

Annual Budget

**For The Fiscal Year Ended
June 30, 2019**

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:

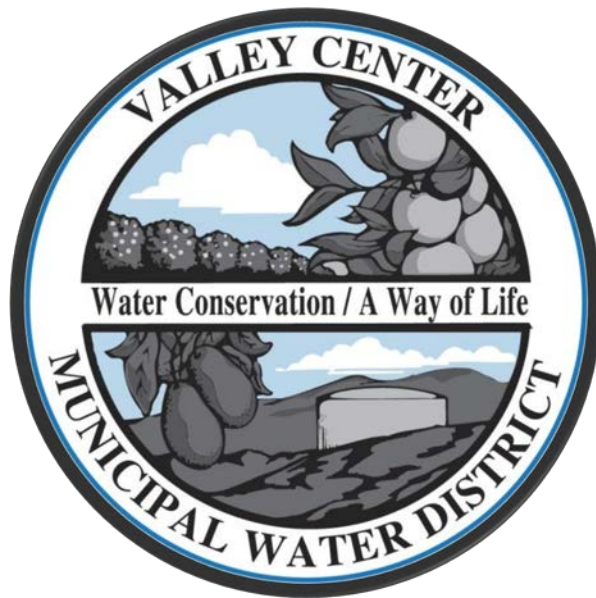
<u>Title</u>	<u>Name</u>	<u>Service</u>	<u>Term Expires</u>
President	Robert A. Polito	28 years	January 2021
Vice-President	Randy D. Haskell	17 years	January 2019
Director	Gary A. Broomell	48 years	January 2019
Director	Enrico P. Ferro	2 year	January 2021
Director	Daniel E. Holtz	1 year	January 2019

Executive Management:

<u>Title</u>	<u>Name</u>	<u>Service</u>
General Manager	Gary T. Arant	29 years
District Engineer/Deputy GM	Wally T. Grabbe	26 years
Director of Operations/Facilities	Albert G. Hoyle	27 years
Director of Finance/Treasurer	James V. Pugh	15 years
Director of Information Technology	Ando Pilve	9 years
Executive Assistant/Board Secretary	Christine M. Johnson	28 years

General Counsel:

Best, Best & Krieger, LLP	Paula De Sousa	7 years
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2018-2019 Budget Overview

VALLEY CENTER MUNICIPAL WATER DISTRICT 2018-19 BUDGET OVERVIEW

It is projected that for the Water General Fund in Fiscal Year 2018-19 operating revenues will exceed the projected operating expenses for a budgeted surplus of \$1,382,853 with the surplus dedicated to capital projects. Total water capital expenditures are estimated at \$6,017,500 and will require the use of the Capital Improvements Reserve to complete the capital expenditures as was anticipated.

Moosa operating revenues will exceed the projected expenses and capital projects for a budget surplus of \$229,722.

It is also anticipated that the Woods Valley Ranch Water Reclamation Facility will have sufficient revenues to meet the anticipated costs for Fiscal Year 2018-2019, for a surplus of \$1,788,811.

Total Budgeted Revenues for 2018-19 are \$53,004,061, which is \$1,590,419 or 3.1% higher than the 2017-18 adopted budget of \$51,413,642. This is due to increased water rates and charges that went into effect in January 2018 as well as higher Investment Income.

For the current year ending June 30, 2018, **Water Sales** are projected at 22,300 acre feet of water. This is 11.5% higher than budget of 20,000 acre feet. For 2018-19, the District is still budgeting water sales at 20,000 acre feet. We believe that our estimate for 2018-19 is reasonable given the uncertain 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, 2019, will increase by 0.9% for treated water. This increase is one of the smallest in the past 15 years and is attributable to financial benefits secured through litigation against the Metropolitan Water District.

Also included in the water charges we are required to pay SDCWA and MWD in 2019 are fixed charges for capacity, customer service, emergency storage, and supply reliability. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less a 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2019 budgeted sales are 20,000 acre feet and the 2019 fixed charges totaling \$3,543,347 are allocated over 18,000 acre feet. Total fixed charges for 2019 are \$262,805, or 6.9%, lower than calendar year 2018.

As a result of these two factors, the preliminary Fiscal Year 2018-2019 budget includes no increases in the District's current commodity rates.

Estimated **interest earnings** rate at 1.75% will yield \$455,000. Secured **Property Taxes** are budgeted at \$2,375,000, an increase of 2.0% more than our estimate for the current year. Water availability charges will be \$582,000 the same as the current year.

The **Moosa** wastewater monthly service charge is \$56.45 and the low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is also collected is \$46.58. Staff recommends that the service charge and maintenance fee remain unchanged.

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. Sewer Service Charges for Service Area 2 will be the same as for Service Area 1 at \$98.60/month or \$1,183.20/year per unit. A Grinder Pump Maintenance Charge of \$558.96/year or \$46.58/per month for one EDU will also be assessed on those properties requiring a grinder pump unit. All charges will be included as a fixed charge special assessment on the property taxes.

Total Budgeted Expenses, including capital, are \$52,525,463, which is 11.2%, or \$5,271,462, higher than the 2017-18 adopted budget of \$47,254,001. This overall budget increase reflects the higher capital outlay that is proposed for Water Operations compared to the prior year.

The cost of water sold, which is the single greatest **Water Operating Expense**, is 67.7% of the total budgeted expenditures, excluding capital expenditures. It is higher than 2017-18, \$343,290 or 1.1%, due to increased wholesale costs during calendar year 2018.

General Administration costs are up \$86,183 over last year. This is due to higher labor and benefits associated with the replacement for the retiring Executive Assistant/Secretary to the Board. A six month overlap is anticipated for training purposes as well as Sustainable Groundwater Management Act (SGMA) expenses.

Finance expenses, excluding debt service, are projected to be \$192,736 higher than the current budget due to higher labor and benefits, insurance, and outside services for the Long Range Financial Model.

Information Technology expenses are \$22,540 more than the current year as slightly higher labor and benefits and outside services are mitigated by lower maintenance costs.

Engineering expenses are down by \$23,044 due to lower labor, as more department labor is being allocated to various District capital improvement projects, lower special department expenses, and outside professional services, which are partially offset by higher training and software maintenance costs. A new Senior Engineer position will be added to the department during the new fiscal year.

Operations and Facilities expenses are \$492,129 higher than the current budget. This is a result of higher labor and benefits outside professional services, maintenance expenses, and chemical costs.

Moosa proposed operating expenses are \$20,344 less than the current 2017-18 budget. The decrease is due to decreased allocation of labor and benefits offset by higher power costs.

Woods Valley Ranch expenses are \$190,178 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 2018-19 total \$6,196,500. Water projects total, \$6,017,500, Moosa, \$119,000, and Woods Valley Ranch, \$60,000.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
2018-19 BUDGET OVERVIEW**

	2017-2018 Adopted Budget	2017-2018 Estimated Actual	2018-2019 Proposed Budget	Change from Prior Budget	Percent Change from Prior Budget
REVENUES:					
Water Sales	20,000 A.F.	22,300 A.F.	20,000 A.F.	0 A.F.	0.0%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	36,300,000	39,495,000	37,426,000	1,126,000	3.1%
Meter Service Charges	6,313,000	6,227,000	6,248,000	(65,000)	-1.0%
New Connection Sales	183,050	246,800	189,150	6,100	3.3%
Other Revenue	819,430	956,114	936,600	117,170	14.3%
Investment Income	273,000	371,285	455,000	182,000	66.7%
Total Operating Revenue	43,888,480	47,296,199	45,254,750	1,366,270	3.1%
Debt Service Revenues - Water Availability Charges	4,629	24,152	47,908	43,279	0.0%
Capital Project Revenues:					
Capacity Charges	194,320	109,598	185,620	(8,700)	-4.5%
Property Taxes	2,273,000	2,341,500	2,375,000	102,000	4.5%
Water Availability Charges	580,371	557,048	534,092	(46,279)	-8.0%
Total Capital Project Revenue	3,047,691	3,008,146	3,094,712	47,021	1.5%
Total General Fund Revenues	46,940,800	50,328,498	48,397,370	1,456,570	3.1%
Moosa Wastewater Revenues	1,718,494	1,711,554	1,780,419	61,925	3.6%
Woods Valley Ranch Wastewater Revenues	414,805	392,106	416,088	1,283	0.3%
Woods Valley Ranch Expansion	2,339,543	2,358,224	2,410,184	70,641	3.0%
Total Budgeted Revenues	51,413,642	54,790,382	53,004,061	1,590,419	3.1%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	830,269	774,419	916,452	86,183	10.4%
Information Technology	735,906	688,736	758,446	22,540	3.1%
Finance	1,729,200	1,621,293	1,921,936	192,736	11.1%
Engineering	1,697,210	1,585,080	1,674,166	(23,044)	-1.4%
Field Operation	6,727,282	6,466,572	7,219,411	492,129	7.3%
Source of Supply	31,038,196	32,527,309	31,381,486	343,290	1.1%
Total Operating Expenses	42,758,063	43,663,409	43,871,897	1,113,834	2.6%
Debt Service - Interest Expense	4,629	24,152	47,908	43,279	100.0%
Capital Projects Appropriations	1,133,771	1,604,227	6,017,500	4,883,729	430.8%
Total General Fund Expenditures	43,896,463	45,291,788	49,937,305	6,040,842	13.8%
Moosa Wastewater:					
Operating Expenses	1,452,041	1,354,541	1,431,697	(20,344)	-1.4%
Capital Project Appropriations	626,457	327,839	119,000	(507,457)	-81.0%
Total Moosa Expenditures	2,078,498	1,682,380	1,550,697	(527,801)	-25.4%
Woods Valley Ranch Wastewater:					
Operating Expenses	512,245	517,945	702,423	190,178	37.1%
Capital Project Appropriations	209,842	(4,835)	60,000	(149,842)	-71.4%
Total Woods Valley Ranch Expenditures	722,087	513,110	762,423	40,336	5.6%
Woods Valley Ranch Expansion:					
Debt Service - Interest Expense	556,953	430,434	275,038	(281,915)	100.0%
Capital Project Appropriations	0	1,039,439	0	0	0.0%
Total Woods Valley Ranch Expenditures	556,953	1,469,873	275,038	(281,915)	-50.6%
Total Budgeted Expenditures	47,254,001	48,957,151	52,525,463	5,271,462	11.2%
NET REVENUES & EXPENDITURES	4,159,641	5,833,231	478,598	(3,681,043)	-88.5%
FUNDING FROM (TO) RESERVES	(4,159,641)	(5,833,231)	(478,598)	3,681,043	88.5%
	0	0	0	0	0.0%

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GLOSSARY

Appendix A

BUDGET POLICIES

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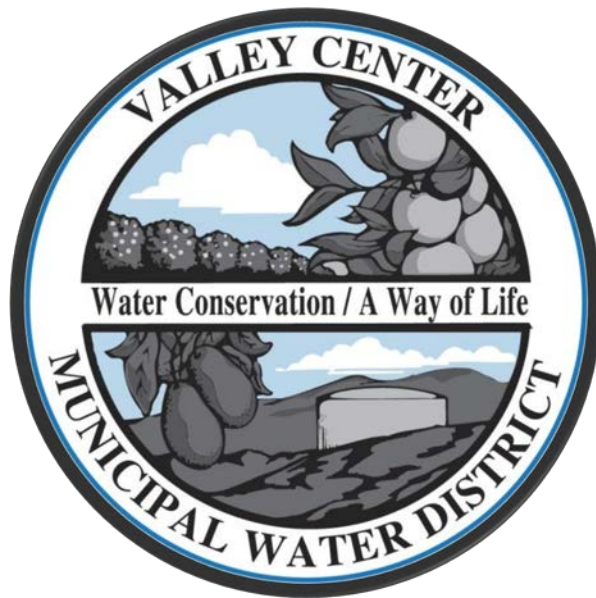
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Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2017-2018 - Our twentieth year in a row. We believe our current budget continues 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
Robert A. Polito
President
Randy D. Haskell
Vice President
Gary A. Broomell
Director
Enrico P. Ferro
Director
Daniel E. Holtz
Director

June 18, 2018

Robert A. Polito, 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 2018-2019 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2018. 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, the cost of imported water, and the local economic climate for agriculture. New challenges that we are facing include the new Statewide Water Efficiency Goals that were recently signed into law. The new legislation establishes guidelines for efficient water use and a framework for the implementation and oversight of the new standards, which must be in place by 2022. The standards include establishing an indoor, per person water use goal and requiring urban and agricultural water suppliers to set annual water budgets.

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, 2018, approximately 25,727 people lived within the District.



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

DEMOGRAPHICS

Valley Center is transitioning 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 nursery, 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 22,300. This represents a 54% decline in sales volume.

WATER SOURCES

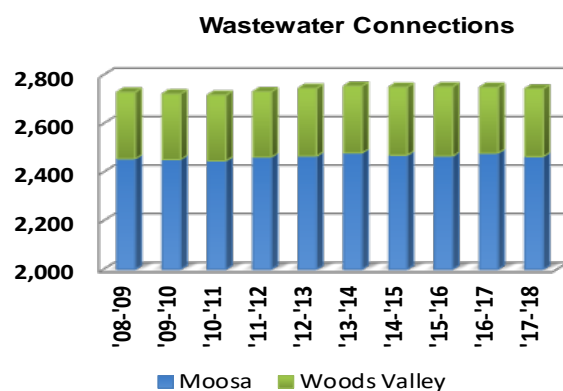
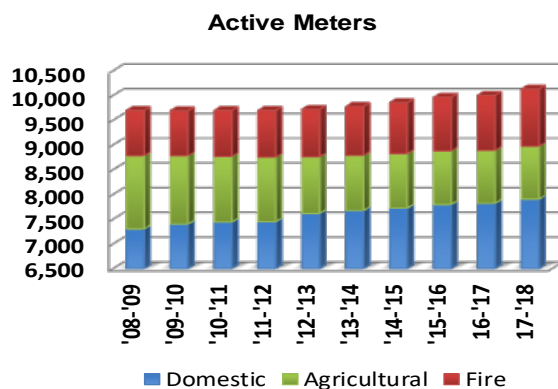
The District relies on the San Diego County Water Authority (SDCWA or “Authority”) as its’ sole source provider for treated potable water. The Authority imports water through the Metropolitan Water District of Southern California (MWD) system and its own aqueduct, storage and treatment system. MWD obtains 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, 42 enclosed reservoirs and 1 open reservoir, Lake Turner, 29 pumping stations and 301 miles of water main. As of January 31, 2018, there were a total of 10,126 active meters of which 7,901 were domestic, 1,069 were agricultural, and 1,156 were fire meters (see historical graph below). The District also provides wastewater collection, treatment, water recycling, and disposal services for 2,743 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.



Fire Hydrant repair.



BUDGET DOCUMENTS

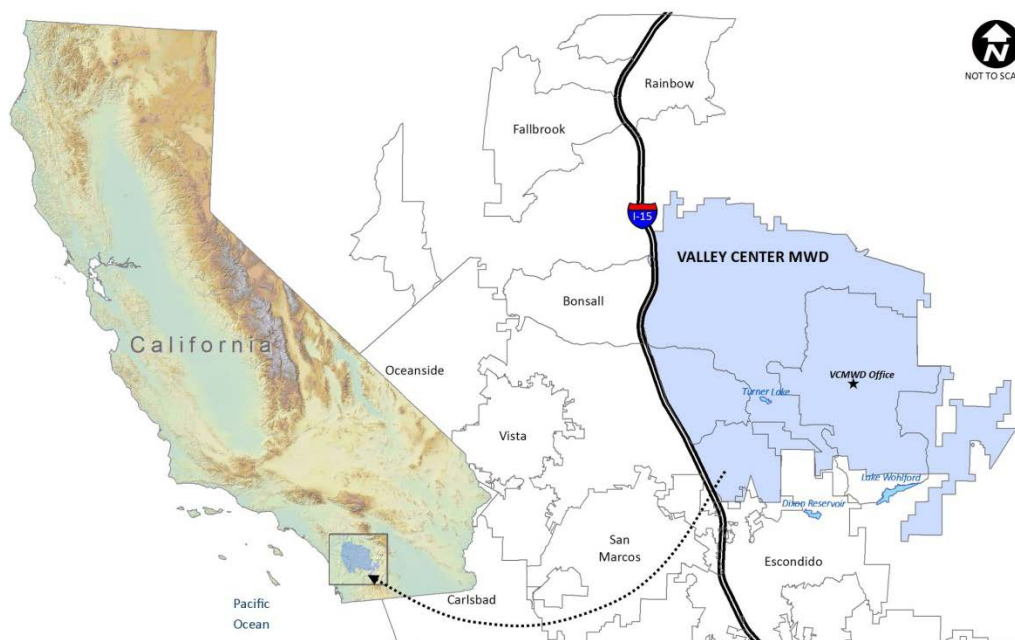
The Budget consists of the following sections:

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

February 2018	General Manager and Department Heads start discussion of the Budget process.
March 2018	Departments submit Budget requests.
June 4, 2018	Budget policies approved by Board of Directors.
June 4, 2018	Overview of Budget reviewed by Board of Directors.
June 18, 2018	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-two percent of the general fund budget, excluding capital projects, is for the purchase of water and the energy required for pumping water through our distribution system. These costs are presented as "Source of Supply". Only twenty-eight 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, 2018, is \$2,409,753 per project except that for water storage projects the limitation is \$3,614,641. 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 XIII B 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 XIII B.

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.
2. An Operating Reserve of \$6,209,385 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.

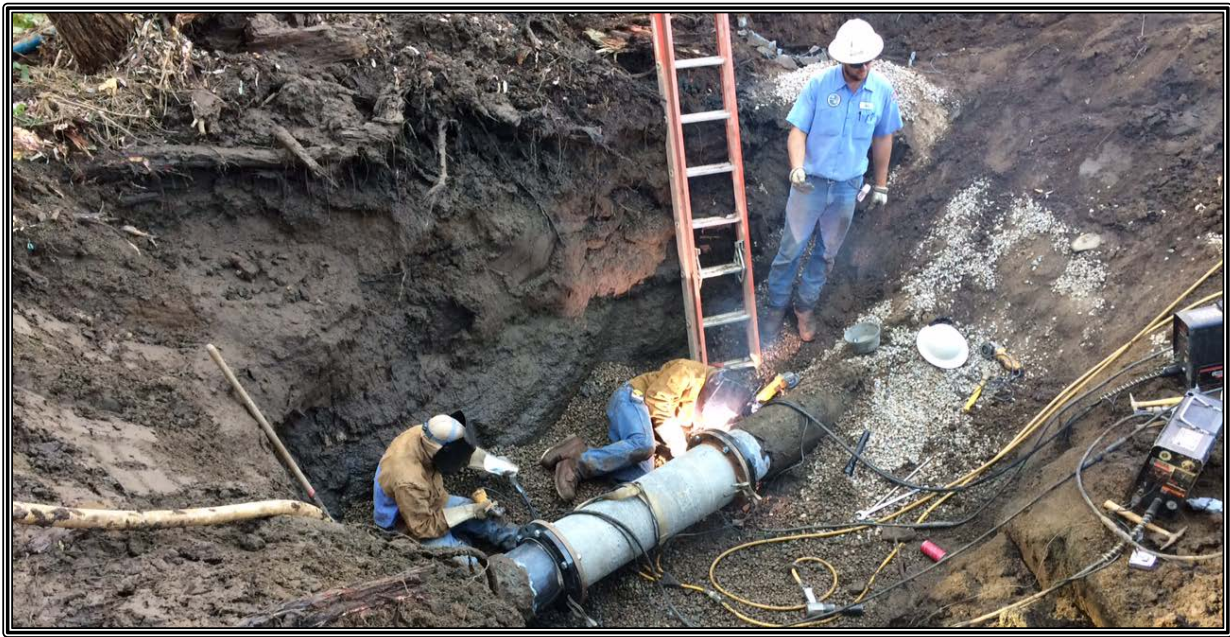
B. **Fees and Charges** - Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District are allocated to each system in accordance with general practices and reimbursed to the general fund.

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 60% 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.



12" mainline leak repair on Lilac Road.

OVERALL BUDGET FOR FISCAL YEAR 2018-2019

From an overall standpoint, the total proposed Fiscal Year 2018-19 Budget of \$52,525,463 is 11.2% more than the total approved budget for Fiscal Year 2017-18 of \$47,254,001. This overall budget increase reflects the higher capital outlay that is proposed for Water Operations compared to the prior year.

It is projected that for the Water General Fund in Fiscal Year 2018-19 operating revenues will exceed the projected operating expenses for a budgeted surplus of \$1,382,853 with the surplus dedicated to capital projects. Total water capital expenditures are estimated at \$6,017,500 and will require the use of the Capital Improvements Reserve to complete the capital expenditures as was anticipated. It is also anticipated that Woods Valley Ranch WRF will have sufficient revenues to meet the anticipated costs for Fiscal Year 2018-2019. Moosa operating revenues will exceed the projected expenses and capital projects for a budget surplus of \$229,722. 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 2018-19, the Water Fund operating revenue is proposed at \$45,254,750, which is an increase of 3.1% from the budget adopted for last year. This is due to increased water rates and charges that went into effect in January 2018 and that are explained later in this budget. It is projected that for the Water General Fund in Fiscal Year 2018-19 operating revenues will exceed projected operating expenses by \$1,382,853. The Water Fund operating expenditures budget is proposed at \$43,871,897, which is an increase of 2.6% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

RECAP OF GENERAL FUND

	2017-18 Adopted Budget	Percent of Total	2018-19 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)	\$ 36,300,000	82.7%	\$ 37,426,000	82.7%	\$ 1,126,000	3.1%
Service Charges	6,313,000	14.4%	6,248,000	13.8%	(65,000)	-1.0%
New Connection Sales	183,050	0.4%	189,150	0.4%	6,100	3.3%
Other Revenue	819,430	1.9%	936,600	2.1%	117,170	14.3%
Investment Income	273,000	0.6%	455,000	1.0%	182,000	66.7%
Total Operating Revenue	<u>\$ 43,888,480</u>	<u>100.0%</u>	<u>\$ 45,254,750</u>	<u>100.0%</u>	<u>\$ 1,366,270</u>	<u>3.1%</u>
OPERATING EXPENDITURES:						
Water Purchase (Acre Feet)	21,280 AF		21,280 AF		0 AF	0.0%
Water	\$ 29,076,196	68.0%	\$ 29,508,486	67.3%	\$ 432,290	1.5%
Energy	1,962,000	4.6%	1,873,000	4.3%	(89,000)	-4.5%
Regulatory Permits	107,750	0.3%	108,950	0.2%	1,200	1.1%
Controlled by Others	<u>31,145,946</u>	<u>72.8%</u>	<u>31,490,436</u>	<u>71.8%</u>	<u>344,490</u>	<u>1.1%</u>
Personnel	8,855,900	20.7%	9,354,500	21.3%	498,600	5.6%
Other	<u>2,756,217</u>	<u>6.4%</u>	<u>3,026,961</u>	<u>6.9%</u>	<u>270,744</u>	<u>9.8%</u>
Controlled by District*	<u>11,612,117</u>	<u>27.2%</u>	<u>12,381,461</u>	<u>28.2%</u>	<u>769,344</u>	<u>6.6%</u>
TOTAL Operating Expenditures	<u>\$ 42,758,063</u>	<u>100.0%</u>	<u>\$ 43,871,897</u>	<u>100.0%</u>	<u>\$ 1,113,834</u>	<u>2.6%</u>
NET Revenues and Expenditures	<u>\$ 1,130,417</u>		<u>\$ 1,382,853</u>		<u>\$ 252,436</u>	

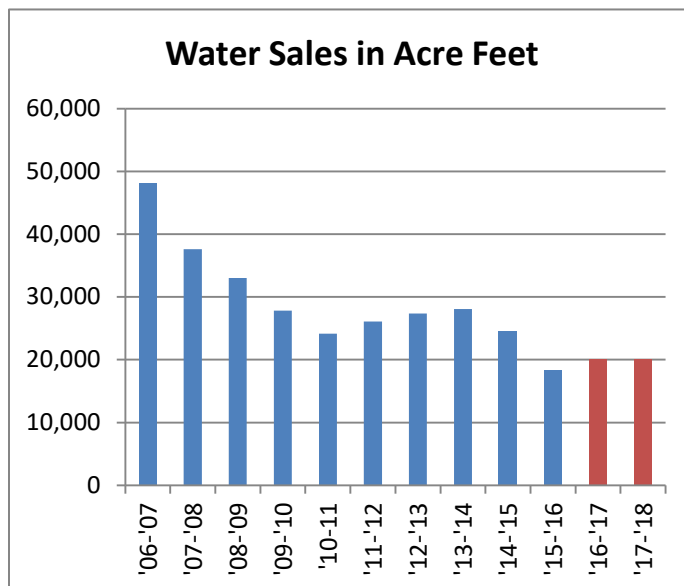
* COSTS CONTROLLED BY DISTRICT

General Administration	\$ 830,269	7.2%	\$ 916,452	7.4%	\$ 86,183	10.4%
Information Technology	735,906	6.3%	758,446	6.1%	22,540	3.1%
Finance	1,729,200	14.9%	1,921,936	15.5%	192,736	11.1%
Engineering	1,697,210	14.6%	1,674,166	13.5%	(23,044)	-1.4%
Field Operations	<u>6,619,532</u>	<u>57.0%</u>	<u>7,110,461</u>	<u>57.4%</u>	<u>490,929</u>	<u>7.4%</u>
Total Controlled by District	<u>\$ 11,612,117</u>	<u>100.0%</u>	<u>\$ 12,381,461</u>	<u>100.0%</u>	<u>\$ 769,344</u>	<u>6.6%</u>

REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past twelve 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 agricultural land in production. Agricultural sales are estimated at 71% of the total volume of water sold for Fiscal Year 2018-19. 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 as well as mandatory use restrictions that went into effect June 2015 have resulted in this 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 2019 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 indicates that their rates are to increase by 0.9% for treated water. This increase is one of the smallest in the past 15 years and is attributable to financial benefits secured through litigation against the Metropolitan Water District. 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 \$189 in January 2019.

Also included in the water charges we are required to pay SDCWA and MWD in 2019 are fixed charges for capacity, customer service, emergency storage, and supply reliability. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less a 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2019 budgeted sales are 20,000 acre feet and the 2019 fixed charges totaling \$3,543,347 are allocated over 18,000 acre feet. Total fixed charges for 2019 are \$262,805, or 6.9%, lower than calendar year 2018.

As a result of these two factors, the preliminary Fiscal Year 2018-2019 budget includes no increases in the District's current commodity rates.

San Diego County Water Authority Transitional Special Agricultural Water Rate

An incremental melded rate cost of \$189, the storage commodity charge of \$233, and the supply reliability charge of \$114 that are added to the water supply charge by the SDCWA are not charged to agricultural customers. The total credit amounts to \$536 per acre foot of savings for the District's agricultural customers for the 2019 rates. The credit is lower than last year's credit of \$564 due to lower SDCWA costs associated with the melded supply and storage commodity charges. 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 commodity rates that were effective in January, 2018, and that were used in preparing the Budget.

<u>Component</u>	<u>Domestic Current</u>	<u>TSAWR Current</u>
Imported Water Costs	\$ 1,883.45	\$ 1,319.83
VCMWD	232.39	232.39
Total	<u>\$ 2,115.84</u>	<u>\$ 1,552.22</u>

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 2018-19 are estimated at \$6,248,000 which is \$65,000 lower than the Fiscal Year 2017-18 budget of \$6,313,000 which included a 5% increase that was not implemented by Board direction. The preliminary budget does not include a meter service charge increase. Staff recommends that the service charges remain unchanged. The current service charge for a ¾-inch meter is \$39.93 and \$54.55 for a 1-inch meter.

Pumping Charge Revenue

Pumping charge revenue for Fiscal Year 2018-19 is expected to be \$2,697,000 compared to \$2,635,000 budgeted in Fiscal Year 2017-18. The increase is due to the full year of impact of the 10% rate increase that went into effect in January, 2018. It is estimated that the pumping rate stabilization reserve will have a balance of \$148,000 at the end of Fiscal Year 2017-18. Staff recommends that the pumping rates remain unchanged with no increase in 2019.

Interest Income

For Fiscal Year 2018-19, the District projects to earn 1.75% on funds invested for the year for a return of approximately \$455,000 in interest earnings. This is the equivalent of \$22.75 per acre foot of budgeted water sales. Projected interest income is \$371,285 for 2017-18.

Property Taxes

Secured property taxes are budgeted at \$2,287,000 for Fiscal Year 2018-19, \$44,600 or 2% higher than estimated actual for the current year. We will receive \$582,000 in water availability 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 2018-19 and to sell 20,000 acre feet. District staff believes that the estimates for Fiscal Year 2018-19 are reasonable given the uncertain agricultural environment.

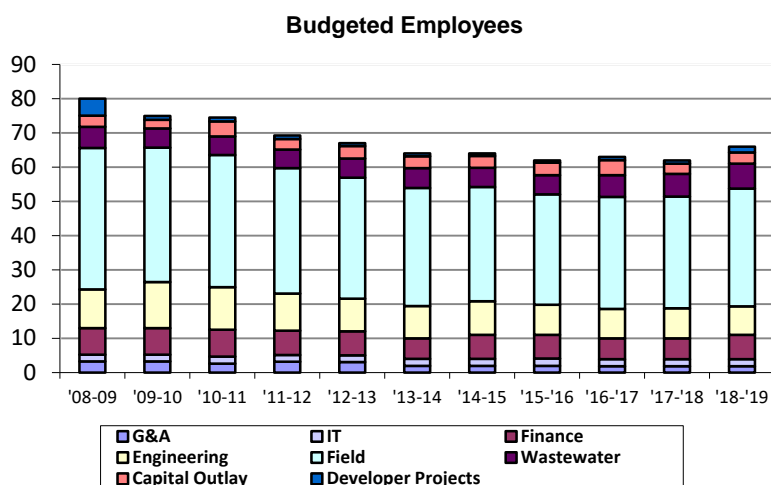
Energy

The budget expects that expenditures for energy to pump water to our customers will increase compared to our current year estimates. Total energy costs, including electricity and natural gas, pump and motor maintenance are budgeted at \$2,808,900 up \$128,921 from the Fiscal Year 2017-2018 estimate of \$2,625,279. The increase is due to the increases in the SDG&E rate tariffs, including the agricultural rate schedules, which are now subject to time-of-use charges. In addition, there are increases in labor and benefits in the pumps and motors divisions along with higher outside services for natural gas engine repairs. 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.

