500	Current Trend	4,285,800	2,764,542	4,378,100	501,600	12.94%	Based on known Assets as of 09/30/2026
		3,942,600	4,009,727	4,337,400	-	-		4,337,400		4,486,600		4,613,300	275,900	6.36%	124.56% % of budget
Customer Service and Utility Billing															
01-30-330-500105	Labor	381,500	347,805	423,500				423,500	PY + Inflation	358,300	263,200	440,600	17,100	4.04%	
01-30-330-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Manually tracked, absorbed into regular OT
01-30-330-500110	Overtime	3,500	1,901	5,600				5,600	PY + Inflation	200	80	2,000	(3,600)	-64.29%	
01-30-330-500111	Double Time	700	325	-				-	PY + Inflation	-	-	-	-	0.00%	
01-30-330-500114	Incentive Pay	3,000	-	3,000				3,000	PY + Inflation	-	-	1,500	(1,500)	-50.00%	
01-30-330-500115	Social Security	29,000	23,415	31,100				31,100	PY + Inflation	24,100	17,578	31,800	700	2.25%	
01-30-330-500120	Medicare	7,000	5,476	7,300				7,300	PY + Inflation	5,600	4,111	7,500	200	2.74%	
01-30-330-500125	Health Insurance	133,000	127,440	139,900				139,900	PY + Inflation	131,200	97,602	118,800	(21,100)	-15.08%	
01-30-330-500140	Life Insurance	1,000	554	700				700	PY + Inflation	600	419	800	100	14.29%	
01-30-330-500143	EAP Program	500	110	300				300	PY + Inflation	100	85	300	-	0.00%	
01-30-330-500145	Workers' Compensation	3,500	2,234	3,300				3,300	PY + Inflation	2,000	1,449	3,400	100	3.03%	
01-30-330-500150	Unemployment Insurance	6,000	-	10,400				10,400	PY + Inflation	-	-	10,800	400	3.85%	
01-30-330-500155	Retirement/CalPERS	61,800	61,774	71,000				71,000	PY + Inflation	64,500	47,099	84,300	13,300	18.73%	
01-30-330-500165	Uniforms & Employee Benefits	545	545	500				500	3-Year Average	200	56	800	300	60.00%	To account for the increase in costs, goal to provide 2 items, embroidered, per team member
01-30-330-500175	Training/Education/Mtgs/Travel	7,955	5,560	8,000				8,000	3-Year Average	2,600	779	8,000	-	0.00%	Includes Manager attending at least 1 conference
01-30-330-500180	Accrued Sick Leave Expense	18,500	11,522	21,100				21,100	PY + Inflation	9,700	6,840	24,600	3,500	16.59%	
01-30-330-500185	Accrued Vacation Leave Expense	25,500	17,222	26,800				26,800	PY + Inflation	8,900	4,694	26,200	(600)	-2.24%	
01-30-330-500187	Accrued Leave Payments	19,500	5,517	22,400				22,400	PY + Inflation	11,900	8,370	17,100	(5,300)	-23.66%	
01-30-330-500190	Temporary Labor	15,600	9,884	16,100				16,100	3-Year Average	-	-	18,000	1,900	11.80%	For coverage of extended leave, based on estimated 500 hours of CSR1 *CPI of 3.4%
01-30-330-500195	CIP Related Labor	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No CIP projects involving customer service planned
01-30-330-550006	Cashiering Shortages/Overages	152	152	100				100	3-Year Average	-	2	100	-	0.00%	Goal to maintain as low as possible
01-30-330-550008	Transaction/Return Fees	1,500	614	1,200				1,200	3-Year Average	600	389	1,000	(200)	-16.67%	Reduced based on historical averages
01-30-330-550010	Transaction/Credit Card Fees	-	17,520	-				-	3-Year Average	23,000	-	-	-	0.00%	Eliminated in 2025 with 3rd party vendor, keeping for tracking purposes until 2028 Budget
01-30-330-550014	Credit Check Fees	6,500	5,209	6,200				6,200	3-Year Average	4,800	3,395	6,000	(200)	-3.23%	Slight reduction for potential slow down
01-30-330-550030	Membership Dues	1,100	-	1,100				1,100	3-Year Average	-	-	200	(900)	-81.82%	District-wide CSDA reduced
01-30-330-550036	Notary & Lien Fees	2,500	600	2,000				2,000	3-Year Average	700	527	2,000	-	0.00%	Maintain to account for notary and lien-related costs
01-30-330-550050	Utility Billing Service	151,300	151,218	76,000				76,000	PY Actuals, no change	45,200	16,011	70,000	(6,000)	-7.89%	Statement printing (\$50k) less due to more e-bills; remainder to cover potential Prop 218 for Phase 2 of rate study and/or informational notice
01-30-330-550051	Advertising/Legal Notices	900	-	900				900	3-Year Average	-	-	500	(400)	-44.44%	May have RFP released
		882,052	796,598	878,500	-	-		878,500		694,200		876,300	(2,200)	-0.25%	-0.99% % of budget
Information Technology and Cybersecurity															
01-35-315-500105	Labor	196,000	188,896	206,300				206,300	PY + Inflation	216,900	162,988	213,100	6,800	3.30%	
01-35-315-500114	Incentive Pay	1,000	-	600				600	PY + Inflation	-	-	300	(300)	-50.00%	
01-35-315-500115	Social Security	16,500	10,903	17,200				17,200	PY + Inflation	9,500	9,175	17,200	-	0.00%	
01-35-315-500120	Medicare	4,000	3,171	4,100				4,100	PY + Inflation	2,900	2,146	4,100	-	0.00%	
01-35-315-500125	Health Insurance	26,000	25,849	28,800				28,800	PY + Inflation	28,200	21,479	30,700	1,900	6.60%	
01-35-315-500140	Life Insurance	500	289	400				400	PY + Inflation	300	223	400	-	0.00%	
01-35-315-500143	EAP Program	500	24	100				100	PY + Inflation	-	18	100	-	0.00%	
01-35-315-500145	Workers' Compensation	2,000	1,170	1,600				1,600	PY + Inflation	1,000	759	1,700	100	6.25%	
01-35-315-500150	Unemployment Insurance	3,000	-	5,000				5,000	PY + Inflation	-	-	5,100	100	2.00%	
01-35-315-500155	Retirement/CalPERS	34,500	14,060	19,200				19,200	PY + Inflation	19,600	18,171	22,800	3,600	18.75%	

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	%	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED		of change	2027 NOTES
01-35-315-500165	Uniforms & Employee Benefits	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No change anticipated for 2027
01-35-315-500175	Training/Education/Mtgs/Travel	5,300	4,800	5,300				5,300	3-Year Average	5,400	3,480	5,300	-	0.00%	No change anticipated for 2027
01-35-315-500180	Accrued Sick Leave Expense	11,500	(3,428)	11,600				11,600	PY + Inflation	-	-	12,000	400	3.45%	
01-35-315-500185	Accrued Vacation Leave Expense	21,500	11,519	25,000				25,000	PY + Inflation	-	-	25,800	800	3.20%	
01-35-315-500187	Accrued Leave Payments	32,500	23,804	32,900				32,900	PY + Inflation	25,900	25,857	24,100	(8,800)	-26.75%	
01-35-315-500190	Temporary Labor	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No change anticipated for 2027
01-35-315-500195	CIP Related Labor	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No change anticipated for 2027
01-35-315-501511	Telephone/Internet Service	99,237	100,841	93,000				93,000	3-Year Average	86,200	59,569	93,000	-	0.00%	No change anticipated for 2027
01-35-315-501521	Building Alarms and Security	27,763	17,729	34,000				34,000	Current Trend	18,000	13,672	34,000	-	0.00%	No change anticipated for 2027
01-35-315-540016	GIS Maintenance and Updates	-	4,480	10,000	20,000		mid-year	30,000	Current Trend	15,400	10,880	30,000	-	0.00%	No change anticipated for 2027
01-35-315-550030	Membership Dues	3,000	1,710	3,000				3,000	3-Year Average	2,000	1,610	3,000	-	0.00%	No change anticipated for 2027
01-35-315-550044	Printing/Toner & Maintenance	30,000	20,913	30,000				30,000	3-Year Average	20,600	14,102	30,000	-	0.00%	No change anticipated for 2027
01-35-315-550051	Advertising/Legal Notices	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No change anticipated for 2027
01-35-315-550058	Cyber Security Liability Insurance	7,500	5,585	7,500				7,500	Current Trend	5,900	5,864	7,500	-	0.00%	No change anticipated for 2027
01-35-315-580016	Computer Hardware	30,000	26,395	30,000				30,000	Current Trend	30,600	11,166	30,000	-	0.00%	No change anticipated for 2027
01-35-315-580021	IT/Software Support	8,000	-	8,000				8,000	Current Trend	2,200	2,150	8,000	-	0.00%	No change anticipated for 2027
01-35-315-580026	License/Maintenance/Support	321,000	245,193	321,000		(20,000)	mid-year	301,000	Current Trend	259,500	182,705	301,000	-	0.00%	No change anticipated for 2027
01-35-315-580027	AMR/AMI/SCADA License/Maintenance/Support	171,200	63,565	171,200				171,200	Current Trend	78,800	56,198	171,200	-	0.00%	Formerly titled AMR/AMI Annual Support; no other change for 2027
01-35-315-580028	Cybersecurity Software/Hardware	60,900	55,465	60,900				60,900	Current Trend	54,200	40,375	60,900	-	0.00%	No change anticipated for 2027
01-35-315-580030	Repair/Purchase Radio Comm Equip	10,000	7,386	10,000				10,000	3-Year Average	7,900	6,029	10,000	-	0.00%	No change anticipated for 2027
		1,123,400	830,318	1,136,700	20,000	(20,000)		1,136,700		891,000		1,141,300	4,600	0.40% 2.08%	% of budget
Source of Supply															
01-40-410-500105	Labor	511,000	467,730	535,700				535,700	PY + Inflation	470,600	338,040	557,500	21,800	4.07%	
01-40-410-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Manually tracked, absorbed into regular OT
01-40-410-500110	Overtime	26,000	13,601	42,100				42,100	PY + Inflation	18,300	14,069	46,900	4,800	11.40%	
01-40-410-500111	Double Time	10,500	4,864	19,900				19,900	PY + Inflation	7,100	3,221	22,000	2,100	10.55%	
01-40-410-500113	Standby/On-Call	15,500	15,180	14,700				14,700	PY + Inflation	14,600	10,520	14,700	-	0.00%	
01-40-410-500114	Incentive Pay	3,000	2,400	3,000				3,000	PY + Inflation	2,400	1,800	3,300	300	10.00%	
01-40-410-500115	Social Security	41,500	34,704	44,700				44,700	PY + Inflation	35,800	25,943	46,500	1,800	4.03%	
01-40-410-500120	Medicare	10,000	8,116	10,500				10,500	PY + Inflation	8,400	6,095	10,900	400	3.81%	
01-40-410-500125	Health Insurance	130,000	128,344	138,200				138,200	PY + Inflation	136,100	103,080	147,200	9,000	6.51%	
01-40-410-500140	Life Insurance	1,000	769	900				900	PY + Inflation	800	592	900	-	0.00%	
01-40-410-500143	EAP Program	500	119	300				300	PY + Inflation	100	91	300	-	0.00%	
01-40-410-500145	Workers' Compensation	22,000	17,385	22,400				22,400	PY + Inflation	15,700	11,445	23,300	900	4.02%	
01-40-410-500150	Unemployment Insurance	36,500	-	63,100				63,100	PY + Inflation	-	-	68,400	5,300	8.40%	
01-40-410-500155	Retirement/CalPERS	125,500	117,573	137,300				137,300	PY + Inflation	120,300	87,299	145,000	7,700	5.61%	
01-40-410-500165	Uniforms & Employee Benefits	3,500	3,141	3,500				3,500	3-Year Average	2,800	1,620	4,000	500	14.29%	No changes anticipated
01-40-410-500175	Training/Education/Mtgs/Travel	4,500	4,097	2,500				2,500	3-Year Average	700	589	4,000	1,500	60.00%	Increase for anticipated renewals and AWWA Course
01-40-410-500180	Accrued Sick Leave Expense	24,000	26,480	24,700				24,700	PY + Inflation	27,200	23,617	25,600	900	3.64%	
01-40-410-500185	Accrued Vacation Leave Expense	43,600	46,366	40,500				40,500	PY + Inflation	42,900	29,997	42,400	1,900	4.69%	
01-40-410-500187	Accrued Leave Payments	30,000	3,515	39,800				39,800	PY + Inflation	9,000	8,160	36,100	(3,700)	-9.30%	
01-40-410-500195	CIP Related Labor	(22,800)	(1,736)	(22,800)				(22,800)	3-Year Average	(800)	(318)	(10,000)	12,800	-56.14%	Focus on CIP related projects
01-40-410-500501	State Project Water Purchases	6,463,800	6,475,770	4,468,800	1,117,200		Amendment 2026-23	5,586,000	Manual	6,475,700	4,538,625	5,043,000	(543,000)	-9.72%	Board approved 14,000 AF @\$399, however, rate study was for 12,639AF
01-40-410-500511	Ground Water Purchases	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No changes anticipated
01-40-410-501101	Electricity - Wells	3,100,000	2,798,788	3,000,000				3,000,000	3-Year Average	2,561,000	1,891,950	3,100,000	100,000	3.33%	New properties + rate increase
01-40-410-501201	Gas - Wells	500	181	500				500	3-Year Average	200	135	500	-	0.00%	No changes anticipated
01-40-410-510011	Treatment & Chemicals	219,400	143,644	225,000				225,000	3-Year Average	155,200	112,271	250,000	25,000	11.11%	Increase in chemicals anticipated based on increased testing
01-40-410-510021	Lab Testing	94,500	81,979	100,000				100,000	3-Year Average	126,400	98,146	130,000	30,000	30.00%	Additional CrVI and PFAS sampling
01-40-410-510031	Small Tools, Parts & Maintenance	6,960	6,072	10,000				10,000	3-Year Average	8,600	6,774	5,000	(5,000)	-50.00%	Portion moved to new 480 GL
01-40-410-520021	Maintenance & Repair-Telemetry Equipment	5,000	1,197	5,000				5,000	3-Year Average	900	15	10,000	5,000	100.00%	SCADA testing, paper of County remap project
01-40-410-520061	Maintenance & Repair-Pumping Equipment	118,000	67,425	118,000	10,000		mid-year	128,000	3-Year Average	126,400	95,670	150,000	22,000	17.19%	Cost increases seen on parts and labor
01-40-410-530001	Minor Capital Acquisitions	10,000	9,100	500				500	3-Year Average	3,000	-	500	-	0.00%	No changes anticipated
01-40-410-540084	Regulations Mandates & Tariffs	160,000	157,504	185,000				185,000	3-Year Average	123,500	70,937	250,000	65,000	35.14%	Anticipated increase to regulations
01-40-410-550030	Membership Dues	-	-	2,000				2,000	Manual	-	-	500	(1,500)	-75.00%	Reduced based on historical use

