



**Valley Center
Municipal Water District**

**Annual Budget
Fiscal Year 2017-2018**

Valley Center, California

Cover Photo – Contractor inflating the newly installed \$4.2 million floating cover for the Cool Valley Reservoir, the District’s largest at 56 million gallons of storage capacity, to ensure its construction integrity prior to being placed back into service.

Annual Budget

**For The Fiscal Year Ended
June 30, 2018**

Valley Center Municipal Water District

Prepared by:

Valley Center Municipal Water District's Finance Department
James V. Pugh, Director of Finance
Vanessa Velasquez, Manager of Accounting

29300 Valley Center Road ▪ PO Box 67 ▪ Valley Center, CA 92082

www.valleycenterwater.org

District Officials

Board of Directors:

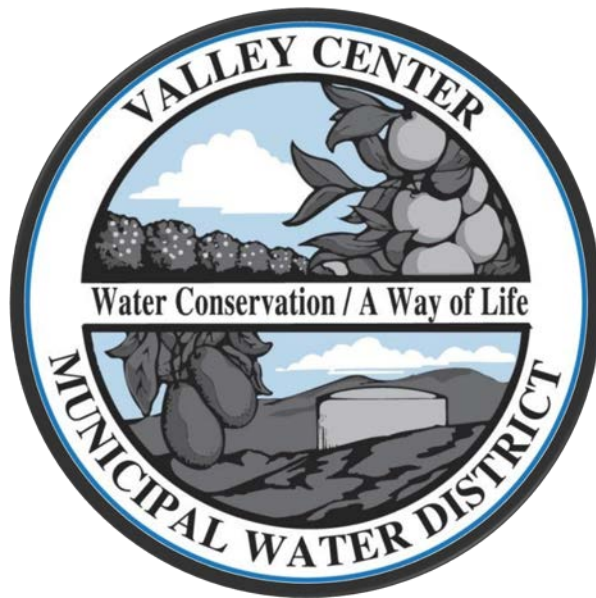
<u>Title</u>	<u>Name</u>	<u>Service</u>	<u>Term Expires</u>
President	Gary A. Broomell	47 years	January 2019
Vice-President	Robert A. Polito	28 years	January 2021
Director	Merle J. Aleshire	20 years	January 2019
Director	Randy D. Haskell	16 years	January 2019
Director	Enrico P. Ferro	1 year	January 2021

Executive Management:

<u>Title</u>	<u>Name</u>	<u>Service</u>
General Manager	Gary T. Arant	28 years
District Engineer/Deputy GM	Wally T. Grabbe	25 years
Director of Operations/Facilities	Albert G. Hoyle	26 years
Director of Finance/Treasurer	James V. Pugh	14 years
Director of Information Technology	Ando Pilve	8 years
Executive Assistant/Board Secretary	Christine M. Johnson	27 years

General Counsel:

Best, Best & Krieger, LLP	Paula De Sousa	6 years
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2017-2018 Budget Overview

VALLEY CENTER MUNICIPAL WATER DISTRICT 2017-18 BUDGET OVERVIEW

The **Total Combined Budget** shows a surplus of \$3,101,164 which is broken down as \$1,130,417 for Water Operations, \$1,891,780 for Water Capital Projects, which as anticipated, will be funded with property taxes, by \$(360,004) for Moosa, and \$438,971 for the combined Woods Valley Ranch and Woods Valley Ranch Expansion.

Total Budgeted Revenues for 2017-18 are \$51,413,642, which is \$16,889,702 or 24.7% lower than the 2016-17 adopted budget of \$68,303,344. The decrease is due to lower proceeds from the State Revolving Fund Loan for the Woods Valley Ranch Expansion Project which is offset by higher water sales revenues.

For the current year ending June 30, 2017, **Water Sales** are projected at 20,000 acre feet of water. This is right on budget of 20,000 acre feet. For 2017-18, staff is budgeting water sales at 20,000 acre feet. We believe that our estimates for 2017-18 are reasonable given the continued economic and agricultural environment.

With the most recent information available, it is estimated that wholesale **Water Rates** from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) on January 1, 2018, will increase to \$2,115.84 per acre foot for full price and to \$1,552.21 for Transitional Special Agricultural Water Rate (TSAWR) customers. Total estimated increases are 3.3% for full price and 3.6% for TSAWR.

The District's local cost component of the water rate is budgeted at \$232.39 per acre foot, an increase of 5.0%, which is included in the rates above, over the current rate of \$221.32. This increase is necessary to continue restoring our capital funding and begin replacing our almost 60-year-old water systems. A meter service charge increase of 5.0% is also recommended.

Estimated **interest earnings** rate at 1.30% will yield \$273,000. Secured **Property Taxes** are budgeted at \$2,185,000, an increase of 2.0% more than our estimate for the current year. Water availability charges will be \$585,000 the same as the current year.

The **Moosa** wastewater monthly service charge is proposed to increase 5%, or \$2.69. The new rate would be \$56.45 compared to the current rate of \$53.76. A low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is also collected. It is also proposed to increase 5% from \$44.36 to \$46.58.

Woods Valley Ranch sewer service charges and sewer standby fees for properties not yet connected to the sewer system are collected as a fixed charge special assessment on the property tax roll. The monthly fee is the same as the current year, \$98.60 per month.

The **Woods Valley Ranch Expansion** will be collecting sewer standby fees for properties not yet connected to the sewer system. The fees in the coming year remain the same as the current year at \$550.32 per Equivalent Dwelling Unit (EDU) and will be used to establish a replacement reserve.

Total Budgeted Expenses, including capital, are \$48,312,478, which is 26.1%, or \$17,069,640, lower than the 2016-17 adopted budget of \$65,382,119. The decrease is due to lower anticipated capital outlay for the Woods Valley Ranch Expansion Project, \$20,838,171, offset by higher General Fund expenditures of \$1,484,381 and Debt Service for the Woods Valley Expansion Project of \$1,593,290.

The cost of water sold, which is the single greatest **Water Operating Expense**, is 66.2% of the total budgeted expenditures (excluding Woods Valley Ranch Expansion). It is higher than 2016-17, \$1,252,482 or 4.2%, due to increased wholesale costs. General Administration costs are up \$19,136 over last year. This is due to higher labor and benefits and higher outside professional services. Finance expenses, excluding debt service, are projected to be \$145,004 higher than the current budget due to higher labor and benefits, insurance, and temporary part-time outside services needed as a result of the software conversion and the pending year end close which are partially offset by lower postage expense. Information Technology expenses are \$45,498 more than the current year as slightly higher labor and benefits and printing costs are mitigated by maintenance costs. Engineering expenses are more by \$45,388 due to increased labor and benefits and special departmental expenses, aerial imagery and spatial wave software, offset by lower outside professional services. Field Operation expenses are \$117,833 higher than the current budget. This is a result of higher labor and benefits and regulatory fees, partially offset by lower outside services and maintenance expenses.

Moosa proposed operating expenses are \$121,204 higher than the current 2016-17 budget. The increase is due to an increased allocation of labor and benefits, power costs, and administrative costs are the reasons for the increase.

Woods Valley Ranch expenses are \$32,357 higher than the current year budget. Increases in the allocation of labor and benefits, power costs and administrative costs are the reasons for the increase.

New Capital Projects budgeted in Fiscal Year 2017-18 total \$1,970,070. Water projects total, \$1,133,771, Moosa, \$626,457, and Woods Valley Ranch, \$209,842.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
2017-18 BUDGET OVERVIEW**

	2016-2017 Adopted Budget	2016-2017 Estimated Actual	2017-2018 Proposed Budget	Change from Prior Budget	Percent Change from Prior Budget
REVENUES:					
Water Sales	20,000 A.F.	20,000 A.F.	20,000 A.F.	0 A.F.	0.0%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	32,985,000	34,358,000	36,300,000	3,315,000	10.1%
Meter Service Charges	5,879,000	5,777,000	6,313,000	434,000	7.4%
New Connection Sales	169,900	261,000	183,050	13,150	7.7%
Other Revenue	888,630	836,900	819,430	(69,200)	-7.8%
Investment Income	225,000	229,000	273,000	48,000	21.3%
Total Operating Revenue	40,147,530	41,461,900	43,888,480	3,740,950	9.3%
Debt Service Revenues - Water Availability Charges	0	0	26,769	26,769	0.0%
Capital Project Revenues:					
Capacity Charges	188,320	111,456	194,320	6,000	3.2%
Property Taxes	2,181,000	2,239,300	2,273,000	92,000	4.2%
Water Availability Charges	585,000	583,200	558,231	(26,769)	-4.6%
Total Capital Project Revenue	2,954,320	2,933,956	3,025,551	71,231	2.4%
Total General Fund Revenues	43,101,850	44,395,856	46,940,800	3,838,950	8.9%
Moosa Wastewater Revenues	1,633,016	1,623,029	1,718,494	85,478	5.2%
Woods Valley Ranch Wastewater Revenues	407,998	391,633	414,805	6,807	1.7%
Woods Valley Ranch Expansion	2,322,309	2,327,650	2,339,543	17,234	0.7%
State Revolving Fund Loan	20,838,171	15,835,882	0	(20,838,171)	100.0%
Total Budgeted Revenues	68,303,344	64,574,050	51,413,642	(16,889,702)	-24.7%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	811,133	784,301	830,269	19,136	2.4%
Information Technology	690,408	684,808	735,906	45,498	6.6%
Finance	1,584,196	1,642,861	1,729,200	145,004	9.2%
Engineering	1,651,822	1,694,576	1,697,210	45,388	2.7%
Field Operation	6,609,449	6,238,084	6,727,282	117,833	1.8%
Source of Supply	29,785,715	28,133,834	31,038,196	1,252,482	4.2%
Total Operating Expenses	41,132,723	39,178,464	42,758,063	1,625,341	4.0%
Debt Service	0	0	26,769	26,769	100.0%
Capital Projects Appropriations	1,301,500	4,170,580	1,133,771	(167,729)	-12.9%
Total General Fund Expenditures	42,434,223	43,349,044	43,918,603	1,484,381	3.5%
Moosa Wastewater:					
Operating Expenses	1,330,837	1,264,587	1,452,041	121,204	9.1%
Capital Project Appropriations	224,000	244,546	626,457	402,457	179.7%
Total Moosa Expenditures	1,554,837	1,509,133	2,078,498	523,661	33.7%
Woods Valley Ranch Wastewater:					
Operating Expenses	479,888	449,988	512,245	32,357	6.7%
Capital Project Appropriations	75,000	685,389	209,842	134,842	179.8%
Total Woods Valley Ranch Expenditures	554,888	1,135,377	722,087	167,199	30.1%
Woods Valley Ranch Expansion:					
Debt Service	0	0	1,593,290	1,593,290	100.0%
Capital Project Appropriations	20,838,171	15,835,882	0	(20,838,171)	-100.0%
Total Woods Valley Ranch Expenditures	20,838,171	15,835,882	1,593,290	(19,244,881)	-92.4%
Total Budgeted Expenditures	65,382,119	61,829,436	48,312,478	(17,069,640)	-26.1%
NET REVENUES & EXPENDITURES	2,921,225	2,744,614	3,101,164	179,938	6.2%
FUNDING FROM (TO) RESERVES	(2,921,225)	(2,744,614)	(3,101,164)	(179,938)	-6.2%
	0	0	0	0	0.0%

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GLOSSARY

Appendix A

BUDGET POLICIES

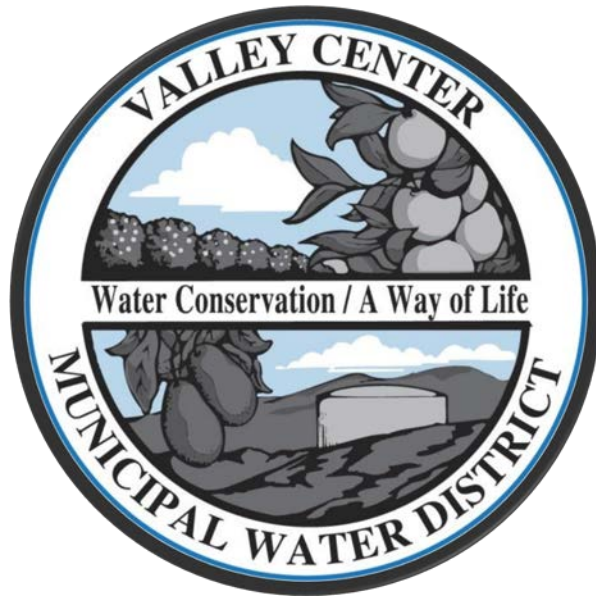
Appendix B

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Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2016-2017 - Our nineteenth year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.



Budget Message





VALLEY CENTER MUNICIPAL WATER DISTRICT

A Public Agency Organized July 12, 1954

Board of Directors
Gary A. Broomell
President
Robert A. Polito
Vice President
Merle J. Aleshire
Director
Randy D. Haskell
Director
Enrico P. Ferro
Director

June 19, 2017

Gary A. Broomell, President
Members of the Board of Directors
Valley Center Municipal Water District
29300 Valley Center Road
Valley Center, CA 92082

We are pleased to present this report along with the proposed Fiscal Year 2017-2018 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2017. This document provides detailed information about the Valley Center Municipal Water District's (District) revenue and expenditure forecast in the coming year and addresses the main points and decisions made in compiling the budget.

With the overview and guidance from the Board of Directors the District annually reviews its strategic plan and goals (see pages 1-17 thru 1-21). The results of the strategic planning process help to guide District staff in its efforts to accomplish the mission of the District. Strategic goals and objectives are considered during the budget development to provide the basis for prioritizing efforts, activities, financial resources, and personnel needs.

Challenges from past years continue into this fiscal year. Some of these challenges include the continued increasing cost of goods and supplies, most significant of which is the dropping water sales, increasing cost of imported water, and the local economic climate for agriculture.

The District is responsible for providing water and wastewater services to its customers while closely managing costs and managing the funds with which our customers have entrusted us. The District's budget demonstrates fiscal responsibility even with reduced water sales, continued replacement of its aging infrastructure to avoid disruption in services, and continuous improvement in business processes to increase efficiencies.

THE DISTRICT

Valley Center Municipal Water District was founded on July 12, 1954, under the provisions of the California Municipal Water District Law of 1911 (California Water Code sections 71000 et seq.). The District provides water, wastewater, and water recycling services to its domestic, agricultural, and commercial customers in a service area which encompasses approximately 101 square miles, of which approximately 71% of the land use area receives water service. It includes the unincorporated area of Valley Center and unincorporated areas north of Escondido which are located in northern San Diego County. As of January 1, 2017, approximately 25,608 people lived within the District.



Corporate Facility Located at 29300 Valley Center Road, Valley Center, CA.

DEMOGRAPHICS

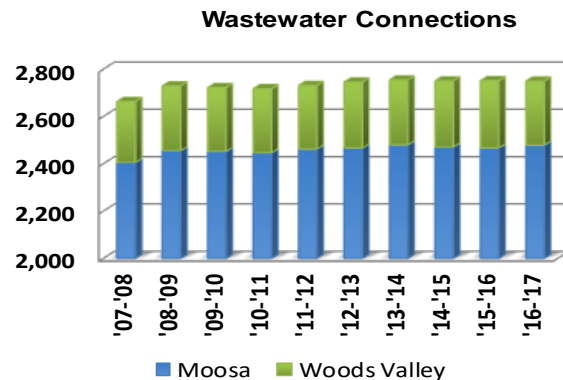
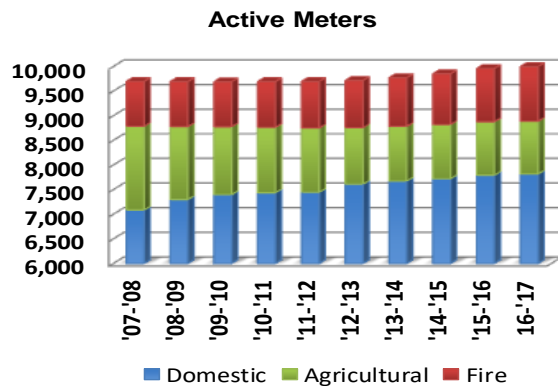
Valley Center is in transition from a largely agricultural-rural area to a more rural-suburban community. Traditionally, Valley Center and the surrounding areas have largely been dedicated to agricultural uses which included various commercial crops such as avocados, oranges, and lemons. Due to market forces, the rapidly increasing cost of water, and the recent drought conditions, many local farmers are abandoning their permanent tree crop operations or are taking up other lower water use crops, including nurseries, ornamental floral products such as lavender and proteas, and wine grapes. As a result, in the last decade, the District has seen a significant decrease in the volume of water deliveries to its customers. In Fiscal Year 2006-07 the District sold 48,085 acre feet of water compared to the current year estimate of 20,000. This represents a 58% decline in sales volume.

WATER SOURCES

The District relies on the San Diego County Water Authority (SDCWA or “Authority”) as its’ sole source provider for treated potable water. The Authority imports water through the Metropolitan Water District of Southern California (MWD) system and its own aqueduct storage and treatment system. MWD obtains its water from two sources: the Colorado River Aqueduct and the State Water Project under a water supply contract with the Department of Water Resources. This water has become increasingly unreliable in recent years as deteriorating ecological conditions have led to regulatory restrictions on pumping water supplies from the Bay-Delta. The Bay-Delta is an inland river delta and estuary formed at the confluence of the Sacramento and San Joaquin Rivers east of San Francisco. It is a key water supply source for California including the millions of residents in San Diego County. In addition, the Authority’s water supply portfolio also includes relatively new supplies from the Colorado River. These supplies include a water conservation and transfer agreement with the Imperial Irrigation District and water conserved by two projects, the All American Canal Lining Project and the Coachella Canal Lining Project. Additionally, the SDCWA added desalinated seawater to its water supply portfolio with the completion of the Carlsbad Desalination Plant in December 2015. This new supply reduces the region’s dependence on water from the Colorado River and the Bay-Delta that is vulnerable to droughts, natural disasters and regulatory restrictions.

DISTRICT OPERATIONS

General operations account for all activity related to water operations as well as the general operations of the District. The District's water system includes 7 active aqueduct connections, 43 enclosed reservoirs and 1 open reservoir, Lake Turner, 29 pumping stations and 301 miles of water main. As of January 31, 2017, there were a total of 9,997 active meters of which 7,817 were domestic, 1,070 were agricultural, and 1,110 were fire meters (see historical graph below). The District also provides wastewater collection, treatment, water recycling, and disposal services for 2,751 customers through two wastewater treatment facilities, Lower Moosa and Woods Valley Ranch (see historical graph below). These two facilities serve separate and limited areas of the District. There are 57 miles of wastewater lines throughout the District.



BUDGET DOCUMENTS

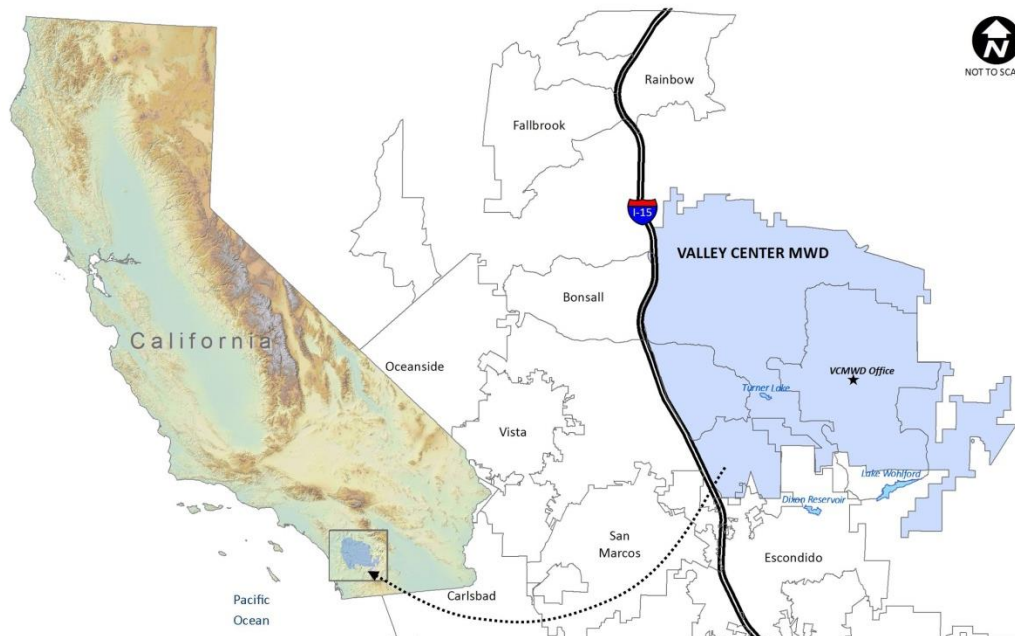
The Budget consists of the following sections:

1. This Budget Message.
2. The Adopting Resolutions beginning on page 2-1.
3. A Recap of Budget and Source of Financing in Section 3. This includes a summary of all funds expenditures, revenues, and reserves; a revenue estimate for the General Fund; an Expenditures Recap for all funds; and a History of Water Purchased and Sold.
4. Detailed budgets for each department. Each consists of:
 - a. A description of the department and a summary of its accomplishments and goals.
 - b. A Department Summary of expenditures by division within the department.
 - c. A budget for each division by account number.
 - d. Detail and justification for each account within the division.

In addition, all funds other than the General Fund are preceded by a Recap of Budget and Source of Financing, Analysis of Cash Position, and Revenue Estimate. This information for the General Fund is included in Section 3.

5. An Appendix containing a Glossary and Budget Policies.

DISTRICT SERVICE AREA



BUDGET PROCESS

In keeping with past practice, the budget process begins with input from all levels of staff. As such, it presents a program we believe to be fiscally sound, prudent, and necessary for the continued efficient operation of the District during the coming year. Budget requests are refined by the Department Heads and approved by the General Manager. The proposed budget is then presented to the Board of Directors (Board) for review and ultimate approval.

Budget Calendar

January 2017	General Manager and Department Heads start discussion of the Budget process.
March 2017	Departments submit Budget requests.
May 15, 2017	Budget policies approved by Board of Directors.
May 15, 2017	Overview of Budget reviewed by Board of Directors.
June 5, 2017	Update to Overview of Budget reviewed by Board of Directors.
June 19, 2017	Budget submitted with overview to Board of Directors for possible adoption.

Budget Basis

The budget is prepared on an enterprise basis, as it is the intent of the District that the costs of providing water and wastewater service to the customers of the District are financed primarily through user charges. Revenues and expenses are recognized on the accrual basis in that they are recognized in the accounting period they are earned or incurred. The budget appropriates funds at the department level. Depreciation is not funded in the budget. Funds for the replacement of old pipelines are restricted at the end of each fiscal year as determined by the District's Administrative Code and are not provided in the budget process, as further discussed under "Capital Budget" on the following pages.

Administrative costs are charged in total to the water operating fund. A portion of these administrative overhead costs incurred by water operations are then allocated to the wastewater funds. This allocation is shown as an expense credit in the applicable water operations divisions.

Seventy-three percent of the general fund budget, excluding capital projects, is for the purchase of water and the energy required to pump water through our distribution system. These costs are presented as "Source of Supply". Only twenty-seven percent of the District's costs are directly controlled by the District. These locally controlled costs are influenced by the number of customers we serve and by infrastructure maintenance and improvements. Locally controlled costs are mostly fixed costs as they are not affected by the volume of water sold.

Spending Limit

Ordinance 171, enacted in 1988 by a vote of the District's residents, established a limitation on the expenditure of District funds for capital improvements. This limitation is adjusted annually on January 1 for the consumer price index. The limitation effective January 1, 2017, is \$2,344,118 per project except that for water storage projects the limitation is \$3,516,188. Expenditures in excess of these limitations must be ratified by a District-wide election. This limitation does not apply to funds expended by property owners, developers, or others for capital projects that will be dedicated to the District or to funds from assessment or improvement districts formed in the manner provided by the laws of the State of California.

Appropriation Limit

Article XIIIB of the State Constitution limits increases in property tax revenues. This limit increases annually by a factor comprised of changes in population and per capita personal income or nonresidential construction. Each year the District adopts by resolution (in Section 2 of this budget) the limit calculated under this legislation. The impact of this legislation is felt by cities and those agencies that exist almost entirely on proceeds of taxes, unlike the District which relies almost entirely on user charges. Applicable property taxes received by the District are less than one-half the limit established by Article XIIIB.

Budget Control and Amendment

The General Manager is responsible for keeping expenditures within budget allocations approved by the Board of Directors for positions, salaries, operational expenses, and capital acquisitions, and may adopt budget procedures as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager as described in this budget.

The General Manager may reallocate budget items to respond to changed circumstances, provided any single modification in excess of \$35,000 shall require approval by the Board.

The Department Heads may reallocate budget items, within their department, to respond to changed circumstances, provided that any single modification in excess of \$10,000 shall require approval by the General Manager.

The Board must authorize any increase in the overall budget and any increase in the number of authorized permanent personnel positions above the level identified in the final operating and capital budget. The General Manager may authorize the hiring of temporary or part-time staff as necessary, within the limits imposed by the available funds in the operating and capital budget.

In the event the General Manager determines that an emergency exists requiring immediate action, the General Manager shall have the power, without prior Board action, to enter into contracts and agreements and expend funds on behalf of the District, but not in excess of

\$500,000. An emergency is defined in Administrative Code Section 225.2 as “a major disruption in the water distribution system that prevents the District from delivering water, or a situation where a lack of action would prevent the delivery of water to any customer.” Not later than 48 hours after determination of an emergency, the General Manager shall notify the President of the Board the reasons necessitating such determination and the actions taken.

BUDGET POLICIES

The Budget Policies contained in Administrative Code Section 50.2 have been followed in preparing this budget.

A. **Reserves** - Four categories of reserves have been established. Reserves are detailed on page 3-2.

1. Rate Stabilization Reserves have been established to level water rates and pumping rates during declining sales. The projected balances of these reserves will be consumed during the budget year. The pumping rates will require additional increases over the next few years.
2. An Operating Reserve of \$5,859,934 has been established for emergencies and unforeseen circumstances. In an emergency, capital projects would be critically reviewed to release appropriated capital funds for other purposes.

The Operating Reserve combined with the Rate Stabilization Reserves together are considered to be discretionary reserves, unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget. The proposed budget meets this goal.

Woods Valley Ranch Operating Reserve will be fully funded. The fund balance at Moosa is estimated to meet the goal of at a minimum three and a maximum six months operations and maintenance budget.

3. Restricted Reserves include the Replacement Reserves for Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Water Reclamation Facility.
4. Capital Reserves provide funding for continuing projects, improvements funded from capacity charges, and future capital additions, including those as outlined in the Water Master Plan.

B. **Fees and Charges** - Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District are allocated to each system in accordance with general practices and reimbursed to the general fund.

C. **Debt** - Debt proceeds shall be used only for capital projects which cannot be funded while maintaining reserve goals. Long-term debt shall not be used to fund current operating costs. The Debt Policy can be found in Section 50.3 of the Administrative Code. No new debt issues are proposed in this budget.

D. **One-time and Unpredictable Revenues** - One-time revenues are allocated to the source of the revenue or refunded expenditure and shall not be used to initiate new programs which result in ongoing expenditures. Revenues which cannot be predicted,

such as capacity fees, property taxes, and interest, are forecast conservatively in the budget.

- E. **Balanced Budget** - Current operating expenditures are funded with current revenues and with rate stabilization reserves as noted above.
- F. **Revenue Diversification** - At least 50% of the District's fixed operating expenditures are to be met with the monthly meter service charge. For the Fiscal Year 2017-2018 67% of fixed costs are covered by these fixed charges.
- G. **Contingencies** - The General Manager has the authority to make certain expenditures from the operating reserve and take other actions necessary in case of a major disruption in the water distribution system.



Cool Valley Pump Station.

OVERALL BUDGET FOR FISCAL YEAR 2017-2018

From an overall standpoint, the total proposed Fiscal Year 2017-18 Budget of \$48,312,478 is 26.1% less than the total approved budget for Fiscal Year 2016-17 of \$65,382,119. This overall budget reduction primarily reflects the lower capital outlay proposed for Woods Valley Ranch Wastewater Reclamation Facility Expansion compared to the prior year.

It is projected that for the Water General Fund in Fiscal Year 2017-18, and for the combined Woods Valley Ranch Wastewater Reclamation Facility Fund and the Woods Valley Ranch Water Reclamation Facility Expansion Project, all budgeted operations, maintenance, and capital expenditures will be funded by revenues anticipated and will not require an appropriation from reserves. As for the Lower Moosa Canyon Wastewater Reclamation Facility Fund, all budgeted operations and maintenance expenditures will be funded by revenues that are anticipated, however, the proposed capital improvements for Fiscal Year 2017-18 will require an appropriation from reserves. Budget details for the various water and wastewater operating funds are explained on the following pages of the Budget Message.

GENERAL FUND

For Fiscal Year 2017-18, the Water Fund operating revenue is proposed at \$43,888,480, which is an increase of 9.3% from the budget adopted for last year. This is due to increased water rates and charges explained later in this budget. It is projected that for the Water General Fund in Fiscal Year 2017-18 operating revenues will exceed projected operating expenses by \$1,130,417. The Water Fund operating expenditures budget is proposed at \$42,758,063, which is an increase of 4.0% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

RECAP OF GENERAL FUND

	2016-17 Adopted Budget	Percent of Total	2017-18 Proposed Budget	Percent of Budget	Change	Percent of Change
OPERATING REVENUES						
Water Sales (Acre Feet)	20,000 AF		20,000 AF		0 AF	0.0%
Water (including Pumping)	\$ 32,985,000	82.2%	\$ 36,300,000	82.7%	\$ 3,315,000	10.1%
Service Charges	5,879,000	14.6%	6,313,000	14.4%	434,000	7.4%
New Connection Sales	169,900	0.4%	183,050	0.4%	13,150	7.7%
Other Revenue	888,630	2.2%	819,430	1.9%	(69,200)	-7.8%
Investment Income	225,000	0.6%	273,000	0.6%	48,000	21.3%
Total Operating Revenue	<u>\$ 40,147,530</u>	<u>100.0%</u>	<u>\$ 43,888,480</u>	<u>100.0%</u>	<u>\$ 3,740,950</u>	<u>9.3%</u>
OPERATING EXPENDITURES:						
Water Purchase (Acre Feet)	21,280 AF		21,280 AF		0 AF	0.0%
Water	\$ 27,674,715	67.3%	\$ 29,076,196	68.0%	\$ 1,401,481	5.1%
Energy	2,111,000	5.1%	1,962,000	4.6%	(149,000)	-7.1%
Regulatory Permits	71,450	0.2%	107,750	0.3%	36,300	50.8%
Controlled by Others	<u>29,857,165</u>	<u>72.6%</u>	<u>31,145,946</u>	<u>72.8%</u>	<u>1,288,781</u>	<u>4.3%</u>
Personnel	8,566,600	20.8%	8,855,900	20.7%	289,300	3.4%
Other	2,708,958	6.6%	2,756,217	6.4%	47,259	1.7%
Controlled by District*	<u>11,275,558</u>	<u>27.4%</u>	<u>11,612,117</u>	<u>27.2%</u>	<u>336,559</u>	<u>3.0%</u>
TOTAL Operating Expenditures	<u>\$ 41,132,723</u>	<u>100.0%</u>	<u>\$ 42,758,063</u>	<u>100.0%</u>	<u>\$ 1,625,340</u>	<u>4.0%</u>
NET Revenues and Expenditures	<u>\$ (985,193)</u>		<u>\$ 1,130,417</u>		<u>\$ 2,115,610</u>	

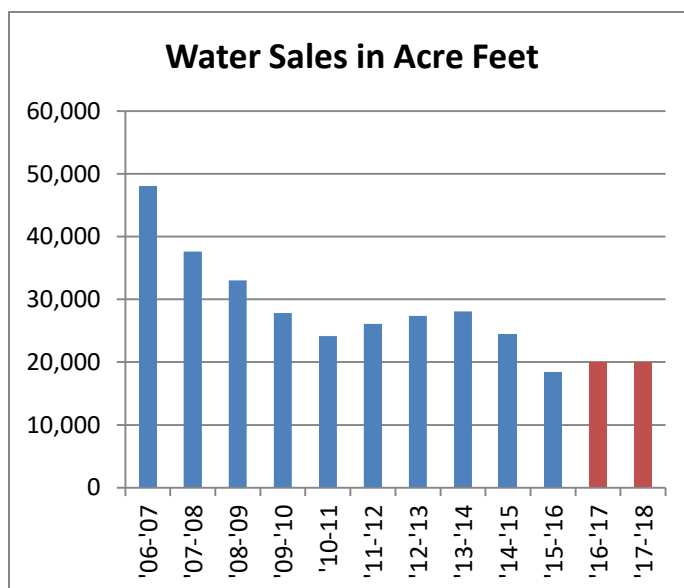
* COSTS CONTROLLED BY DISTRICT

General Administration	\$ 811,133	7.2%	\$ 830,269	7.2%	\$ 19,136	2.4%
Information Technology	690,408	6.1%	735,906	6.3%	45,498	6.6%
Finance	1,584,196	14.0%	1,729,200	14.9%	145,004	9.2%
Engineering	1,651,822	14.6%	1,697,210	14.6%	45,388	2.7%
Field Operations	<u>6,537,999</u>	<u>58.0%</u>	<u>6,619,532</u>	<u>57.0%</u>	<u>81,533</u>	<u>1.2%</u>
Total Controlled by District	<u>\$ 11,275,558</u>	<u>100.0%</u>	<u>\$ 11,612,117</u>	<u>100.0%</u>	<u>\$ 336,559</u>	<u>3.0%</u>

REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past eleven years have ranged from a high of 48,085 acre feet in Fiscal Year 2006-07, to a low of 18,369 for Fiscal Year 2015-16. This is a decrease of 62%, or 29,716 acre feet. This reduced water sales volume is due to the gradual decline in the local agricultural community and reduction of agricultural land in production. Agricultural sales are estimated at 71% of the total volume of water sold for Fiscal Year 2017-18. In Fiscal Year 2006-07 agricultural sales accounted for 79% of the volume. Rapidly increasing water rates along with continued economic uncertainties and the mandatory water cutbacks from January 2008 to May 2011 and July 2015 to June 2016 and mandatory use restrictions that went into effect June 2015 have resulted in the drastic overall reduction.



The San Diego County Water Authority (SDCWA) has not yet formally adopted wholesale rates but staff has been provided with information regarding the most recent SDCWA estimates for the 2018 water rates. Those estimates were used during the preparation of the proposed budget. All rate changes from MWD and SDCWA are subject to change at any time and are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

The proposed wholesale water rate information obtained from the SDCWA, see table on next page, are budgeted to increase 3.3% for domestic customers and 3.6% for certified agricultural over the current adopted rates. The SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The melded rate supply cost, not firm at this time, is projected to be \$212 in January 2018.

The budget, as presented, proposes an increase of 5.0% in the District's local share of the water rate on February 1, 2018. The current local rate of \$221.33 will increase to \$232.39 per acre foot. This increase is necessary to continue restoring our capital funding and begin the replacement of our over 60-year-old water systems. While the rate is to be held as low as possible, the strategic plan, see page 1-19, has set a goal to keep it less than 13% of the total water commodity cost for Municipal and Industrial (M&I) and less than 16% for the Transitional Special Agricultural Water Rate (TSAWR). Based on the proposed February 1, 2018, rate change, our share of the water rate will be 11.0% for M&I and 15.0% for TSAWR.

San Diego County Water Authority Transitional Special Agricultural Water Rate

An incremental melded rate cost of \$212, the storage commodity charge of \$240, and the supply reliability charge of \$112 that are added to the water supply charge by the SDCWA are not charged to agricultural customers. The total credit amounts to \$564 per acre foot of savings

for the Districts agricultural customers for the 2018 rates. The SDCWA Transitional Special Agricultural Water Rate (TSAWR), in its current format, has been approved through December 31, 2020.

Proposed Water Rates

The following table shows the current and estimated rates that were used in preparing the Budget. Actual rates adopted for February 1, 2018 may be different.

Component	Domestic		TSAWR	
	Current	Proposed	Current	Proposed
Imported Water Costs	\$ 1,826.60	\$ 1,883.45	\$ 1,276.61	\$ 1,319.82
VCMWD	221.33	232.39	221.33	232.39
Total	<u>\$ 2,047.93</u>	<u>\$ 2,115.84</u>	<u>\$ 1,497.94</u>	<u>\$ 1,552.21</u>
Proposed Increase	\$	67.91 per AF	\$	54.27 per AF
		3.3%		3.6%
	\$	0.1559 per hcf	\$	0.1246 per hcf

In January 2015, the District adopted an ordinance to pass through increased costs in purchased wholesale water and energy, and for any reduction in or elimination of, the allocation of ad-valorem property taxes to the District's cost of operations, maintenance, and capital facilities. This was done under Proposition 218 which sunsets December 31, 2019.

Meter Service Charge Revenue

Service charges for Fiscal Year 2017-18 are estimated at \$6,313,000 which is \$434,000 higher than the Fiscal Year 2016-17 budget of \$5,879,000. The budget includes a service charge increase of 5.0%. The proposed service charge for a ¾-inch meter would be \$41.93 and \$57.28 for a 1-inch meter.

Pumping Charge Revenue

Pumping charge revenue for Fiscal Year 2017-18 is expected to be \$2,635,000 compared to \$2,375,000 budgeted in Fiscal Year 2016-17. The difference is due to the 10% rate increase that was effective February 1, 2017, which was the first pumping rate increase since January 2006, and the proposed increase for February 2018. It is anticipated that the pumping rate stabilization reserve is to be consumed during the current budget year. Due to uncertainties surrounding the current economy and funds available in our pumping rate stabilization reserve the budget includes a pumping charge increase of 10%.

Interest Income

For Fiscal Year 2017-18, the District projects to earn 1.30% on funds invested for the year for a return of approximately \$273,000 in interest earnings. This is the equivalent of \$13.65 per acre foot of budgeted water sales. Projected interest income is \$229,000 for 2016-17.

Property Taxes

Secured property taxes are budgeted at \$2,185,000 for Fiscal Year 2017-18, \$43,300 or 2% higher than estimated actual for the current year. We will receive \$585,000 in water availability (standby) charges. These revenues are utilized for water system improvements and replacements.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 21,280 acre feet of water in Fiscal Year 2017-18 and to sell 20,000 acre feet. District staff believes that the estimates for Fiscal Year 2017-18 are reasonable given the continued economic and agricultural environment.

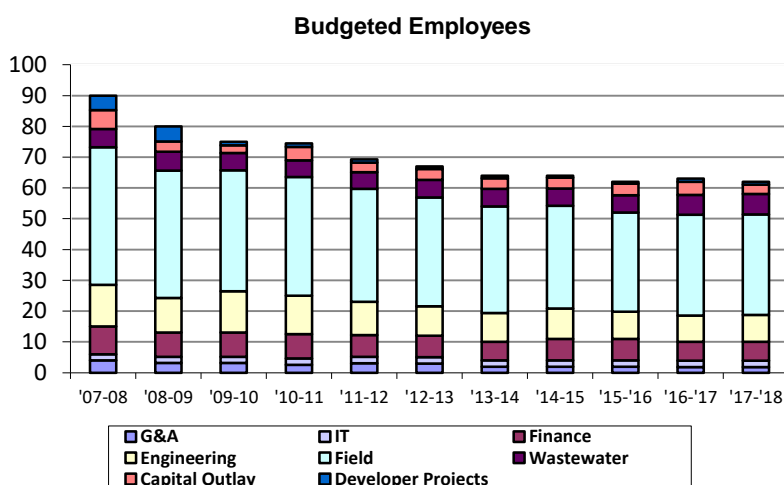
Energy

The budget expects that expenditures for energy to pump water to our customers will increase next year compared to our current year estimates. Total energy costs, including electricity and natural gas, pump and motor maintenance are budgeted at \$2,754,200 up \$281,775 from the Fiscal Year 2016-2017 estimated of \$2,472,425. The increase is due primarily to the increases in the SDG&E rate tariffs, including the agricultural rate schedules, which are now subject to time-of-use charges. These increases are reduced by operational efficiencies and reducing the amount of pumping during off-peak rate periods as well as the solar photo-voltaic facilities that the District has constructed. Energy supplies and costs will continue to be a concern moving forward.

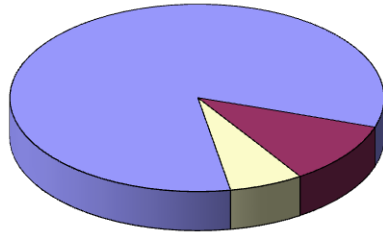
Personnel

Staffing Levels

For Fiscal Year 2017-18, the budget proposes to fund 62 full-time equivalent (FTE's) positions, which was anticipated, down 1.0 position from the Fiscal Year 2016-17 budgeted staffing level of 63 positions. The District is down from our high of 90 full-time funded positions in Fiscal Year 2007-08 and from 83 actually employed in Fiscal Year 2005-06. Within the proposed budget is the creation of a new job title, SCADA IT Administrator. This position will be filled through promotion requiring no additional staffing. The District will continue to evaluate leaving vacancies due to retirements unfilled on a case by case basis. The current staff will continue to multi-task and take on new added responsibilities.



Allocation of Labor



■ Water ■ Wastewater ■ Capital & Developer

Budgeted Full-Time Equivalent Positions by Department

	<u>2016-17</u>	<u>2017-18</u>
General Administration	1.80	1.80
Information Technology	2.10	2.10
Finance	6.10	6.10
Engineering	8.60	8.80
Field Operations	<u>32.71</u>	<u>32.57</u>
Total General Fund	51.31	51.37
Lower Moosa Sewer Treatment	4.77	5.09
Woods Valley Ranch Sewer	<u>1.62</u>	<u>1.57</u>
Total Operating	57.70	58.03
Capital Outlay	4.32	3.03
Developer Projects	<u>.98</u>	<u>.94</u>
TOTAL	<u>63.00</u>	<u>62.00</u>

Personnel Costs

General Fund personnel costs for Fiscal Year 2017-18 are estimated at \$8,855,900. This represents an increase of \$289,300 or 3.4% from our Fiscal Year 2016-17 budget of \$8,566,600. The increase is a result of a 2.0% cost of living (COLA) adjustment, promotions, and within range merit increases of 0.7%.

Other Expenditures

Controlling the cost of operating the District continues to be an ongoing focus. Costs controlled by the District of \$11,612,117 for 2017-18 are \$336,559, or 3.0%, higher than Fiscal Year 2016-17, including personnel costs discussed above. Each department continues to evaluate all aspects of their respective operations, establish goals for the budget year, and determine a budget which would allow them to meet those goals as efficiently as possible.

WATER (GENERAL FUND) CAPITAL BUDGET

The Capital Outlay Budget for fiscal year Fiscal Year 2017-18 continues to include only those major projects that are essential.

New or expanded facilities are funded by capacity fees collected by the District when new meter services are purchased and from interest earned on existing reserves. Capacity fees are set to fund system improvements identified in the Master Plan to support additional service connections. Replacement facilities are normally financed from standby fees and capital reserves on a pay-as-you-go cash basis instead of debt financing. This reserve is funded annually by a combination of excess operating and non-operating revenues. The District currently has a State Revolving Fund (SRF) Loan for the Cool Valley Reservoir Cover/Liner Replacement project.

The District has not and does not in this budget document attempt to annually fund the water replacement reserves with an amount equivalent to the value of facilities "retired" as a result of the depreciation schedule. However, in the recent past, net revenues annually transferred to the capital reserves, and in turn reinvested in the capital plant, have usually approximated the annual depreciation amount.

Capital projects included in this budget consist of the following:

Pipelines and Pressure Reducing Valves	\$	901,000
Reservoirs (Recoating)		667,000
Data Management Systems		50,000
Facilities		220,000
Equipment		135,000
TOTAL New Appropriations	\$	1,973,000
Unappropriated Balances		(839,229)
Project appropriations carried forward from prior budget		2,998,470
TOTAL Capital Budget	\$	4,132,241

Funding for the water capital projects comes from:

Property Taxes	\$	2,273,000
Water Availability Charges		558,231
Capital Reserves		1,301,010
TOTAL Capital Budget	\$	4,132,241

Facilities which are identified and budgeted annually for replacement are not determined solely by the depreciation schedule, but are identified through a process which assesses a combination of factors, including age, condition (frequency of repairs), and the critical nature of the facility (for example, main transmission pipeline versus local distribution line). In addition, existing facilities are replaced when County of San Diego road improvements force relocation or private development projects provide the opportunity to replace an existing facility.

To date, this method of identifying facilities for replacement and pay-as-you-go financing of these types of projects has met the needs of the District without creating rate impacts or spikes.



Hell Creek Road Emergency Repair.

MOOSA WASTEWATER TREATMENT FUND

The Moosa Wastewater Treatment operating budget, which serves approximately 2,487 customers in a limited geographic area on the west side of the District, is up \$121,204 or 9.1% from the previous year budget. The major components of the budget are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2016-17 Adopted Budget	Percent	2017-18 Proposed Budget	Percent	Change	Percent Change
Revenues	\$1,633,016	100.0%	\$1,718,494	100.0%	\$ 85,478	5.2%
Operating Expenses:						
Labor	\$ 789,000	48.3%	\$ 875,400	50.9%	\$ 86,400	11.0%
Electricity	86,800	5.3%	96,800	5.6%	10,000	11.5%
Chemicals	24,000	1.5%	24,000	1.4%	-	0.0%
Administrative allocation	194,456	11.9%	211,817	12.3%	17,361	8.9%
Maintenance	72,500	4.4%	73,500	4.3%	1,000	1.4%
Vehicle Maintenance	5,500	0.3%	4,300	0.3%	(1,200)	-21.8%
Regulatory	23,500	1.4%	25,000	1.5%	1,500	6.4%
Outside Services	97,500	6.0%	100,500	5.8%	3,000	3.1%
Other	37,581	2.3%	40,724	2.4%	3,143	8.4%
Total Operating Expenses	\$1,330,837	81.5%	\$1,452,041	84.5%	\$ 121,204	9.1%
Net Operating Income	302,179	18.5%	266,453	15.5%	(35,726)	-11.8%
Replacement Fund Contribution	78,179		(360,304)		(438,483)	
Net Change	\$ 224,000		\$ 626,757		\$ 402,757	

The current wastewater service charge is \$53.76 per equivalent dwelling unit per month. Included in the budget is a 5% increase bringing the charge to \$56.45 per equivalent dwelling unit in order to cover operating expenses and capital replacement projects.