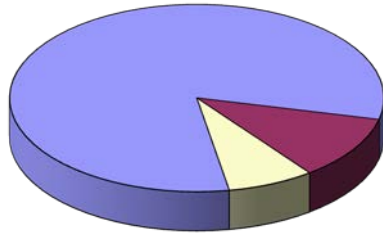
Personnel

Staffing Levels

Staffing necessary to maintain operating, maintenance and administrative service levels for Fiscal Year 2018-19 is proposed at 66 full-time equivalent (FTE's) positions, up 4 positions from the 2017-18 budgeted staffing level of 62 positions. This increase in FTE's represents the addition of the following new positions; a Customer Services Assistant, a Senior Engineer, a Wastewater Systems Technician I, and a Landscape Maintenance Worker I. In addition, there are three employees that will be retiring in the coming year. Our Accounting Specialist II will be retiring in September, and the Executive Assistant/Secretary to the Board and the Senior Electrician are retiring at the end of December. These positions will be filled during the new fiscal year and the budget includes funding for the overlap of personnel for training purposes. 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>2017-18</u>	<u>2018-19</u>
General Administration	1.80	1.80
Information Technology	2.10	2.10
Finance	6.10	7.10
Engineering	8.80	8.35
Field Operations	<u>32.57</u>	<u>34.42</u>
Total General Fund	51.37	53.77
Lower Moosa Sewer Treatment	5.09	4.92
Woods Valley Ranch Sewer	<u>1.57</u>	<u>2.36</u>
Total Operating	58.03	61.05
Capital Outlay	3.03	3.24
Developer Projects	<u>.94</u>	<u>1.71</u>
TOTAL	<u>62.00</u>	<u>66.00</u>

Personnel Costs

General Fund personnel costs for Fiscal Year 2018-19 are estimated at \$9,354,500. This represents an increase of \$498,600 or 5.6% from our Fiscal Year 2017-18 budget of \$8,855,900. The increase is a result of a 3.0% cost of living (COLA) adjustment, promotions, within range merit increases of 0.6%, the addition of three new positions, and the overlap anticipated for training purposes for the retiring employees.

Other Expenditures

Controlling the cost of operating the District continues to be an ongoing focus. Costs controlled by the District of \$12,381,461 for 2018-19 are \$769,344, or 6.6%, higher than Fiscal Year 2017-18, 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 2018-19 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 utility plant, have usually approximated the annual depreciation amount.

Capital projects included in this budget consist of the following:

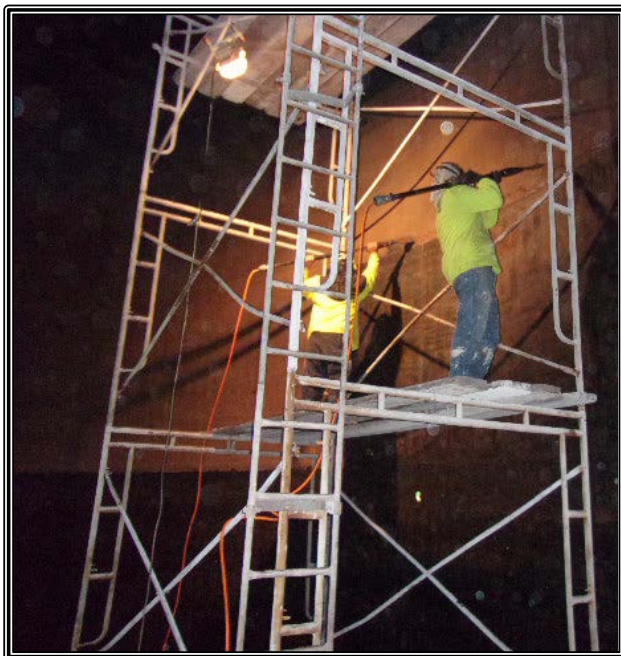
Pipelines and Pressure Reducing Valves	\$ 4,025,000
Reservoirs (Recoating)	1,345,000
Data Management Systems	310,000
Facilities	95,000
Equipment	242,500
TOTAL New Appropriations	\$ 6,017,500
Project appropriations carried forward from prior budget	3,065,001
TOTAL Capital Budget	<u>\$ 9,082,501</u>

Funding for the water capital projects comes from:

Property Taxes	\$ 2,375,000
Water Availability Charges/Capacity Charges	719,712
Reserve for Capital improvements	2,922,788
Reserve for Continuing Projects	3,065,001
TOTAL Capital Budget	<u>\$ 9,082,501</u>

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.



Red Mountain Reservoir Painting and Recoating.



Betsworth Forebay Reservoir 1 Painting and Recoating.

MOOSA WASTEWATER TREATMENT FUND

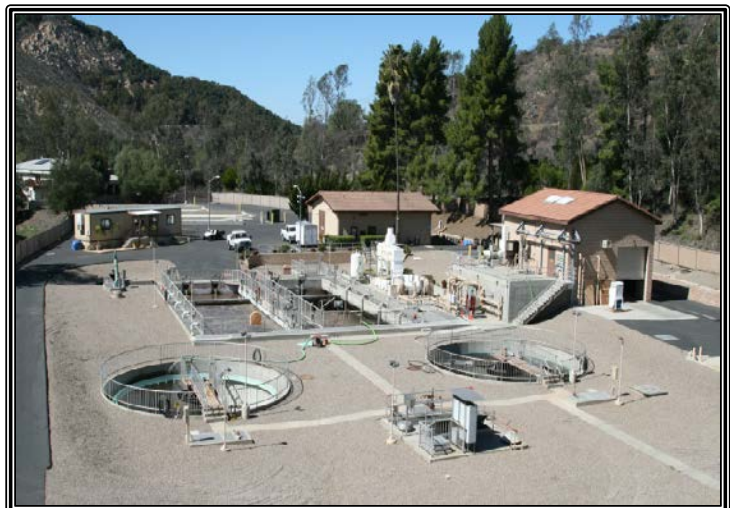
The Moosa Wastewater Treatment Plant serves approximately 2,464 customers in a limited geographic area on the west side of the District. For Fiscal Year 2018-19, budgeted operating revenues of \$1,780,419 are up \$61,925, or 3.6%, from the previous year budget. This is a result of the full year 5% service charge and low pressure wastewater collection system maintenance fee increase that was effective in January 2018 and increased interest income. The major components of the budgeted operating expenses are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2017-18 Adopted Budget	Percent	2018-19 Proposed Budget	Percent	Change	Percent Change
Revenues	\$1,718,494	100.0%	\$1,780,419	100.0%	\$ 61,925	3.6%
Operating Expenses:						
Labor	\$ 875,400	50.9%	\$ 831,400	46.7%	\$ (44,000)	-5.0%
Electricity	96,800	5.6%	106,000	6.0%	9,200	9.5%
Chemicals	24,000	1.4%	22,500	1.3%	(1,500)	-6.3%
Administrative allocation	211,817	12.3%	215,915	12.1%	4,098	1.9%
Maintenance	73,500	4.3%	77,500	4.4%	4,000	5.4%
Vehicle Maintenance	4,300	0.3%	4,300	0.2%	-	0.0%
Regulatory	25,000	1.5%	26,500	1.5%	1,500	6.0%
Outside Services	100,500	5.8%	109,000	6.1%	8,500	8.5%
Other	40,724	2.4%	38,582	2.2%	(2,142)	-5.3%
Total Operating Expenses	\$1,452,041	84.5%	\$1,431,697	80.4%	\$ (20,344)	-1.4%
Net Operating Income	266,453	15.5%	348,722	19.6%	82,269	30.9%
Capital Projects	(626,457)		(119,000)		507,457	
Net Change	\$ (360,004)		\$ 229,722		\$ 589,726	

Staff is projecting that the Moosa operating revenues will exceed the projected expenses and capital projects for a budget surplus of \$229,722.

The current wastewater service charge is \$56.45 and the low pressure wastewater collection system maintenance fee is \$46.58. The preliminary budget does not include an increase to the wastewater service charge or the low pressure wastewater collection system maintenance fee. Staff recommends that the service charge and maintenance fee remain unchanged.



WOODS VALLEY RANCH WASTEWATER TREATMENT FUND

This Budget includes funds for the operation of the Woods Valley Ranch Wastewater Treatment Facility which was recently expanded to treat 275,000 gallons per day. 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

	2017-18 Adopted Budget	Percent	2018-19 Proposed Budget	Percent	Change	Percent Change
Revenues	\$ 414,805	100.0%	\$ 416,088	100.0%	\$ 1,283	0.3%
Operating Expenses:						
Labor	\$ 284,650	68.6%	\$ 414,200	99.5%	\$ 129,550	45.5%
Electricity	51,000	12.3%	70,000	16.8%	19,000	37.3%
Administrative allocation	73,995	17.8%	105,932	25.5%	31,937	43.2%
Maintenance	15,000	3.6%	15,000	3.6%	-	0.0%
Vehicle Maintenance	2,000	0.5%	1,500	0.4%	(500)	-25.0%
Regulatory	19,800	4.8%	23,500	5.6%	3,700	18.7%
Outside Services						
(Laboratory & Waste Hauling)	39,000	9.4%	36,500	8.8%	(2,500)	-6.4%
Insurance	13,650	3.3%	15,541	3.7%	1,891	13.9%
Other	13,150	3.2%	20,250	4.9%	7,100	54.0%
Total Operating Expenses	\$ 512,245	123.5%	\$ 702,423	168.8%	\$ 190,178	37.1%
Net Operating Income	(97,440)	-23.5%	(286,335)	-68.8%	(188,895)	193.9%
Capital Projects	(209,842)		(60,000)		149,842	
Net Change	\$(307,282)		\$(346,335)		\$ (39,053)	

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 2018-19.



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 work was completed during July 2017. For Fiscal Year 2018-19, the total Stand-by Charges for Service Area 2 and Assessments for Assessment District 2012-1 are budgeted at \$602,600 and \$1,712,082, respectively.

DEBT

The District currently has three separate Clean Water State Revolving Fund (SRF) Loans; one each for the Collection System, Treatment Facilities, and Seasonal Storage Improvements. The total amount of the three loans is \$24,772,974. These funds were utilized solely for the Woods Valley Ranch Wastewater Expansion Project. Repayment of this debt began in August 2017 for the Collection System, October 2017 for the Seasonal Storage, and December 2017 for the Treatment Plant. 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). Debt service payments amount to \$1,542,388 for Fiscal Year 2018-19.



Woods Valley Ranch Phase 2 Treatment Plant Expansion.

The current service area has 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 consisted 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 was obtained by the District. The amount of the loan is \$3,138,421 at 1.6% interest (see page 6-10 for detailed schedule). The Debt Service payment for fiscal year 2018-19 totals \$184,237.

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, 2017, were \$140,000. 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 4, 2018, the Board of Directors approved the updated *Valley Center Municipal Water District Strategic Plan for Fiscal Years 2018-2019, 2019-2020, 2020-2021, 2021-2022, and 2022-2023*. 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 2017.

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
- Friendly
- Trustworthy
- Courteous
- Effective Communication

Professionalism

- Ethics
- Integrity
- Leadership
- Teamwork
- Accountability
- Transparency
- Respectful
- Excellence Through Continuous Improvement

Efficient Use of Resources

- Conservation
- Environmental Sensitivity
- Cost Control
- Resource Stewardship
- Financial Stability

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 100.0% 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 2017 totaled 717 acre feet, 3.4% of total water sold, representing \$0.8 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, 2017 represents 8.7 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 10.8% of Municipal & Industrial and 14.8% 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 106.0% of design criteria.

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

Five projects were completed in calendar 2017 at 5.1% under 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 99.998%.

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 accidents in calendar 2017.

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 2017 was 1.348% as compared to the 12-month rolling average U.S. Treasury Bonds of 1.215%.

STRATEGIC PLAN GOALS – 2018-2019 to 2022-2023

I. Water Supply

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

Specific Implementation Goals:

- 1. Water Stewardship** – Support regional efforts and implement local programs which advocate, educate, and assist customers in the responsible use of water resources.
- 2. Imported Water Sources** – Support and assist in statewide efforts to secure and protect our regions' Imported Water Supplies by securing:
 - *An enhanced State Water Project conveyance system to move water through the Sacramento-San Joaquin Delta;*
 - *Approval of Proposition 1 funded major in-state surface storage facilities; and*
 - *California's water rights on the Colorado River so as to ensure ample and reliable supplies for all uses, including agricultural.*
- 3. Water Recycling** – Pursue and maximize the opportunities for continued development of wastewater recycling to offset VCMWD's imported water demand.

II. 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.

Specific Implementation Goals:

- 1. Water System Master Plan** – Complete the update of the 2002 Water Master Plan by end of Fiscal Year 2018-2019.
- 2. Integrated Resource Master Plan** – Incorporate the Water Master Plan into an Integrated Resources Master Plan which addresses water, wastewater, water recycling infrastructure needs, as well as the long range capital needs by the end of Fiscal Year 2018-2019.

III. Finance

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

- 1. Operational Cost Control** – Pursue policies, programs, alternative service sourcing and technology implementation, which reduce and control local operational costs wherever possible without negatively impacting the operational effectiveness, safety and service levels to our customers.
- 2. 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 by securing:
 - *Pricing considerations from MWD to mitigate the rate impacts of WaterFix on commercial agricultural customers.*
 - *Extension of the SDCWA Transitional Special Agricultural Water Rate (TSAWR) which expires at the end of Calendar 2020; and*
- 3. Local Property Tax and Reserves** – Protect local property taxes and VCMWD reserves from appropriation by the State or County Government.
- 4. Cost of Service Study** – Complete a cost of service study to support the next Proposition 218 cycle in 2019 for water rates and charges.
- 5. Long-Range Financial Plan** – Incorporating the results of the Integrated Resource Plan and the Cost of Service analysis, complete a Long-Range Financial Plan by the end of 2019-2020.

IV. Technology

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

Specific Implementation Goals:

- 1. GIS** - Continue expansion, enhancement, and utility.
- 2. SCADA** - Continue toward full implementation in the water and wastewater systems, including:
 - *Upgrade the Lower Moosa Canyon Wastewater Reclamation Facility SCADA to the Ignition Software by the end of FY 2018-2019;*
 - *Extension of SCADA to other water facilities, such as selected Reservoir Altitude Valves, Pump Station By-pass Valves, and Natural Gas Motors by the end of FY 2020-2021;*
 - *Upgrade all water facilities SCADA to Ignition Software by 2022-2023.*
- 3. Automatic Meter Reading and Information Technology** - Pursue implementation of advanced automated meter reading and information technologies and integration of automated meter reading and monitoring

capabilities through the SCADA radio network, by:

- *Segmented installation of selected AMI technology beginning by the end of CY 2018 in the North and South Villages, other large developments and other appropriate portions of the District Service Area; and*
- *Full conversion of the District to AMI by the end of FY 2022-2023.*

4. Data Management/Asset Management Software System – Complete implementation and full integration of an:

- *Electronic Data Management/Asset Management Software by the end of 2018-2019; and*
- *Electronic Data Deployment Capabilities by the end of FY 2020-2021.*

5. E-Business – Expand and enhance on-line customer account access and bill paying having the On-Line Direct Bill Pay as the primary option for establishing new customer service with the ability to request paper billing as a secondary option – **Ongoing Effort.**

V. Energy

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

- 1. Efficiency** - Maximize the operating efficiency of pumps, pump motors, motorized equipment, VCMWD's service fleet practices, procedures, as well as implement more energy efficient methods and technologies of wastewater and bio-solids processing and disposal.
- 2. Renewable and Alternative Energy Resource** – When economically feasible expand renewable energy resources, such as solar power, within VCMWD's operations and facilities, based on completion of the:
 - *Comprehensive Energy Program Analysis and Strategic Plan Project by the end of CY 2018.*
- 3. 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 VCMWD.

VI. Compensation and Benefits

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

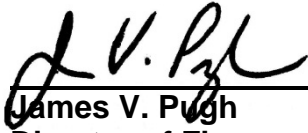
RECOMMENDATIONS

Recommendations to implement the Fiscal Year 2018-19 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2018.
- 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:



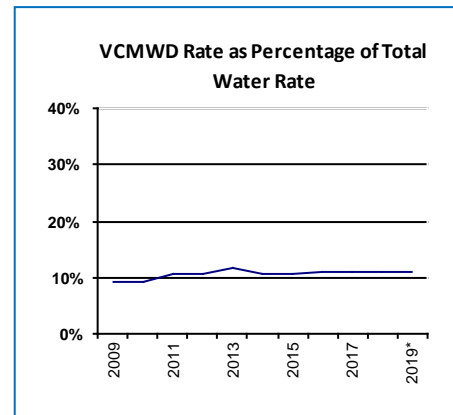
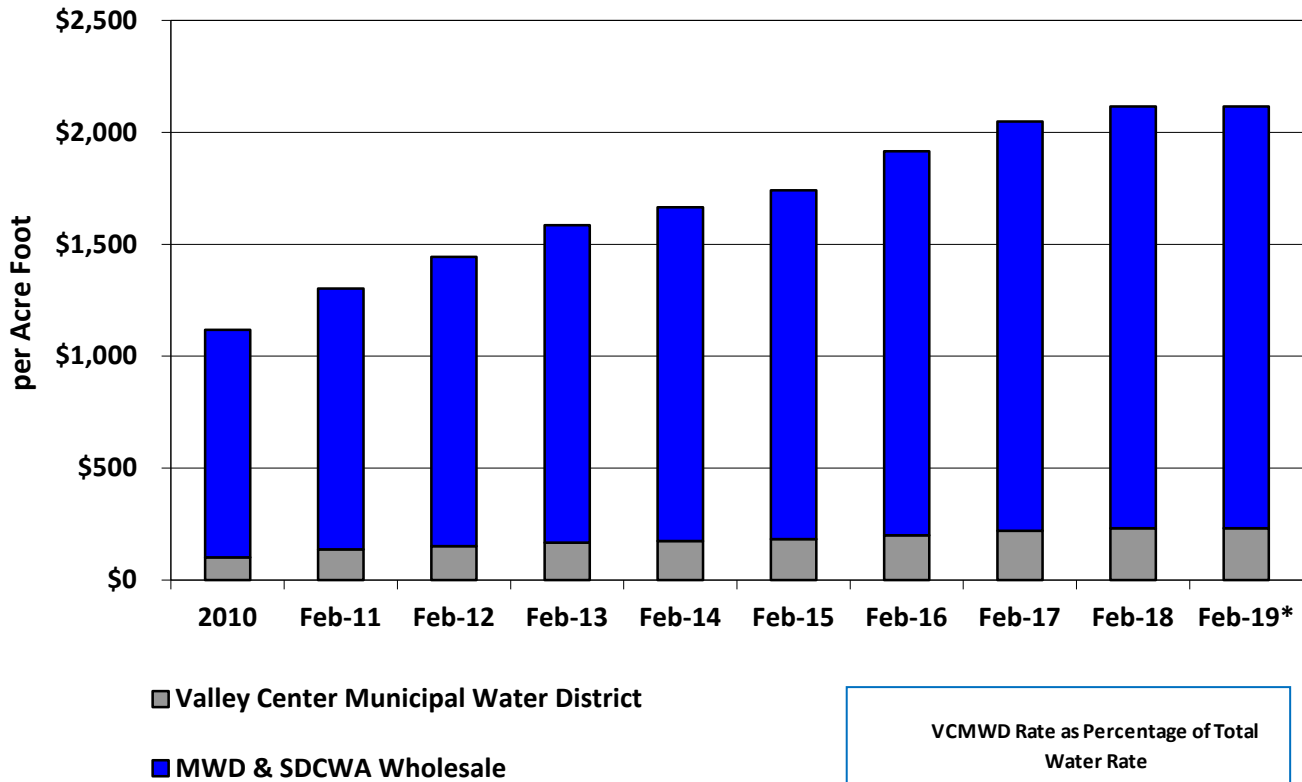
James V. Pugh
Director of Finance

APPROVED BY:



Gary T. Arant
General Manager

Water Rate Components

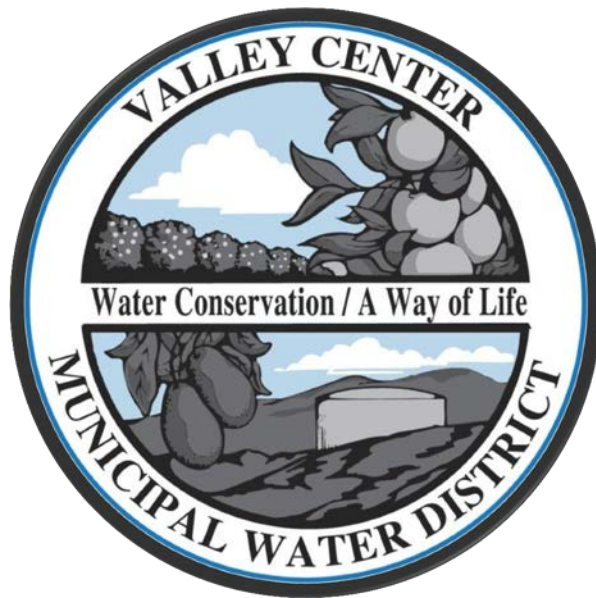


<i>Rate in Dollars per Acre Foot</i>	<u>2010</u>	<u>Feb 2011</u>	<u>Feb 2012</u>	<u>Feb 2013</u>	<u>Feb 2014</u>	<u>Feb 2015</u>	<u>Feb 2016</u>	<u>Feb 2017</u>	<u>Feb 2018</u>	<u>Feb 2019*</u>
Valley Center Municipal Water District	\$102	\$137	\$152	\$ 167	\$175	\$183	\$201	\$221	\$232	\$232
MWD/SDCWA wholesale	<u>1,016</u>	<u>1,165</u>	<u>1,292</u>	<u>1,418</u>	<u>1,490</u>	<u>1,558</u>	<u>1,714</u>	<u>1,827</u>	<u>1,884</u>	<u>1,884</u>
Total	<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>	<u>\$2,116</u>
Agricultural Use Discounts **	<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>	<u>\$537</u>

* Proposed water rates

** Maximum discount available.





Resolutions

RESOLUTION NO. 2018-15

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT ADOPTING THE
FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL
YEAR 2018-2019 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 2018-2019 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 2018-2019.
2. That the amounts designated in the final Fiscal Year 2018-2019 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 18th day of June, 2018, by the following vote to wit:

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

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, 2018	\$6,269,160	\$170,912	\$13,374,521	\$19,814,592	\$3,548,819	\$1,069,889	\$9,514,011	\$33,947,311

RECAP OF EXPENDITURES BY FUNCTION

General Administration	916,452			916,452				916,452
Information Technology	758,446			758,446				758,446
Finance	1,921,936	47,908		1,969,844			275,038	2,244,882
Engineering	1,674,166			1,674,166				1,674,166
Field Operation	7,219,411			7,219,411	1,431,697	702,423		9,353,531
Source of Supply	31,381,486			31,381,486				31,381,486
Capital Projects			6,017,500	6,017,500	119,000	60,000		6,196,500
Total Budgeted Expenditures	\$43,871,897	\$47,908	\$6,017,500	\$49,937,305	\$1,550,697	\$762,423	\$275,038	\$52,525,463

SOURCE OF FINANCING

Revenues:								
Water Sales	37,426,000			37,426,000				37,426,000
Meter Service Charges/Wastewater Charges	6,248,000			6,248,000	1,780,419	416,088	2,410,184	10,854,691
New Connection Sales	189,150		185,620	374,770				374,770
Other Revenue	936,600			936,600				936,600
Investment Income	455,000			455,000				455,000
Property Taxes			2,375,000	2,375,000				2,375,000
Water Availability Charges		47,908	534,092	582,000				582,000
Total Revenues	\$45,254,750	\$47,908	\$3,094,712	\$48,397,370	\$1,780,419	\$416,088	\$2,410,184	\$53,004,061

NET REVENUES & EXPENDITURES

\$1,382,853	\$0	(\$2,922,788)	(\$1,539,935)	\$229,722	(\$346,335)	\$2,135,146	\$478,598
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EXPENDITURES OF CONTINUING PROJECTS

\$0	\$0	(\$3,065,001)	(\$3,065,001)	(\$1,166,792)	(\$749,896)	(\$4,102,114)	(\$9,083,804)
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TRANSFERS (See page 3-2)

(\$1,406,807)	\$13,325	\$1,393,482	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2019

\$6,245,206	\$184,237	\$8,780,213	\$15,209,655	\$2,611,749	(\$26,342)	\$7,547,043	\$25,342,106
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.

June 18, 2018

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2018-2019

PURPOSE:

Board adoption of Resolution No. 2018-12 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 2018-2019.

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 May 31, 2018, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2018-12 be adopted to establish the appropriation limit for 2018-2019 as \$6,766,280.

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 18, 2018, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2018-19 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2018-19 is to be set at \$6,766,280 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
1999-00	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
2018-19	3.67% (a)	0.95%	\$6,766,280

Posted May 31, 2018



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. 2018-12

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2018-2019 FISCAL YEAR

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

WHEREAS, effective July 1, 1990, Article XIII B 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 XIII B 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 XIII B 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 2017-18 fiscal year was \$6,465,628, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,242,400, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2018-2019, 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 2018-2019, 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 XIIIB, as amended, and Section 7910 of the Government Code, as amended, the appropriation limit for Valley Center Municipal Water District for the 2018-2019 fiscal year is established at \$6,766,280.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 18th day of June, 2018, by the following vote, to wit;

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

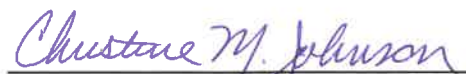
NOES: None

ABSENT: None



President

ATTEST:



Secretary

ORDINANCE NO. 2018-09

ORDINANCE OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT AMENDING THE ADMINISTRATIVE CODE TO PROVIDE FOR CHANGES IN AUTHORIZED STAFFING LEVELS PER THE FISCAL YEAR 2018-19 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 22, 2018, 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 22, 2018, 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 18th day of June, 2018, by the following vote, to wit:

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

NOES: None

ABSENT: None

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	7.00
Engineering	12.00	13.00
Operations	40.00	42.00
Total Authorized Positions	62.00	66.00

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.

