



Valley Center Municipal Water District

ANNUAL BUDGET

Fiscal Year 2019-2020

Valley Center, California

Annual Budget

For The Fiscal Year Ended
June 30, 2020

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:

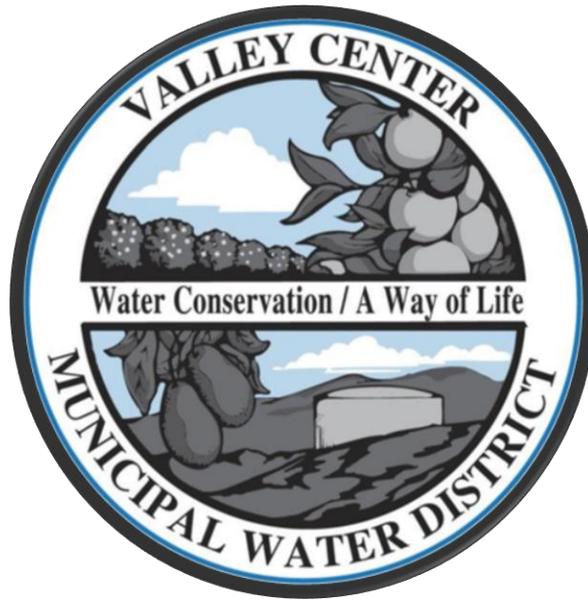
<u>Title</u>	<u>Name</u>	<u>Service</u>	<u>Term Expires</u>
President	Robert A. Polito	29 years	January 2021
Vice-President	Randy D. Haskell	18 years	January 2023
Director	Enrico P. Ferro	3 year	January 2021
Director	Daniel E. Holtz	2 year	January 2023
Director	Oliver J. Smith	< 1 year	January 2023

Executive Management:

<u>Title</u>	<u>Name</u>	<u>Service</u>
General Manager	Gary T. Arant	30 years
District Engineer/Deputy GM	Wally T. Grabbe	27 years
Director of Operations/Facilities	Albert G. Hoyle	28 years
Director of Finance/Treasurer	James V. Pugh	16 years
Director of Information Technology	Ando Pilve	10 years
Executive Assistant/Board Secretary	Christine M. Johnson	29 years

General Counsel:

Best, Best & Krieger, LLP	Paula de Sousa Mills	8 years
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2019-2020 Budget Overview

VALLEY CENTER MUNICIPAL WATER DISTRICT 2019-20 BUDGET OVERVIEW

It is projected that for the Water General Fund in Fiscal Year 2019-20 operating revenues will exceed the projected operating expenses for a budgeted surplus of \$703,014 with the surplus dedicated to capital projects. Total water capital expenditures are estimated at \$3,490,000 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 \$241,724.

It is also anticipated that the Woods Valley Ranch Water Reclamation Facility will have sufficient revenues to meet the anticipated costs for Fiscal Year 2019-2020, for a surplus of \$1,068,091.

Total Budgeted Revenues for 2019-20 are \$53,694,898, which is \$690,837 or 1.3% higher than the 2018-19 adopted budget of \$53,004,061. This is due to increased water rates and charges that will go into effect in January 2020 as well as higher Investment Income.

For the current year ending June 30, 2019, **Water Sales** are projected at 17,000 acre feet of water. This is 15% lower than the budget of 20,000 acre feet. For 2019-20, the District is still budgeting water sales at 20,000 acre feet. Staff believes that the estimate for 2019-20 is reasonable given the uncertain weather conditions and agricultural environment.

With the most recent information available, it is estimated that wholesale **Water Rates** from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) on January 1, 2020, will increase by 3.6% for treated water and 4.5% for certified agricultural over the current adopted rates. Final rate recommendation will be based on wholesale rates actually adopted by the SDCWA and what is indicated in the Long-Range Financial Plan as needed to implement the adopted capital replacement program.

Also included in the water charges the District is required to pay SDCWA and MWD in 2020 are fixed charges for ready-to-serve, 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 15% reserve for sales levels under budgeted amounts. For the fiscal year ending 2020 budgeted sales are 20,000 acre feet and the 2020 fixed charges totaling \$4,348,985 are allocated over 17,000 acre feet. Total fixed charges for 2020 are \$320,644, or 8.0%, higher than calendar year 2019.

The District's local cost component of the water rate is budgeted at \$240.76 per acre foot, an increase of 3.6%, which is included in the rates above, over the current rate of \$232.39. This increase is necessary to continue restoring our capital funding and begin the replacement of the more than 60-year-old water system. Changes to the meter service charge are not recommended at this time.

Estimated **interest earnings** rate at 1.95% will yield \$681,000. Secured **Property Taxes** are budgeted at \$2,496,000, an increase of 5.0% 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 \$51,997,306, which is 1%, or \$528,157, lower than the 2018-19 adopted budget of \$52,525,463. This overall budget decrease reflects the lower capital outlay that is proposed for Water Operations compared to the prior year partially offset by higher operating expenses.

The cost of water sold, which is the single greatest **Water Operating Expense**, is 67.0% of the total budgeted expenditures, excluding capital expenditures. It is higher than 2018-19, \$808,818 or 2.7%, due to increased wholesale costs that will go into effect in calendar year 2020.

General Administration costs are down \$52,893 over last year. This is due to lower labor and benefits associated with eliminating the replacement for the Executive Assistant/Secretary to the Board. A six month overlap had been anticipated for training purposes.

Finance expenses, excluding debt service, are projected to be \$495,060 higher than the current budget due to higher labor and benefits, and outside services for the Long Range Financial Model and Cost Analysis as well as for Proposition 218 costs. A new HR Analyst and Administrative Assistant I position will be added to the department during the new fiscal year.

Information Technology expenses are \$168,256 higher due to increased labor and benefits. A new IT Specialist position will be added to the department during the new fiscal year.

Engineering expenses are down by \$87,460 due to lower temporary labor and outside professional services, which are partially offset by higher special department expenses and labor and benefits. A new Construction Inspector position will be added to the department during the new fiscal year.

Operations and Facilities expenses are \$38,308 higher than the current budget. This is a result of higher labor and benefits partially offset by a decrease in outside professional services.

Moosa proposed operating expenses are \$3,602 less than the current 2018-19 budget. The decrease is due to lower outside professional services.

Woods Valley Ranch expenses are \$14,871 lower than the current year budget. Decreases in the allocation of labor and benefits is the reason for the decrease.

New Capital Projects budgeted in Fiscal Year 2019-20 total \$4,070,000. Water projects total, \$3,490,000, Moosa, \$115,000, Woods Valley Ranch, \$100,000, and Woods Valley Ranch Expansion, \$365,000.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
2019-2020 BUDGET OVERVIEW**

	2018-2019 Adopted Budget	2018-2019 Estimated Actual	2019-2020 Proposed Budget	Change from Prior Budget	Percent Change from Prior Budget
REVENUES:					
Water Sales	20,000 A.F.	17,000 A.F.	20,000 A.F.	0 A.F.	0.0%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	37,426,000	32,279,000	37,831,000	405,000	1.1%
Meter Service Charges	6,248,000	6,262,000	6,310,000	62,000	1.0%
New Connection Sales	189,150	246,800	147,650	(41,500)	-21.9%
Other Revenue	936,600	983,925	995,850	59,250	6.3%
Investment Income	455,000	616,000	681,500	226,500	49.8%
Total Operating Revenue	45,254,750	40,387,725	45,966,000	711,250	1.6%
Debt Service Revenues - Water Availability Charges	47,908	24,152	48,857	949	0.0%
Capital Project Revenues:					
Capacity Charges	185,620	113,741	145,620	(40,000)	-21.5%
Property Taxes	2,375,000	2,458,700	2,496,000	121,000	5.1%
Water Availability Charges	534,092	556,148	533,143	(949)	-0.2%
Total Capital Project Revenue	3,094,712	3,128,589	3,174,763	80,051	2.6%
Total General Fund Revenues	48,397,370	43,540,466	49,189,620	792,250	1.6%
Moosa Wastewater Revenues	1,780,419	1,783,463	1,784,819	4,400	0.2%
Woods Valley Ranch Wastewater Revenues	416,088	428,646	456,372	40,284	9.7%
Woods Valley Ranch Expansion	2,410,184	2,196,748	2,264,087	(146,097)	-6.1%
Total Budgeted Revenues	53,004,061	47,949,323	53,694,898	690,837	1.3%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	916,452	820,888	863,559	(52,893)	-5.8%
Information Technology	758,446	705,246	926,702	168,256	22.2%
Finance	1,921,936	1,896,291	2,416,996	495,060	25.8%
Engineering	1,674,166	1,382,436	1,586,706	(87,460)	-5.2%
Field Operation	7,219,411	6,663,504	7,257,719	38,308	0.5%
Source of Supply	31,381,486	26,939,200	32,211,304	829,818	2.6%
Total Operating Expenses	43,871,897	38,407,565	45,262,986	1,391,089	3.2%
Debt Service - Interest Expense	47,908	24,152	48,857	949	100.0%
Capital Projects Appropriations	6,017,500	1,885,324	3,490,000	(2,527,500)	-42.0%
Total General Fund Expenditures	49,937,305	40,317,041	48,801,843	(1,135,462)	-2.3%
Moosa Wastewater:					
Operating Expenses	1,431,697	1,369,247	1,428,095	(3,602)	-0.3%
Capital Project Appropriations	119,000	799,754	115,000	(4,000)	-3.4%
Total Moosa Expenditures	1,550,697	2,169,001	1,543,095	(7,602)	-0.5%
Woods Valley Ranch Wastewater:					
Operating Expenses	702,423	585,473	687,552	(14,871)	-2.1%
Capital Project Appropriations	60,000	83,454	100,000	40,000	66.7%
Total Woods Valley Ranch Expenditures	762,423	668,927	787,552	25,129	3.3%
Woods Valley Ranch Expansion:					
Debt Service - Interest Expense	275,038	515,758	499,816	224,778	100.0%
Capital Project Appropriations	0	1,039,439	365,000	365,000	0.0%
Total Woods Valley Ranch Expenditures	275,038	1,555,197	864,816	589,778	214.4%
Total Budgeted Expenditures	52,525,463	44,710,166	51,997,306	(528,157)	-1.0%
NET REVENUES & EXPENDITURES	478,598	3,239,157	1,697,592	1,218,994	254.7%
FUNDING FROM (TO) RESERVES	(478,598)	(3,239,157)	(1,697,592)	(1,218,994)	-254.7%
	0	0	0	0	0.0%

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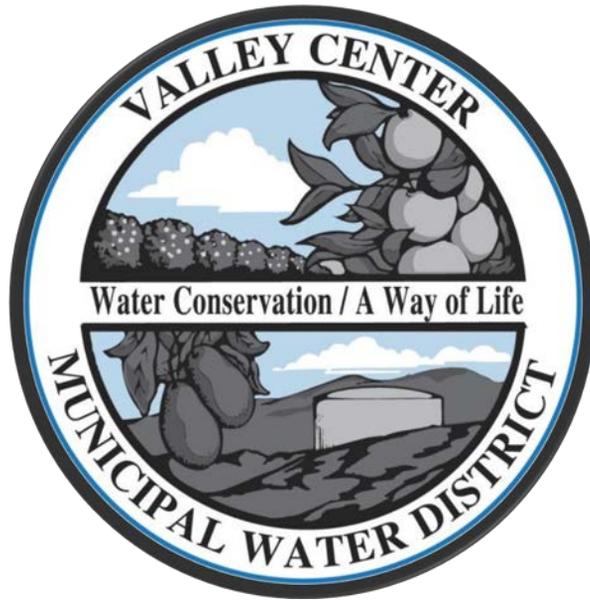
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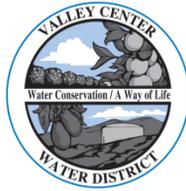


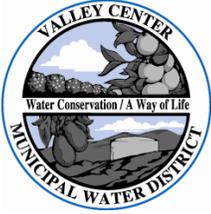
Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2018-2019 - Our twenty first year in a row. We believe our current budget continues to conform to the certificate program requirements, 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
Enrico P. Ferro
Director
Daniel E. Holtz
Director
Oliver J. Smith
Director

July 1, 2019

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 2019-2020 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption on July 1, 2019. 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, 2019, approximately 25,766 people lived within the District.



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

DEMOGRAPHICS

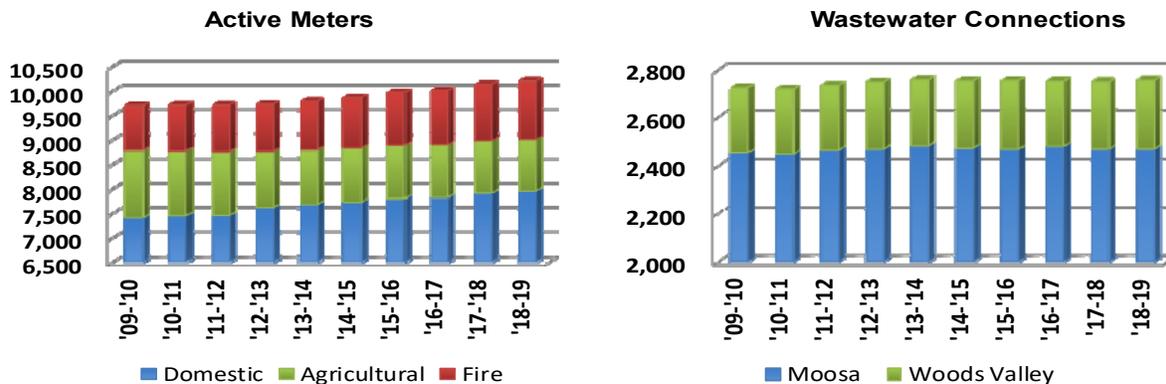
Valley Center is transitioning from a largely agricultural-rural area to a more rural-suburban community. Traditionally, Valley Center and the surrounding areas have largely been dedicated to agricultural uses which included various commercial crops such as avocados, oranges, and lemons. Due to market 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 2009-10 the District sold 27,837 acre feet of water compared to the current year estimate of 17,000. This represents a 39% 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

The District's water system includes 7 active aqueduct connections, 43 enclosed reservoirs and 1 open reservoir, Lake Turner, 29 pumping stations and 301 miles of water main. As of January 31, 2019, there were a total of 10,184 active meters of which 7,940 were domestic, 1,055 were agricultural, and 1,189 were fire meters (see historical graph below). The District also provides wastewater collection, treatment, water recycling, and disposal services for 2,752 customers through two wastewater treatment facilities, Lower Moosa and Woods Valley Ranch (see historical graph below). These two facilities serve separate and limited areas of the District. There are 57 miles of wastewater lines throughout the District.



BUDGET DOCUMENTS

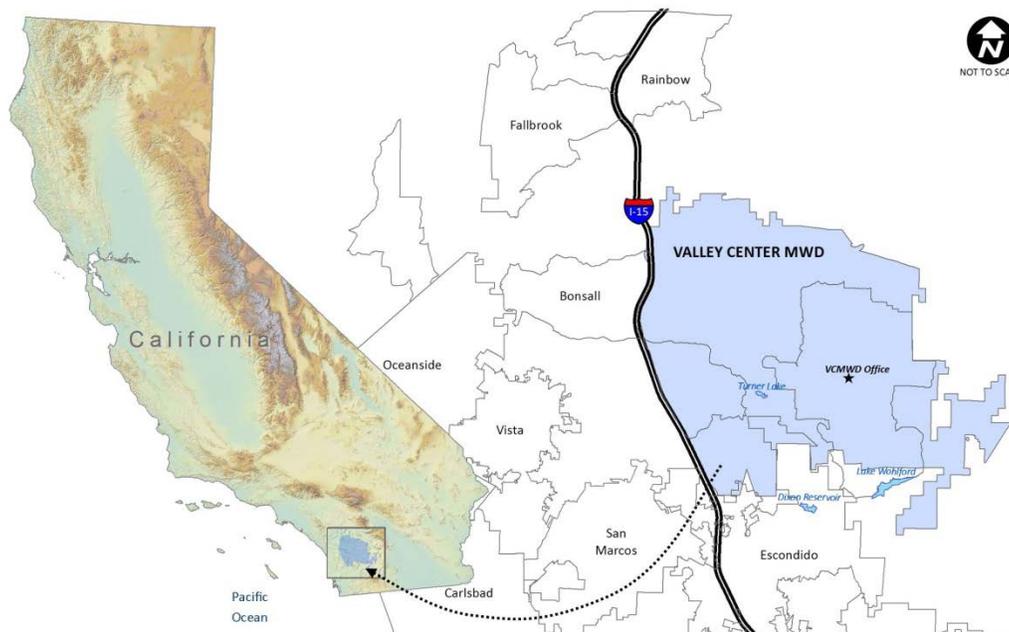
The Budget consists of the following sections:

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

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

5. An Appendix containing a Glossary and Budget Policies.

DISTRICT SERVICE AREA



BUDGET PROCESS

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

Budget Calendar

February 2019	General Manager and Department Heads start discussion of the Budget process.
March 2019	Departments submit Budget requests.
May 20, 2019	Budget policies reviewed by Board of Directors.
May 20, 2019	Overview of Budget reviewed by Board of Directors.
June 17, 2019	Budget submitted with overview to Board of Directors for review.
July 1, 2019	Budget submitted 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-one 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-nine 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, 2019, is \$2,498,914 per project except that for water storage projects the limitation is \$3,748,383. 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 one-third of 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 \$6,525,341 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 2019-2020 57% 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.



24" Valve Repair at Betworth Forebay Pump Station.

OVERALL BUDGET FOR FISCAL YEAR 2019-2020

From an overall standpoint, the total proposed Fiscal Year 2019-20 Budget of \$51,997,306 is 1% less than the total approved budget for Fiscal Year 2018-19 of \$52,525,463. This overall budget decrease reflects the lower 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 2019-20 operating revenues will exceed the projected operating expenses for a budgeted surplus of \$703,014 with the surplus dedicated to capital projects. Total water capital expenditures are estimated at \$3,490,000 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 2019-2020 for a budget surplus of \$1,068,091. Moosa operating revenues will exceed the projected expenses and capital projects for a budget surplus of \$241,724. 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 2019-20, the Water Fund operating revenue is proposed at \$45,966,000, which is an increase of 1.6% from the budget adopted for last year. This is due to increased investment income and other income. It is projected that for the Water General Fund in Fiscal Year 2019-20 operating revenues will exceed projected operating expenses by \$703,014. The Water Fund operating expenditures budget is proposed at \$45,262,986, which is an increase of 3.2% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

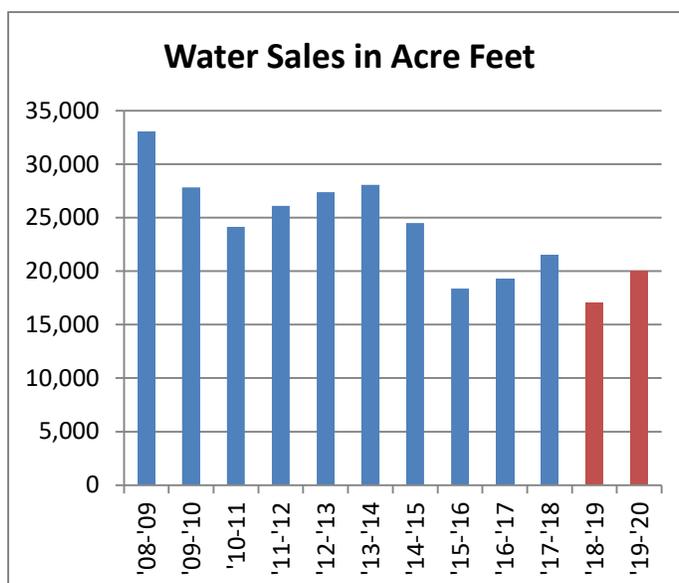
RECAP OF GENERAL FUND

	2018-19 Adopted Budget	Percent of Total	2019-20 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)	\$ 37,426,000	82.7%	\$ 37,831,000	82.3%	\$ 405,000	1.1%
Service Charges	6,248,000	13.8%	6,310,000	13.7%	62,000	1.0%
New Connection Sales	189,150	0.4%	147,650	0.3%	(41,500)	-21.9%
Other Revenue	936,600	2.1%	995,850	2.2%	59,250	6.3%
Investment Income	455,000	1.0%	681,500	1.5%	226,500	49.8%
Total Operating Revenue	\$ 45,254,750	100.0%	\$ 45,966,000	100.0%	\$ 711,250	1.6%
OPERATING EXPENDITURES:						
Water Purchase (Acre Feet)	21,280 AF		21,280 AF		0 AF	0.0%
Water	\$ 29,508,486	67.3%	\$ 30,317,304	67.0%	\$ 808,818	2.7%
Energy	1,873,000	4.3%	1,894,000	4.2%	21,000	1.1%
Regulatory Permits	108,950	0.2%	106,250	0.2%	(2,700)	-2.5%
Controlled by Others	31,490,436	71.8%	32,317,554	71.4%	827,118	2.6%
Personnel	9,354,500	21.3%	9,782,300	21.6%	427,800	4.6%
Other	3,026,961	6.9%	3,163,132	7.0%	136,171	4.5%
Controlled by District*	12,381,461	28.2%	12,945,432	28.6%	563,971	4.6%
TOTAL Operating Expenditures	\$ 43,871,897	100.0%	\$ 45,262,986	100.0%	\$ 1,391,089	3.2%
NET Revenues and Expenditures	\$ 1,382,853		\$ 703,014		\$ (679,839)	
* COSTS CONTROLLED BY DISTRICT						
General Administration	\$ 916,452	7.4%	\$ 863,559	6.7%	\$ (52,893)	-5.8%
Information Technology	758,446	6.1%	926,702	7.2%	168,256	22.2%
Finance	1,921,936	15.5%	2,416,996	18.7%	495,060	25.8%
Engineering	1,674,166	13.5%	1,586,706	12.3%	(87,460)	-5.2%
Field Operations	7,110,461	57.4%	7,151,469	55.2%	41,008	0.6%
Total Controlled by District	\$ 12,381,461	100.0%	\$ 12,945,432	100.0%	\$ 563,971	4.6%

REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past ten years have ranged from a high of 27,837 acre feet in Fiscal Year 2009-10, to a low of an estimated 17,000 for Fiscal Year 2018-19. This is a decrease of 39%, or 10,837 acre feet. This reduced water sales volume is due to the gradual decline in agricultural land in production. Agricultural sales are estimated at 70% of the total volume of water sold for Fiscal Year 2019-20. In Fiscal Year 2009-10 agricultural sales accounted for 72% of the volume.



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 2020 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 3.6% for treated water and 4.5% for certified agricultural water over the current adopted rates (refer to table on next page). Final rate recommendations will be based on wholesale rates actually adopted by the SDCWA and what is indicated in the Long-Range Financial Plan as needed to implement the adopted capital replacement program. 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 \$181 in January 2020.

The budget, as presented, proposes an increase of 3.6% in the District's local share of the water rate on February 1, 2020. The current local rate of \$232.39 will increase to \$240.76 per acre foot. This increase is necessary to continue our capital funding which is focused on the replacement of the more than 60-year-old water system. While the local rate is to be held as low as possible, the strategic plan (see page 1-18) has set a goal that it represent no more than 15% of the total water commodity cost for Municipal and Industrial (M&I) and no more than 18% for the Transitional Special Agricultural Water Rate (TSAWR). Based on the proposed February 1, 2020, rate change, the District's share of the water rate will be 11.0% for M&I and 14.8% for TSAWR.

Also included in the water charges we are required to pay SDCWA and MWD in 2020 are fixed charges for ready-to-serve, 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 15% reserve for sales levels under budgeted amounts. For the fiscal year ending 2020 budgeted sales are 20,000 acre feet and the 2020 fixed charges totaling \$4,348,984 are allocated over 17,000 acre feet. Total fixed charges for 2020 are \$320,644, or 7.9%, higher than calendar year 2019.

San Diego County Water Authority Transitional Special Agricultural Water Rate

An incremental melded rate cost of \$181, the emergency storage charge of \$244, and the supply reliability charge of \$146 that are added to the water supply charge by the SDCWA are not charged to agricultural customers. The total credit amounts to \$571 per acre foot of savings for the District's agricultural customers for the 2020 rates. The credit is higher than last year's credit of \$564 due to SDCWA increases to both the emergency storage and supply reliability 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 and estimated rates that were used in preparing the Budget. Actual rates adopted for February 1, 2020, may be different. Final rate recommendation will be based on wholesale rates actually adopted by the SDCWA and what is indicated in the Long-Range Financial Plan as needed to implement the adopted capital replacement program.

Component	Domestic		TSAWR	
	Current	Proposed	Current	Proposed
Imported Water Costs	\$1,883.45	\$1,951.88	\$1,319.83	\$1,380.59
VCMWD	232.39	240.76	232.39	240.76
Total	<u>\$2,115.84</u>	<u>\$2,192.64</u>	<u>\$1,552.22</u>	<u>\$1,621.35</u>
Proposed Increase	\$ 76.80 per AF 3.6%		\$ 69.13 per AF 4.5%	

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. A new Proposition 218 hearing will be required to adopt the proposed increases above.

Meter Service Charge Revenue

Service charges for Fiscal Year 2019-20 are estimated at \$6,310,000 which is \$62,000 higher than the Fiscal Year 2018-19 budget of \$6,248,000. The preliminary budget does not include a meter service charge increase. Final rate recommendations will be based on what is indicated in the Long-Range Financial Plan as needed to implement the adopted capital replacement program. 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 2019-20 is expected to be \$2,841,000 compared to \$2,697,000 budgeted in Fiscal Year 2018-19. The increase is due to an 8% increase to the pumping rates required to offset the increasing costs passed through from San Diego Gas & Electric.

Interest Income

For Fiscal Year 2019-20, the District projects to earn 1.95% on funds invested for the year for a return of approximately \$681,500 in interest earnings. This is the equivalent of \$34.07 per acre foot of budgeted water sales. Estimated actual interest income for 2018-19 is \$616,000.

Property Taxes

Secured property taxes are budgeted at \$2,403,000 for Fiscal Year 2019-20, \$47,100 or 2% higher than estimated actual for the current year. The District will receive \$582,000 in water availability charges. These revenues are utilized for water system improvements and replacements.



Mainline repair near Nelson Way.

EXPENDITURE ESTIMATES

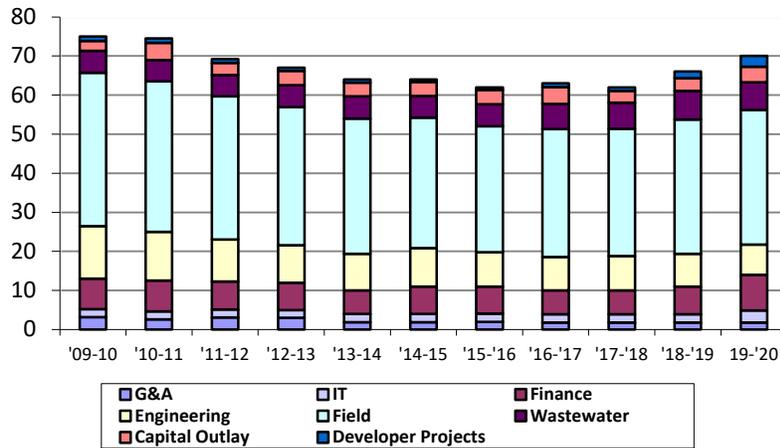
Water

The District is budgeting to purchase 21,280 acre feet of water in Fiscal Year 2019-20 and to sell 20,000 acre feet. District staff believes that the estimates for Fiscal Year 2019-20 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 \$2,840,500 up \$353,600 from the Fiscal Year 2018-2019 estimated actual of \$2,486,900. 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 due to higher outside services for pump maintenance. 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.

Budgeted Employees



Personnel

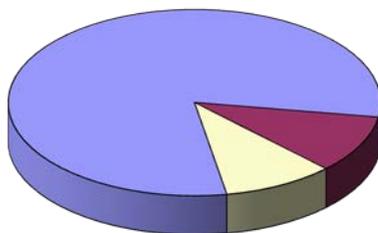
Staffing Levels

Staffing necessary to maintain operating, maintenance and administrative service levels for Fiscal Year 2019-20 is proposed at 70 full-time equivalent (FTE's) positions, up 4 positions from the 2018-19 budgeted staffing level of 66 positions. This increase in FTE's represents the addition of the following new positions; a Human Resources Analyst, an Administrative Assistant I, an IT Specialist, and a Construction Inspector. In addition, there are two employees that will be retiring in the coming year. The Districts GIS/Engineering Services Supervisor will be retiring in July and the Senior Construction Maintenance Technician will be retiring in September. These positions will be filled during the new fiscal year and the budget includes funding for the overlap of personnel for training purposes.

Personnel Costs

General Fund personnel costs for Fiscal Year 2019-20 are estimated at \$9,782,300. This represents an increase of \$427,800 or 4.6% from the Fiscal Year 2018-19 budget of \$9,354,500. The increase is due to a 4.0% cost of living (COLA) adjustment, promotions, within range merit increases of 0.7%, the addition of four new positions, and the overlap anticipated for training purposes for retiring employees. The COLA adjustment is an estimate pending final negotiations of the Memorandum of Understanding with the Valley Center Employees Association.

Allocation of Labor



Water Wastewater Capital & Developer

Budgeted Full-Time Equivalent Positions by Department

	<u>2018-19</u>	<u>2019-20</u>
General Administration	1.80	1.80
Information Technology	2.10	3.10
Finance	7.10	9.10
Engineering	8.35	7.75
Field Operations	<u>34.42</u>	<u>34.45</u>
Total General Fund	53.77	56.20
Lower Moosa Sewer Treatment	4.92	4.80
Woods Valley Ranch Sewer	<u>2.36</u>	<u>2.23</u>
Total Operating	61.05	63.23
Capital Outlay	3.24	4.05
Developer Projects	<u>1.71</u>	<u>2.72</u>
TOTAL	<u>66.00</u>	<u>70.00</u>

Other Expenditures

Controlling the cost of operating the District continues to be an ongoing focus. Costs controlled by the District of \$12,945,432 for 2019-20 are \$563,971, or 4.6%, higher than Fiscal Year 2018-19, 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 2019-20 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 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	\$	30,000
Reservoirs		2,450,000
Data Management Systems		679,000
Facilities		52,000
Equipment		279,000
TOTAL New Appropriations	\$	3,490,000
Project appropriations carried forward from prior budget		7,246,910
TOTAL Capital Budget	\$	<u>10,736,910</u>

Funding for the water capital projects comes from:

Property Taxes	\$	2,496,000
Water Availability/Meter Capacity Charges		678,763
Capital Reserves		7,562,147
TOTAL Capital Budget	\$	<u>10,736,910</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.

MOOSA WASTEWATER TREATMENT FUND

The Moosa Wastewater Treatment Plant serves approximately 2,467 customers in a limited geographic area on the west side of the District. For Fiscal Year 2019-20, budgeted operating revenues of \$1,784,819 are up \$4,400, or 0.2%, from the previous year budget. This is a result of increased interest income. The major components of the budgeted operating expenses are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2018-19		2019-20		Change	Percent Change
	Adopted Budget	Percent	Proposed Budget	Percent		
Revenues	\$ 1,780,419	100.0%	\$ 1,784,819	100.0%	\$ 4,400	0.2%
Operating Expenses:						
Labor	\$ 831,400	46.7%	\$ 829,700	46.5%	\$ (1,700)	-0.2%
Electricity	106,000	6.0%	104,500	5.9%	(1,500)	-1.4%
Chemicals	22,500	1.3%	21,000	1.2%	(1,500)	-6.7%
Administrative allocation	215,915	12.1%	227,278	12.7%	11,363	5.3%
Maintenance	77,500	4.4%	79,000	4.4%	1,500	1.9%
Vehicle Maintenance	4,300	0.2%	4,300	0.2%	-	0.0%
Regulatory	26,500	1.5%	28,000	1.6%	1,500	5.7%
Outside Services	109,000	6.1%	95,000	5.3%	(14,000)	-12.8%
Other	38,582	2.2%	39,317	2.2%	735	1.9%
Total Operating Expenses	\$ 1,431,697	80.4%	\$ 1,428,095	80.0%	\$ (3,602)	-0.3%
Net Operating Income	348,722	19.6%	356,724	20.0%	8,002	2.3%
Capital Projects	(119,000)		(115,000)		4,000	
Net Change	\$ 229,722		\$ 241,724		\$ 12,002	

Staff is projecting that the Moosa operating revenues will exceed the projected expenses and capital projects for a budget surplus of \$241,724.

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.



Rimrock Low Pressure Sewer System Improvements at Moosa.

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

	2018-19 Adopted Budget		2019-20 Proposed Budget		Change	Percent Change
	Budget	Percent	Budget	Percent		
Revenues	\$ 416,088	100.0%	\$ 456,372	100.0%	\$ 40,284	9.7%
Operating Expenses:						
Labor	\$ 414,200	99.5%	\$ 394,200	86.4%	\$ (20,000)	-4.8%
Electricity	70,000	16.8%	70,000	15.3%	-	0.0%
Administrative allocation	105,932	25.5%	109,419	24.0%	3,487	3.3%
Maintenance	15,000	3.6%	15,000	3.3%	-	0.0%
Vehicle Maintenance	1,500	0.4%	900	0.2%	(600)	-40.0%
Regulatory	23,500	5.6%	23,500	5.1%	-	0.0%
Outside Services (Laboratory & Waste Hauling)	36,500	8.8%	36,200	7.9%	(300)	-0.8%
Insurance	15,541	3.7%	17,283	3.8%	1,742	11.2%
Other	20,250	4.9%	21,050	4.6%	800	4.0%
Total Operating Expenses	\$ 702,423	168.8%	\$ 687,552	150.7%	\$ (14,871)	-2.1%
Net Operating Income	(286,335)	-68.8%	(231,180)	-50.7%	55,155	-19.3%
Capital Projects	(60,000)		(100,000)		(40,000)	
Net Change	\$ (346,335)		\$ (331,180)		\$ 15,155	

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 2019-20.