The District also collects a low pressure wastewater collection system maintenance fee for a small part of the service area. The fee is

currently \$44.36 per month. A 5% increase to this charge is also included in the budget bringing that fee to \$46.58 month. At this level, the District will recover 35% of the budgeted low pressure wastewater collection system maintenance expenses.



Lower Moosa Wastewater Treatment Plant.

WOODS VALLEY RANCH WASTEWATER TREATMENT FUND

This Budget includes a budget for the operation of the Woods Valley Ranch Wastewater system. The 70,000 gallon per day treatment facility serves 270 homes and a golf course. Once the water is treated it is used for irrigating the Woods Valley Ranch Golf Course, yielding the District approximately 45 acre feet of reclaimed water sales. Included in the budget is funding for both a replacement reserve and operating expenses. Revenues for the Woods Valley Ranch Wastewater budget are collected by a fixed charge special assessment on the development. A summary of the budget follows:

RECAP OF WOODS VALLEY RANCH WASTEWATER TREATMENT BUDGET

	2016-17 Adopted Budget	Percent	2017-18 Proposed Budget	Percent	Change	Percent Change
Revenues	\$ 407,998	100.0%	\$ 414,805	100.0%	\$ 6,807	1.7%
Operating Expenses:						
Labor	\$ 275,650	67.6%	\$ 284,650	68.6%	\$ 9,000	3.3%
Electricity	46,000	11.3%	51,000	12.3%	5,000	10.9%
Administrative allocation	61,886	15.2%	73,995	17.8%	12,109	19.6%
Maintenance	15,000	3.7%	15,000	3.6%	-	0.0%
Vehicle Maintenance	2,000	0.5%	2,000	0.5%	-	0.0%
Regulatory	19,000	4.7%	19,800	4.8%	800	4.2%
Outside Services						
(Laboratory & Waste Hauling)	34,500	8.5%	39,000	9.4%	4,500	13.0%
Insurance	13,202	3.2%	13,650	3.3%	448	3.4%
Other	12,650	3.1%	13,150	3.2%	500	4.0%
Total Operating Expenses	\$ 479,888	117.6%	\$ 512,245	123.5%	\$ 32,357	6.7%
Net Operating Income	(71,890)	-17.6%	(97,440)	-23.5%	(25,550)	35.5%
Replacement Fund Contribution	102,620		102,620		-	
Net Change	<u>\$(174,510)</u>		<u>\$(200,060)</u>		<u>\$ (25,550)</u>	

The monthly sewer service charge is \$98.60 per equivalent dwelling unit (EDU) and is collected by an annual assessment on the property tax roll. It remains unchanged for fiscal year 2017-18.



Construction Progress at Woods Valley Ranch Phase 2 Treatment Plant Expansion.

WOODS VALLEY RANCH EXPANSION FUND

This fund consists of one project, the planning and design of an expansion to the proposed Woods Valley Ranch Water Reclamation Facility. Funding for the project is provided by various property owners in the service area through the formation of an assessment district and from a funding commitment from the State for a Clean Water State Revolving Fund (SRF) Loan (See Debt following next for more detail). Costs incurred by the District for participation in this project are to be recovered by future capacity charges collected from property owners. The planning and design work for the project began in the Fiscal Year 2013-14. Construction began in Fiscal Year 2015-16 and has an estimated completion date of June 2017.

DEBT

In 2016, the District received funding approval for a total of \$25,562,000 in three separate Clean Water State Revolving Fund (SRF) Loans; one each for the Collection System, Treatment Facilities, and Seasonal Storage Improvements. These funds are to be utilized solely for the Woods Valley Ranch Wastewater Expansion Project. Repayment of this debt is scheduled to begin in August 2017 for the Collection System October 2017 for the Seasonal Storage, and December 2017 for the Treatment Plan. There are three separate debt schedules, one for each component (see pages 12-1B and 12-1C under the Woods Valley Expansion tab for detailed schedules).



Woods Valley Ranch Seasonal Storage.

Other property owners in the Woods Valley Ranch Water Reclamation Facility (WVRWRF) service area expressed an interest in participating in the project and capacity requests increased from 350 equivalent dwelling units (EDU's) to 1,095 EDU's by the end of 2014. Facilities were planned for the higher participation level and design of the project facilities were delayed until the participation agreements for the increased capacity were completed. Estimated total project cost increased to \$32,075,000 with \$30,735,000 being the new portion eligible for the SRF Loans which are at 2.2% interest. A fourth loan was established for the added North Village Wastewater Collection Facilities.

The current service area is anticipated to have an ultimate wastewater demand of 600,000 gallons per day which would include providing service to both the South and North Village areas. The Expansion Project consists of constructing a low pressure wastewater collection system in the South Village Area, a seasonal storage facility on Charlan Road, the expansion of the WVRWRF, and wastewater collection system in the North Village Area.

In addition, a California Drinking Water State Revolving Fund loan for the Cool Valley Reservoir Cover/Liner replacement has been obtained by the District. The amount of the loan is \$4,250,000 at 1.6% interest (see page 6-10 for detailed schedule).

Not included in the budget are limited obligation improvement bonds issued by Assessment District No. 96-1 (AD 96-1) pursuant to the provision of the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915. Under the Acts, the District is not obligated to repay the bonds. The bond proceeds were used to expand the Lower Moosa Canyon Water Reclamation Facility. Bonds payable at June 30, 2016, were \$270,000. The bonds and interest are paid from annual special assessments on property within AD 96-1. The annual assessments are billed to and collected from the AD 96-1 property owners and remitted to the District. The District remits the assessments to the AD 96-1 trustee (a commercial trust company) for eventual payment to the bondholders.

STRATEGIC PLAN

On June 3, 2013, the Board of Directors approved the updated *Valley Center Municipal Water District Strategic Plan for Fiscal Years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018*. This plan sets forth the District's organizational values, a set of standards to measure organizational performance, and specific goals and tasks to be accomplished. As adopted by the Board of Directors, the Strategic Plan serves as the core policy framework by which the District has established its values, performance standards, and improvement goals for critical aspects of its operations, such as Water Supply, Seawater Desalination, Local Water Resources, Water Recycling, Infrastructure, Finance, Technology, Energy, and Compensation and Benefits. All expenditures appearing in this document, whether routine and ongoing, programmatic, or project oriented, are based upon or justified by some aspect of the Board adopted Strategic Plan.

Below are the **Mission Statement, Organizational Values, Performance Measurements**, and **Strategic Plan Goals** contained in the current Strategic Plan. Performance Measurements also reflect the Performance Measurement outcomes for Calendar Year 2016.

Within the various Department narratives appearing throughout the budget are reports on progress made over the past fiscal year toward accomplishing the various goals appurtenant to the specific department as well as the projects and programs proposed in the upcoming budget year.

MISSION STATEMENT

“Our mission is to ensure customer satisfaction through quality service at the lowest possible cost.”

ORGANIZATIONAL VALUES

Customer Satisfaction

- Quality Service
- Safe Water
- Reliability
- Friendliness

Professionalism

- Ethics
- Integrity
- Leadership
- Teamwork

Efficient Use of Resources

- Conservation
- Environmental Sensitivity
- Cost Control

STRATEGIC PLAN

PERFORMANCE MEASUREMENT STANDARDS

1. CUSTOMER SATISFACTION - Our standard will be that our service “meets” or “exceeds expectations” 95% of the time, based upon the “Customer Comment Card” responses.

Survey responses show the District met or exceeded the standard 99.0% of the time.

2. WATER LOSS – Report annually for the past 10 years of unknown water loss in terms of percent of water sold, acre feet, and value of water loss, as well as efforts to minimize and reduce unknown water loss wherever possible.

Unaccounted water loss for 2016 totaled 1,000 acre feet, 4.7% of total water sold, representing \$1.0 million dollars.

3. DISCRETIONARY RESERVES - Unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year equal to a minimum three and a maximum six months’ operations and maintenance expenses (excluding wholesale water and power purchases).

Our Discretionary Reserves as of December 31, 2016 represents 4.3 months operating and maintenance expenses.

4. LOCAL COMMODITY RATE for LOCAL OPERATING and MAINTENANCE COSTS - We will hold the local share of total commodity costs as low as possible, but at no time will the local rate be more than 13% of total water commodity cost for Municipal & Industrial and 16% for Certified Agricultural.

The District’s component of the water rate for operating costs is currently 10.5% of Municipal & Industrial and 14.5% of Certified Agricultural.

5. PUMP EFFICIENCY - Through ongoing testing, adjusting, and maintenance, we will maintain pump efficiency above 95% of the design criteria.

Our pump efficiency was 102.6% of design criteria.

6. PROJECT ACTUAL COST - $\pm 10\%$ of Engineer’s cost estimate.

One project was completed in calendar 2016 at 7.4% over the Engineer’s estimate.

7. WATER SERVICE RELIABILITY GREATER THAN 99% - We will strive to maintain water service to all customers at greater than a 99% reliability level. This will be measured based upon total hours of service interruption against all service hours in a given measurement period.

Reliability was 99.999%.

8. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.

100%.

9. LOST-TIME ACCIDENTS LESS THAN 1% OF TOTAL HOURS WORKED.

The District had no lost time accident in calendar 2016.

10. RETURN ON INVESTMENTS - While seeking to preserve capital and maintain a level of liquidity necessary to meet cash flow requirements, our rate of return, on an annualized basis, shall be at least equal to the average rate of return on one year U.S. Treasury Bonds.

Our weighted average return on all investments for calendar 2016 was 1.001% as compared to the 12-month rolling average U.S. Treasury Bonds of 0.615%.

STRATEGIC PLAN GOALS

1. Water Supply

Support water resource policies at the federal, state, regional, and local level which sustain and enhance the District's overall water supply availability and reliability.

- a. Water Stewardship** – Support regional efforts and implement local programs which advocate, educate, and assist customers in the responsible use of precious and limited water resources.
- b. Imported Water Sources** – Support and assist in securing statewide efforts to secure a State Water Project conveyance system around, through, or under the Sacramento-San Joaquin Delta, and expand in-state storage. Protect California's water rights on the Colorado River so as to ensure ample and reliable supplies for all uses, including agriculture.
- c. Seawater Desalination** – Advocate for a fair and equitable cost of service for desalinated water from the Carlsbad-Poseidon Seawater Desalination Plant. Support the development and expansion of seawater desalination in the State of California.
- d. Local Water Resources** – Seek out and pursue opportunities to expand the use of local surface and groundwater resources.
- e. Water Recycling** – Pursue the continued development of wastewater recycling to offset the District's imported water demand.

2. Infrastructure

Pursue the master planning for publically and privately financed water and wastewater infrastructure to reliably meet long-term community development needs based on the county approved General Plan. Pursue federal and state funding sources to support the ongoing and orderly replacement of existing water and wastewater infrastructure.

3. Finance

Support financial policies at the federal, state, regional, sub-regional, and local level which sustain the affordability of water and wastewater services to help sustain the rural and agricultural character of the District's service area.

- a. Operational Cost Control** – Pursue policies, programs, alternative service sourcing, and technology implementation which reduce and control operational costs wherever possible without negatively impacting the operational effectiveness, safety, and service levels to our customers.
- b. MWD and SDCWA Wholesale Pricing** – Advocate for cost and rate control at the wholesale level and seek to maintain appropriate pricing and support programs for agriculture within the MWD and SDCWA service areas.

b. Local Property Tax and Reserves- Protect local property taxes and District reserves from appropriation by the State or County Governments.

4. Technology

Evaluate and incorporate new technologies which increase organizational efficiency, reduce costs, and wherever possible, enhance customer satisfaction, including:

- a. GIS** - Continue expansion, enhancement, and utility.
- b. SCADA** - Continue toward full implementation in the water and wastewater systems.
- c. Automatic Meter Reading and Information Technology** - Pursue implementation advancing automated meter reading and information technologies and integration of automatic meter reading and monitoring capability through the SCADA radio network.
- d. Service Order Software** – Complete implementation and full integration with other related data bases.
- e. E-Business** – Expand and enhance on-line customer account access and bill paying.

5. Energy

Enhance efficient use of energy and pursue as appropriate the development of renewable and alternative energy resources.

- a. Efficiency** - Maximize the operating efficiency of pumps, pump motors, motorized equipment, the District's service fleet practices, and procedures as well as implement more energy efficient methods and technologies of wastewater and bio-solids processing and disposal.
- b. Renewable and Alternative Energy Resource** – When economically feasible expand renewable energy resources, such as solar power, within the District operations and facilities and support the national and regional development and/or expansion of alternative resources such as nuclear power.
- c. Utility Rates and Charges** – Monitor and when appropriate participate in regional energy utility rate making activity and advocate rate tariffs which are fair and equitable to the District.

6. Compensation and Benefits

Provide competitive but responsible and sustainable employee compensation and benefit programs to attract and retain committed and outstanding personnel.


RECOMMENDATIONS

Recommendations to implement the Fiscal Year 2017-18 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2017.
- In accordance with Administrative Code Section 160.3(g), implement rate changes from the Metropolitan Water District and the County Water Authority when incurred.

Implementation of the above recommendations will be by resolution or ordinance as appropriate.

PREPARED BY:



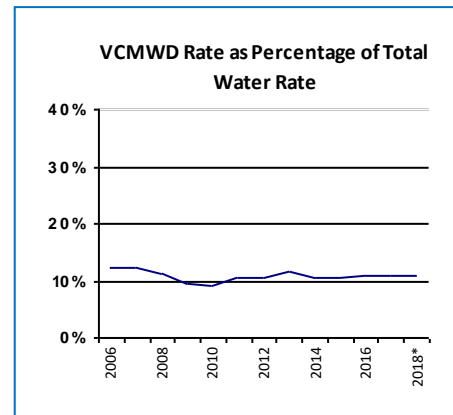
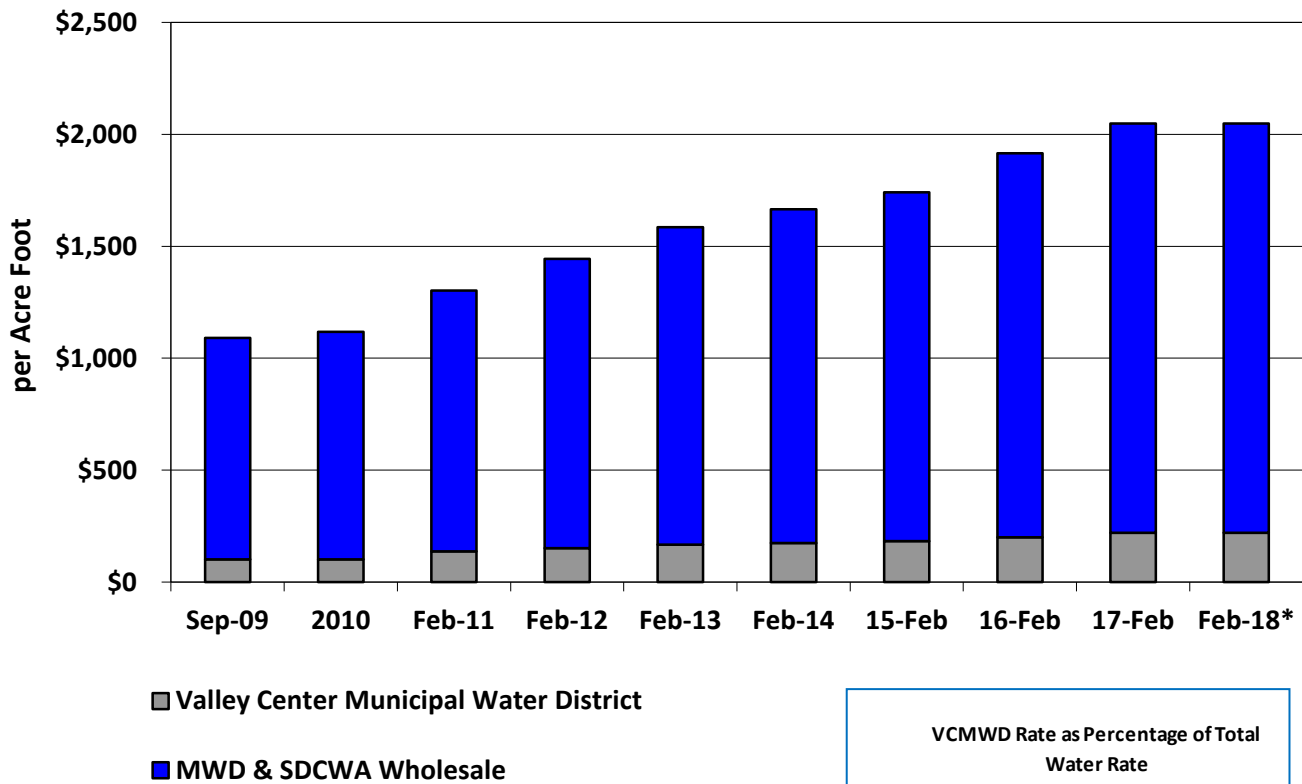
James V. Pugh
Director of Finance

APPROVED BY:



Gary T. Arant
General Manager

Water Rate Components

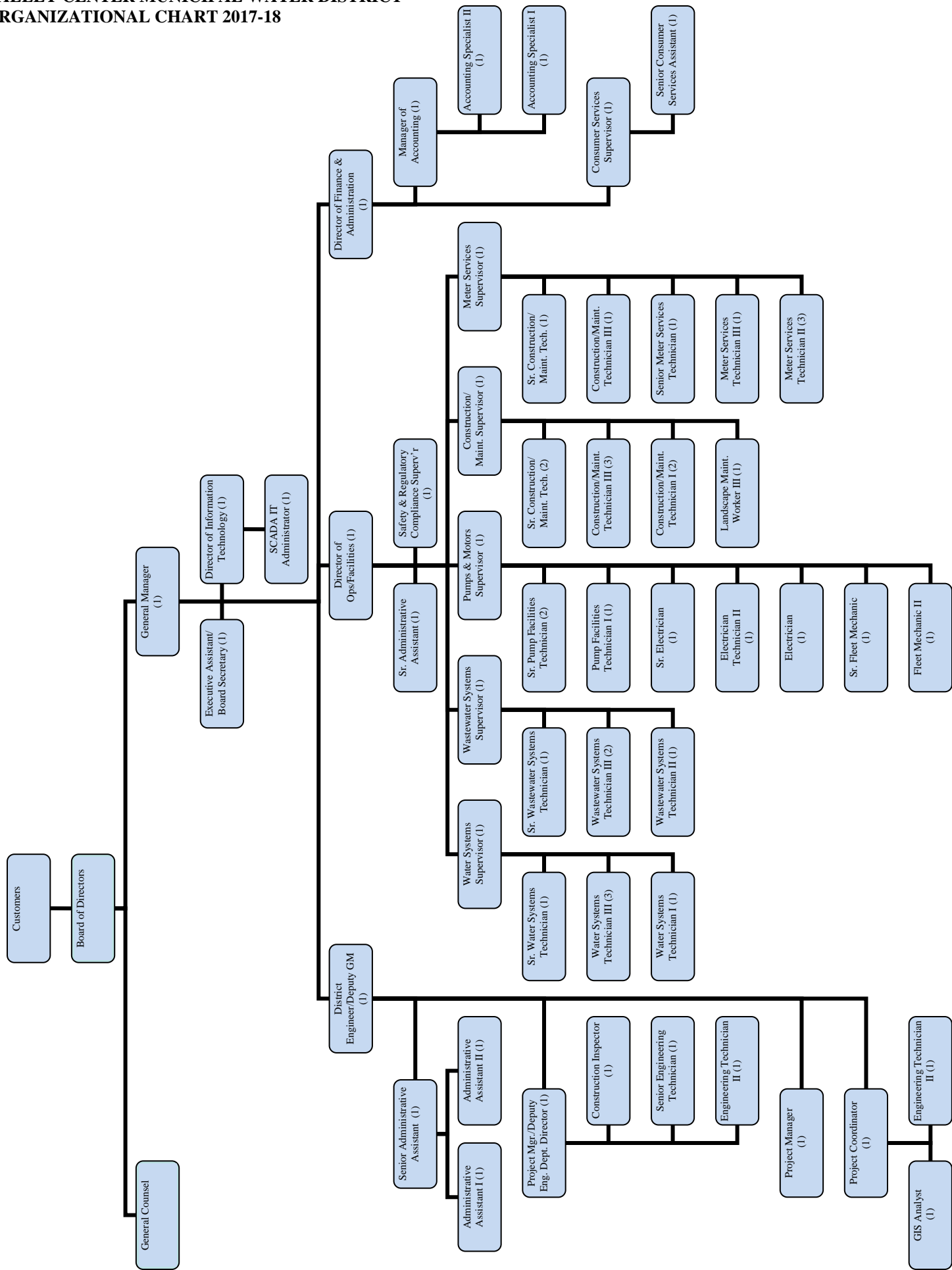


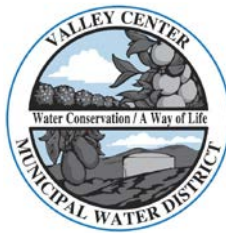
<i>Rate in Dollars per Acre Foot</i>	Sept 2009	2010	Feb 2011	Feb 2012	Feb 2013	Feb 2014	Feb 2015	Feb 2016	Feb 2017	Feb 2018*
Valley Center Municipal Water District	\$102	\$102	\$137	\$ 152	\$167	\$175	\$183	\$201	\$221	\$232
MWD/SDCWA wholesale	988	1,016	1,165	1,292	1,418	1,490	1,558	1,714	1,827	1,884
Total	<u>\$1,090</u>	<u>\$1,118</u>	<u>\$1,302</u>	<u>\$1,444</u>	<u>\$1,585</u>	<u>\$1,665</u>	<u>\$1,741</u>	<u>\$1,915</u>	<u>\$2,048</u>	<u>\$2,116</u>
Agricultural Use Discounts **	<u>\$250</u>	<u>\$238</u>	<u>\$267</u>	<u>\$274</u>	<u>\$312</u>	<u>\$351</u>	<u>\$407</u>	<u>\$533</u>	<u>\$550</u>	<u>\$564</u>

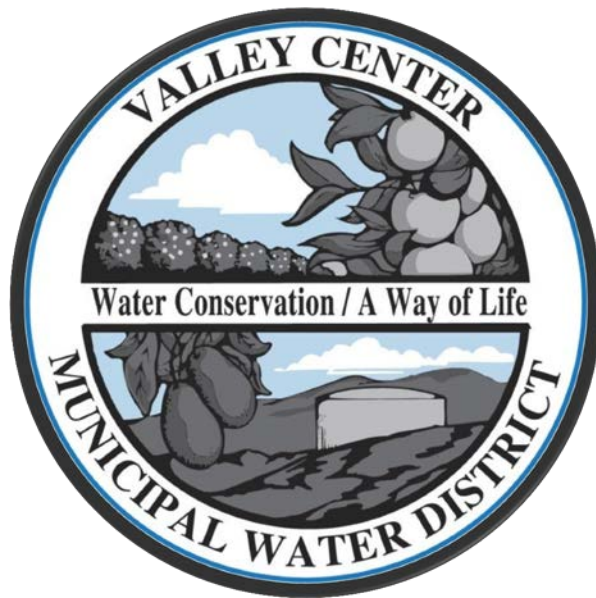
* Proposed water rates

** Maximum discount available.

VALLEY CENTER MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART 2017-18







Resolutions

RESOLUTION NO. 2017-21

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2017-2018 AND ESTABLISHING CONTROLS ON CHANGES IN APPROPRIATIONS FOR THE VARIOUS FUNDS

WHEREAS, the Board of Directors of Valley Center Municipal Water District has reviewed a preliminary budget for 2017-2018 and has made changes therein;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT as follows:

- 1. That the budget document which is on file with the Secretary to the Board, a summary of which is attached hereto as "Exhibit A", is adopted as the final operating and capital budget for the District for the Fiscal Year 2017-2018.**
- 2. That the amounts designated in the final Fiscal Year 2017-2018 operating and capital budget are hereby appropriated and may be expended by the departments or funds for which they are designated and such appropriation shall be neither increased nor decreased except as provided herein.**
- 3. That the following controls are hereby placed on the use and transfer of budgeted funds:**
 - a. The General Manager is responsible for keeping expenditures within budget allocations approved by the Board of Directors for positions, salaries, operational expenses and capital acquisitions and may adopt budget procedures as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager as described herein.**
 - b. The General Manager may reallocate budget items to respond to changed circumstances, provided any single modification in excess of \$35,000 shall require approval by the Board.**
 - c. The Department Heads may reallocate budget items, within their department, to respond to changed circumstances, provided that any single modification in excess of \$10,000 shall require approval by the General Manager.**

- d. The Board must authorize any increase in the overall budget and any increase in the number of authorized permanent personnel positions above the level identified in the final operating and capital budget. The General Manager may authorize the hiring of temporary or part-time staff as necessary, within the limits imposed by the available funds in the operating and capital budget.
4. That authorization is made for any carry over or continuing appropriations for the capital budget.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 19th day of June, 2017, by the following vote to wit:

AYES: Directors Broomell, Polito, Aleshire, Haskell and Ferro


NOES: None

ABSENT: None



PRESIDENT

ATTEST:



SECRETARY

ALL BUDGETED FUNDS

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2017	\$5,835,499	\$0	\$12,237,985	\$18,073,484	\$2,674,493	\$552,192	\$3,323,179	\$24,623,348

RECAP OF EXPENDITURES BY FUNCTION

General Administration	830,269			830,269				830,269
Information Technology	735,906			735,906				735,906
Finance	1,729,200	26,769		1,755,969			1,593,290	3,349,259
Engineering	1,697,210			1,697,210				1,697,210
Field Operation	6,727,282			6,727,282	1,452,041	512,245		8,691,568
Source of Supply	31,038,196			31,038,196				31,038,196
Capital Projects			1,133,771	1,133,771	626,457	209,842	0	1,970,070
Total Budgeted Expenditures	\$42,758,063	\$26,769	\$1,133,771	\$43,918,603	\$2,078,498	\$722,087	\$1,593,290	\$48,312,478

SOURCE OF FINANCING

Revenues:								
Water Sales	36,300,000			36,300,000				36,300,000
Meter Service Charges/Wastewater Charges	6,313,000			6,313,000	1,718,494	414,805	2,339,543	10,785,842
New Connection Sales	183,050		194,320	377,370				377,370
Other Revenue	819,430			819,430				819,430
Investment Income	273,000			273,000				273,000
Property Taxes			2,273,000	2,273,000				2,273,000
Water Availability Charges		26,769	558,231	585,000				585,000
Total Revenues	\$43,888,480	\$26,769	\$3,025,551	\$46,940,800	\$1,718,494	\$414,805	\$2,339,543	\$51,413,642

NET REVENUES & EXPENDITURES

\$1,130,417	\$0	\$1,891,780	\$3,022,197	(\$360,004)	(\$307,282)	\$746,253	\$3,101,164
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EXPENDITURES OF CONTINUING PROJECTS

\$0	\$0	(\$2,998,470)	(\$2,998,470)	(\$421,181)	(\$94,444)	\$0	(\$3,514,095)
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TRANSFERS (See page 3-2)

(\$1,105,982)	\$0	\$1,105,982	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2018

\$5,859,934	\$0	\$12,237,277	\$18,097,211	\$1,893,308	\$150,466	\$4,069,432	\$24,210,417
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.

June 19, 2017

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2017-2018

PURPOSE:

Board adoption of Resolution No. 2017-20 establishing the appropriation limit for proceeds from taxes is required by Section 7910 of the Government Code and Article XIII B of the State Constitution (Gann Amendment).

SUMMARY:

In November, 1979, the voters of California approved the addition of Article XIII B to the State Constitution. This amendment provided a maximum annual percentage that proceeds of taxes could increase. The impact of this legislation is most felt by cities and agencies that exist almost entirely on proceeds of taxes of one sort or another. The District's revenues consist primarily of water and wastewater charges, with less than 5% from general property taxes. We do have to comply with the legislation by establishing an appropriations limit for the amount we do receive from property taxes. Our estimated property tax collections are less than half the appropriation limit, and if actual tax collections ever exceeded this limit, refund of the excess would have to be made.

Under Proposition 111, the method of calculating the annual appropriation limit was revised, effective July 1, 1990. The California Constitution specifies that the appropriation limit may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment role due to local nonresidential construction. The appropriation limit method recommended for adoption uses the highest of the options available to maximize our limit for 2017-2018.

Government Code Section 7910 also requires a 15 day period for our calculations to be available to the public for their review, if desired. The attached Public Notice was posted June 2, 2017, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2017-20 be adopted to establish the appropriation limit for 2017-2018 as \$6,465,628.

PREPARED BY:



James V. Pugh
Director of Finance

APPROVED BY:



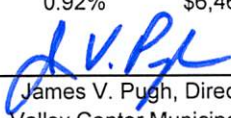
Gary T. Arant
General Manager

PUBLIC NOTICE

In accordance with Government Code Section 7910, notice is hereby given that on June 19, 2017, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2017-18 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2017-18 is to be set at \$6,465,628 and was calculated as set forth below. Documentation of the computation is available in the office of the Director of Finance of the District at the above address.

<u>Fiscal Year</u>	<u>Price Increases (1)</u>	<u>Population Increases</u>	<u>Appropriation Limit</u>
Proceeds of Taxes Base Year			
1986-87			\$855,392
Annual adjustment factors:			
1987-88	12.54% (b)	5.83%	\$1,018,772
1988-89	15.56% (b)	6.09%	\$1,249,014
1989-90	7.21% (b)	5.63%	\$1,414,508
1990-91	7.96% (b)	5.83%	\$1,616,075
1991-92	4.14% (a)	5.24%	\$1,771,218
1992-93	2.75% (b)	4.04%	\$1,893,432
1993-94	2.72% (b)	2.95%	\$2,002,304
1994-95	0.71% (a)	1.42%	\$2,045,153
1995-96	4.72% (a)	1.55%	\$2,174,816
1996-97	4.67% (a)	1.19%	\$2,303,565
1997-98	4.67% (a)	1.46%	\$2,446,386
1998-99	4.15% (a)	2.63%	\$2,614,942
99-2000	4.53% (a)	2.17%	\$2,792,758
2000-01	4.91% (a)	2.33%	\$2,998,026
2001-02	7.82% (a)	1.96%	\$3,295,730
2002-03	0.06% (b)	1.80%	\$3,357,031
2003-04	2.31% (a)	1.77%	\$3,495,341
2004-05	3.28% (a)	1.73%	\$3,672,555
2005-06	5.26% (a)	1.27%	\$3,914,944
2006-07	3.96% (a)	0.94%	\$4,108,342
2007-08	4.42% (a)	2.00%	\$4,375,795
2008-09	4.29% (a)	1.43%	\$4,628,716
2009-10	0.62% (a)	1.32%	\$4,718,976
2010-11	-0.37% (b)	1.52%	\$4,772,772
2011-12	2.51% (a)	0.72%	\$4,927,887
2012-13	3.77% (a)	0.92%	\$5,160,483
2013-14	5.12% (a)	0.80%	\$5,468,048
2014-15	-0.23% (b)	1.23%	\$5,522,728
2015-16	3.82% (a)	1.48%	\$5,818,746
2016-17	5.37% (a)	0.78%	\$6,178,926
2017-18	3.69% (a)	0.92%	\$6,465,628

Posted June 2, 2017


James V. Pugh, Director of Finance
Valley Center Municipal Water District

(1) A California governmental unit may increase its appropriation limit by either
(a) the annual percentage increase in California fourth quarter per capita personal income, or
(b) the percentage increase in the local assessment roll from the preceding year due to the addition of local non-residential construction, whichever is greater.

RESOLUTION NO. 2017-20

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2017-2018 FISCAL YEAR

WHEREAS, effective July 1, 1980, Article XIIIB of the California Constitution took effect limiting the appropriations of certain state and local agencies; and

WHEREAS, effective July 1, 1990, Article XIIIB of the California Constitution was amended; and

WHEREAS, the Legislature has adopted Government Code Sections 7900 through 7914 setting forth procedures to be followed by affected local agencies in fixing and determining their appropriation limit; and

WHEREAS, pursuant to said Government Code sections, the County of San Diego and the State of California Department of Finance have supplied the District with data regarding changes in population, cost of living, per capita income, nonresidential new construction, and local assessment roll for use in determining its appropriation limit; and

WHEREAS, the District had a tax rate in excess of 12.5 cents per \$100 of assessed valuation during the 1977-78 fiscal year, and, therefore, is subject to the provisions of Article XIIIB and implementing legislation; and

WHEREAS, the Government Code Section 7910 requires that each year the governing body of the District, by resolution, establish its appropriation limit for the following fiscal year; and

WHEREAS, the Government Code Section 7901 requires the governing body of the District, annually by resolution, to select the basis for its change in population as defined in that section; and

WHEREAS, Section 8(e)(2) of Article XIIIB of the Constitution requires the Board to select the method of determining "change in the cost of living" as defined in that section; and

WHEREAS, at least 15 days prior to the meeting at which this resolution was adopted, the documentation used in the determination of the appropriation limit was made available to the public at the offices of the District; and

WHEREAS, the Board has fully considered said laws, the revenues and expenditures of the District during the relevant years, the data received from the State of California Department of Finance, the reports and recommendations of staff, and the opinions of counsel;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Valley Center Municipal Water District as follows:

1. That the foregoing facts are true and correct.
2. That the appropriation limit for the 2016-17 fiscal year was \$6,178,926, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,142,000, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2017-2018, the District shall use the percentage change in the California per capita personal income from the preceding year or the change in the local assessment roll from the preceding year due to the addition of local new nonresidential construction, whichever is greater.
4. That in determining the appropriation limit for 2017-2018, the District shall use the percentage change in population for San Diego County or for the unincorporated portion of San Diego County, whichever is greater, as provided by the State of California Department of Finance.
5. That pursuant to Article XIII B, as amended, and Section 7910 of the Government Code, as amended, the appropriation limit for Valley Center Municipal Water District for the 2017-2018 fiscal year is established at \$6,465,628.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 19th day of June, 2017, by the following vote, to wit;

AYES:

NOES:

ABSENT:

President

ATTEST:

Secretary

ORDINANCE NO. 2017-03

ORDINANCE OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT AMENDING THE ADMINISTRATIVE CODE TO PROVIDE FOR CHANGES IN AUTHORIZED STAFFING LEVELS PER THE FISCAL YEAR 2017-18 BUDGET AND TO INCORPORATE CHANGES PER THE APPROVED MEMORANDUM OF UNDERSTANDING WITH EMPLOYEES

BE IT ORDAINED by the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT as follows:

- Section 1. The VALLEY CENTER MUNICIPAL WATER DISTRICT Administrative Code be and it is amended to provide for changes in the District's organization chart and the authorized staffing level by the modification of Section 40.11 as set forth on "Exhibit A" attached hereto.
- Section 2. The VALLEY CENTER MUNICIPAL WATER DISTRICT Administrative Code be and it is amended to provide for changes in Standby Pay, Shift Differential Pay, and the District's Classification and Compensation Plan by modification of Article 8, Sections 8.6, 8.7, and 8.9(c) as set forth in "Exhibit B" attached hereto.
- Section 3. That this is an urgency ordinance and shall take effect June 23, 2017, mid-shift, to meet current staffing needs and comply with the Memorandum of Understanding with the District Employees' Association adopted by Resolution 2016-09 affecting employee compensation to be effective June 23, 2017, mid-shift, and therefore this ordinance must take effect before that date.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT held on the 19th day of June, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ATTEST: _____
SECRETARY

PRESIDENT

Sec. 40.10 Director of Information Technology. The Director of IT shall, subject to Board approval, be appointed by and be directly responsible to the General Manager. This position requires education and long term experience in computer science and information systems, including network engineering and administration, database administration, software development, and information systems security.

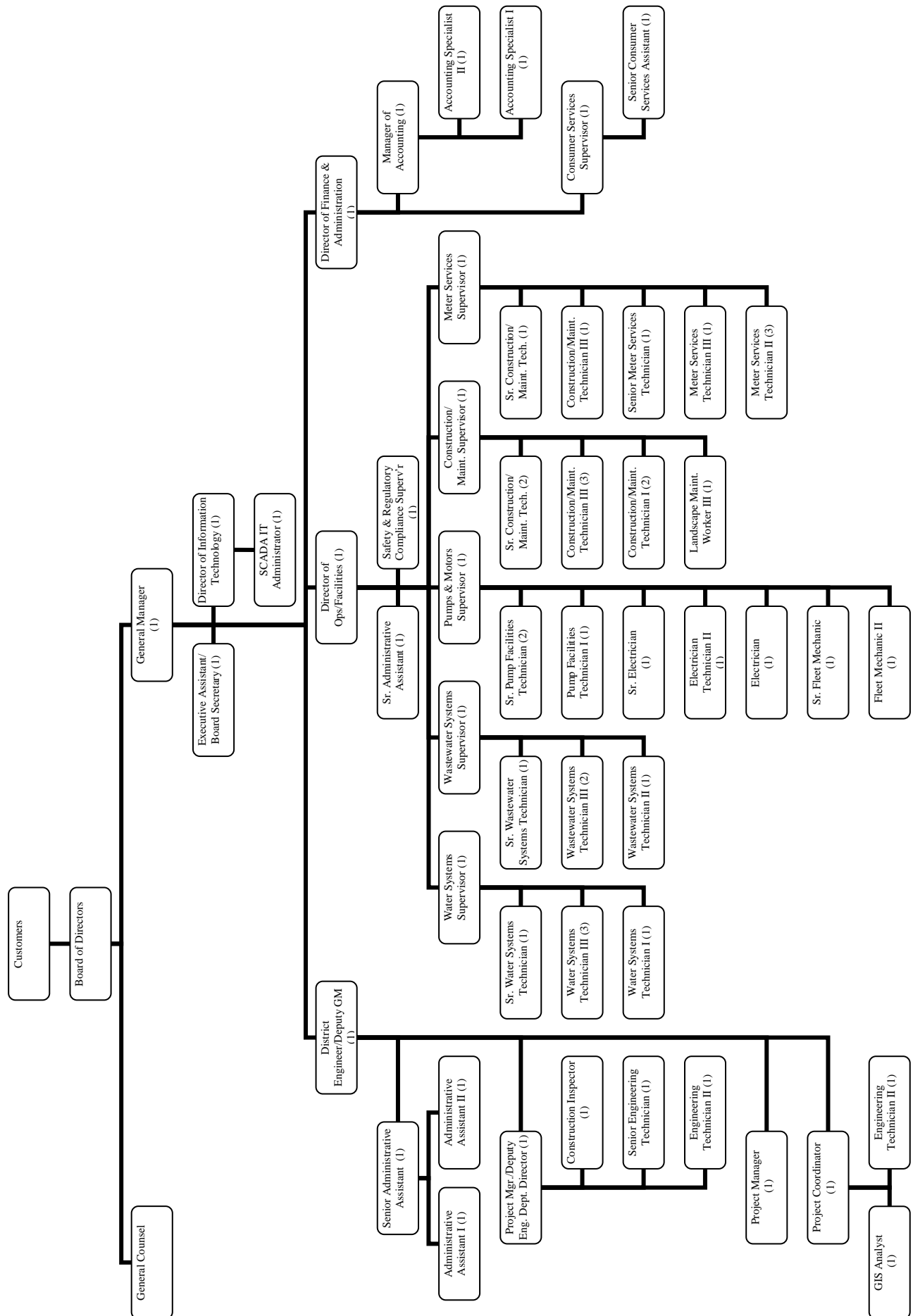
This person shall be responsible for overall planning, organizing, and execution of all Information Technology functions. This includes directing all IT operations as well as the support and maintenance of existing infrastructure, applications, and development of new technical solutions.

Sec. 40.11 Organizational Chart. As shown below and on the following Organizational Charts, the authorized staff level by department is:

<u>Department</u>	<u>Authorized Staff Level</u>	
Administration	2.00	
Information Technology	2.00	
Finance	6.00	
Engineering	12.50	12.00
Operations	40.50	40.00
Total Authorized Positions	<u>63.00</u>	<u>62.00</u>

With the approval of the General Manager and subject to availability of budget appropriations, promotions, demotions or reclassification of employees may occur within the total staff level authorized above to meet the goals and needs of the District.

Sec. 40.11 Organizational Chart (Cont'd.)



Article 8 Compensation (Cont'd.)

Sec. 8.6 Standby Pay

- (a) Standby Duty Pay. The employee assigned to the overnight standby duty shall receive ~~\$32.02~~ **\$32.66** for the overnight standby shift plus a minimum of two (2) hours pay at applicable overtime rates for the first call back in each overnight standby shift. Any successive call backs in the same overnight standby shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive standby pay.

- (b) Weekend/Holiday Standby Pay. The employees assigned overnight standby duty on Fridays shall receive the standby pay as set forth in Section 8.6(a) for the overnight standby shift. The employees assigned to twenty four (24) hour standby duty on Saturdays, Sundays and holidays shall receive ~~\$61.28~~ **\$62.51** per twenty four (24) hour standby shift. The employees shall receive a minimum of two (2) hours pay at applicable overtime rates for the first call back in each shift. Any successive call backs in the same shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive weekend/holiday standby pay.

- Sec. 8.7 Shift Differential Pay. Employees assigned to work a different shift from the District's regular work period of Monday through Thursday from 7:00 a.m. to 4:30 p.m., and on Friday from 7:00 a.m. to 3:30 p.m. for Field personnel and 7:30 a.m. to 4:00 p.m. for Office and Field Administrative personnel shall receive ~~\$1.44~~ **\$1.47** per hour shift differential pay in addition to his/her regular pay for those hours worked other than the District's regular work period.

- Sec. 8.8 Payroll Period and Pay Day. Payroll periods shall be on a biweekly basis beginning four (4) hours and one (1) minute into the workday on Friday and end 168 hours later. Pay checks will normally be distributed in the week following the end of the payroll period.

Article 8Compensation (Cont'd.)Sec. 8.9

Compensation Policy - Position Classifications and Salary Ranges. This section sets forth the basic policies of the District. However, notwithstanding any policy set forth herein, the Board of Directors reserves the right and power to determine salary schedules and compensation of all employees after meeting and conferring with recognized employee associations and employee representatives.

It has been determined to be in the best interest of the Valley Center Municipal Water District to compensate its employees at salaries competitive with individuals being paid for comparable duties and responsibilities in public agencies providing similar services within the District's employment area, which is defined as San Diego and Southwestern Riverside Counties. Competitive compensation shall be deemed to be salary rates at 100%-105% of the mean salary paid for comparable duties and responsibilities in the employment area. Variance from this may be justified by circumstances and conditions specific to the Valley Center Municipal Water District.

- (a) Position Classifications and Salary Ranges. The District shall review and evaluate the position classifications existing within the District as negotiated. Based on comparative studies made in the District's employment area, the General Manager may recommend to the Board of Directors that adjustments to all or any part of the salary ranges be made.
- (b) Implementation of Findings. If, upon the review and evaluation of the position classifications by the District or by outside consultants, employees are found:
 - (1) to be compensated below the bottom of the recommended and adopted salary range for their respective position(s), then the affected employee(s) may receive a salary range adjustment increase effective with the adoption of the revised salary range, and such increase shall have no effect on subsequent meritorious salary consideration, or
 - (2) to be compensated above the top of the recommended range for their respective position(s), then subject employee(s) shall be deemed to be "above range", and shall retain the current pay level and qualification for annual cost of living increases, if awarded, as long as the incumbent employee(s) retains the present classification. Employees subsequently hired into the same classification shall be compensated within the salary range in effect at the time of hire.
- (c) Classification and Compensation Plan. Simultaneous with submission of the fiscal year budget, a list of all positions required for the coming year, along with the recommended salary range for each position, are submitted. The Board, after full consideration of the recommendations, shall adopt a classification and compensation plan.

The present District salary ranges are shown on the immediately following pages.

Article 8 Compensation (Cont'd.)Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)
Effective 6/23/17, at mid shift

<u>Classifications</u>	<u>Salary Range Number</u>
General Manager	As set by Board
Administrative/Clerical Series	
Administrative Assistant I	14 ⁽¹⁾
Administrative Assistant II	16
Administrative Assistant III	18
Sr. Administrative Assistant	21
Executive Assistant/Secretary to the Board	25
Engineering Series	
District Engineer/Deputy General Manager	37.6
Project Coordinator	27
Project Manager	30.5
Project Manager/Deputy Engineering Department Director	31
Engineering Technician I	19 ⁽¹⁾
Engineering Technician II	21
Engineering Technician III	23
Sr. Engineering Technician	25
GIS/Mapping Technician	21
GIS Analyst	23
GIS/Engineering Services Supervisor	25
Construction Inspector	22.5
Sr. Construction Inspector	24.5
Construction Inspector Supervisor	27
Finance, Accounting and Consumer Services Series	
Director of Finance and Administration	36.6
Accounting Clerk	16
Accounting Specialist I	18
Accounting Specialist II	21
Accounting (Benefits) Specialist III	23
Accountant	26.5
Manager of Accounting	31

Notes: ⁽¹⁾ Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.