Article 8 Compensation (Cont'd.)Sec. 8.6 Standby Pay

- (a) Standby Duty Pay. The employee assigned to the overnight standby duty shall receive ~~\$32.66~~ **\$33.64** 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 ~~\$62.51~~ **\$64.38** 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 ~~\$1.47~~ **\$1.51** 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 6/22/18, 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
Senior Engineer	34.0
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 6/22/18, 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 6/22/18, at mid shift

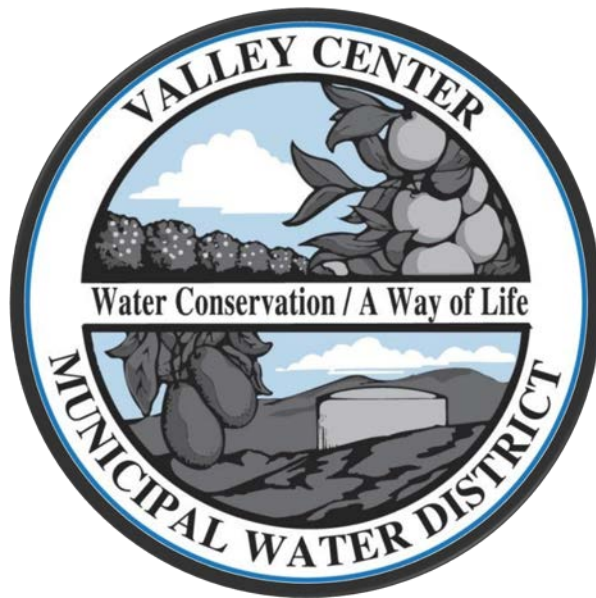
<u>Classifications</u>	<u>Salary Range Number</u>
Pumps-Motors, Electrical, Fleet Maintenance Division	
Pump Facilities Technician I	17 ⁽¹⁾ ⁽²⁾
Pump Facilities Technician II	19.5
Pump Facilities Technician III	21.5
Sr. Pump Facilities Technician	23.5
Pumps and Motors Supervisor	27
Electrical Technician 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 2018-2019

RANGE NO.	BIWEEKLY SALARY RANGE		MONTHLY SALARY RANGE		YEARLY SALARY RANGE		HOURLY SALARY RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
Gen Mgr	\$8,473.04	\$8,473.04	\$18,358.33	\$18,358.33	\$220,300.00	\$220,300.00	\$105.913	\$105.913
37.6	\$5,626.16	\$7,508.24	\$12,190.01	\$16,267.85	\$146,280.16	\$195,214.24	\$70.327	\$93.853
37.5	\$5,533.84	\$7,415.92	\$11,989.99	\$16,067.83	\$143,879.84	\$192,813.92	\$69.173	\$92.699
37.0	\$5,400.48	\$7,237.12	\$11,701.04	\$15,680.43	\$140,412.48	\$188,165.12	\$67.506	\$90.464
36.6	\$5,362.64	\$7,155.04	\$11,619.05	\$15,502.59	\$139,428.64	\$186,031.04	\$67.033	\$89.438
36.5	\$5,270.32	\$7,062.72	\$11,419.03	\$15,302.56	\$137,028.32	\$183,630.72	\$65.879	\$88.284
36.0	\$5,143.36	\$6,892.56	\$11,143.95	\$14,933.88	\$133,727.36	\$179,206.56	\$64.292	\$86.157
35.5	\$5,019.36	\$6,726.40	\$10,875.28	\$14,573.87	\$130,503.36	\$174,886.40	\$62.742	\$84.080
35.0	\$4,898.40	\$6,564.32	\$10,613.20	\$14,222.69	\$127,358.40	\$170,672.32	\$61.230	\$82.054
34.5	\$4,780.32	\$6,406.16	\$10,357.36	\$13,880.01	\$124,288.32	\$166,560.16	\$59.754	\$80.077
34.0	\$4,665.12	\$6,251.76	\$10,107.76	\$13,545.48	\$121,293.12	\$162,545.76	\$58.314	\$78.147
33.5	\$4,552.72	\$6,101.04	\$9,864.23	\$13,218.92	\$118,370.72	\$158,627.04	\$56.909	\$76.263
33.0	\$4,443.04	\$5,954.00	\$9,626.59	\$12,900.33	\$115,519.04	\$154,804.00	\$55.538	\$74.425
32.5	\$4,335.92	\$5,810.56	\$9,394.49	\$12,589.55	\$112,733.92	\$151,074.56	\$54.199	\$72.632
32.0	\$4,231.44	\$5,670.48	\$9,168.12	\$12,286.04	\$110,017.44	\$147,432.48	\$52.893	\$70.881
31.5	\$4,129.44	\$5,533.84	\$8,947.12	\$11,989.99	\$107,365.44	\$143,879.84	\$51.618	\$69.173
31.0	\$4,029.92	\$5,400.48	\$8,731.49	\$11,701.04	\$104,777.92	\$140,412.48	\$50.374	\$67.506
30.5	\$3,932.80	\$5,270.32	\$8,521.07	\$11,419.03	\$102,252.80	\$137,028.32	\$49.160	\$65.879
30.0	\$3,838.00	\$5,143.36	\$8,315.67	\$11,143.95	\$99,788.00	\$133,727.36	\$47.975	\$64.292
29.5	\$3,745.52	\$5,019.36	\$8,115.29	\$10,875.28	\$97,383.52	\$130,503.36	\$46.819	\$62.742
29.0	\$3,655.28	\$4,898.40	\$7,919.77	\$10,613.20	\$95,037.28	\$127,358.40	\$45.691	\$61.230
28.5	\$3,567.20	\$4,780.32	\$7,728.93	\$10,357.36	\$92,747.20	\$124,288.32	\$44.590	\$59.754
28.0	\$3,481.20	\$4,665.12	\$7,542.60	\$10,107.76	\$90,511.20	\$121,293.12	\$43.515	\$58.314
27.5	\$3,397.36	\$4,552.72	\$7,360.95	\$9,864.23	\$88,331.36	\$118,370.72	\$42.467	\$56.909
27.0	\$3,315.44	\$4,443.04	\$7,183.45	\$9,626.59	\$86,201.44	\$115,519.04	\$41.443	\$55.538
26.5	\$3,235.52	\$4,335.92	\$7,010.29	\$9,394.49	\$84,123.52	\$112,733.92	\$40.444	\$54.199
26.0	\$3,157.60	\$4,231.44	\$6,841.47	\$9,168.12	\$82,097.60	\$110,017.44	\$39.470	\$52.893
25.5	\$3,081.44	\$4,129.44	\$6,676.45	\$8,947.12	\$80,117.44	\$107,365.44	\$38.518	\$51.618
25.0	\$3,007.20	\$4,029.92	\$6,515.60	\$8,731.49	\$78,187.20	\$104,777.92	\$37.590	\$50.374
24.5	\$2,934.72	\$3,932.80	\$6,358.56	\$8,521.07	\$76,302.72	\$102,252.80	\$36.684	\$49.160
24.0	\$2,864.00	\$3,838.00	\$6,205.33	\$8,315.67	\$74,464.00	\$99,788.00	\$35.800	\$47.975
23.5	\$2,794.96	\$3,745.52	\$6,055.75	\$8,115.29	\$72,668.96	\$97,383.52	\$34.937	\$46.819
23.0	\$2,727.60	\$3,655.28	\$5,909.80	\$7,919.77	\$70,917.60	\$95,037.28	\$34.095	\$45.691
22.5	\$2,661.92	\$3,567.20	\$5,767.49	\$7,728.93	\$69,209.92	\$92,747.20	\$33.274	\$44.590
22.0	\$2,597.76	\$3,481.20	\$5,628.48	\$7,542.60	\$67,541.76	\$90,511.20	\$32.472	\$43.515
21.5	\$2,535.12	\$3,397.36	\$5,492.76	\$7,360.95	\$65,913.12	\$88,331.36	\$31.689	\$42.467
21.0	\$2,474.08	\$3,315.44	\$5,360.51	\$7,183.45	\$64,326.08	\$86,201.44	\$30.926	\$41.443
20.5	\$2,414.40	\$3,235.52	\$5,231.20	\$7,010.29	\$62,774.40	\$84,123.52	\$30.180	\$40.444
20.0	\$2,356.24	\$3,157.60	\$5,105.19	\$6,841.47	\$61,262.24	\$82,097.60	\$29.453	\$39.470
19.5	\$2,299.44	\$3,081.44	\$4,982.12	\$6,676.45	\$59,785.44	\$80,117.44	\$28.743	\$38.518
19.0	\$2,244.00	\$3,007.20	\$4,862.00	\$6,515.60	\$58,344.00	\$78,187.20	\$28.050	\$37.590
18.5	\$2,189.92	\$2,934.72	\$4,744.83	\$6,358.56	\$56,937.92	\$76,302.72	\$27.374	\$36.684
18.0	\$2,137.20	\$2,864.00	\$4,630.60	\$6,205.33	\$55,567.20	\$74,464.00	\$26.715	\$35.800
17.5	\$2,085.68	\$2,794.96	\$4,518.97	\$6,055.75	\$54,227.68	\$72,668.96	\$26.071	\$34.937
17.0	\$2,035.44	\$2,727.60	\$4,410.12	\$5,909.80	\$52,921.44	\$70,917.60	\$25.443	\$34.095
16.5	\$1,986.40	\$2,661.92	\$4,303.87	\$5,767.49	\$51,646.40	\$69,209.92	\$24.830	\$33.274
16.0	\$1,938.48	\$2,597.76	\$4,200.04	\$5,628.48	\$50,400.48	\$67,541.76	\$24.231	\$32.472
15.5	\$1,891.76	\$2,535.12	\$4,098.81	\$5,492.76	\$49,185.76	\$65,913.12	\$23.647	\$31.689
15.0	\$1,846.16	\$2,474.08	\$4,000.01	\$5,360.51	\$48,000.16	\$64,326.08	\$23.077	\$30.926
14.5	\$1,801.68	\$2,414.40	\$3,903.64	\$5,231.20	\$46,843.68	\$62,774.40	\$22.521	\$30.180
14.0	\$1,758.24	\$2,356.24	\$3,809.52	\$5,105.19	\$45,714.24	\$61,262.24	\$21.978	\$29.453
13.5	\$1,715.92	\$2,299.44	\$3,717.83	\$4,982.12	\$44,613.92	\$59,785.44	\$21.449	\$28.743
13.0	\$1,674.56	\$2,244.00	\$3,628.21	\$4,862.00	\$43,538.56	\$58,344.00	\$20.932	\$28.050
12.5	\$1,634.16	\$2,189.92	\$3,540.68	\$4,744.83	\$42,488.16	\$56,937.92	\$20.427	\$27.374
12.0	\$1,594.80	\$2,137.20	\$3,455.40	\$4,630.60	\$41,464.80	\$55,567.20	\$19.935	\$26.715
11.5	\$1,556.40	\$2,085.68	\$3,372.20	\$4,518.97	\$40,466.40	\$54,227.68	\$19.455	\$26.071
11.0	\$1,518.88	\$2,035.44	\$3,290.91	\$4,410.12	\$39,490.88	\$52,921.44	\$18.986	\$25.443
10.5	\$1,482.24	\$1,986.40	\$3,211.52	\$4,303.87	\$38,538.24	\$51,646.40	\$18.528	\$24.830
10.0	\$1,446.56	\$1,938.48	\$3,134.21	\$4,200.04	\$37,610.56	\$50,400.48	\$18.082	\$24.231



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, 2018	\$6,269,160	\$170,912	\$13,374,521	\$19,814,592	\$3,548,819	\$1,069,889	\$9,514,011	\$33,947,311

RECAP OF EXPENDITURES BY FUNCTION

General Administration	916,452			916,452				916,452
Information Technology	758,446			758,446				758,446
Finance	1,921,936	47,908		1,969,844			275,038	2,244,882
Engineering	1,674,166			1,674,166				1,674,166
Field Operation	7,219,411			7,219,411	1,431,697	702,423		9,353,531
Source of Supply	31,381,486			31,381,486				31,381,486
Capital Projects			6,017,500	6,017,500	119,000	60,000		6,196,500
Total Budgeted Expenditures	\$43,871,897	\$47,908	\$6,017,500	\$49,937,305	\$1,550,697	\$762,423	\$275,038	\$52,525,463

SOURCE OF FINANCING

Revenues:								
Water Sales	37,426,000			37,426,000				37,426,000
Meter Service Charges/Wastewater Charges	6,248,000			6,248,000	1,780,419	416,088	2,410,184	10,854,691
New Connection Sales	189,150		185,620	374,770				374,770
Other Revenue	936,600			936,600				936,600
Investment Income	455,000			455,000				455,000
Property Taxes			2,375,000	2,375,000				2,375,000
Water Availability Charges	0	47,908	534,092	582,000				582,000
Total Revenues	\$45,254,750	\$47,908	\$3,094,712	\$48,397,370	\$1,780,419	\$416,088	\$2,410,184	\$53,004,061

NET REVENUES & EXPENDITURES

\$1,382,853	\$0	(\$2,922,788)	(\$1,539,935)	\$229,722	(\$346,335)	\$2,135,146	\$478,598
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EXPENDITURES OF CONTINUING PROJECTS

\$0	\$0	(\$3,065,001)	(\$3,065,001)	(\$1,166,792)	(\$749,896)	(\$4,102,114)	(\$9,083,804)
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TRANSFERS (See page 3-2)

(\$1,406,807)	\$13,325	\$1,393,482	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2019

\$6,245,206	\$184,237	\$8,780,213	\$15,209,655	\$2,611,749	(\$26,342)	\$7,547,043	\$25,342,106
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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, 2018	Revenues	Expenses	Net Revenues - Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2019
General Fund						
Operating						
Discretionary Reserves						
- Rate Stabilization	\$0			\$0		\$0
- Pumping Rate Stabilization	147,721	2,697,000	(2,808,900)	(111,900)		35,821
- Operating Reserve	6,121,439			0	87,946	6,209,385
Unappropriated Fund Balance	0	42,557,750	(41,062,997)	1,494,753	(1,494,753)	0
Total Operating	\$6,269,160	\$45,254,750	(\$43,871,897)	\$1,382,853	(\$1,406,807)	\$6,245,206
Debt Service Reserve	170,912	47,908	(47,908)	0	13,325	184,237
Capital Projects Reserves						
- Continuing Projects	\$3,065,001		(\$3,065,001)	(\$3,065,001)		0
- Capacity Charges	850,355	185,620	(185,620)	0		850,355
- Capital Improvements	9,459,165	3,094,712	(6,017,500)	(2,922,788)	1,393,482	7,929,859
Total Capital	\$13,374,521	\$3,094,712	(\$9,268,121)	(\$5,987,789)	\$1,393,482	\$8,780,213
Total General Fund	\$19,814,592	\$48,397,370	(\$53,187,926)	(\$4,790,556)	\$0	\$15,209,655
Lower Moosa Wastewater	\$3,548,819	\$1,780,419	(\$2,717,489)	(\$937,070)		\$2,611,749
Woods Valley Expansion	\$9,514,011	\$2,410,184	(\$4,377,152)	(\$1,966,968)		\$7,547,043
Woods Valley Wastewater	\$1,069,889	\$416,088	(\$1,512,319)	(\$1,096,231)		(\$26,342)
Total All Funds	\$33,947,311	\$53,004,061	(\$61,794,887)	(\$8,790,825)	\$0	\$25,342,106

General Fund

Page 1 of 3

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 19,239 af	@ 20,000 af	@ 22,300 af	@ 20,000 af
41400	Municipal & Industrial	\$11,600,918	\$12,011,000	\$14,292,000	\$12,695,000
41700	Certified Agricultural - SAWR	10,436,744	12,084,000	12,466,000	12,243,000
41800	Certified Ag/Domestic - SAWR	7,969,815	9,484,000	9,661,000	9,488,000
43502	Construction	187,645	86,000	303,000	303,000
45000	Pump Charge	2,139,381	2,635,000	2,773,000	2,697,000
Total Water Sales		\$32,334,503	\$36,300,000	\$39,495,000	\$37,426,000
	METER SERVICE CHARGES				
41007	Additional Living Charge	\$21,869	\$20,000	\$22,000	\$22,000
41401	Meter Service Charges	5,874,612	6,293,000	6,205,000	6,226,000
Total Meter Service Charges		\$5,896,481	\$6,313,000	\$6,227,000	\$6,248,000
	NEW CONNECTION SALES				
41000	Water Meters - New	\$131,129	\$98,600	\$185,700	\$154,200
41990	Water Meters - Relocate	0	0	100	0
43000	Pressure Reducers	180	0	500	0
44000	Double Check Valves	64,845	84,450	60,500	34,950
Total New Connection Sales		\$196,154	\$183,050	\$246,800	\$189,150

General Fund

Page 2 of 3

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
41003	Current Secured	\$2,112,055	\$2,185,000	\$2,242,400	\$2,287,000
42010	Current Unsecured	68,633	72,000	70,900	72,000
44010	Homeowners PTR	15,737	16,000	15,500	16,000
45050	Current Water Availability Charge	581,849	585,000	581,000	582,000
48200	Interest Allocation-Wtr Availability Chg	314	0	200	0
47000	Prior Unsecured	(892)	0	11,800	0
48000	Interest Allocation	1,171	0	900	0
Total Property Taxes-Other		\$2,778,867	\$2,858,000	\$2,922,700	\$2,957,000

General Fund

Page 3 of 3

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
40001	Investment Income	\$120,636	\$273,000	\$371,285	\$455,000
41790	Delinquent Penalty	331,834	278,400	357,000	357,000
41850	Transfer Fee	7,310	6,000	6,685	7,000
42011	Turn On Charge	30,902	25,000	33,500	34,000
42100	R.P. Inspection/Svc Fee	162,677	131,000	161,650	162,000
42101	R.P. Repairs	10,728	11,000	13,430	13,000
43010	Sale of Maps/Copies	0	100	25	100
43300	Service Availability Charge	1,100	1,000	1,260	1,300
43500	Sale of Surplus	23,747	20,000	26,100	20,000
44020	Other	(4,702)	8,000	1,080	1,100
44001	Return Check Charge	500	1,500	660	1,500
44002	Lease of Facilities	350,924	333,000	325,700	332,800
44004	Escondido Sewer Collection Fee	2,639	2,600	3,015	2,800
44005	Escondido Water Service in Lieu	1,830	1,830	1,965	2,000
44066	Renewable Energy Credits	99,557	0	22,044	0
44070	Wellness Program Grant	2,000	0	2,000	2,000
Total Other Revenue		\$1,141,682	\$1,092,430	\$1,327,399	\$1,391,600
	CAPITAL IMPROVEMENT CHARGES				
41002	Meter Capacity Charges	\$66,564	\$194,320	\$109,598	\$185,620
42050	Contributions In Kind	103,872	0	0	0
44202	Annex Capital Fees	0	0	0	0
Total Capital Improvement Charges		\$170,436	\$194,320	\$109,598	\$185,620
TOTAL REVENUE		\$42,518,123	\$46,940,800	\$50,328,498	\$48,397,370

All Budgeted Funds

	2016-2017	2017-2018		2018-2019
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$794,938	\$830,269	\$774,419	\$916,452
Finance	1,696,180	1,733,829	1,645,445	1,969,844
Information Technology	649,150	735,906	688,736	758,446
Engineering	1,601,925	1,697,210	1,585,080	1,674,166
Field Operation	6,398,225	6,727,282	6,466,572	7,219,411
Source of Supply	28,606,720	31,038,196	32,527,309	31,381,486
Total Operating	\$39,747,138	\$42,762,692	\$43,687,561	\$43,919,805
Capital Projects	4,327,028	1,133,771	1,604,227	6,017,500
Total General Fund	\$44,074,166	\$43,896,463	\$45,291,788	\$49,937,305
Lower Moosa Wastewater Treatment	1,569,230	2,078,498	1,682,380	1,550,697
Woods Valley Wastewater Expansion	238,106	556,953	1,469,873	275,038
Woods Valley Wastewater Treatment	767,793	722,087	513,110	762,423
Total Wastewater	\$2,575,129	\$3,357,538	\$3,665,363	\$2,588,158
Grand Total	\$46,649,295	\$47,254,001	\$48,957,151	\$52,525,463

RECAP BY FUNCTION

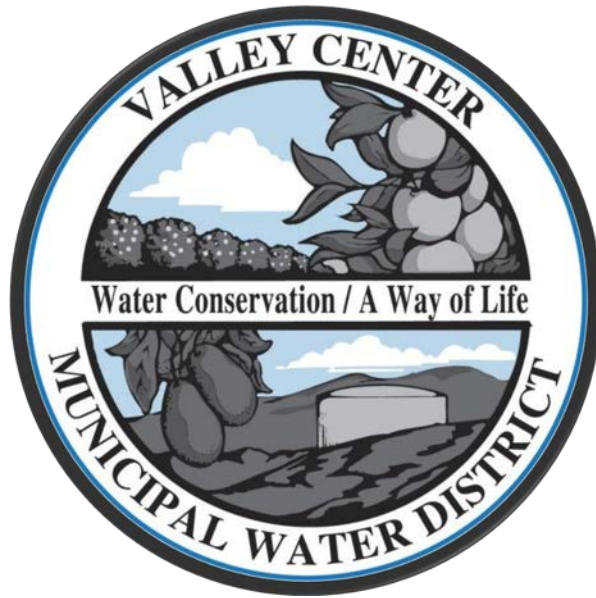
Operating	\$39,747,138	\$42,758,063	\$43,663,409	\$43,871,897
Debt Service	0	4,629	24,152	47,908
Capital Projects	4,327,028	1,133,771	1,604,227	6,017,500
Total General Fund	\$44,074,166	\$43,896,463	\$45,291,788	\$49,937,305
Lower Moosa Wastewater - Operating	1,569,230	2,078,498	1,682,380	1,550,697
Woods Valley Expansion - Capital Proj.	0	0	1,039,439	0
Woods Valley Expansion - Debt Service	238,106	556,953	430,434	275,038
Woods Valley Wastewater - Operating	767,793	722,087	513,110	762,423
Total Wastewater	\$2,575,129	\$3,357,538	\$3,665,363	\$2,588,158
Grand Total	\$46,649,295	\$47,254,001	\$48,957,151	\$52,525,463

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	1,617.2	2,378.1	20,219.0
17-18	2,617.1	2,535.1	2,364.3	2,362.0	1,775.6	1,873.7	1,152.4	1,263.8	690.7	1,803.2	1,700.7 *	2,161.4 *	22,300.0 *
AVERAGE FIRST 6 MONTHS						23,052.3 62.08%	AVERAGE LAST 6 MONTHS					14,079.0 37.92%	37,131.3 100.00%

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	1,571.4	2,025.1	19,239.2	
17-18	2,449.0	2,245.4	2,661.5	1,965.0	2,022.6	1,885.3	1,308.2	1,424.5	692.7	1,090.0	1,987.4 *	2,568.4 *	22,300.0 *	
AVERAGE FIRST 6 MONTHS						22,991.1	AVERAGE LAST 6 MONTHS						11731.0	34,722.1
						66.21%							33.79%	100.00%



General Administration

FUNCTION OVERVIEW

Provide long-term agency visioning and planning as well as 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 2017-2018

Performance Measurement Standards – Compliance with the following standard was as follows as of December 31, 2017:

- **Customer Satisfaction (Standard 1)** – For calendar year 2017, 100% of the customer ratings were “Meets” or “Exceeds” expectations, exceeding our goal of 95%.

Strategic Plan Goals –

- **Water Supply, Imported Water Sources** – Through ACWA, CMUA, and the SDCWA, engaged with the State Legislature in an effort to secure fair, equitable, reasonable and condition-appropriate Long-term Water Use Efficiency and Water Supply and Contingency Planning (SB 606/AB 1668), Safe Drinking Water Fund (SB 623), Water Service Interruption (SB 998) and Low Income Rate Assistance (SB 401) legislation causing several pieces of this critical legislation to become two-year bills extending the opportunity to seek desirable amendments.
- **Energy, Utility Rates and Charges** – Through the San Diego Water Coalition, led by BB&K and Innercite Energy Consultants, participated in the CPUC - SDG&E General Rate Case II securing a 10-year “Grandfathering” protection for the District's Photo-voltaic Solar Facilities from approved changes in SDG&E's rate structure which are financially harmful to the District's investments in solar facilities.

CHALLENGES FOR 2018-2019

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 efficient practices;
- **Managing** the ongoing 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 completion of the North/South Village Wastewater Expansion Project and resulting development, as well as 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 2018-19.

GOALS FOR 2018-2019**Performance Measurement Standards:**

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

Enhance the District’s Website and Social Media Platforms to increase access to customer related and general information.

Strategic Plan Goals:

- **Operational Cost Control (Finance)** – Continue to control and reduce local costs through technology, including implementation of electronic asset management and data deployment systems.

Advocate for reasonable, equitable, flexible, locally controlled and condition–appropriate Long-term Water Use Efficiency and Water Supply and Contingency Planning (SB 606/AB 1668), Safe Drinking Water Fund (SB 623), Water Service Termination (SB 998), and Low Income Rate Assistance legislation (SB 401).

- **MWD and SDCWA Wholesale Pricing (Finance)** – 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.

Advocate for WaterFix related cost-relief consideration for San Diego Regional Agriculture.

- **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.
- **Renewable and Alternative Energy Resources (Energy)** – Through completion of the Comprehensive Energy Program Analysis and Strategic Plan project, continue to evaluate additional investments in cost effective small scale photo-voltaic installations; emerging battery storage/micro-grind technologies and CRB/SWRCB directives and future mandates for water agencies to expand clean and renewable energy usage to reduce Green House Gas emissions.

Complete and begin implementation of the “*Comprehensive Energy Program Analysis and Strategic Plan*” project.

LONG-TERM GOALS

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

- Implement the vision and adopted policies of the Board of Directors;
- Oversee, monitor and assist all District departments in pursuing and meeting the Board’s vision, adopted policies and Strategic Plan Goals and Performance Measurements.
- Plan for the overall future and direction of the agency considering the potential impacts of a rapidly expanding and changing customer base;

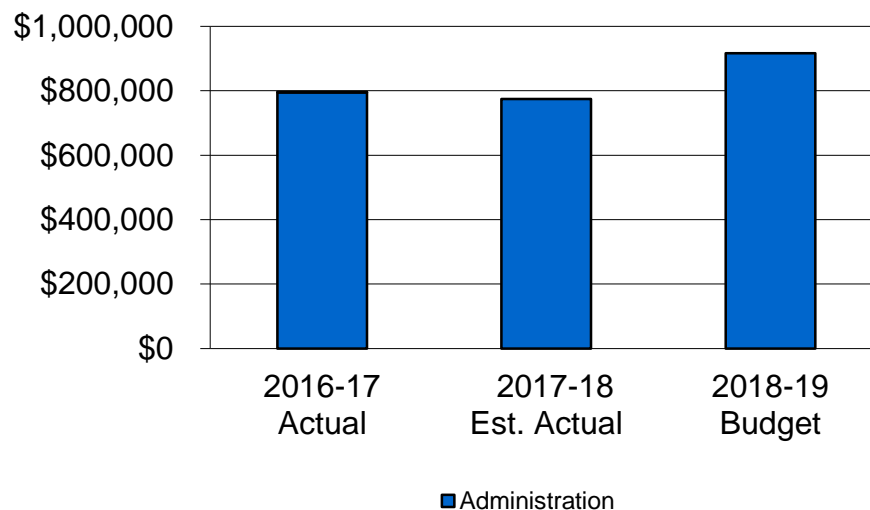
- Maintain and, where possible, enhance the efficiency of the organization by seeking out and implementing current technology and new methods to operate and maintain the water and wastewater systems as cost-effectively as possible while maintaining safe, reliable and responsive service at all times;
- Develop and Implement a Capital Replacement and Improvement Program, including a Long-Range Financing Plan;
- Preserve local financial resources for local purposes;
- Advocate and protect appropriate wholesale revenue and rate equity for all customer classes;
- Begin preparing the District for the potential impacts of the proposed Long-term Water Use Efficiency and Water Supply and Contingency Planning (SD 606 & AB 1668), Safe Drinking Water Fund (SB 623), Water Service Interruption (SB 998) and Low Income Rate Assistance (SB 401) legislation from the perspectives of staffing levels/expertise and technology capacities.

All the efforts listed above are 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 2017-18</i>	<i>Budget FY 2017-18</i>	<i>Proposed FY 2018-19</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	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
01	General Administration	794,938	830,269	774,419	916,452
TOTAL GENERAL ADMINISTRATION		794,938	830,269	774,419	916,452

General Administration 01-01-01-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	495,449	510,700	513,800	568,900
002	Temporary Labor	0	0	0	25,000
003	Overtime	37	500	0	500
010	Training & Education	0	250	0	1,000
011	Uniform Allowance	336	340	340	340
025	Outside Professional Services	0	10,000	0	0
026	Legal Services	79,246	85,000	60,000	65,000
028	Printing	656	2,000	1,000	2,000
029	Books & Subscriptions	335	500	350	500
030	Special Department Expenses	14,368	19,500	12,000	19,500
033	Postage	4,850	12,000	7,600	10,000
034	Membership Fees & Dues	30,687	30,850	30,850	31,000
035	Directors' Fees	10,920	12,000	12,000	12,000
036	Directors' Travel & Expenses	6,723	7,500	7,500	8,500
037	Transportation, Meals & Travel	20,300	16,000	16,000	18,000
039	Public Information and Notices	11,291	12,000	12,000	12,000
083	Unclassified - Contingency Fund	32,771	20,000	15,000	20,000
090	Government Relations/Staff Augmentation	92,758	100,000	95,000	110,000
091	SGMA - Pauma Valley GSA	0	0	0	30,000
189	LAFCO Budget Assessment	31,768	32,000	32,000	28,100
454	Maintenance of Equipment	0	500	350	500
991	Expense Credit	(37,557)	(41,371)	(41,371)	(46,388)
	Total	794,938	830,269	774,419	916,452

General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.30	568,900
002	Temporary Labor	25,000
003	Overtime	500
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	1,000
011	Uniform/Clothing/Shoes Uniform Allowance	340
026	Legal Services General Counsel's Services 65,000	65,000
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

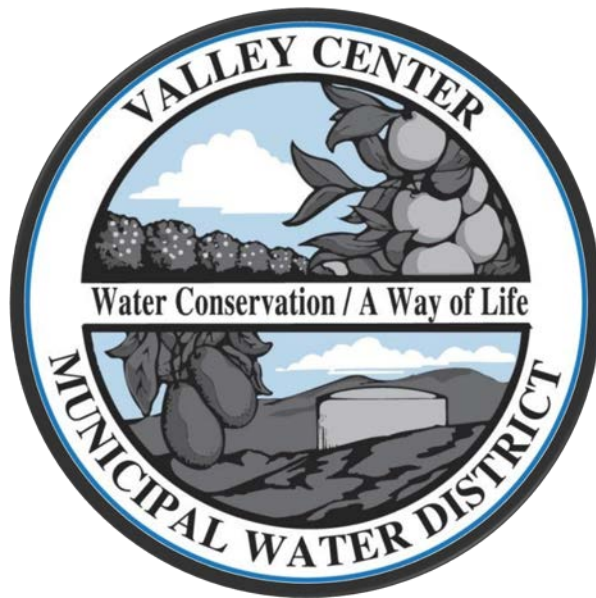
General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
033	Postage	10,000
	General Correspondence 8,000	
	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	31,000
	Association of California Water Agencies 21,905	
	American Water Works Association 3,650	
	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 2,595	
	California Farm Water Coalition 250	
	Upper San Luis Rey Watershed Authority 300	
035	Directors' Fees	12,000
036	Directors' Travel & Expense	8,500
	Conferences/Seminars/JPIA Mtgs/ACWA Region 10	
037	Transportation, Meals & Travel	18,000
	Conferences and Meetings 18,000	
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
083	Unclassified - Contingency Fund	20,000
090	Government Relations/Staff Augmentation	110,000
091	SGMA - Pauma Valley GSA	30,000
189	Local Agency Formation Commission (LAFCO) Budget Assessment	28,100
454	Maintenance of Equipment Adding Machines, Transcriber, Postage Machine, Board Room Recorder and Assistive Listening Device	500
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(46,388)





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 2017-2018

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

- **ERP System Upgrade (Goal 4d):** The Enterprise Resource Planning (ERP) software upgrade was completed and is operational.
- **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 June 1, 2018, there are approximately 2,795 customer accounts registered and utilizing the system, of which 482 have elected to no longer receive paper bills in the mail.
- **SCADA (Goal 4b):** Wireless network communications infrastructure is now operational at all major facilities, which extends network coverage to 67 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.
 - New SCADA server systems were installed at Woods Valley Water Reclamation Facility, and the SCADA Human Machine Interface (HMI) software was upgraded as part of the plant expansion project. New SCADA server systems were also deployed in corporate offices to support redundancy and future expansion.
 - 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 51 remote sites. All analog surveillance technology has been decommissioned. The system consists of high definition multi-megapixel cameras that include full night vision, motion tracking, continuous local and remote recording capabilities, and allows remote site monitoring by operations personnel 24 hours a day.
 - Staff evaluated and is starting to deploy Advanced Metering Infrastructure (AMI) technology 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, with several improvements made in Fiscal Year 2017-18. The system contains a database of backflow devices, can generate new service requests for backflow tests and keeps track of all testing activity.

CHALLENGES FOR 2018-2019

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 the deployment and conversion process. IT has invested in training of in-house personnel to program and integrate the deployment of SCADA components. This provides an 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.

A new Data Management/Asset Management Software System will be selected and implemented that provides more efficient asset management capabilities for the District. By using mobile technologies that are now available, data entry for the system will be done in the field by field operations personnel, increasing efficiency and accuracy.