BCVWD DRAFT EXPENSES - 2027		10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	%	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED		of change		2027 NOTES
01-40-410-550042	Office Supplies	1,600	1,022	1,600				1,600	Manual	1,400	1,399	1,600	-	0.00%		No changes anticipated
01-40-410-550051	Advertising/Legal Notices	-	-	1,000	1,000		mid-year	2,000	Manual	500	517	2,000	-	0.00%		No changes anticipated
01-40-410-550066	Subscriptions	2,000	1,633	500				500	3-Year Average	-	-	500	-	0.00%		No changes anticipated
		11,197,560	10,636,964	9,238,900	1,128,200	-		10,367,100		10,494,800		10,132,600	(234,500)	-2.26%	-105.87%	% of budget
Cross Connections/Non-Potable Water																
01-40-430-500105	Labor	111,000	99,488	119,900				119,900	PY + Inflation	103,700	75,471	206,100	86,200	71.89%		
01-40-430-500109	FSLA Overtime	-	-	-				5,400	PY + Inflation	-	2	-	(5,400)	-100.00%		Manually tracked, absorbed into regular OT
01-40-430-500110	Overtime	7,000	-	5,400				5,400	PY + Inflation	-	2	5,900	500	9.26%		
01-40-430-500111	Double Time	1,000	-	1,500				1,500	PY + Inflation	-	1	1,700	200	13.33%		
01-40-430-500113	Standby/On-Call	-	-	-				-	PY + Inflation	-	-	-	-	0.00%		
01-40-430-500114	Incentive Pay	1,000	600	600				600	PY + Inflation	600	450	1,500	900	150.00%		
01-40-430-500115	Social Security	9,000	7,123	9,500				9,500	PY + Inflation	7,400	5,223	15,500	6,000	63.16%		
01-40-430-500120	Medicare	2,500	1,666	2,300				2,300	PY + Inflation	1,700	1,221	3,700	1,400	60.87%		
01-40-430-500125	Health Insurance	26,000	25,842	28,800				28,800	PY + Inflation	28,000	21,287	61,400	32,600	113.19%		
01-40-430-500140	Life Insurance	500	162	200				200	PY + Inflation	200	131	400	200	100.00%		
01-40-430-500143	EAP Program	500	24	100				100	PY + Inflation	-	18	200	100	100.00%		
01-40-430-500145	Workers' Compensation	5,000	3,496	4,900				4,900	PY + Inflation	3,200	2,385	8,400	3,500	71.43%		
01-40-430-500150	Unemployment Insurance	2,000	-	3,000				3,000	PY + Inflation	-	-	5,100	2,100	70.00%		
01-40-430-500155	Retirement/CalPERS	38,600	38,576	42,400				42,400	PY + Inflation	39,800	28,950	55,700	13,300	31.37%		
01-40-430-500165	Uniforms & Employee Benefits	1,000	579	1,000				1,000	3-Year Average	300	238	2,000	1,000	100.00%		For 1 additional team member
01-40-430-500175	Training/Education/Mtgs/Travel	3,500	1,226	3,500		(1,500)	mid-year	2,000	3-Year Average	600	593	2,500	500	25.00%		For 1 additional team member
01-40-430-500180	Accrued Sick Leave Expense	5,500	4,542	5,600				5,600	PY + Inflation	4,800	3,511	10,400	4,800	85.71%		
01-40-430-500185	Accrued Vacation Leave Expense	8,000	3,815	8,600				8,600	PY + Inflation	5,800	4,624	13,700	5,100	59.30%		
01-40-430-500187	Accrued Leave Payments	8,000	4,122	9,800				9,800	PY + Inflation	4,300	-	10,000	200	2.04%		
01-40-430-500195	CIP Related Labor	-	-	-				-	3-Year Average	-	-	-	-	0.00%		No changes anticipated
01-40-430-510031	Small Tools, Parts & Maintenance	3,020	3,005	2,000				2,000	3-Year Average	1,200	235	4,000	2,000	100.00%		For 1 additional team member
01-40-430-530001	Minor Capital Acquisitions	-	-	-				-	3-Year Average	-	-	-	-	0.00%		No changes anticipated
01-40-430-540001	Backflow Maintenance	14,800	11,491	40,800				40,800	3-Year Average	9,800	7,494	50,000	9,200	22.55%		Covers costs for new backflow accounts, new notices State is requiring, and potential notice for fire sprinklers
01-40-430-550030	Membership Dues	-	-	2,500				2,500	Manual	1,600	1,633	2,500	-	0.00%		No changes anticipated
01-40-430-550042	Office Supplies	300	238	200				200	Manual	-	-	500	300	150.00%		For 1 additional team member
01-40-430-550051	Advertising/Legal Notices	500	-	500				500	3-Year Average	-	-	500	-	0.00%		No changes anticipated
01-40-430-550066	Subscriptions	3,700	1,000	500				500	3-Year Average	300	-	2,000	1,500	300.00%		USC Foundation for Cross-Connection Control Membership
		252,420	206,996	293,600	-	(1,500)		297,500		213,300		463,700	166,200	55.87%	75.03%	% of budget
Transmission and Distribution																
01-40-440-500105	Labor	1,392,500	1,210,492	1,470,400				1,470,400	PY + Inflation	1,228,600	915,440	1,500,500	30,100	2.05%		
01-40-440-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%		Manually tracked, absorbed into regular OT
01-40-440-500110	Overtime	64,500	62,223	86,700				86,700	PY + Inflation	70,100	56,925	99,900	13,200	15.22%		
01-40-440-500111	Double Time	25,500	17,471	37,900				37,900	PY + Inflation	19,300	18,182	37,900	-	0.00%		
01-40-440-500113	Standby/On-Call	25,150	25,130	22,900				22,900	PY + Inflation	25,100	17,980	25,700	2,800	12.23%		
01-40-440-500114	Incentive Pay	7,000	1,500	6,600				6,600	PY + Inflation	3,800	3,000	9,000	2,400	36.36%		
01-40-440-500115	Social Security	112,000	88,126	118,500				118,500	PY + Inflation	89,000	67,924	123,800	5,300	4.47%		
01-40-440-500120	Medicare	26,500	20,819	27,800				27,800	PY + Inflation	21,300	16,060	29,000	1,200	4.32%		
01-40-440-500125	Health Insurance	344,500	243,654	318,200				318,200	PY + Inflation	271,900	213,309	326,200	8,000	2.51%		
01-40-440-500140	Life Insurance	2,500	1,938	2,400				2,400	PY + Inflation	2,000	1,560	2,500	100	4.17%		
01-40-440-500143	EAP Program	1,000	349	900				900	PY + Inflation	400	273	900	-	0.00%		
01-40-440-500145	Workers' Compensation	48,500	40,113	47,900				47,900	PY + Inflation	34,900	26,362	48,800	900	1.88%		
01-40-440-500155	Retirement/CalPERS	280,730	269,673	299,000				299,000	PY + Inflation	282,000	208,597	339,100	40,100	13.41%		
01-40-440-500165	Uniforms & Employee Benefits	18,600	16,741	15,500				15,500	3-Year Average	15,100	10,942	17,000	1,500	9.68%		To account for employee turnover and to purchase jackets
01-40-440-500175	Training/Education/Mtgs/Travel	18,500	17,466	17,000		1,500	mid-year	18,500	3-Year Average	18,200	15,089	18,500	-	0.00%		No changes anticipated
01-40-440-500178	General Safety Supplies	15,000	13,179	12,000				12,000	3-Year Average	7,500	6,086	15,000	3,000	25.00%		Increased costs for PPE
01-40-440-500180	Accrued Sick Leave Expense	74,000	54,811	78,700				78,700	PY + Inflation	43,200	35,350	85,700	7,000	8.89%		
01-40-440-500185	Accrued Vacation Leave Expense	98,400	80,446	109,800				109,800	PY + Inflation	46,000	34,333	122,900	13,100	11.93%		
01-40-440-500187	Accrued Leave Payments	80,500	14,536	94,800				94,800	PY + Inflation	28,200	24,002	114,100	19,300	20.36%		

