



Valley of the Moon Water District

2026-2027 Strategic Plan: Goals and Objectives Update

Valley of the Moon Water District

A Public Agency Established in 1962

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Issues of Concern

Current and emerging issues facing the District help shape the direction of our strategic planning and overall goals as a community water system. By identifying key challenges and developing a plan for overcoming them, the District will be well-positioned for continued, reliable service for future generations. Some of the key challenges currently facing the District include:

1 — Existential / System Reliability Risks

A. Aging, Undersized, and Seismically Vulnerable Distribution Infrastructure

A significant portion of the District’s nearly 100 miles of water main was installed during a concentrated construction period in the 1960s–1970s and is approaching or exceeding its expected useful life. The District has averaged less than 0.5 miles of main replacement per year, well below the approximately 1 mile per year needed to stay ahead of the age-out curve.

Compounding this issue, many older mains are undersized relative to modern fire-flow requirements, limiting firefighting capability and public safety in portions of the service area. The 2026 Seismic Vulnerability Assessment has further identified distribution, production, pumping, and storage infrastructure at elevated risk of failure during a major earthquake. It also identified

critical “backbone infrastructure” that will be the District’s highest priority to keep operational following a major seismic event.

The convergence of pipe age, insufficient diameter for fire flow, and seismic vulnerability significantly increases the likelihood of system failures, extended outages, and emergency repairs unless proactively addressed through a sustained, prioritized replacement program.

B. Loss of the SDC Water Treatment Plant and Reduced Local Supply Redundancy

The loss of the SDC Water Treatment Plant eliminated the District’s only large-scale local water supply facility and substantially reduced its ability to operate independently during emergencies involving partial or total loss of wholesale supply from Sonoma Water. This has materially weakened the District’s overall water supply resilience and emergency response capability.

While redevelopment of the SDC site may eventually allow for reactivation of supply capacity, the timing, configuration, and certainty of that outcome remain outside the District’s control. Until that local capacity is restored, the District remains more vulnerable to prolonged outages caused by seismic events, power disruptions, or aqueduct failures.

C. Need for a Multi-Benefit Capital Prioritization Framework

Given the scale of infrastructure needs and finite financial resources, the District faces a growing challenge in determining where limited capital dollars yield the greatest reduction in system risk.

Going forward, capital planning must increasingly prioritize projects that:

- Replace aging or failure-prone infrastructure, and
- Upsize mains to meet modern fire-flow standards, and/or
- Address identified seismic vulnerabilities, and/or
- Improve hydraulic reliability for emergency operations and system redundancy.

Without a deliberate multi-benefit prioritization framework, the District risks incremental progress that does not materially improve overall system resilience, while increasing long-term costs and exposure to emergency failures.

D. Seismic Resilience of Critical Facilities and Emergency Fire-Flow Performance

The District operates in a seismically active region and relies on tanks, pump stations, wells, and key transmission mains that may not perform adequately during a major earthquake. Failures at these facilities could impair both potable water delivery and firefighting capability at the time they are most critical.

Ensuring that critical facilities, fire-flow-relevant distribution corridors, and emergency supply assets are seismically hardened is essential to protecting life, property, and post-event recovery. The District must translate seismic study findings into a phased, fundable resilience program that meaningfully reduces risk while remaining financially sustainable.

2 — Structural Water Supply and Financial Pressures

A. Dependence on External Water Supplies and Cost of ASR Source Water

The District’s strategy to improve local water supply resilience increasingly relies on Aquifer Storage and Recovery (ASR) as a near- to mid-term solution while local treatment capacity remains unavailable. However, the long-term viability of ASR depends not only on physical infrastructure but also on the availability, reliability, and cost of source water for injection, particularly during wet-year conditions.

Future conditions, including wholesale water pricing, regulatory constraints, climate variability, and competition for surplus water, may materially affect the cost and feasibility of operating ASR at scale. Without careful planning and engagement with the Sonoma Valley Groundwater Sustainability Agency (GSA), ASR could introduce new financial pressures even as it improves supply resilience. This creates a need to more clearly understand and manage the cost structure and operating assumptions associated with ASR as part of the District’s long-term water supply strategy.

B. Long-Term Funding Gap for Integrated Infrastructure and Resilience Investments

Achieving a sustained rate of approximately one mile of main replacement per year, while simultaneously addressing fire-flow deficiencies, seismic hardening, and water supply resilience, represents a significant increase in annual capital investment.