GOALS FOR 2018-2019

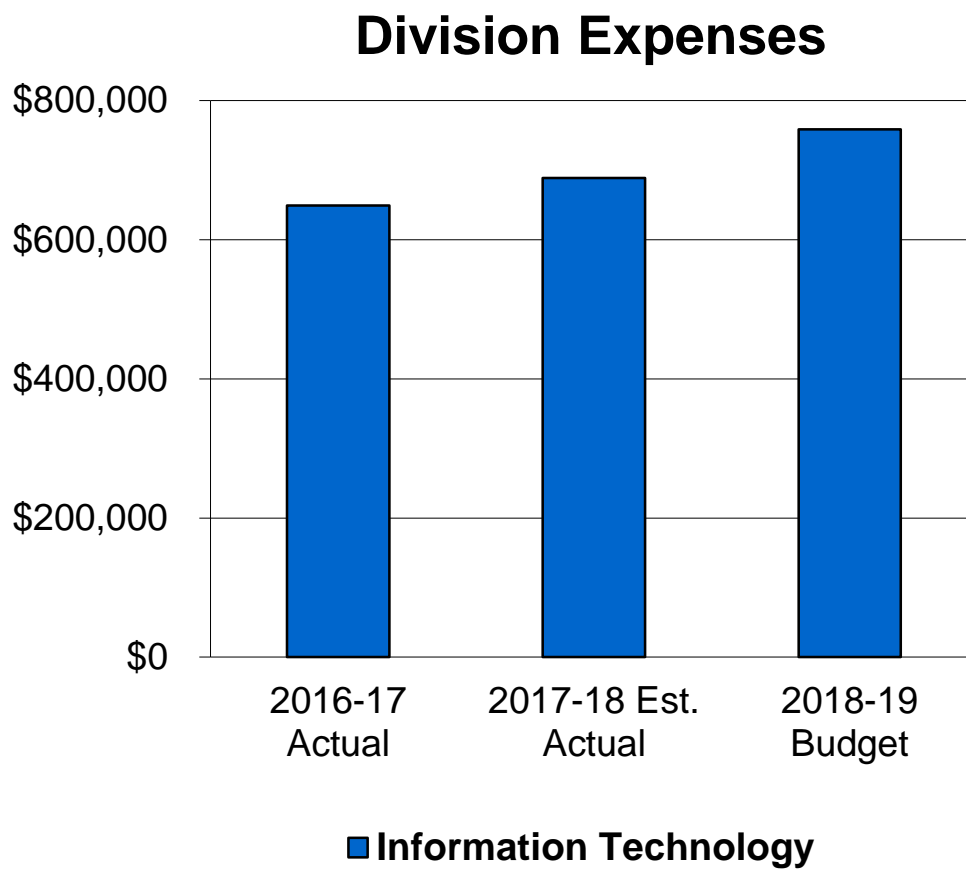
Strategic Plan Implementation – Technology – Increasing reliability and efficiency, we will implement the following:

- GIS – Continue expansion, enhancement, and utility – *Ongoing Effort*.
- SCADA – Staff is continuing to upgrade SCADA industrial control system (ICS) software. Staff has started to upgrade the SCADA control system software at the water reclamation facilities, with Woods Valley WRF completed in Fiscal Year 2017-18, Moosa WRF upgrade scheduled for 2018-19, and the water control system in the corporate office scheduled for upgrade starting 2019-20 and beyond.
- Automated Meter Infrastructure (AMI) – Staff will continue implementation of the AMI system to support automated meter reading and integration of this technology with existing systems. A pilot system has been evaluated, and deployment will start to be installed in segments during calendar year 2019.
- Data/Asset Management Software System – Staff will evaluate and implement a new asset management system that supports mobile users, have better usability, and integrates with existing GIS, financial, and other databases in the District. This is scheduled to be deployed during fiscal year 2018-2019, with full data deployment capabilities scheduled to be implemented during the following fiscal years.

LONG-TERM GOALS

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

Personnel Requirements (FTE's)			
	<i>Actual</i> <i>FY 2017-18</i>	<i>Budget</i> <i>FY 2017-18</i>	<i>Proposed</i> <i>FY 2018-19</i>
Director of Information Technology	1.0	1.0	1.0
SCADA/IT Systems Administrator	1.0	1.0	1.0
Total	2.0	2.0	2.0



Div. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
13	Information Systems	649,150	735,906	688,736	758,446
TOTAL FINANCE		649,150	735,906	688,736	758,446

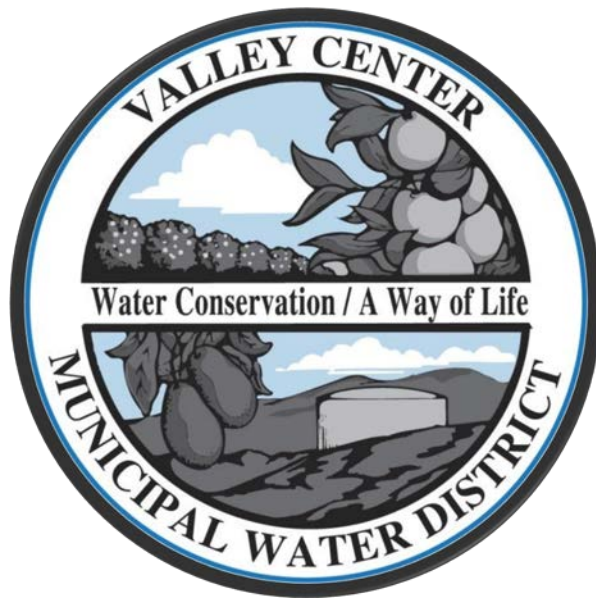
Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	518,866	570,400	571,000	595,400
003	Overtime	2,312	4,000	3,000	4,000
010	Training & Education	6,796	7,000	5,000	3,500
011	Uniform Allowance	672	675	675	675
025	Outside Professional Services	5,421	26,000	8,000	38,000
028	Printing	27,490	27,000	28,000	29,000
029	Memberships & Subscriptions	130	300	180	200
030	Special Department Expenses	28,254	28,500	20,000	25,000
032	Telephone and Communications	15,657	16,200	16,000	17,000
037	Transportation, Meals & Travel	129	1,000	150	500
040	Rents and Leases	11,750	12,500	12,200	12,500
341	Hazardous Waste Disposal Cost	0	500	200	500
454	Maintenance of Equipment	13,567	16,000	15,000	16,000
464	Outside Professional Services - HP	165	0	0	0
469	Maintenance Agreements & Contracts	49,908	62,500	46,000	56,000
991	Expense Credit	(31,967)	(36,669)	(36,669)	(39,829)
	Total	649,150	735,906	688,736	758,446

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.10	595,400
003	Overtime	4,000
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8	3,500
011	Uniform Allowance	675
025	Outside Professional Services Network System Programming 1,000 ERP Programming Changes, Enhancements 10,000 SCADA Programming 2,000 Website Programming 1,000 Telephone Equipment Programing 2,000 Worker Mobility Implementation 22,000	38,000
028	Printing	29,000
029	Memberships & Subscriptions	200
030	Special Department Expenses Computer Workstation Replacements 7,000 Software and Hardware 10,000 Infrastructure Upgrades 8,000	25,000
032	Telephone and Communications	17,000
037	Transportation, Meals & Travel	500
040	Rents and Leases Backup Tape Archive Storage 2,500 Repeater Site 10,000	12,500

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
341	Hazardous Waste Disposal Costs	500
454	Maintenance of Equipment	16,000
	Server Repair	3,500
	Workstation and Laptop Repair	1,500
	Printer Repair	2,000
	Network Infrastructure Repair	1,000
	Telephone Equipment Repair	1,000
	Facsimile Machines	500
	SCADA Infrastructure	2,000
	Fire Suppression System	500
	Video Surveillance Repair	2,000
	Miscellaneous	1,000
	Radio Repeaters	1,000
469	Maintenance Agreements and Contracts	56,000
	ERP System	32,000
	Antivirus	3,500
	Firewall and VPN	4,000
	Network Management Systems	3,500
	Content Filtering	2,000
	Backup and Data Storage	4,000
	Phone System	5,000
	Website Content Management	2,000
991	Expense Credit	(39,829)
	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 212% 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 227% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.

ACCOMPLISHMENTS FOR 2017-18

Awards - Our 2017-18 annual budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2017 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, 2017:

- **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):** The District's share of the total water commodity rate, as budgeted as of February 1, 2017, was 10.8% of the total commodity cost for domestic customers and 14.8% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments (Standard 10):** For the calendar year 2017 our weighted average yield was 1.348%, exceeding the benchmark of 1.215% by 0.133 basis points. The District estimates our yield for the 2018-19 fiscal year to be 1.75%.

CHALLENGES FOR 2018-2019

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 District's greatest challenges. Low water sales directly impact the District's financial results, requiring diligence in budgeting and operations.

GOALS FOR 2018-2019

Performance Measurement Standards –

- **Discretionary Reserves (Standard 3):** Continue to maintain discretionary reserves at the maximum six months' operations and maintenance budget.

- **Return on Investments (Standard 4):** 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.
- **Local Share of Total Water Commodity Costs (Standard 5):** The District's share of the total water commodity rate, budgeted as of February 1, 2019, shall be no more than 15% of the total commodity cost for domestic customers and 18% for certified agricultural.

Other –

- Submit the 2018-19 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2018 Comprehensive Annual Financial Report for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

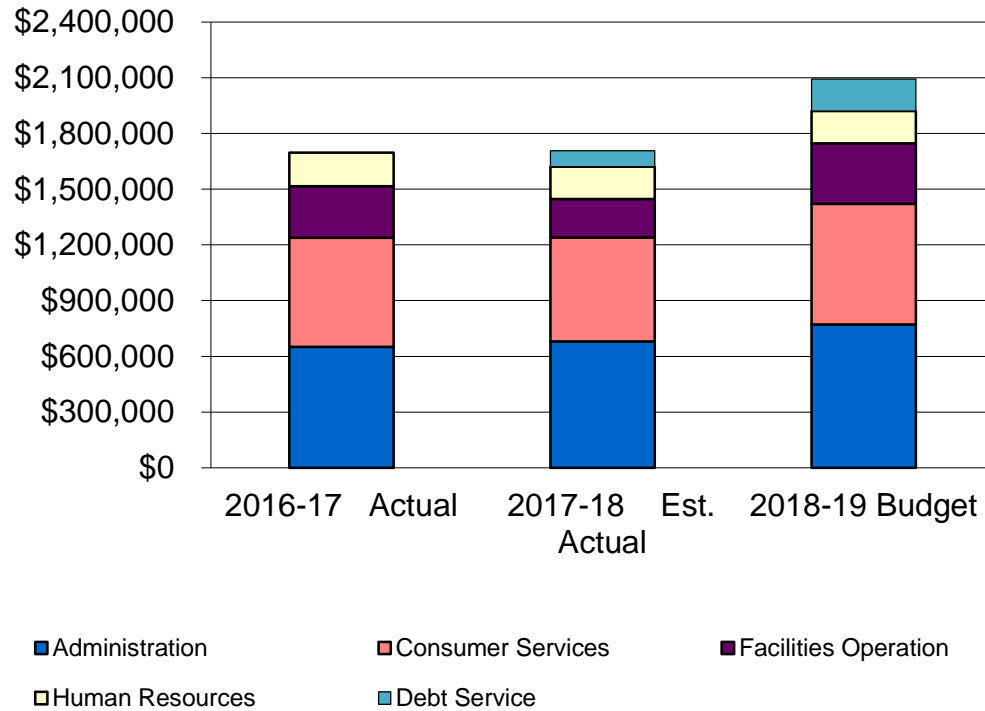
LONG-TERM GOALS

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

Other –

- Incorporate the results of the Integrated Resource Plan and the Cost of Service analysis into a Long-Range Financial Plan by the end of 2019-2020.

Personnel Requirements (FTE's)			
	<i>Actual FY 2017-18</i>	<i>Budget FY 2017-18</i>	<i>Proposed FY 2018-19</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	1.0	0.0
Accounting Clerk	0.0	0.0	1.0
Consumer Services Supervisor	1.0	1.0	1.0
Senior Consumer Services Assistant	1.0	1.0	1.0
Consumer Services Assistant	0.0	0.0	1.0
Total	6.0	6.0	7.0

Division Expenses

Div. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
11	Administration	651,137	696,249	681,069	772,009
12	Consumer Service	586,941	534,421	558,896	650,016
14	Facilities Operation	277,929	310,976	207,824	325,519
15	Human Resources	180,173	187,554	173,504	174,392
16	Salary Clearing	0	0	0	0
19	Debt Service	0	4,629	24,152	47,908
TOTAL FINANCE		1,696,180	1,733,829	1,645,445	1,969,844

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	577,048	579,600	572,000	608,500
003	Overtime	27,896	5,000	17,500	15,000
010	Training & Education	1,848	2,500	1,000	2,500
011	Uniform Allowance	2,017	2,100	2,020	2,100
025	Outside Professional Services	53,178	113,000	101,000	158,000
028	Printing	128	2,000	2,000	2,500
029	Subscriptions and Publications	2,899	2,500	1,800	2,500
030	Special Department Expenses	2,779	3,000	3,100	3,200
033	Postage	0	600	250	600
034	Membership Fees & Dues	600	650	600	650
037	Transportation, Meals & Travel	11,028	17,500	12,000	17,000
991	Expense Credit	(28,284)	(32,201)	(32,201)	(40,541)
	Total	651,137	696,249	681,069	772,009

Finance Administration 01-02-11-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.90	608,500
003	Overtime	15,000
010	Training & Education Allocation from General Administration Training 5218 Page 6-8	2,500
011	Uniform Allowance	2,100
025	Outside Professional Services	158,000
	Annual District Audit 25,000	
	Single Audit 6,000	
	Actuarial Services 11,000	
	Availability Charges, Computer Svcs, Notices, & Liens 2,000	
	Bank Service Charges 24,000	
	Temporary services 50,000	
	Long Range Financial Model 40,000	
028	Printing	2,500
	Business Cards 200	
	Checks 2,000	
	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	3,200
	CAFR Applications and Debt Statistics 1,000	
	Budget Application 200	
	Office Supplies 2,000	
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	17,000
	ACWA Fall & Spring Conference	14,000
	Transportation to Training and Seminars	1,500
	Other	1,500
991	Expense Credit	(40,541)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	387,520	402,400	421,000	497,300
002	Temporary Labor	32,430	10,000	26,800	30,000
003	Overtime	42,093	10,000	14,500	25,000
025	Outside Professional Services	20,195	36,200	42,000	45,000
028	Printing	9,241	16,000	255	400
030	Special Department Expenses	170	350	270	350
033	Postage	41,050	51,000	45,600	51,000
037	Transportation, Meals & Travel	29	100	100	100
087	Write Off of Uncollectible Accounts	77,541	35,000	35,000	35,000
991	Expense Credit	(23,328)	(26,629)	(26,629)	(34,134)
	Total	586,941	534,421	558,896	650,016

Consumer Services 01-02-12-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.80	497,300
002	Temporary Labor	30,000
003	Overtime	25,000
025	Outside Professional Services Bill and Notice Preparation 20,000 Call-Em-All 1,200 Credit Card Processing 20,000 FiServe - Check Free 3,800	45,000
028	Printing Computer Generated Forms: Bill Payment Stubs 200 Business Cards 200	400
030	Special Department Expenses Office Supplies 200 Lien Releases & Recording Fees 150	350
033	Postage 120,000 Water Bills & Final Notices	51,000
037	Transportation, Meals & Travel Transportation to Training and Seminars	100
087	Write Off of Uncollectible Accounts	35,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(34,134)

No.	Description	2016-2017 Actual	2017-2018		2018-2019 Budget
		Budget	Actual		
025	Outside Professional Services	775	1,500	4,600	3,000
027	Office Supplies	8,031	9,500	5,000	7,000
028	Printing	920	3,000	1,500	2,000
030	Special Department Expenses	988	1,400	1,400	1,500
032	Telephone/Answering Service	67,582	63,000	68,000	70,000
040	Rents & Leases	1,925	2,400	2,000	2,000
042	Insurance	159,566	182,336	82,234	193,027
045	Electricity	42,421	52,000	48,000	52,000
454	Maintenance of Equipment	1,476	2,250	1,500	1,950
991	Expense Credit	(5,755)	(6,410)	(6,410)	(6,958)
	Total	277,929	310,976	207,824	325,519

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
025	Outside Professional Services	3,000
	Record Destruction Services	2,700
	Solar Energy Registration	300
027	Office Supplies-District	7,000
	Various Office Supplies, Copier Paper	
028	Printing	2,000
	Letterhead, Business Cards, Labels, Envelopes	
030	Special Department Expenses	1,500
	Property Taxes for Facilities Outside the District	800
	County Vector Control Assessment	700
032	Telephone/Answering Service	70,000
	Telephone	22,000
	Cellular Service	36,000
	Answering Service	12,000
040	Rents & Leases	2,000
	Postage Machine Print Head	1,000
	Storage of Application Files	1,000
042	Insurance	193,027
	General Liability	161,500
	Property Damage and Fidelity Coverage	59,000
	Other Self Insured Retention	5,000
	Less Amount Charged to Sewer Funds	(32,473)
045	Utilities-Electricity	52,000
	Electricity for Administration, Board Room	
	Multipurpose Room, and Engineering Annex I & II	

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
454	Maintenance of Equipment	1,950
	Postage Machine and Scale	1,000
	Letter Opener and Folder	300
	Currency Counter	350
	Other	300
991	Expense Credit	(6,958)
	Reimbursement from Sewer Funds for Administrative Overhead	

Human Resources 01-02-15-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	184,287	176,300	177,150	168,900
003	Overtime	0	500	100	250
010	Training & Education	0	1,000	0	500
025	Outside Professional Services	3,022	3,500	3,000	3,500
026	Legal Services	0	10,000	0	5,000
030	Special Department Expenses	168	1,000	200	1,000
034	Membership Fees & Dues	350	600	400	400
037	Transportation, Meals & Travel	670	4,000	2,000	4,000
991	Expense Credit	(8,324)	(9,346)	(9,346)	(9,158)
Total		180,173	187,554	173,504	174,392

Human Resources 01-02-15-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.60	168,900
003	Overtime	250
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-7A	500
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	5,000
030	Special Department Expenses Flu-Shots 800 Other 200	1,000
034	Membership Fees and Dues California Public Employees Labor Relations Association (CALPELRA) 400	400
037	Transportation, Meals & Travel Training, Seminars, Meetings 500 CalPELRA Conference 1,000 CalPers Conference 2,000 Other 500	4,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(9,158)

Salary Clearing 01-02-16-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor	6,058,535	5,801,147	6,033,945	6,266,185
002	Interns and Temporary Labor	32,430	44,400	61,200	0
003	Overtime	308,436	286,050	369,216	361,800
004	Unemployment Insurance	11,850	11,700	10,000	11,600
005	Retirement	1,930,468	2,064,900	2,056,800	2,334,500
006	Medicare	92,935	90,500	93,000	99,900
007	Medical	1,241,464	1,367,990	1,320,668	1,553,790
008	Worker's Compensation	108,683	131,000	132,500	139,000
009	Life and Disability Insurance	130,111	124,700	124,700	132,200
012	Vacation/Sick/Holiday Leave	983,430	1,026,100	1,026,100	1,084,200
013	Increase in Value Of Accrued Leave	60,960	146,200	146,200	46,700
015	Dental	69,227	69,600	69,100	73,000
016	Vision	11,609	11,750	11,400	12,600
017	Retirement Health Deferred Cont.	8,617	10,400	9,300	17,100
018	Post Retirement Health Benefit	616,528	637,891	550,794	556,404
019	Social Security	661	1,600	5,600	7,900
070	Pension Expense (Contra)	0	0	0	0
991	Expense Credit - Leave	(69,227)	(146,200)	(146,200)	(46,700)
991	Expense Credit	(11,596,717)	(11,679,728)	(11,874,323)	(12,650,179)
	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 67.20	6,266,185
003	Overtime	361,800
004	Unemployment Insurance Federal mandated program - 2.6% of first \$7,000.	11,600
005	Retirement District Contribution to CalPERS.	2,334,500
006	Medicare 1.45% of base pay plus overtime on all employees hired after April 1, 1986.	99,900
007	Medical Preferred Provider or Health Maintenance Organization	1,553,790
008	Workers Compensation Required program to provide compensation and medical costs in the event of injury on the job.	139,000
009	Life and Disability Insurance Life and Accidental Death and Dismemberment 94,900 Long-Term Disability 37,300	132,200
012	Vacation / Sick / Holiday Leave	1,084,200
013	Increase in Value of Accrued Leave Generally Accepted Accounting Principles requires the District to fund accrued leave at current value at year end.	46,700

Salary Clearing 01-02-16-50XXX

Acct. No.	Detail and Justification	Department Request
015	Dental Insurance District paid for employee and dependents.	73,000
016	Vision Insurance District paid for employee and dependents.	12,600
017	Retirement Health, Defined Contribution Plan	17,100
018	Post Retirement Health Annual required contribution to defined benefit plan.	556,404
010	Social Security	7,900
991	Expense Credit - Leave	(46,700)
991	Expense Credit	(12,670,179)

Training 01-02-18-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
110	General and Administration	0	250	0	1,000
111	Finance Administration	1,847	2,500	1,000	2,500
112	Consumer Services	0	0	0	0
113	Information Technology	9,091	7,000	6,500	3,500
115	Human Resources	0	1,000	0	500
121	Engineering Administration	4,463	6,200	3,600	8,750
122	Planning & Design	25	0	0	0
123	Public Services	490	0	0	0
131	Field Administration	26,047	30,000	27,500	30,000
188	GIS Maps & Records	1,770	0	0	0
991	Expense Credit	(43,733)	(46,950)	(38,600)	(46,250)
Total		0	0	0	0

Training 01-02-18-50XXX

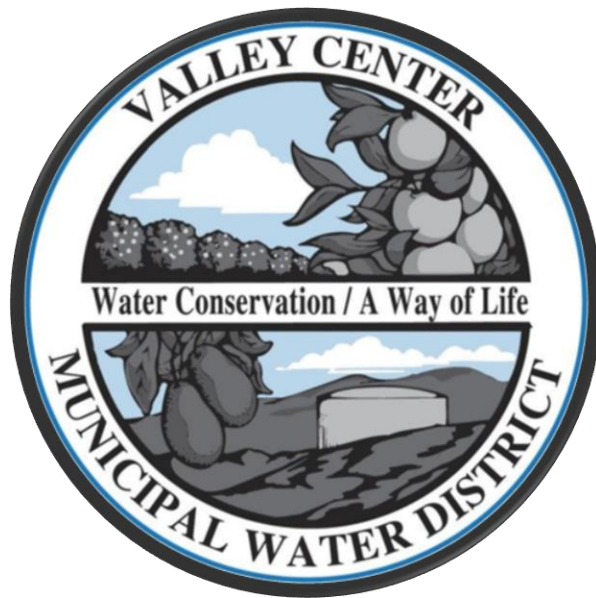
Acct. No.	Detail and Justification	Department Request
110	General Administration Seminars & Workshops 1,000	1,000
111	Finance Administration Accounting Education 1,700 Accounting Updates 800	2,500
113	Information Technology Software Training Tuition Reimbursement 3,500	3,500
115	Finance - Human Resources Miscellaneous Training 500	500
121	Engineering Administration Management Training 6,500 JPIA Supervisory Training 750 Continuing Education 1,500	8,750
131	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
991	Expense Credit	(46,250)

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
071	Interest on Debt	0	4,629	24,152	47,908
	Total	0	4,629	24,152	47,908

Water Availability Charge/Other	0	4,629	24,152	47,908
Total	0	4,629	24,152	47,908

**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%	\$1,468.43	\$1,468.43
1/01/2018	3	\$61,942.87	1.60%	\$23,513.38	\$85,456.25
7/01/2018	4	\$68,276.33	1.60%	\$23,842.23	\$92,118.56
1/01/2019	5	\$68,052.95	1.60%	\$24,065.61	\$92,118.56
7/01/2019	6	\$68,597.37	1.60%	\$23,521.19	\$92,118.56
1/01/2020	7	\$69,146.15	1.60%	\$22,972.41	\$92,118.56
7/01/2020	8	\$69,699.32	1.60%	\$22,419.24	\$92,118.56
1/01/2021	9	\$70,256.91	1.60%	\$21,861.65	\$92,118.56
7/01/2021	10	\$70,818.97	1.60%	\$21,299.59	\$92,118.56
1/01/2022	11	\$71,385.52	1.60%	\$20,733.04	\$92,118.56
7/01/2022	12	\$71,956.60	1.60%	\$20,161.96	\$92,118.56
1/01/2023	13	\$72,532.26	1.60%	\$19,586.30	\$92,118.56
7/01/2023	14	\$73,112.51	1.60%	\$19,006.05	\$92,118.56
1/01/2024	15	\$73,697.41	1.60%	\$18,421.15	\$92,118.56
7/01/2024	16	\$74,286.99	1.60%	\$17,831.57	\$92,118.56
1/01/2025	17	\$74,881.29	1.60%	\$17,237.27	\$92,118.56
7/01/2025	18	\$75,480.34	1.60%	\$16,638.22	\$92,118.56
1/01/2026	19	\$76,084.18	1.60%	\$16,034.38	\$92,118.56
7/01/2026	20	\$76,692.86	1.60%	\$15,425.70	\$92,118.56
1/01/2027	21	\$77,306.40	1.60%	\$14,812.16	\$92,118.56
7/01/2027	22	\$77,924.85	1.60%	\$14,193.71	\$92,118.56
1/01/2028	23	\$78,548.25	1.60%	\$13,570.31	\$92,118.56
7/01/2028	24	\$79,176.63	1.60%	\$12,941.93	\$92,118.56
1/01/2029	25	\$79,810.05	1.60%	\$12,308.51	\$92,118.56
7/01/2029	26	\$80,448.53	1.60%	\$11,670.03	\$92,118.56
1/01/2030	27	\$81,092.12	1.60%	\$11,026.44	\$92,118.56
7/01/2030	28	\$81,740.85	1.60%	\$10,377.71	\$92,118.56
1/01/2031	29	\$82,394.78	1.60%	\$9,723.78	\$92,118.56
7/01/2031	30	\$83,053.94	1.60%	\$9,064.62	\$92,118.56
1/01/2032	31	\$83,718.37	1.60%	\$8,400.19	\$92,118.56
7/01/2032	32	\$84,388.12	1.60%	\$7,730.44	\$92,118.56
1/01/2033	33	\$85,063.22	1.60%	\$7,055.34	\$92,118.56
7/01/2033	34	\$85,743.73	1.60%	\$6,374.83	\$92,118.56
1/01/2034	35	\$86,429.68	1.60%	\$5,688.88	\$92,118.56
7/01/2034	36	\$87,121.11	1.60%	\$4,997.45	\$92,118.56
1/01/2035	37	\$87,818.08	1.60%	\$4,300.48	\$92,118.56
7/01/2035	38	\$88,520.63	1.60%	\$3,597.93	\$92,118.56
1/01/2036	39	\$89,228.79	1.60%	\$2,889.77	\$92,118.56
7/01/2036	40	\$89,942.62	1.60%	\$2,175.94	\$92,118.56
1/01/2037	41	\$90,662.16	1.60%	\$1,456.40	\$92,118.56
7/01/2037	42	\$91,387.26	1.60%	\$731.10	\$92,118.36
Total		\$3,138,421.00		\$541,127.32	\$3,679,548.32



Engineering

FUNCTION OVERVIEW

The Engineering Department provides professional and technical expertise to plan for the future and help the District 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. The Engineering Department also assists customers with service applications and technical information on the District facilities and oversees the District's Water Conservation Program.

ACCOMPLISHMENTS FOR 2017-2018

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 construction contracts in FY 2017/18 as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Rincon Reservoir Painting & Recoating	\$225,000	\$198,698	\$4,441	\$203,139	-9.7%
Woods Valley Ranch WRF Phase 2 Expansion	\$10,371,000	\$10,472,000	\$478,492	\$10,950,492	5.6%
Cool Valley Reservoir Paving Project ¹	\$550,000	\$411,190	\$45,795	\$456,985	-16.9%
FY 2017/18 Totals	\$11,146,000	\$11,081,888	\$528,729	\$11,610,617	4.2%

¹ Pending Resolution of Final Closeout Change Order – Amount shown represents the full amount due per the contract and will be adjusted to reflect final quantities.

- The District has the following projects under construction at the close of the fiscal year. These projects are scheduled to be completed in July/August 2018. The current project contract amounts are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Red Mountain Reservoir Painting and Re-Coating	\$180,000	\$117,300	\$41,013	\$158,313	-12.0%
Betsworth Forebay Painting and Re-Coating	\$200,000	\$212,900	\$3,820	\$216,720	8.4%
Wilkes Road Paving Repair	\$85,000	\$82,844	\$0	\$82,844	-2.5%
FY 2017/18 Totals	\$465,000	\$413,044	\$44,833	\$457,877	-1.5%

▪ 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.
- Water Loss Audits and Validation – Engineering participated with Finance and Field staff in preparation and completion 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 Paving Project.
- Completed the Woods Valley Ranch WRF Phase 2 Expansion 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.

Other Projects and Services: Services provided in FY 2017 - 2018 through April 2018 include:

- Processed applications and released for installation 34 domestic water meters; 41 fire service meters; 10 meter resizes; and 24 construction meters.
- Managed and administrated 69 Agency Clearance letters; 19 Project Availability and Commitment letters; 4 Special Projects; and 4 wastewater system connections.
- Marked out and processed 1,338 underground service alert requests.
- Identified 3 new right-of-way violations and resolved 8; processed 14 new encroachments and issued 10 encroachment permits.
- Processed 7 communication company lease site installations and upgrades.

CHALLENGES FOR 2018-2019

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 the 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 2018-2019

Strategic Plan Implementation:

Water Supply – Goal I:

- Complete planning and design of improvements for the provision of emergency water supply to VCMWD's VC3 Area and Yuima MWD as part of the San Diego County Water Authority's North County Emergency Supply Project.
- 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 II:

- Complete the Wastewater Master Plan Update and Reclamation Feasibility Study 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.
- Complete the construction of the North Village Wastewater Collection System consisting of a 3-inch low pressure collection line and a 6-inch forcemain.
- Complete planning and design review of off-site water and wastewater infrastructure improvements for the Meadowood Development.
- Pursue funding opportunities for infrastructure replacement and local water supply projects; specifically for the Cole Grade Road and Old Castle Road Pipeline Replacement Projects.

