



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Directors John Merchant and Bill Gere)

Regular Meeting

May 14, 2026, at 10:00 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

1. Call to Order

2. Comments from the Public

If you wish to speak during Comments from the Public, on items not on the agenda, or would like to comment regarding an item appearing on the meeting agenda, please complete a public comment card and submit to the Board Secretary prior to Public Comments.

3. *Information Item* Audits Update

4. *Information Item* Review Budget Calendar

5. *Information Item* Capital Improvement Projects FY26/27

6. *Information Item* Grant Opportunities for CIP FY26/27

7. Director and Staff Comments/Suggestions

8. Adjournment

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

In compliance with the Americans with Disabilities Act if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or dfleet@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. Posting location is District Office. The date and time of this posting is May 7, 2026 at 3:00 p.m.

MEMORANDUM

Date: May 14, 2026
To: Board of Directors
From: Cecilia Min, Director of Finance and Administration
Subject: Audit and Finance Report

1. Audits 22/23 and 23/24

- The AUDITS are scheduled to commence on May 18, 2026!!!!
- In the coming weeks, staff will work closely with the auditors on fieldwork testing and financial statement preparation. As part of the audit process, Budget-to-Actual analyses will be incorporated into the financial statements.
- The audits are expected to be completed within three months, depending on auditor's availability and scheduling. (Aug 2026)
- Preparation for the FY 24/25 audit will begin shortly after the commencement of the current audit.
- To ensure full focus on the audit process, all other accounting projects have been temporarily placed on hold, including the preparation of the March and April 2026 financial statements. These financial statements are anticipated to be available in June 2026.

TASK	Projects	ASSIGNED TO	PROGRESS
Reconstruction of accounting - mostly cash receipts	Audit FY23&24	RH	100%
Review of the above accounting	Audit FY23&24	RH	100%
Reinput the above transactions into the accounting system	Audit FY23&24	RH	100%
Interim Audit Preparation + Interim Testing Support	Audit FY23&24	RH	100%
CFD Bond Audit	Audit FY23&24	RH	100%
Bank Reconciliations	Audit FY23&24	RH	100%
Balance Sheet Reconciliation	Audit FY23&24	RH	100%
Review Balance Sheet Reconciliation	Audit FY23&24	RH	100%
Audit Workpaper Preparation	Audit FY23&24	RH	100%
Audit Field Work Testing	Audit FY23&24	RH	0%
Financial Statement preparation & Partner Review	Audit FY23&24	RH	0%
Review First Draft of Financial Statement	Audit FY23&24	RH	0%

Balance Sheets Reconciliations				
Tasks	FY2	FY2	FY23 - Review	FY24 - Review
Bank Reconciliations: 1000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bank Reconciliations: 1001	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bank Reconciliations: 1002	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bank Reconciliations: 1008	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bank Reconciliations: 1009	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment&Interest Income	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tyler AR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tyler Revenue/customers overpayment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tyler Installment Plan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property Tax Receivable and Revenue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prepays	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Interfund Loans	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tyler credit balances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Due to/From Reconciliation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Admin Allocation/Due to From	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AP aging	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Accrued Expenses	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed Assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Repairs and Mainteance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Capital Improvement Project Expense	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Deeded Transactions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Restricted Cash	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pension	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OPEB liability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Notes Receivable	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Developer deposits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Capital Leases	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Unearned revenue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Water Hydrant Deposit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property Loss Reimbursement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Payroll Expenses	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Misc income 3500	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Accrued Payroll	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
GASB 101	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Compensation Absences	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Net Asset Rolled Forward	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Revenue: Reserve	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Insurance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Income/Expenses Analysis - FY 23	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Income/Expenses Analysis - FY 24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Budget vs. Actual Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
clear review notes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
clear review notes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Calwaste and related surcharge in Fd 499	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bond Audit(redo workpaper)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Due From CFD Bond(redo 5 years of exp)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

STATUS

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

SCHEDULE OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

MATERIAL WEAKNESSES IN INTERNAL CONTROL

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

It is anticipated that these findings will continue to be reflected in audit results for the next two fiscal years.

Current Year Findings

Finding 2022-001: Timely record keeping

Condition: The accounting records were not maintained up-to-date during the fiscal year. Payroll expenses for employees were not recorded in the general ledger until after year-end in one large journal entry, and the bank reconciliations were not performed until after the end of the fiscal year.

Criteria: Accounting transactions must be recorded timely and accurately to maintain sufficient internal control over accounting records and to provide real-time financial information to manage the District.

Cause: The District has had staff turnovers over the last few years in the accounting department leaving its ability to record transactions timely limited.

Effect: Potential for misstated accounting records and the inability of the District to manage its cash balances.

Recommendation: We recommend the District ensure at least cash transactions are recorded on a timely basis, even though the District is behind in closing its books on the accrual basis.

District's response: As we are progressing with the accounting records for the next two fiscal years' audits due to the staff turnover over the last 6 years. We are putting in cash transactions starting FY 24/25.

Prior Year Findings

Finding 2021-001 and 2020-001: Year-End Closing Procedures

Condition: The audit was delayed because of delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors, due to the District having difficulty finding qualified staff.

To ensure the year-end closing process proceeds more quickly and smoothly, we recommend developing a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The District needs to ensure that all balance sheet accounts are reviewed and reconciled to supporting schedules and are reviewed and approved prior to the beginning of the audit.