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 2019-20, the total Stand-by Charges for Service Area 2 and Assessments for Assessment District 2012-1 are budgeted at \$602,600 and \$1,557,490, 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 at 2.20% annual interest. 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 July 2018, the District issued a Limited Obligation Improvement Bond for Assessment District 2012-1 (AD 2012-1) in the amount of \$4,035,000 with an annual interest rate of 2.2%. The Bond was for the purpose of financing the acquisition and construction of certain wastewater and sewer improvements within AD 2012-1. The Debt Service payment for fiscal year 2019-20 totals \$158,520.

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 \$3,368,992 at 1.6% interest (see page 6-10 under the Finance tab for a detailed schedule). Repayment of this debt began in July 2017. The Debt Service payment for fiscal year 2019-20 totals \$198,301.

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 2018.

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 2018 totaled 1,080 acre feet, 5.3% of total water sold, representing \$1.27 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, 2018 represents 7.7 months operating and maintenance expenses.
- 4. 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 year 2017 was 1.348% as compared to the 12-month rolling average U.S. Treasury Bonds of 1.215%.
- 5. 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 15% of total water commodity cost for Municipal & Industrial and 18% for Certified Agricultural.

The District’s component of the water rate for operating costs is currently 11.0% of Municipal & Industrial and 15.0% of Certified Agricultural.
- 6. 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.
- 7. SOLAR ENERGY PRODUCTION** – District owned and operated solar arrays shall be maintained at 90% of scheduled production which reflects array location and anticipated production loss due to panel age. (New)

Not measured in 2018 - New Performance Measure. Performance will be reported in 2020 after full year of measurement in 2019.
- 8. PROJECT ACTUAL COST** - ±10% of Engineer’s cost estimate.

Five projects were completed in calendar 2018 at 3.4% under the Engineer’s estimate.
- 9. CAPITAL IMPROVEMENT PROJECTS** – Project timelines shall be under contract within 12 months of budget approval (new).

Not measured in 2018 – New performance measure. Performance will be reported in 2020 after full year of measurement in 2019.
- 10. WATER SERVICE RELIABILITY GREATER THAN 99%** - We will strive to maintain water service to all customers at greater than a 99% reliability level. This will be measured based upon total hours of service interruption against all service hours in a given measurement period.

Reliability was 99.999%.
- 11. LOST-TIME ACCIDENTS LESS THAN 1% OF TOTAL HOURS WORKED.**

The District had 1 lost time accident in calendar 2018 representing 0.06% of the total hours worked
- 12. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.**

100%.

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 2019-20 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2019.
- 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:



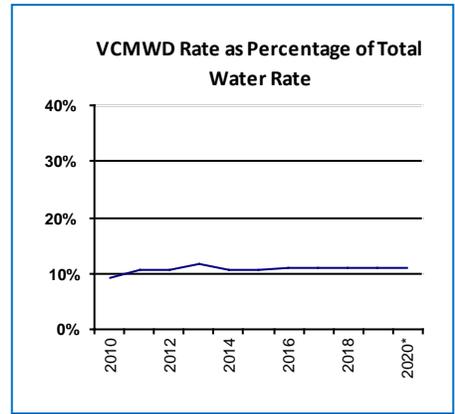
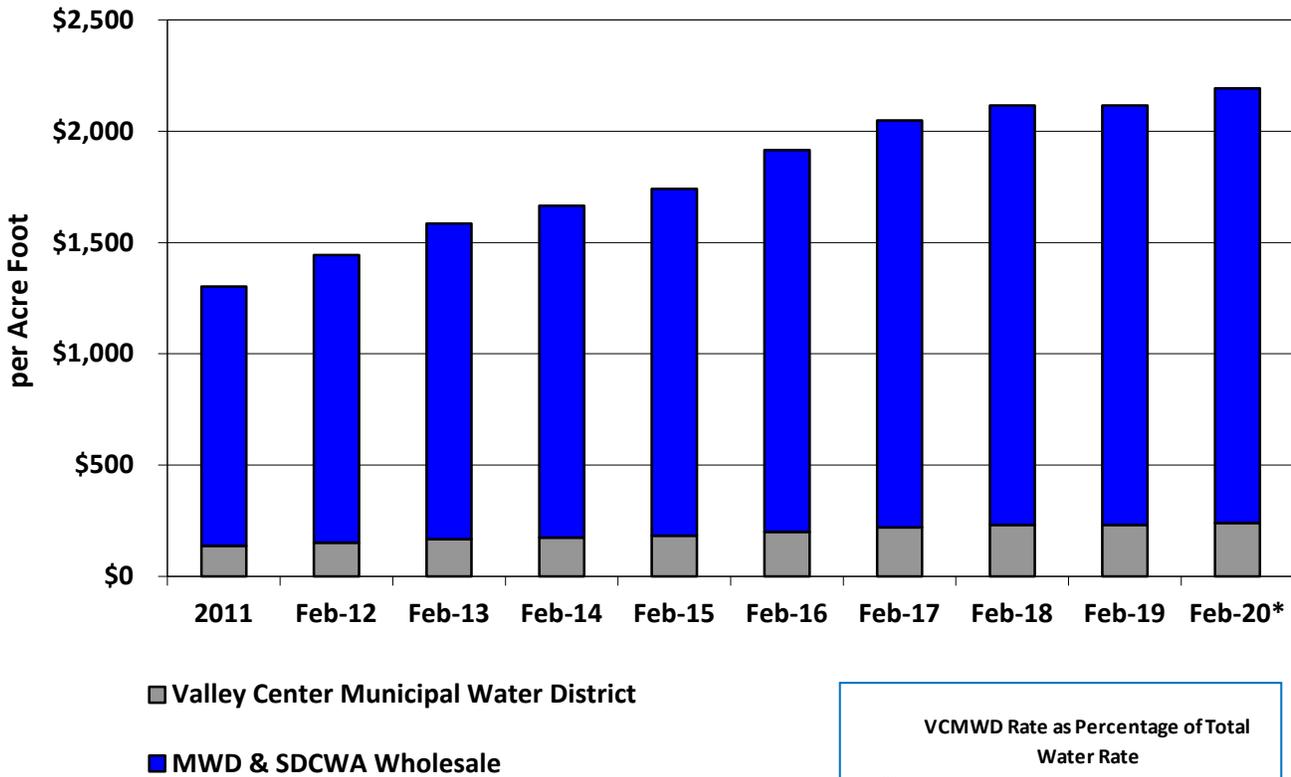
James V. Pugh
Director of Finance

APPROVED BY:



Gary T. Arant
General Manager

Water Rate Components

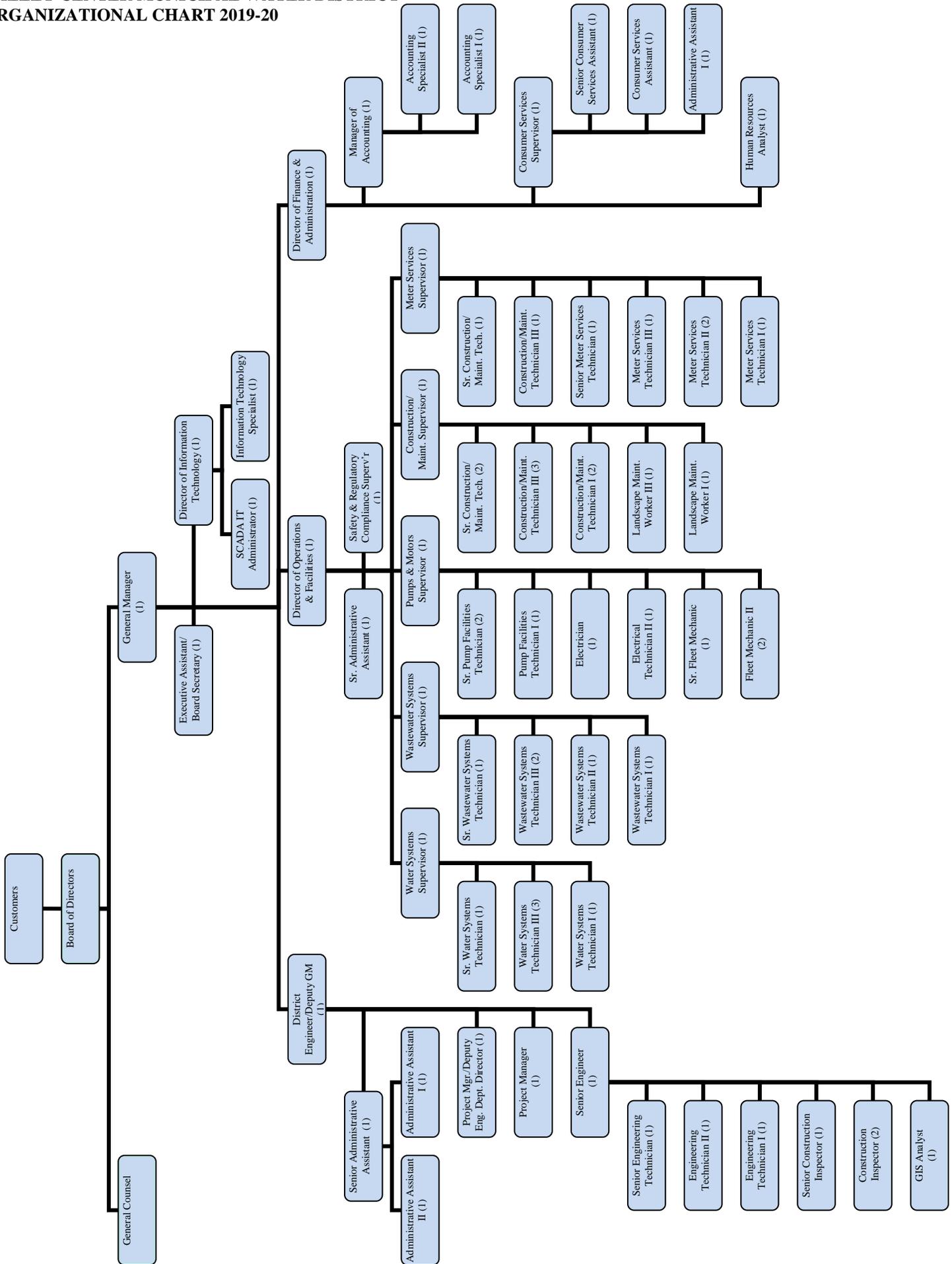


<i>Rate in Dollars per Acre Foot</i>	<u>2011</u>	<u>Feb 2012</u>	<u>Feb 2013</u>	<u>Feb 2014</u>	<u>Feb 2015</u>	<u>Feb 2016</u>	<u>Feb 2017</u>	<u>Feb 2018</u>	<u>Feb 2019</u>	<u>Feb 2020*</u>
Valley Center Municipal Water District	\$137	\$152	\$ 167	\$175	\$183	\$201	\$221	\$232	\$232	\$240
MWD/SDCWA wholesale	<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>	<u>1,952</u>
Total	<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>	<u>\$2,192</u>
Agricultural Use Discounts **	<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>	<u>\$571</u>

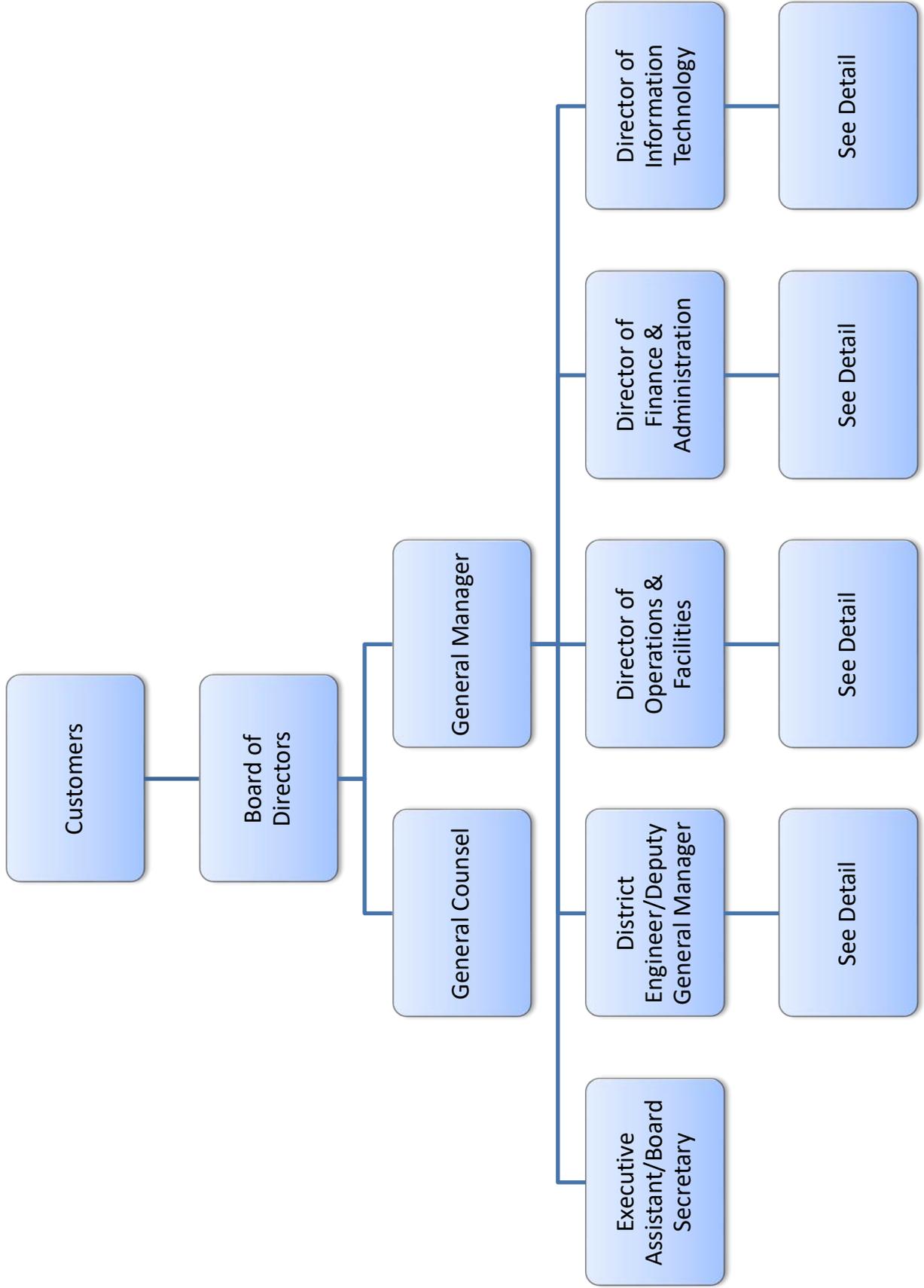
* Proposed water rates

** Maximum discount available.

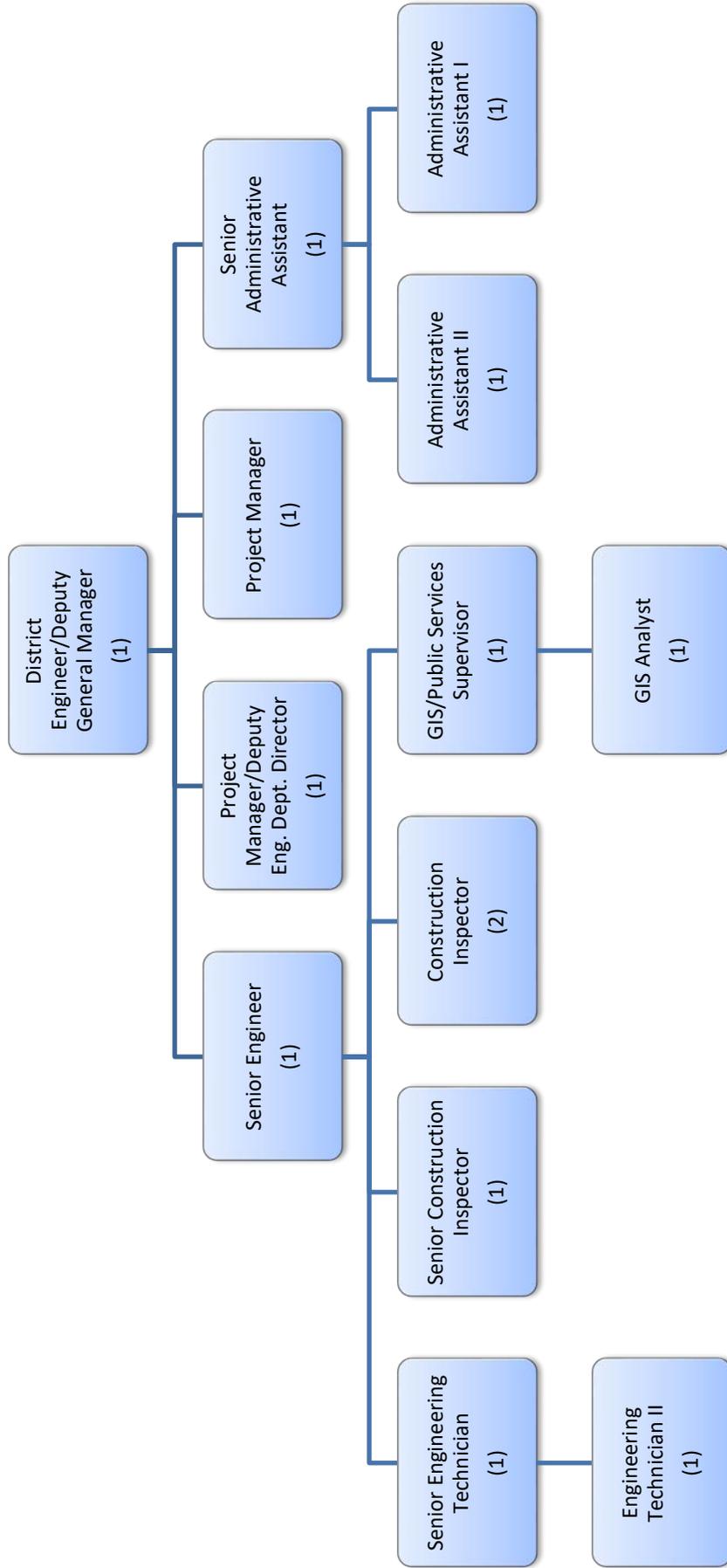
**VALLEY CENTER MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART 2019-20**



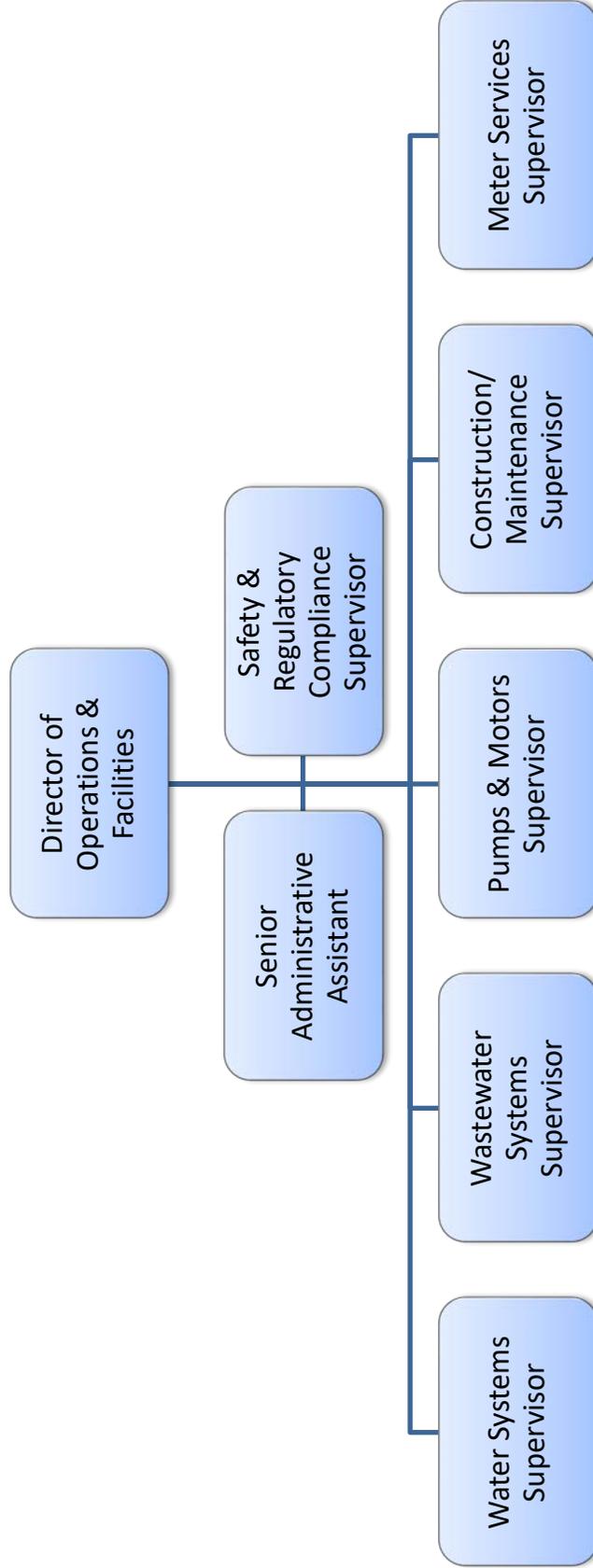
General Administrative



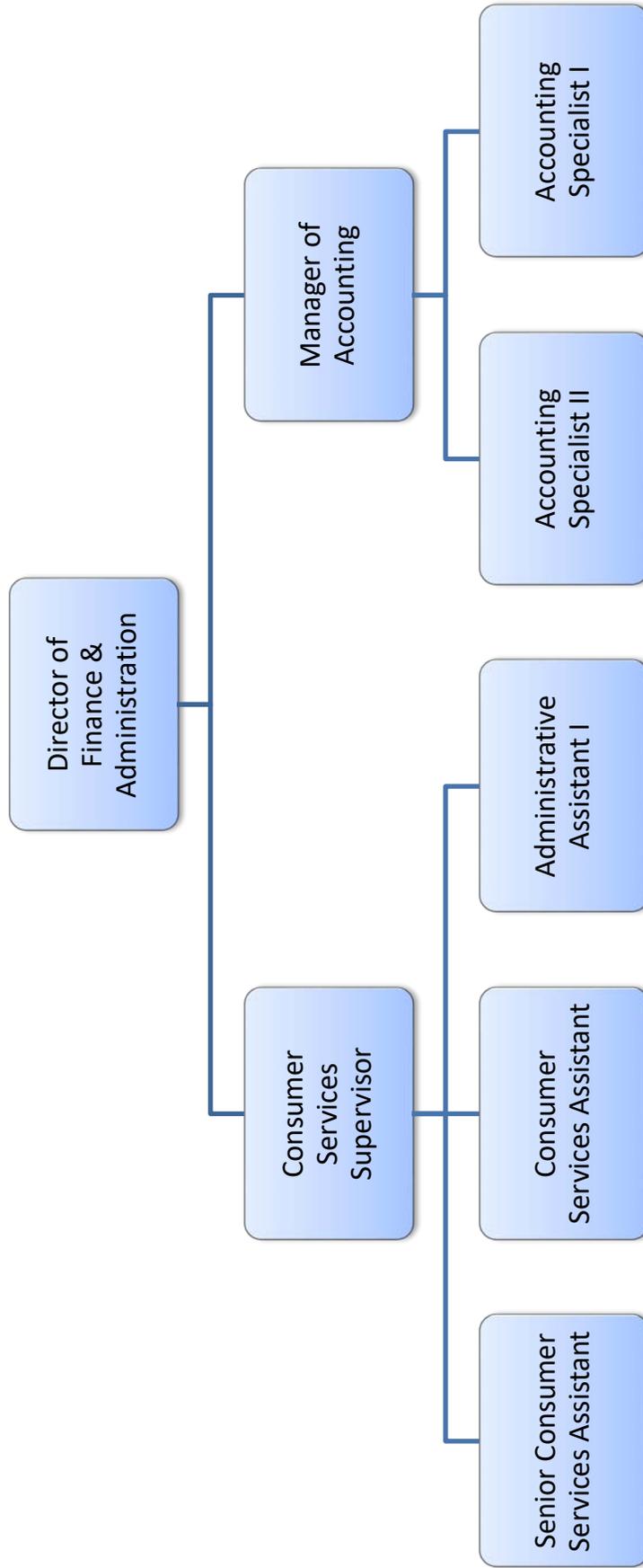
Engineering Department



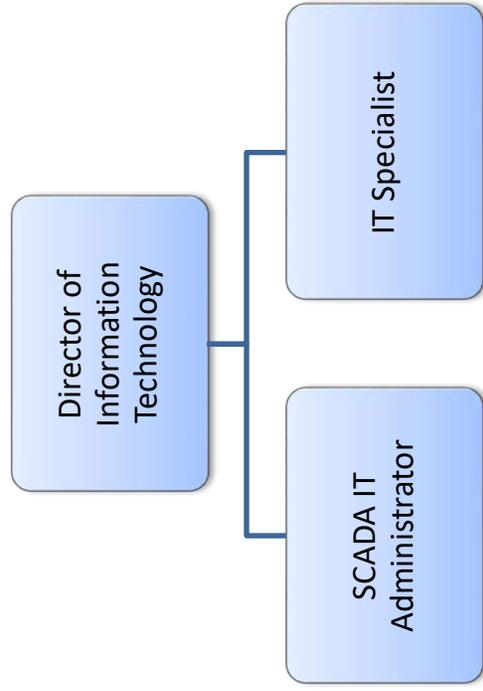
Field Department



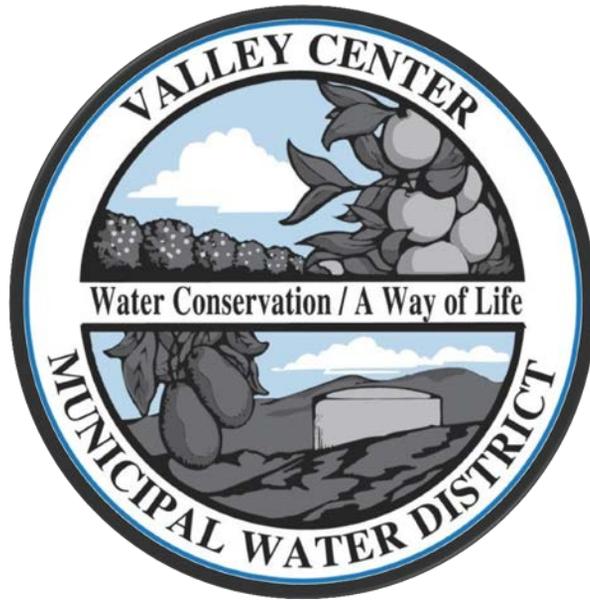
Finance Department



Information Technology Department







Resolutions

RESOLUTION NO. 2019-21

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2019-2020 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 2019-2020 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 2019-2020.
2. That the amounts designated in the final Fiscal Year 2019-2020 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 1st day of July, 2019, by the following vote to wit:

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

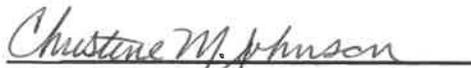
NOES: None

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, 2019	\$6,550,270	\$198,301	\$15,705,400	\$22,453,971	\$2,659,734	\$1,171,978	\$10,602,119	\$36,887,802

RECAP OF EXPENDITURES BY FUNCTION

General Administration	863,559			863,559				863,559
Information Technology	926,702			926,702				926,702
Finance	2,416,996	48,857		2,465,853			499,816	2,965,669
Engineering	1,586,706			1,586,706				1,586,706
Field Operation	7,257,719			7,257,719	1,428,095	687,552		9,373,366
Source of Supply	32,211,304			32,211,304				32,211,304
Capital Projects			3,490,000	3,490,000	115,000	100,000	365,000	4,070,000
Total Budgeted Expenditures	\$45,262,986	\$48,857	\$3,490,000	\$48,801,843	\$1,543,095	\$787,552	\$864,816	\$51,997,306

SOURCE OF FINANCING

Revenues:								
Water Sales	37,831,000			37,831,000				37,831,000
Meter Service Charges/Wastewater Charges	6,310,000			6,310,000	1,784,819	456,372	2,264,087	10,815,278
New Connection Sales	147,650		145,620	293,270				293,270
Other Revenue	995,850			995,850				995,850
Investment Income	681,500			681,500				681,500
Property Taxes			2,496,000	2,496,000				2,496,000
Water Availability Charges		48,857	533,143	582,000				582,000
Total Revenues	\$45,966,000	\$48,857	\$3,174,763	\$49,189,620	\$1,784,819	\$456,372	\$2,264,087	\$53,694,898

NET REVENUES & EXPENDITURES

	\$703,014	\$0	(\$315,237)	\$387,777	\$241,724	(\$331,180)	\$1,399,271	\$1,697,592
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EXPENDITURES OF CONTINUING PROJECTS

	\$0	\$0	\$0	\$0	(\$541,999)	(\$700,098)	(\$5,339,109)	(\$6,581,206)
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TRANSFERS (See page 3-2)

	(\$727,442)	\$0	\$727,442	\$0	\$105,005	\$151,040	\$365,000	\$621,045
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ESTIMATED BALANCE, JUNE 30, 2020

	\$6,525,841	\$198,301	\$16,117,605	\$22,841,747	\$2,464,464	\$291,740	\$7,027,281	\$32,625,233
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June 3, 2019

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2019-2020

PURPOSE:

Board adoption of Resolution No. 2019-18 establishing the appropriation limit for proceeds from taxes is required by Section 7910 of the Government Code and Article XIIB of the State Constitution (Gann Amendment).

SUMMARY:

In November, 1979, the voters of California approved the addition of Article XIIB 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 2019-2020.

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 15, 2019, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2019-18 be adopted to establish the appropriation limit for 2019-2020 as \$7,063,320.

PREPARED BY:

APPROVED BY:


James V. Pugh
Director of Finance & Administration

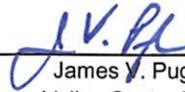

Gary T. Arant
General Manager

PUBLIC NOTICE

In accordance with Government Code Section 7910, notice is hereby given that on June 3, 2019, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2019-20 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2019-20 is to be set at \$7,063,320 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
2019-20	3.85% (a)	0.52%	\$7,063,320

Posted May 15, 2019



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. 2019-18

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2019-2020 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:

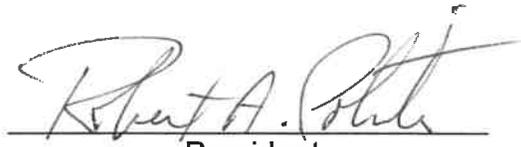
1. That the foregoing facts are true and correct.
2. That the appropriation limit for the 2018-19 fiscal year was \$6,766,280, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,500,000, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2019-2020, 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 2019-2020, the District shall use the percentage change in population for San Diego County or for the unincorporated portion of San Diego County, whichever is greater, as provided by the State of California Department of Finance.
5. That pursuant to Article XIII B, as amended, and Section 7910 of the Government Code, as amended, the appropriation limit for Valley Center Municipal Water District for the 2019-2020 fiscal year is established at \$7,063,320.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 3rd day of June, 2019, by the following vote, to wit;

AYES: Directors Polito, Haskell, Ferro and Holtz

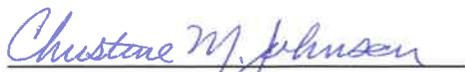
NOES: None

ABSENT: Smith



President

ATTEST:



Secretary

ORDINANCE NO. 2019-05

ORDINANCE OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE ADMINISTRATIVE CODE TO PROVIDE FOR
CHANGES IN AUTHORIZED STAFFING LEVELS PER THE FISCAL
YEAR 2019-20 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 the District's Classification and Compensation Plan by modification of Article 8.9(c) as set forth in "Exhibit B" attached hereto.
- Section 3. That this is an urgency ordinance and shall take effect June 21, 2019, mid-shift, to meet current staffing needs and comply with the Memorandum of Understanding with the District Employees' Association adopted by Ordinance 2019-04 affecting employee compensation to be effective June 21, 2019, 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 1st day of July, 2019, by the following vote, to wit:

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

NOES: None

ABSENT: None

ATTEST:

Christine M. Johnson
SECRETARY

Robert A. Polito
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.