Article 8 Compensation (Cont'd.)Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)
Effective 6/24/16, at mid shift

<u>Classifications</u>	<u>Salary Range Number</u>
Finance (Cont'd)	
Consumer Services Assistant	16
Sr. Consumer Services Assistant	18
Consumer Services Supervisor	25
Information Technology Series	
Director of Information Technology	36.6
Information Technology Specialist	23 ⁽¹⁾ ⁽²⁾
Sr. Information Technology Specialist	27
SCADA IT Administrator	29
Operations and Facility Maintenance Administration and Operating Divisions Series	
Director of Operations/Facilities	36.5
Safety & Regulatory Compliance Supervisor	27
Construction-Maintenance, Landscape Division	
Construction/Maintenance Technician I	17 ⁽¹⁾ ⁽²⁾
Construction/Maintenance Technician II	19.5
Construction/Maintenance Technician III	21.5
Sr. Construction/Maintenance Technician	23.5
Construction/Maintenance Supervisor	27
Landscape Maintenance Worker I	13 ⁽¹⁾ ⁽²⁾
Landscape Maintenance Worker II	15
Landscape Maintenance Worker III	17
Meter Services Division	
Meter Services Technician I	17 ⁽¹⁾ ⁽²⁾
Meter Services Technician II	19.5
Meter Services Technician III	21.5
Sr. Meter Services Technician	23.5
Meter Services Supervisor/Deputy Director	27.5
Field Department	

Notes: ⁽¹⁾Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.

⁽²⁾Employees may be hired as "Provisional Employees" and, as such, have two (2) years to obtain the licenses and certifications required to perform their specified duties or be subject to actions as described in Section 5.3(f)

Article 8 Compensation (Cont'd.)Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)
Effective 6/24/16, at mid shift

<u>Classifications</u>	<u>Salary Range Number</u>
Pumps-Motors, Electrical, Fleet Maintenance Division	
Pump Facilities Technician I	17 ⁽¹⁾ ⁽²⁾
Pump Facilities Technician II	19.5
Pump Facilities Technician III	21.5
Sr. Pump Facilities Technician	23.5
Pumps and Motors Supervisor	27
Electrical Technician I	17
Electrical Technician II	19.5
Electrician	21.5
Sr. Electrician	23.5
Fleet Mechanic I	17 ⁽¹⁾ ⁽²⁾
Fleet Mechanic II	19.5
Fleet Mechanic III	21.5
Sr. Fleet Mechanic	23.5
Wastewater Operations Division	
Wastewater Systems Technician I	17 ⁽¹⁾ ⁽²⁾
Wastewater Systems Technician II	19.5
Wastewater Systems Technician III	21.5
Sr. Wastewater Systems Technician	23.5
Wastewater Systems Supervisor	27
Water Operations Division	
Water Systems Technician I	17 ⁽¹⁾ ⁽²⁾
Water Systems Technician II	19.5
Water Systems Technician III	21.5
Sr. Water Systems Technician	23.5
Water Systems Supervisor	27

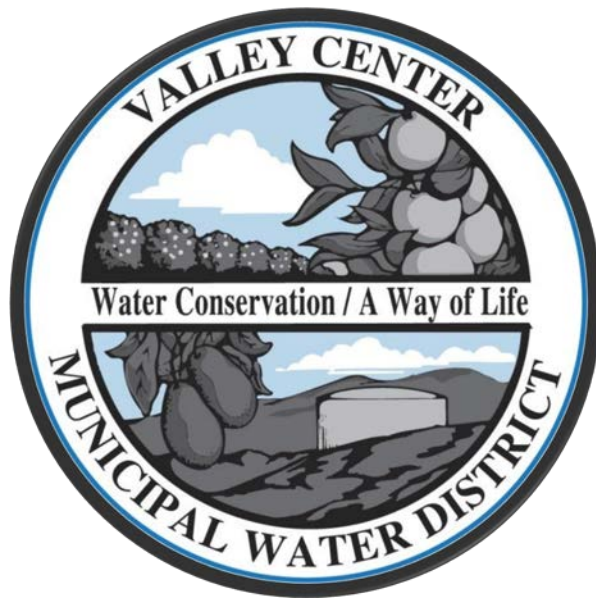
Notes: ⁽¹⁾Employees may be hired in the "Training Range", as defined by Section 5.3(e), hired at 15% below classification level.

⁽²⁾Employees may be hired as "Provisional Employees" and, as such, have two (2) years to obtain the licenses and certifications required to perform their specified duties or be subject to actions as described in Section 5.3(f)

VALLEY CENTER MUNICIPAL WATER DISTRICT
SALARY SCHEDULE FOR 2017-2018

RANGE NO.	BIWEEKLY SALARY RANGE		MONTHLY SALARY RANGE		YEARLY SALARY RANGE		HOURLY SALARY RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
Gen Mgr	\$8,319.23	\$8,319.23	\$18,025.00	\$18,025.00	\$216,300.00	\$216,300.00	\$103.990	\$103.990
37.6	\$5,464.96	\$7,292.24	\$11,840.75	\$15,799.85	\$142,088.96	\$189,598.24	\$68.312	\$91.153
37.5	\$5,372.64	\$7,199.92	\$11,640.72	\$15,599.83	\$139,688.64	\$187,197.92	\$67.158	\$89.999
37.0	\$5,243.20	\$7,026.40	\$11,360.27	\$15,223.87	\$136,323.20	\$182,686.40	\$65.540	\$87.830
36.6	\$5,209.12	\$6,949.36	\$11,286.43	\$15,056.95	\$135,437.12	\$180,683.36	\$65.114	\$86.867
36.5	\$5,116.80	\$6,857.04	\$11,086.40	\$14,856.92	\$133,036.80	\$178,283.04	\$63.960	\$85.713
36.0	\$4,993.52	\$6,691.76	\$10,819.29	\$14,498.81	\$129,831.52	\$173,985.76	\$62.419	\$83.647
35.5	\$4,873.20	\$6,530.48	\$10,558.60	\$14,149.37	\$126,703.20	\$169,792.48	\$60.915	\$81.631
35.0	\$4,755.76	\$6,373.12	\$10,304.15	\$13,808.43	\$123,649.76	\$165,701.12	\$59.447	\$79.664
34.5	\$4,641.12	\$6,219.52	\$10,055.76	\$13,475.63	\$120,669.12	\$161,707.52	\$58.014	\$77.744
34.0	\$4,529.28	\$6,069.68	\$9,813.44	\$13,150.97	\$117,761.28	\$157,811.68	\$56.616	\$75.871
33.5	\$4,420.16	\$5,923.36	\$9,577.01	\$12,833.95	\$114,924.16	\$154,007.36	\$55.252	\$74.042
33.0	\$4,313.60	\$5,780.64	\$9,346.13	\$12,524.72	\$112,153.60	\$150,296.64	\$53.920	\$72.258
32.5	\$4,209.68	\$5,641.28	\$9,120.97	\$12,222.77	\$109,451.68	\$146,673.28	\$52.621	\$70.516
32.0	\$4,108.16	\$5,505.36	\$8,901.01	\$11,928.28	\$106,812.16	\$143,139.36	\$51.352	\$68.817
31.5	\$4,009.20	\$5,372.64	\$8,686.60	\$11,640.72	\$104,239.20	\$139,688.64	\$50.115	\$67.158
31.0	\$3,912.56	\$5,243.20	\$8,477.21	\$11,360.27	\$101,726.56	\$136,323.20	\$48.907	\$65.540
30.5	\$3,818.24	\$5,116.80	\$8,272.85	\$11,086.40	\$99,274.24	\$133,036.80	\$47.728	\$63.960
30.0	\$3,726.24	\$4,993.52	\$8,073.52	\$10,819.29	\$96,882.24	\$129,831.52	\$46.578	\$62.419
29.5	\$3,636.48	\$4,873.20	\$7,879.04	\$10,558.60	\$94,548.48	\$126,703.20	\$45.456	\$60.915
29.0	\$3,548.80	\$4,755.76	\$7,689.07	\$10,304.15	\$92,268.80	\$123,649.76	\$44.360	\$59.447
28.5	\$3,463.28	\$4,641.12	\$7,503.77	\$10,055.76	\$90,045.28	\$120,669.12	\$43.291	\$58.014
28.0	\$3,379.84	\$4,529.28	\$7,322.99	\$9,813.44	\$87,875.84	\$117,761.28	\$42.248	\$56.616
27.5	\$3,298.40	\$4,420.16	\$7,146.53	\$9,577.01	\$85,758.40	\$114,924.16	\$41.230	\$55.252
27.0	\$3,218.88	\$4,313.60	\$6,974.24	\$9,346.13	\$83,690.88	\$112,153.60	\$40.236	\$53.920
26.5	\$3,141.28	\$4,209.68	\$6,806.11	\$9,120.97	\$81,673.28	\$109,451.68	\$39.266	\$52.621
26.0	\$3,065.60	\$4,108.16	\$6,642.13	\$8,901.01	\$79,705.60	\$106,812.16	\$38.320	\$51.352
25.5	\$2,991.76	\$4,009.20	\$6,482.15	\$8,686.60	\$77,785.76	\$104,239.20	\$37.397	\$50.115
25.0	\$2,919.60	\$3,912.56	\$6,325.80	\$8,477.21	\$75,909.60	\$101,726.56	\$36.495	\$48.907
24.5	\$2,849.28	\$3,818.24	\$6,173.44	\$8,272.85	\$74,081.28	\$99,274.24	\$35.616	\$47.728
24.0	\$2,780.56	\$3,726.24	\$6,024.55	\$8,073.52	\$72,294.56	\$96,882.24	\$34.757	\$46.578
23.5	\$2,713.60	\$3,636.48	\$5,879.47	\$7,879.04	\$70,553.60	\$94,548.48	\$33.920	\$45.456
23.0	\$2,648.16	\$3,548.80	\$5,737.68	\$7,689.07	\$68,852.16	\$92,268.80	\$33.102	\$44.360
22.5	\$2,584.40	\$3,463.28	\$5,599.53	\$7,503.77	\$67,194.40	\$90,045.28	\$32.305	\$43.291
22.0	\$2,522.08	\$3,379.84	\$5,464.51	\$7,322.99	\$65,574.08	\$87,875.84	\$31.526	\$42.248
21.5	\$2,461.28	\$3,298.40	\$5,332.77	\$7,146.53	\$63,993.28	\$85,758.40	\$30.766	\$41.230
21.0	\$2,402.00	\$3,218.88	\$5,204.33	\$6,974.24	\$62,452.00	\$83,690.88	\$30.025	\$40.236
20.5	\$2,344.08	\$3,141.28	\$5,078.84	\$6,806.11	\$60,946.08	\$81,673.28	\$29.301	\$39.266
20.0	\$2,287.60	\$3,065.60	\$4,956.47	\$6,642.13	\$59,477.60	\$79,705.60	\$28.595	\$38.320
19.5	\$2,232.48	\$2,991.76	\$4,837.04	\$6,482.15	\$58,044.48	\$77,785.76	\$27.906	\$37.397
19.0	\$2,178.64	\$2,919.60	\$4,720.39	\$6,325.80	\$56,644.64	\$75,909.60	\$27.233	\$36.495
18.5	\$2,126.16	\$2,849.28	\$4,606.68	\$6,173.44	\$55,280.16	\$74,081.28	\$26.577	\$35.616
18.0	\$2,074.96	\$2,780.56	\$4,495.75	\$6,024.55	\$53,948.96	\$72,294.56	\$25.937	\$34.757
17.5	\$2,024.96	\$2,713.60	\$4,387.41	\$5,879.47	\$52,648.96	\$70,553.60	\$25.312	\$33.920
17.0	\$1,976.16	\$2,648.16	\$4,281.68	\$5,737.68	\$51,380.16	\$68,852.16	\$24.702	\$33.102
16.5	\$1,928.48	\$2,584.40	\$4,178.37	\$5,599.53	\$50,140.48	\$67,194.40	\$24.106	\$32.305
16.0	\$1,882.00	\$2,522.08	\$4,077.67	\$5,464.51	\$48,932.00	\$65,574.08	\$23.525	\$31.526
15.5	\$1,836.64	\$2,461.28	\$3,979.39	\$5,332.77	\$47,752.64	\$63,993.28	\$22.958	\$30.766
15.0	\$1,792.40	\$2,402.00	\$3,883.53	\$5,204.33	\$46,602.40	\$62,452.00	\$22.405	\$30.025
14.5	\$1,749.20	\$2,344.08	\$3,789.93	\$5,078.84	\$45,479.20	\$60,946.08	\$21.865	\$29.301
14.0	\$1,707.04	\$2,287.60	\$3,698.59	\$4,956.47	\$44,383.04	\$59,477.60	\$21.338	\$28.595
13.5	\$1,665.92	\$2,232.48	\$3,609.49	\$4,837.04	\$43,313.92	\$58,044.48	\$20.824	\$27.906
13.0	\$1,625.76	\$2,178.64	\$3,522.48	\$4,720.39	\$42,269.76	\$56,644.64	\$20.322	\$27.233
12.5	\$1,586.56	\$2,126.16	\$3,437.55	\$4,606.68	\$41,250.56	\$55,280.16	\$19.832	\$26.577
12.0	\$1,548.32	\$2,074.96	\$3,354.69	\$4,495.75	\$40,256.32	\$53,948.96	\$19.354	\$25.937
11.5	\$1,511.04	\$2,024.96	\$3,273.92	\$4,387.41	\$39,287.04	\$52,648.96	\$18.888	\$25.312
11.0	\$1,474.64	\$1,976.16	\$3,195.05	\$4,281.68	\$38,340.64	\$51,380.16	\$18.433	\$24.702
10.5	\$1,439.12	\$1,928.48	\$3,118.09	\$4,178.37	\$37,417.12	\$50,140.48	\$17.989	\$24.106
10.0	\$1,404.40	\$1,882.00	\$3,042.87	\$4,077.67	\$36,514.40	\$48,932.00	\$17.555	\$23.525





Recap of Revenues & Source

All Budgeted Funds

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2017	\$5,835,499	\$0	\$12,237,985	\$18,073,484	\$2,674,493	\$552,192	\$3,323,179	\$24,623,348

RECAP OF EXPENDITURES BY FUNCTION

General Administration	830,269			830,269				830,269
Information Technology	735,906			735,906				735,906
Finance	1,729,200	26,769		1,755,969			1,593,290	3,349,259
Engineering	1,697,210			1,697,210				1,697,210
Field Operation	6,727,282			6,727,282	1,452,041	512,245		8,691,568
Source of Supply	31,038,196			31,038,196				31,038,196
Capital Projects			1,133,771	1,133,771	626,457	209,842	0	1,970,070
Total Budgeted Expenditures	\$42,758,063	\$26,769	\$1,133,771	\$43,918,603	\$2,078,498	\$722,087	\$1,593,290	\$48,312,478

SOURCE OF FINANCING

Revenues:								
Water Sales	36,300,000			36,300,000				36,300,000
Meter Service Charges/Wastewater Charges	6,313,000			6,313,000	1,718,494	414,805	2,339,543	10,785,842
New Connection Sales	183,050		194,320	377,370				377,370
Other Revenue	819,430			819,430				819,430
Investment Income	273,000			273,000				273,000
Property Taxes			2,273,000	2,273,000				2,273,000
Water Availability Charges	0	26,769	558,231	585,000				585,000
Total Revenues	\$43,888,480	\$26,769	\$3,025,551	\$46,940,800	\$1,718,494	\$414,805	\$2,339,543	\$51,413,642

NET REVENUES & EXPENDITURES

\$1,130,417	\$0	\$1,891,780	\$3,022,197	(\$360,004)	(\$307,282)	\$746,253	\$3,101,164
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EXPENDITURES OF CONTINUING PROJECTS

\$0	\$0	(\$2,998,470)	(\$2,998,470)	(\$421,181)	(\$94,444)	\$0	(\$3,514,095)
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TRANSFERS (See page 3-2)

(\$1,105,982)	\$0	\$1,105,982	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2018

\$5,859,934	\$0	\$12,237,277	\$18,097,211	\$1,893,308	\$150,466	\$4,069,432	\$24,210,417
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.

(Excludes Utility Plant)

	Projected Balance, June 30, 2017	Revenues	Expenses	Net Revenues - Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2018
General Fund						
Operating						
Discretionary Reserves						
- Rate Stabilization	\$0			\$0		\$0
- Pumping Rate Stabilization	27,388	2,635,000	(2,754,200)	(119,200)	91,812	(0)
- Operating Reserve	5,808,111			0	51,823	5,859,934
Unappropriated Fund Balance	0	41,253,480	(40,003,863)	1,249,617	(1,249,617)	0
Total Operating	\$5,835,499	\$43,888,480	(\$42,758,063)	\$1,130,417	(\$1,105,982)	\$5,859,934
Debt Service Reserve	0	26,769	(26,769)	0		0
Capital Projects Reserves						
- Continuing Projects	\$2,998,470		(\$2,998,470)	(\$2,998,470)		0
- Capacity Charges	742,352		0	0		742,352
- Capital Improvements	8,497,163	3,025,551	(1,133,771)	1,891,780	1,105,982	11,494,925
Total Capital	\$12,237,985	\$3,025,551	(\$4,132,241)	(\$1,106,690)	\$1,105,982	\$12,237,277
Total General Fund	\$18,073,484	\$46,940,800	(\$46,917,073)	\$23,727	\$0	\$18,097,211
Lower Moosa Wastewater	\$2,674,493	\$1,718,494	(\$2,499,679)	(\$781,185)		\$1,893,308
Woods Valley Expansion	\$3,323,179	\$2,339,543	(\$1,593,290)	\$746,253		\$4,069,432
Woods Valley Wastewater	\$552,192	\$414,805	(\$816,531)	(\$401,726)		\$150,466
Total All Funds	\$24,623,348	\$51,413,642	(\$51,826,573)	(\$412,931)	\$0	\$24,210,417

General Fund

Page 1 of 3

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 18,369 af	@ 20,000 af	@ 20,000 af	@ 20,000 af
41400	Municipal & Industrial	\$10,969,759	\$10,720,000	\$12,642,000	\$12,011,000
41700	Certified Agricultural - SAWR	9,918,726	11,293,000	10,859,000	12,084,000
41800	Certified Ag/Domestic - SAWR	7,431,579	8,560,000	8,522,000	9,484,000
43502	Construction	67,125	37,000	86,000	86,000
45000	Pump Charge	1,978,644	2,375,000	2,249,000	2,635,000
Total Water Sales		\$30,365,833	\$32,985,000	\$34,358,000	\$36,300,000
	METER SERVICE CHARGES				
41007	Additional Living Charge	\$21,883	\$22,000	\$20,000	\$20,000
41401	Meter Service Charges	5,369,023	5,857,000	5,757,000	6,293,000
Total Meter Service Charges		\$5,390,906	\$5,879,000	\$5,777,000	\$6,313,000
	NEW CONNECTION SALES				
41000	Water Meters - New	\$144,496	\$91,500	\$201,000	\$98,600
41990	Water Meters - Relocate	100	0	0	0
43000	Pressure Reducers	630	0	0	0
44000	Double Check Valves	70,769	78,400	60,000	84,450
Total New Connection Sales		\$215,995	\$169,900	\$261,000	\$183,050

General Fund

Page 2 of 3

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
41003	Current Secured	\$2,004,471	\$2,096,000	\$2,141,700	\$2,185,000
42010	Current Unsecured	65,125	69,000	71,000	72,000
44010	Homeowners PTR	15,952	16,000	15,700	16,000
45050	Current Water Availability Charge	579,550	585,000	583,000	585,000
48200	Interest Allocation-Wtr Availability Chg	197	0	200	0
47000	Prior Unsecured	35	0	10,200	0
48000	Interest Allocation	703	0	700	0
Total Property Taxes-Other		\$2,666,033	\$2,766,000	\$2,822,500	\$2,858,000

General Fund

Page 3 of 3

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
40001	Investment Income	\$163,485	\$225,000	\$229,000	\$273,000
41790	Delinquent Penalty	271,321	301,400	278,400	278,400
4418	Penalty	22,553	0	0	0
41850	Transfer Fee	8,150	8,000	5,800	6,000
42011	Turn On Charge	30,321	31,000	24,500	25,000
42100	R.P. Inspection/Svc Fee	147,665	143,000	130,500	131,000
42101	R.P. Repairs	15,225	16,000	10,700	11,000
43010	Sale of Maps/Copies	45	100	0	100
43300	Service Availability Charge	1,550	1,400	1,000	1,000
43500	Sale of Surplus	16,934	20,000	28,500	20,000
44020	Other	12,147	8,000	2,400	8,000
44001	Return Check Charge	425	1,500	400	1,500
44002	Lease of Facilities	323,563	353,800	350,800	333,000
44004	Escondido Sewer Collection Fee	2,594	2,600	2,300	2,600
44005	Escondido Water Service in Lieu	1,663	1,830	1,600	1,830
44066	Renewable Energy Credits	38,896	0	0	0
44600	State Mandated Cost Reimbursement	5,360	0	0	0
Total Other Revenue		\$1,061,897	\$1,113,630	\$1,065,900	\$1,092,430
	CAPITAL IMPROVEMENT CHARGES				
41002	Meter Capacity Charges	\$97,524	\$188,320	\$111,456	\$194,320
42050	Contributions In Kind	52,080	0	0	0
44202	Annex Capital Fees	0	0	0	0
Total Capital Improvement Charges		\$149,604	\$188,320	\$111,456	\$194,320
TOTAL REVENUE		\$39,850,268	\$43,101,850	\$44,395,856	\$46,940,800

All Budgeted Funds

	2015-2016	2016-2017		2017-2018
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$734,566	\$811,133	\$784,301	\$830,269
Finance	1,456,807	1,584,196	1,642,861	1,755,969
Information Technology	623,617	690,408	684,808	735,906
Engineering	1,450,071	1,651,822	1,694,576	1,697,210
Field Operation	6,344,449	6,609,449	6,238,084	6,727,282
Source of Supply	27,186,259	29,785,715	28,133,834	31,038,196
Total Operating	\$37,795,769	\$41,132,723	\$39,178,464	\$42,784,832
Capital Projects	2,772,736	1,301,500	4,170,580	1,133,771
Total General Fund	\$40,568,505	\$42,434,223	\$43,349,044	\$43,918,603
Lower Moosa Wastewater Treatment	1,226,875	1,554,837	1,509,133	2,078,498
Woods Valley Wastewater Expansion	13,228,683	20,838,171	15,835,882	1,593,290
Woods Valley Wastewater Treatment	433,343	554,888	1,135,377	722,087
Total Wastewater	\$14,888,901	\$22,947,896	\$18,480,392	\$4,393,875
Grand Total	\$55,457,406	\$65,382,119	\$61,829,436	\$48,312,478

RECAP BY FUNCTION

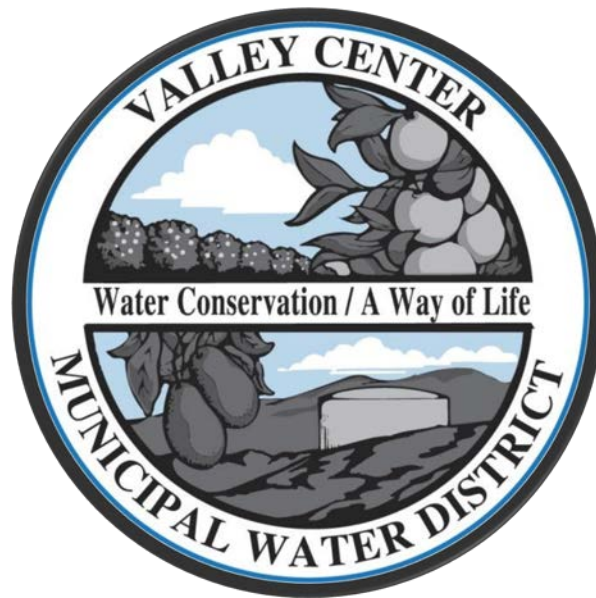
Operating	\$37,795,769	\$41,132,723	\$39,178,464	\$42,758,063
Debt Service	0	0	0	26,769
Capital Projects	2,772,736	1,301,500	4,170,580	1,133,771
Total General Fund	\$40,568,505	\$42,434,223	\$43,349,044	\$43,918,603
Lower Moosa Wastewater - Operating	1,226,875	1,554,837	1,509,133	2,078,498
Woods Valley Expansion - Capital Proj.	13,228,683	20,838,171	15,835,882	0
Woods Valley Expansion - Debt Service	0	0	0	1,593,290
Woods Valley Wastewater - Operating	433,343	554,888	1,135,377	722,087
Total Wastewater	\$14,888,901	\$22,947,896	\$18,480,392	\$4,393,875
Grand Total	\$55,457,406	\$65,382,119	\$61,829,436	\$48,312,478

WATER PURCHASED - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
80-81	6,103.3	6,239.8	4,807.9	4,586.2	3,676.1	2,586.6	2,803.0	918.5	398.6	2,407.0	4,124.3	5,394.9	44,046.2
81-82	6,781.8	6,200.0	6,068.7	4,019.9	3,235.9	1,985.8	192.1	527.2	1,027.1	1,690.3	2,823.8	3,538.6	38,091.2
82-83	5,592.7	6,190.5	4,847.6	4,512.1	1,645.2	461.9	1,317.0	458.7	87.2	904.9	2,531.3	4,034.3	32,583.4
83-84	5,737.0	4,625.2	5,473.0	3,054.9	1,628.3	341.4	1,080.1	2,766.0	3,756.7	3,488.5	5,287.9	5,008.3	42,247.3
84-85	6,035.9	5,691.6	6,308.7	4,415.4	1,664.2	180.1	657.5	504.5	1,571.3	2,718.2	4,143.1	5,062.7	38,953.2
85-86	6,433.5	6,287.9	4,800.6	4,404.2	1,628.4	849.8	2,719.2	359.3	1,139.6	2,489.4	4,799.4	5,143.3	41,054.6
86-87	6,167.6	6,991.1	4,801.2	3,148.4	3,051.3	1,490.4	1,742.0	2,027.3	615.4	4,034.4	4,411.0	5,031.1	43,511.2
87-88	5,324.3	6,078.5	5,678.1	2,798.1	947.0	1,188.0	901.8	2,078.9	3,235.9	2,445.2	4,226.2	5,035.2	39,937.2
88-89	5,988.1	5,974.0	5,903.9	4,879.6	2,460.7	1,944.7	1,379.7	1,243.7	2,704.2	4,290.2	4,589.6	5,747.0	47,105.4
89-90	7,076.1	6,686.1	6,255.6	4,890.2	4,777.0	4,419.5	1,513.3	1,022.5	2,823.6	2,914.4	5,126.0	5,030.5	52,534.8
90-91	7,407.1	6,803.4	6,949.6	6,123.1	4,273.9	3,740.2	2,299.9	3,266.8	348.5	1,680.7	3,646.1	3,814.9	50,354.2
91-92	4,479.1	4,623.0	4,713.1	4,888.7	3,789.4	1,930.6	1,368.9	1,091.8	388.6	2,260.8	3,954.0	4,799.5	38,287.5
92-93	5,922.2	6,130.2	5,936.6	4,648.7	3,432.6	979.0	516.5	132.2	1,056.5	2,710.5	4,080.8	3,968.5	39,514.3
93-94	4,588.9	4,934.7	4,582.2	3,899.8	2,132.8	1,571.9	2,406.0	385.0	877.1	1,873.0	2,171.8	4,375.4	33,798.6
94-95	4,829.2	5,447.0	4,745.3	3,869.4	2,104.8	1,921.0	181.1	737.6	393.0	1,522.1	1,915.2	3,060.5	30,726.2
95-96	4,615.4	5,329.8	5,214.9	3,891.6	2,899.9	1,982.8	1,876.6	524.4	1,091.5	3,113.5	3,964.4	4,317.2	38,822.0
96-97	5,286.9	5,563.8	4,729.4	4,121.5	1,862.7	693.3	237.7	1,142.5	2,994.2	3,334.2	4,490.8	4,286.9	38,743.9
97-98	4,992.9	5,537.3	4,321.1	3,838.6	2,068.6	896.8	641.6	207.2	871.0	1,027.3	1,470.5	3,327.7	29,200.6
98-99	5,054.0	5,587.1	4,666.7	4,102.4	2,375.3	1,568.2	2,220.3	1,459.1	2,200.5	2,182.5	3,755.1	4,023.9	39,195.1
99-00	5,304.4	5,552.4	4,833.7	5,544.5	3,993.3	3,888.1	2,911.9	1,374.0	1,899.2	3,341.9	4,615.7	5,290.8	48,549.9
00-01	5,888.9	6,364.2	5,683.8	3,911.5	3,090.6	3,846.9	1,680.8	978.0	1,386.0	2,227.3	4,383.2	5,156.3	44,597.5
01-02	5,533.3	5,998.9	5,298.0	5,070.1	2,910.0	1,441.5	3,044.3	3,216.4	3,204.0	3,657.5	4,747.0	5,403.1	49,524.1
02-03	5,995.0	6,024.9	5,877.3	4,586.9	3,014.9	1,713.3	3,207.5	1,489.0	1,277.3	2,547.1	3,783.6	4,158.0	43,674.8
03-04	6,061.1	6,467.7	5,766.5	5,517.0	2,922.9	2,742.6	3,178.0	1,282.9	3,201.1	3,978.4	5,740.7	5,322.7	52,181.6
04-05	6,222.8	5,973.1	6,053.1	2,872.2	1,183.1	1,812.0	478.4	659.4	894.3	3,288.1	4,018.9	4,649.2	38,104.6
05-06	5,837.3	5,835.5	5,302.0	3,708.3	3,950.8	3,642.9	2,744.7	2,464.8	624.6	1,512.7	3,804.0	5,339.3	44,766.9
06-07	6,593.1	5,778.2	5,751.0	4,292.3	4,387.2	2,021.6	3,654.3	1,247.2	3,348.2	3,449.4	4,822.0	5,166.9	50,511.4
07-08	5,805.6	5,975.0	5,176.6	4,768.7	3,707.3	880.7	596.8	464.4	2,139.8	3,134.1	2,895.5	3,955.3	39,499.8
08-09	4,226.7	4,204.1	3,923.1	4,106.1	2,800.9	1,035.2	1,822.3	827.7	2,387.7	2,863.2	3,542.7	3,041.3	34,781.0
09-10	4,133.6	4,234.1	4,257.0	3,334.0	2,853.2	833.2	927.4	289.8	1,442.2	1,249.6	2,772.4	3,195.9	29,522.4
10-11	3,631.9	3,860.2	3,696.5	1,833.6	1,597.5	1,122.0	1,057.6	991.0	695.9	1,830.7	2,424.4	2,932.9	25,674.2
11-12	3,716.7	3,731.7	3,379.6	2,694.2	1,050.4	1,490.1	1,847.9	1,557.1	1,170.6	1,419.9	2,518.5	3,145.9	27,722.6
12-13	3,528.0	3,966.9	3,621.2	2,857.9	2,217.7	874.7	1,177.6	960.7	1,726.5	2,420.3	2,716.1	3,170.2	29,237.8
13-14	3,301.1	3,333.3	3,299.3	2,223.1	1,717.7	1,776.9	2,369.7	1,719.5	1,418.0	2,270.1	3,197.4	2,980.5	29,606.6
14-15	3,246.9	3,125.7	3,303.5	2,968.0	2,004.6	569.0	1,124.1	1,541.4	1,845.7	2,214.3	1,401.2	2,253.7	25,598.1
15-16	1,903.3	2,491.5	1,956.2	1,869.2	1,508.4	993.7	620.7	1,387.2	1,205.0	1,519.0	1,732.2	2,470.3	19,656.7
16-17	2,798.2	2,734.0	2,246.7	2,230.4	1,671.4	761.7	276.1	337.7	1,226.1	1,941.4	1,986.7 *	2,069.6 *	20,280.0 *
AVERAGE FIRST 6 MONTHS						23,290.4	AVERAGE LAST 6 MONTHS						37,503.6
						62.10%							100.00%

WATER SOLD - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	
80-81	5,230.2	5,362.8	5,282.5	4,068.7	3,573.2	2,526.4	2,965.5	1,355.0	871.5	1,279.3	2,753.1	3,897.6	39,165.8	
81-82	6,160.5	4,835.6	6,805.9	3,975.9	3,900.3	1,752.8	1,348.9	236.3	967.9	477.2	2,463.4	3,070.1	35,994.8	
82-83	3,839.0	5,790.1	5,767.0	3,526.2	3,165.6	322.2	1,185.1	414.1	346.3	554.7	1,032.9	3,451.4	29,394.6	
83-84	4,407.9	5,616.5	4,819.2	2,601.9	3,175.5	282.7	544.7	2,008.3	2,994.5	3,158.9	3,876.5	4,688.6	38,175.2	
84-85	5,540.3	5,168.6	6,216.7	4,849.7	2,923.6	482.9	259.7	474.6	951.9	2,136.0	2,989.7	4,253.0	36,246.7	
85-86	6,025.1	5,371.5	5,573.7	3,429.1	3,306.4	370.3	1,633.0	1,453.4	644.3	1,155.6	3,528.0	4,848.4	37,338.8	
86-87	5,256.7	6,099.2	6,220.0	2,746.6	3,292.5	2,017.3	1,274.7	2,154.4	911.0	1,648.2	4,034.9	4,480.3	40,135.8	
87-88	5,075.2	5,496.0	5,770.9	4,559.4	485.3	1,225.0	885.4	970.2	2,114.0	3,877.4	2,111.3	4,166.3	36,736.4	
88-89	5,541.8	5,738.1	6,129.3	4,617.5	3,508.7	2,308.5	726.9	1,266.4	1,880.6	3,188.3	3,920.8	4,661.9	43,488.8	
89-90	6,311.7	6,279.5	6,257.1	5,351.0	4,596.1	3,906.8	2,255.1	1,326.8	1,439.2	2,924.5	3,886.8	4,002.6	48,537.2	
90-91	6,273.1	6,243.0	6,415.6	6,045.7	4,939.7	3,333.2	2,262.9	3,139.4	1,257.4	655.9	2,588.9	3,513.9	46,668.7	
91-92	3,822.2	3,846.7	4,740.0	4,562.5	3,654.4	2,866.6	903.4	1,506.6	520.4	767.3	3,430.0	3,767.7	34,387.8	
92-93	5,311.0	5,527.2	5,529.9	5,729.0	3,298.1	2,094.3	431.0	205.4	542.8	1,535.3	3,510.5	3,410.2	37,124.7	
93-94	4,614.4	4,227.5	4,591.6	3,928.3	3,023.5	1,496.8	2,430.7	867.6	748.7	1,267.2	1,451.7	3,156.4	31,804.4	
94-95	4,800.7	4,564.8	5,130.8	3,947.2	2,779.1	2,094.3	695.8	395.4	486.5	1,040.1	1,321.5	2,507.6	29,763.8	
95-96	3,908.3	4,394.7	5,697.9	3,850.9	3,126.2	2,459.2	2,078.4	694.7	541.8	2,060.1	3,680.3	3,802.5	36,295.0	
96-97	4,607.2	5,026.2	5,376.3	3,826.9	3,022.0	800.9	397.7	578.3	1,970.9	2,985.4	3,855.3	4,209.7	36,656.8	
97-98	4,566.5	4,809.3	5,163.0	3,338.3	3,304.4	802.0	973.2	355.9	438.1	618.9	1,375.8	2,261.1	28,006.5	
98-99	4,137.4	4,973.8	5,283.6	4,042.6	2,970.1	1,545.2	2,462.3	956.0	2,061.6	1,668.0	3,039.8	3,541.7	36,682.1	
99-00	4,654.8	4,919.7	5,376.5	4,827.9	4,508.1	3,480.2	3,424.3	2,413.0	809.4	3,105.6	3,574.2	4,922.9	46,016.6	
00-01	5,008.6	6,061.1	5,868.0	4,349.5	2,985.2	3,428.2	2,969.7	1,191.4	483.0	1,754.6	3,348.5	4,554.9	42,002.7	
01-02	4,893.5	5,664.6	5,568.1	4,774.4	4,237.6	1,675.2	2,075.0	3,069.6	3,309.7	2,917.2	3,909.2	5,053.2	47,147.3	
02-03	5,110.0	6,081.5	5,590.0	5,187.1	3,374.5	2,681.1	1,915.4	2,787.0	508.3	2,292.3	2,483.5	4,059.9	42,070.6	
03-04	4,858.7	6,156.9	5,823.1	5,130.8	4,085.7	2,947.0	2,484.3	2,428.3	1,715.0	3,488.0	4,821.4	5,396.8	49,336.0	
04-05	5,156.8	5,801.5	6,036.9	4,961.1	1,018.2	1,434.1	1,013.1	690.3	563.6	2,114.7	2,785.1	4,514.3	36,089.7	
05-06	4,910.9	5,389.9	5,646.3	4,597.6	2,952.1	3,787.6	2,412.1	2,157.4	1,245.5	765.4	2,615.6	4,247.7	40,728.1	
06-07	5,550.1	6,036.5	5,807.0	4,504.7	4,066.5	3,266.8	2,569.9	2,664.1	1,876.4	3,252.9	3,744.2	4,746.0	48,085.1	
07-08	4,994.6	5,759.9	5,684.4	4,293.7	4,234.4	2,140.2	986.1	277.6	913.4	2,480.1	3,236.7	2,635.1	37,636.2	
08-09	3,884.3	3,956.4	3,871.8	3,878.8	3,322.6	1,944.4	1,012.1	1,461.0	1,165.6	2,392.0	3,205.4	2,919.7	33,014.1	
09-10	3,358.6	4,022.6	4,170.3	3,545.3	2,920.4	1,782.5	1,172.9	331.0	371.0	1,747.8	1,595.8	2,819.1	27,837.3	
10-11	3,213.1	3,337.8	3,857.1	3,205.7	1,337.5	1,319.3	517.3	1,405.7	529.8	1,017.3	2,091.4	2,310.2	24,142.2	
11-12	3,388.5	3,221.0	3,732.9	2,705.0	1,896.2	1,128.4	1,809.4	1,412.2	1,390.1	1,019.2	1,500.6	2,887.0	26,090.5	
12-13	3,005.0	3,534.6	3,628.8	3,185.0	2,462.3	1,658.4	700.8	1,062.1	1,087.2	1,897.9	2,309.9	2,838.9	27,370.9	
13-14	3,197.2	3,029.9	3,297.4	2,706.0	1,999.9	1,343.3	1,962.3	2,117.6	1,206.5	1,813.5	2,590.9	2,817.6	28,082.1	
14-15	3,066.4	3,086.2	3,048.6	3,051.5	2,325.7	1,211.5	677.7	1,309.4	1,109.0	2,236.9	1,951.8	1,436.7	24,511.4	
15-16	2,252.4	1,748.7	2,356.2	1,678.6	1,613.3	1,410.9	601.2	844.1	1,150.6	1,489.2	1,422.1	1,802.2	18,369.5	
16-17	2,766.8	2,436.2	2,558.9	2,087.6	2,020.2	1,252.9	323.5	269.5	388.7	1,538.4	2,096.3	2,261.0	20,000.0	
AVERAGE FIRST 6 MONTHS						23,235.2				AVERAGE LAST 6 MONTHS			11816.5	35,051.7
						66.29%							33.71%	100.00%



General Administration

FUNCTION OVERVIEW

Provide long-term agency visioning and planning as well overall District Board policy implementation, agency administration, and specific management of the Board of Director's business, legal services, election processes, human resources, employee recognition, district memberships, public information, and water conservation programs.

ACCOMPLISHMENTS FOR 2016-2017

Performance Measurement Standards – Compliance with the following standard was as follows as of December 31, 2016:

- **Customer Satisfaction (Standard 1)** – For calendar year 2016, 99.0% of the customer ratings were “Meets” or “Exceeds” expectations, exceeding our goal of 95%.

Strategic Plan Goals –

- **Water Supply, Imported Water Sources** – Continued to engage with the State Water Resources Control Board in the process to promulgate fair, equitable, reasonable and condition-appropriate Drought Emergency and Long-term Water Use Efficiency and Water Supply and Contingency Planning regulations.
- **Energy, Utility Rates and Charges** – Continued participation in various CPUC rate, including Net Energy Metering 2, Time of Use Rates Proceedings as well as the SDG&E General Rate Case II to protect the District's investments in solar and interests in off-peak pumping investments and capabilities.

CHALLENGES FOR 2017-2018

The General Administrative Department is charged with and is responsible for the long-term visioning and planning for the agency as well as overall management of all District activities and programs in compliance with Board direction and policy. Beyond meeting these general responsibilities, the General Administration Department will face a number of challenges over the next fiscal year, including:

- **Communicating** to District customers the importance of continuing water conservation efficient practices and complying with water waster prohibitions as promulgated by the Governor and enforced by SWRCB and DWR;
- **Managing** the residual financial implications of the drought emergency which has and will continue to result in reduced revenues, while maintaining effective staffing, service, capital investment and major maintenance levels through maximizing internal efficiencies;
- **Securing** capital improvement funds from state and federal sources sufficient to support the construction of several large Capital Improvement Projects;
- **Monitoring**, overseeing, and guiding the progress toward completion of the North/South Village Wastewater Expansion Project and resulting development, as well Town Center, Butterfield Trails, Orchard Run, Meadowood and other private development Projects;
- **Overseeing**, monitoring and assisting all other departments in pursuing and meeting adopted Performance Measurements and Strategic Plan Goals in 2017-18.

GOALS FOR 2016-2017**Performance Measurement Standards:**

- **Customer Satisfaction (Standard 1)** – Continue to have “Meets” or “Exceeds” ratings in overall customer satisfaction at least 95% of the time.

Strategic Plan Goals:

- **Water Supply, Imported Water Sources (Water Supply)** – Advocate for reasonable, equitable flexible, locally controlled and condition–appropriate Long-term Water Use Efficiency and Water Supply and Contingency Planning Regulation to be adopted by the Legislature and implemented by the SWRCB.
- **Finance, MWD and SDCWA Wholesale Pricing (Finance)** – Continue to seek federal and state funding in the forms of grants and low interest rate loans to finance capital projects as well as fund on-farm water efficiency assistance for the District’s agricultural customer base.
- **Energy, Utility Rates and Charges (Energy)** – Closely monitor rate activities and initiatives of San Diego Gas and Electric and where appropriate, monitor and participate in any CPUC proceedings on issues which have the potential to directly or indirectly impact the District’s pumping and wastewater treatment costs and the long-term financial viability of the District’s renewable energy investments.
- **Operating Cost Reductions (Technology)** – Continue to control and reduce local costs through technology and knowledge assisted increases in effectiveness and efficiency, as well as complete the Corporate Facility Re-assessment and any related property transactions.
- **Photo-voltaic Solar Power (Energy)** – Continue to evaluate additional investments in cost effective small scale photo-voltaic installations in the context of changing Time of Use Periods; emerging battery storage/micro-grind technologies and SWRCB directives and future mandates for water agencies to expand clean and renewable energy usage to reduce Green House Gas emissions.

LONG-TERM GOALS

As always, it is the long-term goal of the General Administration Department to effectively:

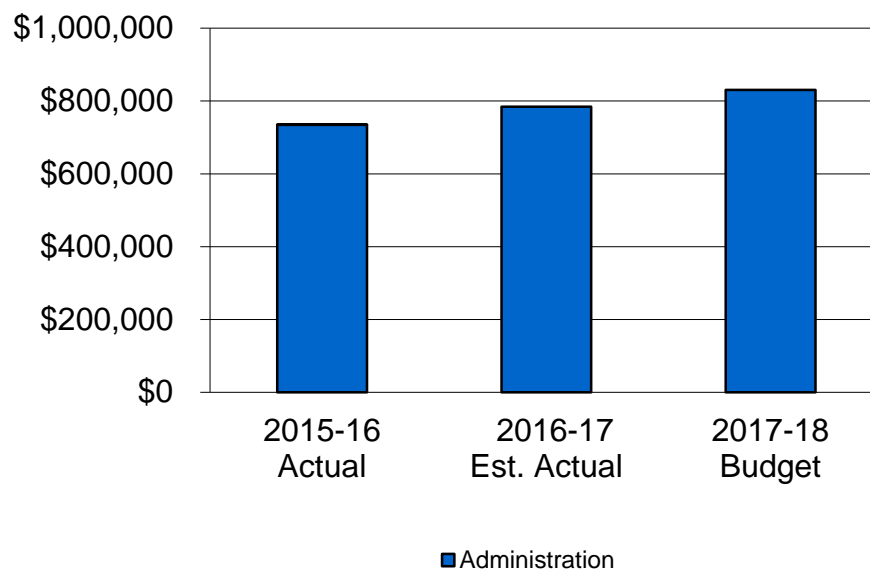
- Vision and plan for the overall future and direction of the agency;
- Implement the policies of the Board of Directors;
- Maintain an efficient and cost effective organization;
- Seek out and implement technology and methods to operate and maintain the water and wastewater systems as cost effective and efficient as possible while maintaining safe, reliable and responsive service at all times;
- Implement Capital Replacement and Improvement Program;
- Preserve local financial resources for local purposes;
- Advocate and protect appropriate wholesale revenue and rate equity for all customer classes.
- ***Prepare the District from staffing levels/expertise and technology capacity standpoints for implementation of new Long-term Water Use Efficiency and Water Supply and Contingency Planning regulation to be adopted and implemented over the next five years.***

All the efforts listed above are of course aimed toward fulfilling the District's mission to ***"Ensure Customer Satisfaction Through Quality Service at the Lowest Possible Cost,"*** and at all times, ***"Meets"*** or ***"Exceeds"*** customer expectations.

