2025 ANNUAL CY BUDGET

Ending December 31, 2025

THE LA PUENTE VALLEY COUNTY WATER DISTRICT BOARD OF DIRECTORS AND STAFF ARE DEDICATED TO PROVIDING OUR CUSTOMERS HIGH QUALITY WATER, ALONG WITH COURTEOUS AND RESPONSIVE CUSTOMER SERVICE AT THE MOST REASONABLE COST.

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2025 BUDGET

The 2025 Budget has been designed to help fulfill the District's Mission to provide high quality water along with courteous and responsive service at the most reasonable cost to our customers. The Budget is intended to support the priorities and policies of the Board of Directors as reflected in the District's Mission Statement and serve as a policy document, a financial plan, a communications device, and an operations guide. It provides a comprehensive summary of District activities and capital improvement projects proposed for the year ending December 31, 2025. The District embarked on its 100th year of service to the community, which comes with significant challenges. Continued prudent planning of the District is paramount in positioning the District to handle these challenges long into the future.

The District's budget is prepared on a full accrual basis of accounting generally accepted in the United States, which is consistent with the District's audited financial statements. Revenues are recorded at the time they are earned, and expenses are recorded at the time the liability is incurred. The intent of the District is to establish water rates sufficient to provide for payment of all operations and maintenance expenses along with capital improvements. The annual goal is to present a balanced budget (projected expenses equal to or less than projected revenues) to the Board of Directors for adoption.

The preparation and adoption of a comprehensive budget and operating plan is essential for the sound management and financial administration of the District. As an enterprise type of utility, the District is similar to a commercial operation whose expenditures may vary during the year in response to the timing and level of customer service demand. Water service demand is primarily influenced by water consumption practices, weather factors and the continued growth in the number of customers served. Budget objectives must therefore be structured to respond to fluctuating service demands. Activities are projected from historical data as a baseline to determine the appropriate funding level. Decisions made throughout the year by the Board of Directors and the General Manager are balanced between meeting budget objectives and budgetary constraints.

ABOUT LA PUENTE VALLEY COUNTY WATER DISTRICT

La Puente Valley County Water District (District) provides safe, reliable, and cost-effective drinking water to approximately 9,600 people within the communities of La Puente and the City of Industry. The District has been providing water service to these communities for 100 years. The District was formed in August 1924 by popular vote, in accordance with the County Water District Act of 1913. In its infancy, the District consisted of approximately 1,300 acres and 200 water service connections. The area was vastly different from what it is today. At that time, most of the water produced from the District's Well Field was delivered to meet agricultural irrigation

needs of the valley. Over the years, the District has grown to approximately 1,600 acres and over 2,500 water service connections. To this day, the District's Well Field continues to be the main source of supply to meet the needs of the District's customers. The boundary map of the District's service area is provided in **Figure 1**.

Figure 1 - Boundary Map of District's Service Area

A publicly elected, five-member Board of Directors governs the District. Board members serve four-year terms and elections are held every two years with terms staggered to ensure continuity. The Board is responsible for establishing District policy on a variety of issues including, but not limited to, financial planning, infrastructure investment, and water rates. Day-to-day operations are managed by the General Manager who oversees a highly qualified staff responsible for executing ongoing operational and administrative functions. The District's employees include certified water treatment and distribution operators and an experienced administrative staff.

The District's Water System includes approximately 2,550 service connections, more than 32 miles of distribution and transmission mains, 3 active wells, a 2,500 gpm state-of-the-

art groundwater treatment facility, 5 booster pump stations and 3 reservoirs. The District also manages and operates the Industry Public Utilities Water System, which includes 1,860 service connections, 34.4 miles of distribution and transmission mains, 1 active well, 5 booster pump stations, and 3 reservoirs. Beginning in 2023, the District began operating the Puente Valley Operable Unit - Intermediate Zone (PVOU-IZ) and Shallow Zone (PVOU-SZ) Treatment Facilities as shown in **Figure 2**. The PVOU-IZ consists of over 3 miles of transmission mains, 7 extractions wells, a new 2,000 gpm state-of-the-art groundwater treatment facility and 1 Reservoir. The PVOU-SZ consists of 2 extraction wells and a new 350 gpm state-of-the-art groundwater treatment facility for surface water discharge.

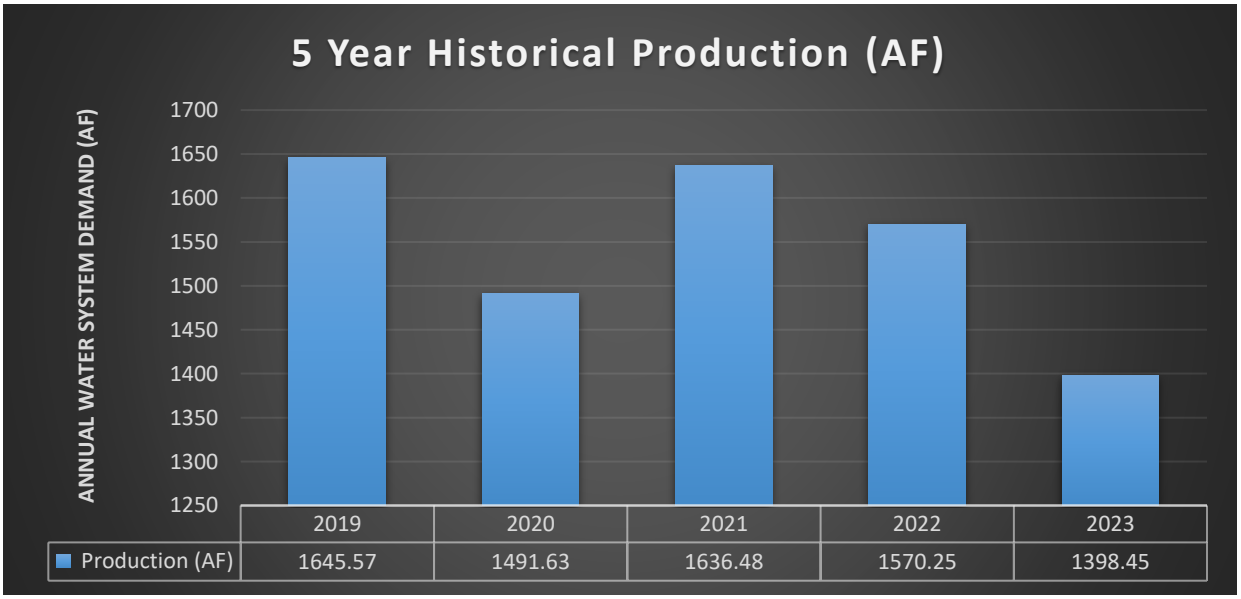
Figure 2 – PVOU-IZ and SZ Treatment Facilities

