

Valley Center Municipal Water District



Annual Budget Fiscal Year 2020-2021

Valley Center, California

Annual Budget

For The Fiscal Year Ended
June 30, 2021

Valley Center Municipal Water District



Prepared by:

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

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

www.valleycenterwater.org



Valley Center Municipal Water District

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Valley Center Municipal Water District

Annual Budget

For The Fiscal Year Ended
June 30, 2021

Directory of District Officials



Robert A. Polito
President
Division 1
Since 1989



Randy D. Haskell
Vice-President
Division 2
Since 2001



Enrico P. Ferro
Director
Division 4
Since 2016



Daniel E. Holtz
Director
Division 5
Since 2018



Oliver J. Smith
Director
Division 3
Since 2019

District Management

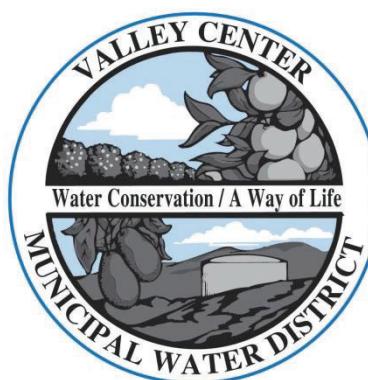
Gary T. Arant
General Manager
31 years of service

Wally T. Grabbe
District Engineer
Deputy General Manager
28 years of service

Albert G. Hoyle
Director of Operations/Facilities
29 years of service

Ando Pilve
Director of Information Technology
11 years of service

James V. Pugh
Director of Finance & Administration
Treasurer
17 years of service



Christine M. Johnson
Executive Assistant
Board Secretary
30 years of service

General Counsel

Paula C.P. de Sousa
Best, Best & Krieger, LLP
9 years



Valley Center Municipal Water District

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2020-2021

Budget Overview

VALLEY CENTER MUNICIPAL WATER DISTRICT 2020-21 BUDGET OVERVIEW

It is projected that for the Water General Fund in Fiscal Year 2020-21 operating revenues will meet the projected operating expenses. Total water capital expenditures are estimated at \$4,784,100 and will require the use of the Capital Improvements Reserve to complete the capital expenditures as was anticipated.

Total Budgeted Revenues for 2020-21 are \$50,928,712, which is \$2,766,186 or 5.2% lower than the 2019-20 adopted budget of \$53,694,898. This is due to lower water sales revenue as a result of the downward trend in water sales and the expected decreases in non-operating income, specifically investment income and delinquent charges due to the COVID-19 Pandemic.

For the current year ending June 30, 2020, **Water Sales** are projected at 16,000 acre feet of water. This is 20% lower than the budget of 20,000 acre feet. For 2020-21, the District is budgeting water sales at 17,000 acre feet. Staff believes that the estimate for 2020-21 accurately reflects the downward trend in water sales over the past couple of years and 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, 2021, will increase by 3.9% for treated water and 6.6% for certified agricultural over the current adopted rates. The new rates are proposed at \$2,267.56 per acre foot for full price and \$1,722.02 for the Special Agricultural Water Rate (SAWR) customers.

Also included in the water charges the District is required to pay SDCWA and MWD in 2021 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 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2021 budgeted sales are 17,000 acre feet and the fixed charges totaling \$4,239,248 are allocated over 15,300 acre feet. Total fixed charges for Fiscal Year 2020-21 are \$109,737, or 2.5%, lower than in Fiscal Year 2019-20.

The District's local cost component of the water rate is budgeted at \$255.44 per acre foot, an increase of 6.10%, which is included in the rates above, over the current rate of \$240.76. This increase is necessary to cover a portion of the locally controlled fixed costs. A meter service charge increase of 6.10% is also recommended.

New Connection Sales are estimated to increase \$495,550 over the prior year budget. This is due to the growth in new developments that the community is experiencing as a result of the expansion to the Woods Valley Ranch Wastewater Expansion.

Estimated **interest earnings** rate at 1.00% will yield \$326,000. Secured **Property Taxes** are budgeted at \$2,607,000, an increase of 4.4% more than our estimate for the current year. Water availability charges will be \$574,000.