While grants and low-interest financing may support discrete projects (including those outlined in the Seismic Vulnerability Assessment), much of the District’s core distribution system work will continue to rely on local funding. Balancing infrastructure reinvestment, rate stability, affordability, and Proposition 218 compliance remains a central strategic challenge.

3 — Operational Capacity and Adaptive Readiness

A. Delivering a More Complex and Accelerated Capital Program

An integrated program that replaces aging infrastructure, upsizes mains for fire flow, incorporates seismic resilience, and expands local supply assets will increase demands on planning, design, construction management, grant administration, and internal coordination.

Ensuring the District has sufficient organizational capacity, through staffing, consultant support, and systems, to deliver this expanded program without degrading day-to-day operations is an emerging concern.

4 — Community Trust, Governance, and Transparency

A. Public Understanding of Infrastructure, Fire-Flow, and Water Supply Tradeoffs

Accelerated infrastructure replacement, seismic upgrades, and water supply investments will increase construction activity, visibility of costs, and potential rate impacts. Clear communication will be essential to help customers understand that these investments are directly tied to fire

protection, seismic safety, emergency preparedness, and long-term reliability, rather than discretionary upgrades.

Context on Issues of Concern:

- Following the 2015 court ruling on tiered water rates in San Juan Capistrano, which found that water rates were unconstitutional if they did not reflect the actual cost of providing water service under Proposition 218, many water utilities, including the District, performed an overhaul of their rates and tier structures. Many of the District's costs are related to state-mandated water conservation and capital projects that are needed to meet peak demand and fire flow. The majority of the District's customers have dramatically reduced their water demand over the past several years, yet as a result of the ongoing need to ensure peak water demand and fire flow, coupled with rapidly increasing costs of wholesale water and energy, unprecedented inflation in the early 2020s, and decline in overall revenue due to a reduction in water sales following two major droughts and the resultant "demand hardening", that same group of customers has seen their water bills remain static or even increase. In order to address this issue, the Board of Directors wishes to explore ways to reallocate expenses among the tiered rates, including the possible addition of a tier based on needed CIP for high-demand users, mandated water conservation, or both. In spite of the foregoing, the District has a strong desire to keep rates stable (i.e., regular, small rate increases each year), and an additional tier in the rate structure, based on those costs, could be a way to achieve that goal.
- The SDC treatment plant (or a package plant at the same site) may be able to be brought back online once redevelopment starts on the 180-acre core campus. The District is assumed to be the water purveyor for the site and has been working diligently for years to understand the water system, from surface water diversions to distribution. It is possible that redevelopment could begin as soon as one and a half years from now, but it could also be delayed depending on local politics and citizens against development in the area. As a result of possible delays, other water sources (groundwater wells) will be evaluated as part of the District's goal to increase readiness for a water outage from Sonoma Water.
- The District is a JPA member of the Sonoma Valley Groundwater Sustainability Agency (GSA) and has a good working relationship with the GSA staff and Board. The District developed and provided a white paper to the GSA emphasizing conservation and metering above more expensive infrastructure as a means to reach sustainability more efficiently. At the same time, the District was awarded a grant to study and construct two ASR wells. The wells are now complete and ASR-capable, pending final permitting. The District hopes to use these wells to store wintertime water locally, for use later in the year, offsetting demand from the wholesaler when water availability could be restricted (in drought conditions). It would also strategically leave a pre-determined percentage of the water behind in the aquifer on each injection and recovery cycle for the overall benefit of the aquifer, and the District would like the GSA to be a financial partner in this effort.

- Regarding infrastructure, the District needs to become much more aggressive on water main replacement. The District owns nearly 100 miles of water main, and water main has about a 100-year lifespan. So the District needs to average about a mile of main replacement per year to stay ahead of the expected useful life of the mains it operates. Over the past decade, the District has averaged less than half a mile of main replacement per year. A compounding factor is that the District installed a large percentage of the existing infrastructure (about 50%) within the decade or so period following its formation in 1962. There is, therefore, a large amount of pipe that will age out at nearly the same time in the 2060s and 70s.
- In 2021 and 2022, the District carried out two staffing studies. The first focused on office and management staff and resulted in splitting the finance and administration manager into two positions, one Finance Manager and one Administration Manager, as well as the creation of a “Track B” Administrative Specialist, for a total of two additional office staff, and both were filled. This was in response to the increased load of government reporting, regulatory compliance, etc., that had led to a work overload in the office. The second focused on field staff and resulted in the theoretical creation of a laborer position (not filled), as well as increasing the number of operators back to the number the District had in the early 2010s. This was intended to help conduct certain in-house capital projects (which helps keep costs down), as well as provide a larger pool of qualified personnel to respond in emergencies, which increases system reliability. This has resulted in one additional operator being hired. The new staffing structure, combined with good pay and benefits for District employees, has worked very well, resulting in less turnover, higher quality of service for our customers, better emergency response, the ability to apply for and manage grants, and the ability to respond to the regulatory environment in a timely and proactive manner. This is all being done with about one less FTE than would typically be expected for a system with the number of connections that VOMWD has, according to AWWA Benchmarking statistics. This is all the more impressive when one considers the fact that VOMWD’s system is more complex and has more miles of main in operation than the average system with the same number of connections. That said, with the administration of the District’s first major grant now complete, it is becoming clear that the new, more scalable office staffing structure may need to increase if further grants and similar efforts are taken on.