SERVICE AREA TRENDS

Land use in the portion of the City of La Puente bounded by the District's service area is primarily residential with some commercial, public/institutional, and open space areas. Land use in the portion of the City of Industry bounded by the District's service area is primarily commercial and industrial. This portion of the District's service area is also, for the most part, fully developed. Population data for the City of Industry shows little or no growth over the next 20 years. District Staff projects that most, if not all, future developments within the District's service area will be redevelopment of commercial and/or residential properties that may or may not have an impact on the water system's water demand.

The annual amount of water used within the District's water system (water system demand) over the last 10 years (2013-2023) has averaged 1,596 acre-feet (AF). The average water system demand over the past 5 years (2019-23) has been 1,548 AF. In 2023, the water system demand was 1,398 AF, approximately 11% less than in 2022 (1,570 AF). 2023 has been the lowest demand (1,398 AF) over the past 10 years, which was driven mainly by water conservation efforts and the historical rainfall and snowpack of 2023. In October 2021, the District's Board of Directors adopted Resolution No. 273, which declared permanent water use efficiency practices and water conservation measures. These measures along with state mandated conservation efforts will result in a reduction in future water system demand. **Figure 3** displays the water system demand in AF for a 5-year period.

Figure 3: 5 Year (2019-2023) Water System Demand



WATER SUPPLY AND COST OF WATER

The District's primary source of supply is from three ground water wells that produce water from the adjudicated Main San Gabriel Basin (Basin). The groundwater rights in the Basin were adjudicated based on mutual prescription resulting in a specific quantity in acre-feet per year for each producer. Such rights were then converted to a Pumper's Share, expressed in percent of the aggregate of all prescriptive rights. The District was adjudicated 1,097-acre feet of water rights based on groundwater production that occurred between calendar years 1953 and 1967. Subsequently, the District obtained the water rights of El Encanto Properties on July 22, 1974, in the amount of 33.40 acre-feet. Thus, the District's total adjudicated water rights are 1,130.40 acre-feet. This represents 0.57197 percent (Pumper's Share) of all adjudicated water rights in the Basin.

Under the Main San Gabriel Basin Judgment, the Main San Gabriel Basin Watermaster (Watermaster) annually establishes the Operating Safe Yield (OSY) for the ensuing year. This is done mainly based on groundwater storage conditions as reflected by the Baldwin Park Key Well. To provide sufficient storage capacity in the basin to capture as much of the local stream flow as practicable, the Judgment provides that imported supplemental water will not be spread in the Basin when the Key Well elevation exceeds 250 feet above mean sea level (msl) and will be spread, insofar practicable, to maintain the elevation above 200 feet msl. Each year a producer is allowed to extract, free of Replacement Water Assessment, its share of the OSY, which is established in May each year by the Watermaster. This annual share is referred to as the annual production right.

Any producer can extract all the water needed for beneficial use, but the portion of such extraction, which exceeds the annual production right of the OSY, is assessed at a rate (Replacement Water Assessment), which will purchase one acre-foot of imported supplemental water for each acre-foot of excess production. Such water is then purchased by the Watermaster from the appropriate Responsible Agency (municipal water district) and used to replenish the Basin. If Basin storage is low, as indicated by the key well elevation, the OSY is set at a lower level so that more Replacement Water may be purchased to increase Basin storage. If Basin storage is relatively high, the OSY is increased so that Replacement Water will not increase Basin storage to the point that local water runoff will be un-storable.

Due to the historic drought conditions, the OSY has been set at a very low level for the last eight years at 150,000 acre-feet. This has resulted in an 18% reduction in the District's annual production right as compared to the long-term average annual production right. As a result of healthy Key Well levels (approximately 240 amsl), the OSY for production year 24-25 was set at 160,000 acre-feet. Approximately 40% of

water the District pumps from the Basin each year to meet its water system demand requires the District to lease production rights and/or purchase replacement water.

The District is located within the service area of the regional water supplier, Upper San Gabriel Valley Municipal Water District (Upper District). The District relies upon Upper District to deliver replacement water for every acre foot of water produced over the District's annual production right. Upper District is a member agency of the Metropolitan Water District of Southern California (MWD), which is the agency that purchases imported water from for replenishment purposes. The vast majority of imported water is delivered through the State Water Project (SWP) Delivery System. In the past, MWD provided this water at its replenishment water rate. Between 2007 and 2010, imported water at the replenishment rate was unavailable for purchase, but was available at the MWD tier 1 and tier 2 untreated water rates, which were substantially higher. As a result of the import water pricing change, in May 2009, the rate for the Replacement Water Assessment set by Watermaster increased from $251.90 per acre foot to $450.00. In May 2024, the Replacement Water Assessment was set at $1,106.00 per acre foot for the 2024-25 production year, which equates to a $854.10 per acre foot increase over the last fourteen years.

The District was able to cushion the effect of this increase by purchasing 2,000-acre feet of cyclic storage water (in 2009) at a rate of $251.90 per acre foot. Cyclic storage water, when available, can be purchased by a producer that has a cyclic storage water agreement in place with Watermaster. Cyclic storage water is replenishment water that has already been delivered into the Basin, which can be used to offset future replenishment water obligations. Currently, the District has 541 AF in its cyclic storage account. This water also provides a major benefit during times of drought, like we are currently facing. Over the last nine years, the District has also leased groundwater productions rights at a rate of 8% to 10% lower than the cost for replacement water, which further reduced the impact of the rising cost of replenishment water. The future cost for replenishment water along with groundwater production assessments will continue to have a substantial financial impact on the District in years to come.