Recommendation: We recommend that the District streamline accounting processes to create timely, accurate financial reporting. Reconciliations of account balances should be performed throughout the year. A closing procedures checklist would ensure account balances are reviewed and corrected prior to the start of the audit. The review function should include monitoring compliance with District policy and generally accepted accounting principles. Procedures should be in place to prepare the required reconciliations at year-end and post entries needed to close the books prior to the start of the audit.

Current Status: This issue still exists.

District's response: Subsequent to the last audit, the Finance Director resigned and the District has now retained qualified staff to ensure that all the balance sheets are reviewed and reconciled and approved prior to the beginning of the audit. A streamlined accounting process which includes routine reconciliation according to the District policy and generally accepted accounting principles will be installed.

Finding 2021-002 and 2020-002: Developer-constructed infrastructure

Condition: Developer-constructed infrastructure that is deeded to the District does not appear to have been recorded as capital assets in the District's general ledger. One transaction was identified dating back to 2007, but there may be others.

Criteria: A complete and accurate capital asset listing, including developer-constructed assets, needs to be maintained.

Cause: It appears certain policies and procedures related to developer-donated infrastructure have not been put into place.

Effect: This situation creates a misstatement of the capital assets.

Recommendation: We recommend the District evaluate the extent of developer-donated infrastructure received and estimate and record the amount of developer-donated assets and related depreciation in its general ledger and capital asset listing.

Current Status: This issue still exists.

District's response: The District has begun the evaluation of developer infrastructure received and has recorded the amount of developer-donated assets and related depreciation in the general accounting ledger

as well as the fixed assets subledger. The District anticipates identifying all developer-donated infrastructure and having the appropriate adjustments made to the accounting records for the subsequent years.

We have properly recorded developer- construction in FY23 and FY24. However, we must identify all developer-donated infrastructure made for the prior years.

Finding 2019-011: Non-active Customer Accounts (Finding noted by prior auditor)

Condition: During our testing of accounts receivables we noted the District had numerous non-active customer accounts with credit balances. The total of the non-active customer credit balances was \$18,774. We also noted this condition in the prior audit. These accounts use the code OFFC in the platinum billing system.

Recommendation: The District should determine their legal responsibility for returning the funds to customers for these credit balance accounts prior to the board approving them to be written off. The District should also run the credit balance report as of June 30, the financial statement reporting date.

Current Status: These credit balances still exist at June 30, 2022.

District Response: The District has changed utility billing system and hired a new team to manage the receivables. Credit balance report for inactive customers seem to show negative balance with an aged of less than 30 days. All refunds need another level of approval in the system.

Reserves and Reserve Policy

We reviewed the District's reserve policy and compared reserves established in the policy to reserve amounts recorded in the District's general ledger and noted inconsistencies. We recommend that the District review their reserve policy and update it as needed. The District should then ensure the balances established in the general ledger are consistent with the policy.

District Response: *No comment.*

As part of the review of the reserve policy, the District needs to determine the implications and plan for addressing certain reserves in the general ledger that have a negative balance. These reserves with a negative balance include the following: Water Capital Improvement Fee Reserve and Security Capital Improvement Fee Reserve.

District Response: *No comment.*

Procedure Manuals

The District's procedures manuals have not been updated since 2010, with many documents referring to specific employees by first name only rather than position title, contain usernames and passwords. The District needs to update the procedures manual with up-to-date procedures, reference positions rather than names, and exclude usernames and passwords. Having an updated procedure manual is needed to ensure proper internal control and continuity with turnover of positions. The District has been updating a few of the procedure manuals as of recently. We will keep an eye on the progress to ensure sufficient amount of manuals have been updated.

District Response: *Procedure manual changes were made during the fiscal year but were not completed due to the high turnover rate of management team and the number of unfinished audits.*

Billing System Integration

The District's billing system does not currently interface with the general ledger, resulting in the District preparing extensive spreadsheets each month to record the customer billings and payments in the general ledger. We recommend the District consider a new system that includes the billing system as a module within the general ledger system. The District implemented a new system as of April 17, 2023, but it is not integrated with the accounting system.

To verify the accuracy of the manual entries made in the accounting system to record the customer billing and payment activity, the District needs to compare, at least quarterly, the accounts receivable balance in the billing system to the general ledger.

District Response: *No comment.*

Accounts Receivable Aging Report

The District was unable to produce an accounts receivable aging report from the billing system. We recommend that the District work with the software provider to produce an aging report and that report be reviewed on a regular basis by management.

Customer Accounts

The District needs to ensure that customer accounts that are on a payment plan are properly reflected in a separate receivable account in the general ledger and that the balances are reconciled on a quarterly basis. The District needs to ensure that unpaid balances outstanding are submitted to the County for collection on the property tax rolls.

District Response: *No comment.*

Risk Assessment Process

We recommend that the District develop a risk assessment process to identify those risks within the District that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. This risk assessment process should involve discussing potential risk areas with the Board and staff and then ensure controls or process are in place to mitigate those risks. This risk assessment process should be performed on a periodic basis and can be incorporated into existing Board and staff meetings by adding an item to the agenda to discuss these risks.

District Response: *The District has started this process.*

Inventory

The District maintains an inventory of meters and associated parts, as well as water and sewer pipe and fittings; however, these items are expensed as the items are purchased rather than being tracked through an inventory account and system. The District should evaluate whether the level of inventory maintained on-hand warrants tracking this inventory in the accounting system and through a maintenance management system.

District Response: *No change.*

It is anticipated that these findings are fully resolved.