Strategic Goals and Objectives

In order to address the Issues of Concern, the following Strategic Goals have been developed and discussed at some depth during a Board Strategic Planning Workshop. These goals are in alignment with the District’s Mission Statement and are designed to ensure that the District will have the ability to carry out its mission for future generations.

1. Financial Sustainability and Rate Stability
2. Water Main Replacement and Distribution System Renewal
3. Local Water Supply and Emergency Self-Sufficiency
4. Seismic Resilience of the Water System

5. Organizational Capacity and Workforce Readiness
6. Fire Flow Capacity and Public Safety Improvements

Goal 1: Financial Sustainability and Rate Stability

Maintaining financial stability is fundamental to ensuring that the District can continue to meet its obligations and provide reliable service to its customers. This goal aims to balance the need for fair and equitable rates with the pressures of rising operational costs, such as increasing wholesale water prices, energy costs, and inflation. The District will explore the implementation of a rate structure that minimizes the financial burden on low and moderate-water users while addressing these escalating costs. Seeking external funding opportunities, such as state or federal grants, will be key to supporting capital projects, particularly those that focus on infrastructure upgrades and sustainability.

Objective 1.1: Aggressively seek a multi-tier rate structure that places an emphasis on conservation and cost allocation to the appropriate water user in accordance with Prop 218 and related case law.

Objective 1.2: Actively seek state, federal, or regional funding opportunities (e.g., grants and low-interest loans) for capital projects, especially those related to infrastructure upgrades and sustainability initiatives.

Objective 1.3: Pursue innovative financial strategies, including investment and proactive management of pension unfunded accrued liability (UAL) to help stave off rate volatility in the future.

Status: The District is currently in year four of a five-year water rate plan implementation. The next rate plan will therefore need to begin in the upcoming fiscal year. The addition of a defensible multi-tier rate structure will be evaluated at that time. The District, with the assistance of its consultant EKI, successfully sought a \$3 million grant from DWR for the conversion of two wells to ASR. This is the first major grant awarded to the District, and it has been an excellent learning experience for staff.

Following the conclusion of the District's seismic vulnerability assessment, the District plans to use this knowledge and experience to seek federal grants to address shortcomings found to harden against seismic vulnerabilities. Additional staff may be needed to assist in the administration of these grants. Synergies will be sought to focus on areas of the water system that are both susceptible to seismic activity and are also in need of replacement due to fire flow requirements, age/condition, or both. However, since a large local match will be needed, and it is very likely that there will not be a 100% overlap of these needs, the District should plan to generate enough revenue to proactively replace water mains on a PAYGO basis. More expensive and rare projects, such as pump station and water tank replacement, will come about on a less regular basis. Low-interest loans, bonds, or grants should be sought in these scenarios.

Goal 2: Water Main Replacement and Distribution System Renewal

A strong, reliable infrastructure is essential for delivering consistent, high-quality water to our customers. This goal underscores the need to enhance the District's physical assets and modernize aging systems. A key priority is accelerating the replacement of outdated water mains, with a target of replacing one mile per year. This effort will focus on the most vulnerable sections of the system that are at risk of failure.

Additionally, upgrading undersized infrastructure to meet modern fire flow and emergency response standards is crucial for ensuring public safety. The District has also recently updated its comprehensive Water Master Plan, and has commissioned a Seismic Vulnerability Study in order to gain the best possible understanding of its existing infrastructure and effectively prioritize replacements and upgrades.

The District is dedicated to the continued incorporation of advanced technologies (such as maintenance management system, or "MMS", Automated Metering Infrastructure "AMI", and Artificial Intelligence "AI") into its Information Technology infrastructure to maximize efficiencies wherever possible.