WATER QUALITY AND THE COST OF WATER TREATMENT

The area of the Basin where the District’s wells draw water is contaminated with various contaminants, such as volatile organic compounds (VOC’s) and perchlorate. In 2002, the District, along with other water entities, entered into an agreement with the parties who were potentially responsible for the groundwater contamination. This agreement is known as the Baldwin Park Operable Unit Project Agreement (BPOU Agreement). Under this Agreement, the water from the District’s well field is treated at the District’s groundwater treatment facility before it enters the District’s service area. Water leaving the facility meets all State and Federal drinking water regulations. The cost to construct, maintain

and operate the treatment facility was and continues to be reimbursed by the potentially responsible parties, who are now known as the Cooperating Respondents (CRs). None of these treatment costs are paid for through the District's water rates.

The term of the BPOU Agreement was 15 years and was set to expire in May of 2017. The District, other water entities and the CRs negotiated an extension to the BPOU Agreement (referred to as the 2017 BPOU Agreement), which has secured continued funding of groundwater treatment at the District's well field for an additional ten years.

In 2018, District staff identified that levels of nitrate in the water produced from the District's well field were increasing. Although the levels of nitrate in the water are below the regulatory maximum contaminant level for nitrate, the District embarked on the design and construction of a nitrate treatment system at the District's BPOU groundwater treatment facility. In May of 2024, the nitrate treatment system was permitted by the SWRCB and is now operational.

WATER RATE ADJUSTMENTS

In 2023, the District initiated a water rate study and comprehensive cost of service analysis. This study was completed by NBS Government Finance Group in August of 2023. The final recommendation was to adopt a multi-year (5 year) water rate adjustment plan. Water rate adjustments were developed as part of the study and a notice to all customers of the proposed increase to water rates was provided in August of 2018. Substantial increases in the District's operational expenses, as described below, were the major factors supporting the need for an increase to water rates and charges:

- ***Cost of Water*** – The District is fortunate to have rights to a local groundwater source in the Main San Gabriel Basin ("Basin"), but any water the District pumps over its allotment must be replaced to maintain water levels in the Basin by leasing rights or purchasing imported water. The cost for this replacement water has increased by over twenty-three percent (23%) in the last four years.

- ***Groundwater Management*** – A groundwater pumping assessment has been put into effect by the Main San Gabriel Basin Watermaster to secure additional water resources to maintain water levels in the Basin. This assessment continues to have a large cost impact on the District and all water providers that pump groundwater from the Basin in the San Gabriel Valley.

- ***Capital Improvements*** – The District continuously invests in capital improvement projects that improve the performance of the water system or extend the life of existing facilities and equipment to avoid more expensive emergency repairs. Such

capital improvement projects included the recycled water system, nitrate treatment system and the District's new operation center.

The District's goal is to continue to generate sufficient revenue to meet the cost of providing excellent water service while avoiding drastic increases to water rates. The cost of replenishment water and financing of needed water system improvements will have the most significant impact on water rates going forward.

DIRECTION OF THE DISTRICT

Projecting beyond 2025, it is necessary to identify significant increases in expenses that the District will need to be prepared for, either by managing reserves or increasing revenues. In preparing the annual budget, District Staff also projects the annual revenue and operating expenses (cash items) out for five years. These projections include all operating costs and capital improvement investments but exclude depreciation. Summarized below are a few District ventures that will have a substantial impact on the five-year projection of revenue and expenses.

Recycled Water Project

The recycled water system required the District, for the first time in several decades, to obtain a loan to finance such a project. The investment in a recycled water system will deliver recycled water to several irrigation customers and replace the use of drinking water for irrigation.

The District partnered with Upper San Gabriel Valley Municipal Water District to secure a $428,000 grant from the State Department of Water Resources for Phase 1 of a Recycled Water System Project. The projected cost of Phase 1 is $2,000,000. The grant will cover approximately 25 percent of the estimated cost of Phase 1, which is expected to serve 55-acre feet per year of recycled water, to be purchased indirectly from Los Angeles County Sanitation Districts, to serve irrigation customers on Don Julian Avenue.

The current cost to produce 55-acre feet of water that is over the District's annual production right is approximately $60,830. The District secured a loan along with the grant funding to fund this project, which would otherwise not be cost effective. The assumptions of the Recycled Water Project cost and the associated debt service are included in the five-year forecast. This new drought resistant source of water improves long-term water supply reliability for all the District's customers. The estimated cost of the Recycled Water System Project, loan proceeds, loan payment and other grant funding are included in the 5-year revenue and expense projections.

PVOU-IZ and PVOU-SZ Projects

The District prides itself on its efforts over the past 25 years to provide groundwater cleanup (treatment) in the Main San Gabriel Groundwater Basin. In fact, the District was the first water agency in the San Gabriel Valley to provide multi-barrier treatment for various contaminants at its groundwater treatment facility, which kick-started other groundwater treatment projects in the Valley. Over the years, the District's groundwater treatment plant has removed tons of contaminants. Our District's overall goal is to leave the groundwater basin free of contamination for future generations, so that it may continue to be used to meet the needs of its residents.

In mid-2014, the District was presented with an opportunity to further make a difference in remediating groundwater contamination in the Main San Gabriel Basin, more specifically the Puente Valley area. Under an order by US EPA, several industrial companies have been planning for several years to construct a highly efficient groundwater treatment system. This system would be comprised of 50 monitoring wells, 7 production wells, and multiple treatment technologies. In 2015, a property was purchased, by the lead industrial company, to construct a groundwater treatment facility. This property is located within the District's service area and near the District's water distribution facilities. Since District staff already have experience operating a similar groundwater treatment system, the District has agreed and is contracted to operate the PVOU-IZ and PVOU-SZ treatment facilities. The vision for the District is to receive fully treated water from the PVOU-IZ, which meets all State and Federal drinking water standards, into its water system to utilize this water as a back-up supply for the District.