Moosa proposed operating revenues will exceed the projected operating expenses for a budget surplus of \$307,048 with the surplus dedicated to capital projects. An additional \$582,952 in Moosa capital projects will require the use of the Replacement Reserve.

The **Moosa** wastewater monthly service charge is proposed at \$57.80 and the low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is proposed at \$47.70, a 2.4% increase to both charges required to offset the impacts of inflation.

It is also anticipated that the Woods Valley Ranch Water Reclamation Facility will have sufficient revenues to meet the anticipated costs for Fiscal Year 2020-2021, for a surplus of \$1,949,675.

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 is proposed to increase 2.4% from \$558.96/year or \$46.58/month for one EDU to \$572.40/year or 47.70/month which will 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 \$50,926,059, which is 2.1%, or \$1,071,247, lower than the 2019-20 adopted budget of \$51,997,306. This overall budget decrease reflects the lower operating expenses partially offset by higher capital outlay that is proposed for Water and Wastewater Operations compared to the prior year.

Source of Supply is the single greatest Water Operating Expense. It includes the cost of water sold, electricity, and natural gas the sum of which accounts for 68% of the total budgeted operating expenditures in Fiscal Year 2020-21. Source of Supply is \$3,326,069 or 10.3%, lower than in the prior year due to a decrease in the volume of water sold partially offset by increases to the wholesale costs that will go into effect in calendar year 2021.

General Administration costs are down \$206,923 over last year. This is due to lower labor and benefits associated with the redistribution of the General Managers time to other Departments.

Finance expenses, excluding debt service, are projected to be \$31,144 lower than the current budget due to decreases to outside professional services, temporary labor and overtime partially offset with increased labor and benefits and write-off of uncollectable accounts.

Information Technology expenses are \$3,201 lower due to decreases in labor and benefits.

Engineering expenses are up by \$302,742 due to higher outside professional services as well as increases to labor and benefits.

Operations and Facilities expenses are \$450,560 higher than the current budget. This is a result of higher labor and benefits, outside professional services, regulatory permits and fees, meter installations, and maintenance costs.

Moosa proposed operating expenses are \$40,517 more than the current 2019-20 budget. The increase is due to the higher cost of regulatory permits and fees.

Woods Valley Ranch operating expenses are \$67,126 higher than the current year budget. Increases to the allocation of labor and administration well as electricity and maintenance are the reasons for the increase.

New Capital Projects budgeted in Fiscal Year 2020-21 total \$5,674,100. Water projects total, \$4,784,100 and Moosa, \$890,000. Woods Valley Ranch and Woods Valley Ranch Expansion do not have new appropriations in the Fiscal Year 2020-21 Budget.