Objective 2.1: Aggressively increase the rate of water main replacement to one mile per year, prioritizing sections of the system that are aging and at risk of failure.

Objective 2.2: Upgrade undersized infrastructure to meet modern fire flow and emergency response standards, especially for booster pump stations and key distribution mains.

Objective 2.3: Continue evaluating ways to harden remote structures (such as well houses, booster stations, and tank sites) against the threat of wildfire, extreme weather events, and seismic activity.

Objective 2.4: Maintain a comprehensive Water Master Plan (WMP) to prioritize maintenance and replacement activities, incorporating advanced technologies (MMS, AMI, AI, etc.) for monitoring the condition of infrastructure and maximizing efficiency.

Status: Some progress has been made in this area by the District, but there is still room for improvement. AMI and MMS systems are in place and in daily use by District staff, and important records have been digitized for the systems. In early 2025, the District completed an update to its 2019 WMP, focusing on the prioritized capital improvement list. Some key fire flow upgrades have been made in the system, most recently in Glen Ellen and Chestnut.

Furthermore, the District recently completed a Seismic Vulnerability Assessment, which was accompanied by a prioritized list of areas in need of seismic hardening. In spite of these strides in the right direction, however, water main replacement remains anemic, at less than half a mile on average per year. Also, staff has begun using AI where possible; however, it is anticipated that this

area will grow rapidly over the next several years, opening up new opportunities and efficiencies for the District.

Goal 3: Local Water Supply and Emergency Self-Sufficiency

The District has a long-term goal of having enough local water supply that it can last weeks (if not longer) without the normal supply of water from our wholesaler, Sonoma Water, or normal power supplied by PG&E. The success of this goal hinges on securing additional reliable, resilient, and ideally, sustainable water supplies for its customers, right here in the Sonoma Valley, and making sure each of those sources has a supply of backup power.

This goal focuses on enhancing the District's water supply through both infrastructure improvements and strategic initiatives. A key objective is exploring the re-establishment of the SDC Water Treatment Plant or a similar system, which would provide enough local water capacity to bridge short to mid-term emergencies involving the loss of our wholesale water. Bringing the SDC Water Treatment Plant back online will be a long-term process, but there has been movement on this front in the last several months. Therefore, the District is shifting priority away from groundwater wells in the near term, with the desired outcome becoming more focused on the SDC supply.

There is also approximately 5.5 million gallons of water storage capacity within the District, plus the water stored by Sonoma Water on the Sonoma Aqueduct. This immediate supply would be supplemented in a water outage from Sonoma Water's source by the District's seven (7) leased or owned wells in its service area. Out of the seven wells, five (5) have either permanent or portable backup power supply, meaning that two (2) do not. This deficit in backup power supply is a current weak point in the event of a sustained power and water outage.

Another significant strategy is the expansion of Aquifer Storage and Recovery (ASR) systems in collaboration with the Groundwater Sustainability Agency (GSA) and Sonoma Water, ensuring the District can store surplus water during wet periods for future use during droughts. The District now has the infrastructure needed to conduct ASR activities at one permitted source (Park Well) as well as Verano Well. Verano Well may be able to become a source for the District once again if several cycles of ASR are successful at that location.

Additionally, maintaining proactive water conservation efforts is essential to ensure long-term sustainability and reduce external water dependencies.

Objective 3.1: Continue pursuing opportunities to re-establish the SDC Water Treatment Plant to boost local water capacity for emergency situations as soon as possible.

Objective 3.2: Ensure that all new and existing sources of water have sufficient backup power to help bridge the gap during power outages or public safety power shutoffs (PSPSs) by securing at least two additional generators capable of powering well sites.

Objective 3.3: Implement and expand Aquifer Storage and Recovery (ASR) systems in collaboration with the Groundwater Sustainability Agency (GSA) and Sonoma Water, to store water during wet periods for future use during droughts.

Objective 3.4: Continue to engage in proactive water conservation programs to maintain long-term water availability and reduce customer dependency on external water sources through participation in organizations like CalWEP and SMSWP.

Status: The District is still in a precarious position with respect to water supply resiliency under certain circumstances, especially those involving the loss, or partial loss, of the wholesale water system operated by Sonoma Water. It has therefore, dedicated staff time and funds to communicating with the County, State, and likely Developer of the former SDC property, on the resurrection of the water sources on the site and has also initiated an assessment of the site's water infrastructure components in an effort to provide opinion of probable cost (OPC) figures to be used in the redevelopment of the site's water infrastructure. Furthermore, two District-owned wells have been outfitted for ASR, which can help ensure there is water available locally from them in an emergency. The District has also been very proactive in obtaining additional well sources and increasing the capacity of existing well sources in recent years. Making sure that all wells can be operated in a sustained power outage remains an outstanding objective.