In 2017, the PVOU-IZ project was modified with respect to the delivery of treated water. The treated water is now planned to be delivered to the District, who will in turn deliver most of the water to our neighboring water agency, Suburban Water Systems (SWS). The other components of the project remain unchanged.

The new treatment facilities will improve water quality in the groundwater Basin and provide an additional emergency water supply for the community of La Puente along with additional revenue sources for the District. The revenue that will be received by the District for conveying water and operating the plants will help keep the District water rates affordable. The groundwater treatment systems and associated improvements were completed in 2022 with groundwater extraction for testing purposes in 2023. The revenues anticipated from the District's involvement in this project are included in the five-year revenue projections.

Groundwater Treatment System for Nitrate Removal

District staff identified that levels of nitrate in the water produced from the District's well field were increasing in an abnormal trend, as compared to the last 5 years. Although

the levels of nitrate in the water are below the regulatory maximum contaminant level, the District began the construction of a nitrate treatment system at the District's groundwater treatment facility in 2023 and it is now fully operational as of May of 2024.

In addition, the District entered into a Nitrate Funding Agreement with the Cooperating Respondents (CRs) to fund a portion of the anticipated Nitrate Treatment Project. Although this funding agreement is beneficial to the District, a loan was needed to fund a portion of the Project. The estimated cost of the nitrate treatment system, loan proceeds, loan payments, CR funding and grant funding are included in the 5-year revenue and expense projections.

Five Year Forecast of Revenues and Expenses

Factoring these District ventures, **Table 1** provides a summary of the five-year forecast for the District's expenses and compares it to the projected revenues.

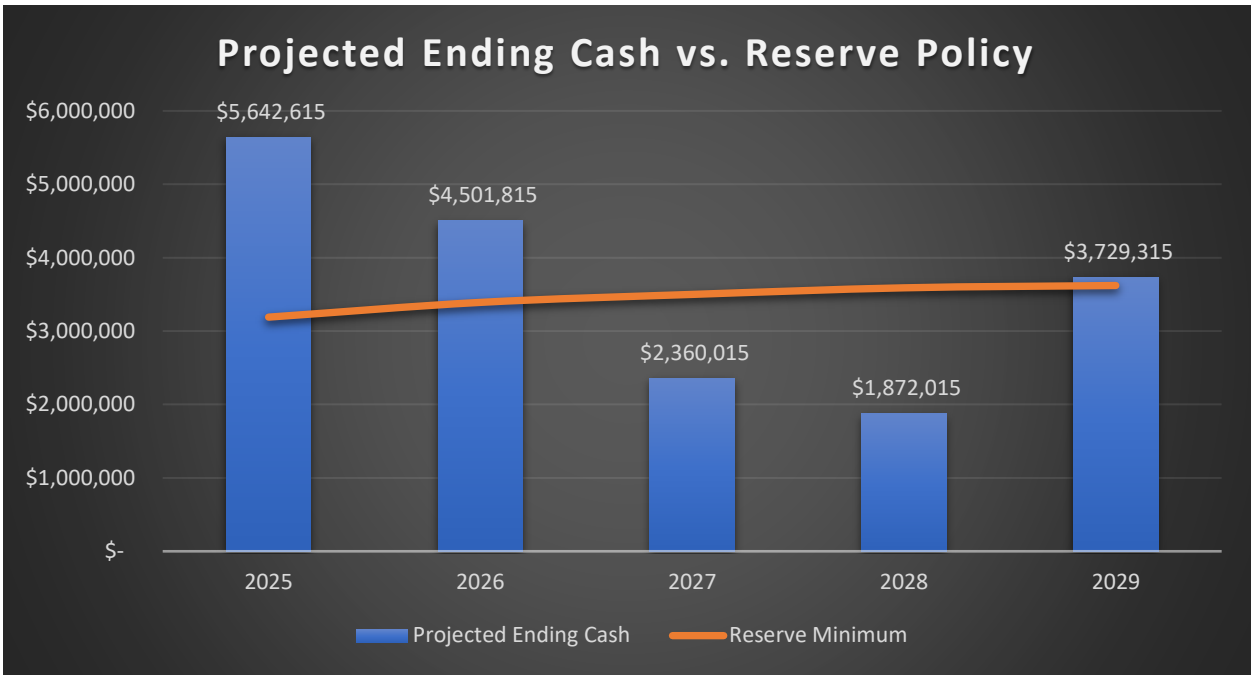
Table 1: Five-Year Forecast of Revenues and Expenses

	2025	2026	2027	2028	2029
Revenues	6,805,697	7,197,800	7,634,200	8,030,900	8,457,100
Expenses	5,384,582	5,545,100	5,792,500	6,120,400	6,396,300
Net Gain	**$1,421,115**	**$1,652,700**	**$1,841,700**	**$1,910,500**	**$2,060,800**

District Cash and Reserves

In May 2012, the Board of Directors adopted Resolution No. 208 which updated the policy for the management of the District's cash and financial reserves. The Policy specifies what types of reserves the District shall maintain and what the minimum and maximum levels shall be for each reserve fund. **Figure 4** provides a five-year projection of the cash and reserve fund level based on the projected expenses and revenues from **Table 1**.

Figure 4: Five-Year Projection of Total Cash and Reserve Fund Level



Reserve fund levels are expected to decline over the next 5 years, primarily due to the capital investment of the District operations center and debt service related to the District's Recycled Water Project & Nitrate Treatment System Project. The future five-year water rate increase plan is vital in maintaining adequate reserve fund levels and meeting the needs of the District's Customers.

2025 OBJECTIVES

Special emphasis will be placed on accomplishing the following objectives during 2025.