Personnel Requirements (FTE's)

	<i>Actual FY 2016-17</i>	<i>Budget FY 2016-17</i>	<i>Proposed FY 2017-18</i>
General Manager	1.0	1.0	1.0
Executive Assistant/Board Secretary	1.0	1.0	1.0
Total	2.0	2.0	2.0

Division Expenses



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
01	General Administration	734,566	811,133	784,301	830,269
TOTAL GENERAL ADMINISTRATION		734,566	811,133	784,301	830,269

General Administration 01-01-01-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	472,873	498,900	497,400	510,700
003	Overtime	52	500	50	500
010	Training & Education	0	250	0	250
011	Uniform Allowance	336	340	340	340
025	Outside Professional Services	0	500	0	10,000
026	Legal Services	84,711	85,000	85,000	85,000
028	Printing	976	2,000	1,000	2,000
029	Books & Subscriptions	398	500	400	500
030	Special Department Expenses	3,350	19,700	15,000	19,500
033	Postage	7,880	12,000	9,500	12,000
034	Membership Fees & Dues	29,309	31,500	30,000	30,850
035	Directors' Fees	9,876	12,000	11,400	12,000
036	Directors' Travel & Expenses	6,298	7,500	6,500	7,500
037	Transportation, Meals & Travel	18,768	15,500	19,500	16,000
039	Public Information and Notices	10,488	14,000	14,000	12,000
454	Maintenance of Equipment	0	500	0	500
083	Unclassified - Contingency Fund	8,403	20,000	15,000	20,000
189	LAFCO Budget Assessment	27,700	28,000	31,768	32,000
090	Government Relations/Staff Augmentation	82,212	100,000	85,000	100,000
091	Expense Credit	(29,064)	(37,557)	(37,557)	(41,371)
	Total	734,566	811,133	784,301	830,269

General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.80	510,700
003	Overtime	500
010	Training & Education Allocation from General Administration Training 5218 Page 6-7A	250
011	Uniform/Clothing/Shoes Uniform Allowance	340
025	Outside Professional Services Miscellaneous/Communications Intern 10,000	10,000
026	Legal Services General Counsel's Services 85,000	85,000
028	Printing Business Cards - Master 500 Forms and Business Cards 500 New Customer Folders 250 Miscellaneous 750	2,000
029	Books & Subscriptions Books, newspapers, periodicals and pamphlets 500	500
030	Special Department Expenses Staff Meeting Supplies 1,750 Notary Supplies 100 Miscellaneous & Office Supplies 500 District Contribution - VCEA Events 2,500 Manager's Employee of the Year Award/Plaque 900 Suggestion Awards 3,000 Employees Retirement and Appreciation Awards 3,000 Awards Presentation Luncheon 3,000 Employee of the Quarter Awards 750 Service Recognition Awards and Pins 3,000 Wellness Program 1,000	19,500

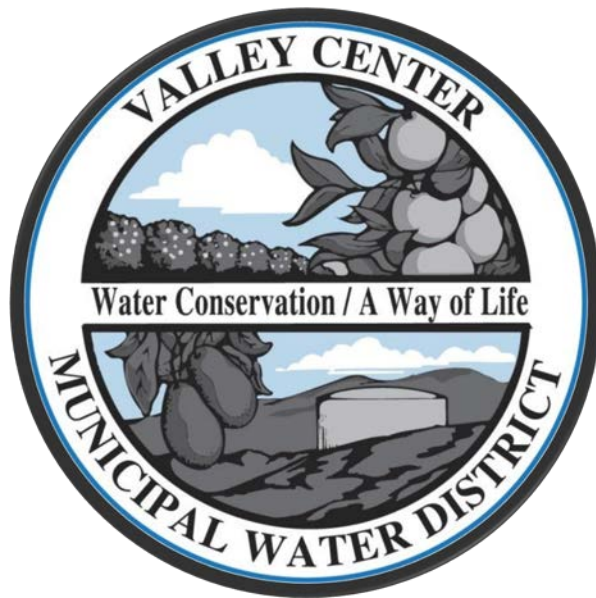
General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
033	Postage	12,000
	General Correspondence 10,000	
	Bill Insert Postage 775	
	Business Reply - Customer Comment Cards 125	
	Permit #2 Business Reply 150	
	Postage Chip Update 250	
	Post Office Box Fees 200	
	Postage Machine Supplies 500	
034	Membership Fees & Dues	30,850
	Association of California Water Agencies 21,500	
	American Water Works Association 3,600	
	Farm Bureau, San Diego County 100	
	National Notary Association 100	
	Valley Center Chamber of Commerce 150	
	California Special Districts Association 150	
	Cal Urban Water Conservation Council 1,800	
	California Municipal Utilities Association 3,200	
	California Farm Water Coalition 250	
035	Directors' Fees	12,000
036	Directors' Travel & Expense	7,500
	Conferences/Seminars/JPIA Mtgs/ACWA Region 10	
037	Transportation, Meals & Travel	16,000
	Conferences and Meetings 16,000	
039	Public Information and Notices	12,000
	Customer Information Material 3,000	
	Legal/Public Notices 1,750	
	Display Boards - Upkeep/revisions 1,750	
	Miscellaneous 500	
	Drought Communications 5,000	

General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
454	Maintenance of Equipment Adding Machines, Transcriber, Postage Machine, Board Room Recorder and Assistive Listening Device	500
083	Unclassified - Contingency Fund	20,000
189	Local Agency Formation Commission (LAFCO) Budget Assessment	32,000
090	Government Relations/Staff Augmentation	100,000
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(41,371)





Information Technology

FUNCTION OVERVIEW

The Information Technology Department provides comprehensive technology planning, development, integration, operation, and support to all areas of the District to maximize efficiency. This includes network communications infrastructure throughout the District, servers and workstations, mobile devices, database systems, data storage, telecommunications, and video surveillance security systems.

ACCOMPLISHMENTS FOR 2016-2017

Strategic Plan Implementation – Technology – The following work was performed, increasing reliability and efficiency:

- **ERP System Upgrade (Goal 4d):** The service order, work order, asset management, and fleet maintenance functionalities are part of the Enterprise Resource Planning (ERP) financial system software upgrade. Most modules have been implemented by the end of Fiscal Year 2016-17, with additional enhancements continuing into Fiscal Year 2017-18.
- **E-Business (Goal 4e):** Paperless electronic billing was made available to customers, saving time and money. As part of the ERP financial system software upgrade, the electronic billing and on-line account system was changed to a new platform provided and managed by the ERP system provider. Customers can view their bill information and pay their bills over the internet. As of May 23, 2017, there are approximately 1,733 customer accounts registered and utilizing the system, of which 225 have elected to no longer receive paper bills in the mail.
- **SCADA (Goal 4b):** Staff has completed the deployment new wireless network communications infrastructure to all major facilities, extending network coverage to 64 remote sites, including several solar generating sites. The network employs low-cost Ethernet radios in combination with advanced TCP/IP routing technology as a comprehensive, high performance and highly redundant communications system, providing multiple network services at remote sites, such as SCADA telemetry, video surveillance, advanced metering infrastructure, WiFi access points, and remote office connectivity.
 - IT staff has updated the SCADA control software to the latest available version and deployed the system in virtual server hardware, adding flexibility to system recovery and reducing hardware costs. In addition, new server systems were installed for Woods Valley Water Reclamation facility as part of the plant expansion project. The staff continues to update the SCADA software and systems throughout the District.
 - Staff continues to deploy new IP network-based high definition video surveillance technology to local and remote facilities. The technology has been deployed at corporate offices as well as 45 remote sites. Most analog surveillance technology has been decommissioned. The system consists of high definition multi-megapixel cameras that include full night vision and continuous local and remote recording capabilities, and allows remote site monitoring by operations personnel 24 hours a day.
 - Staff is continuing to evaluate and test new Advanced Metering Infrastructure (AMI) systems to test the feasibility of automatic, continuous water meter reading. The system provides the means to measure, collect, and analyze real-time data from customers' water meters. The system uses the existing District-wide wireless communication infrastructure to transfer the data from the AMI collector systems that are deployed at remote facilities.
 - IT staff developed and implemented a backflow management and tracking software. The system contains a database of backflow devices, can generate new service requests for backflow tests and keep track of all testing activity.

CHALLENGES FOR 2017-2018

The 2002 Water Master Plan identifies over \$50 million of capital projects. Many of these projects require the integration of technology with existing systems while minimizing downtime during deployment and conversion process. IT has invested in training of in-house personnel to program and integrate the deployment of SCADA components. This provides extensive in-house knowledge base for District's process control systems that are continuously being improved. The challenge is to implement the changes quickly and cost effectively while providing reliable and continuous system operation. As the lifecycle of systems installed in the previous years is starting to end, additional personnel time will need to be allocated to upgrade the software and replace the components near the end of the lifecycle, which will continuously present a challenge due to the ever increasing amount of technology and devices present in the District.

The planned Enterprise Resource Planning (ERP) software system change and implementation will provide challenges to staff time allocation and may require some procedural changes throughout the District. It is a major upgrade that will affect all areas of the District. The implementation started at the end of Fiscal Year 2015-16 and continues into Fiscal Year 2017-18.

GOALS FOR 2017-2018

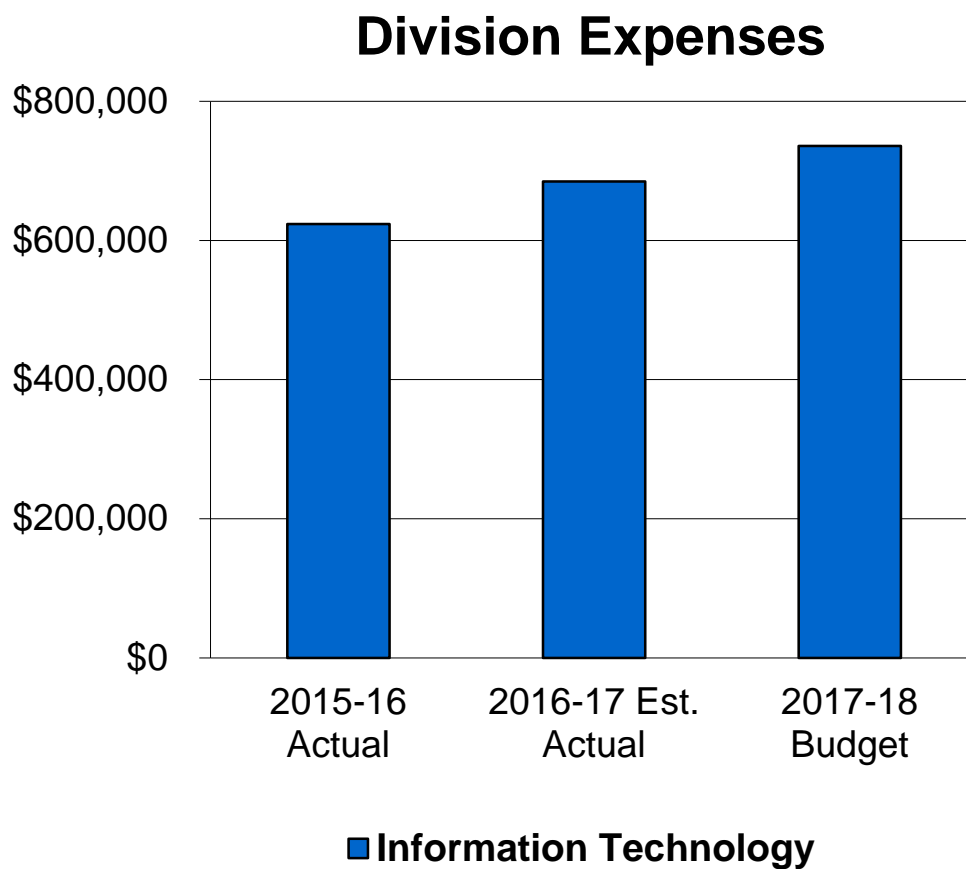
Strategic Plan Implementation – Technology – Increasing reliability and efficiency, we will implement the following:

- Staff will continue with the implementation and enhancement of the District's new ERP software system, which will provide a modern user interface in combination with more integrated functionality for all financial applications, utility billing, human resources, payroll, and integrated job costing. Staff will also continue to enhance the ERP system by developing and deploying additional data connections, custom software, and business intelligence reports.
- Staff is continuing to upgrade SCADA industrial control system (ICS) software. The current ICS software has been in operation for more than 8 years and has reached a point in its development that the manufacturer of the software has developed a new platform that has rendered the current technology obsolete. Staff has started to upgrade the SCADA control system software at the water reclamation facilities, which will continue throughout the Fiscal Year 2017-18 and beyond.
- Network computing and data storage infrastructure will continue to be enhanced at corporate facilities and remote sites as old systems become obsolete and new technology becomes available. Upgrading the systems will add additional features, enhanced security, added redundancy and provide continued operations in case of a service outage at the main data center.

LONG-TERM GOALS

Provide ongoing technology services to maximize operating efficiency at all areas of the District. Deploy and manage comprehensive District-wide communications network to enable seamless and secure connectivity at all sites. Enhance SCADA software functionality to enable better control and monitoring of industrial control equipment at all sites. Develop integrated database systems that allow for better and faster access to all District data.

Personnel Requirements (FTE's)			
	<i>Actual</i>	<i>Budget</i>	<i>Proposed</i>
	<i>FY 2016-17</i>	<i>FY 2016-17</i>	<i>FY 2017-18</i>
Director of Information Technology	1.0	1.0	1.0
Senior IT Specialist	1.0	1.0	0.0
SCADA/IT Systems Administrator	0.0	0.0	1.0
Total	2.0	2.0	2.0



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
13	Information Systems	623,617	690,408	684,808	735,906
TOTAL FINANCE		623,617	690,408	684,808	735,906

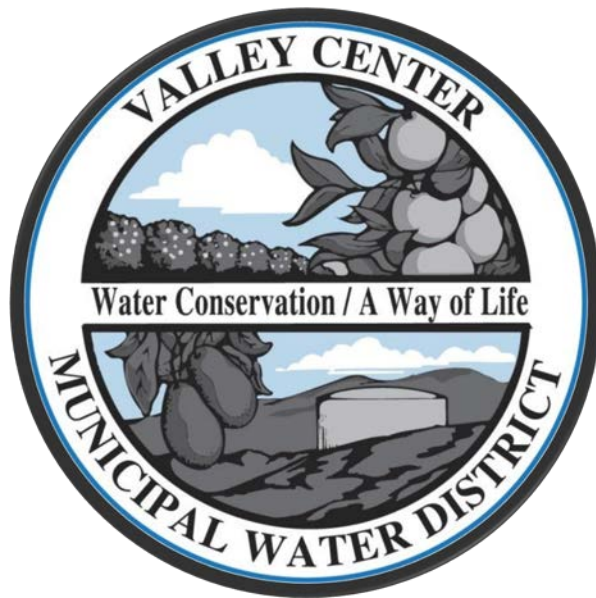
Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	517,052	529,400	532,000	570,400
003	Overtime	3,126	3,500	3,500	4,000
010	Training & Education	3,185	7,000	7,000	7,000
011	Uniform Allowance	672	675	675	675
025	Outside Professional Services	17,678	26,000	16,000	26,000
028	Printing	0	16,000	21,000	27,000
029	Memberships & Subscriptions	160	300	200	300
030	Special Department Expenses	43,074	28,500	27,000	28,500
032	Telephone and Communications	10,259	16,000	16,000	16,200
037	Transportation, Meals & Travel	1,660	1,000	800	1,000
040	Rents and Leases	11,622	12,000	12,000	12,500
341	Hazardous Waste Disposal Cost	0	500	100	500
454	Maintenance of Equipment	17,534	16,000	15,500	16,000
469	Maintenance Agreements & Contracts	23,860	65,500	65,000	62,500
091	Expense Credit	(26,265)	(31,967)	(31,967)	(36,669)
	Total	623,617	690,408	684,808	735,906

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.10	570,400
003	Overtime	4,000
010	Training & Education Allocation from General Administration Training 5218 Page 6-7A	7,000
011	Uniform Allowance	675
025	Outside Professional Services	26,000
	Network System Programming 1,000	
	ERP Programming Changes, Enhancements 20,000	
	SCADA Programming 2,000	
	Website Programming 1,000	
	Telephone Equipment Programing 2,000	
028	Printing	27,000
029	Memberships & Subscriptions	300
030	Special Department Expenses	28,500
	Computer Workstation Replacements 6,000	
	Software and Hardware 11,000	
	Backup Tapes (HP) 500	
	Infrastructure Upgrades 11,000	
032	Telephone and Communications	16,200
037	Transportation, Meals & Travel	1,000
040	Rents and Leases	12,500
	Backup Tape Archive Storage 2,800	
	Repeater Site 9,700	

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
341	Hazardeous Waste Disposal Costs	500
454	Maintenance of Equipment	16,000
	Server Repair	3,000
	Workstation and Laptop Repair	1,500
	Printer Repair	2,000
	Network Infrastructure Repair	1,000
	Telephone Equipment Repair	1,000
	Copier Machines	1,000
	Facsimile Machines	500
	SCADA Infrastructure	2,000
	Fire Suppression System	500
	Video Surveillance Repair	1,500
	Miscellaneous	1,000
	Radio Repeaters	1,000
469	Maintenance Agreements and Contracts	62,500
	ERP System	38,000
	Antivirus	3,500
	Firewall and VPN	4,000
	Network Management Systems	3,500
	Content Filtering	2,500
	Backup and Data Storage	4,000
	Phone System	5,000
	Website Content Management	2,000
091	Expense Credit	(36,669)
	Reimbursement from Sewer Funds for Administrative Overhead	



Finance

FUNCTION OVERVIEW

The Finance Department provides professional financial planning to the District for the funding of operational costs and capital improvement projects needed to sustain water and wastewater service to its customers. Accounting and auditing services are provided to show clearly and accurately at all times the financial status of the District. The Department invests available assets and manages the District's debt including assessment districts. The Finance Department is also tasked with the responsibility of the Consumer Services Division and the Human Resources Division.

Costs incurred by the Salary Clearing Division are transferred to other divisions and funds at 214% of actual productive salary expended to cover the combined expense of salary and fringe benefits, including leave. The labor shown in the balance of the budget includes fringe benefits. Salary charged to outside projects and wastewater funds is at 229% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.

ACCOMPLISHMENTS FOR 2016-17

Awards - Our 2016-17 annual budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2016 Comprehensive Annual Financial Report has been sent in for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Notification is pending.

Performance Measurement Standards – Compliance with these Standards was as follows as of December 31, 2016:

- **Discretionary Reserves (Standard 3):** The District's standard is to maintain unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year at a minimum of three and a maximum six month's operations and maintenance budget, excluding wholesale water and power purchases. The unrestricted reserve balance met our performance standard.
- **Local Share of Total Water Commodity Costs (Standard 4):** Our share of the total water commodity rate, as budgeted as of February 1, 2016, were 10.5% of the total commodity cost for domestic customers and 14.5% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments (Standard 10):** For the calendar year 2016 our weighted average yield was 1.001%, exceeding the benchmark of 0.615% by 39 basis points. The District estimates our yield for the 2017-18 fiscal year to be 1.30%.

CHALLENGES FOR 2017-2018

The 2002 Water Master Plan identified over \$50 million of capital projects. Funding these projects with the lowest possible impact on our water rates continues to be one of the Districts greatest challenges. Low water sales directly impact the District's financial results, requiring diligence in budgeting and operations.

GOALS FOR 2017-2018

Performance Measurement Standards –

- **Discretionary Reserves (Standard 3):** Continue to maintain discretionary reserves at the maximum six months' operations and maintenance budget.
- **Local Share of Total Water Commodity Costs (Standard 4):** Our share of the total water commodity

rate, as budgeted as of February 1, 2018, shall be no more than 13% of the total commodity cost for domestic customers and 16% for certified agricultural.

- **Return on Investments (Standard 10):** Meet or exceed the District's investment benchmark of return on investments greater than the 12-month rolling average return on U.S. Treasury bonds.

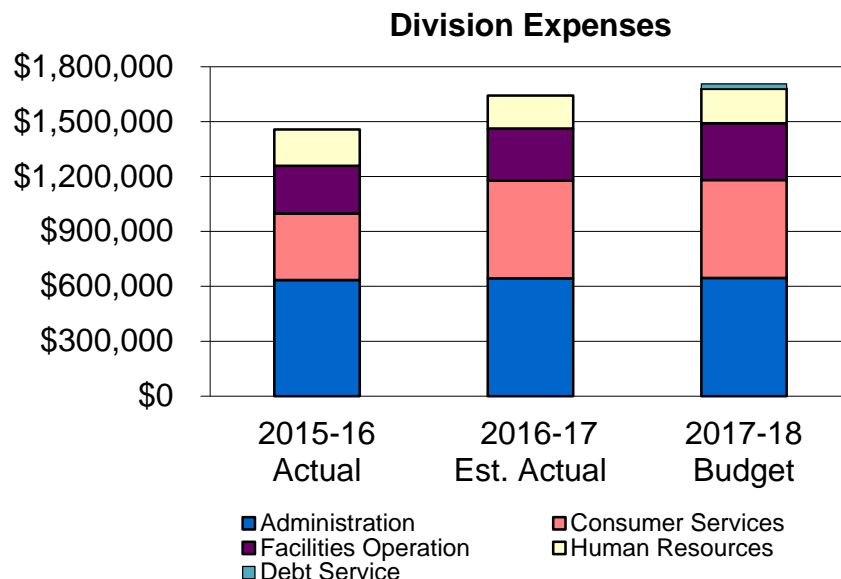
Other –

- Submit the 2017-18 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2017 Comprehensive Annual Financial Report for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

LONG-TERM GOALS

Provide ongoing financial analysis to support the District's capital improvement program in a time of reduced water deliveries and rapidly increasing wholesale prices. Continue to improve procedures to be able to provide information to users as fast and accurately as possible.

Personnel Requirements (FTE's)			
	<i>Actual FY 2016-17</i>	<i>Budget FY 2016-17</i>	<i>Proposed FY 2017-18</i>
Director of Finance & Administration/Treasurer	1.0	1.0	1.0
Manager of Accounting	1.0	1.0	1.0
Accounting Specialist II	1.0	1.0	1.0
Accounting Specialist I	1.0	0.0	1.0
Consumer Services Supervisor	1.0	1.0	1.0
Senior Consumer Services Assistant	1.0	1.0	1.0
Total	6.0	6.0	6.0



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
11	Administration	634,918	610,866	644,491	696,249
12	Consumer Service	363,089	503,822	533,022	534,421
14	Facilities Operation	260,994	289,732	284,782	310,976
15	Human Resources	197,806	179,776	180,566	187,554
16	Salary Clearing	0	0	0	0
18	Training	0	0	0	0
19	Debt Service	0	0	0	26,769
TOTAL FINANCE		1,456,807	1,584,196	1,642,861	1,755,969

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	587,830	543,100	585,500	579,600
003	Overtime	2,930	5,000	21,000	5,000
010	Training & Education	715	2,500	1,500	2,500
011	Uniform Allowance	2,043	2,100	2,100	2,100
025	Outside Professional Services	54,594	56,500	46,600	113,000
028	Printing	1,604	2,000	1,650	2,000
029	Subscriptions and Publications	1,051	1,000	2,900	2,500
030	Special Department Expenses	2,419	3,000	2,600	3,000
033	Postage	104	13,800	0	600
034	Membership Fees & Dues	805	650	425	650
037	Transportation, Meals & Travel	7,299	9,500	8,500	17,500
091	Expense Credit	(26,476)	(28,284)	(28,284)	(32,201)
	Total	634,918	610,866	644,491	696,249

Finance Administration 01-02-11-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.70	579,600
003	Overtime	5,000
010	Training & Education Allocation from General Administration Training 5218 Page 6-8	2,500
011	Uniform Allowance	2,100
025	Outside Professional Services	113,000
	Annual District Audit 25,000	
	Single Audit 5,000	
	Actuarial Services 10,000	
	Availability Charges, Computer Svcs, Notices, & Liens 1,000	
	Bank Service Charges 22,000	
	Temporary services 50,000	
028	Printing	2,000
	Business Cards 200	
	Checks 1,500	
	Other 300	
029	Subscriptions and Publications	2,500
	Trade Journals and Newspapers 500	
	Government Accounting Standards Board 700	
	GASB 68 Reports 1,300	
030	Special Department Expenses	3,000
	CAFR Applications and Debt Statistics 1,000	
	Budget Application 200	
	Office Supplies 1,800	
033	Postage	600
	Availability Charge Notices 300	
	FedEx & Miscellaneous Mailings 300	

Finance Administration 01-02-11-50XXX

Acct. No.	Detail and Justification	Department Request
034	Memberships, Fees and Dues	650
	Calif. Society of Municipal Finance Officers	150
	California Municipal Treasurers' Association	200
	Government Finance Officers Association	200
	Other	100
037	Transportation, Meals & Travel	17,500
	ACWA Fall & Spring Conference	12,000
	ACCELA Engage Conference	2,500
	Transportation to Training and Seminars	1,500
	Other	1,500
091	Expense Credit	(32,201)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	368,184	385,900	390,300	402,400
002	Interns & Temporary Labor	0	10,000	15,100	10,000
003	Overtime	6,102	9,000	33,500	10,000
025	Outside Professional Services	19,156	20,000	16,200	36,200
028	Printing	15,378	15,800	15,000	16,000
030	Special Department Expenses	201	350	350	350
033	Postage	48,817	51,000	50,800	51,000
037	Transportation, Meals & Travel	24	100	100	100
087	Write Off of Uncollectible Accounts	(79,188)	35,000	35,000	35,000
091	Expense Credit	(15,585)	(23,328)	(23,328)	(26,629)
	Total	363,089	503,822	533,022	534,421

Consumer Services 01-02-12-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.70	402,400
002	Interns & Temporary Labor	10,000
003	Overtime	10,000
025	Outside Professional Services	36,200
	Bill and Notice Preparation 20,000	
	Call-Em-All 1,200	
	Credit Card Processing 15,000	
028	Printing	16,000
	Computer Generated Forms:	
	Billing & Delinquency Stock & Envelopes 15,600	
	Bill Payment Stubs 200	
	Business Cards 200	
030	Special Department Expenses	350
	Office Supplies 200	
	Lien Releases & Recording Fees 150	
033	Postage	51,000
	120,000 Water Bills & Final Notices	
037	Transportation, Meals & Travel	100
	Transportation to Training and Seminars	
087	Write Off of Uncollectible Accounts	35,000
091	Expense Credit	(26,629)
	Reimbursement from Sewer Funds for Administrative Overhead	

No.	Description	2015-2016 Actual	2016-2017		2017-2018
		Budget	Actual	Budget	
025	Outside Professional Services	975	1,500	1,100	1,500
027	Office Supplies	9,208	9,500	8,500	9,500
028	Printing	1,831	3,000	2,300	3,000
030	Special Department Expenses	950	1,400	1,100	1,400
032	Telephone/Answering Service	63,258	63,000	62,400	63,000
040	Rents & Leases	2,370	2,400	2,000	2,400
042	Insurance	147,418	165,437	165,437	182,336
045	Electricity	44,219	47,000	45,700	52,000
454	Maintenance of Equipment	1,476	2,250	2,000	2,250
091	Expense Credit	(10,711)	(5,755)	(5,755)	(6,410)
	Total	260,994	289,732	284,782	310,976

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
025	Outside Professional Services Record Destruction Services Solar Energy Registration	1,500 1,200 300
027	Office Supplies-District Various Office Supplies, Copier Paper	9,500
028	Printing Letterhead, Business Cards, Labels, Envelopes	3,000
030	Special Department Expenses Property Taxes for Facilities Outside the District County Vector Control Assessment	1,400 800 600
032	Telephone/Answering Service Telephone Cellular Service Answering Service	63,000 20,000 32,000 11,000
040	Rents & Leases Postage Machine Print Head Storage of Application Files	2,400 1,200 1,200
042	Insurance General Liability Property Damage and Fidelity Coverage Other Self Insured Retention Less Amount Charged to Sewer Funds	182,336 148,170 60,940 5,000 (31,774)
045	Utilities-Electricity Electricity for Administration, Board Room Multipurpose Room, and Engineering Annex I & II	52,000

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
454	Maintenance of Equipment	2,250
	Postage Machine and Scale 1,000	
	Letter Opener and Folder 300	
	Check Signer and Endorser 300	
	Currency Counter 350	
	Other 300	
091	Expense Credit	(6,410)
	Reimbursement from Sewer Funds for Administrative Overhead	

Human Resources 01-02-15-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	162,507	167,200	151,400	176,300
003	Overtime	227	800	250	500
010	Training & Education	0	1,000	0	1,000
025	Outside Professional Services	34,268	3,500	34,700	3,500
026	Legal Services	0	10,000	0	10,000
030	Special Department Expenses	10,739	1,000	640	1,000
034	Membership Fees & Dues	0	600	400	600
037	Transportation, Meals & Travel	979	4,000	1,500	4,000
091	Expense Credit	(10,914)	(8,324)	(8,324)	(9,346)
Total		197,806	179,776	180,566	187,554

Human Resources 01-02-15-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.70	176,300
003	Overtime	500
010	Training & Education Allocation from General Administration Training 5218 Page 6-7A	1,000
025	Outside Professional Services Employee Assistance Program 1,750 State Mandated Sexual Harassment Training 750 Other 1,000	3,500
026	Legal Services Personnel, Benefits, and Retirees' Health Plan	10,000
030	Special Department Expenses Flu-Shots 700 Other 300	1,000
034	Membership Fees and Dues California Public Employees Labor Relations Association (CALPELRA) 350 International Public Management Association for Human Resources 150 San Diego International Public Management Association for Human Resources (SD IPMA-HR) 100	600
037	Transportation, Meals & Travel Training, Seminars, Meetings 500 CalPELRA Conference 1,000 CalPers Conference 2,000 Other 500	4,000
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(9,346)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor	5,927,377	5,988,502	5,863,825	5,801,147
002	Interns and Temporary Labor	0	10,000	0	14,400
003	Overtime	257,989	287,100	292,433	286,050
004	Unemployment Insurance	13,161	14,600	12,150	11,700
005	Retirement	1,839,988	1,932,100	1,944,900	2,064,900
006	Medicare	91,854	89,800	90,700	90,500
007	Medical	1,248,969	1,374,539	1,259,509	1,367,990
008	Worker's Compensation	120,962	127,000	114,500	131,000
009	Life and Disability Insurance	117,108	124,800	122,400	124,700
010	Social Security	1,783	1,400	700	1,600
012	Vacation/Sick/Holiday Leave	976,666	997,800	997,800	1,026,100
013	Increase in Value Of Accrued Leave	98,166	85,100	85,100	146,200
015	Dental	77,269	72,000	69,200	69,600
016	Vision	11,390	12,100	11,750	11,750
018	Post Retirement Health Benefit	426,039	618,467	618,467	637,891
017	Retirement Health Deferred Cont.	6,139	9,400	8,500	10,400
091	Expense Credit - Leave	(98,166)	(997,800)	(997,800)	(1,026,100)
091	Expense Credit	(11,116,694)	(10,746,908)	(10,494,134)	(10,769,828)
	Total	0	0	0	0

Salary Clearing 01-02-16-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor Salary for all District employees Full Time Equivalents 62.00	5,801,147
003	Overtime	286,050
004	Unemployment Insurance Federal mandated program - 2.6% of first \$7,000.	11,700
005	Retirement District Contribution to CalPERS.	2,064,900
006	Medicare 1.45% of base pay plus overtime on all employees hired after April 1, 1986.	90,500
007	Medical Preferred Provider or Health Maintenance Organization	1,367,990
008	Workers Compensation Required program to provide compensation and medical costs in the event of injury on the job.	131,000
009	Life and Disability Insurance Life and Accidental Death and Dismemberment 90,000 Long-Term Disability 34,700	124,700
010	Social Security	1,600
012	Vacation / Sick / Holiday Leave	1,026,100
013	Increase in Value of Accrued Leave Generally Accepted Accounting Principles requires the District to fund accrued leave at current value at year end.	146,200

Acct. No.	Detail and Justification	Department Request
015	Dental Insurance District paid for employee and dependents.	69,600
016	Vision Insurance District paid for employee and dependents.	11,750
018	Post Retirement Health Annual required contribution to defined benefit plan.	637,891
020	Retirement Health, Defined Contribution Plan	10,400
091	Expense Credit - Leave	(1,026,100)
091	Expense Credit	(10,769,828)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
110	General and Administration	0	250	0	250
111	Finance Administration	715	2,500	1,000	2,500
112	Consumer Services	0	0		0
113	Information Technology	3,185	7,000	6,500	7,000
115	Human Resources	0	1,000	0	1,000
127	Benefits	0	0	0	0
121	Engineering Administration	690	4,100	3,600	6,200
131	Field Administration	23,464	30,000	27,500	30,000
091	Expense Credit	(28,054)	(44,850)	(38,600)	(46,950)
	Total	0	0	0	0

Training 01-02-18-50XXX

Acct. No.	Detail and Justification	Department Request
001	General Administration Seminars & Workshops 250	250
011	Finance Administration Accounting Education 1,700 Accounting Updates 800	2,500
013	Information Technology Software Training Tuition Reimbursement 7,000	7,000
015	Finance - Human Resources Miscellaneous Training 1,000	1,000
021	Engineering Administration Management Training 5,200 JPIA Supervisory Training 600 Continuing Education 400	6,200
031	Field Administration Customer Service 500 Backflow/Cross Connection 600 Cla-valve 550 Heavy Equipment 700 Trenching/Shoring 550 Water Quality 500 Electric 3,000 Pump Training 550 Computer 550 Continuing Education 14,000 Technology Classes 2,700 Supervisor Certification 550 Energy Management/Preparedness 550 Wastewater Technical Classes 800 Collection Systems 1,200 Safety 2,700	30,000
091	Expense Credit	(46,950)

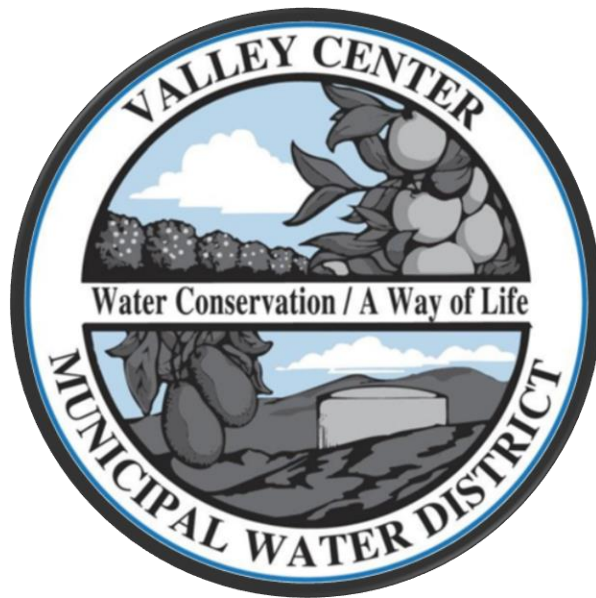
Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
	Principal	0	0	0	22,140
	Interest on Debt	0	0	0	4,629
	Total	0	0	0	26,769

Water Availability Charge/Other	0	0	0	26,769
Total	0	0	0	26,769

**California Drinking Water SRF Payment Schedule
Cool Valley Reservoir Cover/Liner Replacement**

Due Date	Ref Num	Principal Payment	Interest Rate %	Interest Payment	Total Payment
1/01/2017	1	\$0.00	1.60%	\$0.00	\$0.00
7/01/2017	2	\$0.00	1.60%	\$293.49	\$293.49
1/01/2018	3	\$22,139.81	1.60%	\$4,335.60	\$26,475.41
7/01/2018	4	\$44,501.85	1.60%	\$11,008.05	\$55,509.90
1/01/2019	5	\$59,935.91	1.60%	\$17,587.78	\$77,523.69
7/01/2019	6	\$83,601.34	1.60%	\$23,237.11	\$106,838.45
1/01/2020	7	\$97,495.62	1.60%	\$30,285.61	\$127,781.23
7/01/2020	8	\$96,682.63	1.60%	\$31,098.60	\$127,781.23
1/01/2021	9	\$97,456.09	1.60%	\$30,325.14	\$127,781.23
7/01/2021	10	\$98,235.74	1.60%	\$29,545.49	\$127,781.23
1/01/2022	11	\$99,021.62	1.60%	\$28,759.61	\$127,781.23
7/01/2022	12	\$99,813.79	1.60%	\$27,967.44	\$127,781.23
1/01/2023	13	\$100,612.31	1.60%	\$27,168.92	\$127,781.23
7/01/2023	14	\$101,417.20	1.60%	\$26,364.03	\$127,781.23
1/01/2024	15	\$102,228.54	1.60%	\$25,552.69	\$127,781.23
7/01/2024	16	\$103,046.37	1.60%	\$24,734.86	\$127,781.23
1/01/2025	17	\$103,870.74	1.60%	\$23,910.49	\$127,781.23
7/01/2025	18	\$104,701.71	1.60%	\$23,079.52	\$127,781.23
1/01/2026	19	\$105,539.32	1.60%	\$22,241.91	\$127,781.23
7/01/2026	20	\$106,383.63	1.60%	\$21,397.60	\$127,781.23
1/01/2027	21	\$107,234.70	1.60%	\$20,546.53	\$127,781.23
7/01/2027	22	\$108,092.58	1.60%	\$19,688.65	\$127,781.23
1/01/2028	23	\$108,957.32	1.60%	\$18,823.91	\$127,781.23
7/01/2028	24	\$109,828.98	1.60%	\$17,952.25	\$127,781.23
1/01/2029	25	\$110,707.61	1.60%	\$17,073.62	\$127,781.23
7/01/2029	26	\$111,593.27	1.60%	\$16,187.96	\$127,781.23
1/01/2030	27	\$112,486.02	1.60%	\$15,295.21	\$127,781.23
7/01/2030	28	\$113,385.91	1.60%	\$14,395.32	\$127,781.23
1/01/2031	29	\$114,292.99	1.60%	\$13,488.24	\$127,781.23
7/01/2031	30	\$115,207.34	1.60%	\$12,573.89	\$127,781.23
1/01/2032	31	\$116,129.00	1.60%	\$11,652.23	\$127,781.23
7/01/2032	32	\$117,058.03	1.60%	\$10,723.20	\$127,781.23
1/01/2033	33	\$117,994.49	1.60%	\$9,786.74	\$127,781.23
7/01/2033	34	\$118,938.45	1.60%	\$8,842.78	\$127,781.23
1/01/2034	35	\$119,889.96	1.60%	\$7,891.27	\$127,781.23
7/01/2034	36	\$120,849.08	1.60%	\$6,932.15	\$127,781.23
1/01/2035	37	\$121,815.87	1.60%	\$5,965.36	\$127,781.23
7/01/2035	38	\$122,790.40	1.60%	\$4,990.83	\$127,781.23
1/01/2036	39	\$123,772.72	1.60%	\$4,008.51	\$127,781.23
7/01/2036	40	\$124,762.90	1.60%	\$3,018.33	\$127,781.23
1/01/2037	41	\$125,761.00	1.60%	\$2,020.23	\$127,781.23
7/01/2037	42	\$126,767.16	1.60%	\$1,014.14	\$127,781.30
Total		\$4,195,000.00		\$671,765.29	\$4,866,765.29





Engineering

FUNCTION OVERVIEW

The Engineering Department provides professional and technical expertise to plan for the future and help the District to meet its mission of providing reliable water and wastewater service to its customers. These services are accomplished through planning, designing, inspecting and managing District Capital Improvement Projects, and by plan checking and inspecting Developer funded projects. Other responsibilities include maintaining and updating technical records related to the District water, wastewater and recycled water infrastructure improvements, including easements and District property, assisting customers with service applications and technical information on the District facilities and overseeing the District's Water Conservation Program.

ACCOMPLISHMENTS FOR 2016-2017

Performance Measurement Standards:

▪ Project Actual Cost (Standard No. 6):

Engineering staff goal is to have actual project costs within $\pm 10\%$ of the engineer's estimate.

- The District completed five construction contracts in FY 2016/17 and the project costs are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Charlan Road Seasonal Storage Project	\$4,300,000	\$3,161,189	(\$8,336)	\$3,152,853	-27%
South Village Wastewater Collection System ¹	\$1,850,000	\$1,621,000	\$173,800	\$1,794,800	-3%
Cool Valley Reservoir Cover/Liner Replacement	\$3,000,000	\$2,309,200	\$48,803	\$2,358,003	-21%
Wilkes Road Pipeline ²	\$400,000	\$417,153	\$35,000	\$452,153	13%
FY 2016/17 Totals	\$9,550,000	\$7,508,542	\$249,267	\$7,757,809	-21%

¹ Pending Resolution of Final Closeout Change Order – Amount shown represents full amount requested by contractor which is being contested.

² Estimated Total Construction Cost includes one outstanding change order. Bid amount 4.3% higher than Engineer's estimate. Change Order totaling 7.9% of the Original Contract amount due primarily to unforeseen conditions.

- The District has two projects under construction at the close of the fiscal year. These projects are scheduled to be completed in July/August 2017. The current project contract amounts are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Woods Valley Ranch WRF Phase 2 Expansion	\$10,371,000	\$10,472,000	\$491,194	\$10,963,194	6%
Rincon Reservoir Repainting/Coating ³	\$225,000	\$198,698	\$4,441	\$203,139	-10%
FY 2016/17 Totals	\$10,596,000	\$10,670,698	\$495,635	\$11,166,333	1%

³ Includes estimated final Closeout Change Order Amount.

▪ Water Supply - Goal 1a:

- Water Stewardship – Administered the District's Water Conservation Program to effectively meet all regulatory and Urban Water Conservation Council Memorandum of Understanding requirements, and supporting and attending numerous water conservation educational events.
 - Urban Water Management Plan - The 2015 update to the Urban Water Management Plan was completed and submitted to the Department of Water Resources for review at the close of the fiscal year.
 - Agriculture Water Management Plan – The District participated in a Regional Agriculture Water Management Plan for 2015 with thirteen other North County agencies. The management plan was completed and submitted to the State Department of Water Resources for review. Grant funding was obtained to partially fund the effort.
 - Water Loss Audits and Validation – Engineering participated with Finance and Field staff in preparation of the District's Water Loss Audit report in compliance with the Department of Water Resources new regulations.

▪ Infrastructure - Goal 2:

- Provided engineering plan review and inspection services associated with multiple private development projects resulting in the orderly expansion of the water infrastructure system.
- Continued work on the Integrated Water Resources Management Plan for use in identifying future infrastructure requirements for future capacity and replacement needs, and for use in obtaining funding assistance.
- Completed the Cool Valley Reservoir Liner/Cover Replacement Project and obtained funding for the project through a Drinking Water State Revolving Fund Loan.
- Completed the Wilkes Road Pipeline Extension Project.
- Completed repainting and coating of the Rincon Reservoir, one of the District's 38 steel water storage reservoirs, in keeping with annual maintenance recommendations to recoat the reservoirs every 15 – 20 years.

▪ Technology - Goal 4:

Geographical Information System (GIS – 4a) - Continued routine maintenance of the GIS, keeping facility data current and reliable for internal use. Completed integration of high-resolution orthoimagery (4-inch pixel) obtained from participation in multi-agency aerial imagery project.

Other Projects and Services: Services provided in FY 2016 - 2017 through May 2017 include:

- Processed applications and released for installation 23 domestic water meters; 46 fire service meters; 10 meter resizes; and 31 construction meters.
- Managed and administrated 44 Agency Clearance letters; 9 Project Availability and Commitment letters; 4 Special Projects; and 4 wastewater system connection.
- Marked out and processed 1,142 underground service alert requests.

- Identified 10 new right-of-way violations and resolved 13; processed 25 new encroachments and issued 42 encroachment permits.
- Processed 7 communication company lease site installations and upgrades.

CHALLENGES FOR 2017-2018

The Engineering Department is tasked with and responsible for the planning, design, project management and inspection of water, wastewater and reclamation facility infrastructure improvements for both capital and developer projects. In implementing this responsibility, it is anticipated that a number of challenges will be faced, including:

- Establishment of appropriate policies, procedures and guidelines for the provision and expansion of water service in an environment of ever diminishing water availability and conversion from predominately agricultural uses to rural residential and urban uses.
- Development of local water supply sources.
- Development of financially feasible wastewater infrastructure projects for property owner participation on a voluntary basis within the service area of existing treatment facilities.
- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply, reclamation, and solar power generation projects.
- React to County Road projects (widening, storm drain replacement, etc.) to implement capital projects as necessary to relocate District facilities as required.
- Update the District's Standard Specifications for Construction of District Facilities including the Standard Drawings and Facility Design Manuals for Water and Wastewater facilities.

GOALS FOR 2017-2018

Strategic Plan Implementation:

Water Supply – Goal 1:

- Coordinate with Rainbow Municipal Water District for the provision of water supply and for the Meadowood Development.
- Administer the District's Water Conservation Program to effectively meet all regulatory and Urban Water Conservation Council Memorandum of Understanding requirements.
- Coordinate the Water Loss Audit efforts internally as needed to meet the regulatory reporting and validation requirements.

Infrastructure – Goal 2:

- Complete the Wastewater Master Plan Update and pursue financial assistance for needed infrastructure improvements at the Lower Moosa Canyon Wastewater Reclamation Facility and assist with the design, construction, inspection and acceptance of the facilities.
- Provide project management of the Woods Valley Ranch Wastewater Expansion Projects, including planning for a Phase 3 Expansion to meet development needs and projects in the North and South Village areas.