- Complete the painting and recoating of the Red Mountain and Betsworth Forebay reservoirs.
- Coordinate with the 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 Fiscal Year 2016-17 Annual Budget. The County deferred construction of the road widening project to March 2019, which delayed the need to start the pipeline design to Fiscal Year 2017-18.

Technology - Geographical Information System (GIS) - Goal IV. 1: 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 IV. 1: 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 IV. 2: 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 IV. 3: 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 V. 1: Assist in the design, review, and installation of energy efficient pump assemblies.

Energy - Renewable and Alternative Energy Resources - Goal V. 2: Assist with the analysis of 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.

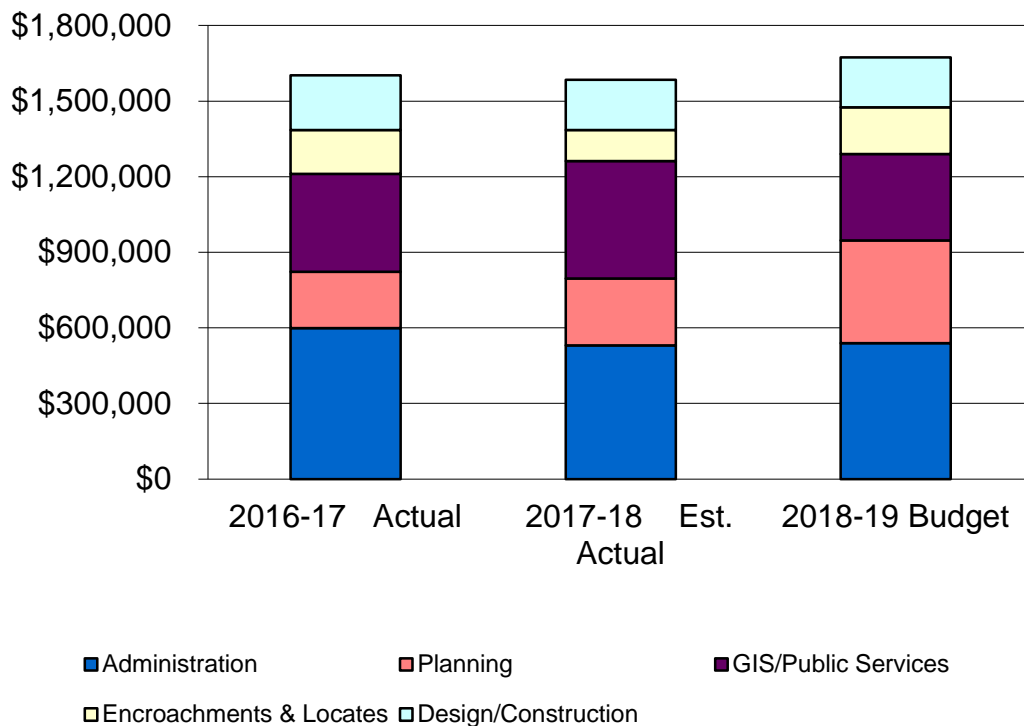
LONG-TERM GOALS

- 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 of pump strategies and procedures to maximize pumping efficiencies utilizing water system modeling.

Personnel Requirements (FTE's)

	<i>Actual FY 2017-18</i>	<i>Budget FY 2017-18</i>	<i>Proposed FY 2018-19</i>
District Engineer/Deputy General Manager	1.0	1.0	1.0
Senior Engineer	0.0	0.0	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	1.0	0.0
GIS/Engineering Services Supervisor	1.0	0.0	1.0
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	1.0	1.0	1.0
Engineering Technician II	1.0	2.0	2.0
GIS Mapping Analyst	1.0	1.0	1.0
Construction Inspector	1.0	1.0	1.0
	11.0	12.0	13.0

Division Expenses



Div. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
21	Administration	599,194	514,274	530,824	539,685
22	Planning	223,389	324,434	265,434	407,406
23	GIS/Water Conservation	388,958	372,280	465,750	342,542
24	Encroachments & Locates	173,624	260,852	123,552	185,889
28	Maps & Records	216,760	225,370	199,520	198,644
TOTAL ENGINEERING		1,601,925	1,697,210	1,585,080	1,674,166

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	563,926	513,400	522,500	532,600
003	Overtime	5,023	1,500	3,500	1,500
010	Training & Education	4,464	6,200	6,200	8,750
011	Uniforms/Shoes	4,513	5,300	4,500	5,600
026	Legal Services	577	7,500	7,500	7,500
028	Printing	0	200	250	275
029	Books & Subscriptions	0	1,000	1,000	1,000
030	Special Department Expenses	5,102	1,000	7,000	7,000
034	Membership Fees & Dues	2,801	3,000	3,000	3,000
037	Transportation, Meals & Travel	2,661	800	1,000	800
085	Capital Planning	30,902	0	0	0
991	Expense Credit	(20,775)	(25,626)	(25,626)	(28,340)
	Total	599,194	514,274	530,824	539,685

Engineering Administration 01-03-21-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.20	532,600
003	Overtime	1,500
010	Training & Education Allocation from General Administration Training 5218 Page 6-7A	8,750
011	Uniforms/Shoes	5,600
026	Legal Services	7,500
028	Printing Reports, Business Cards, Mass Mailings	275
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 1,500 Parcel Quest - Online Property Search Tool 2,500 SD County Assessor's Maps 2,400 Miscellaneous 600	7,000

Engineering Administration 01-03-21-50XXX

Acct. No.	Detail and Justification	Department Request
034	Membership, Fees & Dues	3,000
	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	
	Works (SCAP)	1,700
	Water Environment Federation	225
	Water Reuse	75
	Other	150
037	Transportation, Meals & Travel	800
991	Expense Credit	(28,340)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	218,289	263,600	195,000	348,800
002	Temporary Labor	0	0	10,000	22,000
003	Overtime	(4,896)	500	500	500
010	Training & Education	25	0	0	0
025	Outside Professional Services	17,722	65,000	65,000	46,000
028	Printing	51	500	100	500
029	Books & Subscriptions	0	0	0	0
030	Special Department Expenses	0	0	0	0
034	Membership Fees & Dues	0	0	0	0
037	Transportation, Meals & Travel	638	1,800	1,800	1,800
459	Software Technical Support	7,450	9,200	9,200	9,200
991	Expense Credit	(15,890)	(16,166)	(16,166)	(21,394)
Total		223,389	324,434	265,434	407,406

Planning 01-03-22-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.50	348,800
002	Interns & Temporary Labor	22,000
003	Overtime	500
025	Outside Professional Services	46,000
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	
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(21,394)

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	377,384	297,500	390,000	266,600
002	Interns & Temporary Labor	0	0	0	25,000
003	Overtime	7,010	3,500	4,000	3,500
010	Training & Education	490	0	0	0
025	Outside Professional Service	0	18,000	18,000	20,000
028	Printing	52	100	0	100
029	Books & Subscriptions	0	150	0	150
030	Special Department Expenses	119	29,700	29,700	500
034	Membership Fees & Dues	0	400	400	400
037	Transportation, Meals & Travel	576	780	500	780
184	Water Conservation Program	4,099	23,700	23,700	25,000
459	Software Technical Support	15,560	16,280	18,000	18,500
468	Maintenance of Equipment	0	720	0	0
991	Expense Credit	(16,332)	(18,550)	(18,550)	(17,988)
	Total	388,958	372,280	465,750	342,542

GIS/Water Conservation 01-03-23-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.50	266,600
002	Interns & Temporary Labor	25,000
003	Overtime	3,500
025	Outside Professional Service	20,000
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 500	500
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

GIS/Water Conservation 01-03-23-50XXX

Acct. No.	Detail and Justification	Department Request
184	Water Conservation Program	25,000
	Splash Science School Mobile Lab	4,200
	Water Conservation Materials	3,700
	Green Machine	3,000
	SMART Landscape Program	4,200
	Landscape Irrigation Classes	600
	California Urban Water Conservation Counsel Dues	1,900
	Printing	2,100
	Public Outreach	2,100
	Water Education Programs -	
	Poster Contest	1,600
	School Program	1,600
459	Software Technical Support	18,500
	GIS Products	18,500
991	Expense Credit	(17,988)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	174,639	243,800	110,000	167,400
003	Overtime	770	1,500	500	1,000
010	Training & Education	0	0	0	0
025	Outside Professional Services	8,858	6,750	6,750	6,750
026	Legal Services	0	2,500	2,500	2,500
030	Special Department Expenses	1,905	16,000	16,000	14,700
034	Membership, Fees & Dues	283	0	0	0
037	Transportation, Meals & Travel	0	300	300	300
184	Water Conservation Program	26	0	0	0
452	Maintenance of Facilities	421	0	0	0
454	Maintenance of Equipment	0	1,000	0	1,000
459	Software Technical Support	0	2,000	500	2,000
991	Expense Credit	(13,278)	(12,998)	(12,998)	(9,761)
	Total	173,624	260,852	123,552	185,889

Encroachments & Locates 01-03-24-50XXX

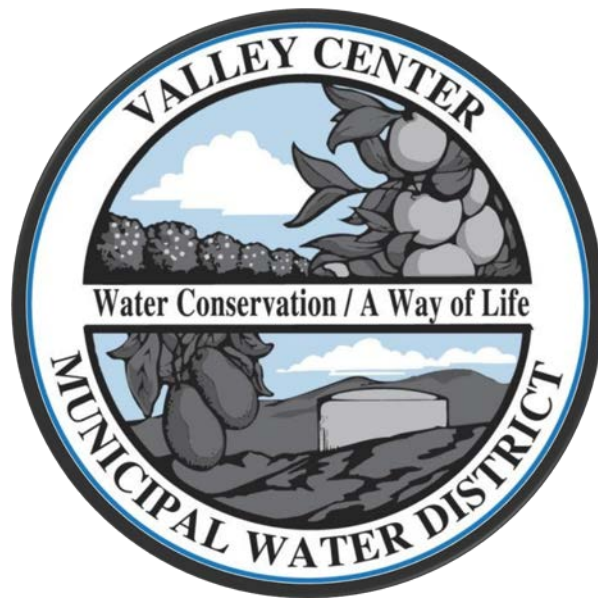
Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.10	167,400
003	Overtime	1,000
025	Outside Professional Services	6,750
026	Legal Services	2,500
030	Special Department Expenses	14,700
	Markout Supplies 500	
	Inspection Supplies 500	
	Dig Alert 1,200	
	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
991	Expense Credit	(9,761)
	Reimbursement from Sewer Funds for Administrative Overhead	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	215,413	198,000	175,000	167,400
002	Interns and Temporary Labor	0	20,000	20,000	20,000
003	Overtime	1,770	1,500	0	1,500
010	Training & Education	0	0	0	0
025	Outside Professional Services	0	10,000	10,000	10,000
028	Printing	2,025	750	750	750
029	Books & Subscriptions	0	100	0	100
030	Special Department Expenses	3,135	1,800	1,000	2,000
037	Transportation, Meals & Travel	0	450	0	600
454	Maintenance of Equipment	1,049	500	0	1,000
459	Software Technical Support	3,671	3,500	4,000	5,725
991	Expense Credit	(10,303)	(11,230)	(11,230)	(10,431)
Total		216,760	225,370	199,520	198,644

Maps & Records 01-03-28-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.05	167,400
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 200 Mylar Film 1,200 Miscellaneous 600	2,000
037	Transportation, Meals & Travel	600
454	Maintenance of Equipment	1,000
459	Software Technical Support	5,725
991	Expense Credit Reimbursement from Sewer Funds	(10,431)





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 42 full time employees, including 6 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 nine 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 \$619,386. 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 the Worker's Compensation and Liability Insurance Programs which has resulted in additional savings of \$711,463 over the past nine years. Combined, the District has received refunds and lower insurance premiums of \$1,330,849.
- 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. In 2017, all public schools in the VCMWD service area were sampled for lead as directed by the State of California Division of Drinking Water. All results were within State parameters and public school officials were notified. The division also performs the triennial lead sampling along with the Unregulated Contaminant Monitoring Rule requirements.

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 and weekly sampling for both wastewater and water operation divisions. Performing wastewater bacteriological, potable bacteriological testing (Bac-T), and general physicals samples per the State standards and compliance. 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 43 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 March 23, 2018, there were 10,121 active meters, of which 1,164 are fire meters, and 4,873 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 repairs and maintenance of the District's corporate facility.

ACCOMPLISHMENTS FOR 2017-2018

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 2017 was 716.7 acre feet, 3.4% of total water sold, which was the second lowest volume ever recorded for a Calendar Year reporting period and represents \$809,000 thousand dollars. Through a service agreement with CAL Fire, the District cleared 46 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 30 meter accounts, representing 3 meter routes and will continue this magnetic detection procedure into the 2018-19 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. Through these practices, the 2017-18 pump efficiency testing provided a result of 105% above the designed efficiency standard.

- **Water Service Reliability (Standard 7):** was 99.999% for calendar year 2017.
- **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 2017.
- **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.
- **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 will be completed in the 2017-18 Fiscal Year. 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 continued 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.

Other Projects:

- Retrofitted 9 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.
- Completed repairs on the 36" Dresser coupling inside the Bell structure at Lake Turner reservoir.
- Constructed a new 6" Bypass at Oat Hill Pump station and a 12" Bypass at Miller Pump Station.
- Installed cathodic protection in Betsworth, Burnt Mountain, Meadows #2, Paradise #1, Rincon, and Tyler Reservoirs.
- Satin sealed the asphalt paving at 7 reservoirs, pressure reducing stations, and pump station sites.
- Cleaned, pressure washed, and inspected 17 steel tank reservoirs.
- Removed a malfunctioning 24" horizontal gate valve and installed a new 24" butterfly valve on Betsworth Road 30" transmission main.

- Completed Valve Maintenance through Quad D and E to include a number of appurtenance repairs and upgrades.
- Completed dead-end line flushing requirement.

CHALLENGES FOR 2018-2019

- 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 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.
- Train and develop employees on SCADA equipment maintenance, PLC Programming and related software issues and requirements for future growth and implementation.

GOALS FOR 2018-2019

Performance Measurement Standards:

- **Water Loss (Standard 2):** To further improve the District's water loss percentage, continue replacing high usage 3-inch, 2-inch, 1½-inch meters and the I-Pearl ¾" and 1" 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 meter usage and provide customers with real-time usage and leak detection capabilities and a new meter that features a remote turn-on, turn-off and or restricted use capability.
- **Pump Efficiency (Standard 6):** 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 2018-2019, 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 10):** 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 IV. 2)** – 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.

- **Solar Projects (Goal IV. 2)** – Continue to evaluate the installation of small scale solar arrays at pump stations, Wastewater Facilities and the Corporate Facility 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, to reduce water loss and property damage.
- Remove the old pressure tank at Pala Loma Hydro Pump Station and upgrade the hydro station with new variable speed pumps and emergency transfer switch.
- 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.
- Complete valve maintenance through Quad F & G and upgrade and repair 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 installing the new Sensus Ally meters that feature a remote turn-on, turn-off and or restricted use capabilities. In addition, install the Advanced Metering Infrastructure (AMI) technology in the Central Valley to coincide with the large development projects scheduled to start in Fiscal Year 2018-19.

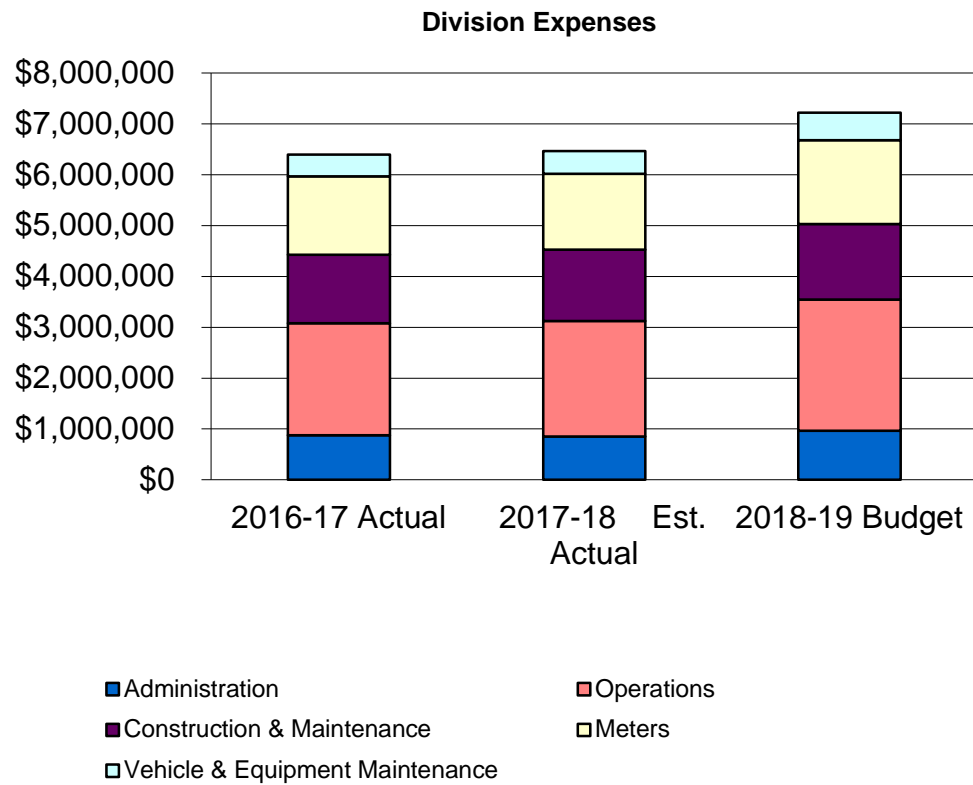
LONG TERM GOALS

- Continue upgrading of the District's pump and corporate facilities to improve energy efficiencies (Standard V).
- 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 cost 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 FY 2017-18</i>	<i>Budget FY 2017-18</i>	<i>Proposed FY 2018-19</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	0.0	0.0	0.0
Construction Maintenance Tech I	2.0	2.0	2.0
Landscape Maintenance Worker III	1.0	1.0	1.0
Landscape Maintenance Worker I	0.0	0.0	1.0
Senior Meter Service Technician	1.0	1.0	1.0
Meter Services Technician III	1.0	1.0	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	0.0
Electrical Technician II	1.0	1.0	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
Fleet Mechanic I	0.0	0.0	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
Wastewater Systems Technician I	0.0	0.0	1.0
Total	40.0	40.0	42.0



Div. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
	ADMINISTRATION				
31	Field Administration	425,647	420,307	402,727	419,329
32	Safety & Regulatory Compliance	223,398	211,130	205,780	238,667
33	Landscape & Paving Maintenance	137,098	145,643	160,843	209,403
34	District Security	87,296	91,206	82,956	96,864
	Total Administration:	873,439	868,286	852,306	964,263
	OPERATIONS				
42	System Operation	752,394	771,800	752,800	820,700
43	Telemetry	172,957	290,900	210,325	248,100
44	Treatment	60,562	84,800	84,720	68,900
45	Automatic Valves	64,306	103,900	70,000	95,900
46	Reservoir Maintenance	216,041	210,100	361,050	287,800
47	Pump Maintenance	257,499	300,700	222,725	383,600
48	Motor Maintenance & Electric Panels	561,216	491,500	459,350	552,300
49	Quality Control	123,951	137,200	109,800	126,500
	Total Operations:	2,208,926	2,390,900	2,270,770	2,583,800
	CONSTRUCTION & MAINTENANCE				
53	Pipeline and Right-of-Way Maint.	673,612	651,600	692,400	697,200
54	Corporate Facilities Maintenance	84,363	107,446	96,146	119,698
55	Valve Maintenance & Location	583,153	641,900	615,050	662,800
	Total Construction & Maintenance:	1,341,128	1,400,946	1,403,596	1,479,698
	METERS				
61	Meter Installation	153,025	183,050	115,300	189,150
62	Meter Reading	37,228	67,000	48,300	75,100
63	Service Connection Maintenance	1,160,427	1,088,400	1,130,300	1,117,900
65	Backflow Maintenance	191,985	237,000	199,750	269,600
	Total Meters:	1,542,665	1,575,450	1,493,650	1,651,750
71	Vehicle & Equipment Maintenance	432,067	491,700	446,250	539,900
TOTAL FIELD OPERATIONS		6,398,225	6,727,282	6,466,572	7,219,411

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	368,900	359,000	350,000	357,600
003	Overtime	423	1,000	500	750
010	Training & Education	22,841	30,000	25,000	30,000
011	Uniform/Clothing/Shoes	38,171	35,500	35,500	38,500
028	Printing	549	500	400	500
030	Special Department Expenses	3,128	2,500	3,000	3,000
032	Automated Telephone Dial Service	664	2,500	1,000	2,000
033	Postage	0	150	0	150
034	Memberships, Fees and Dues	262	300	270	350
037	Transportation, Meals & Travel	7,650	7,000	7,000	7,500
038	Regulatory Permits & Fees	2,062	2,800	1,000	1,000
991	Expense Credit	(19,003)	(20,943)	(20,943)	(22,021)
	Total	425,647	420,307	402,727	419,329

Field Administration 01-04-31-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.58	357,600
003	Overtime	750
010	Training & Education Allocation from General Administration Training 5218 Page 6-7B	30,000
011	Uniform/Clothing/Shoes Uniforms for Field Personnel 27,500 Safety Shoes 9,000 Hats 1,000 Sweatshirts 500 Jackets 500	38,500
028	Printing General Printing 500	500
030	Special Department Expenses Office Supplies 2,000 Miscellaneous Equipment 1,000	3,000
032	Automated Telephone Dial Service for scheduled SDCWA shutdowns	2,000
033	Postage General Postage 150	150
034	Memberships, Fees and Dues Miscellaneous 350	350
037	Transportation, Meals & Travel San Diego County Water Works Group Meetings 1,000 After Hour Meals 5,250 Joint Power Insurance Authority Meetings 1,250	7,500

Field Administration 01-04-31-50XXX

Acct. No.	Detail and Justification	Department Request
038	Regulatory Permits & Fees State Water Resources Control Board 1,000	1,000
991	Expense Credit	(22,021)

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	196,962	184,200	181,000	209,800
003	Overtime	4,094	1,500	2,500	1,500
014	Employee Physicals	6,512	9,600	7,500	9,000
025	Outside Professional Service	9,067	8,500	8,000	12,500
030	Special Department Expenses	14,931	16,500	16,000	17,000
034	Memberships, Fees and Dues	1,125	1,350	1,300	1,400
991	Expense Credit	(9,293)	(10,520)	(10,520)	(12,533)
	Total	223,398	211,130	205,780	238,667

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.04	209,800
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.	9,000
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 6,500	12,500
030	Special Department Expenses First Aid Equipment 2,000 Safety Protection Equipment 5,000 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	17,000
034	Memberships, Fees and Dues National Safety Council 500 National Fire Protection Association 200 Pacific Safety Council 300 Cal OSHA Reports 400	1,400

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

Acct. No.	Detail and Justification	Department Request
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(12,533)

[illegible]

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.96	199,900
003	Overtime	500
025	Outside Professional Services Tree Trimming and Turner Dam Cattail Control Pre-Emergent spray of station/facilities	12,000
030	Special Department Expenses	1,000
452	Maintenance of Facilities Irrigation and Plants 4,000 Landscape Materials 2,500 Gravel 500	7,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(10,997)

[illegible]

District Security 01-04-34-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.40	79,400
025	Outside Professional Services	5,000
030	Special Department Expenses	2,000
	Office Supplies 300	
	Security Supplies 350	
	Emergency Satellite Television Fees 350	
	EOC Supplies 1,000	
034	Memberships, Fees and Dues	550
	Water Information Sharing and Analysis Center	
452	Maintenance of Facilities	15,000
	Cameras (Stationary and PTZ) 5,000	
	Security Gate Maintenance 10,000	
991	Expense Credit	(5,086)
	Reimbursement from Sewer Funds for Administrative Overhead	

[illegible]

System Operation 01-04-42-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 4.75	699,700
003	Overtime Stand-By Pay, Operation Call Out, Shift Pay	115,000
030	Special Department Expenses	1,000
452	Maintenance of Facilities Equipment 2,500 General Maintenance 2,500	5,000

[illegible]

Telemetry/SCADA 01-04-43-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.95	148,600
003	Overtime As Needed for Repairs	2,500
025	Outside Professional Services SCADA Programming	30,000
030	Special Department Expenses	1,500
032	Telephone Leased Telemetry Lines and Alarm Monitor	12,500
452	Maintenance of Facilities Repairs To: Transmitters and Receivers 3,000 Power Supplies 2,000	5,000
459	Software Technical Support	28,000
465	SCADA Repairs Pressure Level Transducers 7,000 SCADA Miscellaneous 13,000	20,000

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	54,218	73,100	53,000	39,900
003	Overtime	0	500	0	500
025	Outside Professional Services	0	500	0	500
030	Special Department Expenses	0	1,000	750	1,000
038	Regulatory Permits & Fees	292	500	470	500
323	Chlorine	4,364	8,000	29,000	25,000
452	Maintenance of Facilities	1,688	1,200	1,500	1,500
	Total	60,562	84,800	84,720	68,900

Treatment 01-04-44-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.25	39,900
003	Overtime	500
025	Outside Professional Services Chlorinator Maintenance 500	500
030	Special Department Expenses Tools and Replacement	1,000
038	Regulatory Permits & Fees	500
323	Chlorine Chlorine Tablets 20,000 HTH to Increase Residual in Reservoirs 5,000	25,000
452	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators 750 Rebuild Chlorine Detectors 750	1,500

[illegible]

Automatic Valves 01-04-45-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.50	73,900
003	Overtime	1,000
030	Special Department Expenses Tools and Replacement	1,000
452	Maintenance of Valves Rebuild, Repair & Maintenance of Pressure Reducing, Pressure Relief, Altitude, Pump Control, and Isolation Valves	20,000

[illegible]

Reservoir Maintenance 01-04-46-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.40	220,500
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 Hose & Pump Equipment	800
038	Regulatory Permits & Fees	23,500
	Turner Dam 22,500	
	Environmental Health Permits 1,000	
452	Maintenance of Structures & Improvements	18,000
	Site Improvements - Construction Maintenance 2,000	
	Reservoir cleaning and inspection 4,000	
	Floating Reservoir Covers Repair and Patching 5,000	
	Cathodic Protection 7,000	

Pump Maintenance 01-04-47-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	206,693	228,200	160,000	311,100
003	Overtime	1,123	3,000	3,000	3,000
025	Outside Professional Services	23,502	36,000	29,000	36,000
030	Special Department Expenses	675	1,500	1,300	1,500
444	Maintenance of Pumps	24,147	25,000	23,125	25,000
454	Maintenance of Equipment	1,359	7,000	6,300	7,000
Total		257,499	300,700	222,725	383,600

Pump Maintenance 01-04-47-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.93	311,100
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	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	416,550	334,500	310,000	364,300
003	Overtime	4,269	4,000	7,800	5,000
025	Outside Professional Services	22,655	26,000	27,000	51,000
030	Special Department Expenses	3,212	3,000	2,900	3,000
038	Regulatory Permits & Fees	23,619	28,000	27,650	29,000
455	Maintenance of Engines	42,727	40,000	28,000	40,000
456	Maintenance of Electric Motors	21,444	25,000	21,000	25,000
458	Maintenance of Electrical Facilities	26,740	31,000	35,000	35,000
	Total	561,216	491,500	459,350	552,300

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.50	364,300
003	Overtime	5,000
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 Natural Gas Engine Repair 25,000	51,000
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 21,000 Emergency Generators 2,000	29,000
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
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 9,000	35,000

[illegible]

Quality Control 01-04-49-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.36	57,000
003	Overtime	500
025	Outside Professional Services Lab Analysis For: Trihalomethane (THM) Stage 2 2,500 Haloacetic acids (HAA) 2,000 Lead/Copper Testing 1,500 Coliform, General Physical Testing 1,000	7,000
028	Printing Consumer Confidence Reports, Annual Notifications, Regulations	1,500
030	Special Department Expenses Lab Supplies 4,000 Glassware Replacement 1,000	5,000
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 2,500 Chlorine Residual Reagent 2,500 Rebuild/Repair Chlorine Residual Analyzers 1,500	6,500

[illegible]

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.50	547,200
003	Overtime Emergency Leak Repair	45,000
025	Outside Professional Services Asphalt Paving 9,000 Asphalt Satin Sealing 10,000 Traffic Control 3,000	22,000
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 5,000 Pipe - Repair 6,500 AC Pipe Disposal 5,000 Erosion Control Material 3,000 Trash Disposal 7,500	80,000

[illegible]

Corporate Facilities Maintenance 01-04-54-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.26	36,900
003	Overtime	600
025	Outside Professional Services	56,500
	Asphalt Seal 5,000	
	Janitorial Service 16,000	
	Air Conditioner Repairs/Service 10,000	
	Trash Pickup 8,000	
	Bug and Termite Treatment 3,000	
	Carpet Cleaning 3,000	
	Internal Window, Floor Cleaning 4,000	
	Miscellaneous 5,000	
	Generator Load Testing 2,500	
030	Special Department Expenses	5,000
	Breakroom Supplies 3,500	
	Miscellaneous Supplies 1,500	
038	Regulatory Permit & Fees	3,000
	Environmental Health Permit 1,500	
	Emergency Stationary Gen-sets 1,500	
452	Maintenance of Facilities	24,000
	Floor Mats/Lighting 2,500	
	Janitor Supplies 3,000	
	Building Maintenance 3,500	
	Special Cleaning of Building 4,000	
	Miscellaneous 1,000	
	Roof and Painting Repairs 10,000	
991	Expense Credit	(6,302)
	Reimbursement from Sewer Funds for Administrative Overhead	

[illegible]