VALLEY CENTER MUNICIPAL WATER DISTRICT
2020-2021 BUDGET OVERVIEW

	2019-2020	2019-2020	2020-2021	Change from Prior Budget	Percent Change from Prior Budget
	Adopted Budget	Estimated Actual	Proposed Budget		
REVENUES:					
Water Sales	20,000 A.F.	16,000 A.F.	17,000 A.F.	(3,000) A.F.	-15.0%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	37,831,000	30,502,000	33,847,000	(3,984,000)	-10.5%
Meter Service Charges	6,310,000	6,336,000	6,940,000	630,000	10.0%
New Connection Sales	147,650	429,500	643,200	495,550	335.6%
Other Revenue	995,850	839,625	692,870	(302,980)	-30.4%
Investment Income	681,500	592,000	326,000	(355,500)	-52.2%
Total Operating Revenue	45,966,000	38,699,125	42,449,070	(3,516,930)	-7.7%
Debt Service Revenues - Water Availability Charges	48,857	52,488	51,638	2,781	0.0%
Capital Project Revenues:					
Capacity Charges	145,620	122,071	290,550	144,930	99.5%
Property Taxes	2,496,000	2,570,300	2,607,000	111,000	4.4%
Water Availability Charges	533,143	521,912	522,362	(10,781)	-2.0%
Total Capital Project Revenue	3,174,763	3,214,283	3,419,912	245,149	7.7%
Total General Fund Revenues	49,189,620	41,965,896	45,920,620	(3,269,000)	-6.6%
Moosa Wastewater Revenues	1,784,819	1,773,606	1,775,660	(9,159)	-0.5%
Woods Valley Ranch Wastewater Revenues	456,372	419,042	427,082	(29,290)	-6.4%
Woods Valley Ranch Expansion	2,264,087	2,010,510	2,805,350	541,263	23.9%
Total Budgeted Revenues	53,694,898	46,169,054	50,928,712	(2,766,186)	-5.2%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	863,559	843,811	656,636	(206,923)	-24.0%
Information Technology	926,702	928,132	923,501	(3,201)	-0.3%
Finance	2,416,996	2,201,026	2,385,852	(31,144)	-1.3%
Engineering	1,586,706	1,704,156	1,889,448	302,742	19.1%
Field Operation	7,257,719	7,323,274	7,708,279	450,560	6.2%
Source of Supply	32,211,304	26,907,423	28,885,236	(3,326,069)	-10.3%
Total Operating Expenses	45,262,986	39,907,822	42,448,952	(2,814,035)	-6.2%
Debt Service - Interest Expense	48,857	52,488	51,638	2,781	100.0%
Capital Projects Appropriations	3,490,000	4,823,256	4,784,100	1,294,100	37.1%
Total General Fund Expenditures	48,801,843	44,783,566	47,284,690	(1,517,153)	-3.1%
Moosa Wastewater:					
Operating Expenses	1,428,095	1,447,295	1,468,612	40,517	2.8%
Capital Project Appropriations	115,000	803,150	890,000	775,000	673.9%
Total Moosa Expenditures	1,543,095	2,250,445	2,358,612	815,517	52.8%
Woods Valley Ranch Wastewater:					
Operating Expenses	687,552	680,002	754,678	67,126	9.8%
Capital Project Appropriations	100,000	37,450	0	(100,000)	-100.0%
Total Woods Valley Ranch Expenditures	787,552	717,452	754,678	(32,874)	-4.2%
Woods Valley Ranch Expansion:					
Administration	0	30,600	51,200	51,200	0.0%
Debt Service - Interest Expense	499,816	499,816	476,879	(22,937)	100.0%
Capital Project Appropriations	365,000	745,160	0	(365,000)	-100.0%
Total Woods Valley Ranch Expenditures	864,816	1,275,576	528,079	(336,737)	-38.9%
Total Budgeted Expenditures	51,997,306	49,027,039	50,926,059	(1,071,247)	-2.1%
NET REVENUES & EXPENDITURES	1,697,592	(2,857,985)	2,654	(1,694,938)	-99.8%
FUNDING FROM (TO) RESERVES	(1,697,592)	2,857,985	(2,654)	1,694,938	99.8%
	0	0	0	0	0.0%



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*California Society of
Municipal Finance Officers*

Certificate of Award

***Operating Budget Excellence Award
Fiscal Year 2019-2020***

Presented to the

Valley Center Municipal Water District

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

January 31, 2020



Steve Heide

CSMFO President

Yolanda Rodriguez

*Yolanda Rodriguez, Chair
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting

Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2019-2020 - Our twenty second year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.



Valley Center Municipal Water District

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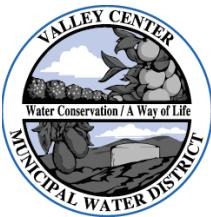
Budget Message



Valley Center Municipal Water District

Budget Message

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VALLEY CENTER MUNICIPAL WATER DISTRICT

A Public Agency Organized July 12, 1954

July 6, 2020

Board of Directors
Robert A. Polito
President
Randy D. Haskell
Vice President
Enrico P. Ferro
Director
Daniel E. Holtz
Director
Oliver J. Smith
Director

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 2020-2021 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption on July 6, 2020. 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 1-23 thru 1-29). 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.