- Coordinate with Rainbow Municipal Water District for the provision of wastewater service to the Meadowood Development and developer's engineer on the planning of the "in-tract" water and wastewater facilities.
- Prepare drawings and bid documents, and perform construction management including inspection and preparation of record drawings for the Miller Pump Station Bypass, Keys Creek Pipeline Crossing Replacement and evaluation of the 24, 30 and 39-inch Concrete Cylinder Pipe from the Betsworth Forebay to the Valley Center Pump Station and the CCP downstream of the Miller and Valley Center Pump Stations.
- Pursue funding opportunities for infrastructure replacement and local water supply projects; specifically for the Cole Grade Road Pipeline Replacement Project and AMR to AMI Conversion projects.
- Obtain Final Budget Approval of the Clean Water State Revolving Fund (SRF) Loan for funding construction of the North Village Wastewater Collection System consisting of 3-inch low pressure collection line, 6-inch forcemain and two lift stations.
- Complete the painting and recoating of the Red Mountain and Betsworth Forebay reservoirs.
- Coordinate with County of San Diego on the widening of Cole Grade Road. Funding for design of the Cole Grade Road Pipeline Replacement Project was requested with the FY 2016-17 Annual Budget. The County deferred construction of the road widening project to March 2019, which will delay the need to start the pipeline design to March 2018.

Technology - Geographical Information System (GIS) - Goal 4a: Continue to provide GIS training and assistance to staff making beneficial utilization of the GIS more readily available. Continue to maintain current database information and integrate new data sources into the GIS. Develop GIS web map applications to provide staff with more efficient means to access and query facility data.

Computer Aided Drafting (CAD) Document Management (DM) System – Goal 4a: Finalize implementation of the Synergis Adept document management system for the accessibility and organization of the District's map drawings and project documents.

Technology - SCADA - Goal 4b: Assist with the implementation and advancement of the SCADA system through providing drafting support for preparation of record drawings, technical support in areas of instrumentation, controls, control strategy, asset management implementation, interpretation of data and interface with the District's water modeling software.

Technology – AMR and AMI - Goal 4c: Assist with the conversion from AMR to AMI through securing funding sources, coordinating acquisition of receiver sites and design of facilities as needed.

Energy - Efficiency - Goal 5a: Assist in the design, review, and installation of energy efficient pump assemblies.

Energy - Renewable and Alternative Energy Resources - Goal 5b: Analyze potential sites for suitability of solar power generation to reduce the use of electric energy.

Other Goals:

- Update of the District's Standard Specifications and Drawings to include wastewater facilities, update the District's Water and Wastewater Facility Design Guidelines, and develop Computer Aided Drafting Standards to be used for preparation of water and wastewater construction documents.
- Continue to assist staff in the use of digital District maps and record drawings, update the valve detail drawings, and maintain updated hardcopies of the Valve Books for the District staff.

- Reduce processing time and paperwork required for water and wastewater service requests by utilizing computer resources.
- Provide opportunities for cross training in the areas of GIS, AutoCAD, and Customer Service.
- Continue to update electric gates within the District with District gate receivers.

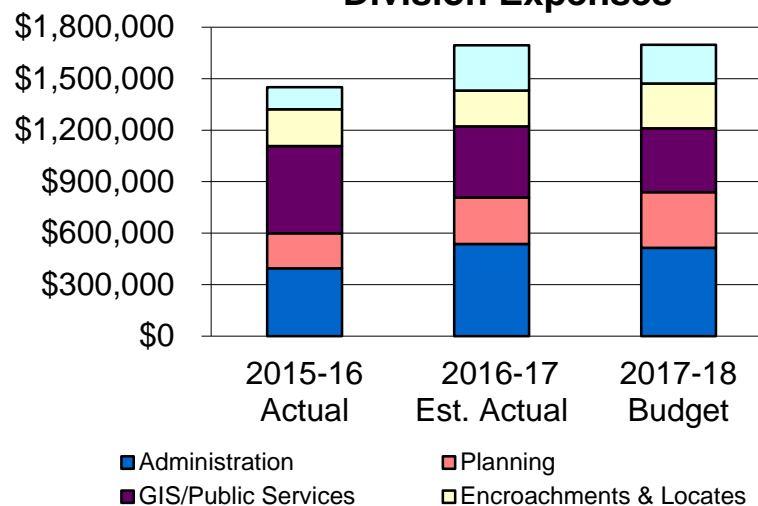
LONG-TERM GOALS

- Seek out funding sources and financial assistance programs to fund required capital improvements.
- Maximize the use of the District's computers to make facility information more readily available through integration of the Integrated Water Resource Management Plan, SCADA, GIS, and record drawings.
- Assist with the development pump strategies and procedures to maximize pumping efficiencies utilizing water system modeling.

Personnel Requirements (FTE's)

	<i>Actual</i> FY 2016-17	<i>Budget</i> FY 2016-17	<i>Proposed</i> FY 2017-18
District Engineer/Deputy General Manager	1.0	1.0	1.0
Project Manager/Deputy Engineering Dept. Director	1.0	1.0	1.0
Project Manager	1.0	1.0	1.0
Project Coordinator	0.0	0.0	1.0
GIS/Engineering Services Supervisor	1.0	1.0	0.0
Senior Administrative Assistant	1.0	1.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Administrative Assistant I	1.0	1.0	1.0
Senior Engineering Technician	0.0	0.0	1.0
Engineering Technician III	1.0	1.0	1.0
Engineering Technician II	2.0	2.0	1.0
GIS Mapping Analyst	1.0	1.0	1.0
Senior Construction Inspector	0.5	0.5	0.0
Construction Inspector	1.0	1.0	1.0
	12.5	12.5	12.0

Division Expenses



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
21	Administration	395,056	448,675	537,375	514,274
22	Planning	204,426	341,160	270,310	324,434
23	GIS/Public Services	507,557	352,718	414,322	372,280
24	Encroachments & Locates	214,883	286,772	208,372	260,852
28	Design/Construction	128,149	222,497	264,197	225,370
TOTAL ENGINEERING		1,450,071	1,651,822	1,694,576	1,697,210

		2015-2016	2016-2017		2017-2018
Acct. No.	Description	Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	399,870	445,200	535,500	513,400
003	Overtime	905	1,500	1,000	1,500
010	Training & Education	45	1,600	5,000	6,200
011	Uniforms/Shoes	3,884	4,800	4,800	5,300
026	Legal Services	1,566	6,500	4,000	7,500
028	Printing	48	150	50	200
029	Books & Subscriptions	519	1,000	500	1,000
030	Special Department Expenses	1,526	1,000	1,500	1,000
034	Membership Fees & Dues	3,016	3,000	3,000	3,000
037	Transportation, Meals & Travel	310	4,700	2,800	800
091	Expense Credit	(16,633)	(20,775)	(20,775)	(25,626)
Total		395,056	448,675	537,375	514,274

Engineering Administration 01-03-21-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.20	513,400
003	Overtime	1,500
010	Training & Education Allocation from General Administration Training 5218 Page 6-7A	6,200
011	Uniforms/Shoes	5,300
026	Legal Services	7,500
028	Printing Reports, Business Cards, Mass Mailings	200
029	Books & Subscriptions AWWA Standards Update 250 Standard Specifications for Public Works 100 Technical Journals, Publications, Software 350 Engineering News Record 200 Miscellaneous 100	1,000
030	Special Department Expenses Office and Drafting Supplies 500 Miscellaneous 500	1,000
034	Membership, Fees & Dues American Water Works Association 100 American Public Works Association 250 American Society of Civil Engineers 250 Certifications 125 Construction Management Association of America 125 Southern California Alliance Public Treatment Works (SCAP) 1,700 Water Environment Federation 225 Water Reuse 75 Other 150	3,000

Engineering Administration 01-03-21-50XXX

Acct. No.	Detail and Justification	Department Request
037	Transportation, Meals & Travel	800
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(25,626)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	212,214	281,800	210,000	263,600
003	Overtime	327	500	500	500
010	Training & Education	0	1,000	500	0
025	Outside Professional Services	4,025	65,000	65,000	65,000
028	Printing	96	500	100	500
029	Books & Subscriptions	0	0	0	0
030	Special Department Expenses	0	0	4,000	0
034	Membership Fees & Dues	0	0	0	0
037	Transportation, Meals & Travel	234	1,200	600	1,800
459	Software Technical Support	719	7,050	5,500	9,200
091	Expense Credit	(13,189)	(15,890)	(15,890)	(16,166)
	Total	204,426	341,160	270,310	324,434

Planning 01-03-22-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.15	263,600
003	Overtime	500
025	Outside Professional Services	65,000
028	Printing Reports, Business Cards, Mass Mailings	500
037	Transportation, Meals & Travel	1,800
459	Software Technical Support	9,200
	ID Modeling 3,600	
	Adept Document Management 2,150	
	H2OMap Water 2,250	
	H2OMap Wastewater 1,200	
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(16,166)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	400,606	295,700	360,000	297,500
003	Overtime	6,858	2,700	6,000	3,500
010	Training & Education	645	500	54	0
025	Outside Professional Service	0	18,000	18,000	18,000
028	Printing	0	100	100	100
029	Books & Subscriptions	0	150	50	150
030	Special Department Expenses	82,832	9,800	5,000	29,700
034	Membership Fees & Dues	33	400	0	400
037	Transportation, Meals & Travel	185	750	750	780
468	Maintenance of Equipment	0	750	500	720
459	Software Technical Support	25,180	16,500	16,500	16,280
184	Water Conservation Program	10,981	23,700	23,700	23,700
091	Expense Credit	(19,763)	(16,332)	(16,332)	(18,550)
	Total	507,557	352,718	414,322	372,280

GIS/Public Services 01-03-23-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.75	297,500
003	Overtime	3,500
025	Outside Professional Service	18,000
028	Printing Board Displays, Presentations, Reports Standard Specifications, Rules, Regulations, Etc.	100
029	Books & Subscriptions Technical Journals and Magazines	150
030	Special Department Expenses Office Supplies 3,000 San Diego County Assessor's Maps 2,400 Large Format Printer/Plotter Supplies 1,800 Parcel Quest - Online Property Search Service 2,500 201 Aerial Imagery 20,000	29,700
034	Membership, Fees & Dues Geospatial Information and Technology Assn. 200 California Geographic Information Association 100 Urban & Regional Information Systems Assn. 100	400
037	Transportation, Meals & Travel	780
468	Maintenance of Equipment Large Format Copier/Scanner 750	720

GIS/Public Services 01-03-23-50XXX

Acct. No.	Detail and Justification	Department Request
459	Software Technical Support GIS Products 16,280	16,280
184	Water Conservation Program Splash Science School Mobile Lab 4,000 Water Conservation Materials 3,500 Green Machine 2,900 SMART Landscape Program 4,000 Landscape Irrigation Classes 500 California Urban Water Conservation Counsel Dues 1,800 Printing 2,000 Public Outreach 2,000 Water Education Programs - Poster Contest 1,500 School Program 1,500	23,700
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(18,550)

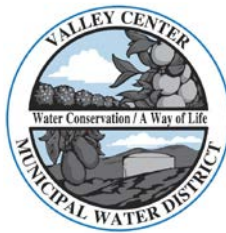
Encroachments & Locates 01-03-24-50XXX

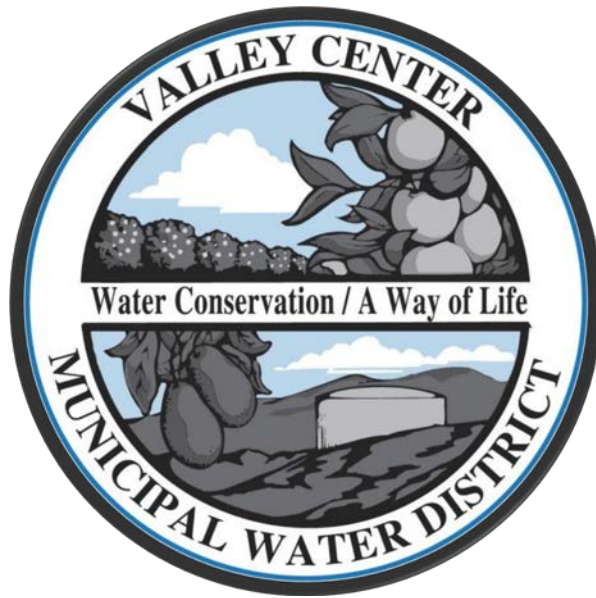
Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.50	243,800
003	Overtime	1,500
025	Outside Professional Services	6,750
026	Legal Services	2,500
030	Special Department Expenses	16,000
	Drafting and Office Supplies 200	
	Markout Supplies 500	
	Inspection Supplies 500	
	Markout Device (Locator) 500	
	Dig Alert 1,200	
	Miscellaneous 600	
	Spatial Wave Software - Remote Dig Alert Tickets 12,500	
037	Transportation, Meals & Travel	300
454	Maintenance of Equipment (Locators)	1,000
459	Software Technical Support	2,000
091	Expense Credit	(12,998)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	136,070	154,800	200,000	198,000
002	Interns and Temporary Labor	0	0	0	20,000
003	Overtime	0	2,700	0	1,500
010	Training & Education	0	500	500	0
025	Outside Professional Services	0	67,000	67,000	10,000
028	Printing	212	1,000	1,500	750
029	Books & Subscriptions	0	100	0	100
030	Special Department Expenses	264	1,800	1,000	1,800
037	Transportation, Meals & Travel	0	400	0	450
454	Maintenance of Equipment	44	500	500	500
459	Software Technical Support	0	4,000	4,000	3,500
091	Expense Credit	(8,441)	(10,303)	(10,303)	(11,230)
	Total	128,149	222,497	264,197	225,370

Design/Construction 01-03-28-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.20	198,000
002	Interns and Temporary Labor	20,000
003	Overtime	1,500
025	Outside Professional Services Contract Drafting Assistance 10,000	10,000
028	Printing	750
029	Books & Subscriptions	100
030	Special Department Expenses Drafting Office Supplies 1,250 Mylar Film 250 Miscellaneous 300	1,800
037	Transportation, Meals & Travel	450
454	Maintenance of Equipment	500
459	Software Technical Support	3,500
091	Expense Credit Reimbursement from Sewer Funds	(11,230)





Field Operations

FUNCTION OVERVIEW

The Field Operations Department is the largest within Valley Center Municipal Water District. It is divided into six Divisions with a staff of 40 full time employees, including 5 in wastewater operations. The department is responsible for the operation and maintenance of all District facilities, water and wastewater, and the District's security and safety programs. It also performs a number of in-house construction and improvement projects and works in conjunction with the Engineering Department in providing in-house planning, construction knowledge, and the completion of smaller capital projects.

Administration - The Administration Division administers and supervises the daily functions of the District's Field Department and includes customer service, radio dispatch, and employee's certifications and physical requirements. In addition:

- The Safety and Regulatory Compliance Division encompasses the District's safety and compliance programs for all departments to ensure the preservation of the District's low worker's compensation ratings through ACWA/JPIA, the insurance provider.

For eight years, the District has been presented with a refund check from the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). The cumulative amount of the refunds totals \$519,284. The refunds represent a partial return of prior years' insurance premiums due to the District's successful efforts to control and reduce property, liability, and workers' compensation losses. Due to the District's low e-modification rating, the District also receives a discounted rate in premiums for our Workers Compensation and Liability Insurance Programs which has resulted in additional savings of \$711,463 over the past eight years. Combined, the District has received refunds and lower insurance premiums of \$1,230,747.

- The District Security Division administers the implementation of the recommended measures from the vulnerability assessment for incorporation throughout the District's facilities, via the SCADA network.

Operations - Water - The Water Operations Division estimates usage demand, purchases water, and regulates flow throughout the distribution system. It also analyzes pump efficiency data and monitors and tracks solar generation. That information is used to develop pumping strategies that improve resources and help reduce overall pumping costs. The Division is also responsible for pressure reducing stations, altitude valve maintenance, monthly facility and reservoir inspections as well as the operations of the SCADA and telemetry system. Additionally, the Water Operations Division is responsible for water quality, sampling, testing and all DHS reporting including the District's Water Quality Report. This year over 3,700 chlorine residual samples, 520 coliform and general physical samples and 32 disinfection by-product samples were taken to ensure a safe and compliant water quality program.

Operations - Wastewater - The Wastewater Division is responsible for the operation and maintenance of the Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Wastewater Treatment Plant. This includes performing tests and making the necessary adjustments to meet Regional Water Quality Control Board effluent standards. The Moosa laboratory performs daily wastewater sampling, potable bacteriological testing (Bac-T), and general physicals samples. The Division is also responsible for the maintenance of the sewer collection systems, lift stations and low pressure systems, which includes locating, inspecting and repairing all sewer lines and manholes within the wastewater system. The Woods Valley Plant processes the District's first tertiary water and includes the District's reclaimed water program. *Wastewater operations are presented in separate sections of this budget.*

Pumps and Motors - The Pump & Motor Division maintains, repairs, and replaces the electrical and mechanical equipment at the District's 58 different water and wastewater facilities. The Division maintains the District's equipment at a high level of efficiency, reliability, and safety through proactive maintenance and replacement programs. The water facilities are comprised of 53 locations consisting of 44 reservoirs, 113

electric motor driven pumps, 25 emergency power generators, 11 air compressors, 8 natural gas engine driven pumps, and 6 solar power systems. The wastewater facilities are comprised of 5 locations consisting of 56 electric motor driven pieces of equipment, and 4 emergency power generators. The Division is also responsible for the in-house planning and implementation of the District SCADA Project, potential solar sites, and security systems, as well as their maintenance, upgrades, and improvements. In addition, it is responsible for the Fleet Division, which repairs and maintains District vehicles, tractors, and equipment. The District fleet consists of 48 vehicles, 44 pieces of large equipment, and 84 pieces of miscellaneous equipment.

Construction and Maintenance – The C&M Division maintains, inspects, repairs, upgrades, and locates as necessary the more than 341 miles of pipelines and easements that run throughout the District's service area. It detects and repairs leaks and performs maintenance, upgrades and repairs to all mainline valves and appurtenances. The C&M Division performs most of the District's in-house construction projects and is responsible for the flushing of dead-end water lines to maintain water quality. It assists the Wastewater Division with in-house construction work and all the major repairs of sewer lines and manholes within the wastewater system. The Division is also responsible for landscaping needs and requirements of all District facilities and easements.

Meter Services - The Meter Services Division is responsible for the installation, relocation and repair of all water meters and service laterals. This includes responsibility for warehousing, meter installation, backflow and service repair inventories. This Division reads, monitors, and tests water meters. As of April 30, 2017, there were 9,997 active meters, of which 1,110 are fire meters, and 4,629 backflow devices that are tested annually. It oversees the Cross Connection/Backflow program and responds to the majority of the customer service requests which are received by the District. It also enforces the District's Water Conservation measures and mandates and assists with the corporate facilities maintenance and repairs. In addition, it oversees the Corporate Facilities Division which repairs and maintains the District's corporate facility.

ACCOMPLISHMENTS FOR 2016-2017

Performance Measurement Standard:

- **Water Loss (Standard 2):** Unknown water loss is to be reported for the past ten years in terms of percent of water sold, acre feet, and value of water lost, as well as efforts to minimize and reduce the loss. Unaccounted water loss for calendar year 2016 was 1,000.3 acre feet, 4.7% of total water sold, which was the lowest volume ever recorded for a Calendar Year reporting period and represents \$1.04 million dollars. Through a service agreement with CAL Fire, the District cleared 55 remote easements to improve leak detection and system surveillance measures. Meter testing, exchange, and inspections were increased to assist in reducing the District's known water loss. Staff has also installed additional security measures involving magnetic interruption or tampering influence on an additional 100 meter accounts, representing 4 meter routes and will continue this magnetic detection procedure into the 2017-18 fiscal year. The District will continue to work on strategies and procedures to further reduce the "unknown water loss" in the next measurement period.
- **Pump Efficiency (Standard 5):** The goal is to maintain the pumping efficiency at or above 95% of the design criteria. The District annually tests the efficiency of all the distribution pumps and reconditions pump systems that dropped below the acceptable range. To meet the District's Pump Efficiency Standard 5, pumps were reconditioned to restore their overall efficiency. Currently, during the District's pump rebuilding process, the reconditioned pumps are fitted with mechanical seals to eliminate water loss from the old design pump packing system. For this Fiscal Year, the Rincon Pump Station was relocated to the Cool Valley Reservoir site so the new 91kW solar arrays will off-set the new Rincon pumps energy demand.
- **Water Service Reliability (Standard 7):** was 99.999% for calendar year 2016.

- **Compliance with Regulations (Standard 8):** The District was compliant with all state and federal regulations.
- **Lost-time Accidents (Standard 9):** The District had no lost-time accidents in calendar year 2016.
- **Strategic Plan Implementation:**
 - **SCADA (Goal 4b):** Continued to monitor the SCADA system program. Completed the installation of the equipment and structures for SCADA phases I through VII. The development of the HMI screens and final field testing is in process. This fiscal year, the automation of Betsworth Forebay Gas Engines #4 and Miller Pump Station Bypass Valve is under construction and additional sites are in the planning phase. Staff also installed or replaced multiple security cameras and communication radios at various sites throughout the District.
 - **Solar Projects (Goal 5b):** Staff constructed and brought online one new solar array to reduce our electric consumption, demand charges, and energy costs. A 70kW solar array was installed at the Miller Pump Station to partially offset the electrical usage from pumping at the Miller Pump Station 7&8 bank.

Other Projects:

- Retrofitted 8 existing fire hydrants on Valley Center Road with automated shut-off valves to reduce water loss and potential property damage.
- Developed and implemented drought and water conservation measures to comply with the new State Water Resource Control Board mandatory water use restrictions.
- Purchased and outfitted two half ton replacement trucks.
- Completed smog testing on 16 vehicles, opacity testing on 11 trucks and APCD emission testing on all 8 natural gas engines.
- Load tested 14 Emergency Back-up Generators.
- Installed cathodic protection in Reid Hill and West #1 Reservoirs.
- Satin sealed paving at 8 reservoir, pressure reducing station, and pump station sites.
- Cleaned, pressure washed, and inspected 10 steel tank reservoirs.
- Completed Valve Maintenance through Quad D to include upgrades of 14 below grade air/vac assemblies.
- Purchased a new portable 150kW gen-set for emergency response readiness.

CHALLENGES FOR 2017-2018

- Repair, upgrade and maintain the water system, while at the same time keeping the system fully operational and meeting all District goals, guidelines and standards.
- Continue to meet the mandatory water use reductions implemented by the State Water Resource Control Board.
- Continue to implement operational pumping strategies to minimize the financial impacts of SDG&E's continuously changing rate schedule tariffs.
- Develop policies and procedures that comply with the changing drought regulations and mandates to

ensure compliance with enforcement and monitoring requirements.

- Maintain water quality standards by researching and implementing internal water circulation devices and/or constructing separate inlet/outlet structures on the older steel tank reservoirs to improve cross-movement and mixing throughout the reservoir.
- Continue with the in-house construction and implementation of automating the District's natural gas engines and bypass valves to provide increased remote and automated operations.
- Continue to research the feasibility of in-house construction of a small scale solar project at various sites to reduce energy consumption and improve the District's carbon footprint.
- Train and develop employees on SCADA equipment maintenance, PLC Programming and related software issues and requirements.

GOALS FOR 2017-2018

Performance Measurement Standards:

- **Water Loss (Standard 2):** To further improve the District's water loss percentage, continue replacing high usage 3-inch, 2-inch, and 1½-inch meters. Continue to evaluate and survey high demand areas of the District and increase leak detection measures in high risk areas. Maintain security and tamper proof measures in remote easements and perform weekend and after-hours field and meter inspections. Staff will also implement an Advanced Metering Infrastructure System (AMI) study in preparation of the Central Valley development that will provide the ability to remotely monitor a meters usage and provide customers with real-time usage and leak detection capabilities.
- **Pump Efficiency (Standard 5):** Maintain the efficiency requirements through repair, reconditioning and replacing sub-par pumping equipment. Evaluate low performing pump stations for pump and motor replacement upgrades. Utilize the rebate and efficiency programs available through SDG&E to offset District costs in the improvement of sub-standard pump stations. For Fiscal Year 2017-2018, recondition upgrades are planned for the pumps at Valley Center Pump Station and Circle R Pump Station to improve their overall efficiency and modernize the pumps to accommodate mechanical seals.
- **Water Service Reliability (Standard 7):** Continue to maintain 99% or better water service reliability, compliance with all regulations, and no lost-time accidents (Standards 7, 8, and 9).

Strategic Plan Implementation:

- **SCADA System (Goal 4b)** – Continue with the automation of natural gas engines and bypass valving to improve remote operational control. Perform more preventative maintenance to maintain or improve the high level of reliability within the SCADA system and functionality.
- **Vulnerability Assessment** - Staff has implemented the necessary security upgrades and improvements within the construction of SCADA Phases III through VII. Additional security measures have been implemented at solar field sites. The District's entrance area of the Administration building has been upgraded for improved security measures and customer efficiencies and functionality.
- **Solar Projects (Goal 5b)** – Continue to evaluate the installation of small scale solar arrays at pump stations to offset energy consumption, demand charges, and electric costs.

Other Goals:

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- Finish retrofitting the fire hydrants along Valley Center Road with the new auto shut-off AVK check valves and explore future areas to implement the automated shutoff valves.
- Continue to be vigilant and responsive to the changing water quality regulations with new Federal or State mandates and guidelines.
- Continue to evaluate the District's energy consumption and determine cost saving measures to offset power costs through improved maintenance or alternative generation at pumping facilities.
- Continue to identify and install new in-line valves and repair existing in-line and reservoir valves at designated points throughout the District's service area.
- Continue to retrofit fire hydrants, as needed, with automated shutoff valves to reduce water loss and property damage.
- Complete valve maintenance through Quad E and upgrade associated appurtenances.
- Continue to clean, inspect, and repair reservoirs throughout the District's service area, to reduce or eliminate water quality issues throughout the distribution area.
- Satin seal paving at 10 facilities throughout the District.
- Continue to build and install internal mixing units at troublesome reservoir sites.
- Continue to appraise, examine, and improve the District's infrastructure and facilities throughout the District's service area to prevent major system failures.
- Continue installing security measures on large meters, checking for tampering and working with CAL Fire to clear easements to prevent water loss.
- Begin the construction phase of upgrading the bypass valve stations throughout the District.

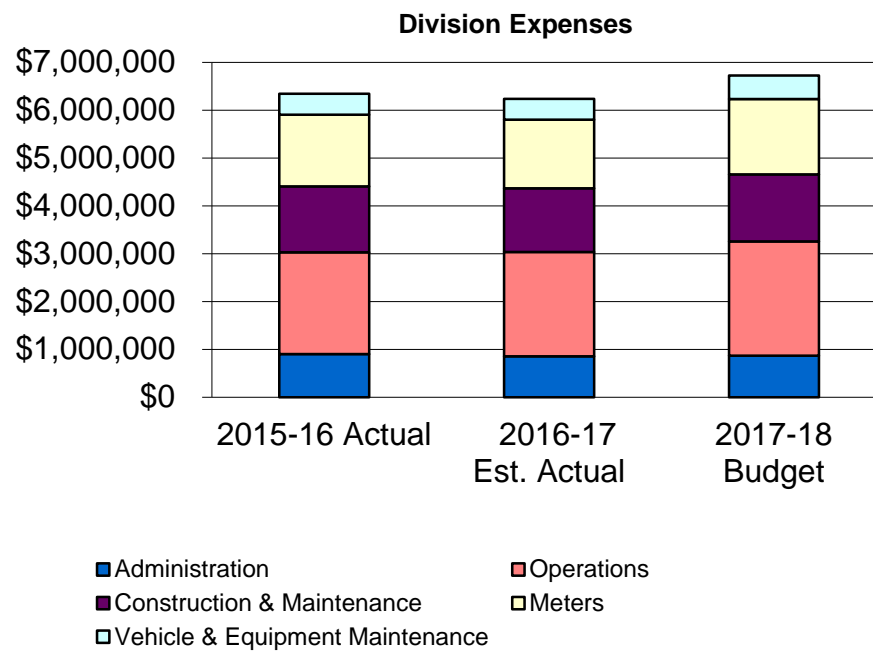
LONG TERM GOALS

- Continue upgrading of the District's pump and corporate facilities to improve energy efficiencies (Standard 5).
- Continue to train and develop District personnel to meet the District's future succession planning demands.
- Re-establish easement maintenance and meter maintenance programs throughout the District's distribution system to improve system evaluations and leak detection measures.
- Work with Information Technology to develop a maintenance, inventory, and service order record keeping system to improve work efficiencies, practices, and maintenance records.
- Implement and develop pumping strategies and procedures to maximize pumping efficiencies and incorporate solar or alternative generation into that approach.

- Continue to research and implement strategies or new technologies to improve efficiencies and maximize costs savings in all aspects of the District's operational procedures.
- Continue to monitor and implement new and ongoing regulatory compliance obligations and requirements mandated through the State Water Resource Control Board.

Personnel Requirements (FTE's)

	<i>Actual</i> <i>FY 2016-17</i>	<i>Budget</i> <i>FY 2016-17</i>	<i>Proposed</i> <i>FY 2017-18</i>
Director of Operations	1.0	1.0	1.0
Safety & Regulatory Compliance Supervisor	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0
Construction Maintenance Supervisor	1.0	1.0	1.0
Meter Services Supervisor	1.0	1.0	1.0
Pumps & Motors Supervisor	1.0	1.0	1.0
Water Systems Supervisor	1.0	1.0	1.0
Wastewater Systems Supervisor	1.0	1.0	1.0
Senior Construction Maintenance Tech	3.0	3.0	3.0
Construction Maintenance Technician III	4.0	4.0	4.0
Construction Maintenance Technician II	0.5	0.5	0.0
Construction Maintenance Tech I	2.0	2.0	2.0
Landscape Maintenance Worker III	1.0	1.0	1.0
Senior Meter Service Technician	0.0	0.0	1.0
Meter Services Technician III	2.0	3.0	1.0
Meter Services Technician II	3.0	3.0	3.0
Senior Pump Facilities Technician	2.0	2.0	2.0
Senior Electrician	1.0	1.0	1.0
Electrical Technician II	1.0	0.0	1.0
Electrician	1.0	1.0	1.0
Senior Fleet Mechanic	1.0	1.0	1.0
Fleet Mechanic II	1.0	1.0	1.0
Pump Facilities Technician I	1.0	1.0	1.0
Senior Water Systems Technician	1.0	1.0	1.0
Water Systems Technician III	3.0	3.0	3.0
Water Systems Technician I	1.0	1.0	1.0
Senior Wastewater System Technician	1.0	1.0	1.0
Wastewater Systems Technician III	2.0	2.0	2.0
Wastewater Systems Technician II	1.0	1.0	1.0
Total	40.5	40.5	40.0



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
	ADMINISTRATION				
31	Field Administration	459,082	410,397	423,042	420,307
32	Safety & Regulatory Compliance	213,842	200,707	217,357	211,130
33	Landscape & Paving Maintenance	155,570	151,200	140,300	145,643
34	District Security	73,272	83,676	74,426	91,206
	Total Administration:	901,766	845,980	855,125	868,286
	OPERATIONS				
42	System Operation	749,089	747,600	738,300	771,800
43	Telemetry	192,002	190,200	178,045	290,900
44	Treatment	52,681	74,550	66,200	84,800
45	Automatic Valves	59,344	113,300	61,500	103,900
46	Reservoir Maintenance	212,955	212,600	194,350	210,100
47	Pump Maintenance	198,682	308,900	274,525	300,700
48	Motor Maintenance & Electric Panels	587,583	557,300	540,300	491,500
49	Quality Control	74,768	91,900	129,500	137,200
	Total Operations:	2,127,104	2,296,350	2,182,720	2,390,900
	CONSTRUCTION & MAINTENANCE				
53	Pipeline and Right-of-Way Maint.	745,963	718,800	640,020	651,600
54	Corporate Facilities Maintenance	99,418	116,219	90,069	107,446
55	Valve Maintenance & Location	532,787	592,900	599,000	641,900
	Total Construction & Maintenance:	1,378,168	1,427,919	1,329,089	1,400,946
	METERS				
61	Meter Installation	155,678	169,900	159,060	183,050
62	Meter Reading	35,370	44,200	46,050	67,000
63	Service Connection Maintenance	1,112,196	1,105,100	1,060,300	1,088,400
65	Backflow Maintenance	196,237	232,700	169,745	237,000
	Total Meters:	1,499,481	1,551,900	1,435,155	1,575,450
71	Vehicle & Equipment Maintenance	437,930	487,300	435,995	491,700
TOTAL FIELD OPERATIONS		6,344,449	6,609,449	6,238,084	6,727,282

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	406,562	345,800	365,000	359,000
003	Overtime	84	1,000	625	1,000
010	Training & Education	23,464	30,000	28,500	30,000
011	Uniform/Clothing/Shoes	34,062	35,400	35,000	35,500
025	Outside Professional Service	0	0	0	0
028	Printing	252	1,500	700	500
030	Special Department Expenses	2,250	2,500	2,500	2,500
032	Automated Telephone Dial Service	1,363	2,500	700	2,500
033	Postage	12	600	150	150
034	Memberships, Fees and Dues	0	300	270	300
037	Transportation, Meals & Travel	5,417	7,000	6,000	7,000
038	Regulatory Permits & Fees	2,537	2,800	2,600	2,800
091	Expense Credit	(16,921)	(19,003)	(19,003)	(20,943)
	Total	459,082	410,397	423,042	420,307

Field Administration 01-5431.

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.65	359,000
003	Overtime	1,000
010	Training & Education Allocation from General Administration Training 5218 Page 6-7B	30,000
011	Uniform/Clothing/Shoes Uniforms for Field Personnel 25,900 Safety Shoes 7,800 Hats 800 Sweatshirts 500 Jackets 500	35,500
028	Printing General Printing 500	500
030	Special Department Expenses Office Supplies 2,000 Miscellaneous Equipment 500	2,500
032	Automated Telephone Dial Service for scheduled SDCWA shutdowns	2,500
033	Postage General Postage 150	150
034	Memberships, Fees and Dues Miscellaneous 300	300
037	Transportation, Meals & Travel San Diego County Water Works Group Meetings 1,000 After Hour Meals 4,750 Joint Power Insurance Authority Meetings 1,250	7,000

Field Administration 01-5431.

Acct. No.	Detail and Justification	Department Request
038	Regulatory Permits & Fees State Water Resources Control Board 2,800	2,800
091	Expense Credit	(20,943)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	187,212	171,000	190,000	184,200
003	Overtime	5,111	1,500	2,600	1,500
014	Employee Physicals	9,044	9,600	9,100	9,600
025	Outside Professional Service	4,669	8,000	8,500	8,500
030	Special Department Expenses	14,140	18,500	15,100	16,500
034	Memberships, Fees and Dues	1,100	1,400	1,350	1,350
091	Expense Credit	(7,434)	(9,293)	(9,293)	(10,520)
	Total	213,842	200,707	217,357	211,130

Safety & Regulatory Compliance 01-04-32-50XXX

Acct. No.	Detail and Justification	Department Request
0'01	Labor & Benefits - Regular Full-Time Equivalents 0.92	184,200
003	Overtime	1,500
007	Employee Physicals As required by the Department of Health Services, Department of Motor Vehicles, Department of Transportation, and OSHA, including hearing tests, drug testing, and respirator physicals.	9,600
025	Outside Professional Service Fire Extinguisher Testing 2,800 Material Safety Data Sheets On-line 1,300 Automated External Defibrillator Compliance Program 300 DOT Administration Fee 800 Electrical Personal Protective Equipment Testing 800 Industrial Hygiene Services 2,500	8,500
030	Special Department Expenses First Aid Equipment 2,000 Safety Protection Equipment 4,500 Safety Materials 1,500 Respirator Replacements 800 Safety Signs 800 Rain Gear & Safety Vests 2,000 Fall Protection Harness Replacement 500 Emergency/First Aid Supplies 2,000 Fire Extinguisher Replacement 500 Fall Protection Rescue Equipment 500 Miscellaneous 1,400	16,500
034	Memberships, Fees and Dues National Safety Council 450 National Fire Protection Association 200 Pacific Safety Council 300 Cal OSHA Reports 400	1,350

Safety & Regulatory Compliance 01-04-32-50XXX

Acct. No.	Detail and Justification	Department Request
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(10,520)

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	149,225	146,000	130,000	126,000
002	Interns and Temporary Labor	0	0	0	14,400
003	Overtime	0	500	0	500
025	Outside Professional Services	5,700	5,000	6,000	5,000
030	Special Department Expenses	904	700	800	1,000
452	Maintenance of Facilities	6,017	6,000	10,500	6,000
091	Expense Credit	(6,276)	(7,000)	(7,000)	(7,257)
	Total	155,570	151,200	140,300	145,643

Landscape & Paving Maintenance 01-04-33-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.02	126,000
002	Interns and Temporary Labor	14,400
003	Overtime	500
025	Outside Professional Services Tree Trimming and Turner Dam Cattail Control Pre-Emergent spray of station/facilities	5,000
030	Special Department Expenses	1,000
452	Maintenance of Facilities Irrigation and Plants 4,000 Landscape Materials 1,500 Gravel 500	6,000
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(7,257)

District Security 01-04-34-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	73,233	79,000	68,000	84,700
003	Overtime	133	0	0	0
025	Outside Professional Service	0	0	0	2,000
030	Special Department Expenses	2,838	1,500	3,300	1,500
033	Postage	0	0	0	0
034	Memberships, Fees and Dues	499	550	500	550
452	Maintenance of Facilities	0	6,500	6,500	7,000
091	Expense Credit	(3,431)	(3,874)	(3,874)	(4,544)
Total		73,272	83,676	74,426	91,206

District Security 01-04-34-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.45	84,700
025	Outside Professional Services	2,000
030	Special Department Expenses	1,500
	Office Supplies 300	
	Security Supplies 350	
	Emergency Satellite Television Fees 350	
	EOC Supplies 500	
034	Memberships, Fees and Dues Water Information Sharing and Analysis Center	550
452	Maintenance of Facilities	7,000
	Cameras (Stationary and PTZ) 5,000	
	Security Gate Maintenance 2,000	
091	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(4,544)

[illegible]

System Operation 01-04-42-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 4.26	655,800
003	Overtime Stand-By Pay, Operation Call Out, Shift Pay	110,000
030	Special Department Expenses	1,000
452	Maintenance of Facilities Equipment 2,500 General Maintenance 2,500	5,000

Telemetry/SCADA 01-04-43-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	129,622	118,300	113,500	220,400
003	Overtime	1,764	2,500	1,860	2,500
025	Outside Professional Services	4,520	5,000	0	2,500
030	Special Department Expenses	0	400	2,585	1,500
032	Telephone	20,640	25,000	11,100	12,000
452	Maintenance of Facilities	1,899	4,000	4,000	5,000
465	SCADA Repairs	6,832	10,000	18,000	20,000
459	Software Technical Support	26,725	25,000	27,000	27,000
Total		192,002	190,200	178,045	290,900

Telemetry/SCADA 01-04-43-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.43	220,400
003	Overtime As Needed for Repairs	2,500
025	Outside Professional Services SCADA Programming	2,500
030	Special Department Expenses	1,500
032	Telephone Leased Telemetry Lines and Alarm Monitor	12,000
452	Maintenance of Facilities Repairs To: Transmitters and Receivers 3,000 Power Supplies 2,000	5,000
465	SCADA Repairs Pressure Level Transducers 7,000 SCADA Miscellaneous 13,000	20,000
459	Software Technical Support	27,000

Treatment 01-04-44-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	42,443	61,700	56,000	73,100
003	Overtime	0	500	500	500
323	Chlorine	7,161	10,000	6,500	8,000
025	Outside Professional Services	0	500	500	500
030	Special Department Expenses	0	350	1,000	1,000
038	Regulatory Permits & Fees	292	500	500	500
452	Maintenance of Facilities	2,785	1,000	1,200	1,200
Total		52,681	74,550	66,200	84,800

Treatment 01-04-44-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.49	73,100
003	Overtime	500
323	Chlorine Chlorine Tablets 4,000 HTH to Increase Residual in Reservoirs 4,000	8,000
025	Outside Professional Services Chlorinator Maintenance 500	500
030	Special Department Expenses Tools and Replacement	1,000
038	Regulatory Permits & Fees	500
452	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators 600 Rebuild Chlorine Detectors 600	1,200

[illegible]

Automatic Valves 01-04-45-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.54	82,400
003	Overtime	1,000
030	Special Department Expenses Tools and Replacement	500
452	Maintenance of Valves Rebuild, Repair & Maintenance of Pressure Reducing, Pressure Relief, Altitude, Pump Control, and Isolation Valves	20,000

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	162,897	152,800	143,500	148,800
003	Overtime	991	1,000	1,000	1,000
025	Outside Professional Service	10,780	24,000	16,950	24,000
030	Special Department Expenses	0	800	700	800
038	Regulatory Permits & Fees	18,164	19,000	18,200	20,500
452	Maintenance of Facilities	20,123	15,000	14,000	15,000
	Total	212,955	212,600	194,350	210,100

Reservoir Maintenance 01-04-46-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.95	148,800
003	Overtime	1,000
025	Outside Professional Service	24,000
	Diver - Cleaning and Inspection 9,000	
	Floating Cover - Cleaning and Repair 12,000	
	Turner Dam - Inspection and Repairs 3,000	
030	Special Department Expenses	800
	Hose & Pump Equipment	
038	Regulatory Permits & Fees	20,500
	Turner Dam 19,500	
	Environmental Health Permits 1,000	
452	Maintenance of Structures & Improvements	15,000
	Site Improvements - Construction Maintenance 2,000	
	Reservoir cleaning and inspection 4,000	
	Floating Reservoir Covers Repair and Patching 5,000	
	Cathodic Protection 4,000	

Pump Maintenance 01-04-47-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	152,029	248,400	216,600	228,200
003	Overtime	1,723	3,000	2,200	3,000
025	Outside Professional Services	19,123	24,000	23,500	36,000
030	Special Department Expenses	1,197	1,500	1,300	1,500
444	Maintenance of Pumps	18,121	25,000	24,300	25,000
454	Maintenance of Equipment	6,489	7,000	6,625	7,000
Total		198,682	308,900	274,525	300,700

Pump Maintenance 01-04-47-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.40	228,200
003	Overtime	3,000
025	Outside Professional Services	36,000
	Machine Work 19,000	
	Painting 12,000	
	Epoxy Coating 5,000	
030	Special Department Expenses	1,500
	Tool Replacement 1,000	
	Miscellaneous Items 500	
444	Maintenance of Pumps	25,000
	Pump Repair Parts 15,000	
	Bearings 5,000	
	Packing/Mechanical Seals 5,000	
454	Maintenance of Equipment (Surge Tanks)	7,000
	Controls 2,000	
	Relief Valves 3,000	
	Air Compressors 2,000	

Motor Maintenance/Electrical Panels 01-04-48-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	438,557	387,800	393,000	334,500
003	Overtime	5,526	4,000	4,050	4,000
025	Outside Professional Services	20,964	26,000	25,500	26,000
030	Special Department Expenses	4,792	3,000	2,800	3,000
038	Regulatory Permits & Fees	27,928	25,200	28,000	28,000
458	Maintenance of Electrical Facilities	20,540	31,000	28,700	31,000
455	Maintenance of Engines	61,305	40,000	38,250	40,000
456	Maintenance of Electric Motors	7,971	40,300	20,000	25,000
Total		587,583	557,300	540,300	491,500

Motor Maintenance/Electrical Panels 01-04-48-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.23	334,500
003	Overtime	4,000
025	Outside Professional Services Building Pest Control and Repair 15,000 Generator Load Testing 2,500 Emission Source Testing 3,500 Circuit Breaker Testing 5,000	26,000
030	Special Department Expenses Test and Diagnostic Equipment 500 Electrical Safety Equipment and Testing 2,500	3,000
038	Regulatory Permits & Fees Environmental Health 6,000 Natural Gas Engines 20,000 Emergency Generators 2,000	28,000
458	Maintenance of Electrical Facilities Electrical Panels 16,000 Electrical Equipment 4,000 Lights, Electrical Tool Repair 1,500 Circuit Breakers 4,500 Softstarter Repair/Replacement 5,000	31,000
455	Maintenance of Engines Miscellaneous Breakdowns/Services/Oil 40,000	40,000
456	Maintenance of Electric Motors Parts and Repairs 15,000 Bearings, Oil & Grease 10,000	25,000

Quality Control 01-04-49-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	50,056	54,400	65,000	67,200
003	Overtime	119	500	500	500
025	Outside Professional Services	3,670	8,500	7,500	8,500
028	Printing	2,005	1,000	1,000	1,000
030	Special Department Expenses	3,312	4,000	5,000	5,500
033	Postage	0	1,000	1,000	1,000
038	Regulatory Permits & Fees	13,772	16,000	45,000	48,000
452	Maintenance of Facilities	1,834	6,500	4,500	5,500
Total		74,768	91,900	129,500	137,200

Quality Control 01-04-49-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.44	67,200
003	Overtime	500
025	Outside Professional Services Lab Analysis For: Trihalomethane (THM) Stage 2 3,000 Haloacetic acids (HAA) 3,000 Lead/Copper Testing 1,500 Coliform, General Physical Testing 1,000	8,500
028	Printing Consumer Confidence Reports, Annual Notifications, Regulations	1,000
030	Special Department Expenses Lab Supplies 4,000 Glassware Replacement 1,500	5,500
033	Postage Notifications for major shutdowns 500 Consumer confidence reports 500	1,000
038	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	48,000
452	Maintenance of Facilities Chlorine Residual Comparators 2,000 Chlorine Residual Reagent 2,000 Rebuild/Repair Chlorine Residual Analyzers 1,500	5,500