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.78	564,300
003	Overtime	15,000
025	Outside Professional Services	6,000
	Asphalt Paving 3,000	
	Traffic Control 3,000	
030	Special Department Expenses	1,500
	Tools 300	
	Welding Supplies 700	
	Markout Materials/Calibration 250	
	Cones 250	
040	Rents & Leases	1,000
	Heavy Equipment and Asphalt Breaker	
452	Maintenance of Facilities	75,000
	Air Vacs and Covers 7,000	
	Air Vac Screens 5,500	
	Blow Offs 4,500	
	Fire Hydrants 8,500	
	Valve Replacement/Repairs 15,000	
	Appurtenance Repair & Replacement Parts 15,500	
	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	

Meter Installation 01-04-61-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	45,441	75,200	36,000	86,300
003	Overtime	1,946	1,200	1,100	1,200
030	Special Department Expenses	0	1,000	0	1,000
038	Regulatory Permits & Fees	0	250	0	250
040	Rents & Leases	0	400	0	400
446	Installation Material-Meters	41,144	40,000	35,000	40,000
451	Maintenance of Vehicles	33,506	30,000	16,000	25,000
457	Installation Material-Backflows	30,988	35,000	27,200	35,000
Total		153,025	183,050	115,300	189,150

Meter Installation 01-04-61-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.54	86,300
003	Overtime	1,200
030	Special Department Expenses	1,000
038	Regulatory Permits & Fees Excavation Permits	250
040	Rents & Leases	400
446	Installation Material-Meters	40,000
451	Vehicle Maintenance	25,000
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	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	36,274	62,300	44,600	65,600
003	Overtime	433	1,200	200	500
030	Special Department Expenses	521	1,000	1,000	1,000
459	Software Technical Support	0	2,500	2,500	8,000
Total		37,228	67,000	48,300	75,100

Meter Reading 01-04-62-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.42	65,600
003	Overtime	500
030	Special Department Expenses Misc. Tools and Equipment 1,000	1,000
459	Software Technical Support	8,000

[illegible]

Service Connection Maintenance 01-04-63-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 5.46	892,900
003	Overtime	45,000
025	Outside Professional Services	
	Cal-Fire Clearing 15,000	48,000
	Asphalt Paving 8,000	
	Flagging Assistance 25,000	
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	

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	125,266	176,000	140,000	203,100
003	Overtime	5,753	2,500	1,900	2,500
025	Outside Professional Services	629	2,000	2,200	2,500
030	Special Department Expenses	480	1,500	650	1,500
452	Maintenance of Facilities	59,857	55,000	55,000	60,000
	Total	191,985	237,000	199,750	269,600

Backflow Maintenance 01-04-65-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.33	203,100
003	Overtime	2,500
025	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water 2,500	2,500
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 12,500 Double Check (DC) Repair Parts 12,500 Replacement Devices 35,000	60,000

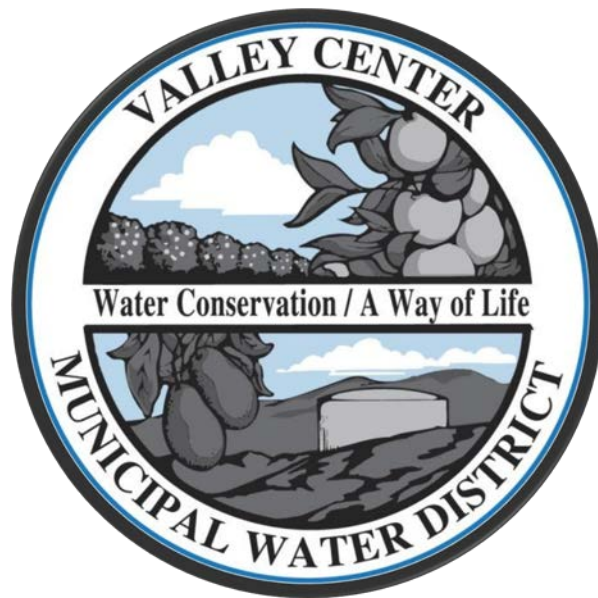
Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	235,729	250,000	210,000	274,700
003	Overtime	4,437	7,000	7,000	7,000
025	Outside Professional Services	29,665	32,000	33,000	32,000
030	Special Department Expenses	2,661	4,300	3,925	4,300
038	Regulatory Permits & Fees	1,200	3,700	3,100	3,700
341	Hazardous Waste Disposal Costs	4,566	6,000	8,300	8,000
450	Maintenance - Gas, Oil & Grease	109,301	139,000	138,000	155,000
451	Maintenance of Vehicles	40,749	55,000	53,825	55,000
453	Maintenance of Radios	10,247	11,000	9,300	11,000
454	Maintenance of Equipment	32,949	20,000	17,300	20,000
991	Expense Credit	(39,437)	(36,300)	(37,500)	(30,800)
	Total	432,067	491,700	446,250	539,900

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.90	274,700
003	Overtime	7,000
025	Outside Professional Services	32,000
	Generator Load Testing 5,000	
	Fuel Tank Testing 2,000	
	Vehicle and Equipment Repairs 25,000	
030	Special Department Expenses	4,300
	Replacement Tools 300	
	Specialty Tools 500	
	Tools for Service Truck 200	
	Software Repair Manuals 3,300	
038	Regulatory Permits & Fees	3,700
	Boom Truck 500	
	Portable Equipment 1,400	
	Emergency Generators 1,800	
341	Hazardous Waste Disposal Costs	8,000
	Recycling Oil, Filters & Solvents 3,500	
	Recycling Tires & Miscellaneous 1,000	
	Cleanup Material 600	
	Compliance Guides 400	
	Disposal of Aerosols 1,000	
	Asbestos Pipe 1,500	
450	Fuel, Oil, and Chemicals	155,000
	Fuel 138,000	
	Oil and Coolant 15,000	
	Fuel Tank Parts 2,000	

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	
991	Expense Credit		(30,800)
	Rental Value of Vehicles and Equipment Used for:		
	Installation of Meters	01-04-61-50451 (25,000)	
	Moosa Treatment Plant	13-03-26-50451 (1,500)	
	Moosa Collection	13-03-27-50451 (1,500)	
	Moosa STEP Maintenance	13-03-29-50451 (1,300)	
	Woods Valley Ranch Treatment Plant	17-03-31-50451 (1,500)	



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 \$564 per acre foot as of July 1, 2018, 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 2017-2018

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 2018-2019

The use of fixed charges by MWD and SDCWA leaves the District exposed if water sales drop below historical levels, as we have seen, because of continued uncertainties in the agricultural community 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 2018-2019

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.

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, 2019, will increase by 0.9% for treated water. This increase is one of the smallest in the past 15 years and is attributable to financial benefits secured through litigation against the Metropolitan Water District. All rate changes from MWD and SDCWA are subject to change at anytime and are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

Also included in the water charges we are required to pay SDCWA and MWD in 2019 are fixed charges for capacity, customer service, emergency storage, and supply reliability. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less a 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2019 budgeted sales are 20,000 acre feet and the

2019 fixed charges totaling \$4,028,340 are allocated over 18,000 acre feet. Total fixed charges for 2019 are \$253,712, or 5.9%, lower than calendar year 2018.

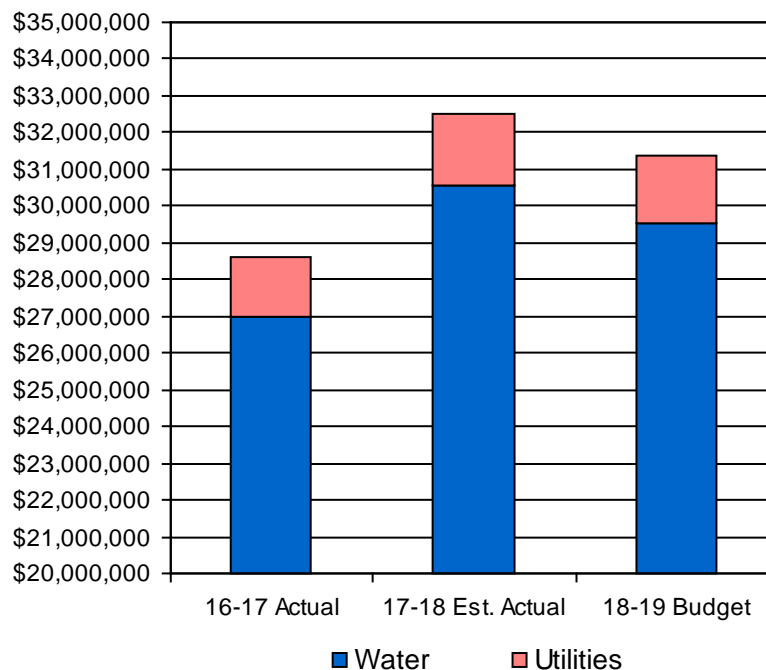
As a result of these two factors, the preliminary Fiscal Year 2018-2019 budget includes no increases in the District's current commodity rates.

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 2019 is projected at \$537 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 uncertainties in the agricultural community.

Source of Supply



Div. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	28,606,720	31,038,196	32,527,309	31,381,486
TOTAL SOURCE OF SUPPLY		28,606,720	31,038,196	32,527,309	31,381,486

Source of Supply 01-04-41-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
		@ 20,220 af	@ 21,280 af	@ 22,300 af	@ 21,280 af
321	Water Supply Charge - MWD & CWA	22,090,611	24,793,942	26,063,250	25,329,639
368	Water Delivery Charge - CWA	2,161,966	2,384,508	2,496,850	2,490,908
369	Agricultural Rebate - CWA	(2,393,513)	(2,919,507)	(2,782,700)	(2,872,121)
186	Ready to Serve Charge	485,672	475,900	475,900	484,993
081	Infrastructure Access Charge	500,142	535,200	521,244	531,720
394	Capacity Reservation Charge - MWD	724,387	621,665	605,018	515,153
397	Customer Service Charge - CWA	1,531,744	1,391,787	1,438,817	1,277,854
399	Emergency Storage Charge - CWA	1,293,994	1,226,100	1,226,100	1,175,645
337	Supply Reliability Charge - CWA	535,839	566,600	539,626	574,695
	Total Water	26,930,842	29,076,196	30,584,105	29,508,486
045	Utilities - Electricity	1,103,875	1,313,200	1,414,704	1,367,300
047	Utilities - Natural Gas	572,003	648,800	528,500	505,700
	Total Utilities	1,675,878	1,962,000	1,943,204	1,873,000
	Total	28,606,720	31,038,196	32,527,309	31,381,486

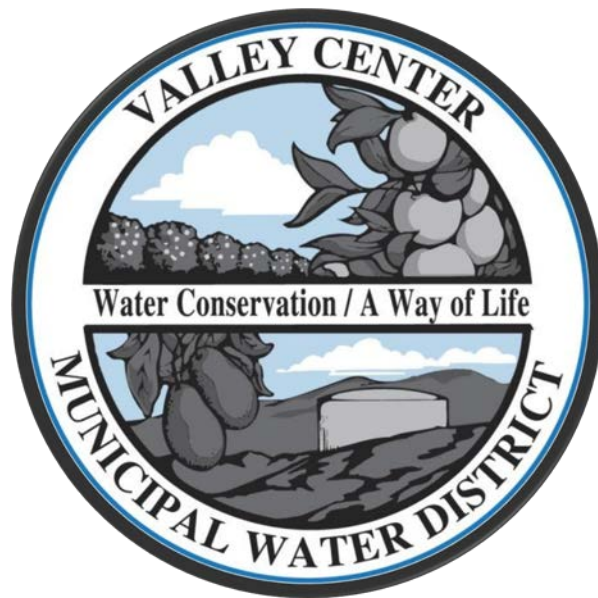
Source of Supply 01-04-41-50XXX

Acct. No.	Detail and Justification		Department Request
321	Water Supply Charge	<div> <div>Jul to Dec</div> <div>Jan to Jun</div> </div>	25,329,639
	To MWD & CWA -	1,194.00 1,185.00	
	Expected purchases in AF	12,538 8,742	
	Expected purchases in \$	14,970,627 10,359,012	
368	Water Delivery Charge		2,490,908
	To MWD & CWA -	115.00 120.00	
	Expected purchases in AF	12,538 8,742	
	Expected purchases in \$	1,441,895 1,049,014	
369	Agricultural Rebate - CWA		(2,872,121)
	Ag Discount Rate	(199.00) (178.00)	
	Estimated Ag purchases in AF	8,706 6,402	
		(1,732,522) (1,139,599)	
186	Ready to Serve Charge		484,993
081	Infrastructure Access Charge		531,720
394	Capacity Reservation Charge - MWD		515,153
	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.	1,277,854
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.	1,175,645
337	Supply Reliability Charge - CWA	574,695
045	Utilities - Electrical	1,367,300
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.	505,700
	<div> <div>Electric</div> <div>73%</div> <div>1,367,300</div> </div> <div> <div>Natural Gas</div> <div>27%</div> <div>505,700</div> </div> <div> <div>Total</div> <div></div> <div><u>1,873,000</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 2017-2018

Strategic Plan Implementation:

- **SCADA System (Goal 4b):** Staff has completed the deployment of new wireless network communications infrastructure at all major facilities, which extends network coverage to 67 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.
- **ERP System Upgrade (Goal 4d):** The Enterprise Resource Planning (ERP) software upgrade was completed and is operational.
- **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 June 1, 2018, there are approximately 2,795 customer accounts registered and utilizing the system, of which 482 have elected to no longer receive paper bills in the mail.
- **Solar Projects (Goal 5b):** Staff continued 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.

Information and Business Systems:

- IT staff installed new SCADA server systems at Woods Valley Water Reclamation Facility, and the SCADA Human Machine Interface (HMI) software was upgraded as part of the plant expansion project. New SCADA server systems were also deployed in corporate offices to support redundancy and future expansion.
- Staff is continuing to evaluate and is starting to deploy Advanced Metering Infrastructure (AMI) technology 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, with several improvements made in Fiscal Year 2017-18. The system contains a database of backflow devices, can generate new service requests for backflow tests and keep track of all testing activity.

Wastewater Expansion:

- Start-up and final acceptance of the Woods Valley Ranch WRF Phase 2 Expansion was completed at the beginning of the Fiscal Year.
- Design of the North Village Low Pressure Sewer Collection System was completed. Construction is pending final funding approval from the projects State Revolving Fund Loan.
- The Park Circle and Orchard Run developer discussed implementation of a Phase 3 Expansion Project to secure the additional capacity needed for the developments. Formation of a Communities Facilities District (CFD) was requested to provide the necessary financial security for funding a Phase 3 Expansion Project. Modifications to the District's Land Secured Financing policy allowing CFDs were approved by the Board of Directors.

CHALLENGES FOR 2018-2019

- 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.

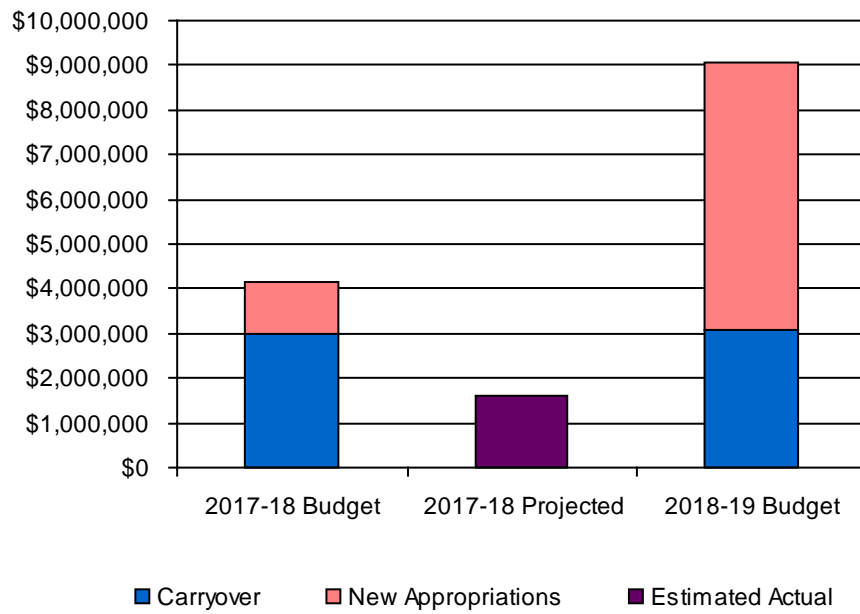
GOALS FOR 2018-2019**Strategic Plan Implementation:**

- **Infrastructure (Goal II):** Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures.
- **Technology (Goal IV):** The planned new asset management system evaluation 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. This is scheduled to be deployed during fiscal year 2018-2019, with full data deployment capabilities scheduled to be implemented during the following fiscal years.
- **SCADA System (Goal IV. 2):** 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.
- **Energy - Renewable and Alternative Energy Resources (Goal V. 2):** Continue to evaluate the installation of small scale solar arrays at pump stations, Wastewater Facilities and the Corporate Facility to offset energy consumption, demand charges, and electric costs.

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 01-06-78-51XXX

Description	Acct. No.	Prior	2018							2019						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Pipelines & PRV's																
Wilkes Road Pipeline Replacement	010	Construction														
Participation, Upsizing, & Unspecified Repl Projects	02X		As Required													
New Valve Installations and Appurtenances	060		Construction													
High Mountain Service	10X	Complete														
Water System Upgrade Projects	51X	Planning	Planning		Planning		Design							Construction		
Integrated Water Resources Management Plan	620															
Cole Grade Road Pipeline Project	690															
County Road Improvements	09X	Complete												Design		Bid/Award
NCN ESP Alternate Delivery Project	080	Planning	Planning/CEQA		Planning		Design									
Old Castle Waterline Replacement Project	410															
Pump Stations																
Pump & Motor Replacements	160		As Required													
Valley Center Pump Station Surge Tank Replacement	250	Complete														
Emergency Power Generation and Equipment	320	Complete														
Natural Gas Engine Controls Upgrade & Automation	050	Design														
Automation of Bypass Valve Controls	430	Construction					Complete									
Reservoirs																
Reservoir Mixing System	130	Construction														
Betsworth Reservoir Repainting/Coating	340	Complete														
Reidy Canyon Area Reservoir	380		Planning													
Cool Valley Reservoir Cover/Liner Replacement	520	Complete														
Rincon Reservoir Recoating	190	Complete														
Betsworth Forebay No. 1 Painting & Recoating	290	Design	Bid/Award	Construction												
Red Mountain Reservoir Painting & Recoating	210	Design	Bid/Award	Construction												
Reservoir Painting and Recoating Projects	300		Design		Bid/Award									Construction		
Data Management Systems																
Server Virtualization, Storage, Disaster Recovery	240		Construction													
ERP Software Upgrade	470	Complete														
AMI Technology: Central Zone	680	Planning	Construction													
Boardroom AV Technology Upgrade	040		Construction													
Asset Management System	480	Planning			Bid/Award									Construction		
Asset Table GIS Integration	750													Planning		
SCADA/HMI Migration	730	Planning		Design										Construction		
Facilities																
Administration Facility Improvements	600	Complete														
Solar Power Development	64X		Ongoing													
Corporate Facility Needs Assessment	170	Complete														
Energy Analysis	660		Ongoing													
Turner Dam Emergency Action Plan	670	RFP				Planning										
Equipment																
Vehicles	370	Planning		Design										Construction		
Portable Generator Replacement	330	Complete														
Rock Screen	350	Complete														
Phone System Upgrade	390		Planning				Design							Construction		

General 01-06-78-51XXX

Description	Acct. No.	Capital Project Request See Page	Mid-Year Budget Adjustments 2017-2018	Total Approved Budget 2017-2018	Estimated Actual Expenditures 2017-2018	Recaptured From 2017-2018 Budget	Budget Carried Forward to 2018-2019	New Appropriation 2018-2019	Total Approved Budget 2018-2019
Pipelines & PRV's									
Wilkes Road Pipeline Replacement	010		120,000	89,990	5,000	-	84,990		84,990
Participation, Upsizing, & Unspecified Repl Projects	02X		(100,000)	229,926	1,200	-	228,726		228,726
New Valve Installations and Appurtenances	060	10-5		15,000	24,663	-	(9,663)	25,000	15,337
High Mountain Service	10X			20,251	-		20,251		20,251
Water System Upgrade Projects	51X			721,699	4,000	-	717,699		717,699
Integrated Water Resources Management Plan	620			100,514	100,514	-	(0)		(0)
Cole Grade Road Pipeline Replacement	690			157,724	-	-	157,724		157,724
County Road Improvements	09X		100,000	110,000	110,000	-	-		-
NC ESP Alternate Delivery Project	080			586,000	10,000	-	576,000		576,000
Old Castle Waterline Replacement Project	410	10-6		-			-	4,000,000	4,000,000
Pump Stations									
Pump & Motor Replacements	160			18,659	-	-	18,659		18,659
Valley Center Pump Station Surge Tank Replacement	250		(21,065)	78,150.27	-	(78,150)	0		0
Emergency Power Generation and Equipment	320			89,244	-	(89,244)	(0)		(0)
Natural Gas Engine Controls Upgrade & Automation	050			173,340	22,000	-	151,340		151,340
Automation of Bypass Valve Controls	430			11,056	-	-	11,056		11,056
Reservoirs									
Reservoir Mixing System	130			24,744	-	-	24,744		24,744
Betsworth Reservoir Repainting/Coating	340		240,000	45,997	45,997	-	0		0
Reidy Canyon Area Reservoir	380			11,011	641	-	10,370		10,370
Cool Valley Reservoir Cover/Liner Replacement	520		240,000	622,313	622,313	-	(0)		(0)
Rincon Reservoir Recoating	190			134,807	63,294	-	71,513		71,513
Betsworth Forebay No. 1 Painting & Recoating	290			333,500	100,000	-	233,500		233,500
Red Mountain Reservoir Painting & Recoating	210			333,500	100,000	-	233,500		233,500
Reservoir Painting and Recoating Projects	300	10-7		-				1,345,000	1,345,000
Data Management Systems									
Server Virtualization, Storage, Disaster Recovery	240			66,809	35,000	-	31,809		31,809
ERP Software Upgrade	470			65,078	28,578	(36,500)	(0)		(0)
AMI Technology: Central Zone	680	10-8	20,000	72,691	60,000	188,954	201,645	220,000	421,645
Boardroom A/V Technology Upgrade	040			34,000	18,000	-	16,000		16,000
Asset Management System	480			50,000	-	36,500	86,500		86,500
Asset Table GIS Integration	750	10-9		-				90,000	90,000
SCADA/HMI Migration	730		30,000	30,000	-		30,000		30,000
Facilities									
Administration Facility Improvements	600			118,275	118,275	-	0		0
Solar Power Development	64X			15,138	-	-	15,138		15,138
Corporate Facility Needs Assessment	170			7,680	-	(7,680)	-		-
Energy Analysis	660			100,000	30,000	-	70,000		70,000
Turner Dam Emergency Action Plan	670	10-10		-				95,000	95,000
Equipment									
Vehicles	370	10-11		91,687	91,687	38,500	38,500	242,500	281,000
Portable Generator Replacement	330			52,380		(52,380)	-		-
Rock Screen	350		1,065	13,065	13,065	-	-		-
Phone System Upgrade	390			45,000	-	-	45,000		45,000
Total Capital Projects			630,000	4,669,228	1,604,227	0	3,065,001	6,017,500	9,082,501

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

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

Estimated Expenditures by Year

Fiscal Year 2018-2019

General 01-06-78-51XXX

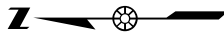
Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19	Estimated Actual Expenditures 2018-19	Estimated Actual Expenditures 2019-20	Estimated Project Balance after 2 years
<u>Pipelines & PRV's</u>								
Wilkes Road Pipeline Replacement	010		84,990		84,990	84,990		
Participation, Upsizing, & Unspecified Repl Projects	02X		228,726		228,726	228,726		
New Valve Installations and Appurtenances	060	10-5	(9,663)	25,000	15,337	15,337		
High Mountain Service	10X		20,251		20,251	20,251		
Water System Upgrade Projects	51X		717,699		717,699	717,699		
Integrated Water Resources Management Plan	620		-		-	-		
Cole Grade Road Pipeline Replacement	69X		157,724		157,724	157,724		
County Road Improvements	09X		-		-	-		
NC ESP Alternate Delivery Project	080		576,000		576,000	576,000		
Old Castle Waterline Replacement Project	410	10-6	-	4,000,000	4,000,000	4,000,000		
<u>Pump Stations</u>								
Pump & Motor Replacements	160		18,659		18,659	18,659		
Valley Center Pump Station Surge Tank Replacement	250		-		-	-		
Emergency Power Generation and Equipment	320		-		-	-		
Natural Gas Engine Controls Upgrade & Automation	050		151,340		151,340	151,340		
Automation of Bypass Valve Controls	430		11,056		11,056	11,056		
<u>Reservoirs</u>								
Reservoir Mixing System	130		24,744		24,744	24,744		
Betsworth Reservoir Repainting/Coating	340		-		-	-		
Reidy Canyon Area Reservoir	380		10,370		10,370	10,370		
Cool Valley Reservoir Cover/Liner Replacement	520		-		-	-		
Rincon Reservoir Recoating	190		71,513		71,513	71,513		
Betsworth Forebay No. 1 Painting & Recoating	290		233,500		233,500	233,500		
Red Mountain Reservoir Painting & Recoating	210		233,500		233,500	233,500		
Reservoir Painting and Recoating Projects	300	10-7	-	1,345,000	1,345,000	1,345,000		
<u>Data Management Systems</u>								
Server Virtualization, Storage, Disaster Recovery	240		31,809		31,809	31,809		
ERP Software Upgrade	470		-		-	-		
AMI Technology - Central Zone	680	10-8	201,645	220,000	421,645	421,645		
Boardroom A/V Technology Upgrade	040		16,000		16,000	16,000		
Asset Management System	480		86,500		86,500	86,500		
Asset Table GIS Integration	750	10-9		90,000	90,000	90,000		
SCADA/HMI Migration	730		30,000		30,000	30,000		
<u>Facilities</u>								
Administration Facility Improvements	600		-		-	-		
Solar Power Development	64X		15,138		15,138	15,138		
Corporate Facility Needs Assessment	170		-		-	-		
Energy Analysis	660		70,000		70,000	70,000		
Turner Dam Emergency Action Plan	670	10-10		95,000	95,000	95,000		
<u>Equipment</u>								
Vehicles	370	10-11	38,500	242,500	281,000	281,000		
Portable Generator Replacement	330		-		-	-		
Rock Screen	350		-		-	-		
Phone System Upgrade	390		45,000		45,000	45,000		
Total Capital Projects			3,065,001	6,017,500	9,082,501	9,082,501	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

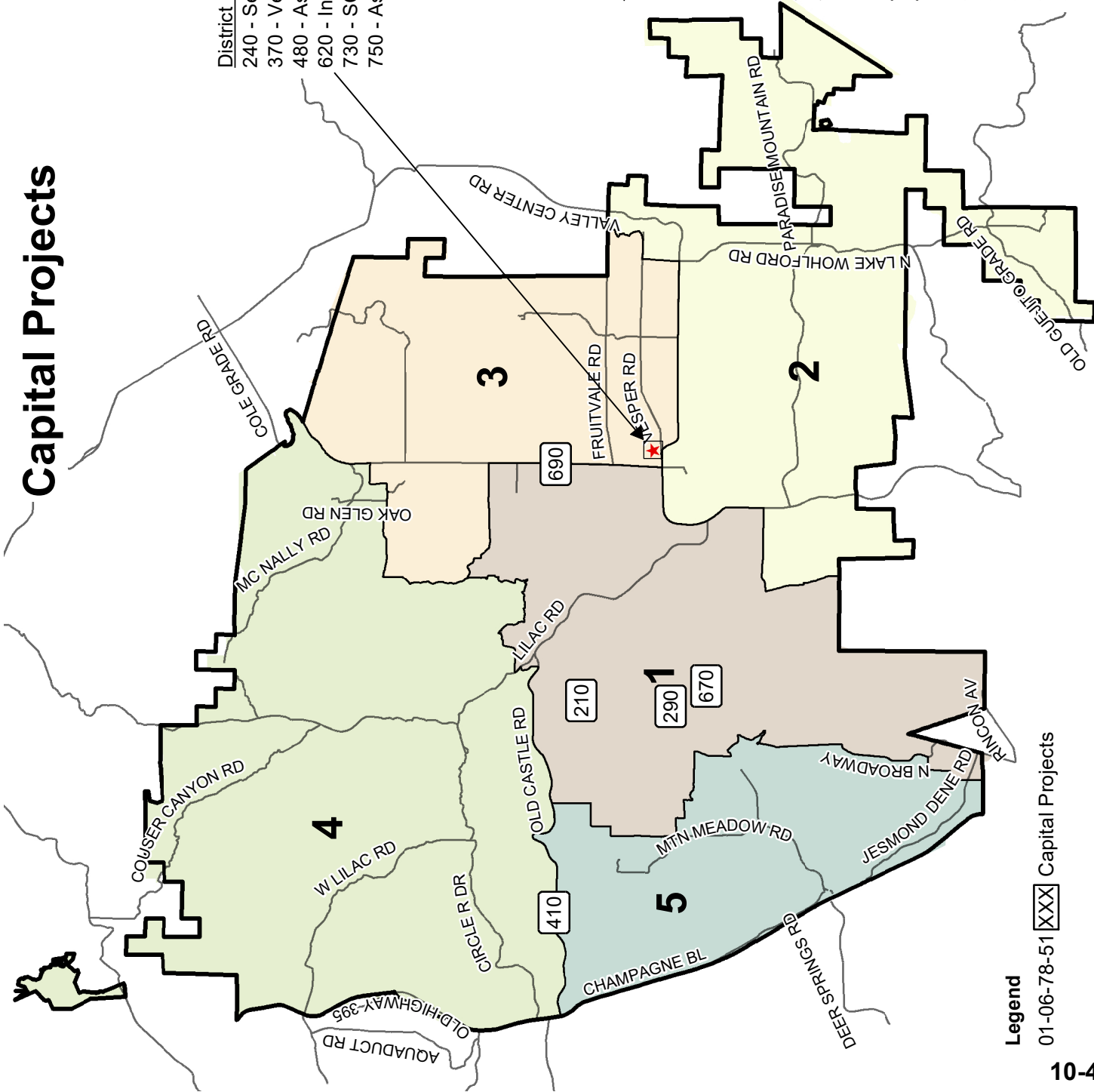


District Offices and Yard

- 240 - Server Virtualization, Storage, Disaster Recovery
- 370 - Vehicles
- 480 - Asset Management System
- 620 - Integrated Water Resources Management Plan
- 730 - SCADA/HMI Migration
- 750 - Asset Table GIS Integration

District - Wide

- 020 - Upsizing
- 050 - Natural Gas Engine Control Upgrade
- 060 - New Valve Installations & Appurtenances
- 080 - NC ESP Alternate Delivery Project
- 090 - County Road Improvements
- 160 - Pump & Motor Replacements
- 210 - Red Mtn Reservoir Painting and Recoating
- 290 - Betsworth Forebay No.1 Painting and Recoating
- 300 - Reservoir Painting and Recoating Projects
- 410 - Old Castle Waterline Replacement Project
- 430 - Automation of Bypass Valve Controls
- 510 - Water System Upgrade Projects
- 640 - Solar Power Development
- 660 - Energy Analysis
- 670 - Turner Dam Emergency Action Plan
- 680 - AMI Technology: Central Zone
- 690 - Cole Grade Road Pipeline Replacement



Legend

01-06-78-51 XXX Capital Projects

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

New Valve Installations and Appurtenance Updates

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			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 2018-19.