Finding 2019-004: Review of Journal Entries (Finding noted by prior auditor)

Condition: During our review of the general ledger, we noted after November 2018 that there were many instances of journal entries being posted and reversed and then reposted. Per review of the journal entries we noted that no accounting personnel were reviewing and approving the journal entries that were being prepared and posted by accounting staff and the outside consultants. The lack of review and authorization increases the risk of material misstatements in the financial statements.

Recommendation: In order to reduce the risk of material misstatements we recommend implementing internal controls where journal entries are reviewed and approved, prior to posting the entry by an accounting staff member with adequate skill, knowledge, and experience.

Current Status: Several instances of this were noted in the current year audit as well, including the accrued payroll journal entry that had to be reversed during the audit as this journal entry was recorded twice. The review of journal entries should be documented by the reviewer's initials and date of review and this documentation should be retained based on the District's retention policy.

District Response: The District will actively review accounting entries and balance sheet reconciliations to ensure accuracy of the accounting records.

Finding 2019-007: Fund Accounting System (Finding noted by prior auditor)

Condition: During our review of the general ledger we noted the District was not maintaining a self-balancing set of accounts by fund during the 2018/19 fiscal year. The District recorded a journal entry at year-end to balance the funds. Proper accounting controls would require the individual funds to be self-balancing. The cause of this condition is that the Great Plains accounting program is not specifically designed to be a fund accounting program. The prior administration established procedures to make the system function like a fund accounting program, however the method is very complex and with the turnover that occurred during the 2018/19 fiscal year, the accounting entries required to keep the funds in balance were not being maintained. This is a condition that could lead to a qualified opinion in the auditor's report if it is not corrected.

Recommendation: We recommend the District consider purchasing accounting software that is designed for fund accounting.

Current Status: This issue still exists. The District should consider setting up their accounting system on a fund basis to ensure the funds remain in balance when recording journal entries.

District Response: The District recognizes the limitation in the current financial system and is working to set up the correct accounts to ensure proper fund accounting. In the next audit years, the District will use the concept of interfund transfer to properly document the flow of resources between different funds. As part of the year end and month end process, each fund will be balance prior to the audit.

I am actively reviewing all accounting entries and Great Plain Interfund Module was introduced.

General Fund Allocations

The District maintains a General Fund in their accounting system, although for financial reporting purposes, this fund is not reported separately, but all balance sheet and income statement accounts are allocated to the

other funds. This is a cumbersome process for financial reporting purposes, so we recommend the District evaluate the need for having a separate General Fund and determine whether transactions can be allocated initially to each fund, instead of recording them first in the General Fund and then allocating balance to other funds at year end. This re-allocation is performed outside of the accounting system, so the balances in the general ledger do not match the balances in the audited financial statements. We recommend the District obtain an accounting system that provides for fund accounting.

District Response: *For the next three fiscal years, the District will switch to an Interfund Management Concept. Any time a transaction involves accounts with more than one unique fund, due to/from (DT/F), entries that keep each fund or entity in balance. Each fund has a DT/F balance with the general fund and no balance with any other fund. Within the general fund, you can set up separate DT/F accounts so you always know what each fund's balance is with respect to the general fund. This will be a manual process for the next three fiscal years and then it will be an automatic entry anytime a check is cut.*

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

Finding 2019-009: Bank Reconciliations (Finding noted by prior auditor)

Condition: During our review of bank reconciliations, we noted instances where the reconciliations were not performed in a timely manner after month-end and also instances where the reconciliations were not initialed by a reviewer other than the person preparing the bank reconciliation.

Recommendation: We recommend preparing the bank reconciliations in a timely manner after month-end and that a staff member, who is not part of the cash collection, cash receipting or has check signing authority, review, date and initial the bank reconciliations.

Current Status: This issue still exists to some extent. In the fiscal year 2021/22 audit, the District provided bank reconciliations for June 30, 2022 that were generated from the accounting system; however, the reconciliation omitted outstanding checks. We recommend the District determine if the system-generated reconciliations can be relied upon in the future.

District Response: The District will be using the bank reconciliation module in the next audit years. This process will be part of the month end close and reviewed properly prior to the audit.

Bank Reconciliation Module is now active and functioning.

Capital Assets

The following items were noted in the audit of capital assets:

- We recommend performing an inventory of capital assets and removing items from the capital asset list that are no longer in service.
- The District was unable to provide the accumulated depreciation amounts by asset type as required by government accounting principles for disclosure in the footnotes. We recommend separate general ledger accounts to be established for each asset type.
- The District was unable to generate a list of capital assets by fund to compare the asset listing to the general ledger by fund. The District was also unable to generate a listing of capital assets by asset type to reconcile to the individual general ledger accounts.
- The District was unable to provide the accumulated depreciation amounts by asset type as required by government accounting principles for disclosure in the footnotes.

We recommend that the District review its capital asset system to determine whether it can account for its capital assets correctly.

District Response: *The District started using the fixed asset module within the accounting system to automate the calculation on depreciation and it provides reports by Fund and Asset Type. The capital asset listing was also provided to Operation to remove items no longer in service. It is difficult to perform an inventory of capital as most of them are infrastructure underground. The District intends to perform an inventory of both under and above ground inventory in the appropriate future.*

Developer Deposits

The District recorded expenses related to developer projects directly against the developer deposit liability account when paid instead of recording the expense in an expense general ledger account and then recognizing this same amount as revenue, reducing the deposit liability balance. The District needs to ensure that its accounting process is revised such that revenues and expenses related to developer transactions are recorded correctly.