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
01-40-440-500190	Temporary Labor	63,300	46,358	-				-	3-Year Average	7,400	-	-	-	0.00%	No changes anticipated
01-40-440-500195	CIP Related Labor	(40,000)	(71,957)	(200,000)				(200,000)	3-Year Average	(17,800)	(8,668)	(200,000)	-	0.00%	No changes anticipated
01-40-440-510031	Small Tools, Parts & Maintenance	21,000	20,244	40,000				40,000	3-Year Average	35,600	31,814	40,000	-	0.00%	No changes anticipated
01-40-440-520071	Maintenance and Repair- Pipeline & Hydrants	145,000	75,477	145,000				145,000	3-Year Average	168,800	121,367	200,000	55,000	37.93%	Increase fire hydrant theft and repair
01-40-440-520081	Maintenance and Repair- Hydraulic Valves	42,000	23,776	50,000				50,000	3-Year Average	21,600	15,844	75,000	25,000	50.00%	Increase in PRV stations requiring service; larger valves required in 2027
01-40-440-530001	Minor Capital Acquisitions	2,000	-	20,000		(20,000)	mid-year	-	3-Year Average	6,600	-	20,000	20,000	100.00%	No changes anticipated
01-40-440-540024	Inventory Adjustments	50,000	36,664	50,000				50,000	PY + Inflation	182,800	-	50,000	-	0.00%	No changes anticipated
01-40-440-540036	Line Locates	3,800	3,603	3,800	1,000		mid-year	4,800	3-Year Average	5,300	4,783	6,000	1,200	25.00%	Increase in cost of USA tickets
01-40-440-540042	Meters Maintenance & Services	230,000	212,772	230,000	20,000		mid-year	250,000	3-Year Average	243,900	195,784	250,000	-	0.00%	No changes anticipated
01-40-440-540078	Reservoirs Maintenance	89,400	70,837	50,000				50,000	3-Year Average	13,700	1,391	50,000	-	0.00%	No changes anticipated
01-40-440-550030	Membership Dues	-	-	1,500				1,500	Manual	-	-	1,500	-	0.00%	No changes anticipated
01-40-440-550051	Advertising/Legal Notices	5,000	775	2,000		(2,000)	mid-year	-	3-Year Average	400	151	2,000	2,000	100.00%	Expect increase in project advertisements
		3,246,880	2,597,214	3,159,300	21,000	(20,500)		3,159,800		2,874,900		3,411,000	251,200	7.95%	113.41% % of budget
Inspections															
01-40-450-500105	Labor	74,000	57,342	67,900				67,900	PY + Inflation	73,800	46,336	73,800	5,900	8.69%	
01-40-450-500110	Overtime	12,000	9,342	7,900				7,900	PY + Inflation	11,000	6,235	9,100	1,200	15.19%	
01-40-450-500111	Double Time	4,500	498	3,200				3,200	PY + Inflation	600	48	3,300	100	3.13%	
01-40-450-500113	Standby/On-Call	2,350	-	2,800				2,800	PY + Inflation	-	-	-	(2,800)	-100.00%	
01-40-450-500115	Social Security	6,000	4,172	5,300				5,300	PY + Inflation	5,300	3,272	5,400	100	1.89%	
01-40-450-500120	Medicare	1,500	976	1,300				1,300	PY + Inflation	1,200	765	1,300	-	0.00%	
01-40-450-500125	Health Insurance	13,200	9,541	18,600				18,600	PY + Inflation	12,700	8,032	18,400	(200)	-1.08%	
01-40-450-500140	Life Insurance	500	77	200				200	PY + Inflation	100	66	200	-	0.00%	
01-40-450-500143	EAP Program	500	16	100				100	PY + Inflation	-	14	100	-	0.00%	
01-40-450-500145	Workers' Compensation	3,500	1,870	2,900				2,900	PY + Inflation	2,300	1,448	3,000	100	3.45%	
01-40-450-500155	Retirement/CalPERS	10,000	5,002	13,900				13,900	PY + Inflation	6,500	4,137	15,800	1,900	13.67%	
01-40-450-530001	Minor Capital Acquisitions	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	No changes anticipated
		128,050	88,836	124,100	-	-		124,100		113,500		130,400	6,300	5.08%	2.84% % of budget
Customer Service and Meter Reading															
01-40-460-500105	Labor	242,000	198,714	293,400				293,400	PY + Inflation	208,300	155,915	440,800	147,400	50.24%	
01-40-460-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-	-	-	0.00%	Manually tracked, absorbed into regular OT
01-40-460-500110	Overtime	6,500	1,209	17,500				17,500	PY + Inflation	2,700	2,187	19,600	2,100	12.00%	
01-40-460-500111	Double Time	2,000	1,127	6,200				6,200	PY + Inflation	1,900	726	6,400	200	3.23%	
01-40-460-500113	Standby/On-Call	6,500	-	2,800				2,800	PY + Inflation	-	-	-	(2,800)	-100.00%	
01-40-460-500114	Incentive Pay	1,500	-	1,200				1,200	PY + Inflation	-	-	600	(600)	-50.00%	
01-40-460-500115	Social Security	19,000	14,149	23,000				23,000	PY + Inflation	14,700	10,835	33,000	10,000	43.48%	
01-40-460-500120	Medicare	4,500	3,309	5,400				5,400	PY + Inflation	3,400	2,534	7,800	2,400	44.44%	
01-40-460-500125	Health Insurance	65,500	60,783	89,500				89,500	PY + Inflation	60,100	45,602	89,900	400	0.45%	
01-40-460-500140	Life Insurance	500	326	500				500	PY + Inflation	400	268	800	300	60.00%	
01-40-460-500143	EAP Program	500	58	200				200	PY + Inflation	100	47	300	100	50.00%	
01-40-460-500145	Workers' Compensation	10,500	7,213	12,100				12,100	PY + Inflation	6,600	4,924	17,900	5,800	47.93%	
01-40-460-500155	Retirement/CalPERS	75,000	75,075	87,100				87,100	PY + Inflation	77,800	56,801	110,200	23,100	26.52%	
01-40-460-500165	Uniforms & Employee Benefits	2,500	654	1,500				1,500	3-Year Average	1,200	569	1,500	-	0.00%	No changes anticipated
01-40-460-500175	Training/Education/Mtgs/Travel	2,000	-	600				600	3-Year Average	-	-	600	-	0.00%	No changes anticipated
01-40-460-500180	Accrued Sick Leave Expense	9,000	7,604	9,100				9,100	PY + Inflation	3,000	1,728	14,700	5,600	61.54%	
01-40-460-500185	Accrued Vacation Leave Expense	17,000	8,754	17,000				17,000	PY + Inflation	7,700	4,715	17,600	600	3.53%	
01-40-460-500187	Accrued Leave Payments	14,500	-	19,100				19,100	PY + Inflation	-	-	29,200	10,100	52.88%	
01-40-460-500195	CIP Related Labor	(41,000)	(8,760)	(41,000)				(41,000)	3-Year Average	(9,100)	(3,502)	(41,000)	-	0.00%	No changes anticipated
01-40-460-530001	Minor Capital Acquisitions	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No changes anticipated
01-40-460-550030	Membership Dues	-	-	100				100	Manual	-	-	-	(100)	-100.00%	No changes anticipated
		438,000	370,213	545,300	-	-		545,300		378,800		749,900	204,600	37.52%	92.37% % of budget
General Plant-----Previously Maintenance and General Plant															
01-40-470-500109	FSLA Overtime	-	-	-				-	PY + Inflation	-	-		-	0.00%	Manually tracked, absorbed into regular OT
01-40-470-501111	Electricity - 560 Magnolia Ave	44,000	40,186	44,000				44,000	3-Year Average	43,200	35,771	47,000	3,000	6.82%	Anticipated rate increase
01-40-470-501121	Electricity - 12303 Oak Glen Rd	4,000	123	4,000		(1,400)	mid-year	2,600	3-Year Average	300	252	2,600	-	0.00%	No changes anticipated
01-40-470-501131	Electricity - 13695 Oak Glen Rd	3,600	1,808	4,000				4,000	3-Year Average	1,700	1,370	4,500	500	12.50%	Anticipated rate increase
01-40-470-501141	Electricity - 13697 Oak Glen Rd	3,600	3,296	5,000				5,000	3-Year Average	3,700	3,054	5,500	500	10.00%	Anticipated rate increase

BCVWD DRAFT EXPENSES - 2027	10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED			2027 NOTES
01-40-470-501151	Electricity - 9781 Avenida Miravilla	2,500	2,160	3,000				3,000	3-Year Average	1,900	1,558	3,500	500	16.67%	Anticipated rate increase
01-40-470-501161	Electricity - 815 E. 12th St	15,400	8,866	15,400				15,400	3-Year Average	7,000	5,264	16,500	1,100	7.14%	Anticipated rate increase
01-40-470-501171	Electricity - 851 E. 6th St	5,400	4,463	5,400				5,400	3-Year Average	4,200	3,304	-	(5,400)	-100.00%	Closed location in 2026, record until 2028
01-40-470-501181	Electricity - 37612 Ch Val Blvd	-	-	-	700		mid-year	700	Manual	-	26	5,500	4,800	685.71%	New GL account added 2026 for Young property
01-40-470-501191	Electricity -635 Viele Ave	-	-	-				-	Manual	-	-	26,500	26,500	100.00%	New GL account added 2026 for Veile property
01-40-470-501281	Gas - 37612 Ch Val Blvd	-	-	-	350		mid-year	350	Manual	100	51	2,000	1,650	471.43%	New GL account added 2026 for Young property
01-40-470-501291	Gas -635 Viele Ave	-	-	-				-	Manual	-	-	2,000	2,000	100.00%	New GL account added 2026 for Veile property
01-40-470-501321	Propane - 12303 Oak Glen Rd	2,000	-	2,000				2,000	3-Year Average	-	-	1,000	(1,000)	-50.00%	Reduction for vacant property
01-40-470-501331	Propane - 13695 Oak Glen Rd	4,000	1,002	4,000				4,000	3-Year Average	1,100	904	4,500	500	12.50%	Anticipated rate increase
01-40-470-501341	Propane - 13697 Oak Glen Rd	5,500	2,538	5,500				5,500	3-Year Average	1,800	1,470	6,500	1,000	18.18%	Anticipated rate increase
01-40-470-501351	Propane-9781 Avenida Miravilla	2,300	1,311	2,300				2,300	3-Year Average	700	477	3,000	700	30.43%	Anticipated rate increase
01-40-470-501411	Sanitation - 560 Magnolia Ave	6,500	3,505	8,000				8,000	3-Year Average	4,500	3,030	8,500	500	6.25%	Increased fees for State Regulations on Compost
01-40-470-501461	Sanitation - 815 E. 12th St	7,500	6,526	8,000				8,000	3-Year Average	6,900	5,051	8,500	500	6.25%	Increased fees for State Regulations on Compost
01-40-470-501471	Sanitation - 11083 Cherry Ave	7,000	4,460	8,000				8,000	3-Year Average	5,400	3,460	8,500	500	6.25%	Increased fees for State Regulations on Compost
01-40-470-501481	Sanitation - 39500 Brookside	8,000	6,265	8,000				8,000	3-Year Average	6,000	4,817	8,500	500	6.25%	Increased fees for State Regulations on Compost
01-40-470-501491	Sanitation - 37612 Ch Val Blvd	-	-	-	350		mid-year	350	Manual	-	-	8,500	8,150	2328.57%	New GL account added 2026 for Young property
01-40-470-501501	Sanitation -635 Viele Ave	-	-	-				-	Manual	-	-	8,500	8,500	100.00%	New GL account added 2026 for Veile property
01-40-470-501611	Maintenance & Repair- 560 Magnolia Ave	83,600	21,907	83,600				83,600	3-Year Average	44,300	26,238	100,000	16,400	19.62%	Complete roof repairs needed for leaks
01-40-470-501621	Maintenance & Repair- 12303 Oak Glen Rd	31,000	53	31,000		(10,000)	mid-year	21,000	3-Year Average	-	-	21,000	-	0.00%	No changes anticipated
01-40-470-501631	Maintenance & Repair- 13695 Oak Glen Rd	6,000	3,691	3,000				3,000	3-Year Average	500	-	5,000	2,000	66.67%	Anticipate increased activity
01-40-470-501641	Maintenance & Repair- 13697 Oak Glen Rd	9,000	7,884	3,000				3,000	3-Year Average	100	-	5,000	2,000	66.67%	Anticipate increased activity
01-40-470-501651	Maintenance & Repair- 9781 Avenida Miravilla	4,500	991	4,500				4,500	3-Year Average	900	734	5,000	500	11.11%	Anticipate increased activity
01-40-470-501661	Maintenance & Repair- 815 E. 12th St	83,000	15,447	50,000				50,000	3-Year Average	23,800	16,570	35,000	(15,000)	-30.00%	Reduction for completed projects
01-40-470-501671	Maintenance & Repair- 851 E. 6th St	6,200	5,484	5,000				5,000	3-Year Average	5,000	3,801	-	(5,000)	-100.00%	Closed location in 2026, record until 2028
01-40-470-501681	Maintenance & Repair- 39500 Brookside	3,000	1,080	3,000	1,000		mid-year	4,000	3-Year Average	3,200	2,606	4,500	500	12.50%	Anticipate increased activity
01-40-470-501701	Maint & Repair-37612 Ch Va Blv	-	-	-				-	Manual	-	-	5,500	5,500	100.00%	New GL account added 2026 for Young property
01-40-470-501711	Maint & Repair -638 Viele Ave	-	-	-				-	Manual	-	-	13,000	13,000	100.00%	New GL account added 2026 for Veile property
01-40-470-510001	Auto/Fuel	179,300	136,576	179,300				179,300	3-Year Average	141,100	109,507	210,000	30,700	17.12%	Uncertainties in world markets
01-40-470-510002	CIP Related Fuel	(10,000)	-	(10,000)				(10,000)	3-Year Average	-	-	(10,000)	-	0.00%	No CIP related projects anticipated
01-40-470-520011	Maintenance & Repair-Safety Equipment	20,000	6,773	10,000				10,000	3-Year Average	8,800	87	10,000	-	0.00%	No changes anticipated
01-40-470-520031	Maintenance & Repair-General Equipment	80,000	72,336	100,000				100,000	3-Year Average	63,300	55,119	100,000	-	0.00%	No changes anticipated
01-40-470-520033	CIP Related Mnt & Rpr-Gen Equ	-	-	-				-	3-Year Average	-	-	-	-	0.00%	No changes anticipated
01-40-470-520051	Maintenance & Repair-Paving	120,000	25,449	120,000		(20,000)	mid-year	100,000	3-Year Average	11,700	-	100,000	-	0.00%	No changes anticipated
01-40-470-520053	Maintenance & Repair-Paving (City of Beaumont)	270,000	175,421	270,000				270,000	3-Year Average	186,400	109,189	270,000	-	0.00%	No changes anticipated
01-40-470-540052	Encroachment Permits	20,000	3,660	20,000				20,000	3-Year Average	5,600	2,000	20,000	-	0.00%	No changes anticipated
01-40-470-540072	Recharge Facility, Canyon & Pond Maintenance	260,300	211,487	260,300				260,300	3-Year Average	217,700	167,979	360,300	100,000	38.42%	Increase in anticipation of El Nino
01-50-510-502001	Rents/Leases	35,000	-	37,000	4,000		mid-year	41,000	3-Year Average	35,300	29,960	84,000	43,000	104.88%	Viele Office
01-50-510-510031	Small Tools, Parts & Maintenance	1,020	1,003	1,000				1,000	3-Year Average	500	82	1,000	-	0.00%	No changes anticipated
01-50-510-550040	General Supplies	6,200	3,772	19,800		(4,000)	mid-year	15,800	3-Year Average	7,300	4,669	15,800	-	0.00%	No changes anticipated
01-50-510-550060	Public Education/Community Outreach	40,200	34,762	25,000				25,000	3-Year Average	15,400	9,494	35,000	10,000	40.00%	Consolidated with media outreach, event planned for 2027
01-50-510-550072	Miscellaneous Operating Expenses	1,000	472	1,000				1,000	3-Year Average	100	-	1,000	-	0.00%	No changes anticipated
01-50-510-550096	Beaumont Basin Watermaster	135,000	70,629	135,000				135,000	3-Year Average	81,400	50,605	135,000	-	0.00%	No changes anticipated
01-50-510-550097	SAWPA Basin Monitoring Program	30,000	24,131	37,000				37,000	3-Year Average	7,300	2,503	40,000	3,000	8.11%	Increase fees anticipated
		2,218,390	1,451,947	2,174,900	26,400	(36,400)		2,164,900		1,459,600		1,747,700	(417,200)	-19.27%	-188.35% % of budget
Maintenance															
01-40-480-500105 was 01-40-470-500105	Labor	226,000	222,350	221,700				221,700	PY + Inflation	211,300	142,744	235,200	13,500	6.09%	Formerly 01-40-470
01-40-480-500110 was 01-40-470-500110	Overtime	4,500	1,456	8,800				8,800	PY + Inflation	4,400	2,963	8,800	-	0.00%	Formerly 01-40-470
01-40-480-500111 was 01-40-470-500111	Double Time	1,000	65	3,400				3,400	PY + Inflation	200	172	3,000	(400)	-11.76%	Formerly 01-40-470
01-40-480-500113 was 01-40-470-500113	Standby/On-Call	-	-	2,800				2,800	PY + Inflation	-	-	-	(2,800)	-100.00%	Formerly 01-40-470
01-40-480-500114 was 01-40-470-500114	Incentive Pay	1,500	1,100	1,200				1,200	PY + Inflation	1,200	900	1,500	300	25.00%	Formerly 01-40-470