March 2020, however, introduced a more urgent challenge when the World Health Organization declared COVID-19 a pandemic. The President of the United States then declared a national emergency, freeing up trillions of dollars in federal aid and stimulus packages. What is now known to be the largest public health threat in recent history quickly turned into a major financial crisis. Stay at home orders have left millions of Americans jobless preventing them from meeting their financial obligations while stock markets plummeted amid growing uncertainties. Federal, State, and Local governments have taken unprecedented actions to prevent the spread of COVID-19. In early April, the Governor of California issued an executive order restricting water shutoffs to homes and small businesses as well as the suspension of late penalties and interest while the State responds to the COVID-19 emergency. It is too early to tell for sure exactly how much the District's revenues will be negatively impacted by these events. As a precaution, District staff has identified revenues and expenses within the operating and capital budgets that may be affected and will be discussed throughout this report.



Valley Center Municipal Water District

Budget Message

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, 2020, approximately 25,960 people lived within the District.



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

COMMUNITY PROFILE

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 2010-11 the District sold 24,142 acre feet of water compared to the current year estimate of 16,000. This represents a 34% decline in sales volume.



Valley Center Municipal Water District

Budget Message

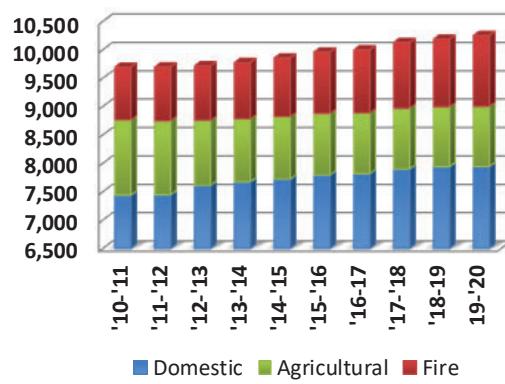
WATER SOURCES

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 supplies secured in 2003 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.

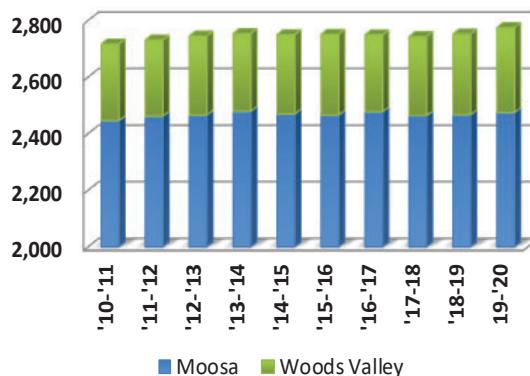
DISTRICT OPERATIONS

The District's water system includes 7 active aqueduct connections, 41 enclosed reservoirs and 1 open reservoir, Lake Turner, 29 pumping stations and 302 miles of water main. As of January 31, 2020, there were a total of 10,249 active meters of which 7,943 were domestic, 1,059 were agricultural, and 1,247 were fire meters (see historical graph below). The District also provides wastewater collection, treatment, water recycling, and disposal services for 2,775 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.