Goal 4: Seismic Resilience of the Water System

The District operates in a seismically active region and relies on a complex network of distribution mains, wells, pump stations, storage tanks, and transmission corridors to deliver potable water and support emergency response. A major seismic event has the potential to cause widespread infrastructure damage, extended service outages, and a loss of firefighting capability at a time when water service is most critical to public safety and post-event recovery.

The District recently completed a Seismic Vulnerability Assessment, which identified critical facilities and distribution corridors most at risk during a major earthquake, as well as “backbone infrastructure” that will be essential to maintaining limited service and supporting emergency response following a seismic event. These findings provide the District with its first system-wide, data-driven framework for prioritizing seismic risk reduction.

This goal focuses on translating the results of that assessment into a phased, fundable program that meaningfully reduces seismic risk while remaining financially sustainable. Wherever possible, seismic resilience efforts will be integrated with water main replacement, fire-flow upgrades, and other capital investments in order to maximize risk reduction and avoid duplicative construction.

Objective 4.1: Use the findings of the Seismic Vulnerability Assessment to identify and prioritize critical facilities, transmission corridors, and distribution mains necessary to maintain limited water service and firefighting capability following a major seismic event.

Objective 4.2: Develop a phased seismic resilience program that focuses on the District’s highest-risk and highest-consequence assets, balancing risk reduction with financial feasibility and rate stability.

Objective 4.3: Integrate seismic hardening measures into planned capital projects, including water main replacement, fire-flow improvements, pump station upgrades, and storage facilities, wherever feasible.

Objective 4.4: Actively pursue state and federal grant funding and other external financing opportunities to support seismic resilience projects, recognizing that local funding alone may be insufficient to address system-wide vulnerabilities.

Status: The District completed its first comprehensive Seismic Vulnerability Assessment in 2026. The study identified critical assets and distribution corridors at elevated risk of failure during a major earthquake, along with recommended mitigation measures and relative prioritization.

Staff is currently reviewing the findings and integrating them into capital planning efforts, including water main replacement prioritization and facility upgrade planning. The District intends to use the assessment to pursue external funding opportunities for seismic resilience projects and to guide the sequencing of future capital improvements. Development of a formal, phased seismic resilience program will be an ongoing effort over the next several fiscal years.

Goal 5: Organizational Capacity and Workforce Readiness

In an ever-evolving regulatory environment, ensuring compliance with local, state, and federal guidelines is critical for the District’s operations. This goal emphasizes the importance of proactively adhering to increasingly complex regulatory requirements, such as those set by the California Air Resources Board (CARB), the Bay Area Air Quality Management District (BAAQMD), State Water Resources Control Board (SWRCB), and the U.S. Environmental Protection Agency (EPA).

To maintain compliance, the District has prioritized adequate resources for monitoring and reporting and will continue to evaluate these needs on an ongoing basis. Alongside this, organizational efficiency has been a focal point: the District has optimized staffing structures to ensure it can meet its regulatory obligations without overburdening internal teams. Advocacy for regulatory reforms through the District’s involvement with organizations like the Association of California Water Agencies (ACWA) will also play a role in balancing environmental protections with operational flexibility, ensuring affordability for the District’s customers.

Furthermore, the District takes the opportunity during the budget preparation each year to evaluate each and every line item to determine if it adds to the District's efficiency or takes away from it, and only funds the item if it furthers the mission of the District in an efficient manner.

Objective 5.1: Maintain a proactive approach to comply with increasing regulatory requirements (e.g., CARB, BAAQMD, RWQCB, EPA) by allocating sufficient resources for monitoring, reporting, and implementing necessary changes.

Objective 5.2: Continue optimization of staffing to support regulatory compliance and improve operational efficiency, including ongoing evaluation of staffing needs and using consultants where necessary to avoid overburdening internal teams.

Objective 5.3: Advocate for regulatory reforms that help balance environmental protections with operational flexibility and customer affordability through involvement with ACWA, California Water Efficiency Partnership (CalWEP), etc.

Objective 5.4: Continue to evaluate ways to gain organizational efficiencies and cut costs where possible, including through the annual budget process.