BCVWD DRAFT EXPENSES - 2027		10/13/2026	2025	2025	2026	2026	2026		2026		2026	YTD	2027	Change (Proposed - Amended)	% of change	
Account No.	Account Name	ADOPTED (Amended)	ACTUAL	ADOPTED	Additions	Deletions	Notes	ADOPTED (Amended)	Projection basis	PROJECTED	10/5/2026	PROPOSED				2027 NOTES
01-40-480-500115 was 01-40-470-500115	Social Security	14,500	14,612	16,300				16,300	PY + Inflation	14,300	9,683	16,700	400	2.45%		Formerly 01-40-470
01-40-480-500120 was 01-40-470-500120	Medicare	3,500	3,417	3,900				3,900	PY + Inflation	3,300	2,265	4,000	100	2.56%		Formerly 01-40-470
01-40-480-500125 was 01-40-470-500125	Health Insurance	57,800	56,100	63,400				63,400	PY + Inflation	56,500	39,706	60,600	(2,800)	-4.42%		Formerly 01-40-470
01-40-480-500140 was 01-40-470-500140	Life Insurance	500	352	400				400	PY + Inflation	300	247	400	-	0.00%		Formerly 01-40-470
01-40-480-500143 was 01-40-470-500143	EAP Program	500	75	200				200	PY + Inflation	100	49	200	-	0.00%		Formerly 01-40-470
01-40-480-500145 was 01-40-470-500145	Workers' Compensation	8,000	7,510	9,200				9,200	PY + Inflation	6,400	4,384	9,600	400	4.35%		Formerly 01-40-470
01-40-480-500155 was 01-40-470-500155	Retirement/CalPERS	20,170	20,162	21,100				21,100	PY + Inflation	20,400	13,865	24,700	3,600	17.06%		Formerly 01-40-470
01-40-480-500165 was 01-40-470-500165	Uniforms & Employee Benefits	2,000	1,185	2,000				2,000	Manual	1,000	986	2,000	-	0.00%		Formerly 01-40-470
01-40-480-500175 was 01-40-470-500175	Training/Education/Mtgs/Travel	2,000	245	2,000				2,000	Manual	500	475	2,000	-	0.00%		Formerly 01-40-470
01-40-480-500180 was 01-40-470-500180	Accrued Sick Leave Expenses	7,500	6,482	7,500				7,500	PY + Inflation	6,100	4,400	8,500	1,000	13.33%		Formerly 01-40-470
01-40-480-500185 was 01-40-470-500185	Accrued Vacation Expenses	8,500	7,595	9,600				9,600	PY + Inflation	7,100	4,973	9,700	100	1.04%		Formerly 01-40-470
01-40-480-500187 was 01-40-470-500187	Accrued Leave Payments	3,500	-	5,200				5,200	PY + Inflation	-	-	3,100	(2,100)	-40.38%		Formerly 01-40-470
01-40-480-500195 was 01-40-470-500195	CIP Related Labor	-	(12,566)	-				-	PY + Inflation	-	-	-	-	0.00%		Formerly 01-40-470
01-40-480-501600 was 01-40-470-501600	Property Maintenance & Repairs	4,000	769	4,000				4,000	Manual	100	82	4,000	-	0.00%		Formerly 01-40-470
01-40-480-501691 was 01-40-470-501691	Maintenance & Repair- Buildings (General)	68,000	13,541	30,000		(1,000)	mid-year	29,000	Manual	19,000	19,021	45,000	16,000	55.17%		Formerly 01-40-470, planned facility improvements
01-40-480-510031	Small Tools, Parts, & Maint	-	-	-				-	Manual	-	-	5,000	5,000	100.00%		NEW account for NEW GL
01-40-480-520041 was 01-40-470-520041	Maintenance & Repair-Fleet	110,000	100,847	70,000	20,000		mid-year	90,000	Manual	42,200	42,194	90,000	-	0.00%		Formerly 01-40-470
01-40-480-530001 was 01-40-470-530001	Minor Capital Acquisitions	5,000	-	-				14,000	Manual	13,200	13,210	10,000	(4,000)	-28.57%		Formerly 01-40-470
01-40-480-540030 was 01-40-470-540030	Landscape Maintenance	82,000	72,117	90,000				90,000	Manual	42,600	42,643	120,000	30,000	33.33%		Formerly 01-40-470, planned improvements
01-40-480-540052	Permits	-	-	-				-	Manual	-	-	500	500	100.00%		NEW account for NEW GL
01-40-480-550030 was 01-40-470-550030	Membership Dues	-	-	-				100	Manual	-	-	1,000	900	900.00%		Formerly 01-40-470
01-40-480-550042	Office Supplies	-	-	-				-	Manual	-	-	1,000	1,000	100.00%		NEW account for NEW GL, for Cricut vinyl, district signage, and logos
01-40-480-550051	Advertising/Legal Notices	-	-	-				-	Manual	-	-	500	500	100.00%		NEW account for NEW GL
01-40-480-550066	Subscriptions	-	-	-				-	Manual	-	-	500	500	100.00%		NEW account for NEW GL
		630,470	517,415	572,700	20,000	(1,000)		605,800		450,200		667,500	61,700	10.18%	27.86%	% of budget

Updated by SMM; 10/13/2026

Total Expense	\$ 29,414,570	\$ 25,503,253	\$ 28,040,800	\$ 2,447,200	\$ (177,800)	\$ 29,195,000		\$ 26,137,900	\$ 18,490,689	\$ 29,416,500	\$ 221,500
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**Beaumont-Cherry Valley Water District
Special Finance and Audit Committee
Meeting
October 15, 2026**

Item 3

STAFF REPORT

TO: Finance and Audit Committee

FROM: Finance and Administration Department

SUBJECT: Review of the Draft Fiscal Year 2027 Operating Budget Narratives Sections

Staff Recommendation

Review the proposed Draft Fiscal Year 2027 Operating Budget narrative sections and provide direction to staff as appropriate.

Executive Summary

Staff has prepared preliminary narrative sections of the Draft Fiscal Year 2027 Operating Budget, which include updated District information, accomplishments, financial management practices, and other revisions intended to improve the document's clarity and transparency. These sections are being presented separately from the proposed financial figures to provide the Finance and Audit Committee an opportunity to review the content and provide direction. Following the Committee's review, staff will incorporate the feedback received and prepare the remaining sections of the draft budget document for presentation at the November 5, 2026, Finance and Audit Committee meeting, followed by the November Board of Directors budget presentation.

Background

As part of the annual budget development process, staff continues to evaluate and improve the budget document to enhance its usefulness as a financial plan, policy document, operational guide, and communication tool. Development of the document is a collaborative effort, with sections assigned among Finance staff to encourage participation and incorporate different perspectives. Staff reviews prior-year documents, District policies, industry best practices, and budget publications from other agencies to identify opportunities to improve the content, organization, and presentation of information. These efforts help ensure the budget document not only presents financial information but also tells the District's story, providing context for the numbers and helping readers understand District operations, accomplishments, and future priorities.

As a recipient of the California Society of Municipal Finance Officers (CSMFO) Budget Excellence Award, the District also incorporates feedback received through the award review process to identify areas for continued improvement. This ongoing evaluation helps staff refine the document each year, with an emphasis on accuracy, transparency, readability, and providing meaningful information to the Board of Directors, District staff, and the public.

Discussion

Staff will present the preliminary sections of the Draft Fiscal Year 2027 Operating Budget, highlighting significant changes from the prior year and providing an opportunity for discussion



and feedback. Table 1, Summary of Major Changes to the Budget Document, summarizes the updates.

Table 1 – Summary of Major Changes to the Budget Document

Line #	Document	Section	Summary of Changes
1	Cover Page	Cover Page	More pictures and added CFD
2	Overview	About the District – History	Reorganized and added milestones
3	Overview	About the District – Governance	Moved Directors back to section and small expansion on bios
4	District Achievements	2026 District Accomplishments	Reorganized and expanded
5	District Achievements	2027 District Goals	Updated and converted to consistent format (SMART goals)
6	Financial Management and Policy Framework	Accounting and Budgeting	Refined explanations and budget development
7	Financial Management and Policy Framework	Community Facilities District	Added new section for CFD 2025-1, which will have its own section in the budget
8	Financial Management and Policy Framework	Rate Setting Structure	Updated information, including production numbers, which are vital to consumption/sales calculations

Following the Committee's review, staff will incorporate feedback into the draft budget document. Upon completion of the personnel review and consideration of Committee direction regarding proposed revenues and expenses, staff will finalize the remaining sections, including the Organization, Financial Summary, and Details by Department and Account, for presentation at the next Finance and Audit Committee meeting.

Fiscal Impact

There is no fiscal impact.

Attachments

1. Draft 2027 Operating Budget – Cover Page
2. Draft 2027 Operating Budget – Overview
3. Draft 2027 Operating Budget – District Achievements
4. Draft 2027 Operating Budget – Financial Framework

Staff Report prepared by Sylvia Molina, Director of Finance and Administration



**A CENTURY OF SERVICE,
QUALITY AND
STEWARDSHIP**

BEAUMONT-CHERRY VALLEY WATER DISTRICT

- **FY 2027 OPERATING BUDGET**
- **COMMUNITY FACILITY DISTRICT BUDGET**
- **2027-2031 CAPITAL IMPROVEMENT BUDGET**



Overview

Picture Pending



About the District

Our Mission

It is the mission of Beaumont-Cherry Valley Water District to be a leader in water resource management while providing our customers with safe, reliable drinking water at the lowest possible cost.

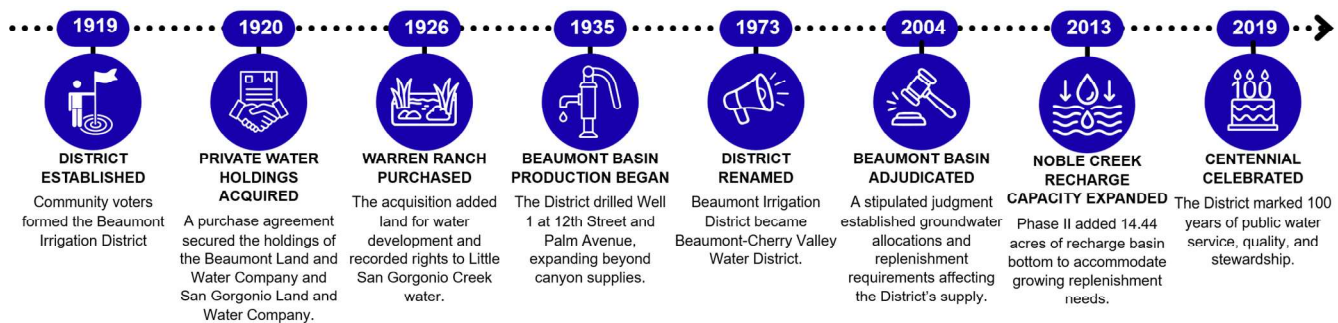
Our Vision

To ensure long term sustainability through further development of local water resources and to be recognized in the community for our transparency, integrity, and dedication in providing high quality drinking water to our customers.

History

Beaumont-Cherry Valley Water District traces its roots to private water systems developed in the late 1800s to support settlement and agriculture in Beaumont and Cherry Valley. The District was formed in 1919 as the Beaumont Irrigation District under California Irrigation District law, Water Code Section §20500 et seq by vote of the people. In December 1920 the district purchased holdings of the Beaumont Land & Water Company and the San Geronio Land and Water Company and became part of the public agency.