Active Meters



Wastewater Connections





Valley Center Municipal Water District

Budget Message

BUDGET DOCUMENTS

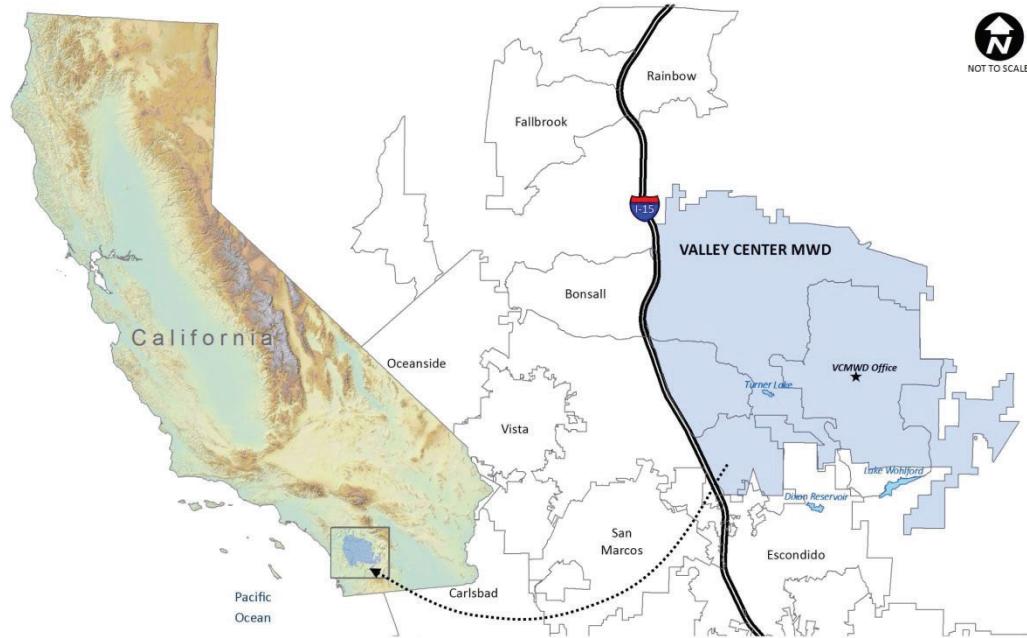
The Budget consists of the following sections:

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

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

5. An Appendix containing a Glossary and Budget Policies.

DISTRICT SERVICE AREA





BUDGET PROCESS

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

Budget Calendar

- January 2020 General Manager and Department Heads start discussion of the Budget process.
- February 2020 Departments submit Budget requests.
- May 4, 2020 Budget policies reviewed by Board of Directors.
- May 4, 2020 Overview of Budget with emphasis on Operating Expenses reviewed by Board of Directors.
- June 15, 2020 Overview of Budget with emphasis on Water Rates and Charges and New Appropriations for Construction Projects reviewed by Board of Directors.
- July 6, 2020 Budget submitted to Board of Directors for review and 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.

Sixty-eight 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 thirty-two 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.



Valley Center Municipal Water District

Budget Message

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, 2020, is \$2,546,393 per project except that for water storage projects the limitation is \$3,819,602. Expenditures in excess of these limitations must be ratified by a District-wide election. This limitation does not apply to funds expended by property owners, developers, or others for capital projects that will be dedicated to the District or to funds from assessment or improvement districts formed in the manner provided by the laws of the State of California.

Appropriation Limit

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

Budget Control and Amendment

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

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

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

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

In the event the General Manager determines that an emergency exists requiring immediate action, the General Manager shall have the power, without prior Board action, to enter into contracts and agreements and expend funds on behalf of the District, but not in excess of \$500,000. An emergency is defined in Administrative Code Section 225.2 as "a major disruption in the water distribution system that prevents the District from delivering water, or a situation where a lack of action would prevent the delivery of water to any customer." Not later than 48 hours after determination of an emergency, the General Manager shall notify the President of the Board the reasons necessitating such determination and the actions taken.



Valley Center Municipal Water District

Budget Message

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 when established are utilized to level water rates and pumping rates during declining sales.
2. An Operating Reserve of \$6,781,858 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.