Pipeline & R.O.W. Maintenance 01-04-53-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	636,058	590,800	535,800	523,600
003	Overtime	25,850	30,000	21,000	30,000
025	Outside Professional Services	26,852	25,000	23,500	25,000
030	Special Department Expenses	1,993	2,000	2,520	2,000
040	Rents & Leases	1,015	1,000	1,200	1,000
452	Maintenance of Facilities	54,195	70,000	56,000	70,000
Total		745,963	718,800	640,020	651,600

Pipeline & R.O.W. Maintenance 01-04-53-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.39	523,600
003	Overtime Emergency Leak Repair	30,000
025	Outside Professional Services Asphalt Paving 12,000 Asphalt Satin Sealing 10,000 Mowing of Corporate Facilities 3,000	25,000
030	Special Department Expenses Fire Hose and Fittings 250 Cones and Barricades 250 Tools 500 Welding Supplies 1,000	2,000
040	Rents & Leases	1,000
452	Maintenance of Facilities Asphalt, Hot and Cold Mix 16,500 Decomposed Granite, Road Base and Rock 21,000 Culverts 2,000 Cement 2,000 Clamps and Couplings 9,000 Welding Materials 2,500 Asphalt-Cement Disposal 2,500 Pipe - Repair 6,500 AC Pipe Disposal 5,000 Erosion Control Material 3,000	70,000

Corporate Facilities Maintenance 01-04-54-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	25,597	42,300	29,800	33,500
003	Overtime	546	300	0	300
025	Outside Professional Services	52,487	51,500	46,000	51,500
030	Special Department Expenses	3,653	3,500	2,650	3,500
038	Regulatory Permit & Fees	2,645	4,000	4,000	4,000
452	Maintenance of Facilities	19,084	20,000	13,000	20,000
091	Expense Credit	(4,594)	(5,381)	(5,381)	(5,354)
Total		99,418	116,219	90,069	107,446

Corporate Facilities Maintenance 01-04-54-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.22	33,500
003	Overtime	300
025	Outside Professional Services	51,500
	Asphalt Seal 8,000	
	Janitorial Service 11,000	
	Air Conditioner Repairs/Service 9,500	
	Trash Pickup 7,000	
	Bug and Termite Treatment 2,500	
	Carpet Cleaning 3,000	
	Internal Window, Floor Cleaning 4,000	
	Miscellaneous 4,000	
	Generator Load Testing 2,500	
030	Special Department Expenses	3,500
	Breakroom Supplies 2,500	
	Miscellaneous Supplies 1,000	
038	Regulatory Permit & Fees	4,000
	Environmental Health Permit 2,000	
	Emergency Stationary Gen-sets 2,000	
452	Maintenance of Facilities	20,000
	Floor Mats/Lighting 2,500	
	Janitor Supplies 3,000	
	Building Maintenance 3,500	
	Special Cleaning of Building 4,000	
	Miscellaneous 5,000	
	Roof and Painting Repairs 2,000	
091	Expense Credit	(5,354)
	Reimbursement from Sewer Funds for Administrative Overhead	

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Valve Maintenance/Locations 01-04-55-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.77	536,400
003	Overtime	12,000
025	Outside Professional Services Asphalt Paving	6,000
030	Special Department Expenses Tools 300 Welding Supplies 700 Markout Materials/Calibration 250 Cones 250	1,500
040	Rents & Leases Heavy Equipment and Asphalt Breaker	1,000
452	Maintenance of Facilities Air Vacs and Covers 12,000 Air Vac Screens 5,500 Blow Offs 4,500 Fire Hydrants 8,500 Valve Replacement/Repairs 15,000 Appurtenance Repair & Replacement Parts 20,500 Valve Post Materials 5,500 Valve Can Materials 3,500 Cement 2,750 Tagging Material 2,000 Paint 1,750 Spools and Bury Ells 2,000 Erosion Control Material 1,500	85,000

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	53,228	72,300	58,000	75,200
003	Overtime	699	1,200	2,300	1,200
030	Special Department Expenses	0	1,000	500	1,000
038	Regulatory Permits & Fees	0	250	0	250
040	Rents & Leases	0	150	260	400
451	Maintenance of Vehicles	39,034	30,000	30,000	30,000
446	Installation Material-Meters	34,913	35,000	38,500	40,000
457	Installation Material-Backflows	27,804	30,000	29,500	35,000
	Total	155,678	169,900	159,060	183,050

Meter Installation 01-04-61-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.49	75,200
003	Overtime	1,200
030	Special Department Expenses	1,000
038	Regulatory Permits & Fees Excavation Permits	250
040	Rents & Leases	400
451	Vehicle Maintenance	30,000
446	Installation Material-Meters	40,000
457	Installation Material - Backflows Including Approved Double Check Valves, RP Devices and Fire Protection	35,000

Meter Reading 01-04-62-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	33,476	40,200	42,250	62,300
003	Overtime	127	500	1,000	1,200
030	Special Department Expenses	81	1,000	800	1,000
459	Software Technical Support	1,686	2,500	2,000	2,500
Total		35,370	44,200	46,050	67,000

Meter Reading 01-04-62-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.42	62,300
003	Overtime	1,200
030	Special Department Expenses Misc. Tools and Equipment 1,000	1,000
459	Software Technical Support	2,500

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	910,659	888,100	880,000	878,900
003	Overtime	36,211	35,000	28,900	35,000
025	Outside Professional Services	60,139	50,000	24,100	42,500
030	Special Department Expenses	135	1,500	1,500	1,500
040	Rents & Leases	440	500	0	500
452	Maintenance of Facilities	104,612	130,000	125,800	130,000
	Total	1,112,196	1,105,100	1,060,300	1,088,400

Service Connection Maintenance 01-04-63-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 5.61	878,900
003	Overtime	35,000
025	Outside Professional Services	
	Cal-Fire Clearing 15,000	42,500
	Asphalt Paving 7,500	
	Flagging Assistance 20,000	
030	Special Department Expenses	1,500
	Pressure Recorder Transducers 500	
	Meter Security Locks 500	
	Miscellaneous Tools & Equipment 500	
040	Rents & Leases	500
452	Maintenance of Facilities	130,000
	Replace Deteriorated Services 30,000	
	Maintenance Parts and Materials 45,000	
	Meter Repairs and Usage Exchanges 24,500	
	Asphalt Repairs 7,000	
	Repair/Replace Pressure Reducing Valves 4,000	
	Repair/Replace Clay Valves 3,000	
	Adapter Fittings for Auxiliary Hose 2,000	
	Shoring Repair Kits and Pump 1,500	
	Traffic Control Equipment 3,000	
	Security Measures (Meters) 10,000	

[illegible]

Backflow Maintenance 01-04-65-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.22	176,000
003	Overtime	2,500
025	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water 2,000	2,000
030	Special Department Expenses New Testing Supply Requirements 1,000 Repair Tools and Fixtures 300 Test Equipment for Reclaimed Water 200	1,500
452	Maintenance of Facilities Reduced Pressure (RP) Repair Parts 10,000 Double Check (DC) Repair Parts 10,000 Replacement Devices 35,000	55,000

Vehicle & Equipment Maintenance 01-04-71-50XXX

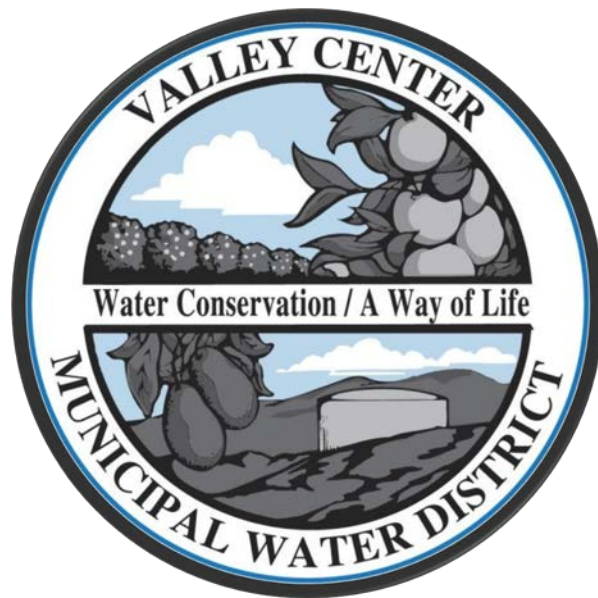
Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	231,733	208,800	231,900	250,000
003	Overtime	5,677	7,000	7,000	7,000
025	Outside Professional Services	53,031	45,000	32,000	32,000
030	Special Department Expenses	4,942	4,300	4,100	4,300
038	Regulatory Permits & Fees	1,918	3,700	3,700	3,700
341	Hazardous Waste Disposal Costs	6,739	6,000	4,700	6,000
450	Maintenance - Gas, Oil & Grease	105,558	159,000	119,315	139,000
451	Maintenance of Vehicles	50,702	60,000	42,980	55,000
453	Maintenance of Radios	7,735	11,000	9,300	11,000
454	Maintenance of Equipment	18,792	20,000	18,500	20,000
091	Expense Credit	(48,897)	(37,500)	(37,500)	(36,300)
Total		437,930	487,300	435,995	491,700

Vehicle & Equipment Maintenance 01-04-71-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.67	250,000
003	Overtime	7,000
025	Outside Professional Services Generator Load Testing 5,000 Fuel Tank Testing 2,000 Vehicle and Equipment Repairs 25,000	32,000
030	Special Department Expenses Replacement Tools 300 Specialty Tools 500 Tools for Service Truck 200 Software Repair Manuals 3,300	4,300
038	Regulatory Permits & Fees Boom Truck 500 Portable Equipment 1,400 Emergency Generators 1,800	3,700
341	Hazardous Waste Disposal Costs Recycling Oil, Filters & Solvents 1,500 Recycling Tires & Miscellaneous 1,000 Cleanup Material 600 Compliance Guides 400 Disposal of Aerosols 1,000 Asbestos Pipe 1,500	6,000
450	Fuel, Oil, and Chemicals Fuel 127,000 Oil and Coolant 10,000 Fuel Tank Parts 2,000	139,000

Vehicle & Equipment Maintenance 01-04-71-50XXX

Acct. No.	Detail and Justification		Department Request
451	Maintenance of Vehicles Parts for Fleet		55,000
453	Maintenance of Radios/Vehicle Tracking		11,000
	Radio Parts	1,700	
	Vehicle Tracking Service Contract	9,300	
454	Maintenance of Equipment		20,000
	Grader/Dozer/Backhoe	12,000	
	Miscellaneous Equipment	8,000	
091	Expense Credit		(36,300)
	Rental Value of Vehicles and Equipment Used for:		
	Installation of Meters	01-5461.51 (30,000)	
	Moosa Treatment Plant	13-5326.51 (1,500)	
	Moosa Collection	13-5327.51 (1,500)	
	Moosa STEP Maintenance	13-5329.51 (1,300)	
	Woods Valley Ranch Treatment Plant	17-5331.51 (2,000)	



Source of Supply

FUNCTION OVERVIEW

This department represents commodity costs which are generally not under the control of the District.

The District purchases all of its water from the San Diego County Water Authority (SDCWA) which in turn purchases most of its water from the Metropolitan Water District of Southern California (MWD).

Certified agricultural water purchases receive rebates for the SDCWA's emergency storage program, supply reliability, and markup in the melded rate supply cost used to pay for additional water supplies such as transfers from the Imperial Irrigation District. These rebates, approximately \$550 per acre foot as of July 1, 2017, are passed through to qualifying agricultural customers.

The District must also pay the MWD and SDCWA fixed charges described below.

This division also accounts for the cost of electric and natural gas utilities which are used for pumping water through the distribution system.

ACCOMPLISHMENTS FOR 2016-2017

Water delivery charges represent pass-through costs of water sold. The District continues to work to keep these costs as low as possible in two ways. First, customer accounts are monitored for excessive usage and water distribution facilities are patrolled to locate and stop water losses as quickly as possible. Second, District management is actively involved in monitoring MWD and SDCWA strategies to maintain affordable water rates and is working diligently to continue agricultural discounts.

CHALLENGES FOR 2017-2018

The use of fixed charges by MWD and SDCWA leaves the District exposed if water sales drop below historical levels, as we continue to see, because of continued economic uncertainties and wholesale water rate increases.

Energy supplies and costs will be of continuing concern, with higher rates from SDG&E. Efforts to keep water supply costs at the lowest level possible will continue through work with MWD and SDCWA and with the District continuing to invest in photo-voltaic installations at District facilities.

GOALS FOR 2017-2018

The costs of water and utilities accounted for in this division are controlled by other departments, particularly the Field Department, with management from the General Administration Department. Energy costs are reduced by the efforts of Operations by monitoring water usage trends to enable pump stations to be run as efficiently and economically as possible.

Wholesale rates have not yet been formally adopted by the San Diego County Water Authority. As such, we have estimated 2018 water rates using the preliminary information that we have available during the preparation of the proposed budget. All rate changes from MWD and SDCWA are subject to change at any time and are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

The proposed wholesale water rates are budgeted to increase 6.9% for domestic and 8.3% for the TSAWR over the current adopted rates. In addition, SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The rate, not firm at this time, is projected to be \$212 in January 2018. The fixed Supply Reliability cost component, for water received from the

Carlsbad Desal Plant, is included in the rate structure. This component, also not firm at this time, is \$112 per acre foot.

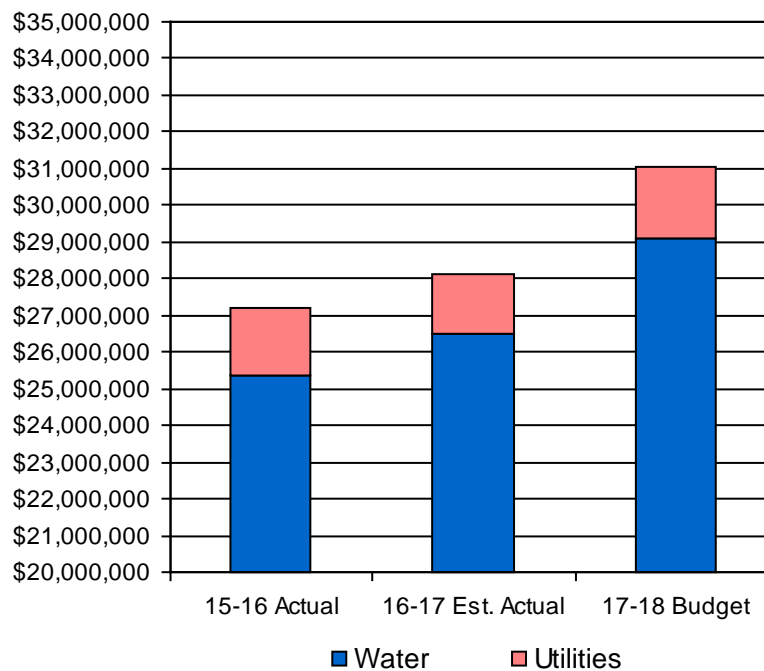
The TSAWR program was successfully extended until December 31, 2020, and has the associated cost of the Carlsbad Desal Plant supply included in the pricing differential. The total TSAWR price differential for 2018 is projected at \$564 per acre foot.

Based on our best estimate at this time, electricity will average 20.4¢ per kilowatt hour and natural gas 72¢ per therm, for an aggregate cost of \$92 per acre foot of water purchased for 2017-18. The aggregate cost for 2016-17 is estimated at \$84 per acre foot.

LONG-TERM GOALS

The costs of water, ready-to-serve, customer service, capacity reservation, emergency storage, supply reliability, and infrastructure access charges, along with agricultural water discounts will continue to require the District to adapt, as will the ongoing uncertainty in the energy markets, and continued economic uncertainties particularly in the agricultural community.

Source of Supply



Div. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	27,186,259	29,785,715	28,133,834	31,038,196
TOTAL SOURCE OF SUPPLY		27,186,259	29,785,715	28,133,834	31,038,196

Source of Supply 01-04-41-50XXX

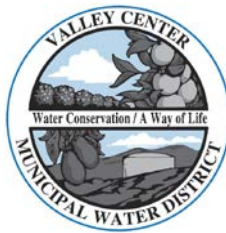
Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
		@ 19,657 af	@ 21,280 af	@ 19,800 af	@ 21,280 af
321	Water Supply Charge - MWD & CWA	20,667,903	23,312,466	21,613,396	24,793,942
368	Water Delivery Charge - CWA	2,021,064	2,278,851	2,115,788	2,384,508
369	Agricultural Rebate - CWA	(2,380,175)	(2,829,667)	(2,327,987)	(2,919,507)
186	Ready to Serve Charge	485,371	485,672	488,912	475,900
081	Infrastructure Access Charge	489,678	500,100	500,142	535,200
394	Capacity Reservation Charge - MWD	821,612	588,370	724,400	621,665
397	Customer Service Charge - CWA	1,599,063	1,531,700	1,531,744	1,391,787
399	Emergency Storage Charge - CWA	1,374,709	1,294,000	1,294,000	1,226,100
337	Supply Reliability Charge - CWA	279,513	513,223	535,839	566,600
	Total Water	25,358,738	27,674,715	26,476,234	29,076,196
045	Utilities - Electricity	1,441,475	1,815,500	1,109,500	1,313,200
047	Utilities - Natural Gas	386,046	295,500	548,100	648,800
	Total Utilities	1,827,521	2,111,000	1,657,600	1,962,000
	Total	27,186,259	29,785,715	28,133,834	31,038,196

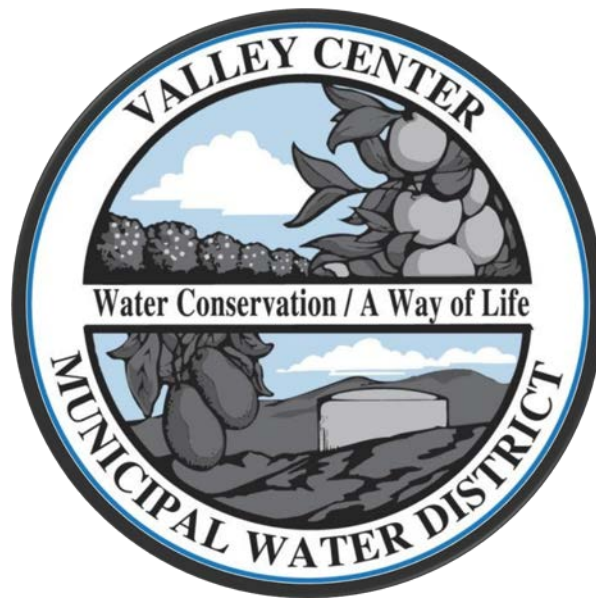
Source of Supply 01-04-41-50XXX

Acct. No.	Detail and Justification			Department Request
321	Water Supply Charge	<u>Jul to Dec</u>	<u>Jan to Jun</u>	24,793,942
	To MWD & CWA -	1,145.00	1,194.00	
	Expected purchases in AF	<u>12,538</u>	<u>8,742</u>	
	Expected purchases in \$	14,356,254	10,437,688	
368	Water Delivery Charge			2,384,508
	To MWD & CWA -	110.00	115.00	
	Expected purchases in AF	<u>12,538</u>	<u>8,742</u>	
	Expected purchases in \$	1,379,203	1,005,305	
369	Agricultural Rebate - CWA			(2,919,507)
	Ag Discount Rate	(189.00)	(199.00)	
	Estimated Ag purchases in AF	<u>8,706</u>	<u>6,402</u>	
		(1,645,461)	(1,274,046)	
186	Ready to Serve Charge			475,900
081	Infrastructure Access Charge			535,200
394	Capacity Reservation Charge - MWD			621,665
	This charge is levied to recover the cost of providing peak capacity within the distribution system. It is based on a five-year rolling average of member agency flows during coincident peak weeks.			

Source of Supply 01-04-41-50XXX

Acct. No.	Detail and Justification	Department Request
397	Customer Service Charge - CWA This charge is based on a three-year rolling average of all deliveries. It is levied to recover estimated costs necessary to support the functioning of the Authority, to develop policies and implement programs that benefit the region.	1,391,787
399	Emergency Storage Charge - CWA This charge is based on a three-year rolling average of non-agricultural deliveries. It is levied to recover costs associated with the Emergency Storage Program.	1,226,100
337	Supply Reliability Charge - CWA	566,600
045	Utilities - Electrical	1,313,200
047	Utilities - Natural Gas Utilities are based on sale of 20,000 A.F. and purchase of 21,280 A.F. @ \$99 per A.F.	648,800
	<div> <div>Electric</div> <div>67%</div> <div>1,313,200</div> </div> <div> <div>Natural Gas</div> <div>33%</div> <div>648,800</div> </div> <div> <div>Total</div> <div></div> <div><u>1,962,000</u></div> </div>	





Capital Outlay

FUNCTION OVERVIEW

Plan, design, acquire rights of way, bid, construct, manage, and inspect specific projects, approved by the Board, that expand the capacity or otherwise increase or improve the service reliability of the water supply and distribution systems or wastewater collection, treatment, and disposal systems. The general goals are to efficiently plan and manage these projects for the lowest overall cost, taking into account both initial and long term costs, as well as the needs identified in the District's Master Plan.

A complete schedule of projects under construction, proposed, and completed is presented on page 10-3.

ACCOMPLISHMENTS FOR 2016-2017

Strategic Plan Implementation:

- **Solar Projects (Goal 8b):** One solar array was installed to reduce electrical consumption and power costs. A 70kW solar array installed at the Miller Pump Station to partially offset the electrical usage from pumping at the 7 & 8 station bank.
- **SCADA System (Goal 7b):** Staff has completed the deployment new wireless network communications infrastructure to all major facilities, extending network coverage to 64 remote sites, including several solar generating sites. The network employs low-cost Ethernet radios in combination with advanced TCP/IP routing technology as a comprehensive, high performance and highly redundant communications system, providing multiple network services at remote sites, such as SCADA telemetry, video surveillance, advanced metering infrastructure, WiFi access points, and remote office connectivity.
- **E-Business (Goal 4e):** Paperless electronic billing was made available to customers, saving time and money. As part of the ERP financial system software upgrade, the electronic billing and on-line account system was changed to a new platform provided and managed by the ERP system provider. Customers can view their bill information and pay their bills over the internet. As of May 23, 2017, there are approximately 1,733 customer accounts registered and utilizing the system, of which 225 have elected to no longer receive paper bills in the mail.

Information and Business Systems:

- IT staff has updated the SCADA control software to the latest available version and deployed the system in virtual server hardware, adding flexibility to system recovery and reducing hardware costs. In addition, new server systems were installed for Woods Valley Water Reclamation facility as part of the plant expansion project. The staff continues to update the SCADA software and systems throughout the District.
- Staff is continuing to evaluate and test new Advanced Metering Infrastructure (AMI) systems to test the feasibility of automatic, continuous water meter reading. The system provides the means to measure, collect, and analyze real-time data from customers' water meters. The system uses the existing District-wide wireless communication infrastructure to transfer the data from the AMI collector systems that are deployed at remote facilities.
- IT staff developed and implemented a backflow management and tracking software. The system contains a database of backflow devices, can generate new service requests for backflow tests and keep track of all testing activity.

CHALLENGES FOR 2017-2018

- Development of District-wide facility requirements due to conversion from predominately agricultural uses to urban uses, changing water conservation practices, and County modification of land use entitlements through the General Plan Update process.

- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply, reclamation, and solar power generation projects.
- Update the District's Standard Specifications for Construction of District Facilities including the Standard Drawings and Facility Design Manuals for Water and Wastewater facilities.

GOALS FOR 2017-2018

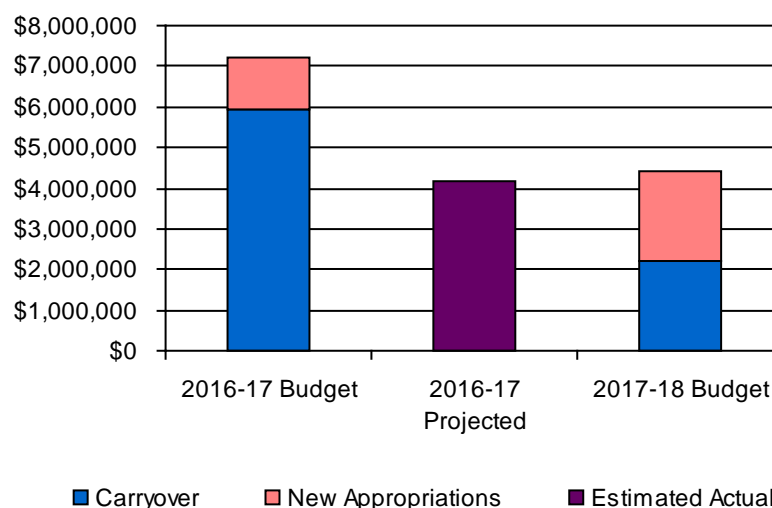
Strategic Plan Implementation:

- **Infrastructure (Goal 2):** Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures.
- **Technology:** The planned Enterprise Resource Planning (ERP) software system change and implementation will provide challenges to staff time allocation and may require some procedural changes throughout the District. It is a major upgrade that will affect all areas of the District. The implementation started at the end of Fiscal Year 2015-16 and continues into Fiscal Year 2017-18.
- **Energy - Renewable and Alternative Energy Resources (Goal 5b):** Continue to evaluate the installation of small scale solar arrays at pump stations to offset energy consumption, demand charges, and electric costs.
- **SCADA System (Goal 4b):** Staff is continuing to upgrade SCADA industrial control system (ICS) software. The current ICS software has been in operation for more than 8 years and has reached a point in its development that the manufacturer of the software has developed a new platform that has rendered the current technology obsolete. Staff has started to upgrade the SCADA control system software at the water reclamation facilities, which will continue throughout the Fiscal Year 2017-18 and beyond.

LONG-TERM GOALS

Design and construct the projects identified in the Integrated Water Resources Plan. Plan and design for the expansion of existing facilities in an economic and efficient manner while minimizing impacts to customer service. Work with the County of San Diego on future road projects.

Capital Outlay



General 01-06-78-51/XXX

Description	Acct. No.	Prior	2017							2018						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Pipelines & PRV's																
Wilkes Road Pipeline Replacement	010	Complete														
Participation, Upsizing, & Unspecified Repl Projects	020															
New Valve Installations and Appurtenances	060															
High Mountain Service	100															
Water System Updrade Projects	510															
Integrated Water Resources Management Plan	620															
Cole Grade Road Pipeline Project	690															
NC ESP Alternate Delivery Project																
Hell Hole Emergency Repair		Complete														
Pump Stations																
Pump & Motor Replacements	160															
Valley Center Pump Station Surge Tank Replacement	250															
Emergency Power Generation and Equipment	320															
Rincon Pump Station Relocation & Replacement	360	Complete														
Natural Gas Engine Controls Upgrade & Automation	050															
Automation of Bypass Valve Controls	430															
Reservoirs																
Reservoir Mixing System	130	Complete														
Lilac Reservoir Cover Replacement	270	Complete														
Beisworth Reservoir Repainting/Coating	340	Complete														
Reidy Canyon Area Reservoir	380															
Cool Valley Reservoir Cover/Liner Replacement	520	Complete														
Country Club Reservoir Upgrades	900	Complete														
Rincon Reservoir Recoating	190	Construction														
Beisworth Forebay No. 1 Painting & Recoating																
Red Mountain Reservoir Painting & Recoating																
Data Management Systems																
Server Virtualization, Storage, Disaster Recovery	240															
ERP Software Upgrade	470															
AMI Evaluations	680															
SCADA System Improvements & Security	710	Complete														
Boardroom AV Technology Upgrade	040															
Asset Management System		Planning														
Facilities																
Administration Facility Improvements	600	Planning														
Solar Power Development	640															
Urban Water Management Plan 2015 Update	610	Complete														
Corporate Facility Needs Assessment	170	Planning														
Energy Analysis																
Equipment																
Vehicles	370	Planning														
Postage Machine	140	Complete														
Portable Generator Replacement	330	Complete														
iPhone System Upgrade																
Rock Screen		Planning														

General 01-06-78-51XXX

Description	Springbrook Acct. No.	Capital Project Request See Page	Mid-Year Budget Adjustments 2016-17	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18
Pipelines & PRV's								
Wilkes Road Pipeline Replacement	010			492,470		492,470		492,470
Participation, Upsizing, & Unspecified Repl Projects	02X	10-5	(65,000)	114,926		49,926	225,000	274,926
New Valve Installations and Appurtenances	060	10-6		8,177		8,177	15,000	23,177
High Mountain Service	10X			20,251		20,251		20,251
Water System Upgrade Projects	51X			804,978		804,978		804,978
Integrated Water Resources Management Plan	620	10-7		42,233	42,233	0	75,000	75,000
Cole Grade Road Pipeline Replacement	690			158,983		158,983		158,983
NC ESP Alternate Delivery Project	XXX	10-8				0	586,000	586,000
Hell Hole Emergency Repair	XXX		65,000		65,000	0		0
Pump Stations								
Pump & Motor Replacements	160			67,057	48,335	18,722		18,722
Valley Center Pump Station Surge Tank Replacement	250			100,000	785	99,215		99,215
Emergency Power Generation and Equipment	320			89,244		89,244		89,244
Rincon Pump Station Relocation and Replacement	360			6,074	6,074	0		0
Natural Gas Engine Controls Upgrade & Automation	050			190,000	45,000	145,000		145,000
Automation of Bypass Valve Controls	430			25,000	14,400	10,600		10,600
Reservoirs								
Reservoir Mixing System	130			42,553	14,900	27,653		27,653
Lilac Reservoir Cover Replacement	270			6,158		6,158	(6,158)	(0)
Betsworth Reservoir Repainting/Coating	340			(166,558)		(166,558)		(166,558)
Reidy Canyon Area Reservoir	380			11,011		11,011		11,011
Cool Valley Reservoir Cover/Liner Replacement	520			3,944,461	3,244,461	700,000	(700,000)	0
Country Club Roof Repair	900			133,071		133,071	(133,071)	0
Rincon Reservoir Recoating	190			320,000	320,000	0		0
Betsworth Forebay No. 1 Painting & Recoating	XXX	10-9					333,500	333,500
Red Mountain Reservoir Painting & Recoating	XXX	10-10					333,500	333,500
Data Management Systems								
Server Virtualization, Storage, Disaster Recovery	240			72,098		72,098		72,098
ERP Software Upgrade	470			127,848		127,848		127,848
AMI Evaluations	680			52,691		52,691		52,691
SCADA System Improvements & Security	710			56,034	56,034	0		0
Boardroom A/V Technology Upgrade	040			34,000		34,000		34,000
Asset Management System	XXX	10-11					50,000	50,000
Facilities								
Administration Facility Improvements	600	10-12		139,828	139,828	0	120,000	120,000
Solar Power Development	64X			40,693	25,555	15,138		15,138
Urban Water Management Plan 2015 Update	610		56,100	8,269	8,269	0		0
Corporate Facility Needs Assessment	170			15,000		15,000		15,000
Energy Analysis	XXX	10-13					100,000	100,000
Equipment								
Vehicles	370	10-14		78,000	64,086	13,914	78,000	91,914
Postage Machine	140			6,500		6,500		6,500
Portable Generator Replacement	330			128,000	75,620	52,380		52,380
Rock Screen	XXX	10-15					12,000	12,000
Phone System Upgrade	XXX	10-16					45,000	45,000
Total Capital Projects								
			56,100	7,169,050	4,170,580	2,998,470	1,133,771	4,132,241

X: Subaccounts exist, use VCWorks Lookup function to determine appropriate account number for the job.

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to .

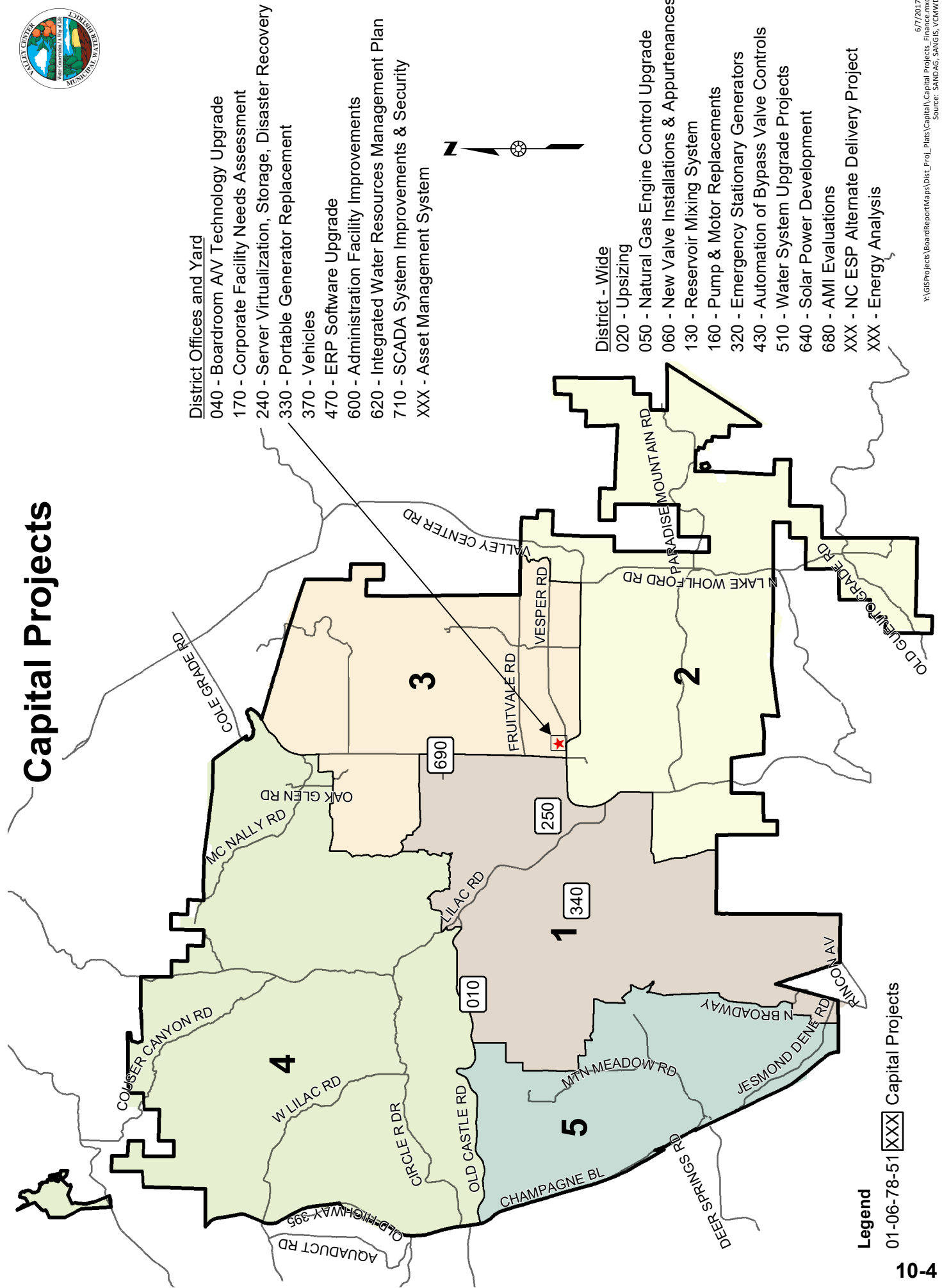
General 01-06-78-51XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18	Estimated Actual Expenditures 2017-18	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
<u>Pipelines & PRV's</u>								
Wilkes Road Pipeline Replacement	010		492,470		492,470	492,470		
Participation, Upsizing, & Unspecified Repl Projects	02X	10-5	49,926	225,000	274,926	274,926		
New Valve Installations and Appurtenances	060	10-6	8,177	15,000	23,177	23,177		
High Mountain Service	10X		20,251		20,251	20,251		
Water System Upgrade Projects	51X		804,978		804,978	804,978		
Integrated Water Resources Management Plan	620	10-7	0	75,000	75,000	75,000		
Cole Grade Road Pipeline Replacement	690		158,983		158,983	158,983		
NC ESP Alternate Delivery Project	XXX	10-8	0	586,000	586,000	586,000		
Hell Hole Emergency Repair	XXX		0					
<u>Pump Stations</u>								
Pump & Motor Replacements	160		18,722		18,722	18,722		
Valley Center Pump Station Surge Tank Replacement	250		99,215		99,215	99,215		
Emergency Power Generation and Equipment	320		89,244		89,244	89,244		
Rincon Pump Station Relocation and Replacement	360		0					
Natural Gas Engine Controls Upgrade & Automation	050		145,000		145,000	145,000		
Automation of Bypass Valve Controls	430		10,600		10,600	10,600		
<u>Reservoirs</u>								
Reservoir Mixing System	130		27,653		27,653	27,653		
Lilac Reservoir Cover Replacement	270		6,158	(6,158)				
Betsworth Reservoir Repainting/Coating	340		(166,558)		(166,558)	(166,558)		
Reidy Canyon Area Reservoir	380		11,011		11,011	11,011		
Cool Valley Reservoir Cover/Liner Replacement	520		700,000	(700,000)				
Country Club Roof Repair	900		133,071	(133,071)				
Rincon Reservoir Recoating	190		0					
Betsworth Forebay No. 1 Painting & Recoating	XXX	10-9		333,500	333,500	333,500		
Red Mountain Reservoir Painting & Recoating	XXX	10-10		333,500	333,500	333,500		
<u>Data Management Systems</u>								
Server Virtualization, Storage, Disaster Recovery	240		72,098		72,098	72,098		
ERP Software Upgrade	470		127,848		127,848	127,848		
AMI Evaluations	680		52,691		52,691	52,691		
SCADA System Improvements & Security	710		0					
Boardroom A/V Technology Upgrade	040		34,000		34,000	34,000		
Asset Management System	XXX	10-11		50,000	50,000	50,000		
<u>Facilities</u>								
Administration Facility Improvements	600	10-12	0	120,000	120,000	120,000		
Solar Power Development	64X		15,138		15,138	15,138		
Urban Water Management Plan 2015 Update	610		0					
Corporate Facility Needs Assessment	170		15,000		15,000	15,000		
Energy Analysis	XXX	10-13		100,000	100,000	100,000		
<u>Equipment</u>								
Vehicles	370	10-14	13,914	78,000	91,914	91,914		
Postage Machine	140		6,500		6,500	6,500		
Portable Generator Replacement	330		52,380		52,380	52,380		
Rock Screen	XXX	10-15		12,000	12,000	12,000		
Phone System Upgrade	XXX	10-16		45,000	45,000	45,000		
Total Capital Projects			2,998,471	1,133,771	4,132,241	4,132,241	0	0

X: Subaccounts exist, use VCWorks Lookup function to determine appropriate account number for the job.

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2017-18 .

Capital Projects



- District Offices and Yard
- 040 - Boardroom AV Technology Upgrade
 - 170 - Corporate Facility Needs Assessment
 - 240 - Server Virtualization, Storage, Disaster Recovery
 - 330 - Portable Generator Replacement
 - 370 - Vehicles
 - 470 - ERP Software Upgrade
 - 600 - Administration Facility Improvements
 - 620 - Integrated Water Resources Management Plan
 - 710 - SCADA System Improvements & Security
 - XXX - Asset Management System

- District - Wide
- 020 - Upsizing
 - 050 - Natural Gas Engine Control Upgrade
 - 060 - New Valve Installations & Appurtenances
 - 130 - Reservoir Mixing System
 - 160 - Pump & Motor Replacements
 - 320 - Emergency Stationary Generators
 - 430 - Automation of Bypass Valve Controls
 - 510 - Water System Upgrade Projects
 - 640 - Solar Power Development
 - 680 - AMI Evaluations
 - XXX - NC ESP Alternate Delivery Project
 - XXX - Energy Analysis

Legend
01-06-78-51 XXX Capital Projects

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-5102X
DEPARTMENT:	Engineering

Participation, Upsizing and Unspecified Replacement Projects

	Type	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
	Replacement	A	N/A		

PROJECT DESCRIPTION:

This is a contingency account to fund relatively small projects that come up during the year that need to be funded and completed. General Manager authorized funding limits still apply to projects funded from this account. The Board will be apprised of projects that are authorized and Board approval obtained as required per the administrative code. Funding from this account is used to prepare preliminary designs, cost estimates and additional funding requests if necessary.

Approved funding for participation in developer projects is also held in reserve in this account until reimbursed to the developer upon completion and acceptance of the project. The Board had previously conceptually approved participation in following developer projects for the amount and at the date indicated.

- Anderson Line Extension (01-1510.84) - \$10,500 – May 2016
- Keys Creek Water Line Replacement (01-1510.32) - \$87,000 – August 2015
- Duffywood Waterline Extension (01-1510.09) - \$85,500 - January 2015
- Sea Bright Line Extension (01-1510.44) - \$390,000 – January 2013

However, the concept approval for these projects has expired, along with it the funding commitment to participate. If the developer were to move forward with these projects, an updated conceptual approval would be requested along with a re-commitment and re-allocation of the participation funding.

In FY 2016-2017, approximately \$65,000 was utilized for emergency repairs to the 12-inch water in the Hell Hole Canyon area that recently failed.

The County has provided staff with proposed roadway improvement plans for FY 2017-2018, including their intention to replace and upsize several storm drain culverts within the roadways. These replacements may require vertical relocation of the crossing water lines. An estimated \$225,000 of additional funding is requested for the relocation of District facilities due to County roadway improvements.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Unspecified Projects	179,926	65,000	114,926	225,000	339,926	0	339,926	404,926
Total Project	179,926	65,000	114,926	225,000	339,926	0	339,926	404,926

**VALLEY CENTER WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51060
DEPARTMENT:	Field

New Valve Installations And Appurtenance Upgrades

New Item	Type Existing Service	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
				7	

PROJECT DESCRIPTION:

The installation of new mainline valves and appurtenances throughout the District's service area. Retrofit fire hydrants with AVK check valve. Project to carry over into budget year 2017-18.

Breakdown and locations are listed below:

Completed in 2016-17

- 14 Air/Vac upgrades/enclosures Lawrence Welk
- Retrofit 8 hydrants with AVK check valve along Valley Center Road

Remaining Projects –

- Old Castle Road and Cedar Trails – 12 inch valve
- Manzanita Crest (2) – 16 and 6 inch valves
- West Lilac Road and La Bah – 10 inch valve
- Pauma Heights Road at Tyler Pump Station – 12 inch valve
- Spearhead Trail – 12 inch valve
- Hilldale Rd – 6 inch valve
- Various appurtenances – air/vac and blow-offs for new valves

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installation and Appurtenances	39,663	31,486	8,177	15,000	23,177		23,177	54,663
Total Project	39,663	31,486	8,177	15,000	23,177	0	23,177	54,663

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51620
DEPARTMENT:	Engineering

Integrated Water Resources Management Plan

Continuing Project	<u>Type</u>	<u>Master Plan</u>		<u>Project ID</u>	<u>Strategic Plan</u>	
		<u>Priority</u>			<u>Standard</u>	<u>Goal</u>
					5, 7	1, 6

PROJECT DESCRIPTION:

This is a continuing project which received initial funding in the Fiscal Year 2006-07 budget and additional funding in the Fiscal Year 2010-11 and 2014-15 budgets. The Integrated Water Resources Master Plan (Plan) will replace the current Water Master Plan (Adopted April 2002) and include planning information for the various existing and proposed Wastewater Service Areas, Water Reclamation Facilities, and proposed Local Water Supply Projects. The Plan will also include a comprehensive energy management plan. The Plan will include a zone-based update to the current Water Master Plan, discuss local water supply development, water-use conservation efforts, wastewater facility needs, and energy management system within the District. The Plan would be based on the current County General Plan.

The document is being prepared by in-house Engineering staff and information from the Plan would be used in acquisition of State and Federal funding. Consultant support will be utilized in development of reclamation facility cost estimates, technical review, funding consultant/lobbyist review and presentation assistance.

Work completed to date includes development of a GIS based water system evaluation of replacement pipeline projects, planning level cost estimates, and GIS interface of each project. Current work includes continuing to develop a five (5) and ten (10) year replacement plan. Additional funding is necessary to update cost estimates, prepare the final document, and incorporate wastewater and water reclamation portions of the Plan from Woods Valley Ranch WRF and Lower Moosa WRF master plan efforts.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget
Staff	225,000	215,000	10,000	50,000	60,000		60,000
Outside Consultants	25,000	15,000	10,000	25,000	35,000		35,000
Miscellaneous	5,000	3,500	1,500		1,500		1,500
Contingency	20,000		20,000		20,000		20,000
Total Project	275,000	233,500	41,500	75,000	116,500	0	116,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51-XXX
DEPARTMENT:	Engineering

NC ESP Alternative Delivery Projects

	Type	Master Plan Priority	Project ID	Strategic Plan	
	Upgrade Facilities	A	N/A	Standard	Goal

PROJECT DESCRIPTION:

As part of the San Diego County Water Authority's (Water Authority) planning for the North County Emergency Storage Project (NCESP), CH2M completed the *North County Emergency Storage Project (ESP) Pump Stations – East Mission Road and Red Mountain Pump Stations* technical report dated March 2017. The report identified a preferred NCESP project configuration that included improvements to the Valley Center Municipal Water District (VCMWD) water distribution system that the Water Authority would fully fund to facilitate conveyance of NCESP deliveries to VCMWD and the Yuima Municipal Water District (YMWD). The proposed improvements would allow VCMWD to receive 15.0 cubic feet per second (cfs) of ESP deliveries at the VC1 connection on the First Aqueduct, over and above the base ESP deliveries already assumed at that location as defined in the Water Authority's 2013 Emergency Water Delivery Plan report. The improvements would allow VCMWD to receive and convey ESP flows northward to the VC3 and San Gabriel service area and to the whole of the YMWD service area without need for ESP deliveries at either the VC3 or YMWD1 connections.