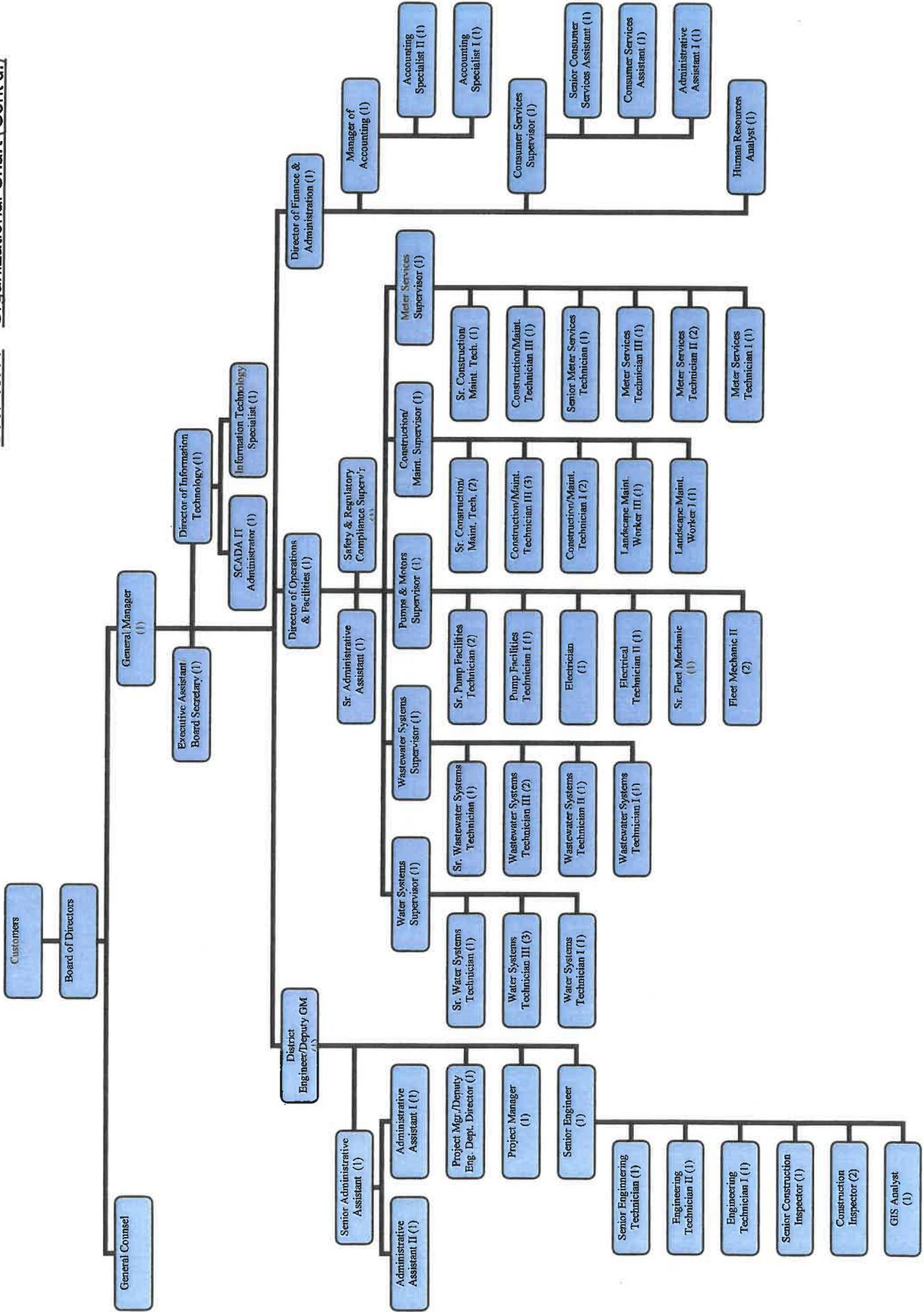
Sec. 40.11 Organizational Chart. As shown below and on the following Organizational Charts, the authorized staff level by department is:

<u>Department</u>	<u>Authorized Staff Level</u>	
Administration	2.00	<i>2.00</i>
Information Technology	2.00	<i>3.00</i>
Finance	7.00	<i>9.00</i>
Engineering	13.00	<i>14.00</i>
Operations	42.00	<i>42.00</i>
Total Authorized Positions	66.00	<i>70.00</i>

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.

Per Ordinance No. 2014-06 Adopted 9/2/14 [Sec. 40.10]
 Per Ordinance No. 2018-09 Adopted 6/18/18 [Sec. 40.11]

Sec. 40.11 Organizational Chart (Cont'd.)



Article 8 Compensation (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 6/21/19, 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 6/21/19, 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
Human Resources Analyst	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
Senior Landscape Maintenance Worker	19
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	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)

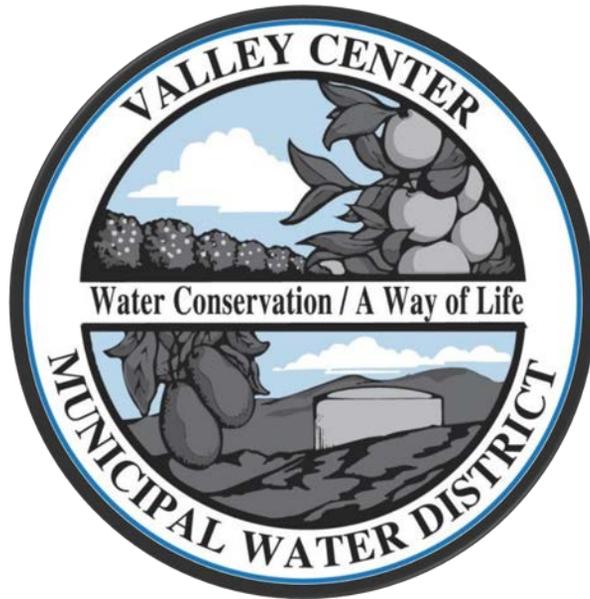
Article 8 Compensation (Cont'd.)Sec. 8.9 Compensation Policy - Position Classifications and Salary Ranges (Cont'd.)(c) Classification and Compensation Plan (Cont'd.)
Effective 6/21/19, at mid shift

<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)





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, 2019	\$6,550,269	\$198,301	\$15,705,400	\$22,453,971	\$2,659,734	\$1,171,978	\$10,602,119	\$36,887,802

RECAP OF EXPENDITURES BY FUNCTION

General Administration	863,559			863,559				863,559
Information Technology	926,702			926,702				926,702
Finance	2,416,996	48,857		2,465,853			499,816	2,965,669
Engineering	1,586,706			1,586,706				1,586,706
Field Operation	7,257,719			7,257,719	1,428,095	687,552		9,373,366
Source of Supply	32,211,304			32,211,304				32,211,304
Capital Projects			3,490,000	3,490,000	115,000	100,000	365,000	4,070,000
Total Budgeted Expenditures	\$45,262,986	\$48,857	\$3,490,000	\$48,801,843	\$1,543,095	\$787,552	\$864,816	\$51,997,306

SOURCE OF FINANCING

Revenues:								
Water Sales	37,831,000			37,831,000				37,831,000
Meter Service Charges/Wastewater Charges	6,310,000			6,310,000	1,784,819	456,372	2,264,087	10,815,278
New Connection Sales	147,650		145,620	293,270				293,270
Other Revenue	995,850			995,850				995,850
Investment Income	681,500			681,500				681,500
Property Taxes			2,496,000	2,496,000				2,496,000
Water Availability Charges	0	48,857	533,143	582,000				582,000
Total Revenues	\$45,966,000	\$48,857	\$3,174,763	\$49,189,620	\$1,784,819	\$456,372	\$2,264,087	\$53,694,898

NET REVENUES & EXPENDITURES

	\$703,014	\$0	(\$315,237)	\$387,777	\$241,724	(\$331,180)	\$1,399,271	\$1,697,592
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EXPENDITURES OF CONTINUING PROJECTS

	\$0	\$0	\$0	\$0	(\$541,999)	(\$700,098)	(\$5,339,109)	(\$6,581,206)
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TRANSFERS (See page 3-2)

	(\$727,442)	\$0	\$727,442	\$0	\$105,005	\$151,040	\$365,000	\$621,045
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ESTIMATED BALANCE, JUNE 30, 2020

	\$6,525,841	\$198,301	\$16,117,606	\$22,841,747	\$2,464,464	\$291,740	\$7,027,281	\$32,625,233
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(Excludes Utility Plant)

	Projected Balance, June 30, 2019	Revenues	Expenses	Net Revenues - Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2020
General Fund						
Operating						
Discretionary Reserves						
- Rate Stabilization	\$0			\$0		\$0
- Pumping Rate Stabilization	0	2,841,000	(2,840,500)	500		500
- Operating Reserve	6,550,269			0	(24,928)	6,525,341
Unappropriated Fund Balance	0	43,125,000	(42,422,486)	702,514	(702,514)	0
Total Operating	\$6,550,269	\$45,966,000	(\$45,262,986)	\$703,014	(\$727,442)	\$6,525,841
Debt Service Reserve	198,301	0	0	0	0	198,301
Capital Projects Reserves						
- Continuing Projects	\$7,246,910		\$0	\$0		7,246,910
- Capacity Charges	990,953	145,620	(145,620)	0		990,953
- Capital Improvements	7,467,536	3,174,763	(3,490,000)	(315,237)	727,442	7,879,742
Total Capital	\$15,705,400	\$3,174,763	(\$3,635,620)	(\$315,237)	\$727,442	\$16,117,606
Total General Fund	\$22,453,971	\$49,189,620	(\$48,898,606)	\$291,014	\$0	\$22,841,747
Lower Moosa Wastewater	\$2,659,734	\$1,784,819	(\$2,085,094)	(\$300,275)	\$105,005	\$2,464,464
Woods Valley Expansion	\$10,602,119	\$2,264,087	(\$6,203,925)	(\$3,939,838)	\$365,000	\$7,027,281
Woods Valley Wastewater	\$1,171,978	\$456,372	(\$1,487,650)	(\$1,031,278)	\$151,040	\$291,740
Total All Funds	\$36,887,802	\$53,694,898	(\$58,675,276)	(\$4,980,377)	\$621,045	\$32,625,233

General Fund

Page 1 of 3

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 21,498 af	@ 20,000 af	@ 17,000	@ 20,000 af
41400	Municipal & Industrial	\$13,737,024	\$12,695,000	\$13,114,000	\$12,828,000
41700	Certified Agricultural - SAWR	12,554,719	12,243,000	9,242,000	12,067,000
41800	Certified Ag/Domestic - SAWR	9,653,878	9,488,000	7,618,000	9,947,000
43502	Construction	269,816	303,000	148,000	148,000
45000	Pump Charge	2,773,079	2,697,000	2,157,000	2,841,000
Total Water Sales		\$38,988,516	\$37,426,000	\$32,279,000	\$37,831,000
	METER SERVICE CHARGES				
41007	Additional Living Charge	\$21,820	\$22,000	\$22,000	\$22,000
41401	Meter Service Charges	5,694,593	5,712,000	5,711,000	5,755,000
41410	Infrastructure Access Charge	513,709	514,000	529,000	533,000
Total Meter Service Charges		\$6,230,123	\$6,248,000	\$6,262,000	\$6,310,000
	NEW CONNECTION SALES				
41000	Water Meters - New	\$161,611	\$154,200	\$185,700	\$83,100
41990	Water Meters - Relocate	50	0	100	0
43000	Pressure Reducers	620	0	500	0
44000	Double Check Valves	60,306	34,950	60,500	64,550
Total New Connection Sales		\$222,587	\$189,150	\$246,800	\$147,650

General Fund

Page 2 of 3

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
41003	Current Secured	\$2,214,597	\$2,287,000	\$2,355,900	\$2,403,000
42010	Current Unsecured	69,306	72,000	75,000	77,000
44010	Homeowners Exemption (HOE)	15,455	16,000	15,300	16,000
45050	Current Water Availability Charge	580,374	582,000	580,000	582,000
48200	Interest Allocation-Wtr Availability Chg	356	0	300	0
47000	Prior Unsecured	(774)	0	11,300	0
48000	Interest Allocation	1,852	0	1,200	0
	Total Property Taxes-Other	\$2,881,167	\$2,957,000	\$3,039,000	\$3,078,000

General Fund

Page 3 of 3

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
40001	Investment Income	\$259,124	\$455,000	\$616,000	\$681,500
41790	Delinquent Penalty	353,047	357,000	384,100	384,100
41850	Transfer Fee	6,990	7,000	6,700	7,000
42011	Turn On Charge	33,642	34,000	27,100	27,000
42100	R.P. Inspection/Svc Fee	163,416	162,000	175,800	176,000
42101	R.P. Repairs	13,397	13,000	15,100	15,000
43010	Sale of Maps/Copies	8	100	25	100
43300	Service Availability Charge	1,600	1,300	1,700	1,700
43500	Sale of Surplus	192,957	20,000	8,000	20,000
44020	Other	10,786	1,100	26,100	26,100
44001	Return Check Charge	650	1,500	500	750
44002	Lease of Facilities	325,571	332,800	333,600	332,800
44004	Escondido Sewer Collection Fee	3,015	2,800	3,200	3,300
44005	Escondido Water Service in Lieu	1,964	2,000	2,000	2,000
44066	Renewable Energy Credits	20,044	0	0	0
4444	FEMA Reimbursement	0	0	0	0
44600	State Mandated Cost Reimbursement	0	0	0	0
44070	Wellness Program Grant	2,000	2,000	0	0
	Total Other Revenue	\$1,388,210	\$1,391,600	\$1,599,925	\$1,677,350
	CAPITAL IMPROVEMENT CHARGES				
41002	Meter Capacity Charges	\$116,100	\$185,620	\$113,741	\$145,620
42050	Contributions In Kind	28,300	0	0	0
44202	Annex Capital Fees	0	0	0	0
	Total Capital Improvement Charges	\$144,400	\$185,620	\$113,741	\$145,620
	TOTAL REVENUE	\$49,855,003	\$48,397,370	\$43,540,466	\$49,189,620

All Budgeted Funds

	2017-2018	2018-2019		2019-2020
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$762,785	\$916,452	\$820,888	\$863,559
Finance	3,762,318	1,969,844	1,920,443	2,465,853
Information Technology	670,845	758,446	705,246	926,702
Engineering	1,454,877	1,674,166	1,382,436	1,586,706
Field Operation	6,839,511	7,219,411	6,663,504	7,257,719
Source of Supply	32,797,625	31,381,486	26,939,200	32,211,304
Total Operating	\$46,287,961	\$43,919,805	\$38,431,717	\$45,311,843
Capital Projects	1,532,930	6,017,500	1,885,324	3,490,000
Total General Fund	\$47,820,891	\$49,937,305	\$40,317,041	\$48,801,843
Lower Moosa Wastewater Treatment	1,556,443	1,550,697	2,169,001	1,543,095
Woods Valley Wastewater Expansion	1,180,802	275,038	1,555,197	864,816
Woods Valley Wastewater Treatment	588,973	762,423	668,927	787,552
Total Wastewater	\$3,326,218	\$2,588,158	\$4,393,125	\$3,195,463
Grand Total	\$51,147,109	\$52,525,463	\$44,710,166	\$51,997,306

RECAP BY FUNCTION

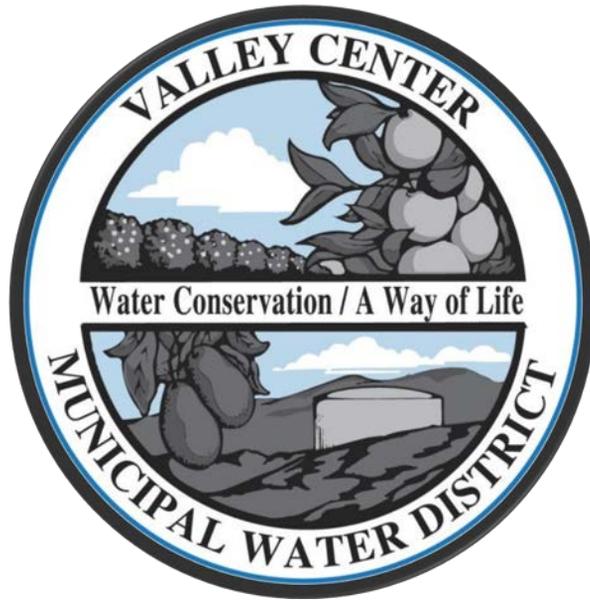
Operating	\$46,242,721	\$43,871,897	\$38,381,423	\$45,262,986
Debt Service	45,240	47,908	50,294	48,857
Capital Projects	1,532,930	6,017,500	1,885,324	3,490,000
Total General Fund	\$47,820,891	\$49,937,305	\$40,317,041	\$48,801,843
Lower Moosa Wastewater - Operating	1,556,443	1,550,697	2,169,001	1,543,095
Woods Valley Expansion - Capital Proj.	0	0	1,039,439	365,000
Woods Valley Expansion - Debt Service	494,797	275,038	515,758	499,816
Woods Valley Wastewater - Operating	588,973	762,423	668,927	787,552
Total Wastewater	\$2,640,213	\$2,588,158	\$4,393,125	\$3,195,463
Grand Total	\$50,461,104	\$52,525,463	\$44,710,166	\$51,997,306

WATER PURCHASED - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
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	4,382.2	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	3,953.3	39,498.8
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	1,888.4	2,199.9	22,526.2
18-19	2,847.7	2,627.3	2,278.2	1,690.3	1,544.0	541.2	430.7	289.1	490.6	1,506.8	1,500.1	1,654.0	17,400.0
19-20	2,617.0	2,335.0	2,364.0	2,162.0	1,775.0	1,673.0	1,152.0	1,063.0	690.0	1,762.0	1,688.0	1,999.0	21,280.0
	AVERAGE FIRST 6 MONTHS					22,548.8	AVERAGE LAST 6 MONTHS					13,760.2	36,309.0
						62.10%						37.90%	100.00%

WATER SOLD - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
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,							



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 2018-2019

Performance Measurement Standards – Compliance with the following standard was as follows as of December 31, 2018:

- **Customer Satisfaction (Standard 1)** – For calendar year 2018, 100% of the customer ratings were “Meets” or “Exceeds” expectations, exceeding our goal of 95%.

Strategic Plan Goals –

- **Water Supply, Imported Water Sources** – Participated with other water agencies and water community work-groups to develop and submit written input to the Department of Water Resources and the State Water Resources Control Board toward developing practical implementation regulations for the various provisions of SB 606 /AB 1668, Water Use Efficiency; SB 998 Water Shut-Offs as well SB 623 /SB 845 Water Tax and AB 401 Low Income Rate Assistance Implementation legislation if and when adopted
- **Energy, Utility Rates and Charges** – Completed the Comprehensive Energy Program Analysis and Strategic Plan to ensure use of the most cost effective energy tariffs and analyze opportunities for additional renewable energy and energy storage development

CHALLENGES FOR 2019-2020

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 and alerting them to the impacts of new and proposed state legislation and regulations impacting District operations and resulting cost impact on their water and wastewater services.
- **Managing** the ongoing residual financial implications of the drought emergency and new future water use efficiency regulations which have 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 Capital Improvement Projects identified for construction in FY 2019-2020 in the updated Water System Master Plan.
- **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 2019-20.

GOALS FOR 2019-2020

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 implementation regulations for Long-term Water Use Efficiency and Water Supply contingency Planning (SB 606 / AB 1668) as well as implementation of the Safe Drinking Water Trust Fund and properly structured and funded Low Income Rate Assistance (AB 401) if adopted into law.

- **MWD and SDCWA Wholesale Pricing (Finance)** – Continue to 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.
- **Utility Rates and Charges (Energy)** – Closely monitor rate activities and initiatives of San Diego Gas and Electric, such as the 2019 General Rate Case. Where appropriate, monitor and participate in any CPUC proceedings on issues which have the potential to directly or indirectly impact the District’s operations, such as the Power Shut Off Proceeding and pumping and wastewater treatment costs and the long-term financial viability of the District’s renewable energy investments.
- **Renewable and Alternative Energy Resources (Energy)** – With the Comprehensive Energy Program Analysis and Strategic Plan project completed, 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.

LONG-TERM GOALS

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

- Implement the vision, adopted policies and adopted Strategic Plan of the Board of Directors;
- Oversee, monitor and assist all District departments in pursuing and meeting the Board’s vision, adopted polices 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;

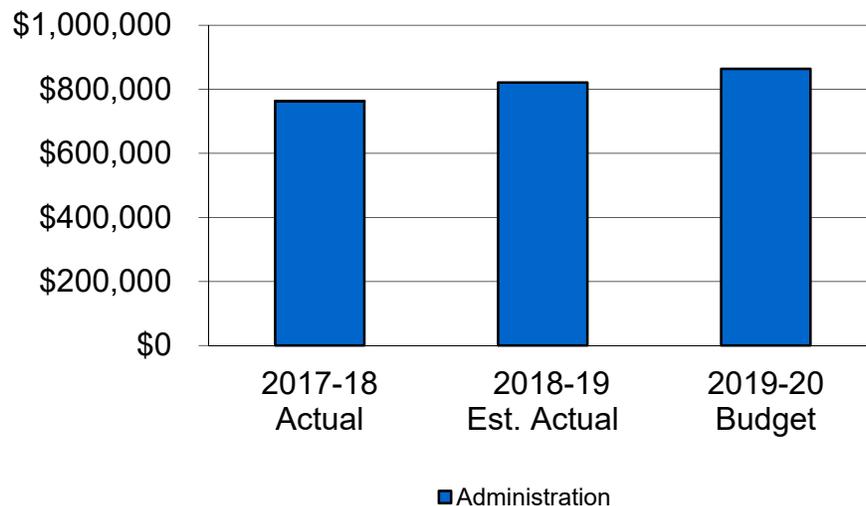
- Maintain and, where possible, enhance the efficiency of the organization by seeking out and implementing current technology and new methods to manage, operate and maintain the water and wastewater systems as cost-effectively as possible while maintaining safe, reliable and responsive service at all times;
- Develop and Implement a Capital Replacement and Improvement Program based on the updated Water Master Plan, and supported by the to be updated Long-Range Financing Plan;
- Act and advocate to preserve local financial resources for local purposes and oppose efforts by the state to impose water fees and taxes directly on the District’s customer base.
- Advocate and protect appropriate wholesale revenue and rate equity for all customer classes;
- Prepare the District for the impacts of the Long-term Water Use Efficiency and Water Supply and Contingency Planning (SD 606 & AB 1668), Water Service Interruption (SB 998) and the potential impacts of the proposed Safe Drinking Water Fund Water Tax as well as Low Income Rate Assistance (SB 401) legislation from the perspectives of staffing levels/expertise and technological 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 2018-19</i>	<i>Budget FY 2018-19</i>	<i>Proposed FY 2019-20</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	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
01	General Administration	762,785	916,452	820,888	863,559
TOTAL GENERAL ADMINISTRATION		762,785	916,452	820,888	863,559

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Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	532,137	568,900	554,500	532,900
002	Temporary Labor	0	25,000	20,000	30,000
003	Overtime	0	500	250	500
010	Training & Education	0	1,000	179	500
011	Uniform Allowance	336	340	336	340
025	Outside Professional Services	7,320	0	0	7,500
026	Legal Services	43,526	65,000	50,000	55,000
028	Printing	59	2,000	1,000	1,500
029	Books & Subscriptions	112	500	550	550
030	Special Department Expenses	9,205	19,500	15,500	24,100
031	Grant Related Expenses (Wellness)	1,753	0	3,000	1,000
033	Postage	7,990	10,000	9,000	9,700
034	Membership Fees & Dues	26,753	31,000	33,000	33,560
035	Directors' Fees	11,559	12,000	11,000	12,000
036	Directors' Travel & Expenses	7,283	8,500	7,000	8,500
037	Transportation, Meals & Travel	7,689	18,000	11,000	15,000
039	Public Information and Notices	11,394	12,000	10,000	11,500
083	Unclassified - Contingency Fund	13,443	20,000	5,000	20,000
090	Government Relations/Staff Augmentation	92,985	110,000	95,000	110,000
091	SGMA - Pauma Valley GSA	0	30,000	12,500	2,500
189	LAFCO Budget Assessment	30,126	28,100	28,061	30,000
454	Maintenance of Equipment	604	500	400	500
991	Expense Credit	(41,489)	(46,388)	(46,388)	(43,591)
	Total	762,785	916,452	820,888	863,559

General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 1.80	532,900
002	Temporary Labor	30,000
003	Overtime	500
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	500
011	Uniform/Clothing/Shoes Uniform Allowance	340
025	Outside Professional Services	7,500
026	Legal Services General Counsel's Services 55,000	55,000
028	Printing Business Cards - Master 500 Forms and Business Cards 500 Miscellaneous 500	1,500
029	Books & Subscriptions Books, newspapers, periodicals and pamphlets 550	550
030	Special Department Expenses Service Recognition Awards and Pins 8,150 Employees Retirement and Appreciation Awards 3,650 Suggestion Awards 3,000 Awards Presentation Luncheon 3,000 Staff Meeting Supplies 1,550 District Contribution - VCEA Events 2,500 Manager's Employee of the Year Award/Plaque 900 Employee of the Quarter Awards 750 Miscellaneous & Office Supplies 450 Notary Supplies 150	24,100

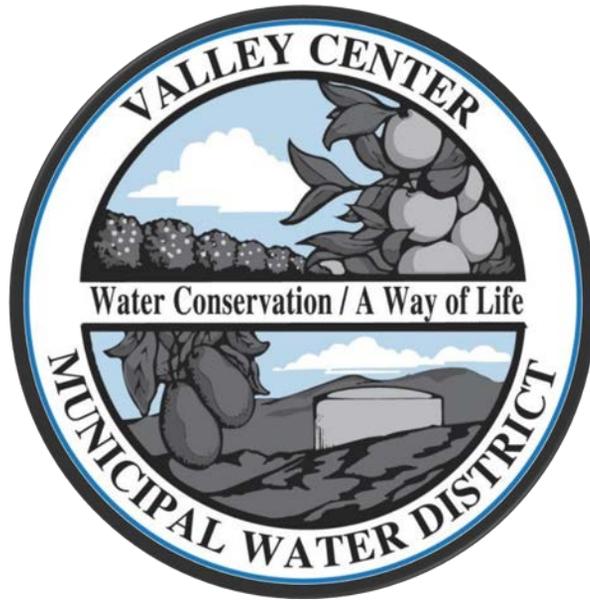
General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
031	Grant Related Expenses Wellness Grant District Contribution 1,000	1,000
033	Postage General Correspondence 8,000 Bill Insert Postage 500 Post Office Box Fees 400 Postage Chip Update 300 Postage Machine Supplies 300 Business Reply - Customer Comment Cards 100 Permit #2 Business Reply 100	9,700
034	Membership Fees & Dues Association of California Water Agencies 23,000 American Water Works Association 3,750 California Municipal Utilities Association 3,820 California Water Efficiency Partnership 2,040 Upper San Luis Rey Watershed Authority 300 California Farm Water Coalition 250 Valley Center Chamber of Commerce 150 California Special Districts Association 150 Farm Bureau, San Diego County 100	33,560
035	Directors' Fees	12,000
036	Directors' Travel & Expense Conferences/Seminars/JPIA Mtgs/ACWA Region 10	8,500
037	Transportation, Meals & Travel Conferences and Meetings 15,000	15,000

General Administration 01-01-01-50XXX

Acct. No.	Detail and Justification	Department Request
039	Public Information and Notices Water Use Efficiency Communications 5,000 Customer Information Material 2,500 Display Boards - Upkeep/revisions 2,000 Legal/Public Notices 1,500 Miscellaneous 500	11,500
083	Unclassified - Contingency Fund	20,000
090	Government Relations/Staff Augmentation	110,000
091	SGMA - Pauma Valley GSA	2,500
189	Local Agency Formation Commission (LAFCO) Budget Assessment 30,000	30,000
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	(43,591)





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 2018-2019

Strategic Plan Implementation – Technology Goal 4 – The following work was performed, increasing reliability and efficiency:

- **ERP System Upgrade:** The Enterprise Resource Planning (ERP) software upgrade was completed and is operational.
- **E-Business:** 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, 2019, there are approximately 3,772 customer accounts registered and utilizing the system, of which 726 have elected to no longer receive paper bills in the mail.
- **SCADA:** All sites have now been converted to use computer-based SCADA Human Machine Interface (HMI) software, completing all the phases of the SCADA implementation and deployment project. Old telemetry-based communication lines have been disconnected and are no longer in service.
 - 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 54 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 started 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.

CHALLENGES FOR 2019-2020

The 2019 Water Master Plan Update identified over \$77 million of repairing and replacement 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 was selected 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. Full implementation of the Data/Asset Management System will start and continue throughout Fiscal Years 2019/20 to 2021 and beyond.

GOALS FOR 2019-2020

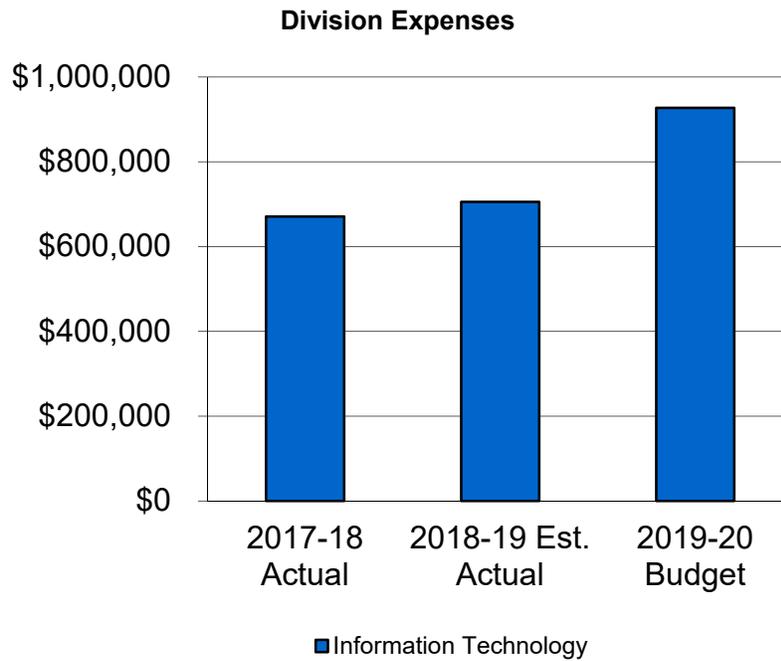
Strategic Plan Implementation – Technology Goal 4 – Increasing reliability and efficiency, we will implement the following:

- 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 2019-20, and the water control system in the corporate office scheduled for upgrade starting 2020-21 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. Deployment started during calendar year 2019.
- Data/Asset Management Software System – Staff will 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. The system has been selected, and the implementation and deployment will start and continue throughout 2019-2020, 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>Budget</i>	<i>Proposed</i>
	<i>FY 2018-19</i>	<i>FY 2018-19</i>	<i>FY 2019-20</i>
Director of Information Technology	1.0	1.0	1.0
SCADA/IT Systems Administrator	1.0	1.0	1.0
IT Specialist	0.0	0.0	1.0
Total	2.0	2.0	3.0



Div. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
13	Information Systems	670,845	758,446	705,246	926,702
TOTAL FINANCE		670,845	758,446	705,246	926,702

Information Systems 01-05-13-50XXX

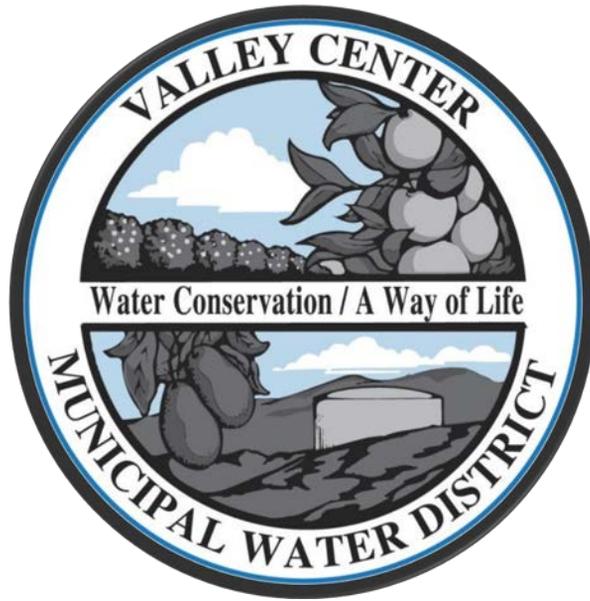
Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	569,357	595,400	582,200	764,900
003	Overtime	582	4,000	2,000	4,000
010	Training & Education	4,751	3,500	500	3,000
011	Uniform Allowance	672	675	675	680
025	Outside Professional Services	3,098	38,000	15,000	16,000
028	Printing	32,835	29,000	32,000	33,000
029	Memberships & Subscriptions	0	200	150	200
030	Special Department Expenses	26,682	25,000	23,000	25,000
032	Telephone and Communications	15,732	17,000	16,000	17,000
037	Transportation, Meals & Travel	0	500	150	500
040	Rents and Leases	11,999	12,500	12,200	12,700
341	Hazardous Waste Disposal Cost	0	500	200	500
454	Maintenance of Equipment	0	16,000	15,000	18,000
464	Outside Professional Services - HP	24,581	0	0	0
469	Maintenance Agreements & Contracts	17,329	56,000	46,000	78,000
991	Expense Credit	(36,773)	(39,829)	(39,829)	(46,778)
	Total	670,845	758,446	705,246	926,702

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.10	764,900
003	Overtime	4,000
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	3,000
011	Uniform Allowance	680
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	16,000
028	Printing	33,000
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 2,600 Repeater Site 10,100	12,700

Information Systems 01-05-13-50XXX

Acct. No.	Detail and Justification	Department Request
341	Hazardous Waste Disposal Costs	500
454	Maintenance of Equipment 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 3,000 Fire Suppression System 500 Video Surveillance Repair 3,000 Miscellaneous 1,000 Radio Repeaters 1,000	18,000
469	Maintenance Agreements and Contracts 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 Asset Management System 22,000	78,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(46,778)



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 209% 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 224% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.

ACCOMPLISHMENTS FOR 2018-19

Awards - Our 2018-19 annual budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2018 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, 2018:

- **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, 2018, was 11.0% of the total commodity cost for domestic customers and 15.0% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments (Standard 10):** For the calendar year 2018 our weighted average yield was 2.201%, below the benchmark of 2.338% by 137 basis points. This was anticipated as the market value on bonds goes down when interest rates go up, which have raised rapidly over the last year. Being that our account is on a five year ladder it will take time for older securities to mature and be reinvested at higher yields. To assist, we have shifted \$3.0M from our San Diego County Investment fund to be the higher yielding bond market. The District estimates our yield for the 2019-20 fiscal year to be 1.96%.

CHALLENGES FOR 2019-2020

The 2019 Water Master Plan Update identified over \$77 million of repairing and replacement 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 2019-2020**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, 2020, shall be no more than 15% of the total commodity cost for domestic customers and 18% for certified agricultural.