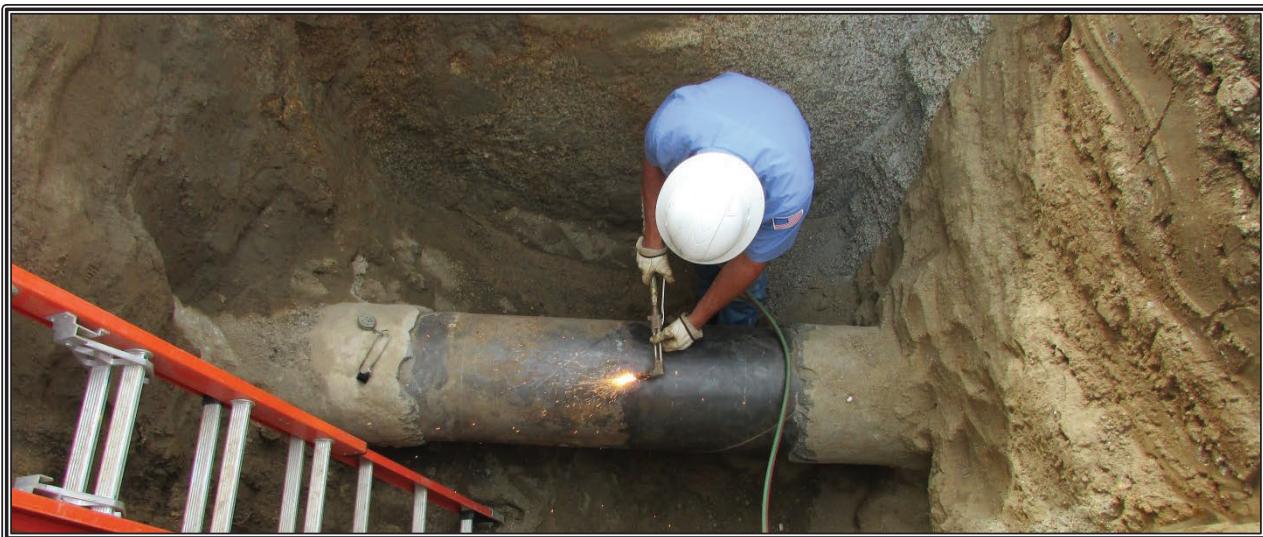
E. **Balanced Budget** - Current operating expenditures are funded with current revenues and with rate stabilization reserves as noted above.



Valley Center Municipal Water District

Budget Message

- F. **Revenue Diversification** - At least 60% of the District's fixed operating expenditures are to be met with the monthly meter service charge. For the Fiscal Year 2020-2021 56% 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.



New valve installation on a 16" mainline.

OVERALL BUDGET FOR FISCAL YEAR 2020-2021

From an overall standpoint, the total proposed Fiscal Year 2020-21 Budget of \$50,926,059 is 2.1% less than the total approved budget for Fiscal Year 2019-20 of \$51,997,306. This overall budget decrease reflects lower water sales revenue due to the downward trend in water sales and the expected decreases in non-operating income, specifically investment income and delinquent charges due to the COVID-19 Pandemic.

It is projected that for the Water General Fund in Fiscal Year 2020-21 operating revenues will meet the projected operating expenses. Total water capital expenditures are estimated at \$4,784,100 and will be funded with a combination of non-operating revenues including general property tax revenue, water availability charges, and capacity charges totaling \$3,471,550. The remaining \$1,312,550 will require the use of the Capital Improvements Reserve to complete the capital expenditures. It is also anticipated that Woods Valley Ranch WRF will have sufficient revenues to meet the anticipated costs for Fiscal Year 2020-2021. Moosa operating revenues will exceed the projected operating expenses for a budget surplus of \$307,048 with the surplus dedicated to capital projects. An additional \$582,952 in Moosa capital projects will require the use of replacement reserves. Budget details for the various water and wastewater operating funds are explained on the following pages of the Budget Message.



Valley Center Municipal Water District

Budget Message

GENERAL FUND

For Fiscal Year 2020-21, the Water Fund operating revenue is proposed at \$42,449,070, which is a decrease of 7.7% from the budget adopted for last year. This is due to decreased water revenue, investment income, and delinquent charges (in other revenue). Those decreases are partially offset by increases in meter service charges and new connection sales. It is projected that for the Water General Fund in Fiscal Year 2020-21 operating revenues will meet projected operating expenses. The Water Fund operating expenditures budget is proposed at \$42,448,952, which is a decrease of 6.2% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