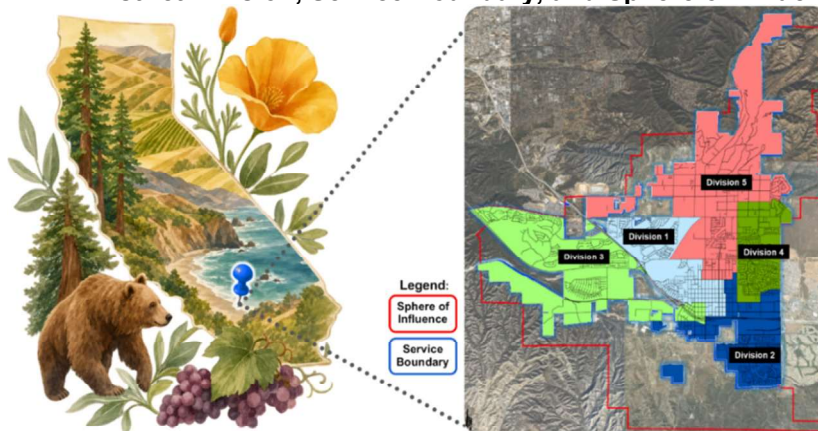
As agricultural irrigation declined and residential demand increased, the District's role evolved; it adopted the name Beaumont-Cherry Valley Water District in 1973. After the Beaumont Basin's 2004 groundwater adjudication, replenishment became central to meeting the District's water needs. Construction of the Noble Creek Recharge Facility in 2006 and its expansion in 2013 strengthened the District's ability to store imported water underground for future use. The District celebrated its centennial in 2019, marking a century of adapting its water system to serve a growing community.



Service Area

Beaumont-Cherry Valley Water District's service area consists of approximately 28 square miles, virtually all of which is in Riverside County and includes the City of Beaumont, the community of Cherry Valley, and some small areas of the City of Calimesa.

BCVWD District Division, Service Boundary, and Sphere of Influence



District Governance

The District's five-member Board of Directors represents five divisions, with members residing in their respective divisions and elected at large to staggered four-year terms. Under the Board-Manager form of government, the Board appoints a General Manager to oversee daily operations and implement Board policy. The Board typically meets on the second Wednesday and fourth Thursday of each month. Before each fiscal year, it adopts an operating budget to authorize spending, guide financial reporting and controls, and ensure accountability for District funds.



Andy Ramirez has served on the BCVWD Board since 2016, bringing experience overseeing municipal water and sewer utilities. He has advanced conservation, recycled water cooperation, and grant-funded meter modernization. He helped secure \$2.5 million for the Beaumont MDP Line 16 Project. Having begun his water-industry career installing water and sewer pipelines, he combines practical infrastructure experience with a master's degree in public administration, bringing both operational and administrative perspectives to District governance and long-term planning.



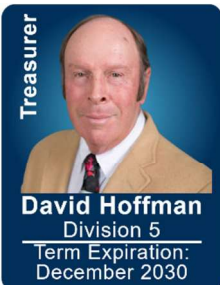
Lona Williams has served on the BCVWD Board since 2018, holding all four officer positions. Her service on the Finance and Audit, Personnel, Communications, and Board Policies committees has supported District governance and oversight. Active in Association of California Water Agencies groundwater-related committees, she emphasizes long-term water planning and reliable service. A U.S. Army veteran with an MBA, she supports responsible investment in water infrastructure, technology, and cybersecurity.



Board Member Slawson has served on the BCVWD Board since 2012, holding all four officer positions. His service has supported financial stability and collaboration among special districts. As Chair of the San Geronio Pass Regional Water Alliance, he promotes conservation and regional cooperation. A licensed land surveyor, he brings extensive infrastructure planning experience to District decisions. His commitment to open communication and cooperative governance supports the District's long-term success.



John Covington has served on the BCVWD Board since 2014 and has nearly four decades of water-industry experience. Since 2005, he has managed the Morongo Band of Mission Indians' Water and Wastewater Departments. He advocates for Native American water resources and water rights and serves on statewide and national water boards. He holds California Grade III certifications in water distribution and treatment. He also serves as Tribal Government Administrator, overseeing multiple departments beyond water operations.



David Hoffman has served on the BCVWD Board since 2014. As Finance and Audit Committee Chair since 2016, he promotes financial accountability and responsible management of District resources. His priorities include additional water sources, safe drinking water, and quality infrastructure improvements. He has more than four decades of business and fiscal management experience. A longtime local businessman, he also emphasizes community engagement and maintaining a safe, supportive work environment for District employees.

(1) Board members and their elected positions as of December 31, 2026

Water Services, Supply, and Reliability

The District has both potable and non-potable water distribution systems. The District has 24 wells and 13 tanks ranging from 0.5 million gallons (MG) to 5 MG. Total storage approximates 23 MG.

The District's water production for the year ended December 31, 2025, totaled 13,428.03 acre-feet (AF) and consisted of 1,953 AF allocation of unused overlying water rights as determined by the Beaumont Basin Watermaster (BBW). Groundwater was pumped from Edgar Canyon (2,229.36 AF) and the Beaumont Basin (11,198.67 AF). The allocation of unused overlying water rights within the Beaumont Basin is calculated with the volume of available water not produced by the Overlying Parties and distributed to the Beaumont Basin Appropriators.

At the end of September 2026, the District had 22,402 permanent connections, 93.2% of which are for single-family residences. This reflects an increase of 213 connections since September 30, 2025.



About the Community

Local Economy and Profile

The District's Service Area is located within Riverside County, the fourth largest county in California by total area, according to United States Census Bureau. Riverside County and San Bernardino County comprise the Inland Empire, one of the nation's fastest-growing metropolitan areas. The Inland Empire covers approximately 27,000 square miles. Beaumont's July 2024 population estimate was 59,502, approximately 12.2% above its adjusted 2020 population base, following growth from 36,877 residents in the 2010 Census to 53,036 in 2020. Cherry Valley grew more modestly, from 6,362 residents in 2010 to 6,509 in 2020. These population trends indicate an expanding customer base and continued demand for housing, local services, and water infrastructure.

Beaumont's median household income was \$105,164 in the 2019–2023 ACS, compared with \$78,111 in 2014–2018 while Cherry Valley's corresponding estimates were \$78,125 and \$54,675. Housing and commerce underpin the area's economic base. Estimated homeownership increased from 76.7% to 80.1%

in Beaumont and from 78.6% between 2014-2018 to 85.0% between 2019–2023 based on the 5-year American Community Survey US Census Survey. Beaumont recorded approximately \$794.8 million in retail sales, \$99.1 million in accommodation and food-service sales, and \$91.6 million in health care and social-assistance revenue in the 2022 Economic Census. Together, these figures suggest that residential growth and consumer-serving businesses remain important to the local economy, reinforcing the District’s need to plan for reliable water service and infrastructure capacity. Table 2 presents additional demographic and economic statistics for the County of Riverside.

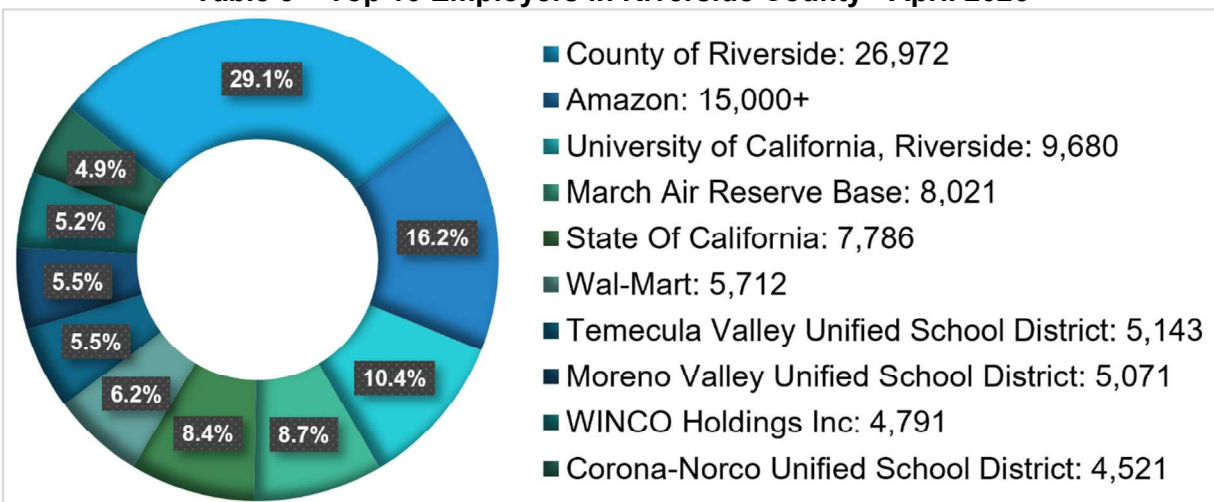
Table 2 – Demographic and Economic Statistics for the Last Ten Years

Calendar Year	Population	County of Riverside		
		Median Household Income	Per Capita Personal Income	Unemployment Rate
2016	45,349	57,972	24,443	11.3%
2017	46,179	60,807	25,700	4.3%
2018	49,630	63,948	27,142	4.1%
2019	51,475	67,005	28,596	3.6%
2020	52,686	67,005	28,596	8.6%
2021	53,036	71,000	29,900	4.9%
2022	54,690	76,066	32,079	4.3%
2023	57,416	81,928	33,100	4.2%
2024	59,708	89,672	37,162	4.2%
2025	59,896	93,074	38,317	5.2%

Sources:
Population : State of California Department of Finance , as of 12-31
County Data : Riverside County Office of Economic Development

The District’s current customer base comprises primarily residential and commercial customers. Large consumers remain consistent year to year, with Beaumont Unified School District, CJ Foods, Country Highland MHC, Highland Springs Resort, and Perricone Juices, rounding out the top five users.

Table 3 – Top 10 Employers in Riverside County - April 2026

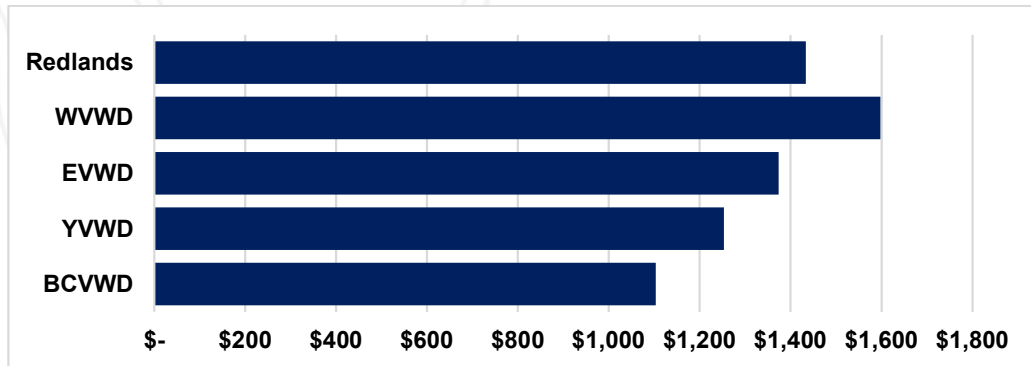


Source: Riverside County Economic Development Agency

Compared to Other Agencies

Operating Cost per Customer Meter

Measure of how much it costs to serve each customer device, helping to assess overall operational efficiency and cost control.

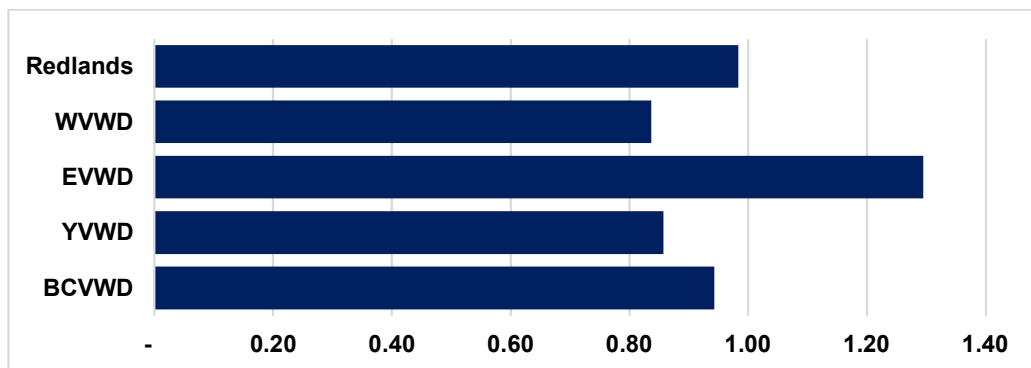


Factors Affecting the Ratio:

Service Area Size and Density
Infrastructure Age
Regulatory Compliance
Water Source(s)
Energy Costs

Cost Recovery Ratio

The percentage of operating costs recovered through water rates and fees, showing whether revenue generation aligns with operational expenses.