Other –

- Submit the 2019-20 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2019 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.

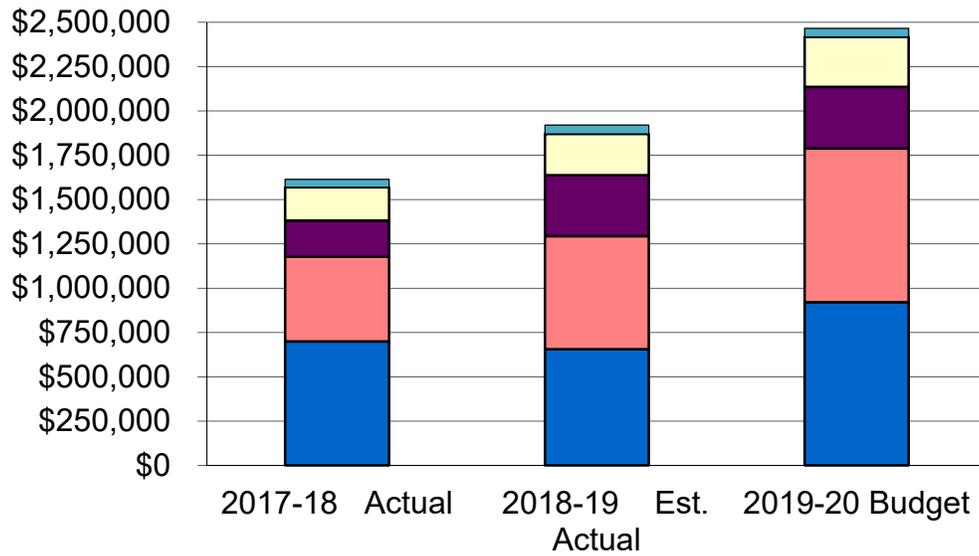
Other –

- Incorporate the results of the Integrated Resource Plan and the Cost of Service analysis into a Long-Range Financial Plan by the end of 2019-20.

Personnel Requirements (FTE's)

	<i>Actual FY 2018-19</i>	<i>Budget FY 2018-19</i>	<i>Proposed FY 2019-20</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	1.0
Human Resources Analyst	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	1.0	1.0	1.0
Administrative Assistant I	0.0	0.0	1.0
Total	7.0	7.0	9.0

Division Expenses



- Administration
- Consumer Services
- Facilities Operation
- Human Resources
- Debt Service

Div. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
11	Administration	699,898	772,009	655,249	920,986
12	Consumer Service	477,095	650,016	638,116	867,081
14	Facilities Operation	205,028	325,519	344,042	347,581
15	Human Resources	187,229	174,392	232,742	281,348
16	Salary Clearing	2,869,949	0	0	0
19	Debt Service	45,240	47,908	50,294	48,857
TOTAL FINANCE		4,484,439	1,969,844	1,920,443	2,465,853

Finance Administration 01-02-11-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	600,933	608,500	577,300	711,700
003	Temporary Labor	0	0	0	30,000
010	Overtime	12,515	15,000	10,300	10,000
011	Training & Education	0	2,500	3,470	2,500
025	Uniform Allowance	2,017	2,100	2,100	3,100
028	Outside Professional Services	100,293	158,000	85,300	180,000
029	Printing	1,974	2,500	500	2,500
030	Subscriptions and Publications	1,510	2,500	725	2,100
033	Special Department Expenses	3,530	3,200	3,735	3,250
034	Postage	69	600	100	8,150
037	Membership Fees & Dues	600	650	600	675
991	Transportation, Meals & Travel	8,750	17,000	11,660	13,500
	Expense Credit	(32,293)	(40,541)	(40,541)	(46,489)
	Total	699,898	772,009	655,249	920,986

Finance Administration 01-02-11-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.30	711,700
002	Temporary Labor	30,000
003	Overtime	10,000
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	2,500
011	Uniform Allowance	3,100
025	Outside Professional Services	180,000
	Long Range Financial Model and Cost Analysis	100,000
	Annual District Audit	28,000
	Bank Service Charges	25,000
	Proposition 218 Notification	13,000
	Actuarial Services	12,000
	Availability Charges, Computer Svcs, Notices, & Liens	2,000
028	Printing	2,500
	Checks	2,100
	Business Cards	200
	Other	200
029	Subscriptions and Publications	2,100
	GASB 68 Reports	1,400
	Government Accounting Standards Board	700
030	Special Department Expenses	3,250
	Office Supplies	2,000
	CAFR Applications and Debt Statistics	1,000
	Budget Application	250
033	Postage	8,150
	Proposition 218 Notices	8,000
	FedEx & Miscellaneous Mailings	150

Consumer Services 01-02-12-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	407,530	497,300	481,900	572,300
002	Temporary Labor	36,658	30,000	22,000	30,000
003	Overtime	14,421	25,000	8,500	20,000
025	Outside Professional Services	49,391	45,000	78,000	101,500
028	Printing	4,131	400	400	200
030	Special Department Expenses	380	350	350	350
033	Postage	45,419	51,000	45,000	51,000
037	Transportation, Meals & Travel	0	100	1,100	500
087	Write Off of Uncollectible Accounts	(54,130)	35,000	35,000	135,000
991	Expense Credit	(26,705)	(34,134)	(34,134)	(43,769)
	Total	477,095	650,016	638,116	867,081

Consumer Services 01-02-12-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 4.40	572,300
002	Temporary Labor	30,000
003	Overtime	20,000
025	Outside Professional Services ACH Processing - Civic Pay 75,000 Bill and Notice Preparation 23,000 Customer Statement Design Fees 1,500 Inserts - Programming Charges 1,000 Call-Em-All 1,000	101,500
028	Printing Business Cards 200	200
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	500
087	Write Off of Uncollectible Accounts	135,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(43,769)

Facilities Operation 01-02-14-50XXX

No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Actual	Budget
025	Outside Professional Services	4,056	3,000	2,100	2,500
027	Office Supplies	7,049	7,000	5,600	6,500
028	Printing	1,975	2,000	2,500	2,250
030	Special Department Expenses	1,164	1,500	1,600	1,600
032	Telephone/Answering Service	69,821	70,000	65,200	70,000
040	Rents & Leases	1,314	2,000	1,000	1,500
042	Insurance	74,231	193,027	217,000	212,500
045	Electricity	51,521	52,000	54,750	56,000
454	Maintenance of Equipment	325	1,950	1,250	1,550
991	Expense Credit	(6,428)	(6,958)	(6,958)	(6,819)
	Total	205,028	325,519	344,042	347,581

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
025	Outside Professional Services Record Destruction Services	2,500
	2,500	
027	Office Supplies-District Various Office Supplies, Copier Paper	6,500
028	Printing Letterhead, Business Cards, Labels, Envelopes	2,250
030	Special Department Expenses Property Taxes for Facilities Outside the District County Vector Control Assessment	1,600
	800	
	800	
032	Telephone/Answering Service Telephone Cellular Service Answering Service	70,000
	22,000	
	36,000	
	12,000	
040	Rents & Leases Postage Machine Print Head Storage of Application Files	1,500
	750	
	750	
042	Insurance General Liability Property Damage and Fidelity Coverage Other Self Insured Retention Less Amount Charged to Sewer Funds	212,500
	183,300	
	58,500	
	5,000	
	(34,300)	
045	Utilities-Electricity Electricity for Administration, Board Room Multipurpose Room, and Engineering Annex I & II	56,000

Facilities Operation 01-02-14-50XXX

Acct. No.	Detail and Justification	Department Request
454	Maintenance of Equipment Postage Machine and Scale 900 Letter Opener and Folder 200 Currency Counter 250 Other 200	1,550
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(6,819)

Human Resources 01-02-15-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor and Benefits - Regular	189,208	168,900	230,000	279,900
003	Overtime	0	250	150	250
010	Training & Education	0	500	350	500
025	Outside Professional Services	5,934	3,500	4,500	5,850
026	Legal Services	0	5,000	2,500	3,000
030	Special Department Expenses	64	1,000	1,300	1,250
034	Membership Fees & Dues	350	400	400	800
037	Transportation, Meals & Travel	1,045	4,000	2,700	4,000
991	Expense Credit	(9,372)	(9,158)	(9,158)	(14,202)
	Total	187,229	174,392	232,742	281,348

Human Resources 01-02-15-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.40	279,900
003	Overtime	250
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	500
025	Outside Professional Services Employee Assistance Program 2,100 Employment Background Checks 1,000 State Mandated Sexual Harassment Training 750 Other 2,000	5,850
026	Legal Services Personnel, Benefits, and Retirees' Health Plan	3,000
030	Special Department Expenses Flu-Shots 900 Other 350	1,250
034	Membership Fees and Dues California Public Employees Labor Relations Association (CALPELRA) 800	800
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	(14,202)

Salary Clearing 01-02-16-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor	6,196,613	6,266,185	6,239,750	6,771,601
002	Interns and Temporary Labor	36,658	0	61,200	95,800
003	Overtime	296,473	361,800	276,219	313,250
004	Unemployment Insurance	9,945	11,600	11,100	9,900
005	Retirement	2,067,606	2,334,500	2,231,900	2,572,500
006	Medicare	92,681	99,900	93,100	105,900
007	Medical	1,189,974	1,553,790	1,186,343	1,551,835
008	Worker's Compensation	131,682	139,000	133,300	148,000
009	Life and Disability Insurance	119,538	132,200	131,300	147,500
012	Vacation/Sick/Holiday Leave	991,695	1,084,200	1,084,200	1,163,900
013	Increase in Value Of Accrued Leave	66,872	46,700	146,200	49,500
015	Dental	68,289	73,000	81,400	82,300
016	Vision	11,399	12,600	11,200	13,500
017	Retirement Health Deferred Cont.	9,851	17,100	9,300	25,000
018	Post Retirement Health Benefit	0	556,404	556,404	612,044
019	Social Security	2,941	7,900	1,900	5,100
070	Pension Expense (Contra)	2,443,785	0	0	0
080	OPEB Expense	426,164	0	0	0
991	Expense Credit - Leave	(991,695)	(1,084,200)	(1,084,200)	(1,163,900)
991	Expense Credit	(10,300,522)	(11,612,679)	(11,170,616)	(12,503,730)
	Total	2,869,949	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 70.00	6,771,601
002	Interns and Temporary Labor	95,800
003	Overtime	313,250
004	Unemployment Insurance Federal mandated program - 1.9% of first \$7,000.	9,900
005	Retirement District Contribution to CalPERS.	2,572,500
006	Medicare 1.45% of base pay plus overtime on all employees hired after April 1, 1986.	105,900
007	Medical Preferred Provider or Health Maintenance Organization	1,551,835
008	Workers Compensation Required program to provide compensation and medical costs in the event of injury on the job.	148,000
009	Life and Disability Insurance Life and Accidental Death and Dismemberment 109,100 Long-Term Disability 38,400	147,500
012	Vacation / Sick / Holiday Leave	1,163,900
013	Increase in Value of Accrued Leave Generally Accepted Accounting Principles requires the District to fund accrued leave at current value at year end.	49,500

Salary Clearing 01-02-16-50XXX

Acct. No.	Detail and Justification	Department Request
015	Dental Insurance District paid for employee and dependents.	82,300
016	Vision Insurance District paid for employee and dependents.	13,500
017	Retirement Health, Defined Contribution Plan	25,000
018	Post Retirement Health Annual required contribution to defined benefit plan.	612,044
010	Social Security	5,100
991	Expense Credit - Leave	(1,163,900)
991	Expense Credit	(12,503,730)

Training 01-02-18-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
110	General and Administration	0	1,000	179	500
111	Finance Administration	0	2,500	3,470	2,500
112	Consumer Services	0	0	0	0
113	Information Technology	4,751	3,500	500	3,000
115	Human Resources	0	500	350	500
121	Engineering Administration	4,532	8,750	9,000	11,550
122	Planning & Design	0	0	0	0
123	Public Services	0	0	0	0
131	Field Administration	23,696	30,000	20,000	22,000
188	GIS Maps & Records	0	0	0	0
991	Expense Credit	(32,979)	(46,250)	(33,499)	(40,050)
	Total	0	0	0	0

Training 01-02-18-50XXX

Acct. No.	Detail and Justification	Department Request
110	General Administration Seminars & Workshops 500	500
111	Finance Administration Accounting Education 1,700 Accounting Updates 800	2,500
113	Information Technology Software Training Tuition Reimbursement 3,000	3,000
115	Finance - Human Resources Miscellaneous Training 500	500
121	Engineering Administration Management Training 6,800 ACWA/JPIA Leadersip Training 2,500 Continuing Education 1,500 ACWA/JPIA Supervisory Training 750	11,550
131	Field Administration Customer Service 500 Backflow/Cross Connection 600 Cla-valve 550 Heavy Equipment 700 Trenching/Shoring 550 Water Quality 500 Electric 2,000 Pump Training 550 Computer 550 Continuing Education 9,000 Technology Classes 2,700 Supervisor Certification 550 Energy Management/Preparedness 550 Wastewater Technical Classes 800 Collection Systems 200 Safety 1,700	22,000
991	Expense Credit	(40,050)

Debt Service 01-02-19-50XXX

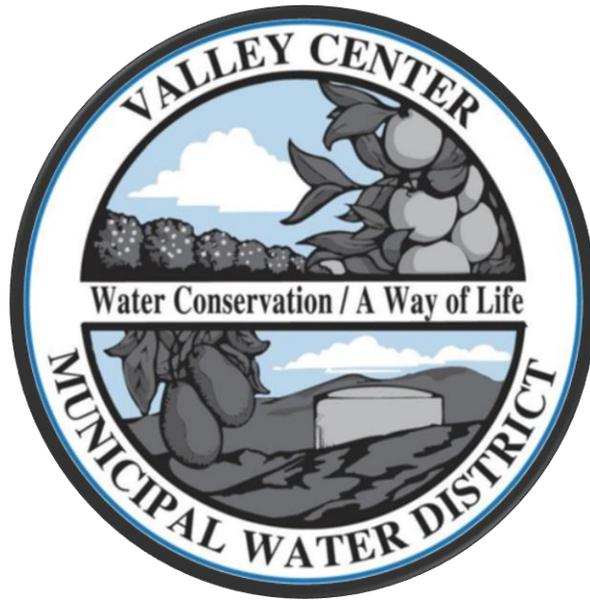
Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
071	Interest on Debt	45,240	47,908	50,294	48,857
	Total	45,240	47,908	50,294	48,857

SOURCE OF FINANCING

Water Availability Charge/Other	45,240	47,908	50,294	48,857
Total	45,240	47,908	50,294	48,857

**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	\$74,173.23	1.60%	\$24,977.65	\$99,150.88
7/01/2019	6	\$73,834.08	1.60%	\$25,316.80	\$99,150.88
1/01/2020	7	\$74,424.76	1.60%	\$24,726.12	\$99,150.88
7/01/2020	8	\$75,020.15	1.60%	\$24,130.73	\$99,150.88
1/01/2021	9	\$75,620.32	1.60%	\$23,530.56	\$99,150.88
7/01/2021	10	\$76,225.28	1.60%	\$22,925.60	\$99,150.88
1/01/2022	11	\$76,835.08	1.60%	\$22,315.80	\$99,150.88
7/01/2022	12	\$77,449.76	1.60%	\$21,701.12	\$99,150.88
1/01/2023	13	\$78,069.36	1.60%	\$21,081.52	\$99,150.88
7/01/2023	14	\$78,693.91	1.60%	\$20,456.97	\$99,150.88
1/01/2024	15	\$79,323.47	1.60%	\$19,827.41	\$99,150.88
7/01/2024	16	\$79,958.05	1.60%	\$19,192.83	\$99,150.88
1/01/2025	17	\$80,597.72	1.60%	\$18,553.16	\$99,150.88
7/01/2025	18	\$81,242.50	1.60%	\$17,908.38	\$99,150.88
1/01/2026	19	\$81,892.44	1.60%	\$17,258.44	\$99,150.88
7/01/2026	20	\$82,547.58	1.60%	\$16,603.30	\$99,150.88
1/01/2027	21	\$83,207.96	1.60%	\$15,942.92	\$99,150.88
7/01/2027	22	\$83,873.62	1.60%	\$15,277.26	\$99,150.88
1/01/2028	23	\$84,544.61	1.60%	\$14,606.27	\$99,150.88
7/01/2028	24	\$85,220.97	1.60%	\$13,929.91	\$99,150.88
1/01/2029	25	\$85,902.74	1.60%	\$13,248.14	\$99,150.88
7/01/2029	26	\$86,589.96	1.60%	\$12,560.92	\$99,150.88
1/01/2030	27	\$87,282.68	1.60%	\$11,868.20	\$99,150.88
7/01/2030	28	\$87,980.94	1.60%	\$11,169.94	\$99,150.88
1/01/2031	29	\$88,684.79	1.60%	\$10,466.09	\$99,150.88
7/01/2031	30	\$89,394.27	1.60%	\$9,756.61	\$99,150.88
1/01/2032	31	\$90,109.42	1.60%	\$9,041.46	\$99,150.88
7/01/2032	32	\$90,830.29	1.60%	\$8,320.59	\$99,150.88
1/01/2033	33	\$91,556.94	1.60%	\$7,593.94	\$99,150.88
7/01/2033	34	\$92,289.39	1.60%	\$6,861.49	\$99,150.88
1/01/2034	35	\$93,027.71	1.60%	\$6,123.17	\$99,150.88
7/01/2034	36	\$93,771.93	1.60%	\$5,378.95	\$99,150.88
1/01/2035	37	\$94,522.10	1.60%	\$4,628.78	\$99,150.88
7/01/2035	38	\$95,278.28	1.60%	\$3,872.60	\$99,150.88
1/01/2036	39	\$96,040.51	1.60%	\$3,110.37	\$99,150.88
7/01/2036	40	\$96,808.83	1.60%	\$2,342.05	\$99,150.88
1/01/2037	41	\$97,583.30	1.60%	\$1,567.58	\$99,150.88
7/01/2037	42	\$98,363.87	1.60%	\$786.91	\$99,150.78
Total		\$3,368,992.00		\$577,784.58	\$3,946,776.58



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 2018-2019

Performance Measurement Standards:

▪ **Project Actual Cost (Standard No. 6):**

Engineering staff goal is to have actual project costs within ±10% of the engineer’s estimate.

- The District completed construction contracts in FY 2018/19 as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Wilkes Road Paving Repair	85,000	82,214	0	82,214	(3.3%)
Red Mountain Painting & Recoating	180,000	117,300	47,926	165,226	(8.2%)
Betsworth Forebay No. 1 Painting & Recoating	200,000	212,900	10,735	223,635	11.8%
Red Mountain Reservoir Paving Repair	15,000	15,814	0	15,814	5.4%
FY 2018/19 Totals	\$480,000	\$428,228	\$58,661	\$486,889	1.4%

- 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 2019. The current project contract amounts are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Via Cantamar/Reidy Canyon Res. No. 1 Painting & Recoating	632,000	584,809	0	584,809	(7.5%)
North Village Collection System	2,357,000	2,277,900	29,320	2,307,220	(2.1%)
Rimrock Low Pressure Sewer Upgrades	400,000	823,050	0	823,050	105.8%
FY 2018/19 Totals	\$3,389,000	\$3,685,759	\$29,320	\$3,715,079	9.6%

▪ **Water Supply - Goal 1:**

- 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 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.
- Completed 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 Red Mountain Reservoir Painting & Recoating Project; one of the District's 38 steel water storage reservoirs, in keeping with annual maintenance recommendations to recoat the reservoirs every 15 – 20 years.
- Completed the Betsworth Forebay Reservoir No. 1 Reservoir Painting & Recoating Project; one of the District's 38 steel water storage reservoirs, in keeping with annual maintenance recommendations to recoat the reservoirs every 15 – 20 years.
- Completed the Wilkes Road Paving Project, thus completing the Wilkes Road Pipeline Project.

▪ **Technology - Goal 4:**

Geographical Information System - Continued routine maintenance of the GIS, keeping facility data current and reliable for internal use. Provided GIS support for the Cityworks implementation project.

Other Projects and Services: Services provided in FY 2018 - 2019 through April 2019 include:

- Processed applications and released for installation 25 domestic water meters; 37 fire service meters; 6 meter resizes; 12 meter relocations; 24 construction meters; and pulled 1 meter.
- Managed and administrated 61 Agency Clearance letters; 11 Project Availability and Commitment letters; 4 Special Projects; and 4 wastewater system connections.
- Marked out and processed 1,597 underground service alert requests.
- Identified 1 new right-of-way violation and resolved 2; processed 10 new encroachments and issued 6 encroachment permits.
- Processed 7 communication company lease site installations and upgrades.

CHALLENGES FOR 2019-2020

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 2019-2020

Strategic Plan Implementation:

Water Supply – Goal 1:

- Complete design and construction 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 2:

- 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 manage the funding, design, construction, inspection and acceptance of recommended 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 North Village Collection System.
- Assist property owner participants in the Village Areas with connection to the Woods Valley Ranch Collection System.
- Complete the Lower Moosa Canyon Wastewater Master Plan Update to accommodate the full build out of the service area. Work with the local 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 and obtain Bureau of Reclamation approval of the Lower Moosa Canyon WRF Title XVI Feasibility Study to evaluate the reclamation projects utilizing the plant effluent for either Title 22 recycled water irrigation or Indirect Potable Reuse with a multi-agency brine disposal line allowing submittal of a feasible reclamation project for future Construction Grant Funding..
- Complete Preliminary Design Report and schedule the replacement the Lower Moosa Canyon WRF's aging Motor Control Center.
- Complete planning and design review of off-site water and wastewater infrastructure improvements for the Meadowood Development.
- Continue to pursue funding opportunities for infrastructure replacement and local water supply projects.
- Complete the painting and recoating of the reservoirs recommended for FY 2019-20 and complete the replacement of the Ridge Ranch Interim Reservoir and demolition of the Jesmond Dene Reservoir.
- Continue to coordinate with the County of San Diego and complete the pipeline replacement design for 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 2020, delaying the need to start the pipeline design to late FY 2018-19.

Technology - Geographical Information System (GIS) - Goal 4: 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.

Technology - Computer Aided Drafting (CAD) Document Management (DM) System – Goal 4: 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 4: 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 4: 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 5: Assist in the design, review, and installation of energy efficient pump assemblies.

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

Other Goals:

- Update the existing Woods Valley Ranch WRF and Lower Moosa Canyon WRF Operation and Maintenance Manuals 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.
- 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.

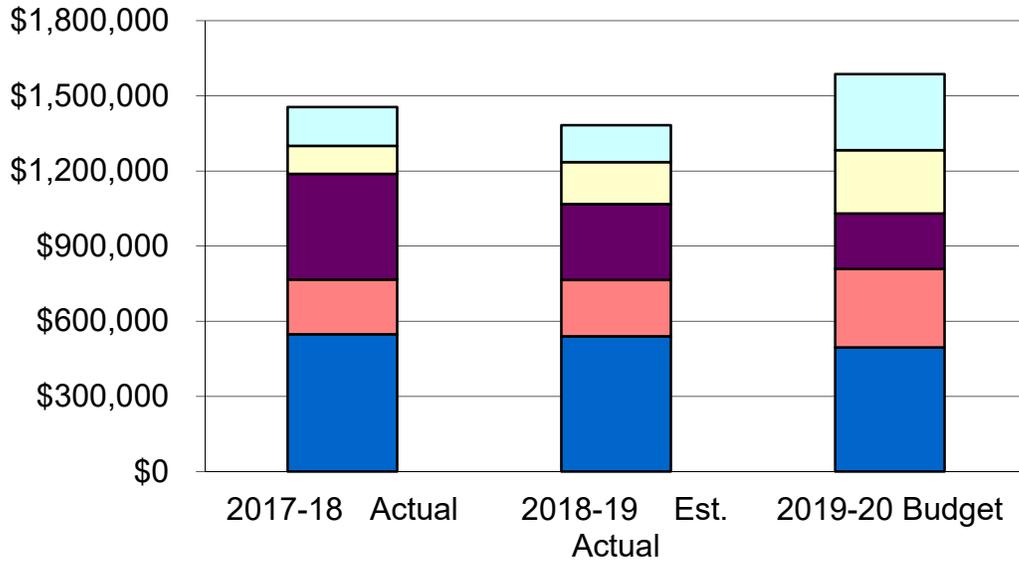
LONG-TERM GOALS

- 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 2018-19</i>	<i>Budget FY 2018-19</i>	<i>Proposed FY 2019-20</i>
District Engineer/Deputy General Manager	1.0	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Project Manager/Deputy Engineering Dept. Director	1.0	1.0	1.0
Project Manager	1.0	1.0	1.0
GIS/Engineering Services Supervisor	1.0	1.0	0.0
Senior Administrative Assistant	1.0	1.0	1.0
Administrative Assistant II	1.0	1.0	1.0
Administrative Assistant I	1.0	1.0	1.0
Senior Engineering Technician	1.0	1.0	1.0
Engineering Technician III	0.0	0.0	2.0
Engineering Technician II	1.0	2.0	1.0
GIS Analyst	1.0	1.0	1.0
Construction Inspector	1.0	1.0	2.0
	12.0	13.0	14.0

Division Expenses



- Administration
- Planning
- GIS/Public Services
- Encroachments & Locates
- Design/Construction

Div. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
21	Administration	547,898	539,685	539,960	495,536
22	Planning	218,845	407,406	224,906	313,286
23	GIS/Water Conservation	421,814	342,542	302,612	221,613
24	Encroachments & Locates	111,768	185,889	167,689	252,552
28	Maps & Records	154,552	198,644	147,269	303,719
TOTAL ENGINEERING		1,454,877	1,674,166	1,382,436	1,586,706

Engineering Administration 01-03-21-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	531,850	532,600	540,000	484,100
003	Overtime	3,102	1,500	2,000	800
010	Training & Education	4,532	8,750	9,000	11,550
011	Uniforms/Shoes	4,159	5,600	5,600	6,500
026	Legal Services	11,436	7,500	3,000	7,500
028	Printing	229	275	100	200
029	Books & Subscriptions	502	1,000	500	1,100
030	Special Department Expenses	12,640	7,000	2,500	5,000
034	Membership Fees & Dues	3,091	3,000	3,200	3,000
037	Transportation, Meals & Travel	2,055	800	2,400	800
085	Capital Planning	0	0	0	0
991	Expense Credit	(25,698)	(28,340)	(28,340)	(25,014)
	Total	547,898	539,685	539,960	495,536

Engineering Administration 01-03-21-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 2.70	484,100
003	Overtime	800
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	11,550
011	Uniforms/Shoes	6,500
026	Legal Services	7,500
028	Printing Reports and Business Cards	200
029	Books & Subscriptions AWWA Standards Update 250 Standard Specifications for Public Works 200 Technical Journals, Publications, Software 350 Engineering News Record 200 Miscellaneous 100	1,100
030	Special Department Expenses General Office Supplies 1,680 Parcel Quest - Online Property Search Tool 2,400 SD County Assessor's Maps 300 Miscellaneous Supplies and Equipment 620	5,000

Planning 01-03-22-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	205,944	348,800	215,000	298,400
002	Temporary Labor	0	22,000	0	0
003	Overtime	0	500	500	500
025	Outside Professional Services	25,540	38,000	25,000	20,000
028	Printing	0	500	0	0
030	Special Department Expenses	5	0	0	400
037	Transportation, Meals & Travel	118	1,800	1,800	2,400
459	Software Technical Support	3,450	9,200	4,000	7,400
991	Expense Credit	(16,212)	(21,394)	(21,394)	(15,814)
Total		218,845	399,406	224,906	313,286

Planning 01-03-22-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.20	298,400
003	Overtime	500
025	Outside Professional Services Water/Sewer Model Interface & Evaluations 20,000	20,000
030	Special Department Expenses Project Management Supplies and Equipment 400	400
037	Transportation, Meals & Travel	2,400
459	Software Technical Support Adept Document Management 3,000 Info Water 2,400 Info Sewer 2,000	7,400
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(15,814)

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

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	385,971	266,600	280,000	129,400
002	Interns & Temporary Labor	0	25,000	0	25,000
003	Overtime	3,275	3,500	1,200	750
025	Outside Professional Service	0	28,000	0	10,000
028	Printing	0	100	0	0
029	Books & Subscriptions	0	150	0	150
030	Special Department Expenses	21,401	500	2,500	25,500
034	Membership Fees & Dues	0	400	400	400
037	Transportation, Meals & Travel	154	780	500	600
184	Water Conservation Program	12,512	25,000	16,000	16,000
459	Software Technical Support	17,104	18,500	20,000	25,000
991	Expense Credit	(18,603)	(17,988)	(17,988)	(11,187)
	Total	421,814	350,542	302,612	221,613

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.70	129,400
002	Interns & Temporary Labor	25,000
003	Overtime	750
025	Outside Professional Service GIS Application Support 10,000	10,000
029	Books & Subscriptions Technical Journals and Magazines 150	150
030	Special Department Expenses Aerial Imagery 25,000 Office Supplies 500	25,500
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	600

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

Acct. No.	Detail and Justification	Department Request
184	Water Conservation Program Splash Science School Mobile Lab 2,700 Water Conservation Materials 2,400 Green Machine 2,000 WaterSMART Field Services Program 2,700 Landscape Irrigation Classes 400 California Urban Water Conservation Counsel Dues 1,200 Printing 1,300 Public Outreach 1,300 Water Education Programs - Poster Contest 1,000 School Program 1,000	16,000
459	Software Technical Support Small Utilities Enterprise Agreement 25,000	25,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(11,187)

Encroachments & Locates 01-03-24-50XXX

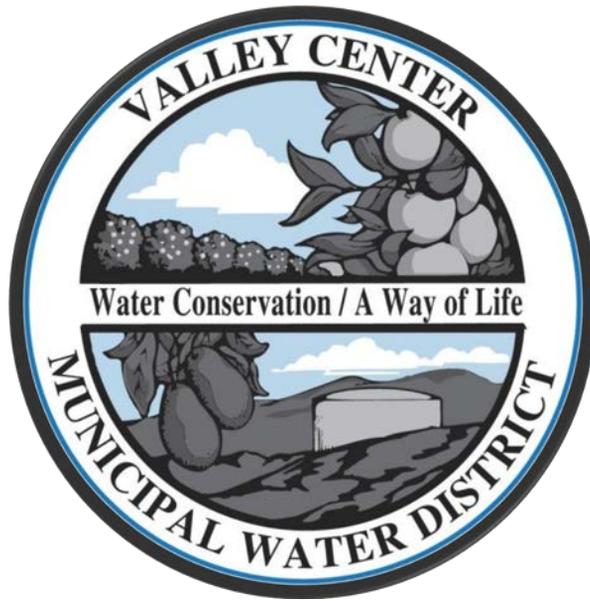
Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	117,121	167,400	135,000	250,000
003	Overtime	475	1,000	1,000	750
025	Outside Professional Services	1,789	6,750	6,750	6,750
026	Legal Services	0	2,500	18,000	4,000
030	Special Department Expenses	5,418	14,700	14,700	2,500
037	Transportation, Meals & Travel	0	300	0	300
454	Maintenance of Equipment	0	1,000	0	1,000
459	Software Technical Support	0	2,000	2,000	0
991	Expense Credit	(13,035)	(9,761)	(9,761)	(12,748)
	Total	111,768	185,889	167,689	252,552

Maps & Records 01-03-28-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	163,367	167,400	140,000	297,000
002	Interns and Temporary Labor	0	20,000	0	10,000
003	Overtime	0	1,500	0	2,250
010	Training & Education	0	0	0	0
025	Outside Professional Services	0	10,000	10,000	0
028	Printing	0	750	500	0
029	Books & Subscriptions	0	100	0	150
030	Special Department Expenses	1,296	2,000	1,000	2,000
037	Transportation, Meals & Travel	0	600	0	600
454	Maintenance of Equipment	1,151	1,000	2,200	1,500
459	Software Technical Support	0	5,725	4,000	5,550
991	Expense Credit	(11,262)	(10,431)	(10,431)	(15,331)
	Total	154,552	198,644	147,269	303,719

Maps & Records 01-03-28-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.65	297,000
002	Interns and Temporary Labor	10,000
003	Overtime	2,250
029	Books & Subscriptions	150
030	Special Department Expenses Drafting Office Supplies 200 Mylar Film and Plotter Paper 600 Plotter Ink 1,200	2,000
037	Transportation, Meals & Travel	600
454	Maintenance of Equipment	1,500
459	Software Technical Support AutoCAD Software 3-SLM 3,130 AutoCAD Software 1-ELD 2,420	5,550
991	Expense Credit Reimbursement from Sewer Funds	(15,331)



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.

Safety & Regulatory Compliance - 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. It also monitors and assists the District in complying with all applicable federal, state and county regulations and requirements. For 10 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 \$653,771. 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 received a discounted rate in premiums for the Worker's Compensation and Liability Insurance Programs which has resulted in additional savings of \$751,974 over the past 10 years. Combined, the District has received refunds and lower insurance premiums of \$1,405,745. In addition, the District Security Division administers the implementation of the recommended measures from the vulnerability assessment for incorporation throughout the District's facilities, via the SCADA network.