RECAP OF GENERAL FUND

	2019-20 Adopted Budget	Percent of Total	2020-21 Proposed Budget	Percent of Budget	Change	Percent of Change
OPERATING REVENUES						
Water Sales (Acre Feet)	20,000 AF		17,000 AF		(3,000) AF	-15.0%
Water (including Pumping)	\$ 37,831,000	82.3%	\$ 33,847,000	79.7%	\$ (3,984,000)	-10.5%
Service Charges	6,310,000	13.7%	6,940,000	16.3%	630,000	10.0%
New Connection Sales	147,650	0.3%	643,200	1.5%	495,550	335.6%
Other Revenue	995,850	2.2%	692,870	1.6%	(302,980)	-30.4%
Investment Income	681,500	1.5%	326,000	0.8%	(355,500)	-52.2%
Total Operating Revenue	\$ 45,966,000	100.0%	\$ 42,449,070	100.0%	\$ (3,516,930)	-7.7%
OPERATING EXPENDITURES:						
Water Purchase (Acre Feet)	21,280 AF		18,080 AF		(3,200) AF	-15.0%
Water	\$ 30,317,304	67.0%	\$ 27,242,236	64.2%	\$ (3,075,068)	-10.1%
Energy	1,894,000	4.2%	1,643,000	3.9%	(251,000)	-13.3%
Regulatory Permits	106,250	0.2%	116,350	0.3%	10,100	9.5%
Controlled by Others	32,317,554	71.4%	29,001,586	68.3%	(3,315,968)	-10.3%
Personnel	9,782,300	21.6%	10,370,200	24.4%	587,900	6.0%
Other	3,163,132	7.0%	3,077,166	7.2%	(85,966)	-2.7%
Controlled by District*	12,945,432	28.6%	13,447,366	31.7%	501,934	3.9%
TOTAL Operating Expenditures	\$ 45,262,986	100.0%	\$ 42,448,952	100.0%	\$ (2,814,034)	-6.2%
NET Revenues and Expenditures	\$ 703,014		\$ 118		\$ (702,896)	
* COSTS CONTROLLED BY DISTRICT						
General Administration	\$ 863,559	6.7%	\$ 656,636	4.9%	\$ (206,923)	-24.0%
Information Technology	926,702	7.2%	923,501	6.9%	(3,201)	-0.3%
Finance	2,416,996	18.7%	2,385,852	17.7%	(31,144)	-1.3%
Engineering	1,586,706	12.3%	1,889,448	14.1%	302,742	19.1%
Field Operations	7,151,469	55.2%	7,591,929	56.5%	440,460	6.2%
Total Controlled by District	\$ 12,945,432	100.0%	\$ 13,447,366	100.0%	\$ 501,934	3.9%



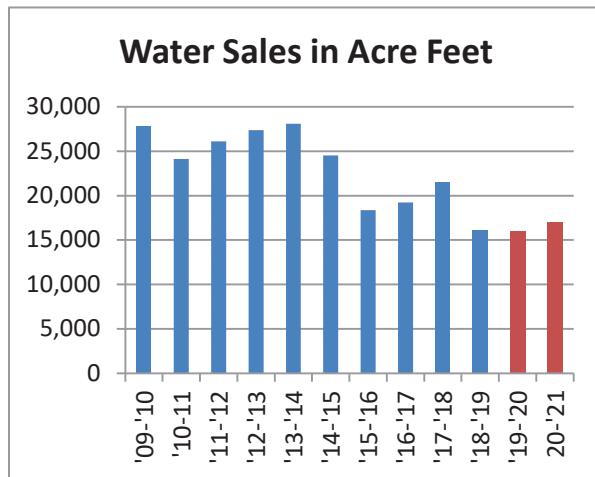
Valley Center Municipal Water District

Budget Message

REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past ten years have ranged from a high of 28,082 acre feet in Fiscal Year 2013-14, to a low of an estimated 16,000 for Fiscal Year 2019-20. This is a decrease of 43%, or 12,082 acre feet. This reduced water sales volume is due to the gradual decline in agricultural land in production. Agricultural sales are estimated at 67% of the total volume of water sold for Fiscal Year 2020-21. The prior year budget estimated agricultural sales accounted for 70% 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 2021 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 3.9% for treated water and 6.6% for certified agricultural 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 \$173 in January 2021.