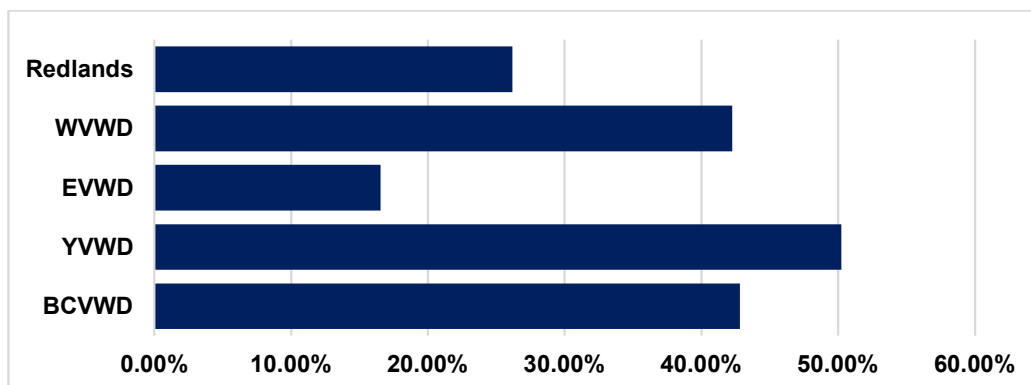


Factors Affecting the Ratio:

Revenue Generation
Operating Costs
Capital Investments and Debt
External Factors

Capital Expenditures as a Percentage of Total Expenditures

Represents the portion of total spending allocated to infrastructure and long-term assets, balancing the maintenance of current systems with planning for future needs.



Factors Affecting the Ratio:

Asset Lifecycle
Long-Term Sustainability
Debt and Funding Sources

Comparators referenced: City of Redlands (Redlands), West Valley Water District (WVWD), East Valley Water District (EVWD) and Yucaipa Valley Water District (YVWD)

Based on fiscal year ending 2025.



District Achievements

PICTURE PENDING

District Accomplishments

District Accomplishments Overview

In 2026, the Beaumont-Cherry Valley Water District (BCVWD or District) continued providing reliable, high-quality water service through responsible financial management, strategic planning, operational excellence, and regional collaboration. Building on initiatives established in prior years, the District invested in infrastructure, technology, and organizational improvements to strengthen its long-term financial and operational position while supporting the needs of a growing community.

Throughout the year, BCVWD maintained its commitment to meeting applicable State and Federal water quality requirements while improving system reliability and resiliency. Investments in infrastructure, water supply planning, preventative maintenance, and regional partnerships supported the District's efforts to protect existing resources and prepare for future demands. Collaboration with the San Geronio Pass Water Agency (SGPWA), the City of Beaumont, and other regional partners remained essential to long-term water supply planning and resource management.

Financial stewardship remained a priority as the District continued balancing operational needs, infrastructure investments, and long-term financial sustainability. Through careful budget development, financial reporting, and evaluation of revenue and expenditure trends, BCVWD worked to maintain fiscal accountability while planning for future growth and regulatory requirements. These efforts supported informed decision-making and responsible management of customer resources.

The District also advanced organizational efficiency, innovation, and transparency through investments in cybersecurity, technology modernization, data management, and workflow improvements. Expanded public outreach and customer communication efforts provided greater access to information regarding water quality, conservation, District projects, programs, and services. These initiatives strengthened internal operations while supporting community engagement and public awareness.

The following accomplishments reflect the combined efforts of the Board of Directors, management, and staff in advancing the District's strategic and operational priorities. Together, these achievements demonstrate BCVWD's continued commitment to fiscal responsibility, water supply reliability, regulatory compliance, innovation, organizational excellence, and exceptional service to the community.

2026 Accomplishments at a Glance



2026 District Wide Accomplishments

Service

1. Expanded public outreach and community engagement efforts to increase awareness of water conservation, including California's "Conservation as a Way of Life" initiative, water quality, infrastructure improvements, District programs, and customer resources. Through increased social media activity, website enhancements, educational campaigns, and participation in community events, the District provided timely, accessible information to customers and stakeholders. These efforts strengthened transparency, promoted responsible water use, and encouraged greater community understanding of District operations, investments, and services.
2. Successfully implemented a new capacity charge structure to ensure new development appropriately funds its share of infrastructure and water system costs. The updated structure supports responsible growth while helping protect existing ratepayers from financial impacts associated with future development.
3. Received an unmodified "clean" opinion for the District's fiscal year 2025 Single Audit, demonstrating continued transparency in compliance associated with federal grant expenditures. This accomplishment reflects the District's commitment to transparency, accountability, and accurate financial reporting.

Water

1. Completed and distributed the 2025 Water Quality and Consumer Confidence reports by the July 1, 2026 deadline, providing customers with timely information regarding the quality and safety of the District's drinking water. This accomplishment reflects BCVWD's continued commitment to public health, regulatory compliance, and transparency.
2. Implemented operational processes and treatment procedures to address Chromium VI requirements while evaluating cost-effective approaches to treatment and compliance. These efforts support the District's commitment to protecting public health while responsibly managing operational costs and regulatory requirements.
3. Developed multiple internal dashboards to improve access to operational data and support data-driven decision making across the District. These tools provide staff with more efficient access to key information, improve monitoring and analysis, and support informed planning and resource management.

Personnel

1. Expanded employee training, professional development, and leadership opportunities throughout the District, providing staff with resources to strengthen their knowledge, skills, and ability to contribute to District operations. These efforts support employee development, informed decision-making, and continued organizational excellence.
2. Provided District staff with training and exposure to emerging technologies, including GIS and artificial intelligence applications. These efforts help prepare employees for evolving operational needs while encouraging innovation and continuous improvement.
3. Advanced the District's succession planning efforts by identifying critical positions and developing training opportunities for employees. These efforts strengthen organizational continuity and help prepare the District for future retirement, employee advancement, and leadership transitions.

District Awards

Operating Budget Excellence Award

The California Society of Municipal Finance Officers (CSMFO) is a statewide organization serving all California municipal finance professionals. Its mission is to promote excellence in financial management through innovation, continuing education, and professional development. Recognizing that public representatives are obligated to serve the public's interests, CSMFO actively improves fiscal integrity and adherence to the highest standards of ethical conduct and creates better accountability by disseminating best practices.

CSMFO established the Operating Budget Excellence Award to recognize agencies whose budget documents reflect a commitment to specific statewide criteria of the highest quality. The document must be comprehensive, transparent, exhibit exceptional clarity, and must present effectiveness.



The award represents the continued commitment to following best practices in budget preparation. To receive the Excellence Award in budgeting, a governmental unit must publish a budget document that meets specific criteria as a policy document, financial plan, and communication tool. Attainment of the Operating Budget Excellence Award represents a significant accomplishment by BCVWD and its management.

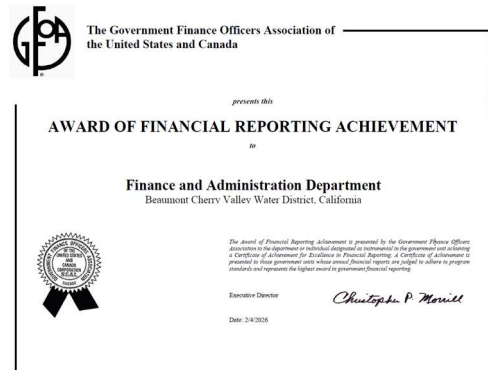
The District has received the award for the past six years (2021 through 2026).

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that represent the spirit of transparency and full disclosure and recognize individual governments to succeed in achieving that goal. The Certificate is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Reports submitted to the Program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee, comprised of individuals with expertise in public sector financial reporting and includes financial statement preparers, independent auditors, academics, and other finance professionals.

The District has received the award for the past eight years (2017 through 2024) and anticipates the recognition for the FY ended December 31, 2025 by March of 2027.



Great Place to Work Certification

Organizations partner with Great Place To Work to understand how effectively their leaders create the conditions for an overwhelmingly positive employee experience. Great Place To Work offers best-in-class data about the employee experience, sourced from surveys taken by millions of employees globally. This data offers organizations invaluable insight into how their workers will interact with the workplace and establishes benchmarks for working conditions around the world.



Great Place To Work Certification criteria are the global standard for quantifying and benchmarking the employee experience. Certification evaluates workplace culture from the perspective that matters the most, the employee, offering the most comprehensive picture on the market of the internal health of an organization.

Positive employee responses to the Trust Index Survey (four and above on the five-point scale) are averaged to provide an organization-wide assessment of culture: the Trust Index. Companies that score above the current threshold become Great Place To Work Certified.

The District has received the award for the past six years (2021 through 2026).

President's Special Recognition Award

Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA) is a partnership of water agencies that collectively share risks associated with water purveyance. Established in 1979, the JPIA provides risk-sharing pools to its members. To join, agencies must demonstrate a strong commitment to effective safety and risk management.

Each year, ACWA/JPIA recognizes member agencies that achieve a Loss Ratio of 20% or less, comparing paid insurance claims and case reserves to deposit premiums. The evaluation spans three years and applies to the Liability, Property, or Workers' Compensation Programs.

ACWA/JPIA announced on December 31, 2025 that BCVWD had received the recognition for all three programs for the period of 2021 through 2024.



2026 Gold Tier Recognition for Well-being Works Better

Established in 1924, the American Heart Association (AHA) is a national nonprofit organization dedicated to improving cardiovascular health and promoting healthier lives. The AHA provides research, education, resources, and science-based programs that help individuals, communities, and organizations improve overall health and well-being.

The American Heart Association's Well-being Works Better™ recognition program honors organizations that demonstrate a strong commitment to creating a workplace culture that supports employee health and well-being. Organizations are evaluated using the AHA's Workforce Well-being Scorecard, which assesses policies, programs, organizational practices, leadership support, employee engagement, and efforts to improve workforce health. Gold Tier Recognition is awarded to organizations that demonstrate a high level of achievement in implementing evidence-based practices that promote physical and mental well-being, encourage employee participation, and foster a supportive and healthy workplace environment.



Beaumont-Cherry Valley Water District is proud to announce it has received the *2026 Gold Tier Recognition* from the American Heart Association's *Well-being Works Better™ Scorecard* program.

2026 was the first time that that District received the recognition.

2025 Award for Excellence in Technology

Established in 1969, the California Special Districts Association (CSDA) serves as the statewide voice for independent special districts across California. CSDA provides advocacy, resources, and professional development to support special districts in delivering essential services and effectively serving their communities.

The CSDA Excellence in Technology Award is presented annually to one California special district that demonstrates outstanding innovation in technology. The award honors initiatives that significantly improve operational efficiency, enhance customer service, strengthen cybersecurity, and advance the district's mission. Award recipients must demonstrate measurable improvements in internal processes, community service, and transparency. Additional consideration is given to projects featuring innovative implementation, creative problem-solving, or strategic collaboration with other agencies.



Beaumont-Cherry Valley Water District (BCVWD) was honored with the CSDA Excellence in Technology Award in recognition of its commitment to modernizing infrastructure, safeguarding digital assets, and improving public accessibility. BCVWD's technology initiatives reflect the District's dedication to responsible stewardship, continuous improvement, and the strategic use of innovation to better serve its constituents.

2025 was the first time that that District received the award.

2026 Award for Excellence in Information Technology Practices

The Municipal Information Systems Association of California (MISAC) represents information technology (IT) professionals from cities, counties, special districts, and other public agencies across California. MISAC promotes excellence in government technology through its Four Pillars: education, member resources, relationships, and advocacy. These guide their mission to advance leadership, innovation, and the effective use of technology in public service.

In October 2026, BCVWD received the MISAC Excellence in Information Technology Practices Award for the fourth consecutive year. This award signifies that BCVWD met or exceeded MISAC's rigorous standards in areas such as budget and strategic planning, cybersecurity, operations, disaster recovery, GIS, and project management.

This achievement reflects BCVWD's ongoing investment in its IT and Cybersecurity programs, emphasizing proactive planning, system modernization, and a culture of digital resilience. While the District will receive the physical award late in the year, the recognition underscores BCVWD's leadership among California special districts in secure, efficient, and transparent technology management.



Resolution for Budget Adoption

Budget Resolution

Annually, the Board of Directors (BOD) approves and adopts the Fiscal Year (FY) Operating Budget and Capital Improvement Budget (CIB) by adopting a Resolution.

The District's General Manager (GM) is authorized to take all necessary actions to implement the provisions of the FY Budget as adopted by the Resolution, including recruiting and appointing positions within the limits of said Budget and Plan without further Board action.

The GM is directed to implement the Resolution's intent following applicable procedures. The expenditure amounts designated for the FY are appropriated and expended by departments per funding source designation. The Finance and Administration Department prepares the annual Operating and CIB, using projected financials for presentation to the BOD, intending to submit for full budget document approval before year-end, effective January 1, 2027.

PENDING Resolution COPY

District Wide Goals and Objectives

2027 District Wide Goals and Objectives

Service

1. By December 31, 2027, expand the District's public outreach and communication efforts by providing at least 12 plain-language customer education campaigns throughout the year addressing water conservation, water supply reliability, District projects, programs, and services. This goal will enhance transparency, increase public awareness, and strengthen engagement between the District and the community.
2. By December 31, 2027, implement at least two additional automated workflows or digital processes across a minimum of two District departments to reduce manual and paper-based processes, improve access to information, and increase organizational efficiency.
3. By December 31, 2027, evaluate and enhance the District's financial planning and reporting tools to incorporate long-term forecasting of revenues, operating costs, capital needs, reserves, and water supply investment. This goal will strengthen long-term financial planning and provide management and the Board of Directors with improved information for strategic decision making.