- ✓ Recycled Water System Project
  - Finalize Phase 1 Customer Retrofits
  - Deliver recycled water to all Phase 1 customers
- ✓ Purchase District Operations Property
- ✓ Successfully Permit and Operate the PVOU-IZ Treatment Facility for Potable Use
- ✓ Successfully Begin to Operate the PVOU-SZ Treatment Facility for Surface Water Discharge
- ✓ Secure Groundwater Production Right Leases and Cyclic Storage Purchases to Reduce the Impacts of Replacement Water Costs

- ✓ Secure a Term Sheet with the CRs with Respect to City of Industry's Groundwater Treatment Project
- ✓ Continue to Fulfill Contractual Obligation in Operating and Managing the City of Industry Waterworks System in a Cost-Effective Manner
- ✓ Complete Capital Improvements and Capital Outlay Projects
- ✓ Staff District Appropriately to Support the PVOU-IZ & SZ Operations

EXECUTIVE SUMMARY

A report on the significant findings and recommendations for the calendar year 2025 Budget are:

- ✓ Annual Revenue is expected to be $8,304,897
    - $6,452,097 From District Revenues and $1,852,800 from the BPOU Treatment Plant Operation
- ✓ Annual Expenditures are budgeted at $6,883,782
    - $5,030,982 From District Expenses and $1,852,800 from the BPOU Treatment Plant Operation
- ✓ Annual Net Revenue is expected to be $1,421,100
- ✓ Capital Improvement/Outlay Projects are budgeted at $2,191,000
- ✓ The Districts change in cash is expected to decrease by $407,385 through 2025

WATER OPERATIONS FUND

The District's activities identified in this budget are designed to accomplish the District's Mission as it relates to water operations. For the calendar year 2025, the District will need a total operation budget of $6,883,782 to carry out its Mission.

All the revenues and expenses that allow the District to function flow either directly or indirectly through the Water Operations Fund. The Water Operations Fund's source of revenue consists of water sales, miscellaneous billing, property taxes, management fees and interest earned on Water Operations Fund-related investments. The Water Operations Fund exists to finance operations, maintenance, repair, supplies, depreciation, contingencies, personnel compensation related to water operations, capital improvements and to provide a catastrophic restoration reserve.

The Budget Summary details the projected Water Operations Fund revenues and expenditures for 2025 and compares those revenues and expenditures with the estimate for year-end 2024.

WATER REVENUE - OPERATIONAL

Water Sales and Service Charges:

Water sales and service charges are the major sources of revenue for the District. These sales are the result of the District's normal meter reading and billing activities for all classes of water to all active service connections. The distribution of sales provides 46 percent as fixed sales allocated to the service charges based on meter capacity and the remaining 54 percent being variable sales and allocated to the commodity charges. The District forecasts water sales and service charges at $3,409,400.

Operational Revenue Related to the District's Groundwater Treatment Facility

The District owns and operates a groundwater treatment plant within the Main San Gabriel Basin for the removal of various contaminants. The United States EPA has identified this contaminated area of the Basin as BPOU and has named those parties that are potentially responsible, also known as the Cooperating Respondents, for the contamination in this area of the Basin. The construction and ongoing operating cost of the District's treatment plant is reimbursable per the BPOU Project Agreement entered by the Cooperating Respondents, Main San Gabriel Basin Watermaster, San Gabriel Basin Water Quality Authority, and the Water Entities, which the District is a party to. As detailed in the Proposed 2025 Budget for the District's Treatment Plant, the District anticipates the operation and maintenance expense for the Treatment Plant to be $1,852,800, all of which will be reimbursed to the District by the CRs.

WATER REVENUE – NON-OPERATIONAL

Interest:

For calendar year 2025, District staff forecasts interest in Water Operations Fund related investments of $150,000. The estimate is predicated on current interest rates.

Other Revenues:

This includes a total of $322,200 from Property Taxes; $725,000 for Fees related to the management of the PVOU IZ & SZ Treatment Facility, the BPOU Treatment Plant and the City of Industry Water Works System; $1,854,797 from Service Fees related to labor reimbursement, $44,300 from Rental Revenue, $601,000 from CIP funding agreements for the PVOU IZ Project.

WATER EXPENDITURES

Personnel (Salaries and Benefits):

To maintain high quality service within the District's service area, fulfill contractual obligations to manage and operate the City of Industry Waterworks System, operate the PVOU IZ & SZ Treatment Facilities and operate the District's BPOU Groundwater Treatment Facility, a total of 18 full-time employees and 1 part-time employee will be needed.

(Field Operations) Transmission, Distribution, Treatment and Supply 12

(Office and Management) Customer Service and Administration 7

In calendar year 2025, the District will need a personnel compensation budget of $2,060,000 for salaries and payroll taxes related to meeting the requirements of water distribution, water treatment & supply, customer service and administrative functions for the District, CIWS, BPOU and PVOU IZ & SZ Treatment Plant Operations.

Supply and Treatment:

Water Supply and Treatment make up the variable costs of the District. These costs are generally defined as the annual operating expense to purchase and lease imported water and pump local groundwater to satisfy customer service demand. Variable costs are sensitive to operating factors that are beyond the District's control. These factors include weather, new construction, pricing, or incentive programs offered by other agencies, cost of treatment chemicals and materials, energy costs and changes in efficiency of existing equipment. The budget amount can be considered as the best projection of annual costs based on average weather, growth, and consumption. For the calendar year 2025, the District will need a total of $2,652,482 for the Supply and Treatment costs.

Other Operating Expenses:

These program costs make up a portion of the fixed operating or "overhead" costs required to maintain the District's plant sites and water distribution system (facilities).

This includes costs for services, materials, vehicles and equipment for the repair, maintenance, and operation of these facilities. For the calendar year 2025, the District will need a total of $539,300 for Other Operating Expenses.

General and Administrative:

These program costs are "overhead" costs required to maintain District operations as they relate to customer service and administrative functions of the District. This includes costs for office supplies, office building maintenance, office equipment, customer billing, insurance, professional services, public outreach, and conservation programs. For the calendar year 2025, the District will need a total of $504,000 for General and Administrative costs.

CAPITAL IMPROVEMENTS AND CAPITAL OUTLAY

The District is committed to enhancing the condition of its water system through investments in capital improvement projects. These investments will ensure that the water system will deliver high quality water to its customers long into the future. These investments will also ensure that the District's personnel will have the necessary tools to carry out their functions. Capital Improvements and Outlay may include expenditures for construction of new permanent capital facilities, replacement of existing facilities, purchasing fixed assets for various programs in the District and capital purchases necessary to maintain the quality of operations in the District.