Status: The District completed two staffing studies that identified areas that needed to be shored up or restructured and has fully implemented the recommendations of both over the past four years. A compensation survey completed in 2024 showed that the District's employees are compensated within the District's target ranges for salaries and benefits. The District is a member of both ACWA and CalWEP, and also takes the opportunity to address lawmakers directly through local delegations. While the District has made significant progress in this area, Organizational Efficiency remains a strategic goal due to the nature of the ever-changing and increasing regulatory environment.

Goal 6: Fire Flow Capacity and Public Safety Improvements

Providing adequate fire flow is a core public safety responsibility of the District and a critical component of community resilience. Portions of the District's water system were constructed prior to modern fire-flow standards and include undersized mains, limited redundancy, and constrained hydraulic capacity that can restrict firefighting capability during structure fires and wildfires.

As infrastructure ages and redevelopment occurs within the service area, demands on the water system for fire protection continue to increase. At the same time, wildfire risk and the potential for seismic events heighten the consequences of inadequate fire-flow capacity during emergencies.

This goal focuses on systematically improving fire-flow capability through targeted infrastructure upgrades, integration with water main replacement efforts, and coordination with seismic resilience planning. By prioritizing fire-flow improvements in areas of greatest risk and

consequence, the District can enhance public safety while maximizing the value of limited capital resources.

Objective 6.1: Identify and prioritize areas of the distribution system where fire-flow capacity is insufficient to meet modern firefighting needs, with particular emphasis on high-risk and high-density areas.

Objective 6.2: Upgrade undersized water mains, booster pump stations, and related infrastructure to improve fire-flow capacity, integrating these improvements with planned water main replacement and seismic resilience projects where feasible.

Objective 6.3: Incorporate fire-flow performance as a key criterion in capital project prioritization, ensuring that public safety benefits are explicitly considered alongside asset condition and seismic risk.

Status: The District has made targeted fire-flow improvements in recent years, including upgrades in Glen Ellen and Chestnut, improving system performance in those areas. The recent update to the Water Master Plan and completion of the Seismic Vulnerability Assessment have further improved the District's understanding of hydraulic constraints and critical infrastructure.

Despite this progress, portions of the system remain undersized for modern fire-flow demands. Addressing these deficiencies will require sustained, coordinated investment over multiple years. Fire-flow improvements will continue to be incorporated into water main replacement and capital planning efforts as funding allows.

Summary of Findings:

1 Financial Sustainability and Rate Stability

The District is in good financial health, customer water rates are sustainable, and the District is gaining experience with grant management and conservative investment management. Room for improvement exists in the areas of addressing the current tiered rate structure, future revenue generation in light of the needed infrastructure investments, and unfunded pension liability.

2 Water Main Replacement and Distribution System Renewal

The District is well-managed and has good policy direction regarding infrastructure and capital programs. However, there is significant room for improvement regarding aging water main replacement. If not addressed in the coming years, these older water mains will begin to fail at an unsustainable rate. Further action is therefore needed soon to avoid this scenario.

3 Local Water Supply and Emergency Self-Sufficiency

The loss of the SDC water source has set the District back significantly in this area. Planning efforts are underway, but there is a significant gap between the current water supply resilience and where

the District would like to be. In light of the recent movement and County and developer action at the former SDC, it is possible that we may see the water system coming back online within the next few years. Making sure all local water supply sources also have a source of backup power will be critical for ensuring the District can get the most out of what it already has.

4 Seismic Resilience of the Water System

The completion of the District's Seismic Vulnerability Assessment represents a major step forward in understanding system-wide risk and identifying critical infrastructure necessary for post-earthquake response and recovery. While meaningful progress has been made in defining priorities, significant work remains to translate study findings into a phased, fundable resilience program. Continued integration of seismic hardening with capital projects and pursuit of external funding will be essential to reducing long-term seismic risk.

5 Organizational Capacity and Workforce Readiness

The District is currently in great shape with respect to organizational efficiency and staffing. However, this is an area where things can change quickly, and adaptations need to be made frequently. The District will, therefore, continue to monitor and make adjustments as needed.

6 Fire Flow Capacity and Public Safety Improvements

The District has taken important steps to improve fire-flow capacity in targeted areas; however, portions of the water system remain undersized relative to modern firefighting needs. As wildfire risk, redevelopment, and infrastructure age continue to increase demands on the system, sustained investment will be required to enhance public safety. Integrating fire-flow improvements with water main replacement and seismic resilience efforts will be critical to cost-effectively achieving meaningful progress.