Water

1. By July 1, 2027, complete and distribute the 2026 Water Quality and Consumer Confidence Report, demonstrating the District's continued commitment to public health, regulatory compliance, and transparent communication regarding the quality and safety of the community's drinking water.
2. By December 31, 2027, complete identified priority improvements to the District's water system infrastructure and technology based on condition assessments, operational needs, and long-term capital planning. This goal will improve system reliability, operational efficiency, and the District's ability to provide dependable water service to current and future customers.
3. By December 31, 2027, expand the District's use of operational dashboards and data analytics by developing or enhancing tools that integrate key water system, consumption, infrastructure, and operational information. These tools will improve staff access to information, support proactive system monitoring, and strengthen data-driven planning and decision-making.

Personnel

1. By December 31, 2027, provide all District employees with opportunities for job-related training and professional development, including technical, supervisory, leadership, safety, or professional education appropriate to their positions. This goal will strengthen employee knowledge and skills while supporting continued organizational excellence and employee development.
2. By December 31, 2027, expand the District's succession planning program by documenting critical functions and institutional knowledge for identified key positions and establishing cross-training or development opportunities for employees. This goal will improve organizational continuity, reduce the risk of institutional knowledge loss, and prepare employees for future opportunities.
3. By December 31, 2027, strengthen employee engagement and organizational communication by conducting an employee engagement assessment and implementing measurable actions in response to identified opportunities for improvement. This goal will encourage employee participation, strengthen communication across the organization, and support a collaborative and effective workplace.



Financial Management and Policy Framework

PICTURE

Overview

The Financial Framework outlines the guiding policies and practices that ensure the Beaumont-Cherry Valley Water District (BCVWD) remains fiscally sound, transparent, and compliant with applicable state and federal regulations. It connects the District's mission and strategic goals to its budget process, ensuring that every financial decision supports reliable and sustainable water service.

This framework emphasizes financial integrity, accountability, and effective resource allocation, demonstrating the District's commitment to aligning financial practices with the Board's strategic objectives.

Accounting and Budgeting

Basis of Financial Reporting: Proprietary Fund Accounting

BCVWD operates as a single enterprise fund, known as the Water Fund. Enterprise funds are used by government agencies to account for services financed primarily through customer charges. This structure allows the District to track the revenues, expenses, assets, and liabilities associated with providing water service.

In accordance with Generally Accepted Accounting Principles (GAAP), the District uses full accrual accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred. Unbilled water utility revenues are accrued at year-end.

The Water Fund accounts for the District's financial activities, including operating revenues, expenses, debt obligations, and capital improvements. Water rates are established to generate sufficient revenue to support ongoing operations, debt service, and infrastructure maintenance and replacement. Other funding sources, including CFD special tax revenues, are tracked separately within the fund to ensure proper accounting and use of resources.

The District publishes an Annual Comprehensive Financial Report (ACFR), prepared using full accrual accounting, and provides a detailed and comprehensive presentation of the District's financial condition. The ACFR includes an independent auditor's report providing opinions concerning the conformity of the District's financial statements to GAAP.

The District operates on a calendar fiscal year beginning January 1 and ending December 31. This structure ensures transparency in financial reporting and provides a complete picture of the District's operating income, financial position, and cash flow.

Community Facilities District (CFD) Financial Management

In January 2026, the District established Community Facilities District (CFD) No. 2025-1 (Public Services) to provide funding for certain public services through special taxes collected from properties within the CFD boundaries. Unlike regular water rates paid by customers for water service, these special taxes provide a dedicated source of funding for the specific purposes established for the CFD.

Beginning with the 2027 Budget, the District will include CFD financial activity as part of its annual budget. A separate CFD Budget section will show how much revenue is expected from special taxes and interest earnings, how those funds are planned to be spent, and how much will be set aside for future needs.

Although these funds are included in the District's Water Enterprise Fund, they are tracked separately to ensure they are used for their intended purposes.

One difference between the CFD and the District's regular budget is the reporting period. The District prepares its annual budget on a calendar-year basis, from January 1 through December 31, while the CFD's annual spending limitation, known as the appropriations limit, follows a July 1 through June 30 cycle. This limit establishes a legal restriction on certain expenditures of tax revenues, rather than determining how much tax is collected or how much the District plans to spend. District staff track and reconcile the financial activity for both periods to ensure accurate reporting and compliance with applicable requirements.

Purpose of the Budget

The District's budget serves as a comprehensive management and financial planning tool with four primary functions:

Table 6 – Purpose of the Budget

Function	Purpose
Policy Document	Aligns the District's goals, priorities, and strategic direction with fiscal decision-making.
Operational Tool	Guides day-to-day management by establishing authorized spending levels and allocating resources efficiently.
Financial Plan	Ensures the responsible use of public funds and maintains the District's long-term financial stability.
Community Communication	Promotes transparency and accountability by clearly presenting how resources support services and community needs.

Budget Planning and Preparation

The District's annual budget process begins in January and is designed to promote collaboration, departmental input, accuracy, and accountability throughout development. The budget process has three key phases:

Debrief and Evaluation: In January, Finance meets with all departments to evaluate the prior year's process and identify improvements. The goal of this discussion is to foster collaboration and ensure everyone has an opportunity to voice their opinions, helping to make the report stronger and more effective.

Mid-Year Review: Beginning in June, departments review their recorded expenses and recommend adjustments or amendments based on current conditions.

An **adjustment** is a transfer within a department under \$50,000, approved by the department director and the General Manager.

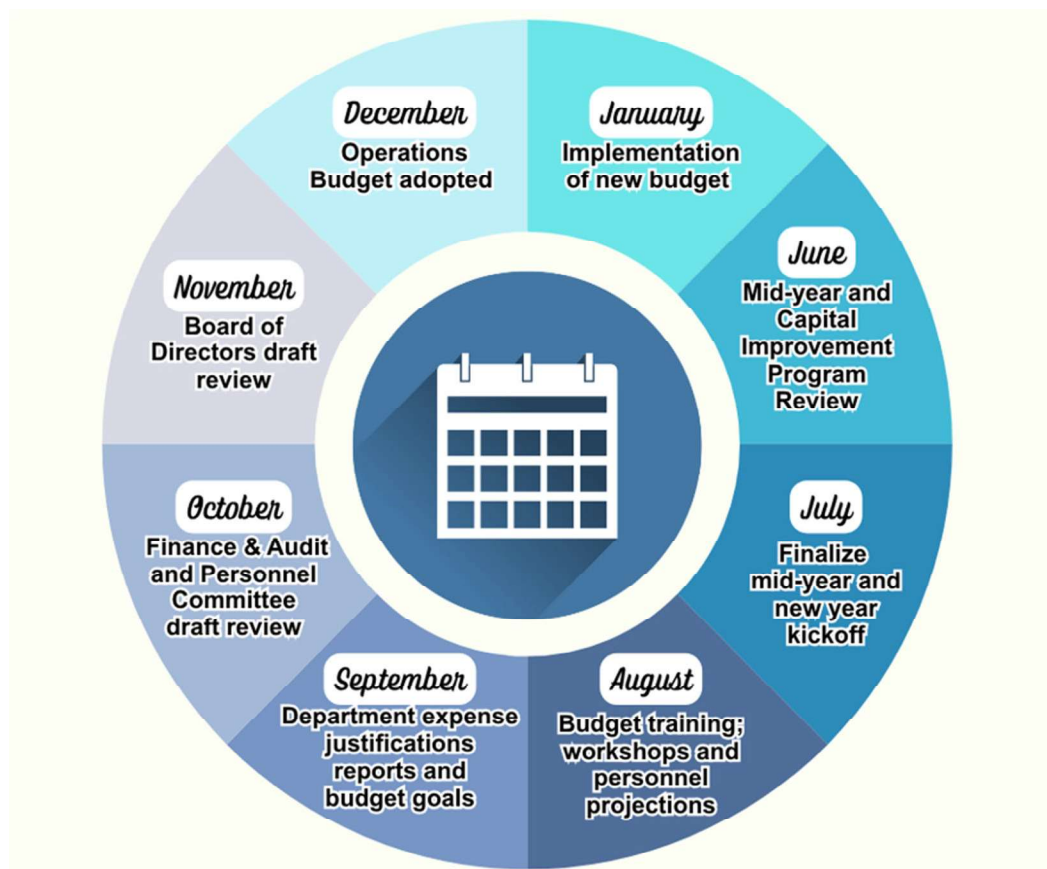
An **amendment** is a change to the adopted budget that requires approval by the Board of Directors through a Board resolution.

New Budget Development: From July through December, departments review planned Capital Improvement Projects, evaluate their staffing needs, and prepare expense justifications for each General Ledger account.

Finance reviews the requests and presents the recommendations to the General Manager, before submitting drafts to the Finance and Audit Committee, as well as the Personnel Committee, starting in October. A presentation is given to the full Board of Directors in November, before final review and adoption in December.

This structured process ensures that financial decisions are collaborative, transparent, and aligned with District priorities.

Budget Timeline by Key Process



How Does the Budget Compare to the Annual Financial Report?

While both the Annual Budget and the Annual Comprehensive Financial Report (ACFR) present the District's financial information, they serve different purposes and follow different standards.

The table below summarizes the key distinctions between the two:

Table 7 – Financial Report Differences

Aspect	Annual Budget	Annual Comprehensive Financial Report (ACFR)
Purpose	Serves as a financial plan that allocates resources to meet District goals for the upcoming year.	Provides a historical record of actual financial activity and performance for the completed fiscal year.
Basis of Accounting	Prepared on a budgetary basis, focusing on available resources and planned expenditures.	Prepared on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).
Focus	Future-oriented by emphasizing planned revenues, expenses, and policy directions.	Past-oriented, emphasizing actual results, financial position, and compliance with accounting standards.
Time Frame	Covers a single fiscal year prospectively (January through December).	Reports on the same fiscal year retrospectively, after year-end closing.
Authority	Adopted by the Board of Directors to guide financial operations.	Audited by independent accountants and presented to the Board for review and public transparency.
Users	Used by management and the Board to monitor spending and share with the public the District's priorities, challenges, accomplishments, and use of resources.	Used by auditors, regulatory agencies, stakeholders, and the public to assess financial health and accountability.

Together, these two documents ensure that the District's financial planning, performance, and reporting remain consistent, transparent, and compliant with accounting standards.

Budget Control and Amendment

Throughout the budget period, management staff are responsible for monitoring their department budgets to ensure that expenditures remain within approved allocations. Finance staff provide tools that allow managers to review budget status at any time. In addition to the ongoing monitoring process, a monthly budget report is presented to the Finance and Audit Committee for detailed review before being submitted to the Board of Directors (Board or BOD) for consideration and approval. These reports update the Board on the progress of all operating revenues and expenses for the Water Fund.

The Finance and Audit Committee also conducts a comprehensive mid-year review of the District's operating budget, which is subsequently presented to the Board. If, during the mid-year review or the budget presentation to the Committee, it is determined that a significant adjustment is necessary, Finance staff work with Department Directors to prepare a Budget Adjustment request for approval.

The General Manager (GM) is responsible for ensuring that expenditures remain within budget allocations and may adopt administrative budget policies necessary to carry out that responsibility. No expenditure of funds is authorized unless sufficient funds have been appropriated by the Board or reallocated by the GM, as described in this budget.

The GM may exercise discretion in administering the budget to respond to changing circumstances by requesting budget transfers between line items requested by each department on an as-needed basis. Transfers between departments require approval from each Department Director and the GM. Any single line-item modification exceeding \$50,000 requires Board approval, as does any amendment (addition or reduction) to the total adopted budget. All budget transfers are documented and tracked in the District's financial system and reported to the Finance and Audit Committee during its regular monthly meetings, referred to as the "Adopted (Amended)" amount for the budget year.

In the event of a declared District Emergency, the GM, in consultation with the Board President, may exercise additional authority to protect public health and safety. The GM's Declaration of a District Emergency is a public acknowledgment that the District's resources may be insufficient to respond to the emergency. Under Public Contract Code §§20567 and 22050, the Board may delegate to the GM the authority to suspend competitive bidding and enter emergency contracts of up to \$250,000. The Board must ratify the declaration within 14 days at a regular, special, or emergency Board meeting.

Additionally, the GM is authorized to hire full-time staff for positions or classifications approved by the Board and may also approve the hiring of temporary or part-time staff, as needed, to maintain operations and service levels.

Table 8 – Approvals for Budget activity

Action	Approval Required
Line-item transfers within a department	General Manager
Transfers between departments	Department Directors and General Manager
Single line-item modification over \$50,000	Board of Directors
Amendments increasing or decreasing total appropriations	Board of Directors
Emergency contracts up to \$250,000	General Manager, with Board ratification required within 14 days

This structure ensures that budget oversight remains transparent and responsive while preserving appropriate levels of fiscal control and accountability at each stage of the process.