District Response: *No change.*

FY26-27 Budget Preparation Schedule

Dates	Task	Team Lead
Jan to Feb	Meetings with Units regarding budget needs	Cecilia
Feb	Develop Detailed Revenue and Expenses	Cecilia
end of Feb	Develop Projected Capital Improvement Plan	Operation Leaders
3/5/2026	Ad Hoc Committee and Review Preliminary Draft Budget and Reserve	Cecilia
3/12/2026	Evaluate Rate Increases Needed to cover Expenses & Reserve	Cecilia
3/16-3/17/26	Proposition 218 documents drafted	Cecilia/Amelia
3/18/2026	Board Consideration and Action on Proposition 218 documents	Board
3/31/2026	Proposition 218 Notices Mailed - 45 day window	Amelia
4/9/2026	Finance Committee Review of Draft 25-26 Operating Budget, Reserve Development, and CIP and corresponding rate discussions	Cecilia
5/14/2025	Finance Committee CIP Final Review	Cecilia
5/27/2026	All protests to Prop 218 Rate Increases Due	Amelia
5/27/2026	First Reading of Proposed 26-27 Rate increase Ordinance and presentation of Draft 26-27 Budget	Board
6/17/2026	Second Reading and action on Proposed Rate Increase notice and adoption of 26-27 Budget	Board

CAPTIAL IMPROVEMENT PROJECTS

FY 26/27

Capital improvement projects (CIP) FY27

The following tables present the proposed CIP projects for FY 27 along with the associated estimated reserve funding. The Committee is requested to review these items, determine whether the proposed projects are essential to the District, and provide a recommendation on the FY 27 CIP to the Board.

Sources	Connection Fees - Developers	Reserve Charge - Utility	Connection Fees - Developers	
	Capital Improvement	Capital Replacement	Security Impact Fee	Grand Total
Urban Water Mgmt Plan	500,000			500,000
Rebuild Granlees 125hp pumps		40,000		40,000
Replace remaining 2 trains of membranes & HMI		824,920		824,920
Replace 2003 Ford F150 Truck #216		60,000		60,000
Replace 2003 Ford F150 Truck #814		50,000		50,000
Smart Meter Endpoint & Meter Replacement		200,000		200,000
Combination Sewer / Vactor Truck Lease 8 yrs	141,000			141,000
Work Truck for New Mechanic	75,000			75,000
SCADA WTP Servers saved to the Cloud		40,000		40,000
Rate Study: Developers, Utility and Reserve 5 yrs	30,000			30,000
20 Year Capital Improvement Planning Project	100,000			100,000
Office equipments/Board speakers/Others		25,000		25,000
A/C units - Admin buildings		25,000		25,000
Cameras for new construction WWTP and admin		23,000		23,000
Update hardware for connectivity to WWTP		5,000		5,000
Computer Need to facilitate Windows 11		5,000		5,000
Go Access conversion			10,000	10,000
Go Access hardware			20,000	20,000
Radio Motorola - 5 yrs lease			5,000	5,000
Grand Total	846,000	1,297,920	35,000	2,178,920
Budgeted Reserve funding - FY 27		1,423,548		1,423,548
Estimated Reserve Balance end of FY26 *	399,451	2,213,571	50,901	2,663,923
Remaining funding at end of FY27	(446,549)	2,339,199	15,901	485,003
* Notes				
Estimated Interest Income FY23 to FY26 @ 3.5%	55,923	309,900	7,126	372,949

Previously presented in the Finance Committee and Board Meeting during March 2026

Summary of Restricted Funds - Preliminary Unaudited Numbers									
Fund	Policy	Restricted Fund	AUDITED	AUDITED	UNAUDITED			Source	
			FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25		FY25/26(Projected)
Sewer	2	Capital Improvement Reserve	91,044	262,411	494,569	694,165	737,445	757,634	Connection Fees - Developer
Drainage	2	Capital Improvement Reserve	329,208	329,921	340,410	351,044	351,044	351,044	Connection Fees - Developer
Water	2	Capital Improvement Reserve	-	26,733	46,529	106,255	149,534	164,033	Connection Fees - Developer
Security	2	Capital Improvement Reserve (negative)	(30,031)	(90,663)	(88,168)	(85,368)	(85,368)	(84,815)	
Water	1	Capital Replacement Reserve	2,102,698	2,351,051	2,807,807	3,267,940	3,787,251	4,332,832	Reserve Charge - Utility
Sewer	1	Capital Replacement Reserve	3,314,065	3,575,482	4,033,609	4,525,085	5,044,396	5,589,977	Reserve Charge - Utility
Security	1	Capital Replacement Reserve	-	-	-	-	-	-	Reserve Charge - Utility
Security		Security Impact Fee Reserve	45,622	67,469	82,757	106,754	134,906	138,506	Connection fees
Water	3	Water Augmentation Reserve	2,027,398	2,161,914	2,275,567	2,563,240	2,679,715	2,729,481	Connection Fees - Developer
			7,880,004	8,684,319	9,993,080	11,529,116	12,798,923	13,978,692	
All Funds		CIP spending - Estimated FY 23			(2,201,253)	(2,201,253)	(2,201,253)	(2,201,253)	
All Funds		CIP spending - Estimated FY 24				(2,540,075)	(2,540,075)	(2,540,075)	
All Funds		CIP spending - Estimated FY 25					(2,756,670)	(2,756,670)	
All Funds		CIP spending - Estimated FY 26						(1,262,500)	
		Total CIP Spending for all FY23-26						(8,760,498)	
		Remaining						5,218,194	
Summary									
		Capital Improvement Reserve	390,221	528,402	793,341	1,066,096	1,152,655	1,187,896	
		Capital Replacement Reserve	5,416,763	5,926,533	6,841,416	7,793,026	8,831,647	9,922,809	
		Security Impact Fee Reserve	45,622	67,469	82,757	106,754	134,906	138,506	
		Water Augmentation Reserve	2,027,398	2,161,914	2,275,567	2,563,240	2,679,715	2,729,481	
			7,880,004	8,684,319	9,993,080	11,529,116	12,798,923	13,978,692	
CIP Spending Allocated based on %									
		9% Capital Improvement Reserve						(788,445)	
		88% Capital Replacement Reserve						(7,709,238)	
		1% Security Impact Fee Reserve						(87,605)	
		2% Water Augmentation Reserve						(175,210)	
		100%						(8,760,498)	
Remaining Reserve Balance									
		Capital Improvement Reserve						399,451	
		Capital Replacement Reserve						2,213,571	
		Security Impact Fee Reserve						50,901	
		Water Augmentation Reserve						2,554,271	
								5,218,194	