The improvements would include an expansion to VCMWD's San Gabriel Pump Station for an ESP capacity of 15.0 cfs, of which 7.2 cfs would be delivered to VCMWD's VC3 and San Gabriel service area, and 7.8 cfs to YMWD. Improvements would also include construction of a new pipeline that would connect to the YMWD Aqueduct Supply Pipeline, upsizing to a portion of an existing VCMWD pipeline, a new flow control/metering facility, and improvements to VCMWD's Lilac Pala Pump Station. VCMWD would own all components of the system improvements, with construction and operation matters to be defined in a Principles of Understanding (POU) between the Water Authority, VCMWD, and YMWD and further defined in and inter-agency exchange agreement between VCMWD and YMWD.

Project Budget	Prior Budget	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Administration ¹		586,000	586,000	632,000	1,218,000	1,218,000
San Gabriel PS Improvements			0	1,824,500	1,824,500	1,824,500
Lilac-Pala PS Improvements			0	306,500	306,500	306,500
16 inch W/L Replacement			0	588,500	588,500	588,500
16-inch W/L Extension			0	1,502,000	1,502,000	1,502,000
Flow Control Facility			0	459,000	459,000	459,000
Total Project	0	586,000	586,000	5,312,500	5,898,500	5,898,500

¹Administration includes Staff and Consultant expenses for Project Management, Design, Bidding, Inspection and Construction Management. CEQA certifications for the Project and property acquisition of the Flow Control Facility site will be managed and funded directly by the San Diego County Water Authority.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	Engineering

Betsworth Forebay No. 1 Painting and Recoating

	Type	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
	Replacement	A	N/A	7, 8	2

PROJECT DESCRIPTION:

Betsworth Forebay No. 1 is a 0.5 million gallon above ground welded steel water reservoir which serves as the smaller of the two forebay reservoirs for the Betsworth Pump Station. Last painted and recoated in 2000, the exterior paint and interior coatings are experiencing significant deterioration contributing to increased corrosion within the reservoir.

The proposed project includes the design and application of exterior paint and interior coating. The new paint and coating will have a life service expectancy of up to 20 years. District staff will prepare the plans and specifications and provide inspection for the project.

The following table summarizes the project funding requirements and expense allocations:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	60,000	60,000		60,000	60,000
Construction			0	220,000	220,000		220,000	220,000
Miscellaneous			0	10,000	10,000		10,000	10,000
Contingency (15%)			0	43,500	43,500		43,500	43,500
Total Project	0	0	0	333,500	333,500	0	333,500	333,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	Engineering

Red Mountain Reservoir Painting and Recoating

	Type	Master Plan Priority	Project ID	Standard	Strategic Plan Goal
	Replacement	A	N/A	7, 8	2

PROJECT DESCRIPTION:

Red Mountain Reservoir is a 0.5 million gallon above ground welded steel water reservoir which provides storage for the surrounding rural residential and agricultural areas. Last repainted and coated in 1967, the exterior paint and interior coatings are experiencing significant deterioration contributing to increased corrosion within the reservoir.

The proposed project includes the design and application of exterior paint and interior coating. The new paint and coating will have a life service expectancy of up to 15 years. District staff will prepare the plans and specifications and provide inspection for the project.

The following table summarizes the project funding requirements and expense allocations:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	60,000	60,000		60,000	60,000
Engineering			0		0		0	0
Construction			0	220,000	220,000		220,000	220,000
Miscellaneous			0	10,000	10,000		10,000	10,000
Contingency (15%)			0	43,500	43,500		43,500	43,500
Total Project	0	0	0	333,500	333,500	0	333,500	333,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

Asset Management System

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	Field

New Item	<u>Master Plan</u>		<u>Project ID</u>	<u>Strategic Plan</u>	
	<u>Type</u>	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
	Existing Service				4d

PROJECT DESCRIPTION:

Purchase of a new Asset Management program to improve Field tracking and scheduling of maintenance, inspections and repairs of all field facilities. The new CMMS (computerized maintenance management system) will also improve personnel efficiencies and will be able to produce cost labor reports, inventory notifications and generate weekly, monthly or yearly work orders to modernize the tracking of required maintenance, inspection and or testing.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocatio n	Future Total Project Budget	Estimated Total Project Cost
Construction			0	50,000	50,000		50,000	50,000
			0					
Total Project	0	0	0	50,000	50,000	0	50,000	50,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51600
DEPARTMENT:	Field

Administration Facility Improvements

Continuing Project	<u>Master Plan</u>		<u>Project ID</u>	<u>Strategic Plan</u>	
	<u>Type</u>	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
	Existing Service				

PROJECT DESCRIPTION:

This phase of the administration facility improvement project will involve the improvement and minor construction of the engineering services area and general administration offices. Included in the project will be removal of asbestos flooring, new carpet, painting, installation of new LED lighting and improvement and insulation of the ceiling in engineering services area.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	10,000	10,000		10,000	10,000
Construction			0	90,000	90,000		90,000	90,000
Miscellaneous			0	8,000	8,000		8,000	8,000
Contingency			0	12,000	12,000		12,000	12,000
Total Project	0	0	0	120,000	120,000	0	120,000	120,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	General Administration

Comprehensive Energy Program Analysis and Strategic Plan

New Item	Type	Master Plan	Project ID	Strategic Plan	Goal
		Priority		Standard	

PROJECT DESCRIPTION:

In 2001, the District secured the services of Dr. Lon House to perform the ***April 2002, Energy Assessment***. Coming from that analysis were recommendations to make significant investments in pumping and pump motor. The resulting energy efficiency programs, along with subsequent investments in renewable energy, enabled the District to dramatically reduce grid energy use on a per-acre basis, allowing the forestalling of pumping rate increases from 2006 to 2016.

Given the changes in energy policy at the state and within the SDG&E and a rapidly evolving energy world just ahead, staff feels it is time to revisit a ***Comprehensive Energy Program Analysis and Strategic Plan***

What is proposed is three phased effort:

Phase I – Comprehensive analysis of all power rates and identification of opportunities to maximize the financial and operational benefits offered under the range of SDG&E tariffs;

Phase II – A review of all District operations and power use centers (pump stations, wastewater treatment plants, Corporate Facility) to determine potential operational modifications maximizing the benefits of existing infrastructure, i.e., in-system pumped storage; small scale hydro, and potential opportunities provided with solar renewables, battery storage, micro-grid technology; and

Phase III – A strategic analysis or visioning of trends in energy technology and energy and climate regulation which may result in near (5-7 years) or mid-term (7-15 years) diminishment or expansion of current opportunities and/or create entirely new opportunities, which can guide the District's future investments in water infrastructure, operations, energy efficiency, and renewable energy generation and storage.

It is anticipated that this would be 9-month effort with possible initial funding of implementation efforts beginning in FY 2018-2019. Given his experience and familiarity with the District and his very well recognized expertise, staff would anticipate using Dr. House for this analysis with the potential for the use of sub-consultants in the areas of battery storage, micro-grids, and small-scale in-system hydro generation.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Consultant			0	90,000	90,000		90,000	90,000
Staff Time			0	10,000	10,000		10,000	10,000
Total Project	0	0	0	100,000	100,000	0	100,000	100,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51370
DEPARTMENT:	Field

Vehicles

Replacement	Type Replacement	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
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PROJECT DESCRIPTION:

- 1) New Extra Cab ½ ton truck with 4-wheel drive, LED light bar, two-way radio, tool boxes and accessories. This vehicle will replace truck #41, a 2006 Chevrolet, Colorado, extra cab truck with 4-Wheel Drive and approximately 137,000 miles.
- 2) New Extra Cab ½ ton truck with 4-wheel drive, LED light bar, two-way radio, tool boxes and accessories. This vehicle will replace truck #55, a 2004 Chevrolet, ½ ton truck with 4-Wheel Drive and approximately 163,000 miles.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Vehicle 1			0	35,500	35,500		35,500	35,500
Vehicle 2			0	35,500	35,500		35,500	35,500
Contingency			0	7,000	7,000		7,000	7,000
Total Project	0	0	0	78,000	78,000	0	78,000	78,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	Field

Rock Screen

Replacement	<u>Type</u> Replacement	<u>Master Plan</u> <u>Priority</u> Double-Click	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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PROJECT DESCRIPTION:

Rock Screen to be purchased and placed at the Lake Turner Pit area for the purpose of screening decomposed granite and rock spoils from our various leak and construction sites. The screened dirt will then be repurposed and placed back on easements and leak repairs to minimize the cost of new material. The new screening unit will replace the current unit which was built in 1995.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Rock Screen			0	12,000	12,000		12,000	12,000
Total Project	0	0	0	12,000	12,000	0	12,000	12,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51XXX
DEPARTMENT:	General Administration

Phone System Upgrade

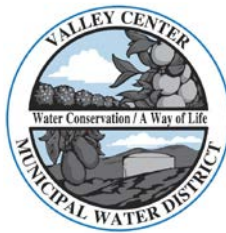
Replacement	Type Replacement	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
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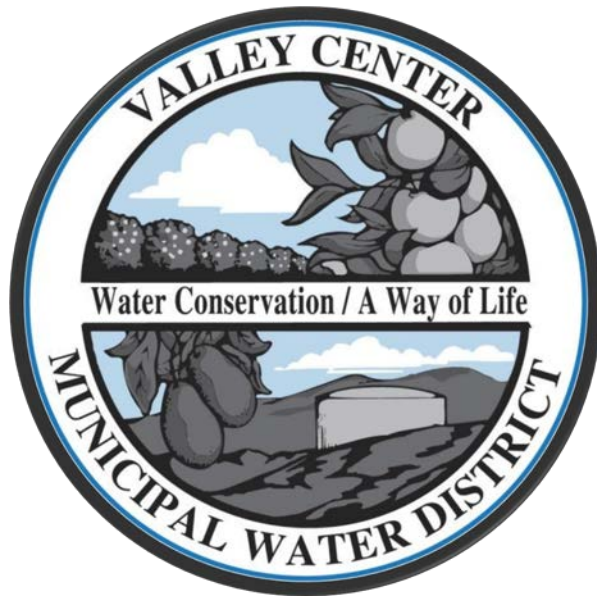
PROJECT DESCRIPTION:

The current CISCO phone system has served the District for more than six years, but the hardware (servers) have reached end-of-life and soon can no longer be serviced. The phone system is part of critical infrastructure.

New servers use virtualization technology for additional redundancy, making our system less vulnerable for downtime due to server failure. We can continue to use our current desk phones, but the new system provides compatibility with new desk phone models and offers better integration with the latest mobile technology.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Phone System			0	45,000	45,000		45,000	45,000
Total Project	0	0	0	45,000	45,000	0	45,000	45,000





Moosa

FUNCTION OVERVIEW

Wastewater collection, treatment and disposal services are provided to the communities of Hidden Meadows, Lawrence Welk Village, Castle Creek, Champagne Village, the Treasures, Islands, and Oak Woodlands subdivisions by the Lower Moosa Canyon Water Reclamation Facility, related collection system, and lift stations. The wastewater department strives to operate the facility in the most efficient manner while meeting the requirements of the Waste Discharge Permit issued by the Regional Water Quality Control Board (RWQCB). Currently, the plant is processing an average of 0.35 million gallons per day.

ACCOMPLISHMENTS FOR 2016-2017

Wastewater Collection System:

- Performed in-house cleaning and video inspection of 20% of the gravity collection system to eliminate potential blockages, reduce outside service expenditures, locate inflow and infiltration sources and monitor pipe condition and developed repair list.
- Continued evaluation and repairs of aging manholes throughout the collection system.
- Made repairs in the Rimrock low pressure sewer collection system and installed clean-out connections as needed.

Treatment Plant:

- Continued to implement operational changes that reduced equipment run times and energy consumption and improved effluent quality.
- Installed new redundant digester blower to reduce down time during digester servicing and or potential failures.
- Purchased and installed a back-up screenings unit to provide redundancy in servicing and/or repairs on the existing screening unit.

Laboratory: Continued in-house sampling and testing of the wastewater constituents and sampling for the potable bacteriological testing and general physical samples to help reduce the District's overall sampling costs.

Sewer System Management Plan (SSMP): Continued improvements for compliance with Regional Water Quality Control Board sewer system overflow waste discharge requirements.

Fats, Oils, and Grease (FOG) Program: Continued implementation and enforcement of the FOG program at local commercial properties. Developed maintenance and tracking log to annually inspect facilities that are recorded and approved with the District.

Planning Studies:

- Continued updates to the facility master plan to accommodate full build out of the service area.
- Submitted for a Bureau of Reclamation WaterSMART Grant to evaluate the feasibility of a reclamation project utilizing the plant effluent for either Title 22 Recycled Water irrigation or Indirect Potable Reuse with a multi-agency brine disposal line.

Additional Projects Completed:

- Continued ongoing process control monitoring for greater plant efficiency and improved effluent quality which will lead to recommendations for future process control upgrade project.
- Repaired and upgraded 15 residential pumps in the Rimrock Low Pressure Sewer system area.
- Continued to maintain and clean the influent line and grit channel for overflow prevention, improved effluent quality, reduced odors and wear and tear on the facility's mechanical equipment.
- Continued to maintain and clean Meadows and Islands lift station of grit, grease and debris, helping to prolong life of equipment, improve influent quality, which prevents unnecessary overflows and cleanings within the sewer collection system.

CHALLENGES AND GOALS FOR 2017-2018**Replacement Projects:**

- Continue to perform in-house cleaning and videoing of at least 20% the gravity collection system each year to eliminate potential blockages, reduce outside service expenditures, locate inflow and infiltration sources, and monitor pipe condition.
- Continue collection system evaluations and work through documented repair list developed from prior year's video monitoring.
- Continue repairing and upgrading the remaining residential pump systems in the Rimrock area.
- Replace existing Lower Pressure Sewer lateral valves and add in-line valves and flush connections as needed to more effectively maintain the Low Pressure Sewer collection system.
- Complete the SCADA integration of the Meadows Lift Station.
- Complete the migration of the existing Wonderware HMI SCADA software to the Inductive Automation Ignition product and PLC upgrades
- Update the facility Operation and Maintenance Manual to incorporate facilities, processes and control features added since the last update.

Planning Projects:

- Complete Preliminary Design Report for the replacement the facility's aging Motor Control Center in the following year.
- Complete the Lower Moosa Canyon Wastewater Master Plan Update for the full build out of the service area.
- Explore the feasibility of an improved bio solids process that would allow the solids to be applied on local golf courses or farms for agriculture.
- Examine the benefits of solar power at the treatment facilities to reduce electrical related operational costs.

- Work with the Regional Water Quality Control Board to update the Waste Discharge Permit and develop an expansion plan to meet future demands of the service area. This includes solutions to the limited groundwater basin capacity and influence on Moosa Creek for disposal of projected ultimate discharge capacity.
- Complete the Reclamation Feasibility Study and obtain Bureau of Reclamation approval allowing submittal of a feasible reclamation project for future Construction Grant Funding.

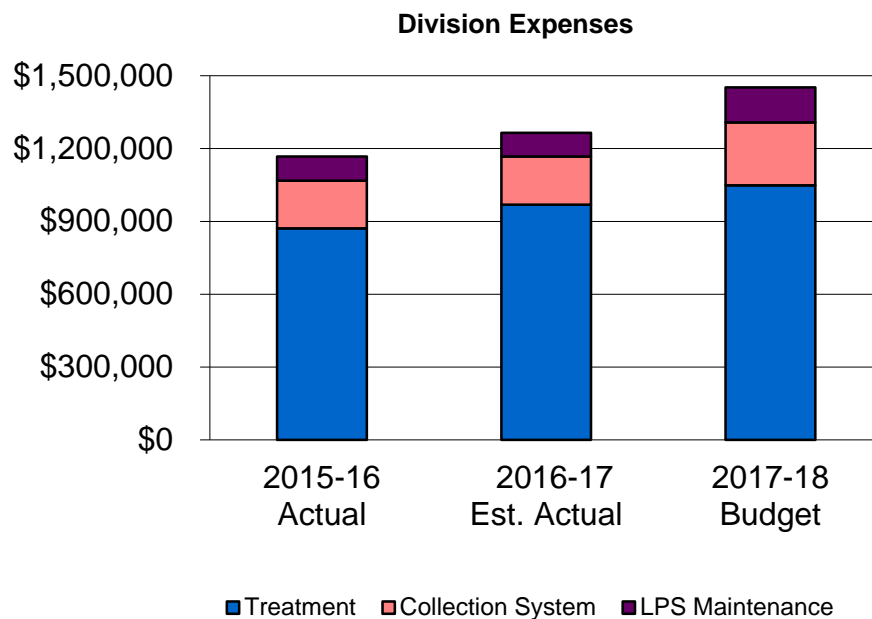
LONG-TERM GOALS

Plan for future upgrades to meet increasing wastewater capacity needs of the service area, while maintaining required effluent quality standards.

Explore potential for reuse of the facility's treated effluent to augment potable water supplies through either Title 22 recycled water irrigation or Indirect Potable Reuse.

Continue improvements in the SCADA system to provide for more automated and remote plant and collection system operation.

Continue to research and implement strategies or new technologies to improve efficiencies and maximize cost savings in all aspects of the District's wastewater procedures.



Recap of Budget and Source of Financing

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2016	1,817,036	421,834	321,727	0	2,560,597
ADD: Revenue 2016-2017					
Wastewater Service Charges	334,105			1,207,118	1,541,223
Wastewater Lateral & Inspection Fees				4,550	4,550
Interest	19,800			10,056	29,856
Wastewater LPS Charges				47,400	47,400
Wastewater LPS Repair Charges				0	0
Capacity Charges		0			0
Total Revenue					1,623,029
LESS: Estimated Expenditures 2016-2017	0	0	(244,546)	(1,264,587)	(1,509,133)
Transfers	(339,463)		344,000	(4,537)	0
Net Change	14,442	0	99,454	0	113,896
ESTIMATED BALANCE JUNE 30, 2017	1,831,477	421,834	421,181	0	2,674,493
ADD: Revenue 2017-2018					
Wastewater Service Charges	334,105			1,297,495	1,631,600
Interest	26,000			10,900	36,900
Wastewater LPS Charges				49,994	49,994
Capacity Charges		0			0
Total Revenue					1,718,494
LESS: Proposed Expenditures 2017-2018			(626,457)	(1,452,041)	(2,078,498)
Expenditures of Continuing Projects			(421,181)		(421,181)
Transfers	(720,109)		626,457	93,652	0
Net Change	(360,004)	0	(421,181)	0	(781,185)
ESTIMATED BALANCE JUNE 30, 2018	1,471,473	421,834	0	0	1,893,308

GENERAL INFORMATION:

Average Wastewater Connections:

Monthly Rates:

Effective July 1

Effective February 1

2015-2016	2016-2017		2017-2018
Actual	Budget	Estimated Actual	Budget
2,485	2,484	2,476	2,476
51.20	51.20	51.20	53.76
51.20	53.76	53.76	56.45

[illegible]

11-4

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	426,769	504,100	490,000	525,000
003	Overtime	21,299	25,000	23,000	25,000
323	Chemicals	14,481	24,000	20,000	24,000
025	Outside Professional Services	79,794	70,000	65,000	70,000
030	Special Department Expenses	4,311	4,000	3,500	4,000
032	Telephone	2,065	2,500	1,900	2,500
038	Regulatory Permits & Fees	20,543	20,100	21,050	22,000
040	Rents & Leases	0	500	500	500
341	Hazardous Waste Disposal Costs	0	300	300	300
042	Insurance	12,152	14,203	14,203	16,312
045	Electricity	67,229	80,000	80,000	90,000
048	Diesel	0	500	500	500
049	Water	5,539	6,000	6,000	6,500
451	Maintenance of Vehicles	1,377	2,000	1,500	1,500
452	Maintenance of Facilities	43,282	47,000	45,000	47,000
082	Administrative Overhead	172,213	194,456	194,456	211,817
087	Bad Debt Expense	0	2,000	2,000	2,000
	Total	871,054	996,659	968,909	1,048,929

Treatment 13-03-26-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 3.12	525,000
003	Overtime	25,000
323	Chemicals	24,000
	Polymer 7,000	
	Sodium Hypochlorite 2,000	
	Sodium Hydroxide 500	
	Laboratory Chemicals 14,500	
025	Outside Professional Services	70,000
	Pumper Trucks - for Grit Removal 12,000	
	Lab Analysis 18,000	
	Sludge Removal 15,000	
	SCADA System Maintenance 2,000	
	Muffin Monster Service/Screening Auger 9,500	
	Flow Meter Calibration and Repair 2,000	
	Lab Equipment Service & Calibration 4,000	
	Generator Load Testing & Fuel Tank Inspections 3,500	
	Cal-Fire Clearing 4,000	
030	Special Department Expenses	4,000
	Lab Supplies 2,500	
	Tools 500	
	Equipment 1,000	
032	Telephone	2,500
	Leased Lines and Alarm Monitoring 1,500	
	T-1 Network Line 1,000	
038	Regulatory Permits & Fees	22,000
	State Water Resources Control Board 18,800	
	HazMat Permit 2,000	
	Air Pollution Control District fees 1,200	
040	Rents & Leases	500

Treatment 13-03-26-50XXX

Acct. No.	Detail and Justification	Department Request
341	Hazardous Waste Disposal Costs Recycling Oil, Filters, Solvents	300
042	Insurance	16,312
045	Electricity	90,000
048	Diesel Generator Set and Tractor	500
049	Water	6,500
451	Maintenance of Vehicles	1,500
452	Maintenance of Facilities	47,000
	SCADA Computer Equipment Maintenance	3,000
	Building and Grounds Maintenance Equipment	6,000
	Electrical Equipment	4,000
	Electric Motor Maintenance	7,000
	Filter Replacement	4,000
	Tractor Maintenance	2,000
	Hardware	4,000
	Pipe and Fittings	3,000
	Mechanical Plugs	2,000
	Building and Yard Maintenance	12,000
082	Administrative Overhead	211,817
087	Bad Debt Expense	2,000

Collection System/West 13-03-27-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	155,993	166,400	154,000	204,000
003	Overtime	3,149	3,500	2,800	3,500
025	Outside Professional Services	15,191	23,000	22,500	26,000
030	Special Department Expenses	2,194	2,500	2,500	2,500
038	Regulatory Permits and Fees	1,232	3,400	2,500	3,000
042	Insurance	1,350	1,578	1,578	1,812
045	Electricity	5,771	6,800	5,000	6,800
049	Water	1,339	1,500	1,600	1,800
451	Maintenance of Vehicles	1,365	1,500	1,500	1,500
452	Maintenance of Facilities	9,074	9,500	4,500	8,000
Total		196,658	219,678	198,478	258,912

Collection System/West 13-03-27-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 1.28	204,000
003	Overtime	3,500
025	Outside Professional Services	26,000
	Sewer Cleaning/Repair	12,500
	Manhole Sensors	7,000
	Pumping	3,000
	Generator Load Testing	1,000
	Cal-Fire Clearing	2,500
030	Special Department Expenses	2,500
038	Regulatory Permits and Fees	3,000
042	Insurance	1,812
045	Electricity	6,800
049	Water	1,800
451	Maintenance of Vehicles	1,500
452	Maintenance of Facilities	8,000
	Motors Dip and Bake	1,000
	Pump Repair	2,000
	Replacement Pump	2,000
	SCADA	1,000
	Air Conditioner Repair	500
	Valves and Solenoids, Grinder Servicing	1,500

LPS Maintenance 13-03-29-50XXX

No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Actual	Budget
001	Labor & Benefits - Regular	70,561	85,000	68,000	112,900
003	Overtime	6,331	5,000	4,500	5,000
025	Outside Professional Services	3,572	4,500	4,500	4,500
030	Special Department Expenses	1,434	2,000	2,000	2,000
451	Maintenance of Vehicles	1,234	2,000	1,200	1,300
452	Maintenance of Facilities	16,499	16,000	17,000	18,500
Total		99,631	114,500	97,200	144,200

LPS Maintenance 13-03-29-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 0.69	112,900
003	Overtime	5,000
025	Outside Professional Services Pumping of Tanks 3,000 Special Repairs 1,500	4,500
030	Special Department Expenses	2,000
451	Maintenance of Vehicles	1,300
452	Maintenance of Facilities Pump Rebuild Kits 3,500 Replacement Pumps 7,000 Retrofit STEP System Pumps 8,000	18,500

Moosa 13-06-78-53XXX

Description	Acct. No.	Prior	2017						2018						Future	
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Lower Moosa																
Digester Aeration and Mixing System	080	Complete														
Meadows Lift Station Motor Control Center Repl.	290		Ongoing													
Sludge Transfer Pump Replacement	300	Complete														
Rimrock STEP System Modification	410	Complete														
Master Plan	540		Planning													
HMI/SCADA Migration & Control UpgradesSystem	660		RFP Preparation			Bid/Award			Integration							
RAS Pumps	670	Complete														
Storage Building/Workshop	720	Complete														
Digester Blower	730	Complete														
Evaluation of Reclamation System	740	Complete														
Influent Flow Meter	750	Complete														
Metal Awning	760		Ongoing													
Rimrock STEP System Improvements	770		Planning	Design	Bid Award		Construction									
Screening Unit	780	Complete														
Pipeline Camera Software Upgrade	XXX	Complete														
Moosa Main MCC Replacement	XXX					Planning										
Wastewater O&M Manual Development	XXX		RFP Preparation			Bid/Award			Consultant Contract Work							

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2016-17	Budget Transfers 2016-17	Estimated Actual Expenditures 2016-17	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18
Digester Aeration and Mixing System	080		9,948		9,948	0		0
Meadows Lift Station Motor Control Center Repl.	290		50,000			50,000		50,000
Sludge Transfer Pump Replacement	300		15,183	(15,183)		0		0
Rimrock STEP System Modification	410		15,104		15,104	0		0
Master Plan	540	11-10	359,926		39,926	320,000	50,000	370,000
RAS Pump Replacement	660		30,000		30,000	0		0
Storage Building/Shop	670		1,043			1,043	(1,043)	0
Digester Blower	720		25,000	25,183	36,645	13,538		13,538
HMI/SCADA Migration & Control UpgradesSystem	730	11-11	160,523		20,523	140,000	37,500	177,500
Evaluation of Reclamation System	740		45,000	(25,000)		20,000	(20,000)	0
Influent Flow Meter	750		16,000		16,000	0		0
Metal Awning	760		20,000		8,400	11,600		11,600
Rimrock LPS System Improvements	770	11-12	80,000		15,000	65,000	450,000	515,000
Screening Unit	780		38,000		38,000	0		0
Pipeline Camera Software Upgrade	XXX			15,000	15,000	0		0
Wastewater O&M Manual Development	XXX	11-13				0	60,000	60,000
Moosa Main MCC Replacement	XXX	11-14				0	50,000	50,000
Total Capital Projects			865,727	0	244,546	621,181	626,457	1,247,638

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2017-2018 .

Estimated Expenditures by Year

Fiscal Year 2017-2018

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18	Estimated Actual Expenditures 2017-18	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
Digester Aeration and Mixing System	080		0					
Meadows Lift Station Motor Control Center Repl.	290		50,000		50,000	50,000		
Sludge Transfer Pump Repalcement	300		0					
Rimrock STEP System Modification	410		0					
Master Plan	540	11-10	320,000	50,000	370,000	370,000		
RAS Pump Replacement	660		0					
Storage Building/Shop	670		1,043	(1,043)				
Digester Blower	720		13,538		13,538	13,538		
HMI/SCADA Migration & Control UpgradesSystem	730	11-11	140,000	37,500	177,500	177,500		
Evaluation of Reclamation System	740		20,000	(20,000)				
Influent Flow Meter	750		0					
Metal Awning	760		11,600		11,600	11,600		
Rimrock LPS System Improvements	770	11-12	65,000	450,000	515,000	257,500	257,500	
Screening Unit	780		0					
Pipeline Camera Software Upgrade	XXX		0					
Wastewater O&M Manual Development	XXX	11-13	0	60,000	60,000	60,000		
Moosa Main MCC Replacement	XXX	11-14	0	50,000	50,000	50,000		
Total Capital Projects			621,181	626,457	1,247,638	990,138	257,500	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2017-18.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	13-06-78-53540
DEPARTMENT:	Engineering

PROJECT NAME:

Lower Moosa Canyon WRF Master Plan

Continuing Project	<u>Master Plan</u>		<u>Project ID</u>	<u>Strategic Plan</u>	
	<u>Type</u>	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
	Replacement	A	N/A		

PROJECT DESCRIPTION:

Additional funding is requested for 1) the Lower Moosa Canyon WRF Master Plan project to incorporate the collection system planning evaluation and recommendations into the plan and complete the final document and 2) the balance of the funding needed to complete the feasibility study should the District not be awarded the Bureau of Reclamation WaterSMART 50/50 Feasibility Study Grant.

Master Plan

The master plan development has focused on the wastewater treatment and effluent disposal facilities. It is recommended that the collection system evaluation and planning be incorporated into the master plan. As with the treatment and disposal facilities, the master plan will outline the ultimate capacity needs of the collection facilities based on the approved County Land Use Plan, known developments and current capacity commitments. The collection system portion of the master plan would address the gravity, Lift station and low pressure sewer (LPS) components. Three project types are evaluated with the master plan, Facility Replacement Requirements, Facility Upgrades and Facility Expansion Improvements.

Replacement Projects are evaluated based on the remaining service life of the facility components; Primary focus will be on facility components with less than 5 years of expected service life. The balance of the facility components will be categorized as follows; 5-10 year replacement time frame, a 10-20 year replacement time frame and 20+ year replacement time frame.

Upgrade Projects improve system efficiency, operation reliability, ease of maintenance or provide other benefits, such as alternative water supplies.

Expansion Projects are proposed to accommodate approved growth consistent with the County's approved land Use planning documents.

Feasibility Study

The Moosa Facility currently treats 0.33 mgd to Secondary Effluent Standards and discharges the treated effluent to the District's percolation ponds on Camino Del Rey. This treated effluent could be treated to higher standards and reused to offset imported potable water demands if financially feasible. Funding sources for this type of reclamation project include revenues from the sale of the treated effluent and 25% construction grant funds available from the Bureau of Reclamation (Bureau) WaterSMART Reclamation Program. To be eligible for the grant funding, the Bureau must approve a feasibility study outlining the proposed reclamation project, costs and benefits. In 2016, the Bureau issued a Funding Opportunity Announcement for preparation of feasibility studies for Bureau approval; a 50/50 grant up to \$150,000. Staff prepared a funding application and the Board adopted Resolution No. 2017-01 approving submitting the application and funding the District portion of the feasibility study, \$170,000. Notification of the grant awards is schedule for June 2017.

Should the District not be awarded the feasibility study 50/50 grant, the balance of the study funding requirement (\$150,000) is requested so that the feasibility study can be completed and submitted for Bureau for approval. With Bureau approval, the District would be eligible to submit for twenty-five percent (25%) construction grant funding when offered by the Bureau. The Bureau has consistently offered construction grant funding opportunities the last several years. Preliminary results of the master plan indicate that there are several potentially feasible reclamation projects that could qualify for construction grant funding.

The following table summarizes the project costs for the completion of the Lower Moosa Canyon Master Plan and the preparation of the Feasibility Study for Bureau of Reclamation review and approval. A sub-account will be established to track the Feasibility Study costs separately from the Master Plan.

Project Budget	Prior Budget	Mid-year Authorization FY 2016-17	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget
Master Plan								
Staff	50,000		50,000	0	23,000	23,000		23,000
Consultants	45,000		45,000	0	20,000	20,000		20,000
Miscellaneous				0	2,500	2,500		2,500
Contingency				0	4,500	4,500		4,500
Subtotal Master Plan	95,000		95,000	0	50,000	50,000	0	50,000
Feasibility Study Preparation								
Staff		47,500		47,500		47,500		47,500
Consultants		240,000	0	240,000	0	240,000	0	240,000
Miscellaneous		2,500		2,500		2,500		2,500
Contingency		30,000		30,000		30,000		30,000
Grant Funding - Pending				0		0	(150,000)	(150,000)
Subtotal Fesibility Preparation		320,000	0	320,000	0	320,000	(150,000)	170,000
Total Project	95,000	320,000	95,000	320,000	50,000	370,000	(150,000)	220,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53730
DEPARTMENT:	Engineering

Moosa HMI/SCADA Migration and Control Upgrades

Continuing Project	Master Plan		Project ID	Strategic Plan	
	Type	Priority		Standard	Goal
	Replacement	A	N/A		

PROJECT DESCRIPTION:

Project funding was originally authorized for this project account in FY 2010-11 to establish radio links between the Moosa Facility and Central and to integrate the Moosa Facility into the SCADA communication network. Subsequently, with the FY 2012-13 Annual Budget additional funding was authorized to establish radio links between the Moosa Facility and the Islands and Meadows Lift Stations and to upgrade the lift stations for remote control and monitoring.

Radio links have been established between the Moosa Facility and Central and between the Moosa Facility and the Islands Lift Station. The Moosa Facility has been integrated into the communication network. Operators are able to log in remotely to the plant SCADA system and have the same monitoring and control authority as being on site. SCADA network communication has been established with the Islands Lift Station and the station has been integrated into the system allowing the operators to also monitor and control that facility remotely.

The only remaining items from the original scope of work are establishing a radio link with the Meadows Lift Station and integrating that facility into the SCADA network; approximately \$140,000 of the project authorization is remaining. It is proposed that the balance of the project funds along with a small amount of additional allocation be authorized for the following SCADA Improvements at the Moosa Facility.

- Complete the original scope regarding the Meadows Lift Station,
- Migrate the HMI/SCADA system from the Wonderware InTouch software product to the Inductive Automation Ignition product as was done at the Woods Valley Ranch Facility, including the resolution of several instrumentation and communication issues with the existing equipment, and
- Upgrade the existing Modicon PLCs within the Moosa Facility to Allen Bradley units to match the current PLC standards and eliminate the obsolete Modicon equipment, for which the availability of replacement parts is very limited.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Prior Scope Items	200,000	39,477	160,523	(160,523)	0		0	39,477
Engr & IT Staff			0	25,000	25,000		25,000	25,000
Meadows Lift Station			0	15,000	15,000		15,000	15,000
HMI/SCADA Migration			0	100,000	100,000		100,000	100,000
PLC Upgrades			0	30,000	30,000		30,000	30,000
Miscellaneous			0	2,023	2,023		2,023	2,023
Contingency (15%)			0	26,000	26,000		26,000	26,000
Total Project	200,000	39,477	160,523	37,500	198,023	0	198,023	237,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53770
DEPARTMENT:	Engineering

Rimrock Low Pressure Sewer System Improvements

Continuing Project	Type	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
	Replacement	A	N/A		

PROJECT DESCRIPTION:

Due to the type of gate valves and corporation stops used for the service laterals and main lines throughout the Rimrock Low Pressure Sewer (LPS) collection system and the corrosive nature of the wastewater, particularly the septic tank effluent, many of the valves and corporation stops are beginning to fail and need to be replaced. Additionally, there are only a few access points available to clean or clear the LPS collection system when service or maintenance is required.

Thus, in order to provide a more efficient and effective way to service and maintain the Rimrock LPS collection system, eliminate the potential for accidental sewer discharges and unscheduled disruption of service to the customer, the following replacement and upgrades are recommended: 1) flushing stations be installed at the end of the lines 2) the tee and the two in-line valves at all branch connections be replaced and a discharge port on the two upstream branches and a flush connection on the downstream branch be installed, 3) replace the three existing main line isolation valves and add four mainline isolation valves including installation of an upstream discharge port and downstream flush connection, and 4) replace all the service lateral connections to the main line with a non-corrosive saddle eliminating the corporation stop and replace the property line isolation and check valve at the end of the lateral.

In summary the project would consist of the following items:

- 1) Install End of Line Flush Stations – 12 units
- 2) Replace inline valves at tees and add 2 upstream and 1 downstream flush connections – 21 units
- 3) Replace existing in-line valves and add an up and down stream flush connection – 3 units
- 4) Install additional in-line valves with an up and down stream flush connection – 4 units
- 5) Replace service lateral saddle connection to main eliminating the corporation stop and replacing the end of lateral isolation and check valves – 175 units

Staff time would include Project Management, In-house Engineering for preparation of the Installation Details, Cost Evaluation and Construction Documents, Coordination with Field staff, Field staff review, Construction Management and Inspection. Because of the advantages of having the flush valves in place during replacement of the service lateral connections, staff will evaluate phasing the project to replace the tees and complete the installation of the inline valves and end line flush station under one contract and then award a separate contract to complete the service lateral connection and valve replacements.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	80,000	15,000	65,000	6,400	71,400		71,400	86,400
Construction			0	379,000	379,000		379,000	379,000
Miscellaneous			0	5,600	5,600		5,600	5,600
Contingency (15%)			0	59,000	59,000		59,000	59,000
Total Project	80,000	15,000	65,000	450,000	515,000	0	515,000	530,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53XXX
DEPARTMENT:	Engineering

Lower Moosa Canyon WRF O&M Maunal Update

New Project	Master Plan		Project ID	Strategic Plan	
	Type	Priority		Standard	Goal
	Replacement	A	N/A		

PROJECT DESCRIPTION:

The project consists of updating the existing Operation and Maintenance (O&M) Manual for the Lower Moosa Canyon Water Reclamation Facility describing and documenting the procedures for efficient operation of the wastewater facilities, including not only the treatment plant, but also the operation of the percolation ponds and collection system. Critical equipment for which replacement parts should be purchased and stored on site will be identified. An O&M Manual Update for the District's Woods Valley Ranch facility is also being recommended. Because of the similar processes at the facilities and potential for duplication of unit process descriptions, it is anticipated that one consultant contract for preparation of the O&M Manual Updates for both the Lower Moosa Canyon and Woods Valley Ranch facilities would be awarded. Both O&M manuals will be prepared utilizing a similar and industry standard format and completed concurrently, but the Woods Valley Ranch O&M manual update will be a bit more complicated with the addition of the Phase 2 Expansion facilities, seasonal storage and the recycled water facilities, as well as the combined pressure and gravity collection system. Thus, the costs for each O&M manual will be tracked separately utilizing separate project accounts.

The procedures included for the collection system in the O&M Manual Update for the Moosa facilities should address the operation and maintenance of not only the gravity collection system, but also the Rimrock and High Vista Low Pressure Sewer (LPS) collection system, the Islands and Meadows Lift Stations and responsibilities for the private grinder pump maintenance.

The O&M Manual Update for the Moosa would include the HMI/SCADA Upgrades, MCC Replacement and LPS collection system improvements proposed for FY 2017-18.

The following table summarizes the estimated project costs:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	0	0	0	10,000	10,000		10,000	10,000
Consultant			0	40,000	40,000		40,000	40,000
Miscellaneous			0	2,000	2,000		2,000	2,000
Contingency			0	8,000	8,000		8,000	8,000
Total Project	0	0	0	60,000	60,000	0	60,000	60,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53XXX
DEPARTMENT:	Engineering

Moosa Main MCC Replacement

New Project	Type Replacement	Master Plan	Project ID N/A	Strategic Plan
		Priority A		Goal

PROJECT DESCRIPTION:

The main Motor Control Center (MCC) at the Lower Moosa Canyon Water Reclamation (Moosa) Facility was installed with the original construction of the facility in the mid 1970's. The MCC is nearing the end of its service life and risk of equipment failure is increasing. Replacement parts for the dated equipment are becoming scarce. The MCC is a critical component of the treatment process; without it, all treatment comes to a halt. Staff is recommending that a project be established and funded to plan for the replacement the MCC in near future. Extensive planning is necessary for the replacement of the MCC to ensure that critical processes are maintained during the upgrade process and that future expansion requirements are incorporated into the design.

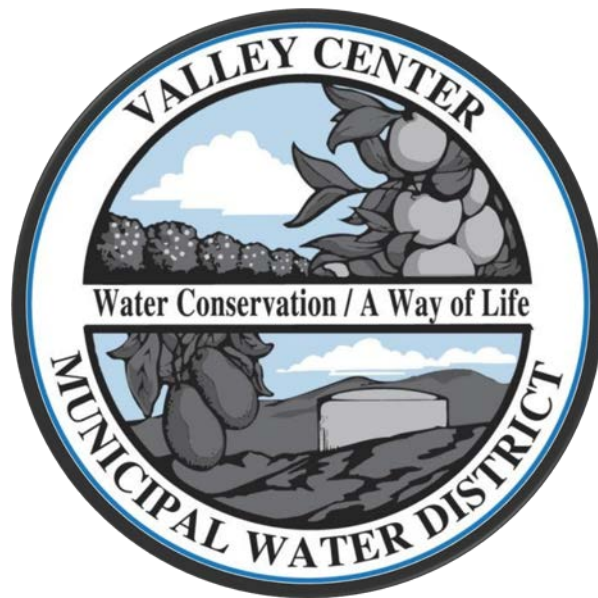
It is also recommended that equipment control strategies be evaluated at a part of this planning effort and control upgrades to improve plant operation energy efficiency, redundancy and reliability be included as part of the proposed MMC replacement project.

The scope of work for the this planning phase of the project will consist of preparation of a preliminary design report for the proposed MCC replacement and system descriptions for desired control upgrades to be included in future Motor Control Center (MCC) Replacement and Control Upgrade Project.

The following table summarizes the estimated cost for the planning effort and provides an order of magnitude for the anticipated construction phase costs. The PDR would provide a detailed estimated of the anticipated construction cost. Funding for the project would come from the Moosa Facility capital replacement reserves.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	0	0	0	20,000	20,000	42,000	62,000	62,000
Engineering (PDR)			0	20,000	20,000		20,000	20,000
Engineering (Design)			0			35,000	35,000	35,000
Construction			0			350,000	350,000	350,000
Miscellaneous			0	3,500	3,500	7,500	11,000	11,000
Contingency (15%)			0	6,500	6,500	65,500	72,000	72,000
Total Project	0	0	0	50,000	50,000	500,000	550,000	550,000





Woods Valley Expansion

FUNCTION OVERVIEW

Projects associated with the expansion of the Woods Valley Ranch Water Reclamation Facility (Fund 16) are segregated from the main facility (Fund 17) to better identify and account for funds expended for expansion and capital improvements from funds expended for operation and maintenance costs, system upgrade costs, and facility replacement projects.

The Woods Valley Ranch Wastewater Expansion Project (Expansion Project) is a joint Property Owner/Developer/District project to extend wastewater service to parcels owned by participating developers and property owners in the South and North Village areas of Valley Center. These areas are identified on the County General Plan as the higher density areas generally along Valley Center Road from Woods Valley Road north through Cole Grade Road. The service area is anticipated to have an ultimate average day wastewater demand of up to 600,000 gallons per day. The extension of wastewater service to the area would be accomplished through voluntary property owner participation in multiple expansion phases as required to meet the requested wastewater capacity timing and demands.

Property owners representing 350 EDUs (Equivalent Dwelling Units) of capacity participated in the initial project offering and approved the formation of an assessment district to fund the repayment of a State Water Resources Control Board Clean Water (SWRCB) State Revolving Fund (SRF) Loan to finance the project. With approval of the project funding in place several other property owners expressed interest in participating. A second participation offering was conducted and participation level increased to 1,095 EDUs.

Facilities were planned for the higher participation level and design of the project facilities were delayed until the participation agreements for the increased capacity were completed. Estimated total project cost increased to \$31.9M with \$30.735M being the portion eligible for the SRF Loan.

The Expansion Project consists of the following project components, each with a separate SRF financing agreement with the SWRCB; 1) South Village Collection System, 2), Woods Valley Ranch Water Reclamation Facility (WVRWRF) Phase 2 Expansion, 3) Charlan Road Seasonal Storage Facility, and 4) North Village Collection System.

ACCOMPLISHMENTS FOR 2016-2017

- Construction of the South Village Collection System was completed and the first property owner connection to the system was made.
- Construction of the Charlan Road Seasonal Storage Facility was completed.
- Construction of the Woods Valley Ranch WRF Phase 2 Expansion was substantially completed and the start-up process commenced in May 2017. Final completion is scheduled for July 2017.
- Design of the North Village Low Pressure Sewer Collection System was completed. Construction is pending final funding approval from the project State Revolving Fund Loan.

CHALLENGES AND GOALS FOR 2016-2017

Challenges for the up-coming fiscal year for the Woods Valley Ranch Wastewater Expansion Project, include the following:

- Complete the design of the North Village and Orchard Run Wastewater Lift Stations,
- Obtain SRF approval of the North Village Collection System project component, and
- Completion of the North Village Collection Facilities.

LONG-TERM GOALS

Long term goals for the expansion of the Woods Valley Ranch WRF include the following:

- Work with the major developers in the Woods Valley Ranch WRF Service Area to prepare planning documents and agreements necessary for the implementation of future expansion projects as needed for their developments.
- Development of a reclamation plan that provides for the perpetual beneficial reuse of the treated effluent generated by the wastewater customers.
- Coordination and preparation of planning documents necessary to have wastewater capacity available when needed without requiring extensive District financial commitments and resources. The wastewater expansion project phases shall be developed with funding provided only from the property owners that receive a direct benefit from the wastewater improvements.
- Pursue Federal funding opportunities to assist with the expansion of the facility to develop recycled water supplies to offset imported potable water irrigation demands, improve ground water quality, and help reduce costs to provide wastewater service to new and existing customers within the designated service area.