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

Operations - Wastewater - The Wastewater Division is responsible for the operation and maintenance of the Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Wastewater Treatment Plant. This includes performing tests and making the necessary adjustments to meet Regional Water Quality Control Board effluent standards. The Moosa laboratory performs daily 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 25, 2019, there were 10,168 active meters, of which 1,188 are fire meters, and 4,618 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 2018-2019

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 2018 was 1,080.9 acre feet, 5.3% of total water sold. Through a service agreement with CAL Fire, the District cleared 31 remote easements to improve leak detection and system surveillance measures. The District will continue to work on strategies and procedures to further reduce the "unknown water loss" in the next measurement period by implementing a meter testing program to evaluate meter accuracies and efficiencies.
- **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 2018-19 pump efficiency testing provided a result of 106% above the designed efficiency standard.
- **Water Service Reliability (Standard 7):** was 99.999% for calendar year 2018.
- **Compliance with Regulations (Standard 8):** The District was compliant with all state and federal regulations.
- **Lost-time Accidents (Standard 9):** The District had one lost-time accident in calendar year 2018.
- **Vulnerability Assessment-** Staff has applied the necessary security upgrades and improvements within the construction of SCADA Phases III through VII. For Fiscal Year 2019-20, security cameras will

be installed at various locations to provide greater graphical surveillance and response.

▪ **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 was completed in the 2018-19 Fiscal Year for all remote SCADA sites. 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. Staff has also explored a number of Power Purchase Agreements (PPA) or a lease option at various locations and facilities throughout our service area to reduce our overall energy expenses.

Other Projects:

- Retrofitted 7 existing fire hydrants on Betsworth Road with automated shut-off valves to reduce water loss and potential property damage.
- Replaced a faulty 24" horizontal gate valve at the Betsworth Forebay on the 30" high pressure discharge line.
- Purchased and outfitted two half ton replacement trucks.
- Completed smog testing on 12 vehicles, opacity testing on 11 trucks and APCD emission testing on all 8 natural gas engines.
- Load tested 14 Emergency Back-up Generators.
- Constructed new inlet/outlet piping at Kornblum Reservoir to aid water circulation and improve water quality within the Kornblum service area.
- Satin sealed the asphalt paving at 10 reservoirs, pressure reducing stations, and pump station sites.
- Cleaned, pressure washed, and inspected 10 steel tank reservoirs and inspected and cleaned three floating cover 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 F, to include a number of appurtenance repairs and upgrades.
- Completed dead-end line flushing requirement.

CHALLENGES FOR 2019-2020

- 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.

- 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 2019-2020

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
- **Safety & Regulatory Compliance (Standard 8):** Continue to review safety policies and procedures to maintain safe work practices. Review accidents and near misses and make safety recommendations as necessary. Continue to monitor new or updated regulatory requirements implemented by the State Water Resource Control Board, Air Pollution Control District and other regulatory agencies, to maintain compliance with all state and federal regulations.
- **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 2019-2020, recondition upgrades are planned for the pumps at Paradise Pump Station, Couser Pump Station, Lilac Pump Station and Betsworth Forebay 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.
- **Advanced Metering Infrastructure:** Staff will also implement an Advanced Metering Infrastructure System (AMI) in the central valley area in preparation of future development that will provide the ability to remotely monitor meter usage and provide customers with real-time usage and leak detection capabilities. A new AMI ¾" meter features a remote turn-on, turn-off or restricted use capability, further

increasing staff efficiencies and productivity.

Other Goals:

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- 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 G & H 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 12 facilities throughout the District.
- Continue to build and install internal mixing units at selected 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.
- Continue 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) in the Central Valley to coincide with the large development projects scheduled to start in Fiscal Year 2019-20.
- Develop a meter testing and evaluation program to reduce water loss via meter inaccuracies.
- Create additional online safety training classes for new employees and retraining of staff.

LONG TERM GOALS

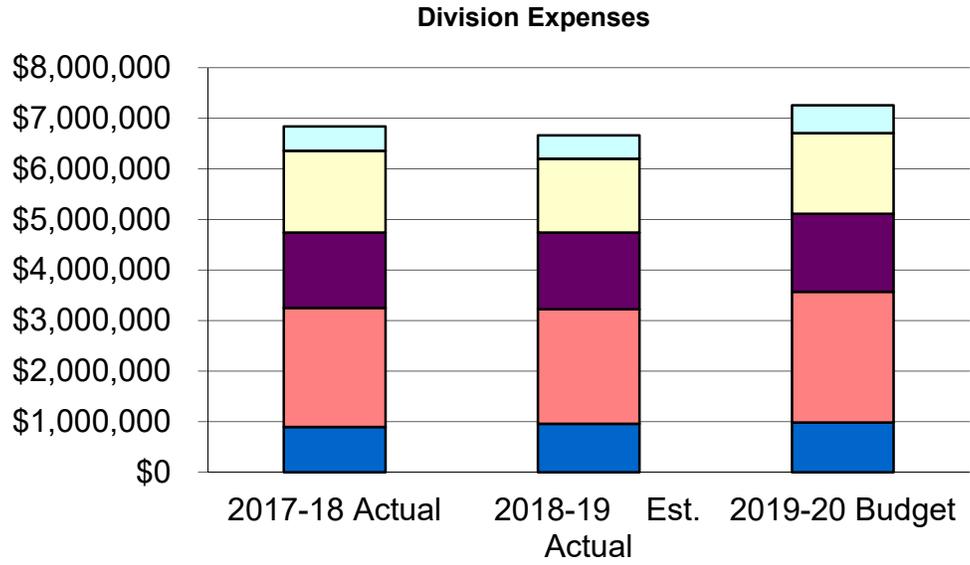
- Continue upgrading of the District's pump and corporate facilities to improve energy efficiencies (Standard V).
- Continue to train and develop District personnel to meet the District's future succession planning demands.
- Re-establish easement maintenance and meter maintenance programs throughout 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</i> FY 2018-19	<i>Budget</i> FY 2018-19	<i>Proposed</i> FY 2019-20
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
Senior Construction Maintenance Tech	3.0	3.0	3.0
Construction Maintenance Technician III	4.0	4.0	4.0
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	1.0	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	0.0	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	1.0	1.0
Pump Facilities Technician I	1.0	1.0	1.0
Senior Water Systems Technician	1.0	1.0	1.0
Water Systems Technician III	3.0	3.0	3.0
Water Systems Technician I	1.0	1.0	1.0
Total	35.0	36.0	36.0



- Administration
- Construction & Maintenance
- Operations
- Meters
- Vehicle & Equipment Maintenance

Div. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
	ADMINISTRATION				
31	Field Administration	416,296	419,329	420,504	422,017
32	Safety & Regulatory Compliance	238,761	238,667	241,267	249,601
33	Landscape & Paving Maintenance	148,891	209,403	216,273	225,326
34	District Security	90,258	96,864	79,638	85,247
	Total Administration:	894,206	964,263	957,682	982,191
	OPERATIONS				
42	System Operation	809,040	820,700	711,400	859,300
43	SCADA	154,033	248,100	136,110	237,800
44	Treatment	78,889	68,900	66,050	78,000
45	Automatic Valves	88,870	95,900	84,300	103,900
46	Reservoir Maintenance	449,375	287,800	261,766	252,000
47	Pump Maintenance	185,369	383,600	350,289	322,600
48	Motor Maintenance & Electric Panels	490,275	552,300	557,917	623,900
49	Quality Control	97,953	126,500	98,850	109,200
	Total Operations:	2,353,804	2,583,800	2,266,682	2,586,700
	CONSTRUCTION & MAINTENANCE				
53	Pipeline and Right-of-Way Maint.	696,420	697,200	628,225	734,900
54	Corporate Facilities Maintenance	96,148	119,698	127,527	106,428
55	Valve Maintenance & Location	700,948	662,800	762,352	701,000
	Total Construction & Maintenance:	1,493,516	1,479,698	1,518,104	1,542,328
	METERS				
61	Meter Installation	141,015	189,150	120,553	147,750
62	Meter Reading	36,561	75,100	49,100	74,250
63	Service Connection Maintenance	1,238,599	1,117,900	1,146,063	1,167,600
65	Backflow Maintenance	200,399	269,600	142,500	207,200
	Total Meters:	1,616,574	1,651,750	1,458,216	1,596,800
71	Vehicle & Equipment Maintenance	481,411	539,900	462,820	549,700
	TOTAL FIELD OPERATIONS	6,839,511	7,219,411	6,663,504	7,257,719

Field Administration 01-04-31-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	363,968	357,600	371,100	366,900
003	Overtime	75	750	250	500
010	Training & Education	22,745	30,000	20,000	22,000
011	Uniform/Clothing/Shoes	37,339	38,500	37,000	38,500
028	Printing	671	500	1,300	1,500
030	Special Department Expenses	2,733	3,000	1,500	1,500
032	Automated Telephone Dial Service	742	2,000	500	1,000
033	Postage	10	150	75	75
034	Memberships, Fees and Dues	269	350	300	350
037	Transportation, Meals & Travel	10,308	7,500	10,000	10,000
038	Regulatory Permits & Fees	(1,562)	1,000	500	1,000
991	Expense Credit	(21,002)	(22,021)	(22,021)	(21,308)
	Total	416,296	419,329	420,504	422,017

Field Administration 01-04-31-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.58	366,900
003	Overtime	500
010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	22,000
011	Uniform/Clothing/Shoes Uniforms for Field Personnel 28,000 Safety Shoes 8,500 Hats 1,000 Sweatshirts 500 Jackets 500	38,500
028	Printing General Printing 1,500	1,500
030	Special Department Expenses Office Supplies 1,000 Miscellaneous Equipment 500	1,500
032	Automated Telephone Dial Service for scheduled SDCWA shutdowns	1,000
033	Postage General Postage 75	75
034	Memberships, Fees and Dues Miscellaneous 350	350
037	Transportation, Meals & Travel San Diego County Water Works Group Meetings 1,000 After Hour Meals 7,000 Joint Power Insurance Authority Meetings 2,000	10,000

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	(21,308)

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

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	213,364	209,800	211,900	209,700
003	Overtime	3,235	1,500	3,000	3,000
014	Employee Physicals	8,386	9,000	8,500	9,000
025	Outside Professional Service	5,653	12,500	12,000	22,100
030	Special Department Expenses	17,268	17,000	17,000	17,000
034	Memberships, Fees and Dues	1,405	1,400	1,400	1,400
991	Expense Credit	(10,550)	(12,533)	(12,533)	(12,599)
Total		238,761	238,667	241,267	249,601

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalent 1.01	209,700
003	Overtime	3,000
014	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 Confined Space Standby 10,000 Industrial Hygiene Services 5,500 Fire Extinguisher Testing 2,800 Material Safety Data Sheets On-line 2,000 DOT Administration Fee 800 Electrical Personal Protective Equipment Testing 800 Automated External Defibrillator Compliance Program 200	22,100
030	Special Department Expenses Safety Protection Equipment 5,000 First Aid Equipment 2,000 Rain Gear & Safety Vests 2,000 Emergency/First Aid Supplies 2,000 Safety Materials 1,500 Miscellaneous 1,400 Respirator Replacements 800 Safety Signs 800 Fall Protection Harness Replacement 500 Fire Extinguisher Replacement 500 Fall Protection Rescue Equipment 500	17,000

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 2.00	218,200
003	Overtime	500
025	Outside Professional Services Tree Trimming and Turner Dam Cattail Control 5,000 Lilac Property Mowing 3,500 Pre-Emergent spray of station/facilities 1,500	10,000
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	(11,374)

District Security 01-04-34-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	83,053	79,400	66,100	67,000
025	Outside Professional Service	413	5,000	3,000	5,000
030	Special Department Expenses	514	2,000	1,100	2,000
034	Memberships, Fees and Dues	499	550	524	550
452	Maintenance of Facilities	10,336	15,000	14,000	15,000
991	Expense Credit	(4,557)	(5,086)	(5,086)	(4,303)
Total		90,258	96,864	79,638	85,247

District Security 01-04-34-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 0.32	67,000
025	Outside Professional Servics	5,000
030	Special Department Expenses EOC Supplies 1,000 Security Supplies 350 Emergency Satellite Television Fees 350 Office Supplies 300	2,000
034	Memberships, Fees and Dues Water Information Sharing and Analysis Center	550
452	Maintenance of Facilities Security Gate Maintenance 10,000 Cameras (Stationary and PTZ) 5,000	15,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(4,303)

System Operation 01-04-42-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	703,246	699,700	607,400	743,300
003	Overtime	101,469	115,000	100,000	110,000
030	Special Department Expenses	30	1,000	1,000	1,000
452	Maintenance of Facilities	4,295	5,000	3,000	5,000
Total		809,040	820,700	711,400	859,300

System Operation 01-04-42-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 4.84	743,300
003	Overtime Stand-By Pay, Operation Call Out, Shift Pay	110,000
030	Special Department Expenses	1,000
452	Maintenance of Facilities Equipment 2,500 General Maintenance 2,500	5,000

SCADA 01-04-43-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	110,016	148,600	92,000	163,800
003	Overtime	54	2,500	900	2,500
025	Outside Professional Services	0	30,000	1,500	10,000
030	Special Department Expenses	0	1,500	1,500	1,500
032	Telephone	12,224	12,500	1,500	2,000
452	Maintenance of Facilities	3,799	5,000	9,035	10,000
459	Software Technical Support	22,017	28,000	22,770	28,000
465	SCADA Repairs	5,923	20,000	6,905	20,000
	Total	154,033	248,100	136,110	237,800

SCADA 01-04-43-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 1.08	163,800
003	Overtime	2,500
025	Outside Professional Services SCADA Programming	10,000
030	Special Department Expenses	1,500
032	Telephone Leased Telemetry Lines and Alarm Monitor	2,000
452	Maintenance of Facilities	10,000
459	Software Technical Support	28,000
465	SCADA Repairs SCADA Miscellaneous 13,000 Pressure Level Transducers 7,000	20,000

Treatment 01-04-44-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	40,940	39,900	33,600	43,500
003	Overtime	0	500	200	500
025	Outside Professional Services	0	500	250	500
030	Special Department Expenses	0	1,000	1,000	500
038	Regulatory Permits & Fees	469	500	500	500
323	Chlorine	34,325	25,000	28,500	30,000
452	Maintenance of Facilities	3,155	1,500	2,000	2,500
Total		78,889	68,900	66,050	78,000

Treatment 01-04-44-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.27	43,500
003	Overtime	500
025	Outside Professional Services Chlorinator Maintenance 500	500
030	Special Department Expenses Tools and Replacement 500	500
038	Regulatory Permits & Fees	500
323	Chlorine Chlorine Tablets 24,000 HTH to Increase Residual in Reservoirs 6,000	30,000
452	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators 1,250 Rebuild Chlorine Detectors 1,250	2,500

Automatic Valves 01-04-45-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	57,672	73,900	57,800	76,900
003	Overtime	99	1,000	500	1,000
030	Special Department Expenses	0	1,000	1,000	1,000
443	Maintenance of Valves	31,099	20,000	25,000	25,000
	Total	88,870	95,900	84,300	103,900

Automatic Valves 01-04-45-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 0.50	76,900
003	Overtime	1,000
030	Special Department Expenses Tools and Replacement	1,000
443	Maintenance of Valves Rebuild, Repair & Maintenance of Pressure Reducing, Pressure Relief, Altitude, Pump Control, and Isolation Valves	25,000

Reservoir Maintenance 01-04-46-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	341,935	220,500	194,200	194,200
003	Overtime	4,970	1,000	1,000	1,000
025	Outside Professional Service	13,364	24,000	21,879	8,000
030	Special Department Expenses	76	800	800	800
038	Regulatory Permits & Fees	25,887	23,500	25,887	30,000
452	Maintenance of Facilities	63,143	18,000	18,000	18,000
	Total	449,375	287,800	261,766	252,000

Reservoir Maintenance 01-04-46-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.28	194,200
003	Overtime	1,000
025	Outside Professional Service Diver - Cleaning and Inspection 4,000 Turner Dam - Inspection and Repairs 4,000	8,000
030	Special Department Expenses Hose & Pump Equipment	800
038	Regulatory Permits & Fees Turner Dam 29,000 Environmental Health Permits 1,000	30,000
452	Maintenance of Structures & Improvements Cathodic Protection 7,000 Floating Reservoir Covers Repair and Patching 5,000 Reservoir cleaning and inspection 4,000 Site Improvements - Construction Maintenance 2,000	18,000

Pump Maintenance 01-04-47-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	155,266	311,100	277,700	234,100
003	Overtime	1,963	3,000	1,800	3,000
025	Outside Professional Services	7,652	36,000	35,400	36,000
030	Special Department Expenses	273	1,500	1,322	1,500
038	Regulatory Permits & Fees	510	0	0	0
444	Maintenance of Pumps	19,013	25,000	33,000	44,000
454	Maintenance of Equipment	692	7,000	1,067	4,000
	Total	185,369	383,600	350,289	322,600

Pump Maintenance 01-04-47-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 1.47	234,100
003	Overtime	3,000
025	Outside Professional Services Machine Work 31,000 Epoxy Coating 5,000	36,000
030	Special Department Expenses Tool Replacement 1,000 Miscellaneous Items 500	1,500
444	Maintenance of Pumps Pump Repair Parts 31,000 Packing/Mechanical Seals 8,000 Bearings 5,000	44,000
454	Maintenance of Equipment (Surge Tanks) Air Compressors 2,000 Controls 1,000 Relief Valves 1,000	4,000

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

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	363,070	364,300	379,400	416,400
003	Overtime	7,830	5,000	4,382	5,000
025	Outside Professional Services	13,469	51,000	51,000	60,000
030	Special Department Expenses	754	3,000	2,865	3,000
038	Regulatory Permits & Fees	31,481	29,000	32,000	33,000
455	Maintenance of Engines	26,855	40,000	44,000	46,500
456	Maintenance of Electric Motors	12,717	25,000	15,270	25,000
458	Maintenance of Electrical Facilities	34,099	35,000	29,000	35,000
Total		490,275	552,300	557,917	623,900

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 2.68	416,400
003	Overtime	5,000
025	Outside Professional Services	60,000
	Facility Repair and Painting	25,000
	Electric Motor Repair	25,000
	Circuit Breaker Testing	5,000
	Generator Load Testing	2,500
	Emission Source Testing	2,500
030	Special Department Expenses	3,000
	Electrical Safety Equipment and Testing	2,500
	Test and Diagnostic Equipment	500
038	Regulatory Permits & Fees	33,000
	Natural Gas Engines	26,000
	Environmental Health	4,000
	Emergency Generators	3,000
455	Maintenance of Engines	46,500
	Services	30,000
	Miscellaneous Repairs	16,500
456	Maintenance of Electric Motors/Gear Drives	25,000
	Bearings	20,000
	Parts and Repairs	5,000
458	Maintenance of Electrical Facilities	35,000
	Electrical Panels	16,000
	Softstarter Repair/Replacement	9,000
	Circuit Breakers	4,500
	Electrical Equipment	4,000
	Lights, Electrical Tool Repair	1,500

Quality Control 01-04-49-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	51,466	57,000	56,100	50,200
003	Overtime	33	500	250	500
025	Outside Professional Services	3,240	7,000	5,000	11,500
028	Printing	908	1,500	1,000	1,500
030	Special Department Expenses	4,235	5,000	5,000	5,000
033	Postage	0	1,000	500	500
038	Regulatory Permits & Fees	29,269	48,000	30,000	35,000
452	Maintenance of Facilities	8,802	6,500	1,000	5,000
	Total	97,953	126,500	98,850	109,200

Quality Control 01-04-49-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 0.30	50,200
003	Overtime	500
025	Outside Professional Services Lab Analysis For: Unregulated Contaminant Monitoring Revision 4 5,000 Trihalomethane (THM) Stage 2 2,000 Haloacetic acids (HAA) 2,000 Lead/Copper Testing 1,500 Coliform, General Physical Testing 1,000	11,500
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 250 Consumer confidence reports 250	500
038	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	35,000
452	Maintenance of Facilities Chlorine Residual Comparators 2,000 Chlorine Residual Reagent 2,000 Rebuild/Repair Chlorine Residual Analyzers 1,000	5,000

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

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	531,130	547,200	488,800	583,900
003	Overtime	39,533	45,000	37,000	45,000
025	Outside Professional Services	24,261	22,000	19,450	22,000
030	Special Department Expenses	1,734	2,000	2,500	3,000
040	Rents & Leases	2,062	1,000	975	1,000
452	Maintenance of Facilities	97,700	80,000	79,500	80,000
Total		696,420	697,200	628,225	734,900

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 3.66	583,900
003	Overtime Emergency Leak Repair	45,000
025	Outside Professional Services Asphalt Paving 6,000 Asphalt Satin Sealing 10,000 Traffic Control 6,000	22,000
030	Special Department Expenses Fire Hose and Fittings 500 Cones and Barricades 500 Tools 1,000 Welding Supplies 1,000	3,000
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 3,000 Cement 2,000 Clamps and Couplings 5,000 Welding Materials 2,500 Asphalt-Cement Disposal 5,000 Pipe - Repair 9,500 AC Pipe Disposal 5,000 Erosion Control Material 3,000 Trash Disposal 7,500	80,000

Corporate Facilities Maintenance 01-04-54-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	18,829	36,900	28,764	25,300
003	Overtime	274	600	0	500
025	Outside Professional Services	54,137	56,500	90,127	56,500
030	Special Department Expenses	4,953	5,000	3,475	5,000
038	Regulatory Permit & Fees	1,965	3,000	2,000	2,500
452	Maintenance of Facilities	21,359	24,000	9,463	22,000
991	Expense Credit	(5,369)	(6,302)	(6,302)	(5,372)
	Total	96,148	119,698	127,527	106,428

Corporate Facilities Maintenance 01-04-54-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 0.19	25,300
003	Overtime	500
025	Outside Professional Services Janitorial Service 16,000 Air Conditioner Repairs/Service 10,000 Trash Pickup 8,000 Asphalt Seal 5,000 Internal Window, Floor Cleaning 4,000 Bug and Termite Treatment 3,000 Carpet Cleaning 3,000 Generator Load Testing 2,500 Miscellaneous 5,000	56,500
030	Special Department Expenses Breakroom Supplies 3,500 Miscellaneous Supplies 1,500	5,000
038	Regulatory Permit & Fees Environmental Health Permit 1,250 Emergency Stationary Gen-sets 1,250	2,500
452	Maintenance of Facilities Roof and Painting Repairs 8,000 Special Cleaning of Building 4,000 Building Maintenance 3,500 Janitor Supplies 3,000 Floor Mats/Lighting 2,500 Miscellaneous 1,000	22,000
991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(5,372)

Meter Installation 01-04-61-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	43,732	86,300	28,200	49,900
003	Overtime	935	1,200	700	1,200
030	Special Department Expenses	879	1,000	1,000	1,000
038	Regulatory Permits & Fees	0	250	0	250
040	Rents & Leases	0	400	0	400
446	Installation Material-Meters	39,142	40,000	40,600	45,000
451	Maintenance of Vehicles	24,677	25,000	15,000	15,000
457	Installation Material-Backflows	31,650	35,000	35,053	35,000
Total		141,015	189,150	120,553	147,750

Meter Installation 01-04-61-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 0.34	49,900
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	45,000
451	Vehicle Maintenance	15,000
457	Installation Material - Backflows Including Approved Double Check Valves, RP Devices and Fire Protection	35,000

Service Connection Maintenance 01-04-63-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	996,630	892,900	946,000	955,600
003	Overtime	38,768	45,000	27,213	35,000
025	Outside Professional Services	37,294	48,000	32,000	35,000
030	Special Department Expenses	0	1,500	850	1,500
040	Rents & Leases	0	500	0	500
452	Maintenance of Facilities	165,907	130,000	140,000	140,000
	Total	1,238,599	1,117,900	1,146,063	1,167,600

Service Connection Maintenance 01-04-63-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 5.87	955,600
003	Overtime	35,000
025	Outside Professional Services Flagging Assistance 25,000 Cal-Fire Clearing 5,000 Asphalt Paving 5,000	35,000
030	Special Department Expenses Pressure Recorder Transducers 500 Meter Security Locks 500 Miscellaneous Tools & Equipment 500	1,500
040	Rents & Leases	500
452	Maintenance of Facilities Maintenance Parts and Materials 50,000 Replace Deteriorated Services 35,000 Meter Repairs and Usage Exchanges 24,500 Security Measures (Meters) 10,000 Asphalt Repairs 7,000 Repair/Replace Pressure Reducing Valves 4,000 Repair/Replace Clay Valves 3,000 Traffic Control Equipment 3,000 Adapter Fittings for Auxiliary Hose 2,000 Shoring Repair Kits and Pump 1,500	140,000

Backflow Maintenance 01-04-65-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalents 0.99	143,700
003	Overtime	5,000
025	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water 2,500	2,500
030	Special Department Expenses New Testing Supply Requirements 500 Repair Tools and Fixtures 300 Test Equipment for Reclaimed Water 200	1,000
452	Maintenance of Facilities Replacement Devices 30,000 Reduced Pressure (RP) Repair Parts 12,500 Double Check (DC) Repair Parts 12,500	55,000

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

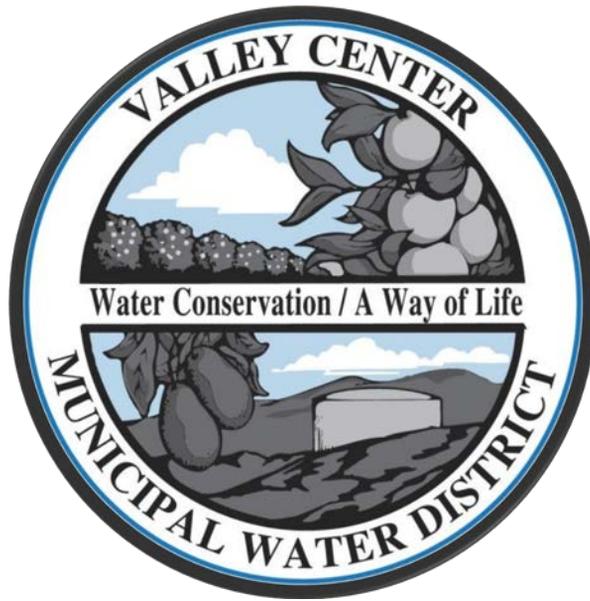
Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	223,869	274,700	231,900	291,600
003	Overtime	4,839	7,000	5,500	6,000
025	Outside Professional Services	39,611	32,000	29,490	12,000
030	Special Department Expenses	3,052	4,300	4,300	4,300
038	Regulatory Permits & Fees	3,633	3,700	3,700	4,000
341	Hazardous Waste Disposal Costs	6,926	8,000	7,100	8,000
450	Maintenance - Gas, Oil & Grease	155,771	155,000	133,000	155,000
451	Maintenance of Vehicles	49,513	55,000	48,408	55,000
453	Maintenance of Radios	9,281	11,000	9,276	14,000
454	Maintenance of Equipment	17,264	20,000	20,946	20,000
991	Expense Credit	(32,348)	(30,800)	(30,800)	(20,200)
	Total	481,411	539,900	462,820	549,700

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full-Time Equivalentents 1.97	291,600
003	Overtime	6,000
025	Outside Professional Services Vehicle and Equipment Repairs 5,000 Generator Load Testing 5,000 Fuel Tank Testing 2,000	12,000
030	Special Department Expenses Software Repair Manuals 3,300 Specialty Tools 500 Replacement Tools 300 Tools for Service Truck 200	4,300
038	Regulatory Permits & Fees Emergency Generators 2,000 Portable Equipment 1,500 Boom Truck 500	4,000
341	Hazardous Waste Disposal Costs Recycling Oil, Filters & Solvents 3,500 Asbestos Pipe 1,500 Recycling Tires & Miscellaneous 1,000 Disposal of Aerosols 1,000 Cleanup Material 600 Compliance Guides 400	8,000
450	Fuel, Oil, and Chemicals Fuel 138,000 Oil and Coolant 15,000 Fuel Tank Parts 2,000	155,000

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 Radio Parts Vehicle Tracking Service Contract	14,000 1,700 12,300
454	Maintenance of Equipment Grader/Dozer/Backhoe Miscellaneous Equipment	20,000 12,000 8,000
991	Expense Credit Rental Value of Vehicles and Equipment Used for: Installation of Meters 01-04-61-50451 Moosa Treatment Plant 13-03-26-50451 Moosa Collection 13-03-27-50451 Moosa STEP Maintenance 13-03-29-50451 Woods Valley Ranch Treatment Plant 17-03-31-50451	(20,200) (15,000) (1,500) (1,500) (1,300) (900)



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, were approximately \$537 per acre foot as of January 1, 2019, 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 2018-2019

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 2019-2020

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 2019-2020

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.

The proposed wholesale water rate information obtained from the SDCWA indicates that their rates are to increase by 3.6% for treated water and 4.1% for certified agricultural over the current adopted rates. The SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The melded rate supply cost, not firm at this time, is projected to be \$181 in January 2020.

Final rate recommendation will be based on wholesale rates actually adopted by the SDCWA and what is indicated in the Long-Range Financial Plan as needed to implement the adopted capital replacement program.

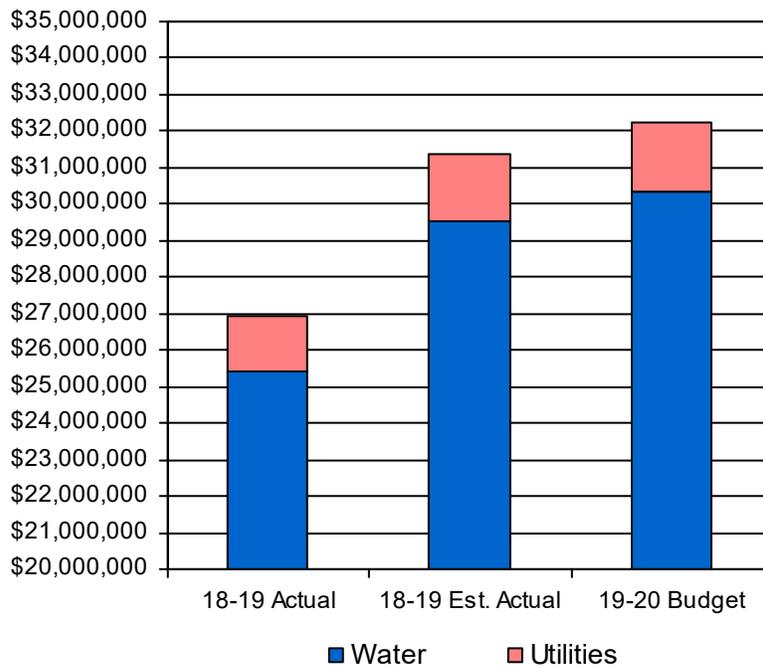
Also included in the water charges we are required to pay SDCWA and MWD in 2020 are fixed charges for ready-to-serve, capacity, customer service, emergency storage, and supply reliability. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less a 15% reserve for sales levels under budgeted amounts. For the fiscal year ending 2020 budgeted sales are 20,000 acre feet and the 2020 fixed charges totaling \$4,348,984 are allocated over 17,000 acre feet. Total fixed charges for 2020 are \$320,644, or 7.9%, higher than calendar year 2019.

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 2020 is projected at \$571 per acre foot, up \$37 per acre foot from \$537 in calendar year 2019.