Table 2 below is a summary for Capital Improvement and Capital Outlay expenses that are necessary to maintain high quality service for District Customers:

Table 2: 2025 Capital Improvement Projects & Capital Outlay

Project	Description	Cost
Fire Hydrant Replacements	Replace Inoperable Fire Hydrants as needed.	$ 25,000
Other Field Equipment	Various field equipment needed	$ 75,000
Valve Replacements	Replace Inoperable Valves as Needed	$ 25,000
Service Line Replacements	Replace Aging Plastic and/or Galvanized Service Lines as Needed	$ 50,000
LP-CIWS Interconnection (Ind. Hills)	Upgrades to an interconnection between the CIWS and the District to assist with the delivery of PVOU IZ treated water.	$ 65,000
Fleet Trucks	Purchase new District truck to replace fully depreciated service truck.	$ 90,000
SCADA Improvements	Improvements to hardware components.	$ 60,000
IT Hardware	New fire wall replacement for District business operations.	$ 15,000
New Admin Operations Building	New District Office Operations Center	$ 1,000,000
Hudson Plant Improvements	Construct a new pump station for the delivery of PVOU IZ treated water to SWS and improvements to the District's existing pump station.	$ 536,000
Groundwater Treatment System – Nitrate Removal	Complete design and begin construction of a Nitrate treatment system at the District's groundwater treatment facility.	$ 20,000
Recycled Water System (Phase 1)	Construct New Recycled Waterlines and Pump Station for 12 Irrigations Customers.	$ 70,000
Main St. VFD	Install VFD on Main St. Pump	$ 150,000
Dalesford & Bamboo Project	Install a pressure sustaining/regulating valve on Bamboo St. to improve fire flow in the surrounding area.	$ 80,000
	Total:	**$ 2,191,000**

Table 3

La Puente Valley County Water District
2025 Proposed Budget (Summary)

	LPVCWD	TP	TOTAL	LPVCWD	TP	TOTAL	TOTAL
	2024 Adopted Budget	2024 Adopted Budget	2024 Adopted Budget	2025 Proposed Budget	2025 Proposed Budget	2025 Proposed Budget	Budget Variance 2025-2024
Revenues							
Operational Rate Revenues	$ 2,879,500	$ -	$ 2,879,500	$ 3,409,400	$ -	$ 3,409,400	$ 529,900
Operational Non-Rate Revenues	2,141,877	1,760,540	3,902,417	2,341,197	1,852,800	4,193,997	291,580
Non-Operational Revenues	861,700	-	861,700	701,500	-	701,500	(160,200)
Total Revenues	5,883,077	1,760,540	7,643,617	6,452,097	1,852,800	8,304,897	661,280
Expense							
Salaries & Benefits	2,683,960	339,040	3,023,000	2,861,400	353,600	3,215,000	192,000
Supply & Treatment	1,234,280	1,249,200	2,483,480	1,337,582	1,287,900	2,625,482	142,002
Other Operating Expenses	365,000	150,300	515,300	350,000	189,300	539,300	24,000
General & Administrative	473,000	22,000	495,000	482,000	22,000	504,000	9,000
Total Expense	4,756,240	1,760,540	6,516,780	5,030,982	1,852,800	6,883,782	367,002
Net Income from Operations	1,126,800	-	1,126,800	1,421,100	-	1,421,100	294,300
Less: Capital Expenses	(2,808,500)	-	(2,808,500)	(2,191,000)	-	(2,191,000)	617,500
Net Income After Capital	(1,681,700)	-	(1,681,700)	(769,900)	-	(769,900)	911,800
Capital Reimbursement (OU Projects)	601,000	-	601,000	601,000	-	601,000	-
Grant Proceeds	17,000	-	17,000	-	-	-	(17,000)
Loan Proceeds	-	-	-	-	-	-	-
Loan Payment (Interest & Principal)	(198,500)	-	(198,500)	(198,500)	-	(198,500)	-
Cyclic Storage Purchases						-	
Cyclic Purchase						-	
Prepaid Inventory Purchases				(40,000)		(40,000)	
Change in Cash	(1,262,200)	-	(1,262,200)	(407,400)	-	(407,400)	894,800
Contibuted Capital (Developer)	-	-	-	-	-	-	-
Add: Capital Assets (District-Funded)	2,190,500	-	2,190,500	1,590,000	-	1,590,000	(600,500)
Add: Debt Principal	120,600	-	120,600	120,600	-	120,600	-
Add:Cyclic Storage				-			
Add: Prepaid Inventory				40,000		40,000	
Less: Loan Proceeds	-	-	-	-	-	-	-
Less: Depreciation Expense	(450,000)	(105,000)	(555,000)	(450,000)	(105,000)	(555,000)	-
Net Income (Loss)	$ 598,900	$ (105,000)	$ 493,900	$ 893,200	$ (105,000)	$ 788,200	$ 294,300

Table 4
La Puente Valley County Water District
2025 Proposed Budget (Detail)