Breakdown and locations are listed below:

Completed in 2017-18

- 24" valve replacement Betsworth Road
- Retrofit 5 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 2018-19	Total Budget 2018-2019	Recapture From 2017-18 Budget	Total Approved Budget 2018-19	Estimated Total Project Cost
New Valve Installations and Appurtenances	15,000	24,663	(9,663)	25,000	15,337		15,337	40,000
			-		0		0	0
			-		0		0	0
			-		0		0	0
			-		0		0	0
Total Project	15,000	24,663	(9,663)	25,000	15,337	0	15,337	40,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51410
DEPARTMENT:	Engineering

Old Castle Waterline Replacement Project

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

PROJECT DESCRIPTION:

The Old Castle Road Waterline Replacement Project includes preparing environmental documents, design, construction, and inspection of approximately 12,700 linear feet of existing 12" tar wrapped steel pipe that serves the Old Castle Road corridor and supplies water to the Welk Development to the south. The pipeline, originally installed in 1967, has reached the end of its useful life as evidenced by numerous repairs that have been necessary.

The pipeline will be installed within the County's Old Castle Road right of way between Old Highway 395 and the District's existing Old Castle Pressure Reducing Station. A portion of the pipeline is attached to an existing bridge structure at the Moosa Creek Crossing. Existing meter services and pipeline connections will remain in service during construction and will be converted over to the new pipeline once it is placed into service. Existing meters and backflow devices will be upgraded as necessary.

The applicable CEQA review will be completed prior to beginning facility design.

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 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	472,500	472,500		472,500	472,500
Outside Services								
Environmental Review			0	25,000	25,000		25,000	25,000
Design			0	150,000	150,000		150,000	150,000
Survey			0	17,500	17,500		17,500	17,500
Construction Soils			0	40,000	40,000		40,000	40,000
Construction			0	2,700,000	2,700,000		2,700,000	2,700,000
Miscellaneous			0	75,000	75,000		75,000	75,000
Contingency (15%)			0	520,000	520,000		520,000	520,000
Total Project	0	0	0	4,000,000	4,000,000	0	4,000,000	4,000,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51300
DEPARTMENT:	Engineering

Reservoir Painting and Recoating Projects FY 2018-19

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

PROJECT DESCRIPTION:

Staff has identified 15 steel reservoirs where the exterior paint and interior coatings are experiencing significant deterioration contributing to increased corrosion within the reservoir. Several of these reservoirs have experienced failure of structural components in the roof rafters. Staff is recommending that the 15 reservoirs be painted and recoated over the period of the next 4 to 5 years (3 to 4 reservoirs each year) at an estimated cost of \$1.5M to \$2.0M per year.

The following Reservoirs have been scheduled for painting and recoating in FY 2018-19; Reidy Canyon No. 1, Ridge Ranch Interim, Jesmond Dene, and Via Cantemar. The proposed project includes the preparation of bid documents and awarding a construction contract for the cleaning and painting of the exterior surface and removal of the existing interior coating and re-coating the interior surfaces. The new paint and coating will have a service life expectancy of up to 15 years. After completion of the interior sand blasting, staff will conduct an assessment of the reservoir center support, rafters, and roof plates to determine the condition of the structural components. A recommendation will be made at that time as to the extent of any additional structural repairs/improvements that may be necessary prior to proceeding with the interior coating.

Reidy Canyon Reservoir is a 0.5 million gallon above ground welded steel water reservoir which provides storage for the surrounding rural residential developments in the North Broadway area. The reservoir was constructed in 1956 and last painted and re-coated in 1987.

Ridge Ranch Interim Reservoir is a 0.1 million gallon above ground bolted steel water reservoir which provides storage for the 2025 foot elevation zone of the Ridge Ranch Area. The reservoir was last painted and coated when it was constructed in 1992.

Jesmond Dene Reservoir is a 0.42 million gallon above ground welded steel water reservoir which provides storage for the surrounding rural residential development in the Jesmond Dene area along Old Highway 395. The reservoir was constructed in 1971 and last painted and re-coated in 1998.

Via Cantemar Reservoir is a 3.0 million gallon above ground welded steel water reservoir in the West pressure zone. The reservoir was last painted and coated when it was constructed in 2000.

District staff will prepare plans and specifications and perform inspection services for the project. Depending on engineering inspection staff workload at the time of construction, an outside professional inspection consultant may be utilized. It is anticipated that the reservoirs will be bid in two separate projects consisting of two reservoirs each.

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 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff								
Design/Bid			0	44,700	44,700		44,700	44,700
Inspection			0	178,800	178,800		178,800	178,800
Construction								
Ridge Ranch Interim			0	87,000	87,000		87,000	87,000
Reidy Canyon No. 1			0	167,000	167,000		167,000	167,000
Jesmond Dene			0	175,000	175,000		175,000	175,000
Via Cantamar			0	465,000	465,000		465,000	465,000
Miscellaneous			0	4,000	4,000		4,000	4,000
Contingency			0	223,500	223,500		223,500	223,500
Total Project	0	0	0	1,345,000	1,345,000	0	1,345,000	1,345,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51680
DEPARTMENT:	Field

Advanced Metering Technology: Central Valley Zone

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			7	

PROJECT DESCRIPTION:

To provide funding for the development and installation of Advanced Metering Infrastructure (AMI) to the existing water meters in the central valley area. With the anticipation of large development projects; Butterfield Trails, Park Circle and Orchard Run, along Valley Center Road corridor the new development meters will be constructed with full AMI technology. Staff believes this would be a good opportunity to outfit the existing meters within the central valley corridor for the entire central valley area would be complete with AMI technology.

To be completed in Fiscal Year 2018-19

- Woods Valley development and Valley Center Road from Woods Valley Road to Cole Grade Road

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2018-19	Total Budget 2018-2019	Recapture From 2017-18 Budget	Total Approved Budget 2018-19	Estimated Total Project Cost
Advanced Metering Infrastructure and MXU's	72,691	60,000	12,691	220,000	232,691	188,954	421,645	481,645
			-		0		0	0
			-		0		0	0
			-		0		0	0
			-		0		0	0
Total Project	72,691	60,000	12,691	220,000	232,691	188,954	421,645	481,645

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51750
DEPARTMENT:	Engineering

Asset Table GIS Integration

New Item	Master Plan		Project ID	Strategic Plan	
	Type	Priority		Standard	Goal
	Study/Report				

PROJECT DESCRIPTION:

The scope of this project is to geo-reference each facility item in the finance asset table into the GIS system.

Currently, the asset table is being utilized for the following:

- Determination of the total value of the District for setting the Meter Capacity Charge.
- Determination of annual depreciation for establishing a basis for planning the amount of annual capital improvements needed to keep pace with the replacement of aging infrastructure.

By having a location established in GIS for each facility item in the asset table, staff will be able to more accurately track the total value of the District's facilities, make adjustments in the facility value for replacement projects and make recommendations for adjustment of the facilities service life for use in setting capacity and annexation charges.

The geo-referencing of the facilities is also needed for use with the proposed asset management software being evaluated for implementation.

The deliverables of this project will consist of an updated database of the District's facility assets, geo-reference to mapping attributes in the GIS. Selected facility asset data would be available thorough queries and query results displayed on the GIS maps.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	25,000	25,000		25,000	25,000
Engineering			0		0		0	0
Consultant/Intern			0	50,000	50,000		50,000	50,000
Miscellaneous			0		0		0	0
Contingency			0	15,000	15,000		15,000	15,000
Total Project	0	0	0	90,000	90,000	0	90,000	90,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51670
DEPARTMENT:	Engineering

Turner Dam EAP (Emergency Action Plan)

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

PROJECT DESCRIPTION:

On June 27, 2017, Governor Brown signed SB 92 into law, which set forth new requirements focused on dam safety. As part of this legislation, dam owners must now submit inundation maps to the Department of Water Resources. After the maps are approved, the dam owner must submit an EAP (Emergency Action Plan) to Cal OES (California Governor's Office of Emergency Services). Funding is requested to have a hydrology/hydraulics consultant to update the Lake Turner inundation map to meet the Division of Safety of Dams (DSOD) current requirements and prepare the EAP.

In addition to the EAP tasks, funding is also requested to integrate the lake level and dam hydrostatic pressure signals into the SCADA System and validate the gauging station flow readings to provide information needed to for the annual reports to the DSOD.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	25,000	25,000		25,000	25,000
EAP Consultant			0	25,000	25,000		25,000	25,000
Hydrology Consultant			0	25,000	25,000		25,000	25,000
Force Account Work			0	10,000	10,000		10,000	10,000
Miscellaneous			0	2,500	2,500		2,500	2,500
Contingency			0	7,500	7,500		7,500	7,500
Total Project	0	0	0	95,000	95,000	0	95,000	95,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

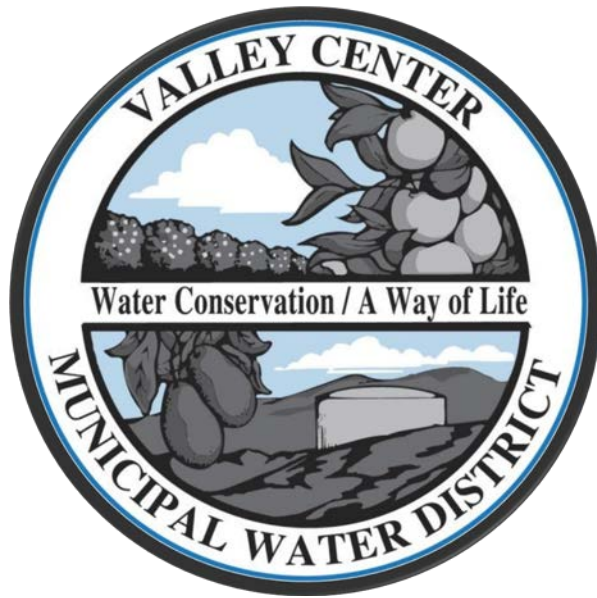
Vehicles

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 #43, a 2010 Ford Ranger, extra cab truck with 4-wheel drive and approximately 147,000 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 #52, a 2004 Chevrolet ½ ton truck with 4-wheel drive and approximately 151,000 miles.
- 3) 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 #62, a 2008 Ford Ranger, extra cab truck with 4-wheel drive and approximately 144,000 miles.
- 4) New 1 ½ ton service truck with 4-wheel drive, LED light bar, two-way radio, air compressor, crane, winch, and accessories. This vehicle will replace Truck #15, a 2005 Ford F-550 service truck with 4-wheel drive and approximately 132,000 miles.
- 5) New vehicle with accessories to replace Car #24, a 2009 Chevrolet Malibu with approximately 150,000 miles.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2018-19	Total Budget 2018-2019	Recapture From 2017-18 Budget	Total Approved Budget 2018-19	Estimated Total Project Cost
Vehicle 1			-	36,500	36,500		36,500	36,500
Vehicle 2			-	36,500	36,500		36,500	36,500
Vehicle 3			-	36,500	36,500		36,500	36,500
Vehicle 4			-	120,000	120,000		120,000	120,000
Vehicle 5			-		0	36,500	36,500	36,500
Contingency			-	13,000	13,000	2,000	15,000	15,000
Total Project	0	0	-	242,500	242,500	38,500	281,000	281,000



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 2017-2018

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 making repairs in the Rimrock low pressure sewer collection system and installed new clean-out connections as needed. This work was completed in preparation of a larger Capital Improvement Project managed by the District's Engineering staff.

Treatment Plant:

- Continued to implement operational changes that reduced equipment run times and energy consumption and improved effluent quality.
- Replaced 25 year old influent flow meter with newer and more accurate meter that will trend and record flows for operational and reporting purposes.
- Installed a new WAS (wasting) pump and flow meter to improve the overall treatment process.

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.
- Received 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.
- Continued to repair and upgrade 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 2018-2019**Replacement Projects:**

- Continue to perform in-house cleaning and videoing of at least 20% of 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 and schedule the replacement the facility's aging Motor Control Center.
- Complete the Lower Moosa Canyon Wastewater Master Plan Update for the full build out of the service area.
- Continue exploring 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.

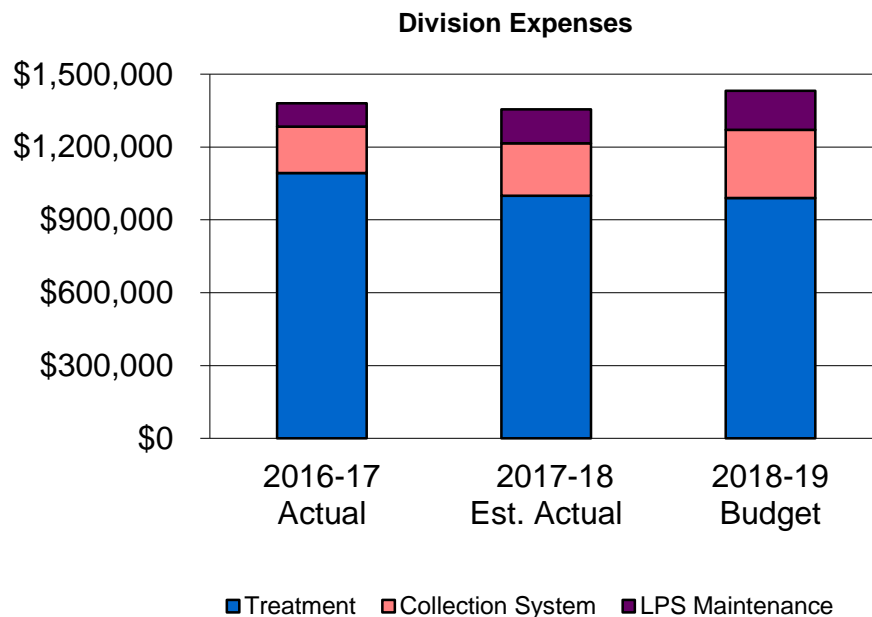
LONG-TERM GOALS

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, 2017	1,601,604	448,648	648,292	0	2,698,544
ADD: Revenue 2017-2018					
Wastewater Service Charges	336,875			1,280,295	1,617,170
Wastewater Lateral & Inspection Fees				3,750	3,750
Interest	24,900			14,140	39,040
Wastewater LPS Charges				51,594	51,594
Capacity Charges		0			0
Total Revenue					1,711,554
LESS: Estimated Expenditures 2017-2018	0	0	(327,839)	(1,354,541)	(1,682,380)
Transfers	(30,000)		846,340	4,762	821,102
Net Change	331,775	0	518,500	0	850,275
ESTIMATED BALANCE JUNE 30, 2018	1,933,379	448,648	1,166,792	0	3,548,819
ADD: Revenue 2018-2019					
Wastewater Service Charges	336,875			1,333,925	1,670,800
Interest	36,800			18,600	55,400
Wastewater LPS Charges				54,219	54,219
Capacity Charges		0			0
Total Revenue					1,780,419
LESS: Proposed Expenditures 2018-2019			(119,000)	(1,431,697)	(1,550,697)
Expenditures of Continuing Projects			(1,166,792)		(1,166,792)
Transfers	(50,000)		119,000	24,953	93,953
Net Change	323,675	0	(1,166,792)	0	(843,117)
ESTIMATED BALANCE JUNE 30, 2019	2,257,054	448,648	0	0	2,705,702

GENERAL INFORMATION:**Average Wastewater Connections:****Monthly Rates:****Effective July 1****Effective February 1**

2016-2017	2017-2018		2018-2019
Actual	Budget	Estimated Actual	Budget
2,478	2,476	2,465	2,465
53.76	53.76	53.76	56.45
53.76	56.45	56.45	56.45

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
13-00-81-41001	Wastewater Service Charge	1,521,025	1,630,600	1,616,420	1,669,800
13-00-81-41012	Wastewater Capacity Reservation Fee	500	1,000	750	1,000
13-00-81-41008	Wastewater Lateral Fee	0	0	0	0
13-00-81-41005	Wastewater Inspection Fee	450	0	1,850	0
13-00-81-41006	LPS Wastewater Inspection Fee	800	0	1,900	0
13-00-84-41000	Interest - Operating & Replace. Res.	32,404	36,900	39,040	55,400
13-00-81-42900	Wastewater LPS Charges	48,317	49,994	51,594	54,219
	Total	1,603,496	1,718,494	1,711,554	1,780,419

11-4

Treatment 13-03-26-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	500,820	525,000	495,000	451,600
003	Overtime	23,684	25,000	22,500	22,500
025	Outside Professional Services	75,070	70,000	58,000	70,000
030	Special Department Expenses	4,217	4,000	3,000	3,500
032	Telephone	2,313	2,500	2,150	2,500
038	Regulatory Permits & Fees	21,739	22,000	22,000	25,000
040	Rents & Leases	0	500	500	500
042	Insurance	13,562	16,312	16,312	15,239
045	Electricity	87,692	90,000	90,000	100,000
048	Diesel	0	500	500	500
049	Water	5,170	6,500	6,200	6,500
323	Chemicals	21,496	24,000	18,500	22,500
341	Hazardous Waste Disposal Costs	0	300	0	300
451	Maintenance of Vehicles	1,364	1,500	1,500	1,500
452	Maintenance of Facilities	47,597	47,000	49,000	50,000
082	Administrative Overhead	194,457	211,817	211,817	215,915
085	Capital Planning	93,989	0	0	0
087	Bad Debt Expense	0	2,000	2,000	2,000
	Total	1,093,170	1,048,929	998,979	990,054

Treatment 13-03-26-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 2.59	451,600
003	Overtime	22,500
323	Chemicals	22,500
	Polymer 7,000	
	Sodium Hypochlorite 2,000	
	Sodium Hydroxide 500	
	Laboratory Chemicals 13,000	
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	3,500
	Lab Supplies 2,000	
	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	25,000
	State Water Resources Control Board 19,500	
	HazMat Permit 3,000	
	Air Pollution Control District fees 2,500	
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	15,239
045	Electricity	100,000
048	Diesel Generator Set and Tractor	500
049	Water	6,500
451	Maintenance of Vehicles	1,500
452	Maintenance of Facilities	50,000
	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	15,000
082	Administrative Overhead	215,915
087	Bad Debt Expense	2,000

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	143,474	204,000	165,000	224,200
003	Overtime	2,343	3,500	1,800	3,000
025	Outside Professional Services	21,719	26,000	26,000	30,000
030	Special Department Expenses	2,513	2,500	2,000	2,000
038	Regulatory Permits and Fees	1,232	3,000	1,500	1,500
042	Insurance	1,507	1,812	1,812	1,693
045	Electricity	5,081	6,800	5,500	6,000
049	Water	1,592	1,800	1,800	1,850
451	Maintenance of Vehicles	1,441	1,500	1,450	1,500
452	Maintenance of Facilities	9,481	8,000	9,000	9,000
	Total	190,383	258,912	215,862	280,743

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 1.57	224,200
003	Overtime	3,000
025	Outside Professional Services	30,000
	Sewer Cleaning/Repair	16,500
	Manhole Sensors	7,000
	Pumping	3,000
	Generator Load Testing	1,000
	Cal-Fire Clearing	2,500
030	Special Department Expenses	2,000
038	Regulatory Permits and Fees	1,500
042	Insurance	1,693
045	Electricity	6,000
049	Water	1,850
451	Maintenance of Vehicles	1,500
452	Maintenance of Facilities	9,000
	Motors Dip and Bake	1,000
	Pump Repair	2,000
	Replacement Pump	2,000
	SCADA	1,500
	Air Conditioner Repair	1,000
	Valves and Solenoids, Grinder Servicing	1,500

[illegible]

LPS Maintenance 13-03-29-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 0.82	125,100
003	Overtime	5,000
025	Outside Professional Services	9,000
	Pumping of Tanks 3,000	
	Special Repairs 1,500	
	Sewer Cleaning 4,500	
030	Special Department Expenses	2,000
451	Maintenance of Vehicles	1,300
452	Maintenance of Facilities	18,500
	Pump Rebuild Kits 3,500	
	Replacement Pumps 7,000	
	Retrofit STEP System Pumps 8,000	

[illegible]

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Mid-Year Budget Adjustments 2017-18	Total Approved Budget 2017-18	Estimated Actual Expenditures 2017-2018	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19
Meadows Lift Station Motor Control Center Repl.	290			50,000	-	50,000		50,000
Master Plan	54X			298,629	52,400	246,229		246,229
RAS Pump Replacement	660			30,000	30,000	-		-
Digester Blower	720			13,540	-	13,540		13,540
HMI/SCADA Migration & Control Upgrade System	730			198,023	31,000	167,023		167,023
Influent Flow Meter	750			16,000	12,553	0		0
Metal Awning	760			11,600	-	-		-
Rimrock LPS System Improvements	770		220,000	750,000	160,000	590,000		590,000
Screening Unit	780			38,000	31,886	(0)		(0)
Wastewater O&M Manual Development	030			60,000	-	60,000		60,000
Moosa Main MCC Replacement	040			50,000	10,000	40,000		40,000
Collection System Vitrified Clay Pipe Lining	140	11-10		-		-	119,000	119,000
Total Capital Projects			220,000	1,515,792	327,839	1,166,792	119,000	1,285,792

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

Estimated Expenditures by Year

Fiscal Year 2018-2019

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19	Estimated Actual Expenditures 2018-19	Estimated Actual Expenditures 2019-20	Estimated Project Balance after 2 years
Meadows Lift Station Motor Control Center Repl.	290		50,000		50,000	50,000		
Master Plan	540		246,229		246,229	246,229		
RAS Pump Replacement	660		-		-	-		
Digester Blower	720		13,540		13,540	13,540		
HMI/SCADA Migration & Control UpgradesSystem	730		167,023		167,023	167,023		
Influent Flow Meter	750		-		-	-		
Metal Awning	760		-		-	-		
Rimrock LPS System Improvements	770		590,000		590,000	590,000		
Screening Unit	780		-		-	-		
Wastewater O&M Manual Development	030		60,000		60,000	60,000		
Moosa Main MCC Replacement	040		40,000		40,000	40,000		
Lower Moosa Collection System	140	11-10	-	119,000	119,000	119,000		
Total Capital Projects			1,166,792	119,000	1,285,792	1,285,792	0	0

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

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53140
DEPARTMENT:	Wastewater

Lower Moosa Collection System Vitrified Clay Pipe Lining

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

PROJECT DESCRIPTION:

The Lower Moosa Canyon sewer collection system was installed in the early 1970's and is composed mainly of vitrified clay pipe. Overtime, clay pipe can crack and create entry points for roots. When roots enter the cracks in the clay pipe, the roots cause damage to the pipes structure and have the potential to block sewer flows, which can create costly pipe repairs and or overflows.

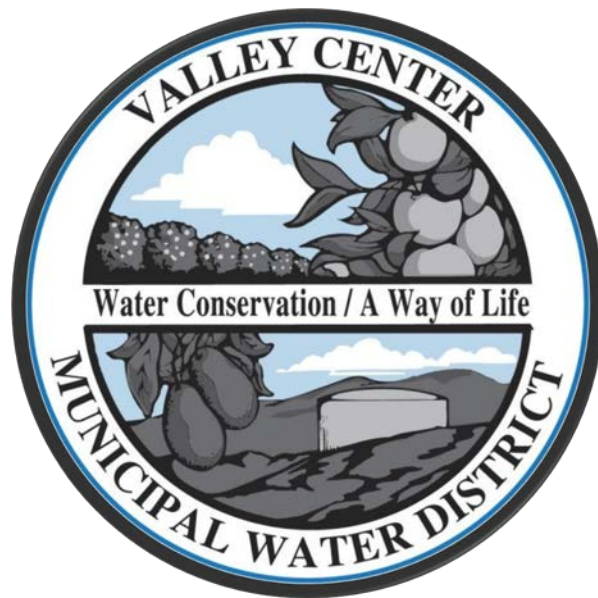
Staff has identified a number of areas where the vitrified clay pipe has developed some cracking and roots have intruded into the wastewater collection main. The proposed project involves inserting an epoxy saturated felt tube into the collection system piping at pre-determined areas that are in need of repair. After the felt tube is installed, it will be inflated and cured in place and harden. The hardened tube adheres to the clay pipe, forming a water tight seal and closing the cracks, not allowing the roots to encroach and provides a reinforced structure for the cracked clay pipe.

Listed below are the locations in the Lower Moosa Canyon collection system where staff has determined compromised areas within the vitrified clay pipe.

- Meadow Way Glen East
- Glenmeade Way
- Dogwood Lane

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 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	18,000	18,000		18,000	18,000
Construction			0	95,000	95,000		95,000	95,000
Contingency			0	6,000	6,000		6,000	6,000
			0		0		0	0
			0		0		0	0
Total Project	0	0	0	119,000	119,000	0	119,000	119,000



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.

The Expansion Project consisted of the following project components, each with a separate SRF financing agreement with the State Water Resources Control Board (SWRCB); 1) South Village Collection System, 2) Woods Valley Ranch Water Reclamation Facility (WVRWRF) Phase 2 Expansion, and 3) Charlan Road Seasonal Storage Facility. Construction of the North Village Collection System, Orchard Run Lift Station and North Station Lift Station components remain to be completed.

ACCOMPLISHMENTS FOR 2017-2018

- Start-up and final acceptance of the Woods Valley Ranch WRF Phase 2 Expansion was completed at the beginning of the Fiscal Year.
- Staff assisted property owner participants with planning and installation of their grinder pump units for connection to the Low Pressure Sewer System.
- Design of the North Village Low Pressure Sewer Collection System was completed. Construction is pending final funding approval from the project's State Revolving Fund Loan.
- The Park Circle and Orchard Run developer discussed implementation of a Phase 3 Expansion Project to secure the additional capacity needed for the developments. Formation of a Communities Facilities District (CFD) was requested to provide the necessary financial security for funding a Phase 3 Expansion Project. Modifications to the District's Land Secured Financing policy allowing CFDs were approved by the Board of Directors.

CHALLENGES AND GOALS FOR 2018-2019

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,
- Completion of the North Village Collection Facilities, and
- Complete the planning studies for the Phase 3 Expansion Project and formation of the Community Facilities District.