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



Source of Supply 01-04-41-50XXX

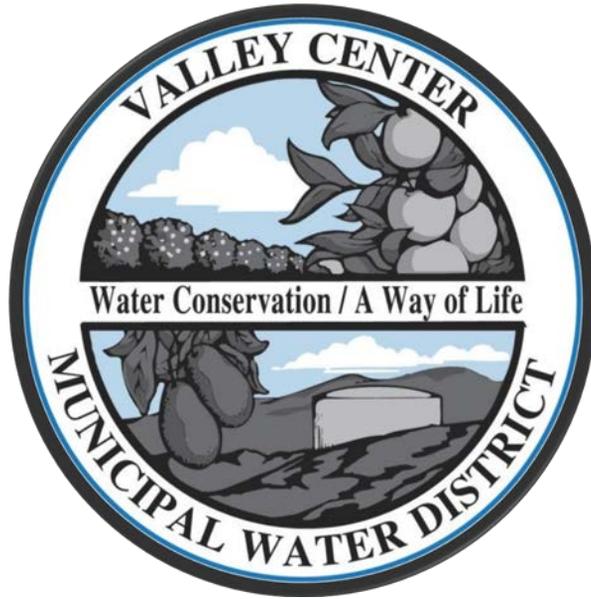
Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
		@ 22,526 af	@ 21,280 af	@ 17,400 af	@ 21,280 af
321	Water Supply Charge - MWD & CWA	26,233,051	25,329,639	20,760,720	25,355,600
368	Water Delivery Charge - CWA	2,522,874	2,490,908	2,009,270	2,636,880
369	Agricultural Rebate - CWA	(2,817,755)	(2,872,121)	(2,053,510)	(2,612,260)
186	Ready to Serve Charge	475,900	484,993	484,990	490,578
081	Infrastructure Access Charge	521,244	531,720	532,250	588,100
394	Capacity Reservation Charge - MWD	605,017	515,153	568,410	527,002
397	Customer Service Charge - CWA	1,438,817	1,277,854	1,334,820	1,340,469
399	Emergency Storage Charge - CWA	1,226,116	1,175,645	1,191,200	1,243,832
337	Supply Reliability Charge - CWA	539,626	574,695	570,650	747,104
	Total Water	30,744,890	29,508,486	25,398,800	30,317,304
045	Utilities - Electricity	1,591,869	1,367,300	1,097,730	1,382,600
047	Utilities - Natural Gas	460,866	505,700	442,670	511,400
	Total Utilities	2,052,735	1,873,000	1,540,400	1,894,000
	Total	32,797,625	31,381,486	26,939,200	32,211,304

Source of Supply 01-04-41-50XXX

Acct. No.	Detail and Justification	Department Request												
321	<p>Water Supply Charge</p> <table border="0" style="width: 100%; margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Jul to Dec</u></th> <th style="text-align: right;"><u>Jan to Jun</u></th> </tr> </thead> <tbody> <tr> <td>To MWD & CWA -</td> <td style="text-align: right;">1,185.00</td> <td style="text-align: right;">1,205.00</td> </tr> <tr> <td>Expected purchases in AF</td> <td style="text-align: right;">14,340</td> <td style="text-align: right;">6,940</td> </tr> <tr> <td>Expected purchases in \$</td> <td style="text-align: right;"><u>16,992,900</u></td> <td style="text-align: right;"><u>8,362,700</u></td> </tr> </tbody> </table>		<u>Jul to Dec</u>	<u>Jan to Jun</u>	To MWD & CWA -	1,185.00	1,205.00	Expected purchases in AF	14,340	6,940	Expected purchases in \$	<u>16,992,900</u>	<u>8,362,700</u>	25,355,600
	<u>Jul to Dec</u>	<u>Jan to Jun</u>												
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Expected purchases in \$	<u>16,992,900</u>	<u>8,362,700</u>												
368	<p>Water Delivery Charge</p> <table border="0" style="width: 100%; margin-left: 20px;"> <tbody> <tr> <td>To MWD & CWA -</td> <td style="text-align: right;">120.00</td> <td style="text-align: right;">132.00</td> </tr> <tr> <td>Expected purchases in AF</td> <td style="text-align: right;">14,340</td> <td style="text-align: right;">6,940</td> </tr> <tr> <td>Expected purchases in \$</td> <td style="text-align: right;"><u>1,720,800</u></td> <td style="text-align: right;"><u>916,080</u></td> </tr> </tbody> </table>	To MWD & CWA -	120.00	132.00	Expected purchases in AF	14,340	6,940	Expected purchases in \$	<u>1,720,800</u>	<u>916,080</u>	2,636,880			
To MWD & CWA -	120.00	132.00												
Expected purchases in AF	14,340	6,940												
Expected purchases in \$	<u>1,720,800</u>	<u>916,080</u>												
369	<p>Agricultural Rebate - CWA</p> <table border="0" style="width: 100%; margin-left: 20px;"> <tbody> <tr> <td>Ag Discount Rate</td> <td style="text-align: right;">(178.00)</td> <td style="text-align: right;">(170.00)</td> </tr> <tr> <td>Estimated Ag purchases in AF</td> <td style="text-align: right;">10,120</td> <td style="text-align: right;">4,770</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>(1,801,360)</u></td> <td style="text-align: right;"><u>(810,900)</u></td> </tr> </tbody> </table>	Ag Discount Rate	(178.00)	(170.00)	Estimated Ag purchases in AF	10,120	4,770		<u>(1,801,360)</u>	<u>(810,900)</u>	(2,612,260)			
Ag Discount Rate	(178.00)	(170.00)												
Estimated Ag purchases in AF	10,120	4,770												
	<u>(1,801,360)</u>	<u>(810,900)</u>												
186	Ready to Serve Charge	490,578												
081	Infrastructure Access Charge	588,100												
394	<p>Capacity Reservation Charge - MWD</p> <p>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.</p>	527,002												

Source of Supply 01-04-41-50XXX

Acct. No.	Detail and Justification	Department Request															
397	<p>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.</p>	1,340,469															
399	<p>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.</p>	1,243,832															
337	Supply Reliability Charge - CWA	747,104															
045	Utilities - Electrical	1,382,600															
047	<p>Utilities - Natural Gas Utilities are based on sale of 20,000 A.F. and purchase of 21,280 A.F. @ \$99 per A.F.</p>	511,400															
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: right;">Electric</td> <td style="width: 10%; text-align: right;">73%</td> <td style="width: 10%; text-align: right;">1,382,600</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Natural Gas</td> <td style="text-align: right;">27%</td> <td style="text-align: right;">511,400</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td></td> <td style="text-align: right;"><u>1,894,000</u></td> <td></td> </tr> </table>		Electric	73%	1,382,600			Natural Gas	27%	511,400			Total		<u>1,894,000</u>		
	Electric	73%	1,382,600														
	Natural Gas	27%	511,400														
	Total		<u>1,894,000</u>														



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 2018-2019

Strategic Plan Implementation:

- **SCADA System (Goal 4):** All District sites have now been converted to use computer-based SCADA Human Machine Interface (HMI) software, completing all the phases of the SCADA implementation and deployment project. Old telemetry-based communication lines have been disconnected and are no longer in service.
- **E-Business (Goal 4):** 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, 2019, there are approximately 3,772 customer accounts registered and utilizing the system, of which 726 have elected to no longer receive paper bills in the mail.
- **Solar Projects (Goal 5):** 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. Staff has also explored a number of Power Purchase Agreements (PPA) or a lease option at various locations and facilities throughout our service area to reduce our overall energy expenses.

Information and Business Systems:

- 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.
- 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 54 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.

Water Facility Improvements:

- Construction of the Wilkes Road paving Repair in conjunction with the Wilkes Road pipeline replacement project was completed.
- Painting and recoating of the Red Mountain and Betsworth Forebay Reservoirs were completed including structural repairs and pavement replacement as necessary.

Wastewater Expansion and Upgrade Improvements:

- Construction of the North Village Low Pressure Sewer Collection System and Rimrock Low Pressure Sewer System Upgrades was started and completion is scheduled for early FY 2019-20.
- The Park Circle and Orchard Run developer continued discussions regarding implementation of a Phase 3 Expansion Project to secure the additional capacity needed for the developments. Formation of a Communities Facilities District (CFD) is proposed to provide the necessary financial security for funding a Phase 3 Expansion Project.

CHALLENGES FOR 2019-2020

- 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 2019-2020**Strategic Plan Implementation:**

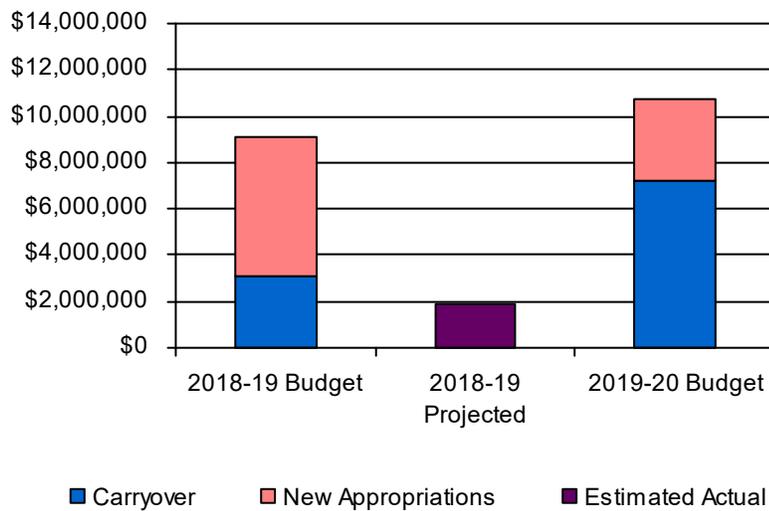
- **Water Supply (Goal 1):** Complete design and construction of improvements for the provision of emergency water supply to VCMWD's VC3 Area and Yuima MWD as part of the San Diego County Water Authority's North County Emergency Supply Project.
- **Infrastructure (Goal 2):** Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures.
- **Technology (Goal 4):**
 - **Advanced Metering Infrastructure System (AMI):** Implement an Advanced Metering Infrastructure System (AMI) in the central valley area in preparation of future development that will provide the ability to remotely monitor meter usage and provide customers with real-time usage and leak detection capabilities. A new AMI ¾" meter features a remote turn-on, turn-off or restricted use capability, further increasing staff efficiencies and productivity.
 - **Computerized Maintenance Management System (CMMS):** Implementation of a new asset management system that supports mobile users, have better usability, and integrates with existing GIS, financial, and other databases in the District. The system has been selected, and the implementation and deployment will start and continue throughout 2019-2020, with full data deployment capabilities scheduled to be implemented during the following fiscal years.
 - **SCADA System:** Continue 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 2019-20, and the water control system in the corporate office scheduled for upgrade starting 2020-21 and beyond.

- **Energy - Renewable and Alternative Energy Resources (Goal 5):** 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	2019												2020												Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
			As Required																								
Pipelines & PRV's																											
Wilkes Road Pipeline Replacement	010	Complete																									
Participation, Upsizing, & Unspecified Repl Projects	02X																										
New Valve Installations and Appurtenances	060																										
High Mountain Service	10X	Complete																									
Water System Upgrade Projects	51X																										
Concrete Cylinder Pipe Analysis	510	Planning																									
Keys Creek Pipeline Replacement	513																										
Integrated Water Resources Management Plan	620	Complete																									
Cole Grade Road Pipeline Replacement	690																										
NC ESP Alternate Delivery Project	080																										
Old Castle Waterline Replacement Project	410	Design																									
Alps Way Pipeline	411																										
Gordon Hill Pipeline PH2	412																										
Reidy Canyon Reservoir Outlet Pipeline	413																										
Hell Hole Canyon Pipeline	414																										
Oat Hill Discharge Pipeline	415																										
Rock Hill Road Interite	416																										
Lilac Road Pipeline Upsizing PH1	417																										
SRF Loan Application Project	120	Planning																									
Pump Stations																											
Pump & Motor Replacements	160																										
Natural Gas Engine Controls Upgrade & Automation	050	Design																									
Automation of Bypass Valve Controls	430																										
Reservoirs																											
Reservoir Mixing System	130																										
Reidy Canyon Area Reservoir	380																										
Cool Valley Reservoir Cover/Liner Replacement	520	Complete																									
Rincon Reservoir Recoating	190	Complete																									
Beisworth Forebay No. 1 Painting & Recoating	290	Complete																									
Red Mountain Reservoir Painting & Recoating	210	Complete																									
Reservoir Painting and Recoating Projects	300																										
Via Cantamar & Reidy Canyon Reservoir P&C	301	Construction																									
Jesmond Dene Reservoir Demo	302																										
Ridge Ranch Reservoir Replacement	303																										
Data Management Systems																											
Server Virtualization, Storage, Disaster Recovery	240																										
AMI Technology: Central Zone	680																										
Boardroom A/V Technology Upgrade	040	Construction																									
Asset Management System	480	Planning																									
Asset Table GIS Integration	750																										
SCADA/HMI Migration	730	Pending Completion of Moosa HMI Migration																									
Facilities																											
Solar Evaluation	647																										
Energy Analysis	660	Complete																									
Turner Dam Emergency Action Plan	670																										
White Road Paving Project	310	Complete																									
District Grinder Pump	XXX	Planning																									
Equipment																											
Vehicles	370																										
Phone System Upgrade	390																										
Boring Machine	800																										

General 01-06-78-51XXX

Description	Acct. No.	Capital Project Request See Page	Mid-Year Budget Adjustments 2018-2019	Total Approved Budget 2018-2019	Total Estimated Expenditures 2018-2019	Recaptured or Not Carried Forward to 2019-2020	Estimated Budget Carried Forward to 2019-2020	New Appropriation 2019-2020	Total Approved Budget 2019-2020
Pipelines & PRV's									
Wilkes Road Pipeline Replacement	010			74,950	92,570	17,621	-		-
Participation, Upsizing, & Unspecified Repl Projects	02X			234,390	-		234,390		234,390
New Valve Installations and Appurtenances	060	10-5		22,941	27,941		(5,000)	30,000	25,000
High Mountain Service	10X			20,251	7,750	(12,500)	0		0
Water System Upgrade Projects	51X				-		-		-
Concrete Cylinder Pipe Analysis	510			553,636	52,757		500,879		500,879
Keys Creek Pipeline Replacement	513			164,122	-		164,122		164,122
Integrated Water Resources Management Plan	620			(16,295)	43,706	60,000	(0)		(0)
Cole Grade Road Pipeline Replacement	690		(25,000)	127,929	44,973		82,957		82,957
NC ESP Alternate Delivery Project	080			577,430	(500,000)		1,077,431		1,077,431
Old Castle Waterline Replacement Project	410		(3,200,000)	800,000	91,000		709,000		709,000
Alps Way Pipeline	411		225,000	225,000	-		225,000		225,000
Gordon Hill pipeline PH2	412		500,000	500,000	5,000		495,000		495,000
Reidy Canyon Reservoir Outlet Pipeline	413		300,000	300,000	132		299,868		299,868
Hell Hole Canyon Pipeline	414		775,000	775,000	-		775,000		775,000
Oat Hill Discharge Pipeline	415		575,000	575,000	-		575,000		575,000
Rock Hill Road Interite	416		125,000	125,000	-		125,000		125,000
Lilac Road Pipeline Upsizing PH1	417		600,000	600,000	-		600,000		600,000
SRF Loan Application Project	120		125,000	125,000	80,000		45,000		45,000
Pump Stations									
Pump & Motor Replacements	160			18,659	659		18,000		18,000
Natural Gas Engine Controls Upgrade & Automation	050			152,571	57,570		95,000		95,000
Automation of Bypass Valve Controls	430			11,056	2,056		9,000		9,000
Reservoirs									
Reservoir Mixing System	130			24,744	22,744		2,000	20,000	22,000
Reidy Canyon Area Reservoir	380			9,595	9,595		(0)		(0)
Cool Valley Reservoir Cover/Liner Replacement	520			111,107	204,107	93,000	(0)		(0)
Rincon Reservoir Recoating	190			71,513	62,684	(8,829)	0		0
Betsworth Forebay No. 1 Painting & Recoating	290			186,365	117,448	(68,917)	(0)		(0)
Red Mountain Reservoir Painting & Recoating	210		(20,000)	168,136	82,849	(85,287)	(0)		(0)
Reservoir Painting and Recoating Projects	300	10-7		515,000	25,000	(490,000)	0	2,130,000	2,130,000
Via Cantamar & Reidy Canyon Reservoir P&C	301			830,000	627,000		203,000		203,000
Jesmond Dene Reservoir Demo	302			-	-	100,000	100,000		100,000
Ridge Ranch Reservoir Replacement	303			-	-	390,000	390,000	300,000	690,000
Data Management Systems									
Server Virtualization, Storage, Disaster Recovery	240			44,665	44,665		0		0
AMI Technology: Central Zone	680	10-8		444,052	144,052		300,000	595,000	895,000
Boardroom A/V Technology Upgrade	040			33,335	-		33,335		33,335
Asset Management System	480	10-9		86,500	81,795		4,704	84,000	88,704
Asset Table GIS Integration	750			90,000	40,000		50,000		50,000
SCADA/HMI Migration	730			7,451	4,365		3,086		3,086
Facilities									
Solar Evaluation	647			15,138	-		15,138		15,138
Energy Analysis	660			67,244	67,244		(0)		(0)
Turner Dam Emergency Action Plan	670			95,000	30,000		65,000		65,000
Wilhite Road Paving Project	310		20,000	20,000	16,500	(3,500)	0		0
District Grinder Pump	630	10-10			-			52,000	52,000
Equipment									
Vehicles	370	10-11		309,163	299,163		10,000	272,000	282,000
Phone System Upgrade	390			45,000	-		45,000		45,000
Boring Machine	800	10-12			-			7,000	7,000
					-				
Total Capital Projects			0	9,140,646	1,885,324	(8,413)	7,246,910	3,490,000	10,736,910

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 .

Estimated Expenditures by Year

Fiscal Year 2019-2020

General 01-06-78-51XXX

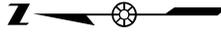
Description	Acct. No.	Capital Project Request See Page	Estimated Budget Carried Forward to 2019-2020	New Appropriation 2019-2020	Total Approved Budget 2019-2020	Estimated Actual Expenditures 2019-20	Estimated Actual Expenditures 2020-21	Estimated Project Balance after 2 years
Pipelines & PRV's								
Wilkes Road Pipeline Replacement	010		-		-			
Participation, Upsizing, & Unspecified Repl Projects	02X		234,390		234,390	234,390		
New Valve Installations and Appurtenances	060	10-5	(5,000)	30,000	25,000	25,000		
High Mountain Service	10X							
Water System Upgrade Projects	51X							
Concrete Cylinder Pipe Analysis	510		500,879		500,879	500,879		
Keys Creek Pipeline Replacement	513		164,122		164,122	164,122		
Integrated Water Resources Management Plan	620							
Cole Grade Road Pipeline Replacement	690		82,957		82,957	82,957		
NC ESP Alternate Delivery Project	080		1,077,431		1,077,431	1,077,431		
Old Castle Waterline Replacement Project	410		709,000		709,000	709,000		
Alps Way Pipeline	411		225,000		225,000	225,000		
Gordon Hill pipeline PH2	412		495,000		495,000	495,000		
Reidy Canyon Reservoir Outlet Pipeline	413		299,868		299,868	299,868		
Hell Hole Canyon Pipeline	414		775,000		775,000	775,000		
Oat Hill Discharge Pipeline	415		575,000		575,000	575,000		
Rock Hill Road Interite	416		125,000		125,000	125,000		
Lilac Road Pipeline Upsizing PH1	417		600,000		600,000	600,000		
SRF Loan Application Project	120		45,000		45,000	45,000		
Pump Stations								
Pump & Motor Replacements	160		18,000		18,000	18,000		
Natural Gas Engine Controls Upgrade & Automation	050		95,000		95,000	95,000		
Automation of Bypass Valve Controls	430		9,000		9,000	9,000		
Reservoirs								
Reservoir Mixing System	130	10-6	2,000	20,000	22,000	22,000		
Reidy Canyon Area Reservoir	380							
Cool Valley Reservoir Cover/Liner Replacement	520							
Rincon Reservoir Recoating	190							
Betsworth Forebay No. 1 Painting & Recoating	290							
Red Mountain Reservoir Painting & Recoating	210							
Reservoir Painting and Recoating Projects	300	10-7		2,130,000	2,130,000	1,500,000	630,000	
Via Cantamar & Reidy Canyon Reservoir P&C	301		203,000		203,000	203,000		
Jesmond Dene Reservoir Demo	302		100,000		100,000	100,000		
Ridge Ranch Reservoir Replacement	303		390,000	300,000	690,000	500,000	190,000	
Data Management Systems								
Server Virtualization, Storage, Disaster Recovery	240							
AMI Technology: Central Zone	680	10-8	300,000	595,000	895,000	895,000		
Boardroom A/V Technology Upgrade	040		33,335		33,335	33,335		
Asset Management System	480	10-9	4,704	84,000	88,704	88,704		
Asset Table GIS Integration	750		50,000		50,000	50,000		
SCADA/HMI Migration	730		3,086		3,086	3,086		
Facilities								
Solar Evaluation	647		15,138		15,138	15,138		
Energy Analysis	660							
Turner Dam Emergency Action Plan	670		65,000		65,000	65,000		
Wilhite Road Paving Project	310							
District Grinder Pump	630	10-10		52,000	52,000	52,000		
Equipment								
Vehicles	370	10-11	10,000	272,000	282,000	282,000		
Phone System Upgrade	390		45,000		45,000	45,000		
Boring Machine	800	10-12		7,000	7,000	7,000		
Total Capital Projects			7,246,910	3,490,000	10,736,910	9,916,910	820,000	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 .

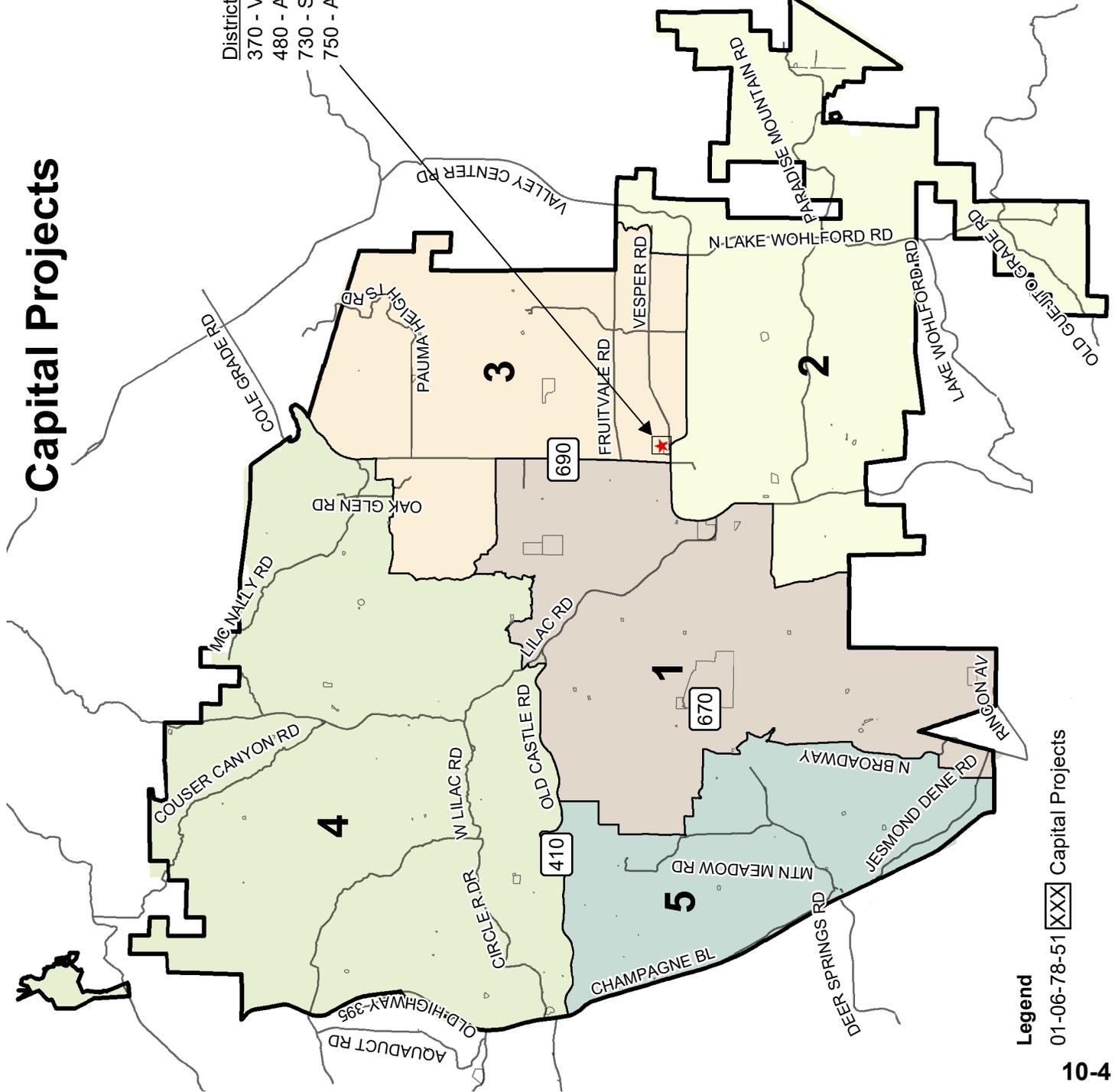


Capital Projects



- District Offices and Yard
- 370 - Vehicles
- 480 - Asset Management System
- 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
- 160 - Pump & Motor Replacements
- 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 Evaluation
- 670 - Turner Dam Emergency Action Plan
- 680 - AMI Technology
- 690 - Cole Grade Road Pipeline Replacement



Legend
 01-06-78-51 XXX Capital Projects

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

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

PROJECT NAME:

New Valve Installations and Appurtenance Updates

Continuing Project	<u>Type</u> Existing Service	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u> 7	<u>Goal</u>
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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 2019-20.

Breakdown and locations are listed below:

Completed in 2018-19

- 24" valve replacement Betsworth Road and Aerie Road
- Retrofit 7 hydrants with AVK check valve along Betsworth Road

Remaining Projects –

- Lake Turner Bell 30 inch butterfly valve
- Manzanita Crest (2) – 16 and 6 inch valves
- West Lilac Road and La Bah – 10 inch valve
- Spearhead Trail – 12 inch valve
- Hilldale Road – 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 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installations and Appurtenances	22,941	27,941	(5,000)	30,000	25,000		25,000	52,941
			0		0		0	0
			0		0		0	0
			0		0		0	0
Total Project	22,941	27,941	(5,000)	30,000	25,000	0	25,000	52,941

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51130
DEPARTMENT:	Field

Reservoir Mixing System

Continuing Project	<u>Type</u> Existing Service	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u> 7	<u>Goal</u>
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PROJECT DESCRIPTION:

The installation and construction of a separate inlet and outlet piping structure on the older reservoirs that have the same inlet/outlet pipe. The separate piping, check valves and interior piping improves the water turnover and mixing within the reservoir, enhancing the water quality within the reservoir and area for which it serves.

Reservoir sites are listed below:

Completed in 2018-19

- Kornblum Reservoir

Remaining Projects –

- Paradise #1 Reservoir
- West Bear Ridge Reservoir
- Old Castle #2
- West #2 Reservoir
- Weaver Reservoir

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Reservoir Mixing System	25,000	23,000	2,000	20,000	22,000		22,000	45,000
			0		0		0	0
			0		0		0	0
			0		0		0	0
			0		0		0	0
Total Project	25,000	23,000	2,000	20,000	22,000	0	22,000	45,000

PROJECT NAME:

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

Reservoir Painting and Recoating Projects

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

PROJECT DESCRIPTION:

As discussed in the District’s Water Master Plan, 15 steel reservoirs were identified where the exterior paint and interior coatings are experiencing significant deterioration contributing to increased corrosion within the reservoirs. Several of these reservoirs have experienced partial failure of structural components in the roof rafters. Staff recommended that the 15 reservoirs be painted and recoated over the period of five years (3 to 4 reservoirs each year) at an estimated cost of \$1.5M to \$2.0M per year.

In FY 2018-19; the painting and recoating of the Via Cantamar, Reidy Canyon, Jesmond Dene and Ridge Ranch Interim Reservoirs was recommended. After a more extensive evaluation of the reservoir’s condition, staff recommended the Jesmond Dene Reservoir be permanently removed from service and the Ridge Ranch Interim Reservoir be replaced. Additional Funding is requested for the replacement of the Ridge Ranch Interim Reservoir with either a permanent reservoir or Ridge Ranch Pump Station upgrade to eliminate the reservoir.

The following Reservoirs are recommended for painting and recoating in FY 2019-20; Circle R, West Bear Ridge, Paradise 1, and Old Castle 1 Reservoirs.

Circle R Reservoir is a 0.1 million gallon above ground welded steel water reservoir which provides storage for the surrounding rural residential and agricultural developments.

West Bear Ridge Reservoir is a 4.3 million gallon above ground welded steel water reservoir which provides storage for the 1840 service zone and for the surrounding rural residential developments in the Bear Ridge area.

Paradise Reservoir No. 1 is a 1.6 million gallon above ground welded steel water reservoir which provides storage for the Paradise area consisting of rural residential and agricultural developments.

Old Castle Reservoir No. 1 is a 0.5 million gallon above ground welded steel water reservoir which provides storage for the 1520 service zone and for the surrounding rural residential developments.

The scope of work for each reservoir would include cleaning and painting of the exterior surface and removal of the existing interior coating and re-coating the interior surfaces, preparation of bid documents and awarding of the recommended construction contract. 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 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.

District staff will prepare plans and specifications and perform inspection services for each reservoir. The project approach includes an initial planning phase to further evaluate any necessary repair and upgrade work that can be determined prior to taking the reservoir out of service that should be either included in the painting/coating contract or completed prior to the painting/coating contract and a recommendation on grouping the reservoirs into two or more construction contracts. It is anticipated that the FY 2019-20 reservoirs will be bid in two separate projects.

The following table summarizes the project funding requirements.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Planning Phase								
Staff - Planning, Design, Bid/Award	25,000	25,000	0	50,000	50,000		50,000	75,000
Construction Phase								
Via Cantamar/Reidy Canyon Reservoirs	830,000	660,000	170,000		170,000		170,000	830,000
Jesmond Dene Reservoir	100,000		100,000		100,000		100,000	100,000
Ridge Ranch Interim (0.1 mg)	390,000		390,000	300,000	690,000		690,000	690,000
Circle R Reservoir (0.1 mg)			0	150,000	150,000		150,000	150,000
West Bear Ridge Reservoir (4.3 mg)			0	1,260,000	1,260,000		1,260,000	1,260,000
Old Castle Reservoir No. 1 (0.5 mg)			0	270,000	270,000		270,000	270,000
Paradise Reservoir No. 1 (1.6 mg)			0	400,000	400,000		400,000	400,000
Total Project	1,345,000	685,000	660,000	2,430,000	3,090,000	0	3,090,000	3,775,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

Advanced Metering Infrastructure System:

Continuing Project	<u>Type</u> Existing Service	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u> 7	<u>Goal</u>
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PROJECT DESCRIPTION:

To provide funding for the development and installation of Advanced Metering Infrastructure (AMI) to the existing water meters in the Hidden Meadows development area. This will include two radio towers at Reid Hill Reservoir and Meadows Reservoir. The Hidden Meadows development is a high density residential area, when completed will provide a high number of customers on the new AMI system, which will reduce customer service and meter reading workloads.

Completed in Fiscal Year 2018-19

- Woods Valley development and Red Ironbark development

Scheduled for Fiscal Year 2019-20

- Radio Towers at Reid and Meadows Reservoirs
- Hidden Meadows development
- Greystone development
- Valley Center Road area

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Advanced Metering Infrastructure and MXU's	280,000	200,000	80,000	595,000	675,000		2,100,000	2,895,000
			0		0		0	0
			0		0		0	0
			0		0		0	0
Total Project	280,000	200,000	80,000	595,000	675,000	0	2,100,000	2,895,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51480
DEPARTMENT:	Field

Asset Management System

Continuing Project	<u>Type</u> Existing Service	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u> 4d
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PROJECT DESCRIPTION:

On April 1st 2019, The Board adopted Resolution No. 2019-13 authorizing staff to enter into a 3-year Enterprise Licensing Agreement with Cityworks for a Computerized Maintenance Management System (CMMS), also known as Asset Management System, and to adopt Resolution No. 2019-14 authorizing staff to enter into a contract with Miller Spatial for Cityworks implementation.

The Computerized Maintenance Management System will improve Field tracking and scheduling of maintenance, inspections and repairs of all field facilities. The system will also improve personnel efficiencies and will be able to produce cost labor reports, inventory notifications and generate weekly, monthly or yearly work orders to modernize the tracking of required maintenance, inspection and or testing. It will support mobile users and integrates with existing GIS, financial, and other databases in the District.

Funds are available within the approved Fiscal Year 2018-2019 budget for the first year of the Cityworks license agreement for \$15,000 and the first phase of software implementation for \$66,796 for a combined total of \$81,796. Additional funds of \$84,000 are requested for Fiscal Year 2019-2020 for the estimated implementation and integration costs of a second phase of Cityworks modules.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Implementation and Integration	86,500	81,796	4,704		4,704		4,704	86,500
Vertical Asset Maintenance			0	20,000	20,000		20,000	20,000
Fleet Maintenance			0	10,000	10,000		10,000	10,000
Vehicle Tracking Integration			0	5,000	5,000		5,000	5,000
Equipment for Phases 1 and 2			0	30,000	30,000		30,000	30,000
Contingency			0	19,000	19,000		19,000	19,000
Total Project	86,500	81,796	4,704	84,000	88,704	0	88,704	170,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

District Grinder Pump

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

PROJECT DESCRIPTION:

With the completion of the North Village Low Pressure Sewer (LPS) collection system, the District Corporate Office will be ready to connect to the system. The District will need to purchase and install an Environment One Corporation (E/One) tri-plex grinder pump unit in the lower yard area near the leach fields. As part of the installation, the existing septic tank will be either abandoned or repurposed for additional emergency storage. The tight line between septic tank and leach field will be diverted to the grinder pump unit and the unit connected to the LPS service lateral installed as part of the Expansion Project. New electrical conduit and service panel will need to be installed to provide power. Pump status monitoring and alarm signals are part of the standard E/One control package. The same alarm signal and radio communication equipment utilized for all grinder pumps in the service area would be installed to notify wastewater staff if there was a pump failure. Upon completion of the work, engineering staff will update the corporate facility record drawings to memorialize the newly installed improvements and abandoned facilities.