Recap of Budget and Source of Financing

	Replacement Reserve Fund	Debt Service Reserve Funds	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2016	995,529	0	15,835,882	0	16,831,411
ADD: Revenue 2016-2017					
Wastewater Stand-By Charge	602,600	1,712,082			602,600
AD 2012-1 Assessment					1,712,082
Interest	12,968				12,968
Total Revenue					2,327,650
Proceeds from SRF Loan			0		15,835,882
LESS: Estimated Expenditures 2016-2017	0	0	(15,835,882)		(15,835,882)
Transfers		0		0	0
Net Change	615,568	1,712,082	(15,835,882)	0	(13,508,232)
ESTIMATED BALANCE JUNE 30, 2017	1,611,097	1,712,082	0	0	3,323,179
ADD: Revenue 2017-2018					
Wastewater Stand-By Charge	602,600	1,712,082			602,600
AD 2012-1 Assessment					1,712,082
Interest	24,861				24,861
Total Revenue					2,339,543
Proceeds from SRF Loan			0		0
LESS: Proposed Expenditures 2017-2018		(1,593,290)	0		(1,593,290)
Expenditures of Continuing Projects			0		0
Transfers	0	0	0		0
Net Change	627,461	118,792	0	0	746,253
ESTIMATED BALANCE JUNE 30, 2018	2,238,558	1,830,874	0	0	4,069,432

[illegible]

Description	2015-2016	2016-2017		2017-2018
	Actual	Budget	Estimated Actual	Budget
Debt Service	0	0	0	1,593,290
Capital Projects	13,228,683	20,838,171	15,835,882	0
TOTAL WOODS VALLEY RANCH	13,228,683	20,838,171	15,835,882	1,593,290

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
	Principal	0	0	0	1,036,337
	Interest on Debt	0	0	0	556,953
	Total	0	0	0	1,593,290

Stand-by/Assessment Charges	0	0	0	1,593,290
Total	0	0	0	1,593,290

DEBT SCHEDULES FOR SECURED SRF LOANS TOTALING \$25,561,958.22

Debt Schedule for the Collection System:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
8/15/2017	1	\$ 2,852,436.13	\$ 115,077.03	2.20%	\$ 62,753.59	\$ 177,830.62	\$ 2,737,359.10
8/15/2018	2	\$ 2,737,359.10	\$ 117,608.72	2.20%	\$ 60,221.90	\$ 177,830.62	\$ 2,619,750.38
8/15/2019	3	\$ 2,619,750.38	\$ 120,196.11	2.20%	\$ 57,634.51	\$ 177,830.62	\$ 2,499,554.27
8/15/2020	4	\$ 2,499,554.27	\$ 122,840.43	2.20%	\$ 54,990.19	\$ 177,830.62	\$ 2,376,713.84
8/15/2021	5	\$ 2,376,713.84	\$ 125,542.92	2.20%	\$ 52,287.70	\$ 177,830.62	\$ 2,251,170.92
8/15/2022	6	\$ 2,251,170.92	\$ 128,304.86	2.20%	\$ 49,525.76	\$ 177,830.62	\$ 2,122,866.06
8/15/2023	7	\$ 2,122,866.06	\$ 131,127.57	2.20%	\$ 46,703.05	\$ 177,830.62	\$ 1,991,738.49
8/15/2024	8	\$ 1,991,738.49	\$ 134,012.37	2.20%	\$ 43,818.25	\$ 177,830.62	\$ 1,857,726.12
8/15/2025	9	\$ 1,857,726.12	\$ 136,960.65	2.20%	\$ 40,869.97	\$ 177,830.62	\$ 1,720,765.47
8/15/2026	10	\$ 1,720,765.47	\$ 139,973.78	2.20%	\$ 37,856.84	\$ 177,830.62	\$ 1,580,791.69
8/15/2027	11	\$ 1,580,791.69	\$ 143,053.20	2.20%	\$ 34,777.42	\$ 177,830.62	\$ 1,437,738.49
8/15/2028	12	\$ 1,437,738.49	\$ 146,200.37	2.20%	\$ 31,630.25	\$ 177,830.62	\$ 1,291,538.12
8/15/2029	13	\$ 1,291,538.12	\$ 149,416.78	2.20%	\$ 28,413.84	\$ 177,830.62	\$ 1,142,121.34
8/15/2030	14	\$ 1,142,121.34	\$ 152,703.95	2.20%	\$ 25,126.67	\$ 177,830.62	\$ 989,417.39
8/15/2031	15	\$ 989,417.39	\$ 156,063.44	2.20%	\$ 21,767.18	\$ 177,830.62	\$ 833,353.95
8/15/2032	16	\$ 833,353.95	\$ 159,496.83	2.20%	\$ 18,333.79	\$ 177,830.62	\$ 673,857.12
8/15/2033	17	\$ 673,857.12	\$ 163,005.76	2.20%	\$ 14,824.86	\$ 177,830.62	\$ 510,851.36
8/15/2034	18	\$ 510,851.36	\$ 166,591.89	2.20%	\$ 11,238.73	\$ 177,830.62	\$ 344,259.47
8/15/2035	19	\$ 344,259.47	\$ 170,256.91	2.20%	\$ 7,573.71	\$ 177,830.62	\$ 174,002.56
8/15/2036	20	\$ 174,002.56	\$ 174,002.56	2.20%	\$ 3,828.06	\$ 177,830.62	\$ -
Total			\$ 2,852,436.13		\$ 704,176.27	\$ 3,556,612.40	

Debt Schedule for the Treatment Plant:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
12/15/2017	1	\$ 17,254,600.67	\$ 701,189.77	2.20%	\$ 374,190.99	\$ 1,075,380.76	\$ 16,553,410.90
12/15/2018	2	\$ 16,553,410.90	\$ 711,205.72	2.20%	\$ 364,175.04	\$ 1,075,380.76	\$ 15,842,205.18
12/15/2019	3	\$ 15,842,205.18	\$ 726,852.25	2.20%	\$ 348,528.51	\$ 1,075,380.76	\$ 15,115,352.93
12/15/2020	4	\$ 15,115,352.93	\$ 742,843.00	2.20%	\$ 332,537.76	\$ 1,075,380.76	\$ 14,372,509.93
12/15/2021	5	\$ 14,372,509.93	\$ 759,185.54	2.20%	\$ 316,195.22	\$ 1,075,380.76	\$ 13,613,324.39
12/15/2022	6	\$ 13,613,324.39	\$ 775,887.62	2.20%	\$ 299,493.14	\$ 1,075,380.76	\$ 12,837,436.77
12/15/2023	7	\$ 12,837,436.77	\$ 792,957.15	2.20%	\$ 282,423.61	\$ 1,075,380.76	\$ 12,044,479.62
12/15/2024	8	\$ 12,044,479.62	\$ 810,402.21	2.20%	\$ 264,978.55	\$ 1,075,380.76	\$ 11,234,077.41
12/15/2025	9	\$ 11,234,077.41	\$ 828,231.06	2.20%	\$ 247,149.70	\$ 1,075,380.76	\$ 10,405,846.35
12/15/2026	10	\$ 10,405,846.35	\$ 846,452.14	2.20%	\$ 228,928.62	\$ 1,075,380.76	\$ 9,559,394.21
12/15/2027	11	\$ 9,559,394.21	\$ 865,074.09	2.20%	\$ 210,306.67	\$ 1,075,380.76	\$ 8,694,320.12
12/15/2028	12	\$ 8,694,320.12	\$ 884,105.72	2.20%	\$ 191,275.04	\$ 1,075,380.76	\$ 7,810,214.40
12/15/2029	13	\$ 7,810,214.40	\$ 903,556.04	2.20%	\$ 171,824.72	\$ 1,075,380.76	\$ 6,906,658.36
12/15/2030	14	\$ 6,906,658.36	\$ 923,434.28	2.20%	\$ 151,946.48	\$ 1,075,380.76	\$ 5,983,224.08
12/15/2031	15	\$ 5,983,224.08	\$ 943,749.83	2.20%	\$ 131,630.93	\$ 1,075,380.76	\$ 5,039,474.25
12/15/2032	16	\$ 5,039,474.25	\$ 964,512.33	2.20%	\$ 110,868.43	\$ 1,075,380.76	\$ 4,074,961.92
12/15/2033	17	\$ 4,074,961.92	\$ 985,731.60	2.20%	\$ 89,649.16	\$ 1,075,380.76	\$ 3,089,230.32
12/15/2034	18	\$ 3,089,230.32	\$ 1,007,417.69	2.20%	\$ 67,963.07	\$ 1,075,380.76	\$ 2,081,812.63
12/15/2035	19	\$ 2,081,812.63	\$ 1,029,580.88	2.20%	\$ 45,799.88	\$ 1,075,380.76	\$ 1,052,231.75
12/15/2036	20	\$ 1,052,231.75	\$ 1,052,231.75	2.20%	\$ 23,149.10	\$ 1,075,380.85	\$ -
Total			\$ 17,254,600.67		\$ 4,253,014.62	\$ 21,507,615.29	

Debt Schedule for the Treatment Plant:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
10/20/2017	1	\$ 5,454,921.42	\$ 220,070.18	2.20%	\$ 120,008.27	\$ 340,078.45	\$ 5,234,851.24
10/20/2018	2	\$ 5,234,851.24	\$ 224,911.72	2.20%	\$ 115,166.73	\$ 340,078.45	\$ 5,009,939.52
10/20/2019	3	\$ 5,009,939.52	\$ 229,859.78	2.20%	\$ 110,218.67	\$ 340,078.45	\$ 4,780,079.74
10/20/2020	4	\$ 4,780,079.74	\$ 234,916.70	2.20%	\$ 105,161.75	\$ 340,078.45	\$ 4,545,163.04
10/20/2021	5	\$ 4,545,163.04	\$ 240,084.86	2.20%	\$ 99,993.59	\$ 340,078.45	\$ 4,305,078.18
10/20/2022	6	\$ 4,305,078.18	\$ 245,366.73	2.20%	\$ 94,711.72	\$ 340,078.45	\$ 4,059,711.45
10/20/2023	7	\$ 4,059,711.45	\$ 250,764.80	2.20%	\$ 89,313.65	\$ 340,078.45	\$ 3,808,946.65
10/20/2024	8	\$ 3,808,946.65	\$ 256,281.62	2.20%	\$ 83,796.83	\$ 340,078.45	\$ 3,552,665.03
10/20/2025	9	\$ 3,552,665.03	\$ 261,919.82	2.20%	\$ 78,158.63	\$ 340,078.45	\$ 3,290,745.21
10/20/2026	10	\$ 3,290,745.21	\$ 267,682.06	2.20%	\$ 72,396.39	\$ 340,078.45	\$ 3,023,063.15
10/20/2027	11	\$ 3,023,063.15	\$ 273,571.06	2.20%	\$ 66,507.39	\$ 340,078.45	\$ 2,749,492.09
10/20/2028	12	\$ 2,749,492.09	\$ 279,589.62	2.20%	\$ 60,488.83	\$ 340,078.45	\$ 2,469,902.47
10/20/2029	13	\$ 2,469,902.47	\$ 285,740.60	2.20%	\$ 54,337.85	\$ 340,078.45	\$ 2,184,161.87
10/20/2030	14	\$ 2,184,161.87	\$ 292,026.89	2.20%	\$ 48,051.56	\$ 340,078.45	\$ 1,892,134.98
10/20/2031	15	\$ 1,892,134.98	\$ 298,451.48	2.20%	\$ 41,626.97	\$ 340,078.45	\$ 1,593,683.50
10/20/2032	16	\$ 1,593,683.50	\$ 305,017.41	2.20%	\$ 35,061.04	\$ 340,078.45	\$ 1,288,666.09
10/20/2033	17	\$ 1,288,666.09	\$ 311,727.80	2.20%	\$ 28,350.65	\$ 340,078.45	\$ 976,938.29
10/20/2034	18	\$ 976,938.29	\$ 318,585.81	2.20%	\$ 21,492.64	\$ 340,078.45	\$ 658,352.48
10/20/2035	19	\$ 658,352.48	\$ 325,594.70	2.20%	\$ 14,483.75	\$ 340,078.45	\$ 332,757.78
10/20/2036	20	\$ 332,757.78	\$ 332,757.78	2.20%	\$ 7,320.67	\$ 340,078.45	-
Total			\$ 5,454,921.42		\$ 1,346,647.58	\$ 6,801,569.00	

Woods Valley Ranch Expansion 16-06-78-56XXX

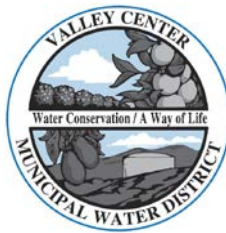
Description	Acct. No.	Prior	2017							2018						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Woods Valley Ranch Expansion																
Woods Valley Ranch WRF Phase 2 Expansion	560															
Planning		Complete														
Land Acquisitions			NV Lift Station Site													
Assessment District Modification/Annexation		Complete														
South Village Collection		Complete														
WVR Phase 2 Expansion			Construction													
Charlan Road Seasonal Storage		Complete														
North Village Collection System		Design		Bid/Award					Construction							
Orchard Run/North Village Lift Stations				Design			Bid/Award		Construction							

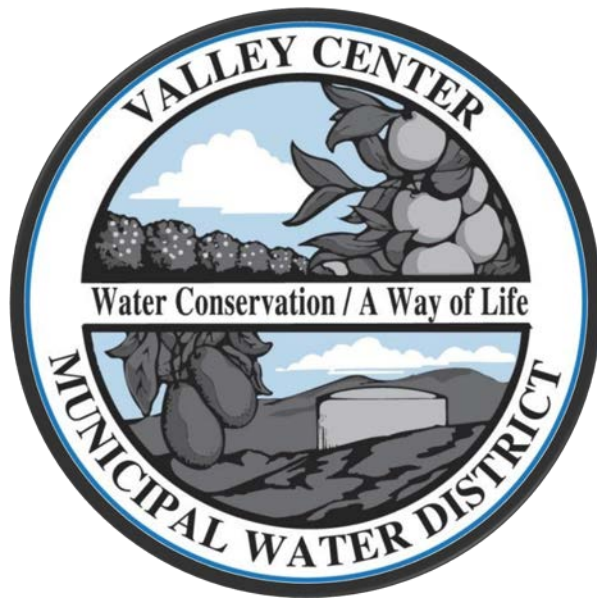
Woods Valley Ranch Expansion 16-06-78-56XXX

Description	Springbrook Acct. No.	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18
WVR WRF Planning	560	15,835,882	15,835,882	0	0	0
Total Capital Projects		15,835,882	15,835,882	0	0	0

X: Subaccounts exist, use VCWorks Lookup function to determine appropriate account number for the job.

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2017-2018.





Woods Valley Ranch

FUNCTION OVERVIEW

Wastewater collection, treatment and disposal services are provided to the 270 homes and golf course of the Woods Valley Ranch development by the 70,000 gallon per day (gpd) Woods Valley Ranch Water Reclamation Facility (WVRWRF). Funding for the operation of the facility comes from 1) a fixed charge special assessment on the property tax roll consisting of a wastewater service charge for properties connected to the system, 2) a wastewater standby fee for properties that have not yet connected to the wastewater system, and 3) proceeds from the sale of reclaimed water to the golf course for irrigation.

ACCOMPLISHMENTS FOR 2016-2017

Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction: Final acceptance of the 70,000 gpd permanent treatment facility was issued in June 2013. Effluent from the facility is being discharged to the golf course storage ponds where it is used for irrigation of the golf course. Record drawings of the facility were completed and are available for District staff use. The waste discharge permit for the facility was modified to provide for the additional capacity needed for the Phase 2 Expansion Project, which is scheduled to be completed by the end of the 2016-2017 Fiscal Year.

Woods Valley Ranch Wastewater Expansion Project: With Clean Water State Revolving Fund financing approval from the State Water Resources Control Board the Woods Valley Ranch Wastewater Expansion Project was initiated expanding the service area of the WVRWRF to include the North and South Village Areas of the District, increasing the required plant capacity to 275,000 gpd.

Woods Valley Ranch Water Reclamation Facility:

- Continued to implement operational changes that reduced equipment runtimes, significantly reducing energy consumption and energy cost.
- Provided assistance and support on Phase 2 Expansion Project of Woods Valley Treatment Facility.

Wastewater Collection System:

- Continued inspection, cleaning, and repairs of the collection system wastewater mains.

CHALLENGES AND GOALS FOR 2017-2018

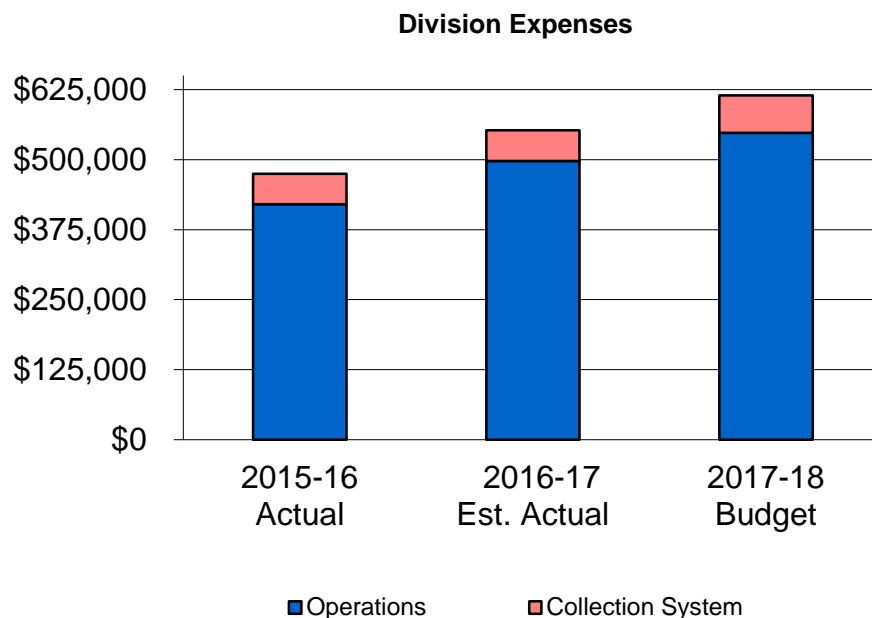
Following final acceptance of the Phase 2 Expansion Project, the 275,000 gpd permanent treatment plant, the District will continue to operate and maintain the permanent wastewater treatment facility and produce an effluent that will meet California Title 22 Water Quality Requirements for irrigation of the golf course facility. The following improvements are proposed to improve plant performance:

- Continue to reduce energy consumption and cost by implementing operational improvements. To include the option of solar system development and implementation.
- Inspect and clean collection system sewer lines per District's Sanitary Sewer Management Plan (SSMP).
- Ongoing development and implementation of improved operational strategies to reduce equipment run times and labor cost.

- Continued inspection of the Woods Valley Golf Course reclamation water usage and operations to ensure that the course complies with all the Department of Health and Water Quality Control Boards Rules and Regulations.
- Update the existing Operation and Maintenance Manual describing and documenting the procedures for efficient operation of the wastewater facilities, including not only the treatment plant, but also the collection system, seasonal storage facility and the recycled water distribution system.
- Complete installation of Nitrogen-Ammonia Sensors to monitor ammonia and nitrate concentrations in the process to provide data necessary to more reliably control and more efficiently operate the facility.

LONG-TERM GOALS

Operate and maintain the plant to be self-supporting without financial consideration from the General Fund. Work with the developers and property owners in the vicinity of the Woods Valley Ranch WRF to develop a Phase 3 expansion project in accordance with the approved Master Plan to meet the wastewater treatment needs of property in the South and North Village Areas.



Recap of Budget and Source of Financing

	Replacement Reserve Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2016	351,159	239,944	704,833	0	1,295,936
ADD: Revenue 2016-2017					
Wastewater Service Charge	102,620	0		229,411	332,031
Reclaimed Water & Meter Charge				48,410	48,410
Interest	4,025			7,167	11,192
Total Revenue					391,633
LESS: Estimated Expenditures 2016-2017	0	0	(685,389)	(449,988)	(1,135,377)
Transfers	(225,050)	(14,950)	75,000	165,000	0
Net Change	(118,405)	(14,950)	(610,389)	0	(743,744)
ESTIMATED BALANCE JUNE 30, 2017	232,754	224,994	94,444	0	552,192
ADD: Revenue 2017-2018					
Wastewater Service Charge	102,620	0		228,676	331,296
Wastewater Service Charge (SA-2)				17,748	17,748
Grinder Maintenance Charge (SA-2)	7,245			0	7,245
Reclaimed Water & Meter Charge				51,430	51,430
Interest	3,693			3,393	7,086
Total Revenue					414,805
LESS: Proposed Expenditures 2017-2018		0	(209,842)	(512,245)	(722,087)
Expenditures of Continuing Projects			(94,444)		(94,444)
Transfers	(346,312)	31,129	209,842	105,341	0
Net Change	(232,754)	31,129	(94,444)	(105,657)	(401,726)
ESTIMATED BALANCE JUNE 30, 2018	0	256,123	0	(105,657)	150,466

GENERAL INFORMATION:

Average Wastewater Units Billed:

Monthly Rates:

Effective July 1

Effective January 1

2015-2016	2016-2017		2017-2018
Actual	Adopted Budget	Estimated Actual	Budget
280	280	280	280
98.60	98.60	98.60	98.60
98.60	98.60	98.60	98.60

[illegible]

13-4

[illegible]

Collection System 17-03-30-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 0.33	52,000
003	Overtime	350
025	Outside Professional Services	4,000
030	Special Department Expenses	1,000
038	Regulatory Permit & Fees	3,000
452	Maintenance of Facilities including collection system	2,000

Treatment 17-03-31-50XXX

Acct. No.	Description	2015-2016	2016-2017		2017-2018
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	133,476	219,800	202,000	223,300
003	Overtime	7,366	9,000	7,100	9,000
324	Chemicals	8,234	8,500	7,000	9,000
025	Outside Professional Services	30,189	30,500	31,500	35,000
030	Special Department Expenses	0	1,600	1,600	1,600
032	Telephone	274	400	400	400
038	Regulatory Permits & Fees	15,731	16,500	16,200	16,800
040	Rents & Leases	0	250	250	250
042	Insurance	11,189	13,202	13,202	13,650
045	Electricity	46,590	46,000	40,000	51,000
048	Diesel	0	300	300	300
049	Water	730	600	600	600
451	Maintenance of Vehicles	1,367	2,000	1,200	2,000
452	Maintenance of Facilities	8,854	13,000	11,500	13,000
082	Administrative Overhead	53,577	61,886	61,886	73,995
	Total Treatment Operations	317,577	423,538	394,738	449,895
078	Contribution to Replacement Reserve	102,620	102,620	102,620	102,620
		102,620	102,620	102,620	102,620
	Total	420,197	526,158	497,358	552,515

Treatment 17-03-31-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 1.25	223,300
003	Overtime	9,000
324	Chemicals	9,000
025	Outside Professional Services Pumper Trucks - Haul waste 6,500 Laboratory Testing Services 11,500 Courier Service 4,000 Sewer Cleaning 7,000 SCADA Maintenance 2,000 Generator Load Testing 2,000 Wonderware Service Support 2,000	35,000
030	Special Department Expenses Tools 800 Equipment 800	1,600
032	Telephone	400
038	Regulatory Permits & Fees	16,800
040	Rents & Leases	250
042	Insurance	13,650
045	Electricity	51,000
048	Diesel	300
049	Water	600
451	Maintenance of Vehicles	2,000

Treatment 17-03-31-50XXX

Acct. No.	Detail and Justification	Department Request
452	Maintenance of Facilities	13,000
	Motor & Pump Repairs 6,000	
	Safety Material 2,000	
	Misc Material/Equipment 5,000	
078	Contribution to Capital Replacement Reserve	102,620
082	Administrative Overhead	73,995

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2016-2017	Estimated Actual Expenditures 2016-2017	Budget Carried Forward to 2017-2018	New Appropriation 2017-2018	Total Approved Budget 2017-2018
SCADA and Security	200		2,242		2,242	(2,242)	0
Programmable Logic Controller	350		2,699		2,699	(2,699)	0
Phase 2 Expansion Project (Replacement Component)	460		525,000	525,000	0		0
SCADA/HMI Replacement Project	480		160,389	160,389	0		0
Installation of Variable Frequency Drives	590		217		217	(217)	0
Wastewater Permit Requirements	880		89,286		89,286		89,286
Wastewater O&M Manual Development	XXX	13-9				90,000	90,000
Nitrogen/Ammonia Sensors	XXX	13-10				125,000	125,000
Total Capital Projects			779,833	685,389	94,444	209,842	304,286

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to Fiscal Year 2017-18.

Estimated Expenditures by Year

Fiscal Year 2017-2018

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2017-18	New Appropriation 2017-18	Total Approved Budget 2017-18	Estimated Actual Expenditures 2017-18	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
SCADA and Security	200		2,242	(2,242)	0			
Programmable Logic Controller	350		2,699	(2,699)	0			
Phase 2 Expansion Project (Replacement Component)	460		0		0			
SCADA/HMI Replacement Project	480		0		0			
Installation of Variable Frequency Drives	590		217	(217)	0			
Wastewater Permit Requirements	880		89,286		89,286	89,286		
Wastewater O&M Manual Development	XXX	13-9		90,000	90,000	90,000		
Nitrogen/Ammonia Sensors	XXX	13-10		125,000	125,000	125,000		
Total Capital Projects			94,444	209,842	304,286	304,286	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to Fiscal Year 2017-18.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-06-78-57XXX
DEPARTMENT:	Engineering

Woods Valley Ranch WRF O&M Manual Update

New Project	Master Plan		Project ID	Strategic Plan	
	Type	Priority		Standard	Goal
	Replacement	A	N/A		

PROJECT DESCRIPTION:

The project consists of updating the existing Operation and Maintenance (O&M) Manual for the Woods Valley Ranch Water Reclamation Facility describing and documenting the procedures for efficient operation of the wastewater facilities, including not only the treatment plant, but also the collection system, seasonal storage facility and the recycled water distribution system. Critical equipment for which replacement parts should be purchased and stored on site will be identified. An O&M Manual Update for the District's Moosa facility is also being recommended. Because of the similar processes at the facilities and potential for duplication of unit process descriptions, it is anticipated that one consultant contract for preparation of the O&M Manual Updates for both the Lower Moosa Canyon and Woods Valley Ranch facilities would be awarded. Both O&M manuals will be prepared utilizing a similar and industry standard format and completed concurrently, but the Woods Valley Ranch O&M Manual Update will be a bit more complicated with the addition of the Phase 2 Expansion facilities, seasonal storage and the recycled water facilities, as well as the combined pressure and gravity collection system. Thus, the costs for each O&M Manual will be tracked separately utilizing separate project accounts.

The procedures included for the collection system in the O&M Manual Update for the Woods Valley Ranch facilities should address the operation of the proposed Lift Station in terms of the operation plan through the growth and connection schedule of the lift station service area. Procedures for the transition from low flow to flow at full build out will be covered, along with a description of the steps required to operate and maintain the force main, low pressure sewer system including responsibilities for the private grinder pump maintenance. The recycled distribution system discussion should include operation planning for the Butterfield Trails recycled water system and standard operating procedures for this system once recycled water is made available. Recycled water facilities proposed for Park Circle and Orchard Run should be included once they have been designed and approved.

The following table summarizes the estimated project cost:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	0	0	0	16,000	16,000		16,000	16,000
Consultant			0	60,000	60,000		60,000	60,000
Miscellaneous			0	2,000	2,000		2,000	2,000
Contingency			0	12,000	12,000		12,000	12,000
Total Project	0	0	0	90,000	90,000	0	90,000	90,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2017-2018**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-06-78-57XXX
DEPARTMENT:	Engineering

Woods Valley Ranch WRF Nitrogen-Ammonia Sensors

New Project	Type	Master Plan Priority	Project ID	Strategic Plan Standard	Goal
	Upgrade Project	A	N/A		

PROJECT DESCRIPTION:

Staff proposes using District forces to install Nitrogen-Ammonia Sensors manufactured by the Hach Company to monitor ammonia and nitrate concentrations in the process to provide data necessary to more reliably control and more efficiently operate the Woods Valley Ranch Water Reclamation Facility (WRF). The sensors will provide real time data on the nitrate and ammonia concentrations that will allow the operators to make appropriate process changes to obtain more energy efficient and more stable plant operation. The information provided by the proposed sensors will result in energy savings associated with reductions in aeration costs that are projected to be in excess of project cost over the life of the sensor. In addition to the energy cost savings the sensors will provide for a more reliable and stable biological process and consistent effluent quality. This will greatly reduce the potential for a process upset and a violation of the WRF's discharge permit. Such upsets could be brought about by rapidly changing influent characteristics as a result of unknown discharges into the collection system or environmental changes.

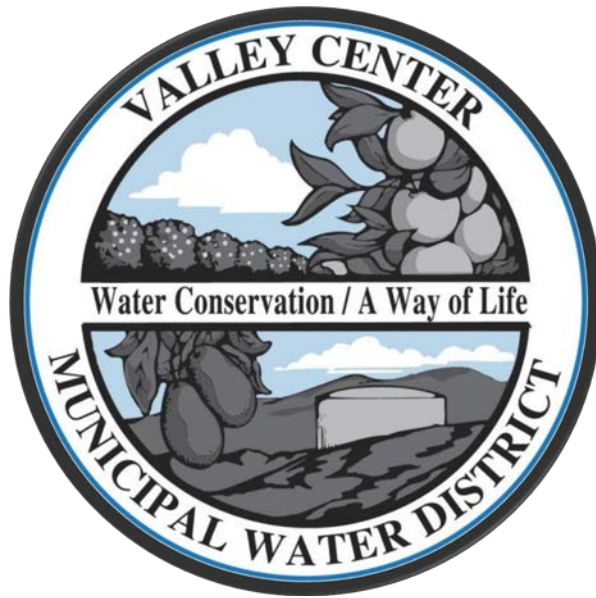
Provisions to install a different type nitrogen sensor were a part of the AeroMod treatment package included with the Phase 2 Expansion Project. However, just prior to the Phase 2 construction, a Hach sensor was obtained, installed, and tested at the Lower Moosa Canyon facility. The operators determined the Hach sensor was much superior to the sensor provided with the AeroMod treatment package and installation of two Hach sensors would provide a new and heightened level of process control. A credit of \$5,000 was negotiated with the Phase 2 contractor to delete the sensor included with the AeroMod package.

The project consists of the following scope of work items:

- Procurement of the Hach /Nitrogen-Ammonia sensors.
- Force Account Installation – District forces shall install the units and make the necessary plumbing, power and data connections.
- SCADA/HMI Integration – It is anticipated that staff will enter into a professional services contract for with a qualified integrator to provide the PLC and HMI/SCADA programming needed to incorporate the sensor data into the facility SCADA System.

The project is an upgrade to the existing facilities and would be funded from the Woods Valley Ranch Replacement Reserve Account. The following table summarizes the estimated project cost:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2017-18	Total Budget 2017-2018	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	7,500	7,500		7,500	7,500
Nitrogen Sensors			0	60,000	60,000		60,000	60,000
Installation (Force Account)			0	15,000	15,000		15,000	15,000
SCADA/HMI & PLC Prgramming			0	25,000	25,000		25,000	25,000
Miscellaneous			0	1,500	1,500		1,500	1,500
Contingency (15%)			0	16,000	16,000		16,000	16,000
Total Project	0	0	0	125,000	125,000	0	125,000	125,000



Appendix

Accrual Basis of Accounting - The method of recording financial transactions in the period in which those transactions take place, rather than only after cash is received or paid.

Acre Foot - 325,829 gallons or 435.6 hundred cubic feet of water.

Actuarial Valuation - An estimate of the current cost of future obligations of the considering inflation and growth factors.

ACWA - Association of California Water Agencies.

Administrative Code - Document which compiles all ordinances adopted by the Board of Directors.

Advanced Metering Infrastructure (AMI) - an architecture for automated, two-way communication between a smart utility meter with and a utility company.

Appropriation - Authorization by the Board of Directors to make expenditures for specific purposes, usually limited in time and amount.

Assessment District – a financing vehicle used by public agencies to fund the construction of public improvements or maintenance of public improvements that will directly benefit the parcels within the boundary of the district.

Budget – A financial plan showing authorized expenditures and their funding sources.

CAFR - See Comprehensive Annual Financial Report.

CalPERS - See PERS.

Capital Outlay - Expenditures for the purchase of fixed assets.

Comprehensive Annual Financial Report (CAFR) - The official annual report, including financial statements, statistical information, and extensive narration.

Consumer Price Index - The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Depreciation - A portion of the cost of a fixed asset which is charged as an expense during a year, representing an estimate of the value of the asset used up during that year.

Debt Service - The current year portion of interest costs and current year principal payments incurred on long-term debt.

Disbursements - Payments made on obligations.

Effluent – Liquid waste from sewage treatment or industrial processes, water mixed with waste matter.

Enterprise Fund - A fund which accounts for operations financed and operated similar to a private business where costs are recovered primarily through user charges.

Equivalent Dwelling Unit (EDU) - A single-family residential household. It is the unit of measure by which the user is charged for sewer services provided by the District.

Expenditure - An amount paid for an obligation, including operating expenses, debt service, and capital outlay.

Expense Credit - The portion of expenses which have been reimbursed by or allocated to another fund.

Fiscal Year - The 12 month period used for accounting and budgeting purposes, in this case from July 1 to June 30.

Fixed Asset - A tangible item which provides benefit over more than one year, such as property, plant, and equipment. The District further limits fixed assets to those items with an initial value of at least \$2,000.

Fund - A set of accounts used to account for a specific activity, such as a water system or sewer treatment plant.

Fund Balance – The difference between total fund assets and liabilities.

Generally Accepted Accounting Principles (GAAP) – The uniform minimum standards for the presentation of financial reports. For local governments GAAP is set by the Government Accounting Standards Board.

General Fund – For the District, the fund used to account for water system operations. It also includes general expenses, a portion of which are allocated to other funds.

Geographical Information System (GIS) – An information system integrating maps with electronic data.

IAWP - See Interim Agricultural Water Program.

Interim Agricultural Water Program (IAWP) - A program by MWD which reduces the cost of water to certified agricultural customers in exchange for reduced access to water supplies in the event of an emergency or drought.

JPIA - Joint Powers Insurance Authority of the Association of California Water Agencies.

Memorandum of Understanding (MOU) - a legal document describing an agreement between parties.

Metropolitan Water District of Southern California (MWD) - Imports water from the Colorado River and Northern California and sells it at wholesale to its 27 member agencies, which include the San Diego County Water Authority.

MOU - See Memorandum of Understanding

MWD - Metropolitan Water District of Southern California.

Performance Measurement Standard - A standard of service efforts and accomplishments used to determine operating effectiveness and efficiency.

PERS - Public Employees' Retirement System. Also known as CalPERS. Provides retirement benefits to the District's employees, along with the employees of many other state and local California agencies.

Reserve - A portion of fund balance that is held for a specific future use.

SanDAG - San Diego Association of Governments.

San Diego County Water Authority (SDCWA or CWA) - Transports water from MWD pipelines to its 23 member agencies, including the District.

SCADA - Supervisory Control and Data Acquisition. Uses computer technology to monitor and control remote facilities such as pumps and reservoirs.

State Revolving Fund (SRF) - Program provides low-cost financing to public agencies for a wide variety of infrastructure projects.

STEP - Septic Tank Effluent Pump. Includes a holding tank and pump at the customer's property to pump effluent into a pressurized wastewater collection system.

Strategic Plan - A document which states the major goals and performance measurement standards for the District.

Tertiary – The purification of wastewater by removal of fine particles, nitrates, and phosphates.

Transitional Special Agricultural Water Rate (TSAWR) - A program by the San Diego County Water Authority which reduces the cost of water to certified agricultural customers.

Vulnerability Assessment – The examination of a system to identify critical infrastructure or related components that may be at risk of attack and the procedures that can be implemented to reduce that risk.

From Administrative Code Section 50.2: The following policies shall be followed both in preparing the annual budget and during the course of financial operations of the District.

- (a) Reserves. Reserves are to be established and used as follows. Reserves may carry negative balances if it is probable that the deficits will be recovered within a reasonable time.

Reserves funds will not earn interest unless noted below.

The disposition of funds collected in excess of limits shown is at the discretion of the Board of Directors.

All reserves have specific funding sources except for the Operating and Master Plan reserves which will be funded in the order presented from accumulated net earnings.

1. Rate Stabilization Reserves:

- A. Rate Stabilization Reserve: The District component of sales in excess of budgeted water sales and revenue collected for fixed charges in excess of those fixed expenses incurred shall be placed in a rate stabilization reserve to fill any deficit resulting from the water sales volume falling below projected budget figures. It could also be used to defer future increases in the District's component of the water commodity rate and fixed wholesale charges. Fixed wholesale charges include the Metropolitan Water District's Capacity Reservation Charge and the San Diego County Water Authority's Customer Service Charge and Emergency Storage Project Charge. The reserve shall be limited to no more than 50% of the District component of budgeted water sales and fixed wholesale charges.
- B. Pumping Rate Stabilization Reserve: Pumping revenues in excess of the cost of electrical and natural gas power, the cost of the operation and maintenance of all pumping facilities, and the cost of pumping facility capital projects shall be placed in this reserve to defer future increases in the pumping charge rates. The reserve shall be limited to no more than 50% of budgeted pump charge revenues.

2. Operating Reserve:

- A. A reserve shall be established to provide funding for emergencies and natural disasters, such as fire, earthquake, flooding, etc. This reserve need not be funded in the budget.

The Operating Reserve combined with the Rate Stabilization Reserves together are considered to be discretionary reserves, unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget (excluding wholesale water and power purchases).

3. Restricted Reserves:

- A. Debt Service Reserve: This reserve includes debt service taxes collected but not yet payable to debt holders, reserves required by debt agreements, and unexpended proceeds from debt issues, and will be used to fulfill debt requirements in accordance with debt covenants.
- B. Replacement Reserves: Reserves for the asset categories listed below shall be established. Each reserve shall receive an annual budget appropriation in the amount of depreciation on the following assets plus an inflation factor (or interest allocation for wastewater fund reserves). Proceeds from the sale of these assets shall also be credited to these reserves. These reserves may be used for the purchase of replacement of assets or facilities, but not for additional assets or increased capacity. The reserve shall not exceed the replacement value of the assets covered.
 - (1) Lower Moosa Canyon Water Reclamation Facility
 - (2) Woods Valley Ranch Water Reclamation Facility (Funded in accordance with agreement with customer)

4. Capital Reserves:

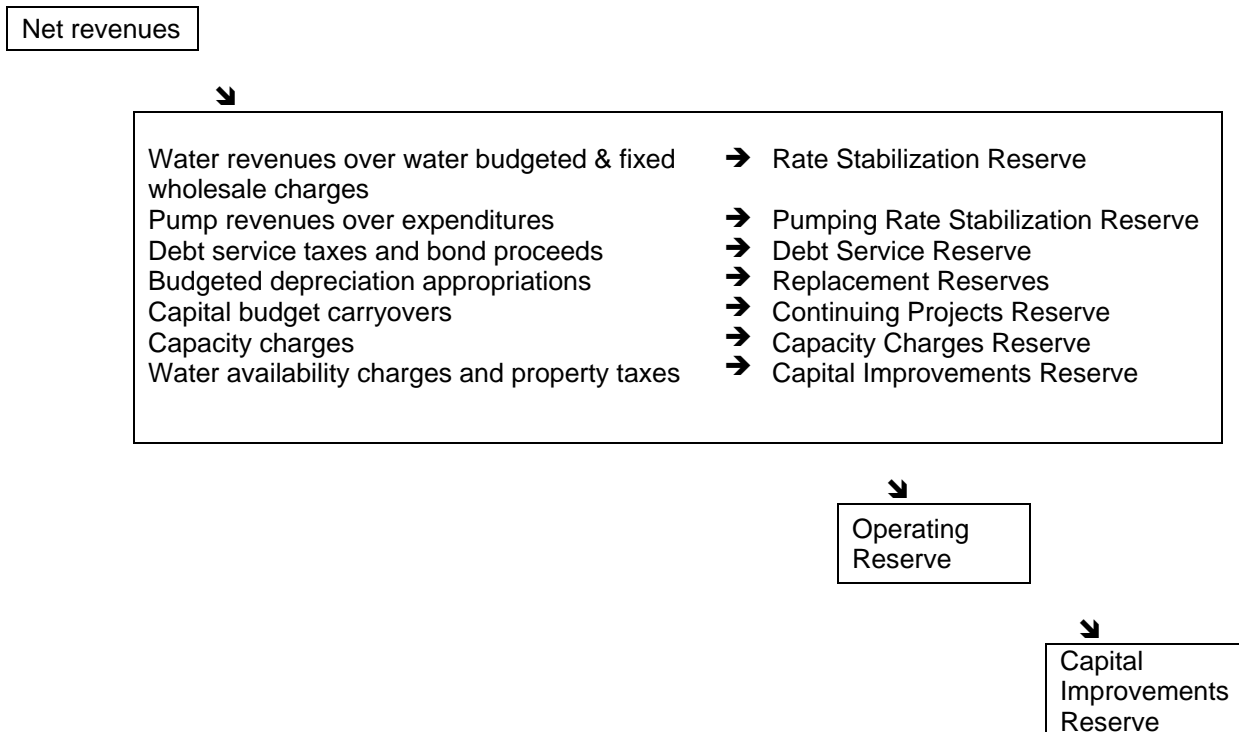
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to provide funding for future capital projects. This reserve shall earn interest in accordance with state statute.
- C. Capital Improvements Reserve: Availability charges not allocated to the readiness-to-serve charge and debt service, and property taxes not otherwise allocated shall be credited to the capital improvements reserve to provide funding for future capital projects. In addition, retained earnings not reserved for other purposes shall be transferred to this reserve. The reserve shall not exceed the current estimated cost of all projects outlined in the Water Master Plan which are (1) not allocable to future demand, (2) not previously appropriated, (3) and not contingent on outside factors.

The following chart provides reference to reserves. For complete details refer to Article 50.2:

Reserve	Source	Use	Minimum	Maximum	Index
<u>Rate Stabilization Reserves:</u>					
Rate Stabilization	Water revenues over water budgeted and fixed wholesale charges	Deficits resulting from sales volume below budget projections and to moderate future rate increases	None	50% of budgeted District component of water sales and fixed wholesale charges	No
Pumping Rate Stabilization	Pumping revenues over costs	Defer future pumping rate increases; construction of pump facilities	None	50% of budgeted pump charge revenue	No
<u>Operating Reserve:</u>					
Operating Reserve	Earnings not reserved for other purposes	Emergencies or natural disasters	Operating and Rate Stabilization Reserves at three months operating budget (excluding water & power)	Operating and Rate Stabilization Reserves at six months operating budget (excluding water & power)	No
<u>Restricted Reserves:</u>					
Debt Service	Debt service taxes, reserves under debt agreements, and unexpended debt proceeds	Fulfill debt requirements in accordance with debt covenants	Per debt agreements	Per debt agreements	Per debt agreements
Replacement: - Lower Moosa Canyon WRF - Woods Valley Ranch WRF	Budget appropriation equal to depreciation on related assets, plus proceeds from sales of those assets	Replacement of assets	None	Replacement cost of assets	Interest

Reserve	Source	Use	Minimum	Maximum	Index
<u>Capital Projects:</u>					
Continuing Projects	Unexpended appropriations for capital projects carried forward	Budgeted capital projects	None	Unexpended appropriations	No
Capacity Charges	Capacity charges	Future capital projects benefiting new growth	Unexpended capacity charges	Unexpended capacity charges	Interest
Capital Improvements	Availability charges not allocated to RTS and debt service, and property taxes, plus earnings not reserved for other purposes	Future capital projects	None	Projects outlined in Master Plan	No

The following chart provides reference to the flow of funds into the reserves. For complete details refer to Article 50.2:



- (b) Fees and Charges. Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District shall be allocated to each system in accordance with general practices and reimbursed to the general fund.

Interest earnings on cash held by the general fund for other funds shall be allocated to the respective funds annually.

In accordance with Section 160.3(g), all fees and charges for wholesale water and water related services shall be passed through to District customers by action of the Board of Directors.

- (c) Debt – See Section 50.3, Debt Policy

- (d) Use of One-time and Unpredictable Revenues. One-time revenues, except when immaterial, should be allocated to the source of the revenue or refunded expenditure or, if not directly allocable, to the rate stabilization fund. Nonrecurring revenues shall not be used to initiate new programs which result in ongoing expenditures without specific notification to and approval by the Board of Directors.

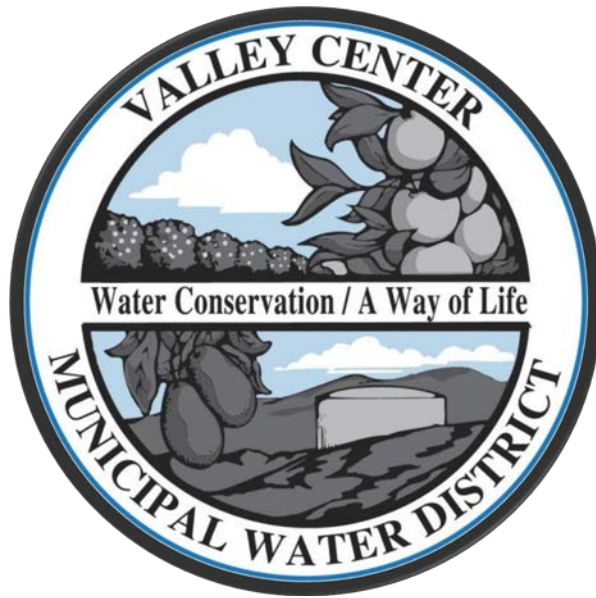
Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, should be forecast conservatively in the budget.

- (e) Balancing the Operating Budget. Current operating expenditures shall be funded with current revenues. Reserves can be used to provide budgetary funding for the purposes for which the reserves were established as detailed above.

The adopted operating budget shall be prepared on the accrual basis of accounting. Depreciation is not funded in the budget except where required for individual reserves.

- (f) Revenue Diversification. When rate increases are needed to cover District costs, other than wholesale pass through costs, consideration should be given to meeting at least 50% of the District's fixed operating expenditures with the monthly meter service charge and property taxes.

- (g) Contingencies. Emergencies are addressed in Article 225.



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