Urban Water Measure Plan (UWMP) – Should we include this spending in FY 27

urban water measure plan

An **Urban Water Measure Plan** is a comprehensive document that outlines how an urban water supplier manages its water resources and plans for future water demand. It includes assessments of water supply reliability, demand forecasts, water use efficiency programs, and contingency planning for shortages. These plans are essential for ensuring that urban areas maintain reliable water supplies for their residents and businesses. [⇒ California State Portal](#) **+2**

Urban Water Measure Plans are required every five years and are crucial for long-term water supply planning. They help guide decisions related to system reliability, conservation, and drought preparedness. The plans are also used to assess water supply vulnerabilities, climate change risks, and drought water supply reliability.

[⇒ San Diego County Water Authority](#)

Integrated Urban Water Management Plans (IUWMPs) are an example of a mechanism implemented under an Integrated Urban Water Management (IUWM) approach, which encompasses all aspects of water management: environmental, economic, social, technical, and political. [⇒ Calaveras County Water District](#)

Background

- ❖ The District currently has fewer than 3,000 connections.
- ❖ If additional homes are constructed between now and the next fiscal year, the District may exceed 3,000 total connections.
- ❖ Clarification is needed on how many homes or lots are expected to be developed between now and the next fiscal year.
- ❖ Once the District reaches 3,000 connections, there is a one-year compliance period to implement the Urban Water Management Plan (UWMP).
- ❖ The process will also require Solicitation of bids and Committee/Board approval, which is expected to take several months to complete.

Decision:

Should we budget this \$500K in FY 27?



CAPITAL FUND:

PROJECT TITLE: Rebuild Granlees 125hp pumps



CIP #

PROJECT BUDGET: \$40,000.00

PROJECT DESCRIPTION: Rebuild the 2 125 hp pumps at Granlees Pump Station

JUSTIFICATION:

1. These are the pumps that the district relies on to pump water from Consumnes River
2. These pumps have not been rebuilt in over 10 years.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

If these pumps fail, we will not be able to pump water from the river.

REPLACEMENT:



CAPITAL FUND:

PROJECT TITLE: Replace remaining 2 trains of membranes & HMI



CIP #

PROJECT BUDGET: \$824,920.00

PROJECT DESCRIPTION: Replace remaining membranes & HMI that are 11+ years old

JUSTIFICATION:

The membrane modules have a life cycle of about 10 years. The district has only replaced about 1/3 of the total membranes. We are starting to see multiple catastrophic failures in the other 2/3 remaining membranes. The HMI is also at the end of its life cycle and needs to be replaced.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
CAPITAL IMPROVEMENT PLAN
FY 2022-27**



CAPITAL FUND:

PROJECT TITLE: Replace 2003 Ford F150 Truck



CIP # 26-200-03

PROJECT BUDGET: \$60,000.00

PROJECT DESCRIPTION: Replace 2003 Ford F150 Truck #216

JUSTIFICATION:

This is one of the oldest trucks in our fleet. It is a 2003 and has 70,000 miles on it. It is constantly breaking down and costing more money to fix than what the truck is worth. This is a potential safety hazard for whomever is driving this truck.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
CAPITAL IMPROVEMENT PLAN
FY 2022-27**



CAPITAL FUND:

PROJECT TITLE: Replace 2003 Ford F150 Truck



CIP # 26-200-02

PROJECT BUDGET: \$50,000.00

PROJECT DESCRIPTION: Replace 2003 Ford F150 Truck #814

JUSTIFICATION:

This is one of the oldest trucks in our fleet. It is a 2003 and has 118551.3 miles on it. It is constantly breaking down and costing more money to fix than what the truck is worth. This is a potential safety hazard for whomever is driving this truck.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:



CAPITAL FUND:

PROJECT TITLE: Smart Meter Endpoint & Meter Replacement



CIP #

PROJECT BUDGET: \$200,000.00

PROJECT DESCRIPTION: To replace 1,000 Endpoints and 130 water meters

JUSTIFICATION:

- Improve billing accuracy
- Reduce estimated billing
- Increase revenue capture
- Improve leak detection capability
- Enhance customer service
- Reduce manual meter reading labor

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:



CAPITAL FUND:

PROJECT TITLE: Combination Sewer / Vactor Truck



CIP #

PROJECT BUDGET: \$141,000 / yr lease for 8 yr

PROJECT DESCRIPTION:

JUSTIFICATION:

The Services District currently relies on aging equipment and/or contracted services to perform essential water maintenance, wastewater maintenance and emergency response. Acquisition of a Vacall AJV1015 will:

- Reduce sanitary sewer overflows (SSOs)
- Lower long-term contracting costs
- Increase emergency response efficiency
- Provide direct support to water distribution main repairs



ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

Increased Risk of sewer overflows. Higher emergency repair costs.