The corporate facilities have an EDU allocation of 12 EDUs and a tri-plex grinder pump unit is recommended for redundancy and the anticipated demand. Connecting to the LPS will allow the leach field to be abandoned and the area utilized for future corporate facilities. The grinder pump will be installed at a depth that will allow the sewer service to be provided to the future facilities. Based on the proposed budgeted amount for the work, the cost of the on-site facilities needed to connect to the LPS averages about \$4,500 per EDU.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Engineering Staff			0	3,000	3,000		3,000	3,000
Construction (Force Account)			0	12,000	12,000		12,000	12,000
Grinder Pump Unit			0	27,000	27,000		27,000	27,000
Miscellaneous Materials			0	5,000	5,000		5,000	5,000
Contingency (10%)			0	5,000	5,000		5,000	5,000
Total Project	0	0	0	52,000	52,000	0	52,000	52,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

Vehicles

Replacement	Type	Master Plan	Project ID	Strategic Plan
	Replacement	Priority		Standard

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 #35, a 2001 Ford, F-150, extra cab truck with 4-wheel drive and approximately 104,000 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 #44, a 2001 Ford, F-150, extra cab truck with 4-wheel drive and approximately 143,000 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 #57, a 2005 Ford, F-150, extra cab truck with 4-wheel drive and approximately 141,000 miles.
- 4) 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 #63, a 2008 Ford, Ranger, extra cab truck with 4-wheel drive and approximately 142,000 miles.
- 5) New 1½ ton service truck with 4-wheel drive, LED light bar, two-way radio, crane, and accessories. This vehicle will replace truck #47, a 2001 Ford F-350, service truck with approximately 106,000 miles. Truck #47 will be repurposed for use in the Wastewater Division.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Vehicle 1			-	38,000	38,000		38,000	38,000
Vehicle 2			-	38,000	38,000		38,000	38,000
Vehicle 3			-	38,000	38,000		38,000	38,000
Vehicle 4			-	38,000	38,000		38,000	38,000
Vehicle 5			-	107,000	107,000		107,000	107,000
Contingency			-	13,000	13,000		13,000	13,000
Total Project	0	0	-	272,000	272,000	0	272,000	272,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-06-78-51800
DEPARTMENT:	Field

Meter Service Boring Machine

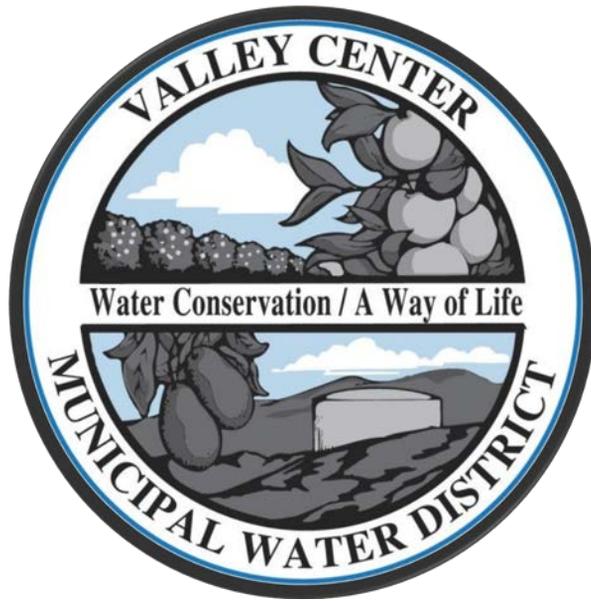
New Item	<u>Type</u> New Item	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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PROJECT DESCRIPTION:

The new meter service boring machine will be used in new meter service installations from ¾" to 2", which will reduce trenching, labor and asphalt cost. The boring machine will allow crews to pothole the mainline to tap a new service then pneumatically bore through the road to the new meter location. This will eliminate the need to close road lanes that are required to saw-cut and trench the asphalt road for the new service lateral, reducing labor, traffic control and re-asphalting costs.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget
Boring Machine	0		0	7,000	7,000		7,000
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Project	0	0	0	7,000	7,000	0	7,000





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, High Vista and Oak Woodlands subdivisions by the Lower Moosa Canyon Water Reclamation Facility, related collection systems, and three 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 2018-2019

Wastewater Collection System:

- Performed in-house cleaning and video inspection of 60% of the gravity collection system to eliminate potential blockages and reduce outside service expenditures. Located inflow and infiltration sources at manholes and collection system piping these areas were resealed and coated to eliminate unwanted flows entering the treatment facility.
- Relined 170 feet and replaced 50 feet of collection system piping that had been damaged by root intrusion on District easements.
- Cleaned out 41 interceptor tanks in the Rimrock low pressure sewer collection system and upgraded the float system within the tanks to improve the pump system operations. 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.
- Upgraded digester blower's operational software to reduce the blower speeds and lower energy costs.

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.

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 12 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, High Vista 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 2019-2020

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.
- Maintain and clean the newly upgraded Low Pressure Collection System piping in the Rimrock area.
- 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.
- Assist with updating the existing Operation and Maintenance Manuals describing and documenting the procedures for efficient operation of the wastewater facilities, including not only the treatment plant, but also, the collection system.

Planning Projects:

- Examine the benefits of solar power at the treatment facilities to reduce electrical related operational costs.

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.

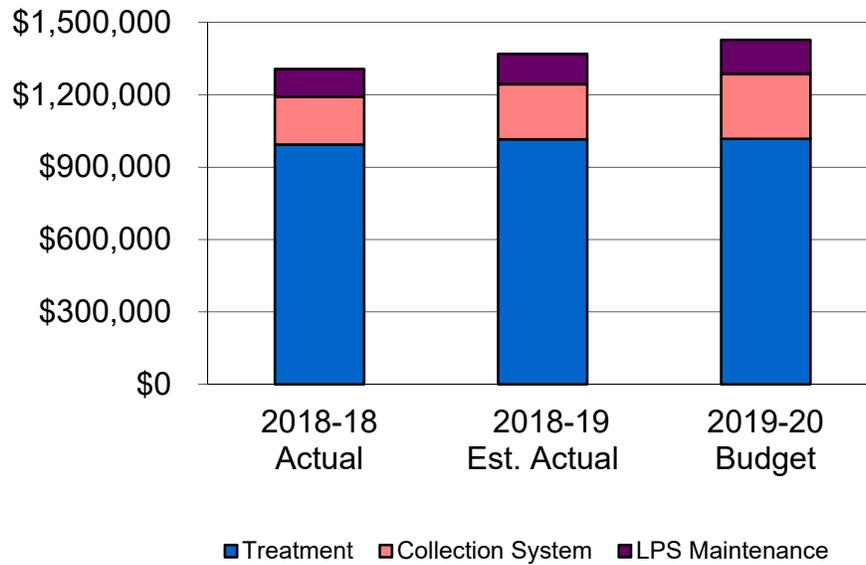
Continue improvements in the SCADA system to provide for more automated and remote plant and collection system operation.

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.

Personnel Requirements (FTE's)

	<i>Actual</i> FY 2018-19	<i>Budget</i> FY 2018-19	<i>Proposed</i> FY 2019-20
Wastewater Systems Supervisor	0.7	0.7	0.7
Senior Wastewater System Technician	0.6	0.6	0.6
Wastewater Systems Technician III	1.4	1.4	1.4
Wastewater Systems Technician II	0.7	0.7	0.7
Wastewater Systems Technician I	0.7	0.7	0.7
Total	4.1	4.1	4.1

Division Expenses



Recap of Budget and Source of Financing

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2018	1,276,560	501,146	1,265,805	0	3,043,511
ADD: Revenue 2018-2019					
Wastewater Service Charges	312,029			1,359,741	1,671,770
Wastewater Lateral & Inspection Fees				1,650	1,650
Interest	28,000			28,587	56,587
Wastewater LPS Charges				53,456	53,456
Capacity Charges		0			0
Total Revenue					1,783,463
LESS: Estimated Expenditures 2018-2019	0	0	(799,754)	(1,369,247)	(2,169,001)
Transfers			75,948	(74,187)	1,761
Net Change	340,029	0	(723,806)	0	(383,777)
ESTIMATED BALANCE JUNE 30, 2019	1,616,589	501,146	541,999	0	2,659,734
ADD: Revenue 2019-2020					
Wastewater Service Charges	312,029			1,359,371	1,671,400
Interest	34,700			24,500	59,200
Wastewater LPS Charges				54,219	54,219
Capacity Charges		0			0
Total Revenue					1,784,819
LESS: Proposed Expenditures 2019-2020			(115,000)	(1,428,095)	(1,543,095)
Expenditures of Continuing Projects			(541,999)		(541,999)
Transfers			115,000	(9,995)	105,005
Net Change	346,729	0	(541,999)	0	(195,270)
ESTIMATED BALANCE JUNE 30, 2020	1,963,318	501,146	0	0	2,464,464

GENERAL INFORMATION:

Average Wastewater Connections:

Monthly Rates:

Effective July 1

Effective February 1

	2017-2018	2018-2019		2019-2020
	Actual	Budget	Estimated Actual	Budget
Average Wastewater Connections	2,465	2,465	2,466	2,466
Effective July 1	53.76	53.76	53.76	56.45
Effective February 1	53.76	56.45	56.45	56.45

Description	2017-2018	2018-2019		2019-2020
	Actual	Budget	Estimated Actual	Budget
Treatment	993,443	990,054	1,015,254	1,017,693
Collection System/West	197,544	280,743	227,693	268,302
LPS Maintenance	115,469	160,900	126,300	142,100
Capital Projects	249,987	119,000	799,754	115,000
TOTAL MOOSA TREATMENT	1,556,443	1,550,697	2,169,001	1,543,095

Treatment 13-03-26-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	490,613	451,600	520,400	475,800
003	Overtime	22,407	22,500	21,500	22,500
025	Outside Professional Services	74,980	70,000	60,000	65,000
030	Special Department Expenses	5,349	3,500	3,000	3,500
032	Telephone	2,491	2,500	3,900	4,000
038	Regulatory Permits & Fees	20,079	25,000	24,000	26,000
040	Rents & Leases	0	500	500	500
042	Insurance	13,633	15,239	15,239	15,315
045	Electricity	79,406	100,000	80,000	100,000
048	Diesel	500	500	500	500
049	Water	6,750	6,500	6,000	6,500
323	Chemicals	16,347	22,500	18,500	21,000
341	Hazardous Waste Disposal Costs	0	300	300	300
451	Maintenance of Vehicles	1,340	1,500	1,500	1,500
452	Maintenance of Facilities	47,436	50,000	42,000	46,000
082	Administrative Overhead	211,789	215,915	215,915	227,278
085	Capital Planning	323	0	0	0
087	Bad Debt Expense	0	2,000	2,000	2,000
	Total	993,443	990,054	1,015,254	1,017,693

Treatment 13-03-26-50XXX

Acct. No.	Detail and Justification	Department Request
040	Rents & Leases	500
341	Hazardous Waste Disposal Costs Recycling Oil, Filters, Solvents	300
042	Insurance	15,315
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 SCADA Computer Equipment Maintenance 3,000 Building and Grounds Maintenance Equipment 3,000 Electrical Equipment 4,000 Electric Motor Maintenance 8,000 Filter Replacement 2,000 Tractor Maintenance 4,000 Hardware 4,000 Pipe and Fittings 2,000 Mechanical Plugs 3,000 Building and Yard Maintenance 13,000	46,000
082	Administrative Overhead	227,278
087	Bad Debt Expense	2,000

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

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	150,637	224,200	185,100	220,600
003	Overtime	1,090	3,000	1,500	2,000
025	Outside Professional Services	21,490	30,000	20,000	22,000
030	Special Department Expenses	2,037	2,000	1,500	2,000
038	Regulatory Permits and Fees	1,917	1,500	1,500	2,000
042	Insurance	1,515	1,693	1,693	1,702
045	Electricity	5,460	6,000	3,500	4,500
049	Water	1,694	1,850	1,800	2,000
451	Maintenance of Vehicles	1,349	1,500	1,500	1,500
452	Maintenance of Facilities	10,355	9,000	9,600	10,000
	Total	197,544	280,743	227,693	268,302

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

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalentents 1.45	220,600
003	Overtime	2,000
025	Outside Professional Services Sewer Cleaning/Repair 8,500 Manhole Sensors 7,000 Pumping 3,000 Generator Load Testing 1,000 Cal-Fire Clearing 2,500	22,000
030	Special Department Expenses	2,000
038	Regulatory Permits and Fees	2,000
042	Insurance	1,702
045	Electricity	4,500
049	Water	2,000
451	Maintenance of Vehicles	1,500
452	Maintenance of Facilities Motors Dip and Bake 1,000 Pump Repair 3,000 Replacement Pump 2,000 SCADA 1,500 Air Conditioner Repair 1,000 Valves and Solenoids, Grinder Servicing 1,500	10,000

LPS Maintenance 13-03-29-50XXX

No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Actual	Budget
001	Labor & Benefits - Regular	76,078	125,100	90,000	104,800
003	Overtime	8,918	5,000	4,000	4,000
025	Outside Professional Services	9,656	9,000	7,500	8,000
030	Special Department Expenses	1,766	2,000	1,000	1,000
451	Maintenance of Vehicles	982	1,300	1,300	1,300
452	Maintenance of Facilities	18,069	18,500	22,500	23,000
	Total	115,469	160,900	126,300	142,100

LPS Maintenance 13-03-29-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalentents 0.70	104,800
003	Overtime	4,000
025	Outside Professional Services Pumping of Tanks 3,000 Special Repairs 1,500 Sewer Cleaning 3,500	8,000
030	Special Department Expenses	1,000
451	Maintenance of Vehicles	1,300
452	Maintenance of Facilities Pump Rebuild Kits 4,500 Replacement Pumps 10,500 Retrofit STEP System Pumps 8,000	23,000

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2018-19	Estimated Actual Expenditures 2018-2019	Recaptured or Not Carried Forward to 2019-2020	Budget Carried Forward to 2019-2020	New Appropriation 2019-2020	Total Approved Budget 2019-2020
Meadows Lift Station Motor Control Center Repl.	290		50,000	-		50,000		50,000
Master Plan	54X		237,997	87,997		150,000		150,000
Title XVI Feasibility Study	541	11-10	-	-		-	100,000	100,000
Digester Blower	720		13,540	11,906	(1,634)	(0)		(0)
HMI/SCADA Migration & Control Upgrade System	730		167,505	2,505		165,000		165,000
Influent Flow Meter	750		3,447	3,000	(447)	0		0
Rimrock LPS System Improvements	770		679,055	611,055		68,000		68,000
Screening Unit	780		6,114	2,114		4,000		4,000
Wastewater O&M Manual Development	030		60,000	-		60,000		60,000
Moosa Main MCC Replacement	040		31,177	21,177		10,000		10,000
Collection System Vitrified Clay Pipe Lining	140		119,000	60,000	(24,000)	35,000		35,000
Solar Evaluation	060	11-11					15,000	15,000
Total Capital Projects			1,367,834	799,754	(26,081)	541,999	115,000	656,999

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2019-2020 .

Estimated Expenditures by Year

Fiscal Year 2019-2020

Moosa 13-06-78-53XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2019-20	New Appropriation 2019-20	Total Approved Budget 2019-20	Estimated Actual Expenditures 2019-20	Estimated Actual Expenditures 2020-21	Estimated Project Balance after 2 years
Meadows Lift Station Motor Control Center Repl. Master Plan	290 54X		50,000 150,000		50,000 150,000	50,000 150,000		
Title XVI Feasibility Study	541	11-10	-	100,000	100,000	100,000		
Digester Blower	720							
HMI/SCADA Migration & Control Upgrade System	730		165,000		165,000	165,000		
Influent Flow Meter	750							
Rimrock LPS System Improvements	770		68,000		68,000	68,000		
Screening Unit	780		4,000		4,000	4,000		
Wastewater O&M Manual Development	030		60,000		60,000	60,000		
Moosa Main MCC Replacement	040		10,000		10,000	10,000		
Collection System Vitrified Clay Pipe Lining	140		35,000		35,000	35,000		
Solar Evaluation	060	11-11	-	15,000	15,000	15,000		
Total Capital Projects			541,999	115,000	656,999	656,999	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2019-20.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

Moosa Master Plan

Continuing Project	<u>Type</u> Ultimate Service	<u>Master Plan</u> <u>Priority</u> A	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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PROJECT DESCRIPTION:

Funding is requested for additional consultant time needed to complete the Moosa Master Plan and Title XVI Feasibility Study and development of an implementation and funding plan. The master plan develops treatment recommendations needed for full buildout of the service area, while the feasibility study develops feasible options for the beneficial reuse of the effluent. Initially the master plan focused on Title 22 reclamation options as a solution for inland disposal. These options required seasonal storage and viable recycled water customers. A substantial portion of the original project budget was expended seeking reclamation solutions.

As development of the master plan and feasibility study proceeded, the scope of the master plan transitioned to groundwater disposal of secondary treated effluent, while the scope of the feasibility study transitioned to reclamation and potable reuse options of the treated effluent. Once a failsafe groundwater disposal option was identified and developed, seasonal storage requirements for the reclamation projects were eliminated resulting in several additional options to be evaluated.

Additional consultant time is needed for the following : 1) development of groundwater models to support the secondary effluent percolation options and determine percolation pond areas required and the appropriate land costs for the funding plans, 2) evaluation of groundwater disposal option involving the City of Oceanside and their potable reuse program, 3) consideration of increased flows generated from potential development and expansion of the service area and its effect on the overall program feasibility, 4) evaluation of additional options identified once a failsafe disposal option was identified, and 5) development of an implementation/funding plan for the recommended master plan and reclamation facilities.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Master Plan	95,000	181,400	(86,400)	100,000	13,600		13,600	195,000
Title XVI Feasibility Study	320,000	234,000	86,000		86,000		86,000	320,000
Title XVI Grant Funding	(150,000)	(117,000)	(33,000)		(33,000)		(33,000)	(150,000)
Total Project	265,000	298,400	(33,400)	100,000	66,600	0	66,600	365,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-06-78-53060
DEPARTMENT:	Wastewater

Lower Moosa Canyon Reclamation Facility Solar Evaluation

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

PROJECT DESCRIPTION:

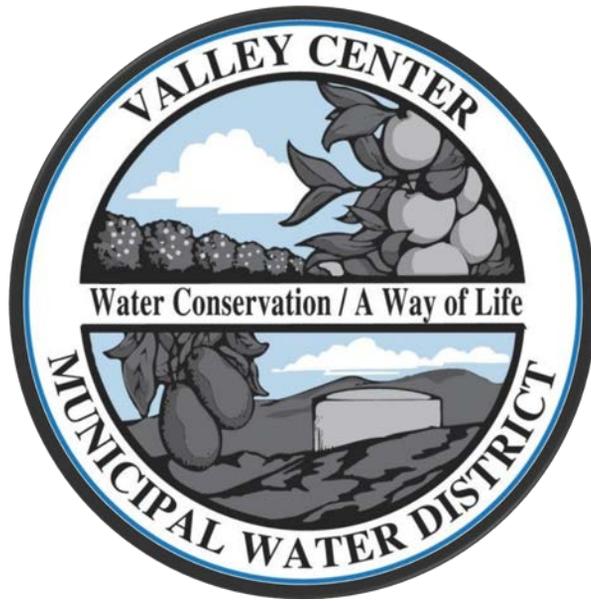
The Lower Moosa Canyon Reclamation Facility provides wastewater treatment to Welks, Hidden Meadows, Treasures and Circle R developments. Over the years, staff has implemented a number of operational changes and developed processes, such as, the digester thickener unit and the nitrogen control sensor for the aeration basins that have significantly reduced our energy consumption and costs.

Completing the operational efficiencies and improvements to the treatment process, staff believes the next step to further control our energy charges would be to install a solar array to off-set the majority of our energy costs and reduce the peak time-of-use charges associated with the wastewater treatment process.

To reduce operating expenses, staff believes a Power Purchase Agreement (PPA) is the most cost effective solution for the new solar array at the Moosa Plant. Staff would need to hire an outside consultant to develop a Request for Proposal (RFP) to solicit a number of potential contractors to achieve the most cost beneficial project for the Lower Moosa Canyon Reclamation Facility.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-20	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	5,000				10,000
Consultant			0	10,000				20,000
			0					
			0					
			0					
Total Project	0	0	0	15,000	0	0	0	30,000





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 to be funded through a separate Clean Water State Revolving Fund (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, 3) Charlan Road Seasonal Storage Facility, and the North Village Collection System. Construction of the Orchard Run Lift Station and North Village Lift Station were removed from the North Village Collection System component and are to be completed by the developers benefitting from the lift stations. Construction of the North Village Collection System was funded from the sale of a limited obligation improvement bond.

ACCOMPLISHMENTS FOR 2018-2019

- Staff assisted property owner participants with planning and installation of their grinder pump units for connection to the Low Pressure Sewer System.
- Staff assisted property owners with planning and preparation for grinder pump connections to the LPS (Low Pressure Sewer) collection system.
- A Limited Obligation Improvement Bond was issued to fund the construction of the North Village Collection System and the design of the Orchard Run and North Village Lift Station. The North Village Collection System is under construction and scheduled for completion by the end of Fiscal Year 2018-19.
- 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.
- A capacity transfer Policy was developed and approved by the Board providing for the reallocation of capacity and assessments. Several capacity transfers were completed.
- Completed the design of the Orchard Run Lift Station for construction by the developer of the Orchard Run and Park Circle Developments.
- Staff continued coordinating the process of implementing a Phase 3 Expansion Project and Communities Facilities District (CFD) with the developer of the Park Circle and Orchard Run projects to secure the financial security needed for future construction of the expansion facilities needed for the developments.

CHALLENGES AND GOALS FOR 2019-2020

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

- Complete construction of the North Village Collection System,
- Assist property owner participants with connection to the Low Pressure Sewer system,
- Work with the owners of the Woods Valley Golf Course to increase the seasonal storage volume of the ponds located within the golf course,
- Coordinate and complete the design of the North Village Lift Station and construction funding for the lift station with the two development projects served by the lift station, 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 developers and property owners in the Woods Valley Ranch WRF Service Area to prepare planning documents and agreements necessary for the implementation of a Phase 3 and future expansion projects in accordance with the approved Master Plan to meet the wastewater treatment needs of property in the South and North Village area.
- 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, 2018	2,039,632	1,542,388	6,378,548	0	9,960,568
ADD: Revenue 2018-2019					
Wastewater Stand-By Charge	573,433				573,433
AD 2012-1 Assessment	1,562,517				1,562,517
Interest	60,798				60,798
Total Revenue					2,196,748
LESS: Estimated Expenditures 2018-2019			(1,039,439)	(515,758)	(1,555,197)
Transfers					0
Net Change	2,196,748	0	(1,039,439)	(515,758)	641,551
ESTIMATED BALANCE JUNE 30, 2019	4,236,380	1,542,388	5,339,109	(515,758)	10,602,119
ADD: Revenue 2019-2020					
Wastewater Stand-By Charge	602,600				602,600
AD 2012-1 Assessment	1,557,490				1,557,490
Interest	103,997				103,997
Total Revenue					2,264,087
LESS: Proposed Expenditures 2019-2020			(365,000)	(499,816)	(864,816)
Expenditures of Continuing Projects			(5,339,109)		(5,339,109)
Transfers			365,000		365,000
Net Change	2,264,087	0	(5,339,109)	(499,816)	(3,574,838)
ESTIMATED BALANCE JUNE 30, 2020	6,500,467	1,542,388	0	(1,015,574)	7,027,281

Revenue Estimate

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
16-00-81-41005	Wastewater Stand-By Charge (SA-2)	576,163	602,600	573,433	602,600
16-00-81-41110	Assessment District 2012-1 South Village	1,420,930	1,712,082	1,562,517	1,557,490
16-00-84-41000	Interest Allocation	27,575	95,502	60,798	103,997
Total		2,024,668	2,410,184	2,196,748	2,264,087

Description	2017-2018	2018-2019		2019-2020
	Actual	Budget	Estimated Actual	Budget
Debt Service - Interest Expense	494,797	275,038	515,758	499,816
Capital Projects	686,005	0	1,039,439	365,000
TOTAL WOODS VALLEY RANCH	1,180,802	275,038	1,555,197	864,816

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 16-06-78-56XXXX

Description	Acct. No.	Prior	2019							2020					Future	
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Woods Valley Ranch Expansion																
Woods Valley Ranch WRF Phase 2 Expansion Planning	100	Complete														
Assessment District Modification/Annexation Land Acquisitions	110	Complete														
South Village Collection	120	Pending Developer Site Plan Approval for Land Acquisition														
Charlan Road Seasonal Storage	130	Complete														
North Village Collection System	140	Complete														
WVR Phase 2 Expansion	150	Construction														
WVR Golf Course Additional Seasonal Storage	160	Complete														
WVR Golf Course Additional Seasonal Storage	170	Complete														
Bond Issuance Costs AD 2012-1	180	Complete														
Woods Valley Ranch Phase 3 Expansion Planning	300	Complete														
Orchard Run Lift Station	310	Complete														
North Village Lift Station	320	Complete														

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

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2018-2019	Estimated Actual Expenditures 2018-2019	Budget Carried Forward to 2019-2020	New Appropriation 2019-2020	Total Approved Budget 2019-2020
WVR Wastewater Reclamation Facility	1XX	12-7	6,378,548	2,197,805	4,180,743	365,000	4,545,743 0 0 0 0
Total Capital Projects			6,378,548	2,197,805	4,180,743	365,000	4,545,743

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 2019-2020.

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

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2019-20	New Appropriation 2019-20	Total Approved Budget 2019-20	Estimated Actual Expenditures 2019-20	Estimated Actual Expenditures 2020-21	Estimated Project Balance after 2 years
WVR Wastewater Reclamation Facility	1XX	12-7	4,180,743	365,000	4,545,743	4,545,743		
Total Capital Projects			4,180,743	365,000	4,545,743	4,545,743	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 2019-2020.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

Woods Valley Golf Course Seasonal Storage

ACCOUNT NO.:	16-06-78-56XXX
DEPARTMENT:	Woods Valley Ranch Expansion

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

PROJECT DESCRIPTION:

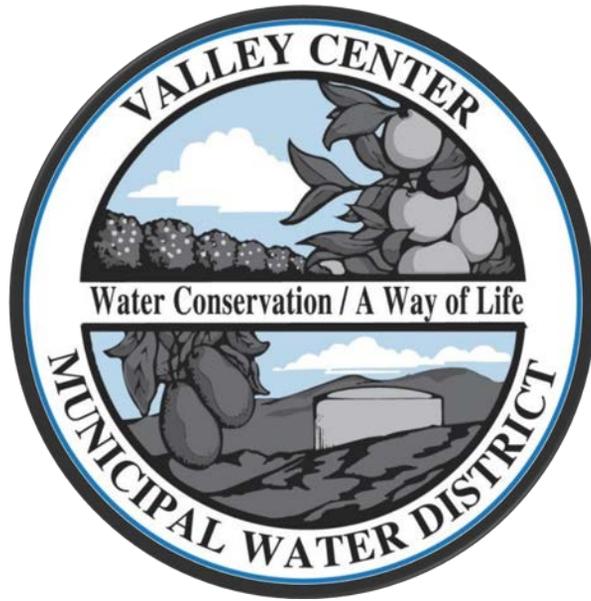
An additional 4.55 mg of storage is required to provide the full 84-days of seasonal storage needed for the Woods Valley Ranch Water Reclamation Facility (WVR WRF) Phase 2 Expansion Project. Current seasonal storage consists of 3.15 mg in Pond 10, located on the Woods Valley Golf Course (WVGC), and 15.40 mg in the Charlan Road seasonal storage facility. A total volume of 23.1 mg is required for the 1,375 EDUs of committed capacity¹. In addition to Pond 10, the WVGC has additional ponds/ lakes on the golf course that, with minor modifications, could be utilized for seasonal storage. The existing ponds would require some operational changes to increase available storage, enlargement of Pond 17, lining to reduce losses to the groundwater basin, pipeline and pump station improvements to convey the stored water to the main irrigation forebay, Pond #3. The proposed improvements include the following:

- Modification of the operational levels of Ponds 3, 5, 8, and 9 to generate additional seasonal storage,
- Installation of geomembrane liners for Ponds #5 and #17,
- Excavation of Pond #17 to enlarge its storage capacity of pond, and
- Installation of a small pump station at Pond #5 and approximately 700 LF of 6" PVC pipe to convey the stored water from Pond #5 to Pond #3.

Funding for the project is available from the remaining balance of the deposits provided by each participant in the Woods Valley Ranch Wastewater Expansion Project. These improvements will be owned and operated by the Woods Valley Golf Course, as is Pond 10. The design and construction of the improvements would be coordinated with the golf course and would need to be completed prior to connecting 1,225 EDUs. Currently, approximately 300 EDUs are connected to the WVR WRF. A buildout rate of 200 EDUs per year would require the improvements to be completed in 4½ years.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	15,000	15,000		15,000	15,000
Engineering			0	8,000	8,000		8,000	8,000
Design Engineering			0	80,000	80,000		80,000	80,000
Construction			0	250,000	250,000		250,000	250,000
Miscellaneous			0	0	0		0	0
Contingency			0	12,000	12,000		12,000	12,000
Total Project	0	0	0	365,000	365,000	0	365,000	365,000

¹ 1,375 EDUs times 200 gallons per day per EDU times 84 days. This includes the original 280 EDUs from the Woods Valley Ranch Subdivision and 1,095 EDUs from the Phase 2 Wastewater Expansion Project.



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 and North 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 either a wastewater service charge for properties connected to the system or a wastewater standby fee for properties that have not yet connected to the wastewater system, 2) a Grinder Pump Maintenance Charge for connected properties with a grinder pump installation, also assessed on the property tax role, and 3) proceeds from the sale of reclaimed water to the golf course for irrigation.

ACCOMPLISHMENTS FOR 2019-2020

Woods Valley Ranch Water Reclamation Facility:

- Continued to implement operational changes that reduced equipment run times and energy consumption and improved effluent quality.

Wastewater Collection System:

- Performed in-house cleaning and video inspection of 100% of the gravity collection system to eliminate potential blockages and reduce outside service expenditures. Located inflow and infiltration sources at manholes and collection system piping. These areas were resealed and coated to eliminate unwanted flows entering the treatment facility.
- Continued to provide assistance and support on the South and North node collection system expansion projects on Valley Center Road.

CHALLENGES AND GOALS FOR 2019-2020

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 inspections of commercial businesses for fat's, oil and grease (FOG) per the Districts Commercial Waste Discharge Program (CWDP).
- 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.

- Assist with updating 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.

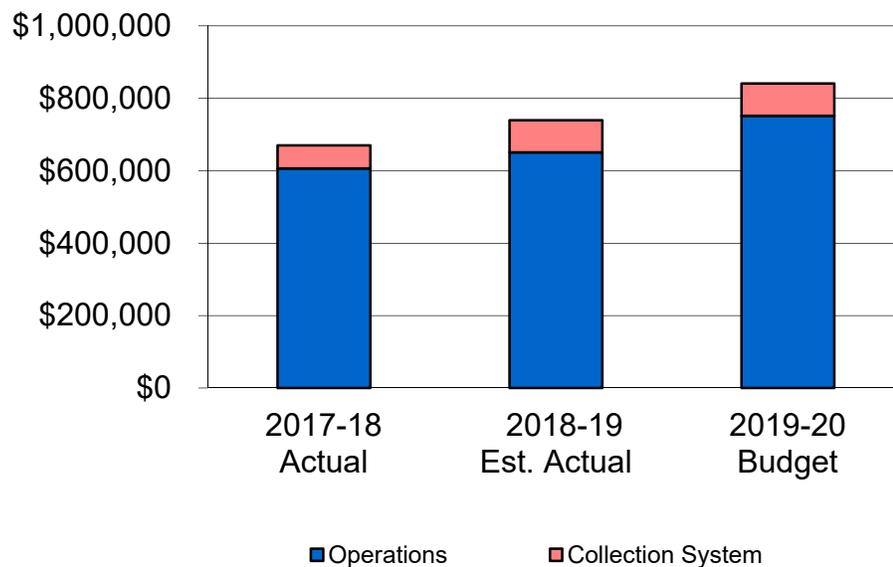
LONG-TERM GOALS

Operate and maintain the plant to be self-supporting without financial consideration from the General Fund.