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, 2017	1,941,719	1,542,388	5,141,553	0	8,625,660
ADD: Revenue 2017-2018					
Wastewater Stand-By Charge	602,600				602,600
AD 2012-1 Assessment	1,712,082				1,712,082
Interest	43,542				43,542
Total Revenue					2,358,224
LESS: Estimated Expenditures 2017-2018			(1,039,439)	(430,434)	(1,469,873)
Transfers					0
Net Change	2,358,224	0	(1,039,439)	(430,434)	888,351
ESTIMATED BALANCE JUNE 30, 2018	4,299,943	1,542,388	4,102,114	(430,434)	9,514,011
ADD: Revenue 2018-2019					
Wastewater Stand-By Charge	602,600				602,600
AD 2012-1 Assessment	1,712,082				1,712,082
Interest	95,502				95,502
Total Revenue					2,410,184
LESS: Proposed Expenditures 2018-2019				(275,038)	(275,038)
Expenditures of Continuing Projects			(4,102,114)		(4,102,114)
Transfers					0
Net Change	2,410,184	0	(4,102,114)	(275,038)	(1,966,968)
ESTIMATED BALANCE JUNE 30, 2019	6,710,127	1,542,388	0	(705,472)	7,547,043

[illegible]

Description	2016-2017	2017-2018		2018-2019
	Actual	Budget	Estimated Actual	Budget
Debt Service - Interest Expense	238,106	556,953	430,434	275,038
Capital Projects	0	0	1,039,439	0
TOTAL WOODS VALLEY RANCH	238,106	556,953	1,469,873	275,038

DEBT SCHEDULES FOR SECURED SRF LOANS TOTALING \$24,772,974

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	\$ 2,337,188.60	\$ 110,666.53	2.20%	\$ 33,977.92	\$ 144,644.45	\$ 2,226,522.07
8/15/2018	2	\$ 2,515,986.07	\$ 111,226.24	2.20%	\$ 52,223.04	\$ 163,449.28	\$ 2,404,759.83
8/15/2019	3	\$ 2,404,759.83	\$ 110,544.56	2.20%	\$ 52,904.72	\$ 163,449.28	\$ 2,294,215.27
8/15/2020	4	\$ 2,294,215.27	\$ 112,976.54	2.20%	\$ 50,472.74	\$ 163,449.28	\$ 2,181,238.73
8/15/2021	5	\$ 2,181,238.73	\$ 115,462.03	2.20%	\$ 47,987.25	\$ 163,449.28	\$ 2,065,776.70
8/15/2022	6	\$ 2,065,776.70	\$ 118,002.19	2.20%	\$ 45,447.09	\$ 163,449.28	\$ 1,947,774.51
8/15/2023	7	\$ 1,947,774.51	\$ 120,598.24	2.20%	\$ 42,851.04	\$ 163,449.28	\$ 1,827,176.27
8/15/2024	8	\$ 1,827,176.27	\$ 123,251.40	2.20%	\$ 40,197.88	\$ 163,449.28	\$ 1,703,924.87
8/15/2025	9	\$ 1,703,924.87	\$ 125,962.93	2.20%	\$ 37,486.35	\$ 163,449.28	\$ 1,577,961.94
8/15/2026	10	\$ 1,577,961.94	\$ 128,734.12	2.20%	\$ 34,715.16	\$ 163,449.28	\$ 1,449,227.82
8/15/2027	11	\$ 1,449,227.82	\$ 131,566.27	2.20%	\$ 31,883.01	\$ 163,449.28	\$ 1,317,661.55
8/15/2028	12	\$ 1,317,661.55	\$ 134,460.73	2.20%	\$ 28,988.55	\$ 163,449.28	\$ 1,183,200.82
8/15/2029	13	\$ 1,183,200.82	\$ 137,418.86	2.20%	\$ 26,030.42	\$ 163,449.28	\$ 1,045,781.96
8/15/2030	14	\$ 1,045,781.96	\$ 140,442.08	2.20%	\$ 23,007.20	\$ 163,449.28	\$ 905,339.88
8/15/2031	15	\$ 905,339.88	\$ 143,531.80	2.20%	\$ 19,917.48	\$ 163,449.28	\$ 761,808.08
8/15/2032	16	\$ 761,808.08	\$ 146,689.50	2.20%	\$ 16,759.78	\$ 163,449.28	\$ 615,118.58
8/15/2033	17	\$ 615,118.58	\$ 149,916.67	2.20%	\$ 13,532.61	\$ 163,449.28	\$ 465,201.91
8/15/2034	18	\$ 465,201.91	\$ 153,214.84	2.20%	\$ 10,234.44	\$ 163,449.28	\$ 311,987.07
8/15/2035	19	\$ 311,987.07	\$ 156,585.56	2.20%	\$ 6,863.72	\$ 163,449.28	\$ 155,401.51
8/15/2036	20	\$ 155,401.51	\$ 155,401.51	2.20%	\$ 3,418.83	\$ 158,820.34	\$ -
Total			\$ 2,626,652.60		\$ 618,899.23	\$ 3,245,551.83	

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	\$ 15,525,647.27	\$ 700,177.27	2.20%	\$ 315,105.48	\$ 1,015,282.75	\$ 14,825,470.00
12/15/2018	2	\$ 15,628,318.00	\$ 720,517.51	2.20%	\$ 363,742.42	\$ 1,084,259.93	\$ 14,907,800.49
12/15/2019	3	\$ 16,693,528.00	\$ 732,853.70	2.20%	\$ 351,406.23	\$ 1,084,259.93	\$ 15,960,674.30
12/15/2020	4	\$ 15,240,156.79	\$ 748,976.48	2.20%	\$ 335,283.45	\$ 1,084,259.93	\$ 14,491,180.31
12/15/2021	5	\$ 14,491,180.31	\$ 765,453.96	2.20%	\$ 318,805.97	\$ 1,084,259.93	\$ 13,725,726.35
12/15/2022	6	\$ 13,725,726.35	\$ 782,293.95	2.20%	\$ 301,965.98	\$ 1,084,259.93	\$ 12,943,432.40
12/15/2023	7	\$ 12,943,432.40	\$ 799,504.42	2.20%	\$ 284,755.51	\$ 1,084,259.93	\$ 12,143,927.98
12/15/2024	8	\$ 12,143,927.98	\$ 817,093.51	2.20%	\$ 267,166.42	\$ 1,084,259.93	\$ 11,326,834.47
12/15/2025	9	\$ 11,326,834.47	\$ 835,069.57	2.20%	\$ 249,190.36	\$ 1,084,259.93	\$ 10,491,764.90
12/15/2026	10	\$ 10,491,764.90	\$ 853,441.10	2.20%	\$ 230,818.83	\$ 1,084,259.93	\$ 9,638,323.80
12/15/2027	11	\$ 9,638,323.80	\$ 872,216.81	2.20%	\$ 212,043.12	\$ 1,084,259.93	\$ 8,766,106.99
12/15/2028	12	\$ 8,766,106.99	\$ 891,405.58	2.20%	\$ 192,854.35	\$ 1,084,259.93	\$ 7,874,701.41
12/15/2029	13	\$ 7,874,701.41	\$ 911,016.50	2.20%	\$ 173,243.43	\$ 1,084,259.93	\$ 6,963,684.91
12/15/2030	14	\$ 6,963,684.91	\$ 931,058.86	2.20%	\$ 153,201.07	\$ 1,084,259.93	\$ 6,032,626.05
12/15/2031	15	\$ 6,032,626.05	\$ 951,542.16	2.20%	\$ 132,717.77	\$ 1,084,259.93	\$ 5,081,083.89
12/15/2032	16	\$ 5,081,083.89	\$ 972,476.08	2.20%	\$ 111,783.85	\$ 1,084,259.93	\$ 4,108,607.81
12/15/2033	17	\$ 4,108,607.81	\$ 993,870.56	2.20%	\$ 90,389.37	\$ 1,084,259.93	\$ 3,114,737.25
12/15/2034	18	\$ 3,114,737.25	\$ 1,015,735.71	2.20%	\$ 68,524.22	\$ 1,084,259.93	\$ 2,099,001.54
12/15/2035	19	\$ 2,099,001.54	\$ 1,038,081.90	2.20%	\$ 46,178.03	\$ 1,084,259.93	\$ 1,060,919.64
12/15/2036	20	\$ 1,060,919.64	\$ 1,060,919.64	2.20%	\$ 23,340.23	\$ 1,084,259.87	\$ (0.00)
Total			\$ 17,393,705.27		\$ 4,222,516.09	\$ 21,616,221.36	

Debt Schedule for the Seasonal Storage:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
10/20/2017	1	\$ 4,752,615.89	\$ 216,600.23	2.20%	\$ 78,078.86	\$ 294,679.09	\$ 4,536,015.66
10/20/2018	2	\$ 4,536,015.66	\$ 194,886.75	2.20%	\$ 99,792.34	\$ 294,679.09	\$ 4,341,128.91
10/20/2019	3	\$ 4,341,128.91	\$ 199,174.25	2.20%	\$ 95,504.84	\$ 294,679.09	\$ 4,141,954.66
10/20/2020	4	\$ 4,141,954.66	\$ 203,556.09	2.20%	\$ 91,123.00	\$ 294,679.09	\$ 3,938,398.57
10/20/2021	5	\$ 3,938,398.57	\$ 208,034.32	2.20%	\$ 86,644.77	\$ 294,679.09	\$ 3,730,364.25
10/20/2022	6	\$ 3,730,364.25	\$ 212,611.08	2.20%	\$ 82,068.01	\$ 294,679.09	\$ 3,517,753.17
10/20/2023	7	\$ 3,517,753.17	\$ 217,288.52	2.20%	\$ 77,390.57	\$ 294,679.09	\$ 3,300,464.65
10/20/2024	8	\$ 3,300,464.65	\$ 222,068.87	2.20%	\$ 72,610.22	\$ 294,679.09	\$ 3,078,395.78
10/20/2025	9	\$ 3,078,395.78	\$ 226,954.38	2.20%	\$ 67,724.71	\$ 294,679.09	\$ 2,851,441.40
10/20/2026	10	\$ 2,851,441.40	\$ 231,947.38	2.20%	\$ 62,731.71	\$ 294,679.09	\$ 2,619,494.02
10/20/2027	11	\$ 2,619,494.02	\$ 237,050.22	2.20%	\$ 57,628.87	\$ 294,679.09	\$ 2,382,443.80
10/20/2028	12	\$ 2,382,443.80	\$ 242,265.33	2.20%	\$ 52,413.76	\$ 294,679.09	\$ 2,140,178.47
10/20/2029	13	\$ 2,140,178.47	\$ 247,595.16	2.20%	\$ 47,083.93	\$ 294,679.09	\$ 1,892,583.31
10/20/2030	14	\$ 1,892,583.31	\$ 253,042.26	2.20%	\$ 41,636.83	\$ 294,679.09	\$ 1,639,541.05
10/20/2031	15	\$ 1,639,541.05	\$ 258,609.19	2.20%	\$ 36,069.90	\$ 294,679.09	\$ 1,380,931.86
10/20/2032	16	\$ 1,380,931.86	\$ 264,298.59	2.20%	\$ 30,380.50	\$ 294,679.09	\$ 1,116,633.27
10/20/2033	17	\$ 1,116,633.27	\$ 270,113.16	2.20%	\$ 24,565.93	\$ 294,679.09	\$ 846,520.11
10/20/2034	18	\$ 846,520.11	\$ 276,055.65	2.20%	\$ 18,623.44	\$ 294,679.09	\$ 570,464.46
10/20/2035	19	\$ 570,464.46	\$ 282,128.87	2.20%	\$ 12,550.22	\$ 294,679.09	\$ 288,335.59
10/20/2036	20	\$ 288,335.59	\$ 288,335.59	2.20%	\$ 6,343.38	\$ 294,678.97	-
Total			\$ 4,752,615.89		\$ 1,140,965.79	\$ 5,893,581.68	

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

Description	Acct. No.	Prior	2018							2019					Future		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
<u>Woods Valley Ranch Expansion</u>																	
Woods Valley Ranch WRF Phase 2 Expansion																	
Planning	100	Complete															
Assessment District Modification/Annexation	110	Complete															
Land Acquisitions	120		North Village Lift Station Acquisition														
South Village Collection	130	Complete															
Charlan Road Seasonal Storage	140	Complete															
North Village Collection System	150	Design Bid	Construction														
WVR Phase 2 Expansion	160	Complete															
WVR Golf Course Additional Seasonal Storage	170		Design													Construction	
Woods Valley Ranch Phase 3 Expansion																	
Planning	300		Planning														
Orchard Run Lift Station	310		Design													Bid	Const.
North Village Lift Station	320											Design			Bid	Const.	
WVR Phase 3 Expansion	330		Planning													Design	

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

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2017-2018	Estimated Actual Expenditures 2017-2018	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19
WVR Wastewater Reclamation Facility	1XX		5,141,554	1,039,439	4,102,115		4,102,115 0 0 0 0
Total Capital Projects			5,141,554	1,039,439	4,102,115	0	4,102,115

XX: 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 2018-2019.

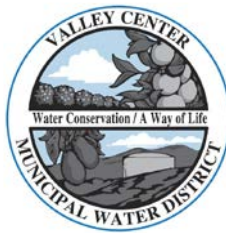
Estimated Expenditures by Year

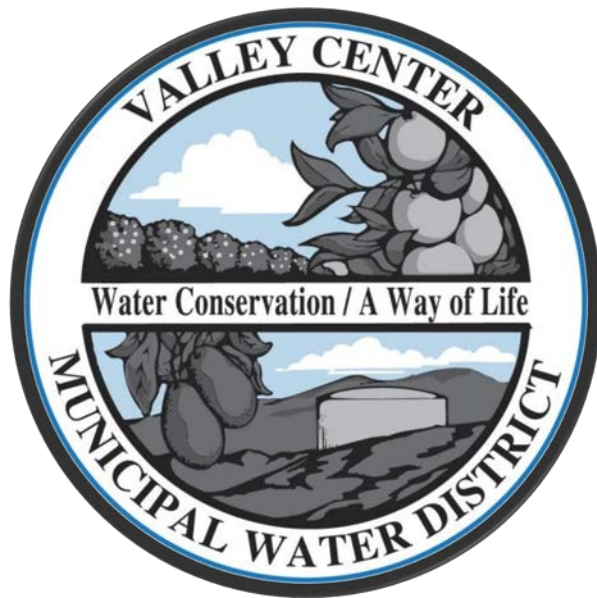
Woods Valley Ranch Expansion 16-06-78-56XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19	Estimated Actual Expenditures 2018-19	Estimated Actual Expenditures 2019-20	Estimated Project Balance after 2 years
WVR Wastewater Reclamation Facility	1XX		4,102,115		4,102,115	4,102,115		
Total Capital Projects			4,102,115	0	4,102,115	4,102,115	0	0

XX: 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 2018-2019.





Woods Valley Ranch

FUNCTION OVERVIEW

Wastewater collection, treatment and disposal services are provided to the Woods Valley Ranch development and the South and North Village Areas by the recently expanded 275,000 gallon per day (gpd), Woods Valley Ranch Water Reclamation Facility (WVRWRF) and the newly constructed South Village Low Pressure Sewer Collection System. 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 2017-2018

Woods Valley Ranch Water Reclamation Facility was selected as San Diego County “Plant of the Year” and received 2nd place state wide by the California Water Environmental Association for processing 5 million gallons or less.

Woods Valley Ranch Water Reclamation Facility SCADA Integration Project: Migration from the original Intouch SCADA application by Wonderware to the newer, more economical, Ignition SCADA application by Inductive Automation was completed this past year to reduce system costs and improve operations.

Woods Valley Ranch Wastewater Expansion Project: After completion the Woods Valley Ranch WRF Phase 2 Expansion, Charlan Road Seasonal Storage and South Village Collection System just prior to the beginning of the Fiscal Year, staff assisted property owners with planning and preparation for grinder pump connections to the LPS (Low Pressure Sewer) collection system. Design of the North Village collection system was completed in Fiscal Year 2017-18 for construction in Fiscal Year 2018-19. The Park Circle and Orchard Run developer discussed implementation of a Phase 3 Expansion Project to secure the additional capacity needed for the developments. Formation of a Community Facilities District (CFD) was requested to provide the necessary financial security for funding a Phase 3 Expansion Project. Modifications to the District’s Land Secured Financing policy allowing CFDs were approved by the Board of Directors.

Woods Valley Ranch Water Reclamation Facility:

- Continued to implement operational changes that reduced equipment runtimes, significantly reducing energy consumption and energy cost.
- Installed 500 feet of electrical conduit and cable to provide electricity to the newly constructed recycled water, wet weather reservoir, pumping system.

Wastewater Collection System:

- Continued inspection, cleaning, and repairs of the collection system wastewater mains.
- Continued to provide assistance and support on the South and North node collection system expansion projects on Valley Center Road.

CHALLENGES AND GOALS FOR 2018-2019

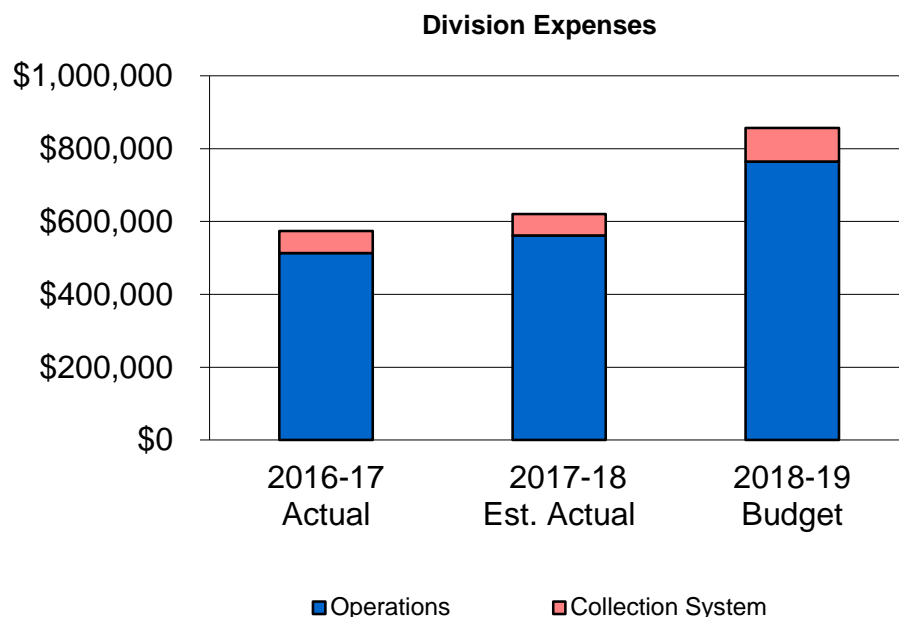
The District will continue to operate and maintain the recently completed 275,000 gpd permanent water reclamation facility and produce an effluent that will meet California Title 22 Water Quality Requirements for irrigation of the golf course facility. The following improvements are proposed to improve plant performance:

- Continue to reduce energy consumption and cost by implementing operational improvements to include the option of solar power generation 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 Board's Rules and Regulations.
- Work with the Woods Valley Golf Course to increase the seasonal storage volume located within the golf course.
- 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 the North Village Collection System and assist property owner participants with connection to the system.
- Complete Formation of Community Facilities District and planning for a proposed Phase 3 Expansion Project.

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, 2017	186,859	256,123	530,511	0	973,493
ADD: Revenue 2017-2018					
Wastewater Service Charge	102,620			229,411	332,031
Reclaimed Water & Meter Charge				48,410	48,410
Interest	3,346			8,319	11,665
Total Revenue					392,106
LESS: Estimated Expenditures 2017-2018			4,835	(517,945)	(513,110)
Transfers		2,850	214,550		217,400
Net Change	105,966	2,850	219,385	(231,805)	96,396
ESTIMATED BALANCE JUNE 30, 2018	292,825	258,973	749,896	(231,805)	1,069,889
ADD: Revenue 2018-2019					
Wastewater Service Charge	154,090			178,389	332,479
Wastewater Service Charge (SA-2)				17,748	17,748
Grinder Maintenance Charge (SA-2)	7,245				7,245
Reclaimed Water & Meter Charge				51,430	51,430
Interest	6,022			1,164	7,186
Total Revenue					416,088
LESS: Proposed Expenditures 2018-2019			(60,000)	(702,423)	(762,423)
Expenditures of Continuing Projects			(749,896)		(749,896)
Transfers		92,239	60,000		152,239
Net Change	167,357	92,239	(749,896)	(453,692)	(943,992)
ESTIMATED BALANCE JUNE 30, 2019	460,182	351,212	0	(685,497)	125,897

GENERAL INFORMATION:**Average Wastewater Units Billed:****Monthly Rates:****Effective July 1****Effective January 1**

2016-17	2017-2018		2018-2019
Actual	Adopted Budget	Estimated Actual	Budget
280	280	280	281
98.60	98.60	98.60	98.60
98.60	98.60	98.60	98.60

[illegible]

Description	2016-2017	2017-2018		2018-2019
	Actual	Budget	Estimated Actual	Budget
Collection System	60,798	62,350	58,600	91,800
Treatment	513,506	552,515	561,965	764,713
Capital Projects	296,109	209,842	(4,835)	60,000
TOTAL WOODS VALLEY RANCH	870,413	824,707	615,730	916,513

Collection System 17-03-30-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	50,876	52,000	48,000	80,300
003	Overtime	215	350	1,500	1,500
025	Outside Professional Services	4,324	4,000	4,000	4,500
030	Special Department Expenses	961	1,000	1,000	1,000
038	Regulatory Permit & Fee	2,615	3,000	2,100	2,500
452	Maintenance of Facilities	1,807	2,000	2,000	2,000
Total		60,798	62,350	58,600	91,800

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 0.59	80,300
003	Overtime	1,500
025	Outside Professional Services	4,500
030	Special Department Expenses	1,000
038	Regulatory Permit & Fees	2,500
452	Maintenance of Facilities including collection system	2,000

Treatment 17-03-31-50XXX

Acct. No.	Description	2016-2017	2017-2018		2018-2019
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	217,770	223,300	221,000	321,900
003	Overtime	8,080	9,000	10,500	10,500
025	Outside Professional Services	29,410	35,000	27,000	32,000
030	Special Department Expenses	1,351	1,600	1,600	1,600
032	Telephone	276	400	400	400
038	Regulatory Permits & Fees	16,214	16,800	19,100	21,000
040	Rents & Leases	0	250	250	250
042	Insurance	12,366	13,650	13,650	15,541
045	Electricity	44,562	51,000	67,000	70,000
048	Diesel	0	300	300	300
049	Water	657	600	650	700
324	Chemicals	7,153	9,000	15,400	16,000
451	Maintenance of Vehicles	1,171	2,000	1,000	1,500
452	Maintenance of Facilities	9,989	13,000	7,500	13,000
082	Administrative Overhead	61,887	73,995	73,995	105,932
	Total Treatment Operations	410,886	449,895	459,345	610,623
078	Contribution to Replacement Reserve	102,620	102,620	102,620	154,090
		102,620	102,620	102,620	154,090
	Total	513,506	552,515	561,965	764,713

Treatment 17-03-31-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 1.82	321,900
003	Overtime	10,500
324	Chemicals	16,000
025	Outside Professional Services Pumper Trucks - Haul waste 6,500 Laboratory Testing Services 10,000 Courier Service 4,000 Sewer Cleaning 5,500 SCADA Maintenance 2,000 Generator Load Testing 2,000 Wonderware Service Support 2,000	32,000
030	Special Department Expenses Tools 800 Equipment 800	1,600
032	Telephone	400
038	Regulatory Permits & Fees	21,000
040	Rents & Leases	250
042	Insurance	15,541
045	Electricity	70,000
048	Diesel	300
049	Water	700
451	Maintenance of Vehicles	1,500

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	154,090
082	Administrative Overhead	105,932

[illegible]

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2017-2018	Estimated Actual Expenditures 2017-2018	Recaptured or Not Carried Forward to 2017-2018	Estimated Budget Carried Forward to 2018-2019	New Appropriation 2018-2019	Total Approved Budget 2018-2019
Phase 2 Expansion Project (Replacement Component)	460		525,000	3,000	0	522,000	60,000	522,000
SCADA/HMI Replacement Project	480		(67,385)	(7,835)	(450)	(60,000)		0
Wastewater Permit Requirements	880		72,896			72,896		72,896
Wastewater O&M Manual Development	030		90,000	0	0	90,000		90,000
Nitrogen/Ammonia Sensors	090		125,000	0	0	125,000		125,000
Total Capital Projects			745,511	(4,835)	(450)	749,896	60,000	809,896

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2018-19

Estimated Expenditures by Year

Fiscal Year 2018-2019

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2018-19	New Appropriation 2018-19	Total Approved Budget 2018-19	Estimated Actual Expenditures 2018-19	Estimated Actual Expenditures 2019-20	Estimated Project Balance after 2 years
Phase 2 Expansion Project (Replacement Component)	460		522,000	60,000	522,000	522,000		
SCADA/HMI Replacement Project	480		(60,000)		0	0		
Wastewater Permit Requirements	880		72,896		72,896	72,896		
Wastewater O&M Manual Development	030		90,000		90,000	90,000		
Nitrogen/Ammonia Sensors	090		125,000		125,000	125,000		
Total Capital Projects			749,896	60,000	809,896	809,896	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to Fiscal Year 2018-19.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2018-2019**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-06-78-51480
DEPARTMENT:	Engineering

Woods Valley Ranch SCADA/HMI Replacement

Continuing Project	Master Plan		Project ID	Strategic Plan	
	Type	Priority		Standard	Goal
	Replacement				

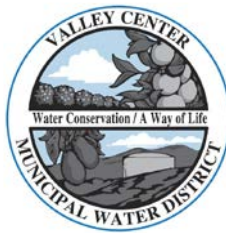
PROJECT DESCRIPTION:

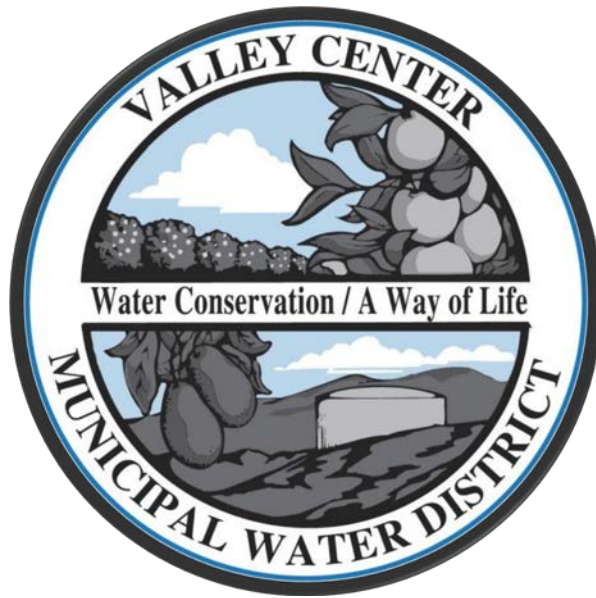
This project was established in FY 2014-15 to migrate the existing SCADA/HMI at Woods Valley Ranch Water Reclamation Facility (WVR WRF) from Wonderware to the inductive Automation Ignition product. The project was combined with the WVR WRF Phase 2 Expansion integration project and completed in the spring of 2018. Additional funding for staff time expended on the project reviewing and testing the conversion to Ignition is requested to close out the project. Funding for this project is available from the WVR WRF Replacement Reserve.

The Wonderware HMI software was utilized for the District's existing SCADA system, not only for Woods Valley Ranch WRF, but also the Lower Moosa Canyon WRF and the Water system. Just prior to 2014, Wonderware had developed the next generation product that would replace the current version and eventually render it obsolete. Rather than upgrade to the newest Wonderware product, which would require a significant new licensing expense and integration effort, staff selected the less expensive, Ignition product by Inductive Automation.

Conversion of the Woods Valley Ranch system allowed the operators a perform full operational test of the product before replacing it at Moosa and the water system. A portion of the software and hardware costs included for the Woods Valley Ranch WRF was applicable to the other systems in terms of shared licensing expense and redundant hardware and was allocated to the appropriate project accounts.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2018-19	Total Budget 2018-2019	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	20,000	131,100	(111,100)	112,135	1,035		1,035	132,135
Planning Consultant	35,000	33,400	1,600	(1,600)	0		0	33,400
Software	25,000	21,650	3,350	(3,350)	0		0	21,650
Hardware	25,000	8,850	16,150	(16,150)	0		0	8,850
Integration	95,000	88,140	6,860	(6,860)	0		0	88,140
Miscellaneous	5,000	825	4,175	(4,175)	0		0	825
Contingency	20,000	0	20,000	(20,000)	0		0	0
Total Project	225,000	283,965	(58,965)	60,000	1,035	0	1,035	285,000





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:

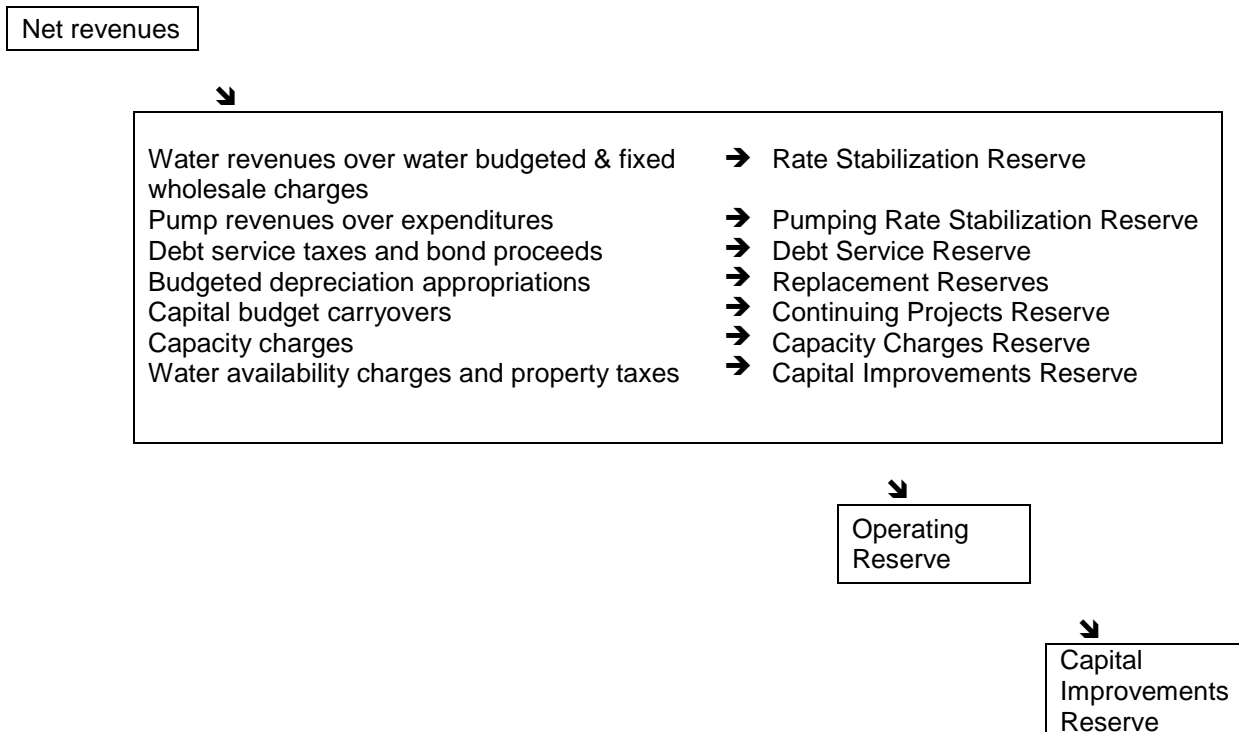
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to 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.

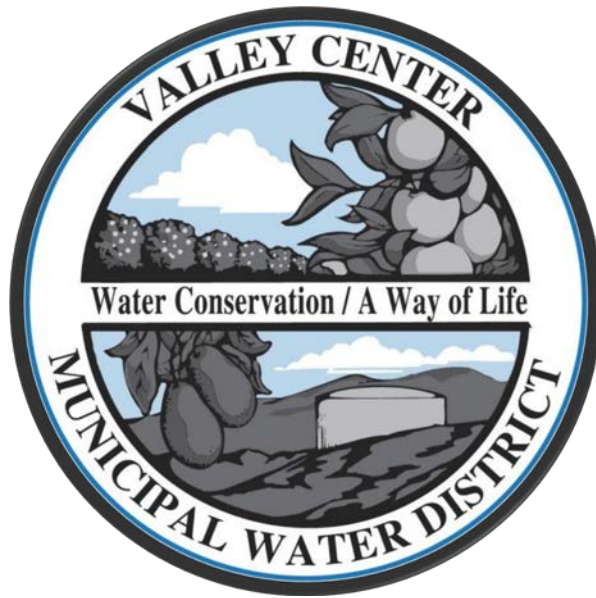
Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, should be forecast conservatively in the budget.

- (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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