REPLACEMENT:

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
CAPITAL IMPROVEMENT PLAN
FY 2022-27**



CAPITAL FUND:

PROJECT TITLE: Work Truck for New Mechanic



CI

P #

PROJECT BUDGET: \$ 75,000.00

PROJECT DESCRIPTION: Purchase work truck for new mechanic position

JUSTIFICATION: The District will need to purchase a new work truck for the new mechanic position if approved.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:



CAPITAL FUND:

PROJECT TITLE: WTP Servers saved to the Cloud

CIP #

PROJECT BUDGET: \$40,000.00

PROJECT DESCRIPTION: To back up water plant SCADA servers to the cloud

JUSTIFICATION:

- Increased security for SCADA System.
- Back-up stored offsite just incase of server crash.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:



FUND: Water, Wastewater, Drainage

PROJECT TITLE: 20-year Capital Improvement Planning & 5 - Year Rate Study



CIP#:

PROJECT BUDGET: \$130,000

PROJECT DESCRIPTION: 20-year Capital Improvement Planning Project (CIPP) and 5-year Rate Study

JUSTIFICATION:

To ensure RMCS D maintains sufficient financial resources to support ongoing operations as well as planned projects and system improvements. These studies are essential for forecasting future equipment and infrastructure costs and ensuring that utilities are financially prepared for new installations necessary to protect public health and safety.

Regular rate studies play a critical role in maintaining the long-term financial stability of utility systems and supporting the timely execution of essential capital projects. They provide valuable insight into whether a community can sustain the financial demands associated with operational expenses and proposed improvements. In addition, rate studies help evaluate the feasibility of planned initiatives and are a key component of responsible fiscal governance.

Rising inflation has significantly increased both construction and operating costs for utility systems, making it increasingly important for utilities to conduct rate studies on a regular basis. These studies ensure that rates remain aligned with current economic conditions and reflect the true cost of maintaining and operating the utility system.

This project will update the most recent CIPP completed by Lumos & Associates in FY 23/24 for the water and wastewater system. The underlying data is now approximately four years old and no longer reflects current system conditions. This update will also expand the scope to include drainage infrastructure if possible.

The updated CIPP will serve as a foundational input for the five-year rate study, which was previously deferred due to the lack of finalized financial audit data. The rate study will provide updated projections for existing customer monthly rates, developer fees and charges, capital reserve funding rates, and administrative and operational fees.



In addition, this project will include the drafting of public notices and will involve close coordination with the RMCS D to ensure effective communication with customers regarding the need for fee adjustments, including any proposed changes to rate structures, if applicable. The overall goal is to ensure that the process is conducted as transparently and clearly as possible, providing customers with a strong understanding of the basis for any proposed changes.

The time frame for this project is as follow:

1. CIPP July 26 to Oct 26
2. Rate Studies Nov 26 to Jan 27 finalize before the start of the next budget cycle



CAPITAL FUND:

PROJECT TITLE: GoAccess to replace ABDI



CIP #

PROJECT BUDGET: \$71,184 This amount will be adjusted after the security committee.

PROJECT DESCRIPTION: Replace ABDI Gate Entry System

JUSTIFICATION:

For several years, the ABDI gate entry system has been utilized for security gate operations and patrol functions; however, the system has become outdated and has presented ongoing challenges with reliability and customer support. Evaluation of the GoAccess gate entry platform has identified a modern, technology-driven solution that would significantly enhance operational efficiency and access control. GoAccess incorporates advanced AI-based License Plate Recognition (LPR), allowing authorized vehicles to enter the community without reliance on barcodes, thereby improving traffic flow and reducing delays during peak hours and holidays. Additionally, the system offers the capability to implement visitor lane kiosks with virtual guard functionality, which can streamline guest entry processes while reducing staffing demands and associated labor costs. Overall, upgrading to a modern access control system will improve service levels, increase system reliability, and align the District with current security technology standards while supporting long-term operational efficiency.

ENVIRONMENTAL OR REGULATORY ISSUES:

RISK ASSESSMENT:

REPLACEMENT:

Pricing

Gate Software

SERVICE	PRICE
Full GoAccess Platform subscription	\$1,249/month
Guest Lane License Plate and A.I. Recognition Enhancement (Optional) - Including 14 camera channels	\$249/month + \$99/month per additional channel x13 = \$1,536/month
Remote Kiosk Access with Security Dialing Capability and QR Code Scanning	\$249/month
Data Export/Import Service - Onboarding Support and Marketing Service (All resident support, both for the transition and ongoing, is handled by GoAccess to ensure a high adoption rate)	\$9,998 (one time)

Gate Hardware

ITEM	PRICE
7x Pre-Provisioned PDK Access Control Panels (3 year MFG warranty)	\$17,346 (one time)
7x NVIDIA A.I. LPR Recognition Server	\$34,181 (one time)
10" TouchScreen Outdoor Kiosk	\$7,483 (one-time)
2N Indoor viewing unit + mounting	\$2,176 (one-time)

Total GoAccess Investment

ITEM	PRICE
Total Monthly Membership	\$3,034/month
Total Hardware + Implementation	\$71,184 (one-time)

GRANT OPPORTUNITIES
(FEDERAL/STATE)
FOR
CAPTIAL IMPROVEMENT PROJECTS
FY 26/27

Grant Opportunities for Utility Companies to Support Urban Management Plans

Utility companies – especially water, wastewater, and stormwater providers – can access multiple federal, state, and local funding sources to help finance urban management and infrastructure projects. These programs often require alignment with long-term planning documents such as **Urban Water Management Plans (UWMPs)** or **Capital Facilities Plans (CFPs)**.