	2024 Adopted Budget	OCT 2024 ACTUALS YTD	2024 Projected Year-End	2024 Projected Variance	2025 Proposed Budget	2025-2024 Budget Variance
Operating Revenues (Rate)						
Water Sales	1,600,000	1,494,534	1,792,588	192,588	1,953,900	$ 353,900
Service Charges	1,029,000	855,576	1,044,684	15,684	1,170,000	141,000
Surplus Sales	70,000	62,164	74,500	4,500	70,000	-
Customer Charges	40,000	32,764	39,300	(700)	40,000	-
Fire Service	140,000	138,621	166,300	26,300	175,000	35,000
Miscellaneous Income	500	868	1,000	500	500	-
Total Operating Revenues (Rate)	**2,879,500**	**2,584,527**	**3,118,372**	**238,872**	**3,409,400**	**529,900**
Operating Revenues (Non-Rate)						
Management Fees	378,133	314,930	378,133	-	352,197	(25,936)
IPU Service Fees (Labor)	1,056,100	866,441	1,056,100	-	1,149,000	92,900
BPOU Service Fees (Labor)	339,040	315,484	348,000	8,960	353,600	14,560
PVOU IZ Service Fees (Labor)	450,000	323,421	395,000	(55,000)	500,000	50,000
PVOU SZ Service Fees (Labor)	160,000	133,493	170,000	10,000	225,000	65,000
Other O&M Fees	97,644	100,177	100,177	2,533	115,000	17,356
Total Operating Revenues (Non-Rate)	**2,480,917**	**2,053,945**	**2,447,410**	**(33,507)**	**2,694,797**	**213,880**
Non-Operating Revenues						
Taxes & Assessments	322,200	215,784	321,100	(1,100)	322,200	-
Rental Revenue	42,000	35,071	43,000	1,000	44,300	2,300
Interest Revenue	200,000	197,371	236,800	36,800	150,000	(50,000)
Market Value Gain / (Loss)	-	3,633	-	-	-	-
PVOU Revenue	245,000	241,049	260,000	108,000	130,000	(115,000)
IPU Vehicle & Equipment Revenue	45,000	30,135	37,853		47,500	2,500
Miscellaneous Income	7,500	6,292	6,500	(1,000)	7,500	-
Developer Fees	-	19,362	19,362	19,362	-	-
Total Non-Operating Revenues	**861,700**	**748,695**	**924,615**	**163,062**	**701,500**	**(160,200)**
Total Revenues	**6,222,117**	**5,387,167**	**6,490,397**	**368,427**	**6,805,697**	**583,580**
Supply & Treatment						
Purchased & Leased Water	602,280	608,523	608,523	6,243	635,697	33,417
Power	270,000	168,954	207,000	(63,000)	212,000	(58,000)
Assessments	282,000	288,221	288,300	6,300	349,885	67,885

Table 4
La Puente Valley County Water District
2025 Proposed Budget (Detail)

	2024 Adopted Budget	OCT 2024 ACTUALS YTD	2024 Projected Year-End	2024 Projected Variance	2025 Proposed Budget	2025-2024 Budget Variance
Treatment	20,000	41,727	53,000	33,000	80,000	60,000
Well & Pump Maintenance	60,000	26,213	30,000	(30,000)	60,000	-
Total Supply & Treatment	**1,234,280**	**1,133,639**	**1,186,823**	**(47,457)**	**1,337,582**	**103,302**
Salaries & Benefits						
Total District Wide Labor	1,890,000	1,482,345	1,742,345	(147,655)	2,060,000	170,000
Directors Fees & Benefits	115,000	79,529	99,300	(15,700)	115,000	-
Benefits	430,000	303,266	363,000	(67,000)	415,000	(15,000)
OPEB Payments	110,000	93,964	110,000	-	110,000	-
OPEB Trust Contributions	60,000	-	60,000	-	60,000	-
Payroll Taxes	145,000	114,889	134,000	(11,000)	150,000	5,000
CalPERS Retirement (Normal Costs)	200,000	150,301	177,489	(22,511)	210,000	10,000
CalPERS Unfunded Accrued Liability	73,000	85,821	85,821	12,821	95,000	
Total Salaries & Benefits	**3,023,000**	**2,310,115**	**2,771,955**	**(251,045)**	**3,215,000**	**170,000**
Labor Analysis (Informational):						
Labor Billing Revenues	(2,005,140)	(1,638,839)	(1,799,100)	46,040	(2,227,600)	(157,460)
District Labor Net Expenditures	1,017,860	671,276	972,855	(205,005)	987,400	12,540
Other Operating Expenses						
General Plant	60,000	32,063	60,000	-	60,000	-
Transmission & Distribution	120,000	84,499	120,000	-	120,000	-
Vehicles & Equipment	80,000	50,974	65,000	(15,000)	65,000	(15,000)
Field Support & Other Expenses	60,000	35,368	50,000	(10,000)	60,000	-
Regulatory Compliance	45,000	24,964	35,000	(10,000)	45,000	-
Total Other Operating Expenses	**365,000**	**227,869**	**330,000**	**(35,000)**	**350,000**	**(15,000)**
General & Administrative						
District Office Expenses	55,000	36,315	45,000	(10,000)	55,000	-
Customer Accounts	32,000	26,394	31,700	(300)	32,000	-
Insurance	82,000	110,445	117,000	35,000	130,000	48,000
Professional Services	115,000	82,658	99,200	(15,800)	115,000	-
Training & Certification	40,000	30,364	35,000	(5,000)	40,000	-
Public Outreach & Conservation	69,000	57,674	69,000	-	30,000	(39,000)
Other Administrative Expenses	80,000	31,288	80,000	-	80,000	-
Total General & Administrative	**473,000**	**375,140**	**476,900**	**3,900**	**482,000**	**9,000**
Total Expense	**5,095,280**	**4,046,762**	**4,765,678**	**(329,602)**	**5,384,582**	**267,302**
Net Income from Operations	**1,126,837**	**1,340,406**	**1,724,719**	**698,029**	**1,421,115**	**316,278**
Capital Expenses						
Nitrate Treatment System	(450,000)	(36,686)	(50,000)	400,000	(20,000)	430,000
Recycled Water System	(80,000)	(50,832)	(60,000)	20,000	(70,000)	10,000
Hudson Avenue Pumping Improvements	(536,000)	-		536,000	(536,000)	-
SCADA Improvements	(30,000)	-		30,000	(60,000)	(30,000)
Service Line Replacements	(50,000)	(23,628)	(40,000)	10,000	(50,000)	-
Valve Replacements	(25,000)	(1,772)	(25,000)	-	(25,000)	-
Meter Replacement / Reading Equipment		-		-		-
Fire Hydrant Repair/Replacements	(25,000)	(2,392)	(15,000)	10,000	(25,000)	-
LP-CIWS Interconnection (Ind. Hills)	(65,000)	-	-	65,000	(65,000)	-

Table 4
La Puente Valley County Water District
2025 Proposed Budget (Detail)