Rate Setting Structure

Proposition 218

The timing of the District's budget process is closely tied to its rate-setting requirements under Proposition 218, officially titled the "*Right to Vote on Taxes Act*." Approved by California voters in 1996, Proposition 218 amended the California Constitution (Articles XIII C and XIII D) to establish additional procedural requirements and limitations on new or increased taxes, assessments, and property-related fees and charges.

For special districts such as the Beaumont-Cherry Valley Water District (BCVWD), any fee or charge imposed as an incident of property ownership, including water commodity charges, service fees, late charges, or sanitation fees, must comply with the provisions of Proposition 218. In practice, this means that the District must mail written notice to all affected property owners at least 45 days before a public hearing on any proposed rate increase. During that 45-day protest period, property owners may submit written protests opposing the proposal. If a majority (50 percent + 1) of property owners submit valid written protests, the proposed rate or fee adjustment cannot be adopted. Effectively, ratepayers are given both advance notice and the opportunity to formally oppose any increase before it takes effect.

In addition to these procedural requirements, Proposition 218 imposes substantive restrictions on how fees and rates are established and used. Specifically:

- Revenues derived from a property-related fee or charge shall not exceed the funds required to provide the service.
- The revenue shall not be used for any purpose other than that for which the fee or charge was imposed.
- The fee or charge imposed upon a parcel shall not exceed the proportional cost of service attributable to that parcel.
- No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the property owner, meaning that rates must be based directly on the cost of providing service, nothing more, and funds must stay within that purpose.

To demonstrate compliance with these requirements, BCVWD periodically conducts cost-of-service studies that document how rates are developed using industry-accepted methodologies and principles. These studies identify the costs associated with providing water service, including operations, maintenance, capital replacement, and future infrastructure needs, ensuring that each customer classification pays its fair share of the District's cost to serve.

The District voluntarily provided supplemental notifications consistent with Assembly Bill 2257 (AB 2257), further enhancing transparency and ensuring that customers remain informed and engaged throughout the rate-setting process.

Maintaining compliance with Proposition 218 ensures that the District's rate structure remains legally defensible, transparent, and financially sustainable, while continuing to uphold the public's right to review and participate in the rate-setting process.

Rate Structure

The District bills most customers, including all residential accounts, on a bi-monthly basis, resulting in six bills per year. All other accounts, such as large-volume commercial and industrial customers, are billed monthly. To ensure consistency across billing cycles, bi-monthly rates are set at one-half of the equivalent monthly rate, meaning that customers pay the same overall cost for service and water usage regardless of how often they are billed. There is no difference in the calculation of water use or tiered rates between monthly and bi-monthly customers—the rate structure applies uniformly based on consumption.

The District's potable water rate structure consists of two primary components:

1. **Fixed service charge-** Based on meter size and customer classification, which recovers costs related to system maintenance, meter reading, billing, and customer service.
2. **Commodity charge-** Based on the amount of water consumed, which recovers costs associated with water production, treatment, and delivery.

Customer classifications for water meter service charges are as follows:

1. **Domestic/Commercial/Non-Potable:** Single-family residential, single-business commercial unit, or non-potable water service per meter.
2. **Multiple Residential/Multiple Commercial:** Customers with multiple dwelling or business units served by one meter (e.g., apartment complexes or multi-unit centers).

Table 9 – Bi-Monthly Potable and Non-Potable Water Meter Service Charges for Common Meter Sizes

Meter Size	January 2026	January 2027	January 2028
5/8"	\$39.20	\$45.08	\$51.85
3/4"	\$54.01	\$62.12	\$71.44
1"	\$83.66	\$96.21	\$110.65
1 1/2"	\$157.81	\$181.49	\$208.72
2"	\$246.77	\$283.79	\$326.36

All billable rates for potable and non-potable water service, as well as private fire service, are established in the District's *Rules and Regulations, Part 5 – Charges*. This report, most recently amended by Resolution 2025-12, defines all domestic and irrigation service charges, capacity charges, water installation fees, and miscellaneous charges. It also includes the commodity rates billed to each customer classification based on metered water consumption.

Water commodity rates by customer class are applied to all metered water consumption and are shown in Table 10, Bi-Monthly Potable and Non-Potable Water Commodity Rate. Domestic (single-family residential) customers are billed using a three-tier rate structure, which increases the rate per unit of water as usage rises. All other customer classes are billed using a uniform rate per hundred cubic feet (CCF) of water consumed.

The District includes pass-through charges for the cost of imported water and electric power used to transmit and distribute water to all customers.

Table 10 – Bi-Monthly Potable and Non-Potable Water Commodity Rates

Customer Class	Commodity Tiers (CCF)	January 2026	January 2027	January 2028
Single Family				
Tier 1	1-16	\$1.18	\$1.36	\$1.57
Tier 2	17-34	\$1.45	\$1.67	\$1.93
Tier 3	34+	\$2.39	\$2.75	\$3.17

Customer Class	Monthly Tiers (CCF)	January 2026	January 2027	January 2028
Multi-Family	Uniform	\$1.80	\$2.07	\$2.39
Commercial/Industrial	Uniform	\$1.70	\$1.96	\$2.26
Fire Service	Uniform	\$2.07	\$2.39	\$2.75
Landscape Irrigation	Uniform	\$1.88	\$2.17	\$2.50
Schedule Irrigation	Uniform	\$1.88	\$2.17	\$2.50
Construction	Uniform	\$2.07	\$2.39	\$2.75
Non-Potable	Uniform	\$1.43	\$1.65	\$1.90
State Water Project (SGPWA)		\$0.86	\$0.92	\$0.98
SCE Power Charge (Pumping)		\$0.60	\$0.64	\$0.68

Water Production

Water production from January through September 2026 totaled 11,084.72 acre-feet (AF), compared to 10,451.89 AF during the same period in 2025, an increase of 632.83 AF, or approximately 6.05 percent. This increase continues the rebound from the unusually cool and wet 2023 season, when production dropped to 9,018.21 AF due to reduced outdoor demand and extended snowpack conditions into early spring.

By comparison, production levels in 2021 (10,736.55 AF) and 2022 (10,757.56 AF) were consistent with long-term averages, reflecting more typical weather patterns and stable consumption. The 2026 increase therefore represents a return to normal usage levels, driven primarily by warmer temperatures and continued new construction within the District.

How is Water Measured?

Water is measured in two primary units, depending on its use and purpose.

The acre-foot (AF) is the standard measurement used for large volumes of water, such as imported supplies purchased from the San Geronio Pass Water Agency (SGPWA) through the California State Water Project (SWP). One AF equals 325,851 gallons, enough to cover a football field one foot deep in water.

For customer billing, the District measures usage in hundred cubic feet (CCF). One CCF equals 748 gallons, or roughly 15 full bathtubs of water. Customer water use typically varies throughout the year, with lower consumption during cooler months and significantly higher use in warmer months, primarily due to outdoor irrigation and landscaping needs. During the summer months, it is not uncommon for customers to double or even triple their winter water consumption.

Financial Guidelines and Policies

General Financial Goals

The District's financial policies are designed to ensure the long-term stability and integrity of its operations. The District strives to:

- Ensure reliable water services by maintaining a stable financial base and relying on sustainable, ongoing resources.
- Respond effectively to economic changes or new service requirements without creating undue financial stress.
- Assure ratepayers that the District's financial management is responsible, transparent, and accountable.
- Adhere to the highest professional standards established by the Government Finance Officers Association (GFOA), the Governmental Accounting Standards Board (GASB), and other authoritative agencies for financial reporting and budgeting.

Cash and Investments

The District maintains cash and investment programs in accordance with the Investment Policy, which provides guidelines for the prudent investment of surplus cash, reserves, trust funds, and restricted monies. The policy is designed to maximize the efficiency of the District's cash management system in compliance with Section 53646 of the Government Code of California.

The policy applies to all financial assets of the District as accounted for in the audited financial statements. The primary objectives of the District's investment activities, in order of priority, are:

1. **Safety of Principal** – Preservation of capital through mitigation of credit and market risks.
2. **Liquidity** – Maintenance of sufficient liquidity to meet cash flow needs.
3. **Return on Investment** – Achieving a reasonable market rate of return consistent with safety and liquidity objectives.

Operating Budget Guidelines

The District prepares a balanced budget, meaning that current operating expenses are funded through current revenues and reserves carried forward from the prior year. Additional staffing requests are considered only when justified by program needs or policy directives.

The budget process emphasizes prudent spending, long-term financial planning, and sustainable service delivery.

Reserve Policy

This policy, incorporated with Resolution 2010-10, adopted on July 14, 2010, identifies restricted reserves as Future Capital Commitments, Funds Held for Others, and Debt Service. Board-designated unrestricted reserves are identified in the policy as Emergency, Capital Replacement, and Operations. The District's reserves are divided into two main categories: Designated Reserves and Restricted Reserves.

Designated Reserves are Board-directed funds set aside for specific purposes, such as emergency response, capital replacement, or operational stability. These funds are not legally restricted and may be reallocated by Board action if priorities or circumstances change. In contrast, Restricted Reserves are externally limited funds that can only be used for purposes defined by law, regulation, or contractual obligation. Together, these reserves ensure that the District can respond effectively to financial needs, emergencies, and long-term infrastructure planning while maintaining transparency and fiscal accountability.

Designated Reserves

Emergency Reserve

The purpose of the Emergency Reserve is to ensure uninterrupted service to the District's customers during events that are impossible to anticipate or budget for, such as unforeseen emergencies or disasters. The Emergency Reserve is adjusted annually to maintain a minimum balance of 15% of the annual operating budget.

Capital Replacement Reserve

The Capital Replacement Reserve provides funding for the purchase or replacement of equipment, infrastructure, conservation projects, and other capital needs. This reserve stabilizes capital funding by accumulating "pay-as-you-go" resources for planned improvements. It is funded primarily through operating revenues and is not derived from capacity fees.

Reserve for Operations

The Reserve for Operations is to be used for working capital purposes and to ensure the continuity of customer services regardless of cash flow. This Reserve has adjusted annually to a minimum amount sufficient to pay for three months of budgeted operating expenses, not exceeding a maximum of six months of budgeted operating expenses. Maintaining adequate reserves provides the District with flexibility in responding to unanticipated expenses or revenue fluctuations.

Restricted Reserves

Reserves for Future Capital Commitments

Reserves for Future Capital Commitments are established by resolution to designate specific fees for expanding the domestic water system. The annual minimum fund represents fees collected during the year. Appropriation of reserves is approved through Board action. Funds appropriated to these reserves are invested similarly to other District investments, with interest earnings on the restricted reserves credited logically and systematically.

Reserves for Funds Held for Others

The Board of Directors establishes reserves for Funds Held for Others to segregate funds held for others, such as refundable or prepaid deposits. They are adjusted to equal the funds held for others at year-end. Funds appropriated to these reserves are invested similarly to other District investments.

Debt Service Reserve

The Debt Service Reserve is established to be used to provide for the repayment of debt. This Reserve is maintained at the minimum required by funding covenants. Funds appropriated to these reserves are invested similarly to other District investments, with interest earnings on the restricted reserves credited logically and systematically.

Other Post Employment Benefits Funding Policy

This policy ensures the District funds post-employment benefits in a sustainable and equitable manner. The District makes annual contributions to its Other Post Employment Benefits (OPEB) Trust based on the Actuarially Determined Contribution (ADC), calculated biennially by an actuarial consultant. The ADC includes the normal cost of current service and the amortization of any unfunded liability.

The District validates actuarial assumptions and reviews this policy annually with the Finance and Audit Committee to recommend adjustments as necessary. This proactive approach supports the long-term health of the District's benefit programs while maintaining compliance with professional standards.

Pension Funding Policy

The District is committed to responsibly funding its pension obligations through participation in the California Public Employees' Retirement System (CalPERS). Annual contributions are based on CalPERS actuarial valuations and include both normal costs and unfunded accrued liabilities (UAL).

To reduce future costs, the District prepays its annual UAL contribution whenever feasible and has established a Section 115 Pension Trust to stabilize funding for future pension obligations. Additional discretionary payments may be made to further reduce the UAL. Policy oversight is delegated to the General Manager, with annual reporting and periodic reviews to ensure sustainability and responsiveness to CalPERS policy changes.

Internal Controls

District management is responsible for establishing and maintaining an internal control framework that safeguards the District's assets against loss, theft, or misuse. This framework ensures sufficient accounting data is compiled to support and facilitate the preparation of financial statements in accordance with GAAP.

The internal control system is designed to provide reasonable assurance that these goals are achieved. The principle of reasonable assurance acknowledges that (1) the cost of a control should not outweigh its likely benefits, and (2) assessing costs and benefits involves management's estimates and judgments.

Purchasing Policy

The District's purchasing policy outlines the guidelines for procuring supplies, materials, equipment, services, construction, and capital improvements for District operations, aligning relevant legal requirements and District administrative policies.

This policy acts as the District's administrative procedure for procurement. It prohibits conflicts of interest and unauthorized purchases and requires all purchasing and accounts payable documentation to undergo random internal and external audits. The District has set bid and invoice authorization thresholds across leadership levels, with authorization limits increasing in line with invoice amounts.

These practices ensure efficient procurement while maintaining compliance with statutory requirements and the District's ethical standards.