1. Federal Water Infrastructure Funding

The **U.S. Environmental Protection Agency (EPA)** and related agencies offer several programs that can be leveraged for urban management:

- **Clean Water State Revolving Fund (CWSRF)** – Funds wastewater treatment, nonpoint source pollution control, and watershed/estuary management [U.S. Environmental Protection Agency](#) .
- **Drinking Water State Revolving Fund (DWSRF)** – Supports drinking water system improvements, including small community projects [U.S. Environmental Protection Agency](#) .
- **Water Infrastructure Finance and Innovation Act (WIFIA)** – Provides low-cost, long-term loans for water infrastructure, often combined with state revolving fund funds [U.S. Environmental Protection Agency](#) .
- **USDA Rural Development Water and Environmental Program (WEP)** – For rural communities, funds water and wastewater infrastructure development [U.S. Environmental Protection Agency](#) .
- **HUD Community Development Block Grants (CDBG)** – Can fund drinking water and wastewater projects, especially in eligible urban areas [U.S. Environmental Protection Agency](#) .

2. State-Level Urban Water Management Plans

In California, **Urban Water Management Plans (UWMPs)** are required for urban water suppliers serving over 3,000 connections or 3,000 acre-feet annually. These plans must include:

- 20-year water source reliability assessments
- Demand management measures
- Water shortage contingency plans
- Recycled water use strategies [Department Of Water Resources](#)

Submitting a UWMP can make your utility eligible for **California Department of Water Resources (DWR)** funding and technical assistance, which can be used to support urban management initiatives.

3. Local Capital Facilities Planning

Under Washington State's **Growth Management Act**, jurisdictions must have a **Capital Facilities Plan (CFP)** that identifies water, sewer, stormwater, and other public facilities. A well-prepared CFP can:

- Prioritize projects
- Coordinate with other plans
- Improve grant and loan application success [MRSC](#)

4. HUD and Other Federal Grant Programs

The **U.S. Department of Housing and Urban Development (HUD)** posts competitive and unsolicited grant opportunities on [grants.gov](#) and [HUD.gov](#). Examples include:

- **Lead Hazard Reduction Capacity Building Grants**
- **Capital Fund High Risk/Receivership/Substandard/Troubled Program**
- **Comprehensive Housing Counseling, Training, and Homeownership** [HUD.gov](#)

These can be relevant if your urban management plan includes housing, safety, or community development components.

5. Strategic Steps to Access Funding

1. **Align with planning requirements** – Ensure your utility's urban management plan meets state (e.g., UWMP) and local (e.g., CFP) requirements.
2. **Document project needs** – Clearly define scope, costs, and benefits in your plan.
3. **Coordinate with partners** – Work with local governments, regional agencies, and state water boards to strengthen applications.
4. **Leverage multiple funding streams** – Combine federal/state grants, low-cost loans, and local bonds to maximize impact.
5. **Monitor and report** – Maintain records and submit required updates to funders.

Tip: Many programs require matching funds or in-kind contributions, so include a clear funding strategy in your plan to improve competitiveness.

By integrating your utility's urban management plan with these funding frameworks, you can secure resources to support sustainable, resilient, and equitable urban water and infrastructure systems.

California Grants for Utility Companies: Urban Water Management Plans

California offers **state grant funding and financial assistance** to urban water suppliers who prepare and adopt **Urban Water Management Plans (UWMPs)**, which are required under the **Urban Water Management Planning Act** (California Water Code §§10610–10657) LADWP.

Who Qualifies

Any **urban water supplier** that:

- Provides municipal or industrial water to **more than 3,000 customers**, or
- Supplies **more than 3,000 acre-feet of water annually**
...must prepare and adopt a UWMP every five years Department Of Water Resources +1.

Purpose of the Plan

A UWMP is a **long-term resource planning document** that:

- Assesses water source reliability over a 20–25 year horizon
- Describes demand management measures
- Outlines a water shortage contingency plan
- Reviews recycled water use and planned use
- Addresses climate change impacts and energy intensity Department Of Water Resources +2

Grant and Funding Connection

While the UWMP itself is a legal requirement, **California Department of Water Resources (DWR)** and other state agencies use these plans to:

- Evaluate eligibility for **state grant programs** and financial assistance
- Support water supply sustainability and conservation initiatives
- Guide funding for infrastructure, conservation, and alternative supply projects [LADWP](#)

2025–2026 Cycle

- **Adoption deadline:** July 1, 2026
- **Submission deadline to DWR:** Within 30 days of adoption via the **WUEdata Portal** (restricted to water suppliers, authorized reps, and DWR) [Department Of Water Resources](#)
- **Public engagement:** Many utilities are hosting public meetings and comment periods for draft 2025 UWMPs (e.g., LADWP, SFPUC, Cal Water districts) [LADWP +2](#)

How to Access or Apply

1. **Review DWR's UWMP Guidebook** for requirements and best practices [Department Of Water Resources](#) .
2. **Attend public meetings** for your utility's draft plan to understand community input and funding opportunities.
3. **Coordinate with your utility's planning or finance department** to ensure your UWMP meets all Water Code requirements and aligns with grant eligibility criteria.
4. **Submit through WUEdata Portal** once adopted to trigger state review and potential grant consideration.