	2024 Adopted Budget	OCT 2024 ACTUALS YTD	2024 Projected Year-End	2024 Projected Variance	2025 Proposed Budget	2025-2024 Budget Variance
Well 2 Rehabilitation	(275,000)	(272,250)	(272,250)	2,750		275,000
Fleet Trucks	(90,000)	(112,091)	(108,000)	(18,000)	(90,000)	-
Other Field Equipment	(75,000)	(22,473)	(30,000)	45,000	(75,000)	-
Ferrero/Rorimer St. Project	(80,000)	(29,533)	(35,000)	45,000		80,000
New Admin Building	(1,000,000)	-	-	1,000,000	(1,000,000)	-
IT Hardware - Server	(27,500)	(27,344)	(27,344)			
Main St. VFD					(80,000)	
Dalesford & Bamboo Project					(80,000)	
IT Hardware - Firewall					(15,000)	
Total Capital Expenses	**(2,808,500)**	**(579,001)**	**(635,250)**	**2,145,750**	**(2,191,000)**	**765,000**

Table 4
La Puente Valley County Water District
2025 Proposed Budget (Detail)

	2024 Adopted Budget	OCT 2024 ACTUALS YTD	2024 Projected Year-End	2024 Projected Variance	2025 Proposed Budget	2025-2024 Budget Variance
Net Income After Capital	**(1,681,663)**	**761,405**	**1,089,469**	**2,843,779**	**(769,885)**	**1,081,278**
Funding & Debt Payments						
Capital Reimbursement (OU Projects)	601,000			(601,000)	601,000	-
Grant Revenues	17,000	49,867	49,867	32,867		(17,000)
Loan Proceeds		-	-	-	-	-
Loan Issuance Costs	-	-	-	-	-	-
Loan Payment - Interest	(77,900)	(75,483)	(75,483)	2,417	(77,900)	-
Loan Payment - Principal	(120,600)	(124,107)	(124,107)	(3,507)	(120,600)	-
Cyclic Storage Purchases						-
Cyclic Purchase	-	-		-		-
Prepaid Inventory Purchases	(40,000)	-	-	40,000	(40,000)	-
Change in Cash	**(1,302,163)**	**611,682**	**939,746**	**2,314,556**	**(407,385)**	**1,064,278**
Contributed Capital	-	-	-	-	-	-
Add: Capitalized Assets (District-Funded)	2,190,500	542,315	635,250	(1,555,250)	1,590,000	(600,500)
Add: Debt Principal	120,600	124,107	124,107	3,507	120,600	-
Add: Cyclic Storage	-	-	-		-	
Add: Prepaid Inventory	40,000	-	-		40,000	
Less: Loan Proceeds	-	-	-	-	-	-
Less: Depreciation Expense	(450,000)	(375,000)	(425,000)	25,000	(450,000)	-
Pension Income / (Expense)	-	-	-	-	-	-
OPEB Income / (Expense)	-	-	-	-	-	-
Net Income / (Loss)	**$ 598,937**	**$ 903,104**	**$ 1,274,103**	**$ 787,813**	**$ 893,215**	**$ 463,778**

Table 5
BPOU Treatment Plant
2025 Proposed Budget (Detail)

	2024 Projected Year-End	2024 Adopted Budget	2024 Projected Variance	2025 Proposed Budget	2025-2024 Budget Variance
Operational Non-Rate Revenues					
Reimbursements from CR's	$ 1,586,000	$ 1,760,540	$ (174,540)	$ 1,852,800	$ 92,260
Total Operational Non-Rate Revenues	**1,586,000**	**1,760,540**	**(174,540)**	**1,852,800**	**92,260**
Salaries & Benefits					
BPOU TP Labor *(1)	348,000	339,040	8,960	353,600	14,560
Total Salaries & Benefits	**348,000**	**339,040**	**8,960**	**353,600**	**14,560**
Supply & Treatment					
NDMA, 1,4-Dioxane Treatment	230,000	241,600	(11,600)	240,700	(900)
VOC Treatment	10,000	31,500	(21,500)	32,900	1,400
Perchlorate Treatment	328,000	477,000	(149,000)	481,800	4,800
Other Chemicals	35,000	81,900	(46,900)	104,300	22,400
Treatment Plant Power	420,000	369,200	50,800	380,200	11,000
Treatment Plant Maintenance	59,000	48,000	11,000	48,000	-
Well & Pump Maintenance	1,000	-	1,000	-	-
Total Supply & Treatment	**1,083,000**	**1,249,200**	**(166,200)**	**1,287,900**	**38,700**
Other Operating Expenses					
Contract Labor	-	20,000	(20,000)	20,000	-
General Plant	3,000	15,000	(12,000)	25,000	10,000
Vehicles & Equipment	10,000	14,300	(4,300)	14,300	-
Field Support & Other Expenses	-	-	-	-	-
Regulatory Compliance	115,000	101,000	14,000	130,000	29,000
Total Other Operating Expenses	**128,000**	**150,300**	**(22,300)**	**189,300**	**39,000**
General & Administrative					
Add: Capital Assets (District-Funded)	-	2,500	(2,500)	2,500	-
Insurance	18,000	12,000	6,000	12,000	-
Professional Services	9,000	7,500	1,500	7,500	-
Total General & Administrative	**27,000**	**22,000**	**5,000**	**22,000**	**-**
Total Expense	**1,586,000**	**1,760,540**	**(174,540)**	**1,852,800**	**92,260**
Operational Net Income	**-**	**-**	**-**	**-**	**-**
Capital Expenses					
N/A	-	-	-	-	-
Less: Total Capital Expenses	**-**	**-**	**-**	**-**	**-**
Less: Depreciation Expense	(105,000)	(105,000)	-	(105,000)	-
Net Income (Loss)	**$ (105,000)**	**$ (105,000)**	**$ -**	**$ (105,000)**	**$ -**

**(1) The labor expense depicted here is the amount of labor billed to the BPOU in which the District recieves reimbursement which is shown on Table 1.5 in operational non-rate revenue (BPOU Service Fees).*