Personnel Requirements (FTE's)

	<i>Actual FY 2018-19</i>	<i>Budget FY 2018-19</i>	<i>Proposed FY 2019-20</i>
Wastewater Systems Supervisor	0.3	0.3	0.3
Senior Wastewater System Technician	0.4	0.4	0.4
Wastewater Systems Technician III	0.6	0.6	0.6
Wastewater Systems Technician II	0.3	0.3	0.3
Wastewater Systems Technician I	0.3	0.3	0.3
Total	1.9	1.9	1.9

Division Expenses



Recap of Budget and Source of Financing

	Replacement Reserve Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2018	293,173	351,212	724,004	0	1,368,389
ADD: Revenue 2018-2019					
Wastewater Service Charge	154,090			181,911	336,001
Wastewater Service Charge (SA-2)				60,403	17,748
Grinder Maintenance Charge (SA-2)	7,245				7,245
Reclaimed Water & Meter Charge				60,403	60,403
Interest	7,391				7,391
Total Revenue					428,788
LESS: Estimated Expenditures 2018-2019			(83,454)	(585,473)	(668,927)
Transfers		(58,475)	59,549		1,074
Net Change	168,726	(58,475)	(23,905)	(282,756)	(196,410)
ESTIMATED BALANCE JUNE 30, 2019	461,899	292,737	700,098	(282,756)	1,171,978
ADD: Revenue 2019-2020					
Wastewater Service Charge	154,090			183,122	337,212
Wastewater Service Charge (SA-2)				47,328	47,328
Grinder Maintenance Charge (SA-2)	9,660				9,660
Reclaimed Water & Meter Charge				51,430	51,430
Interest	10,742				10,742
Total Revenue					456,372
LESS: Proposed Expenditures 2019-2020			(100,000)	(687,552)	(787,552)
Expenditures of Continuing Projects			(700,098)		(700,098)
Transfers		51,040	100,000		151,040
Net Change	174,492	51,040	(700,098)	(405,672)	(880,238)
ESTIMATED BALANCE JUNE 30, 2020	636,391	343,777	0	(688,428)	291,740

GENERAL INFORMATION:

Average Wastewater Units Billed:

Monthly Rates:

Effective July 1

Effective January 1

2017-2018	2018-2019		2019-2020
Actual	Adopted Budget	Estimated Actual	Budget
280	281	281	285
98.60	98.60	98.60	98.60
98.60	98.60	98.60	98.60

Revenue Estimate

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
17-00-81-41001	Wastewater Service Charge	331,269	331,296	334,818	336,029
17-00-81-41003	Wastewater Capacity Reservation Fee	550	1,183	1,183	1,183
17-00-81-41006	LPS Connection Inspection Fee	0	0	0	0
17-00-81-41013	Wastewater Service Charge (SA-2)	0	17,748	17,748	47,328
17-00-81-41014	Grinder Pump Maintenance (SA-2)	532	7,245	7,245	9,660
17-00-81-44100	Reclaimed Water	40,299	49,425	58,398	49,425
17-00-81-44001	Reclaimed Water Meter Charge	3,928	2,005	2,005	2,005
17-00-84-41000	Interest - Operating & Replace. Res.	13,102	7,186	7,249	10,742
17-00-89-42000	Contributions In Kind	200,000	0	0	0
	Total	589,680	416,088	428,646	456,372

Description	2017-2018	2018-2019		2019-2020
	Actual	Budget	Estimated Actual	Budget
Collection System	63,665	91,800	89,000	89,400
Treatment	606,420	764,713	650,563	752,242
Capital Projects	21,508	60,000	83,454	100,000
TOTAL WOODS VALLEY RANCH	691,593	916,513	823,017	941,642

Collection System 17-03-30-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	54,348	80,300	79,900	78,200
003	Overtime	808	1,500	1,000	1,500
025	Outside Professional Services	3,755	4,500	3,800	4,200
030	Special Department Expenses	951	1,000	1,000	1,000
038	Regulatory Permit & Fee	2,088	2,500	2,300	2,500
452	Maintenance of Facilities	1,715	2,000	1,000	2,000
Total		63,665	91,800	89,000	89,400

Treatment 17-03-31-50XXX

Acct. No.	Description	2017-2018	2018-2019		2019-2020
		Actual	Budget	Estimated Actual	Budget
001	Labor & Benefits - Regular	244,188	321,900	228,000	306,500
003	Overtime	9,806	10,500	8,000	8,000
025	Outside Professional Services	31,423	32,000	24,000	32,000
030	Special Department Expenses	1,737	1,600	1,600	1,600
032	Telephone	276	400	400	400
038	Regulatory Permits & Fees	19,033	21,000	19,000	21,000
040	Rents & Leases	0	250	250	250
042	Insurance	14,838	15,541	15,541	17,283
045	Electricity	74,803	70,000	65,000	70,000
048	Diesel	0	300	300	300
049	Water	668	700	1,500	1,500
324	Chemicals	9,696	16,000	14,000	16,000
451	Maintenance of Vehicles	1,064	1,500	1,150	900
452	Maintenance of Facilities	15,246	13,000	11,800	13,000
082	Administrative Overhead	74,838	105,932	105,932	109,419
085	Capital Planning	6,184	0		
	Total Treatment Operations	503,800	610,623	496,473	598,152
078	Contribution to Replacement Reserve	102,620	154,090	154,090	154,090
		102,620	154,090	154,090	154,090
	Total	606,420	764,713	650,563	752,242

Treatment 17-03-31-50XXX

Acct. No.	Detail and Justification	Department Request
001	Labor & Benefits - Regular Full Time Equivalents 1.69	306,500
003	Overtime	8,000
324	Chemicals	16,000
025	Outside Professional Services	32,000
	Pumper Trucks - Haul waste	4,000
	Laboratory Testing Services	10,000
	Courier Service	4,000
	Sewer Cleaning	4,000
	SCADA Maintenance	1,000
	Generator Load Testing	2,000
	Wonderware Service Support	2,000
	Confined Space Standby	5,000
030	Special Department Expenses	1,600
	Tools	800
	Equipment	800
032	Telephone	400
038	Regulatory Permits & Fees	21,000
040	Rents & Leases	250
042	Insurance	17,283
045	Electricity	70,000
048	Diesel	300
049	Water	1,500
451	Maintenance of Vehicles	900

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Approved Budget 2018-2019	Total Approved Budget 2018-2019	Estimated Actual Expenditures 2018-2019	Recaptured or Not Carried Forward to 2019-2020	Estimated Budget Carried Forward to 2019-2020	New Appropriation 2019-2020	Total Approved Budget 2019-2020
Phase 2 Expansion Project (Replacement Component)	460		520,099	520,099	0	0	520,099		520,099
SCADA/HMI Replacement Project	480		451	451	0	(451)	(0)		(0)
Wastewater Permit Requirements	880	13-9	48,454	48,454	23,454	0	25,000	100,000	125,000
Wastewater O&M Manual Development	030		90,000	90,000	0	0	90,000		90,000
Nitrogen/Ammonia Sensors	090		125,000	125,000	60,000	0	65,000		65,000
Total Capital Projects			784,003	784,003	83,454	(451)	700,098	100,000	800,098

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2019-20

Estimated Expenditures by Year

Fiscal Year 2019-2020

Woods Valley Ranch 17-06-78-57XXX

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2019-20	New Appropriation 2019-20	Total Approved Budget 2019-20	Estimated Actual Expenditures 2019-20	Estimated Actual Expenditures 2020-21	Estimated Project Balance after 2 years
Phase 2 Expansion Project (Replacement Component)	460		520,099		520,099	520,099		
SCADA/HMI Replacement Project	480							
Wastewater Permit Requirements	880	13-9	25,000	100,000	125,000	125,000		
Wastewater O&M Manual Development	030		90,000		90,000	90,000		
Nitrogen/Ammonia Sensors	090		65,000		65,000	65,000		
Total Capital Projects			700,099	100,000	800,099	800,099	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to Fiscal Year 2019-20.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2019-2020**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-06-78-57880
DEPARTMENT:	Wastewater

Wastewater Permit Requirements

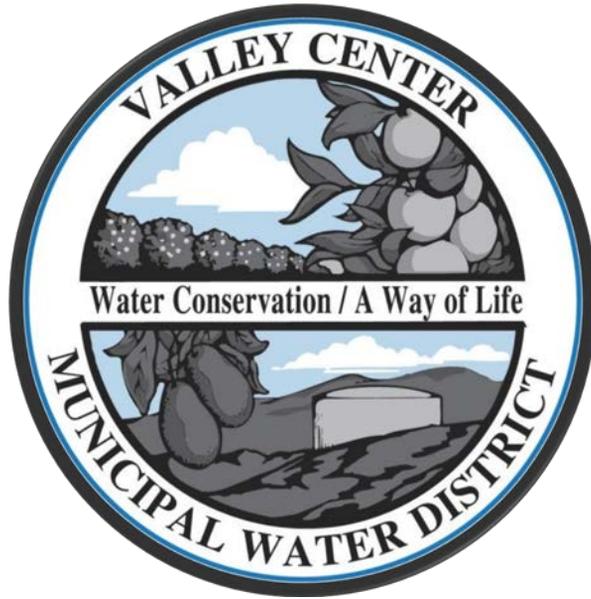
Continuing Project	<u>Type</u> Ultimate Service	<u>Master Plan</u> <u>Priority</u> A	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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PROJECT DESCRIPTION:

The District wastewater discharge permit issued by the San Diego Regional Water Quality Control Board (Regional Board) Order No. R9-2015-0104 for the Woods Valley Ranch WRF required certain reports and management plans be prepared to develop procedures and monitoring requirements to maintain and verify compliance with the permit requirements. The following four plans and reports were required as part of the current wastewater permit: Salt/Nutrient Management Plan, Sanitary Sewer Management Plan, Nitrogen Loading Study and a Groundwater Monitoring Plan. All plans have been completed with the exception of the Salt/Nutrient Management Plan. Additional funding is requested to complete the plan and for ultimate submittal to the Regional Board.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2019-2020	Total Budget 2019-2020	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Salt Nutrient Management Plan	20,000		20,000	100,000	120,000		120,000	120,000
Sanitary Sewer Management Plan	50,000	50,000	0		0		0	50,000
Nitrogen Loading Study	12,000	9,000	3,000		3,000		3,000	12,000
Groundwater Monitoring Plan	8,000	5,000	3,000		3,000		3,000	8,000
Total Project	90,000	64,000	26,000	100,000	126,000	0	126,000	190,000





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).

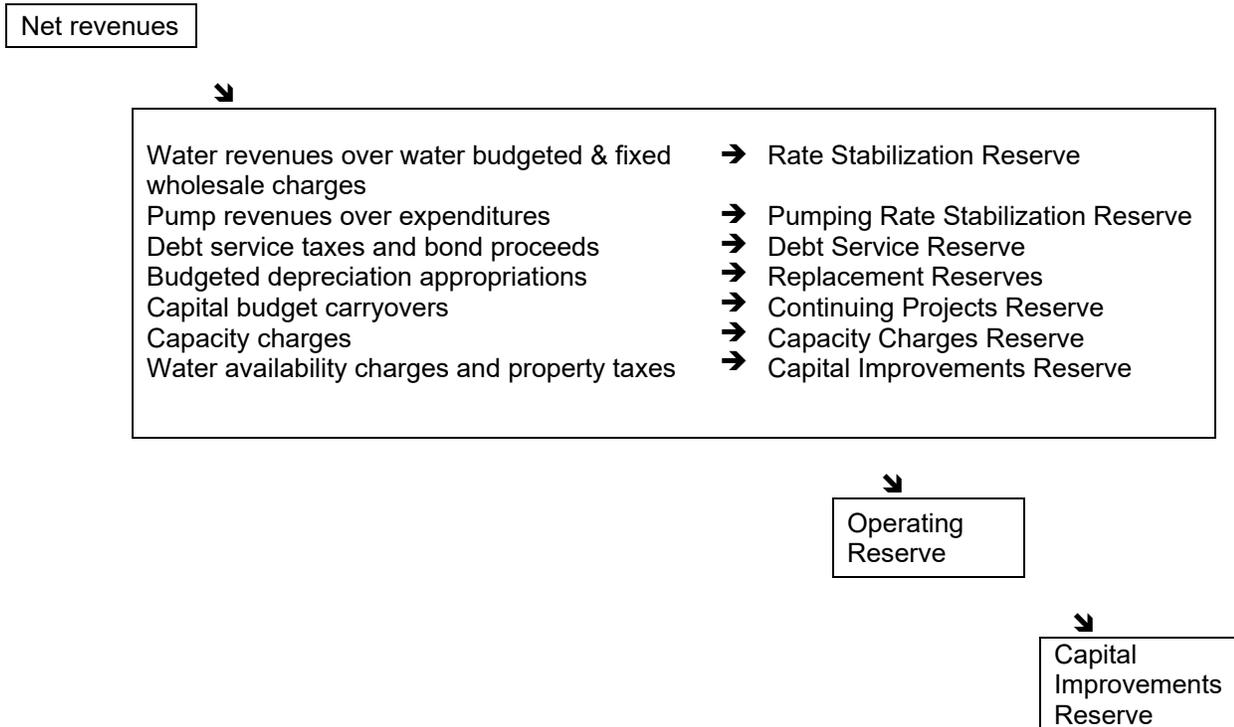
3. Restricted Reserves:
 - A. Debt Service Reserve: This reserve includes debt service taxes collected but not yet payable to debt holders, reserves required by debt agreements, and unexpended proceeds from debt issues, and will be used to fulfill debt requirements in accordance with debt covenants.
 - 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 or 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.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
FINANCIAL PLAN SUMMARY**

	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	EST ACTUAL FY 18/19	BUDGET FY 19/20
General Fund					
Beginning Balance	\$ 17,285,862	\$ 16,516,893	\$ 14,887,483	\$ 16,334,256	\$ 17,586,004
Operating Revenues					
Water Sales	\$ 28,387,189	\$ 30,195,122	\$ 36,215,437	\$ 30,122,000	\$ 34,990,000
Connection Fees	\$ 215,995	\$ 196,154	\$ 222,587	\$ 246,800	\$ 147,650
Capacity Fees	\$ 97,524	\$ 170,436	\$ 144,400	\$ 113,741	\$ 145,620
Meter Service Charges	\$ 5,390,906	\$ 5,896,481	\$ 6,230,123	\$ 6,262,000	\$ 6,310,000
Pumping Revenue	\$ 1,978,644	\$ 2,139,381	\$ 2,773,079	\$ 2,157,000	\$ 2,841,000
Total Operating Water Revenues	\$ 36,070,258	\$ 38,597,574	\$ 45,585,626	\$ 38,901,541	\$ 44,434,270
Property Taxes - Other	\$ 2,666,033	\$ 2,778,867	\$ 2,881,167	\$ 3,039,000	\$ 3,078,000
Property Taxes - Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 898,412	\$ 1,021,046	\$ 1,129,086	\$ 983,925	\$ 995,850
Interest	\$ 163,485	\$ 120,636	\$ 259,124	\$ 616,000	\$ 681,500
Transfer Interest to Cap Chg Res	\$ (163,485)	\$ (120,636)	\$ (259,124)	\$ (616,000)	\$ (681,500)
Total Non-Operating Water Revenues	\$ 3,564,445	\$ 3,799,913	\$ 4,010,253	\$ 4,022,925	\$ 4,073,850
TOTAL WATER REVENUES	\$ 39,634,703	\$ 42,397,487	\$ 49,595,879	\$ 42,924,466	\$ 48,508,120
Expenditures					
Source of Supply	\$ 27,186,259	\$ 28,606,720	\$ 32,797,625	\$ 26,939,200	\$ 32,211,304
General Administration	\$ 734,566	\$ 794,938	\$ 762,785	\$ 820,888	\$ 863,559
Finance	\$ 2,080,424	\$ 2,345,330	\$ 4,387,923	\$ 2,575,395	\$ 3,392,555
Engineering	\$ 1,450,071	\$ 1,601,925	\$ 1,454,877	\$ 1,292,436	\$ 1,586,706
Field Operation	\$ 6,344,449	\$ 6,398,225	\$ 6,839,511	\$ 6,663,504	\$ 7,257,719
Debt Service	\$ -	\$ -	\$ 45,240	\$ 50,294	\$ 48,857
Total Operating Expenditures	\$ 37,795,769	\$ 39,747,138	\$ 46,287,961	\$ 38,341,717	\$ 45,360,700
Transfer To Other Funds					
To Operating Reserve	\$ 1,225,444	\$ 450,627	\$ (236,465)	\$ 913,416	\$ 114,630
To Rate Stabilization Reserve	\$ (1,217,823)	\$ (250,813)	\$ 608,352	\$ (608,352)	\$ -
To Expansion Reserve (Capacity Fees)	\$ 97,524	\$ 170,436	\$ 144,400	\$ 113,741	\$ 145,620
To Capital Reserves (Water Availability Chg Less Debt)	\$ 579,550	\$ 583,000	\$ 539,760	\$ 534,706	\$ 536,143
To Replacement Reserve (Capital Project Expenses)	\$ 1,154,239	\$ 1,697,099	\$ 1,744,523	\$ 4,136,586	\$ 2,351,027
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers	\$ 1,838,934	\$ 2,650,349	\$ 2,800,570	\$ 5,090,097	\$ 3,147,420
Fund Balance Before Reserves	\$ 11,619,979	\$ 10,843,389	\$ 9,350,600	\$ 9,383,402	\$ 11,920,121
Operating Reserve (General Fund)					
Beginning Balance	\$ 4,197,247	\$ 5,422,691	\$ 5,873,318	\$ 5,636,853	\$ 6,550,269
Transfer from Operating Fund to Adjust Ending Balance	\$ 1,225,444	\$ 450,627	\$ (236,465)	\$ 913,416	\$ 114,630
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ 1,225,444	\$ 450,627	\$ (236,465)	\$ 913,416	\$ 114,630
Ending Balance Operating Reserve	\$ 5,422,691	\$ 5,873,318	\$ 5,636,853	\$ 6,550,269	\$ 6,664,899
Rate Stabilization Reserve (Water & Pumping RSFs)					
Beginning Balance	\$ 1,468,636	\$ 250,813	\$ -	\$ 608,352	\$ -
Transfer from Operating Fund to Adjust Ending Balance	\$ (1,217,823)	\$ (250,813)	\$ 608,352	\$ (608,352)	\$ -
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (1,217,823)	\$ (250,813)	\$ 608,352	\$ (608,352)	\$ -
Ending Balance Rate Stabilization Reserves	\$ 250,813	\$ -	\$ 608,352	\$ -	\$ -
Debt Service					
Beginning Balance	\$ -	\$ -	\$ 170,913	\$ 198,301	\$ 198,301
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ 170,913	\$ 27,388	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ 170,913	\$ 27,388	\$ -	\$ -
Ending Balance Debt Service	\$ -	\$ 170,913	\$ 198,301	\$ 198,301	\$ 198,301
Ending Balance Operating Fund	\$ 5,673,504	\$ 6,044,231	\$ 6,443,506	\$ 6,748,570	\$ 6,863,200

NOTE: This projection is for information only based on assumptions about costs and does not adopt policy or budgetary authority.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
FINANCIAL PLAN SUMMARY**

	PROJECTED				
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
General Fund					
Beginning Balance	\$ 19,378,524	\$ 21,194,909	\$ 21,813,014	\$ 22,749,851	\$ 23,973,307
Operating Revenues					
Water Sales	\$ 36,039,700	\$ 37,120,891	\$ 38,234,518	\$ 39,381,553	\$ 40,563,000
Connection Fees	\$ 150,160	\$ 152,713	\$ 155,309	\$ 157,949	\$ 160,713
Capacity Fees	\$ 148,926	\$ 152,306	\$ 155,764	\$ 166,667	\$ 178,334
Meter Service Charges	\$ 6,499,300	\$ 6,694,279	\$ 6,895,107	\$ 7,101,961	\$ 7,315,019
Pumping Revenue	\$ 2,926,230	\$ 3,014,017	\$ 3,104,437	\$ 3,197,571	\$ 3,293,498
Total Operating Water Revenues	\$ 45,764,316	\$ 47,134,206	\$ 48,545,135	\$ 50,005,701	\$ 51,510,564
Property Taxes - Other	\$ 3,127,920	\$ 3,178,838	\$ 3,230,775	\$ 3,276,006	\$ 3,321,870
Property Taxes - Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 867,619	\$ 887,314	\$ 907,456	\$ 898,412	\$ 914,134
Interest	\$ 688,315	\$ 695,198	\$ 702,150	\$ 709,172	\$ 716,263
Transfer Interest to Cap Chg Res	\$ (688,315)	\$ (695,198)	\$ (702,150)	\$ (709,172)	\$ (716,263)
Total Non-Operating Water Revenues	\$ 3,995,539	\$ 4,066,152	\$ 4,138,231	\$ 4,174,418	\$ 4,236,004
TOTAL WATER REVENUES	\$ 49,759,854	\$ 51,200,358	\$ 52,683,366	\$ 54,180,118	\$ 55,746,568
Expenditures					
Source of Supply	\$ 33,177,643	\$ 34,172,972	\$ 35,198,162	\$ 36,254,106	\$ 37,341,730
General Administration	\$ 879,095	\$ 894,040	\$ 909,239	\$ 924,696	\$ 940,415
Finance	\$ 3,450,228	\$ 3,508,882	\$ 3,568,533	\$ 3,629,198	\$ 3,690,895
Engineering	\$ 1,797,019	\$ 1,837,811	\$ 1,879,530	\$ 1,865,596	\$ 1,897,311
Field Operation	\$ 7,122,898	\$ 7,284,588	\$ 7,449,948	\$ 7,459,699	\$ 7,586,514
Debt Service	\$ 47,662	\$ 45,241	\$ 42,783	\$ 40,284	\$ 37,746
Total Operating Expenditures	\$ 46,474,546	\$ 47,743,535	\$ 49,048,194	\$ 50,173,579	\$ 51,494,611
Transfer To Other Funds					
To Operating Reserve	\$ (16,447)	\$ 136,829	\$ 139,736	\$ 34,720	\$ 116,704
To Rate Stabilization Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
To Expansion Reserve (Capacity Fees)	\$ 145,620	\$ 148,926	\$ 152,306	\$ 155,764	\$ 166,667
To Capital Reserves (Water Availability Chg Less Debt)	\$ 537,338	\$ 539,759	\$ 542,217	\$ 539,266	\$ 542,254
To Replacement Reserve (Capital Project Expenses)	\$ 2,615,492	\$ 2,627,929	\$ 2,797,455	\$ 3,273,631	\$ 3,425,293
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers	\$ 3,282,003	\$ 3,453,442	\$ 3,631,714	\$ 4,003,381	\$ 4,250,918
Fund Balance Before Reserves	\$ 13,337,599	\$ 14,351,537	\$ 14,832,889	\$ 15,629,692	\$ 16,816,308
Operating Reserve (General Fund)					
Beginning Balance	\$ 6,664,899	\$ 6,648,452	\$ 6,785,281	\$ 6,925,017	\$ 6,959,737
Transfer from Operating Fund to Adjust Ending Balance	\$ (16,447)	\$ 136,829	\$ 139,736	\$ 34,720	\$ 116,704
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (16,447)	\$ 136,829	\$ 139,736	\$ 34,720	\$ 116,704
Ending Balance Operations Reserve	\$ 6,648,452	\$ 6,785,281	\$ 6,925,017	\$ 6,959,737	\$ 7,076,441
Rate Stabilization Reserve (Water & Pumping RSFs)					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance Rate Stabilization Reserve	\$ -				
Ag. Credit Reserve					
Beginning Balance	\$ 198,301	\$ 198,301	\$ 198,301	\$ 198,301	\$ 198,301
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance Ag. Credit Reserve	\$ 198,301				
Ending Balance Operating Fund	\$ 6,846,753	\$ 6,983,582	\$ 7,123,318	\$ 7,158,038	\$ 7,274,742

NOTE: This projection is for information only based on assumptions about costs and does not adopt policy or budgetary authority.

	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	EST ACTUAL FY 18/19	BUDGET FY 19/20
Capital Reserves (Continuing Project, Capital Improvements, Master Plan, & Energy Efficiency)					
Beginning Reserve Balance	\$ 11,069,366	\$ 10,189,585	\$ 8,114,276	\$ 12,042,599	\$ 12,829,123
Revenues and Transfers In					
Interest	\$ 157,820	\$ 114,083	\$ 246,017	\$ 596,970	\$ 671,590
Transfer Interest/Funds In From Other Funds/Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Water Availability Charges Less Debt	\$ 579,550	\$ 583,000	\$ 539,760	\$ 534,706	\$ 536,143
Transfer from Operating Fund	\$ 842,363	\$ 1,036,328	\$ 4,746,773	\$ 1,540,172	\$ 3,804,627
Proceeds From Debt Issue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues and Transfers In	\$ 1,579,733	\$ 1,733,411	\$ 5,532,550	\$ 2,671,848	\$ 5,012,361
Balance Prior to Expenses	\$ 12,649,099	\$ 11,922,996	\$ 13,646,826	\$ 14,714,447	\$ 17,841,483
Expenditures					
Capital Expenses	\$ 2,459,514	\$ 3,808,720	\$ 1,604,227	\$ 1,885,324	\$ 3,490,000
Total Expenditures	\$ 2,459,514	\$ 3,808,720	\$ 1,604,227	\$ 1,885,324	\$ 3,490,000
Ending Balance Capital Replacement Reserve	\$ 10,189,585	\$ 8,114,276	\$ 12,042,599	\$ 12,829,123	\$ 14,351,483
Capacity Charge Reserves (Capital Expansion)					
Beginning Reserve Balance	\$ 550,613	\$ 653,802	\$ 728,974	\$ 886,481	\$ 1,019,252
Revenue and Transfers In					
Transfer from Capital Fund (Capacity Fees)	\$ 97,524	\$ 68,619	\$ 144,400	\$ 113,741	\$ 145,620
Interest	\$ 5,665	\$ 6,553	\$ 13,107	\$ 19,030	\$ 9,910
Total Revenues and Transfers In	\$ 103,189	\$ 75,172	\$ 157,507	\$ 132,771	\$ 155,530
Balance Prior to Expenses	\$ 653,802	\$ 728,974	\$ 886,481	\$ 1,019,252	\$ 1,174,782
Expenditures					
Capital Expansion Expenses (Ultimate)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance Expansion Reserve	\$ 653,802	\$ 728,974	\$ 886,481	\$ 1,019,252	\$ 1,174,782
Summary of All Ending Funds & Reserves					
General Fund					
Operating Reserve (General Fund)	\$ 5,422,691	\$ 5,873,318	\$ 5,636,853	\$ 6,550,269	\$ 6,664,899
Rate Stabilization Reserve (General Fund)	\$ 250,813	\$ -	\$ 608,352	\$ -	\$ -
Debt Service Reserve (Restricted)	\$ -	\$ -	\$ 170,913	\$ 198,301	\$ 198,301
Unappropriated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund	\$ 5,673,505	\$ 6,044,232	\$ 6,614,420	\$ 6,946,871	\$ 7,061,501
Capital Improvement Fund					
Capital Reserves	\$ 10,189,585	\$ 8,114,276	\$ 8,861,654	\$ 9,648,181	\$ 11,170,541
Capacity Charge Reserves (Capital Expansion)	\$ 653,802	\$ 728,974	\$ 858,181	\$ 990,952	\$ 1,146,482
Total Capital Improvement Fund	\$ 10,843,388	\$ 8,843,251	\$ 9,719,836	\$ 10,639,133	\$ 12,317,023
Total All Funds & Reserves	\$ 16,516,893	\$ 14,887,483	\$ 16,334,256	\$ 17,586,004	\$ 19,378,524

NOTE: This projection is for information only based on assumptions about costs and does not adopt policy or budgetary authority.

	FY 20/21	FY 21/22	PROJECTED FY 22/23	FY 23/24	FY 24/25
Capital Reserves (Continuing Project, Capital Improvements, Master Plan, & Energy Efficiency)					
Beginning Reserve Balance	\$ 14,351,483	\$ 16,023,925	\$ 16,339,826	\$ 16,966,441	\$ 17,973,640
Revenues and Transfers In					
Interest	\$ 676,850	\$ 682,129	\$ 687,428	\$ 694,302	\$ 701,245
Transfer Interest/Funds In From Other Funds/Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Water Availability Charges Less Debt	\$ 537,338	\$ 539,759	\$ 542,217	\$ 539,266	\$ 542,254
Transfer from Operating Fund	\$ 2,615,492	\$ 2,627,929	\$ 2,797,455	\$ 3,273,631	\$ 3,425,293
Proceeds From Debt Issue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues and Transfers In	\$ 3,829,680	\$ 3,849,817	\$ 4,027,100	\$ 4,507,199	\$ 4,668,792
Balance Prior to Expenses	\$ 18,181,164	\$ 19,873,742	\$ 20,366,926	\$ 21,473,640	\$ 22,642,433
Expenditures					
Capital Expenses	\$ 2,157,239	\$ 3,533,916	\$ 3,400,484	\$ 3,500,000	\$ 3,500,000
Total Expenditures	\$ 2,157,239	\$ 3,533,916	\$ 3,400,484	\$ 3,500,000	\$ 3,500,000
Ending Balance Capital Replacement Reserve	\$ 16,023,925	\$ 16,339,826	\$ 16,966,441	\$ 17,973,640	\$ 19,142,433
Capacity Charge Reserves (Capital Expansion)					
Beginning Reserve Balance	\$ 1,174,782	\$ 1,335,172	\$ 1,500,547	\$ 1,671,033	\$ 1,852,570
Revenue and Transfers In					
Transfer from Capital Fund (Capacity Fees)	\$ 148,926	\$ 152,306	\$ 155,764	\$ 166,667	\$ 178,334
Interest	\$ 11,465	\$ 13,069	\$ 14,722	\$ 14,870	\$ 15,018
Total Revenues and Transfers In	\$ 160,390	\$ 165,375	\$ 170,486	\$ 181,537	\$ 193,352
Balance Prior to Expenses	\$ 1,335,172	\$ 1,500,547	\$ 1,671,033	\$ 1,852,570	\$ 2,045,922
Expenditures					
Capital Expansion Expenses (Ultimate)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance Expansion Reserve	\$ 1,335,172	\$ 1,500,547	\$ 1,671,033	\$ 1,852,570	\$ 2,045,922
Summary of All Ending Funds & Reserves					
General Fund					
Operating Reserve (General Fund)	\$ 6,648,452	\$ 6,785,281	\$ 6,925,017	\$ 6,959,737	\$ 7,076,441
Rate Stabilization Reserve (General Fund)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Reserve (Restricted)	\$ 198,301	\$ 198,301	\$ 198,301	\$ 198,301	\$ 198,301
Unappropriated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund	\$ 7,045,054	\$ 7,181,883	\$ 7,321,619	\$ 7,356,339	\$ 7,473,043
Capital Improvement Fund					
Capital Reserves	\$ 12,842,983	\$ 13,158,884	\$ 13,785,499	\$ 14,792,698	\$ 15,961,491
Capacity Charge Reserves (Capital Expansion)	\$ 1,306,872	\$ 1,472,247	\$ 1,642,733	\$ 1,824,270	\$ 2,017,622
Total Capital Improvement Fund	\$ 14,149,855	\$ 14,631,131	\$ 15,428,232	\$ 16,616,968	\$ 17,979,113
Total All Funds & Reserves	\$ 21,194,909	\$ 21,813,014	\$ 22,749,851	\$ 23,973,307	\$ 25,452,155

NOTE: This projection is for information only based on assumptions about costs and does not adopt policy or budgetary authority.

VALLEY CENTER MUNICIPAL WATER DISTRICT
WASTEWATER SUMMARY PROJECTIONS

	ACTUAL FY 15/16	ACTUAL FY 16/17	ACTUAL FY 17/18	ESTIMATED FY 18/19	BUDGET FY 19/20
Moosa Wastewater Treatment Fund					
Revenues	\$ 1,588,085	\$ 1,603,496	\$ 1,726,796	\$ 1,780,419	\$ 1,784,819
Budget Requirement					
Operating/Treatment	\$ 871,054	\$ 1,093,170	\$ 993,443	\$ 990,054	\$ 1,017,693
Collection System/West	\$ 196,658	\$ 190,383	\$ 197,544	\$ 280,743	\$ 268,302
STEP Maintenance	\$ 99,631	\$ 95,970	\$ 115,469	\$ 160,900	\$ 142,100
Capital Projects	\$ 184,568	\$ 189,707	\$ 249,987	\$ 119,000	\$ 115,000
Transfer (to)/from Capital Reserves	\$ 236,174	\$ 34,266	\$ 170,353	\$ 229,722	\$ 241,724
Total Budget Requirement	\$ 1,588,085	\$ 1,603,496	\$ 1,726,796	\$ 1,780,419	\$ 1,784,819

Woods Valley Ranch Wastewater Treatment Fund					
Revenues	\$ 996,320	\$ 2,682,811	\$ 2,614,348	\$ 2,625,394	\$ 2,720,459
Budget Requirement					
Operating/Collection & Treatment	\$ 372,112	\$ 471,684	\$ 567,465	\$ 585,473	\$ 687,552
Debt Service - Interest Expense	\$ -	\$ 238,106	\$ 494,797	\$ 515,758	\$ 499,816
Operating Reserves	\$ 53,845	\$ 16,179	\$ 2,850	\$ (58,475)	\$ 51,040
Transfer (to)/from Capital Reserves	\$ (41,741)	\$ 1,956,842	\$ 1,549,236	\$ 1,582,638	\$ 1,482,051
Total Budget Requirement	\$ 384,216	\$ 2,682,811	\$ 2,614,348	\$ 2,625,394	\$ 2,720,459

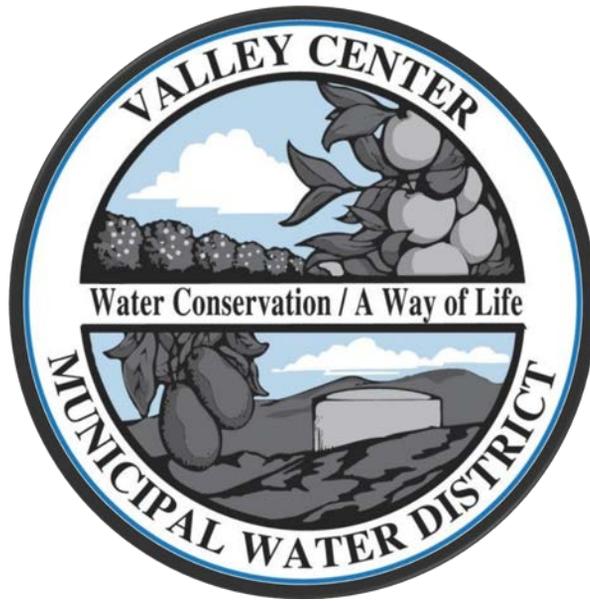
NOTE: This projection is for information only based on assumptions about costs and does not adopt policy or budgetary authority.

VALLEY CENTER MUNICIPAL WATER DISTRICT
WASTEWATER SUMMARY PROJECTIONS

	FY 20/21		PROJECTED		FY 24/25	
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	
Moosa Wastewater Treatment Fund						
Revenues	\$ 1,816,100	\$ 1,847,900	\$ 1,880,200	\$ 1,913,100	\$ 1,946,600	
Budget Requirement						
Operating/Treatment	\$ 1,035,500	\$ 1,053,600	\$ 1,072,000	\$ 1,090,800	\$ 1,109,900	
Collection System/West	\$ 273,000	\$ 277,800	\$ 282,700	\$ 287,600	\$ 292,600	
STEP Maintenance	\$ 144,600	\$ 147,100	\$ 149,700	\$ 152,300	\$ 155,000	
Capital Projects	\$ 118,500	\$ 122,100	\$ 125,800	\$ 129,600	\$ 133,500	
Transfer (to)/from Capital Reserves	\$ 244,500	\$ 247,300	\$ 250,000	\$ 252,800	\$ 255,600	
Total Budget Requirement	\$ 1,816,100	\$ 1,847,900	\$ 1,880,200	\$ 1,913,100	\$ 1,946,600	

Woods Valley Ranch Wastewater Treatment Fund						
Revenues	\$ 2,754,500	\$ 2,788,900	\$ 2,823,800	\$ 2,859,100	\$ 2,894,800	
Budget Requirement						
Operating/Treatment	\$ 699,600	\$ 711,800	\$ 724,300	\$ 737,000	\$ 749,900	
Debt Service - Interest Expense	\$ 499,816	\$ 476,879	\$ 453,438	\$ 429,481	\$ 404,998	
Operating Reserves	\$ 6,024	\$ 6,100	\$ 6,250	\$ 6,350	\$ 6,450	
Transfer (to)/from Capital Reserves	\$ 1,549,060	\$ 1,594,121	\$ 1,639,812	\$ 1,686,269	\$ 1,733,452	
Total Budget Requirement	\$ 2,754,500	\$ 2,788,900	\$ 2,823,800	\$ 2,859,100	\$ 2,894,800	

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