Tip: Even if your utility is not currently seeking a grant, preparing a compliant UWMP ensures you remain eligible for future state funding and can position your utility as a leader in water conservation and supply reliability.

For official resources, visit the **California Department of Water Resources UWMP page** and your utility's public engagement site.

Grants for an Integrated Water Master Plan

If you are seeking funding for an **Integrated Water Master Plan** (or Integrated Wastewater and Stormwater Plan), there are federal, state, and local grant programs that can support the development and implementation of such plans.

Federal Opportunities

- **U.S. EPA Integrated Planning Framework:** The EPA's 2012 Integrated Municipal Stormwater and Wastewater Planning Approach Framework allows municipalities to meet multiple Clean Water Act requirements through a single, integrated plan. This framework is now codified under the **Water Infrastructure Improvement Act (WIIA)**, Section 402(s) [U.S. Environmental Protection Agency](#).
- **Purpose:** Prioritize capital investments, improve water quality, and protect human health by integrating wastewater and stormwater management.
- **Support:** EPA provides technical assistance, implementation documents, and a toolkit for permitting authorities to review and incorporate integrated plans into NPDES permits [U.S. Environmental Protection Agency](#).
- **Examples:** EPA has profiles of municipalities with completed integrated plans, such as Fall River, MA; Columbia, MO; and Hamilton County, OH [U.S. Environmental Protection Agency](#).

State-Level Examples

- **Washington State Department of Ecology:**
 - **Water Quality Combined Funding Program (WQC):** Funds stormwater and water quality projects, including those tied to municipal stormwater permits. In FY25, about \$8M was allocated for stormwater projects, with a high success rate for funded applications [washington.apwa.org](https://www.washington.apwa.org) .
 - **Stormwater Financial Assistance Program (SFAP):** Grants and loans for stormwater infrastructure and management apps.ecology.wa.gov .
 - **Municipal Stormwater Grants of Regional or Statewide Significance:** Supports projects that address water quality and stormwater management at a broader scale apps.ecology.wa.gov .

Local and Municipal Grants

- Many cities and counties have their own **Stormwater Management Program (SWMP)** plans and funding streams. For example, the City of Redmond, WA, uses its SWMP Plan to guide annual NPDES permit compliance and secure funding for stormwater quality improvements [Redmond, WA | Official Website](#) .
- Local governments may also offer **public-private partnership programs** or **community-based grants** for integrated water management projects apps.ecology.wa.gov .

How to Apply

1. **Assess eligibility:** Ensure your municipality meets EPA's integrated planning criteria and has a clear NPDES permit or compliance requirement.
2. **Prepare a plan:** Develop a comprehensive integrated water master plan that identifies water quality challenges, infrastructure needs, and implementation priorities.
3. **Align with funding programs:** Match your plan to federal (EPA WIIA), state (e.g., WA WQC, SFAP), or local grant requirements.
4. **Submit applications:** Follow the application guidelines for each program, including required documentation, match requirements, and timelines.

California Grants for Integrated Regional Water Management (IRWM) Plans

California offers several grant programs through the **Department of Water Resources (DWR)** and other agencies to support **Integrated Regional Water Management (IRWM)** plans, which aim to improve water supply reliability, water quality, and climate resilience.

Key Funding Sources

1. Department of Water Resources (DWR) Grant & Loan Programs

DWR administers multiple grant programs under **Proposition 4** (Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024) and **Proposition 1** (Water Quality, Supply, and Infrastructure Improvement Act of 2014) to fund IRWM-related projects [Department Of Water](#)

[Resources +1](#) .

- **Eligibility:** Local public agencies, Tribes, and nonprofit organizations.
- **Project types:** Watershed-based climate resilience, environmental restoration, groundwater sustainability, water conservation, drought preparedness, flood risk reduction, and more.
- **Application:** Check DWR's *Open Solicitations* page for current funding opportunities; past programs include Integrated Regional Water Management Water Supply or Management grants

[Department Of Water Resources](#) .

2. Proposition 1 IRWM Implementation Grants

These grants fund projects included in an **adopted IRWM Plan** under California Water Code §79740 et seq.

- **Purpose:** Support implementation of IRWM Plan components via a Work Plan.
- **Cost share:** Grantees must provide local cost share (non-state funds).
- **Conditions:** Projects must meet CEQA and permitting requirements unless exempt (e.g., for disadvantaged communities or tribal projects) www.mpwmd.net.

3. California Water Boards – DWSRF Fundable Lists

The **Drinking Water State Revolving Fund (DWSRF)** maintains a *Fundable List* of projects that may be eligible for grant or PF funding under its Base Program and General Supplemental funding content.govdelivery.com. These lists are updated annually and include IRWM-related projects.

4. Proposition 4 Climate Bond – IRWM Funding

Senate Bill 867 (2024) directs **\$100 million** to DWR by FY 2027–2028 for IRWM efforts calruralwater.org.

- **FY 2025–2026:** \$500,000
- **FY 2026–2027:** \$3 million
- **Subsequent years:** \$96 million annually
- **Focus:** Watershed-based climate resilience projects under updated IRWM guidelines; early years will support planning, technical assistance, and water conservation for disadvantaged communities.

How to Apply

- **Check DWR's Grants & Loans and Open Solicitations** for active IRWM-related grants [Department Of Water Resources](#).
- **Review Fundable Lists** from your local California Water Board for DWSRF eligibility content.govdelivery.com.
- **Prepare an IRWM Plan** or update an existing one to align with DWR's program criteria.
- **Include a Work Plan** detailing project scope, schedule, and cost share.
- **Coordinate with local agencies** to ensure CEQA and permitting compliance.