The budget, as presented, proposes an increase of 6.10% in the District's local share of the water rate on February 1, 2021. The current local rate of \$240.76 will increase to \$255.44 per acre foot. This increase is necessary to cover a portion of the locally controlled fixed costs. 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 Special Agricultural Water Rate (SAWR). Based on the proposed February 1, 2021, rate change, the District's share of the water rate will be 11.3% for M&I and 14.8% for SAWR.

Also included in the water charges we are required to pay SDCWA and MWD in 2021 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 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2021 budgeted sales are 17,000 acre feet and the fixed charges totaling \$4,239,248 are allocated over 15,300 acre feet. Total fixed charges for 2021 are \$109,737, or 2.5%, lower than Fiscal Year 2019-20.



Valley Center Municipal Water District

Budget Message

San Diego County Water Authority Transitional Special Agricultural Water Rate

An incremental melded supply rate cost of \$173, the emergency storage charge of \$229, and the supply reliability charge of \$143 that are added to the water supply charge by the SDCWA are not charged to agricultural customers. The total credit amounts to \$545 per acre foot of savings for the District's agricultural customers for the 2021 rates. The credit is lower than lasts years credit of \$566 due to SDCWA because agricultural customers do not get the benefit of the reduction to both the emergency storage and supply reliability charges. Additionally the fixed charges that they do pay are now spread over a smaller base of deliveries.

As a result of an effort led by the District, other SDCWA agricultural water agencies and the San Diego County Farm Bureau, the SDCWA Board took action earlier this year to make the Transitional SAWR program, permanent beginning January 1, 2021.

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, 2021, 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		TSWR	
	Current	Proposed	Current	Proposed
Imported Water Costs	\$ 1,941.25	\$ 2,012.12	\$ 1,375.23	\$ 1,466.58
VCMWD	240.76	255.44	240.76	255.44
Total	<u>\$ 2,182.01</u>	<u>\$ 2,267.56</u>	<u>\$ 1,615.99</u>	<u>\$ 1,722.02</u>

Proposed Increase	\$ 85.55 per AF	\$ 106.03 per AF
	3.9%	6.6%
	\$ 0.1964 per hcf	\$ 0.2434 per hcf

In January 2020, 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, 2024.

Meter Service Charge Revenue

Service charges for Fiscal Year 2020-21 are estimated at \$6,239,000 which is \$484,000 higher than the Fiscal Year 2019-20 budget of \$5,755,000. The preliminary budget includes a meter service charge increase of 6.10%. The proposed monthly service charge for a $\frac{3}{4}$ -inch meter is \$44.32 up \$2.55 from \$41.77; for a 1-inch meter the proposed service charge is \$60.54, up \$3.48 from \$57.06.



Valley Center Municipal Water District

Budget Message

Pumping Charge Revenue

Pumping charge revenue for Fiscal Year 2020-21 is expected to be \$2,365,000 compared to \$2,841,000 budgeted in Fiscal Year 2019-20. The decrease is due to a 15% decrease in estimated water sales that is partially offset by a 10% increase to the pumping rates required to offset the increasing costs passed through from San Diego Gas & Electric as well as increased costs for the maintenance of pumps and motors.

Interest Income

For Fiscal Year 2020-21, the District projects to earn 1.00% on funds invested for the year for a return of approximately \$326,000 in interest earnings. This is the equivalent of \$19.18 per acre foot of budgeted water sales. Estimated actual interest income for 2019-20 is \$592,000. The decrease of \$266,000 is due to the effects that the COVID-19 Pandemic has had on the economy resulting in sharp decreases to investment rates of return.

Property Taxes

Secured property taxes are budgeted at \$2,512,000 for Fiscal Year 2020-21, \$109,000 or 4.5% higher than estimated actual for the current year. The District will receive \$574,000 in water availability charges. These revenues are utilized for water system improvements and replacements.



Lake Turner showing the lakes spillway rushing over from heavy rains in April 2020.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 18,080 acre feet of water in Fiscal Year 2020-21 and to sell 17,000 acre feet. District staff believes that the estimates for Fiscal Year 2020-21 are reasonable given the uncertain agricultural environment.



Valley Center Municipal Water District

Budget Message

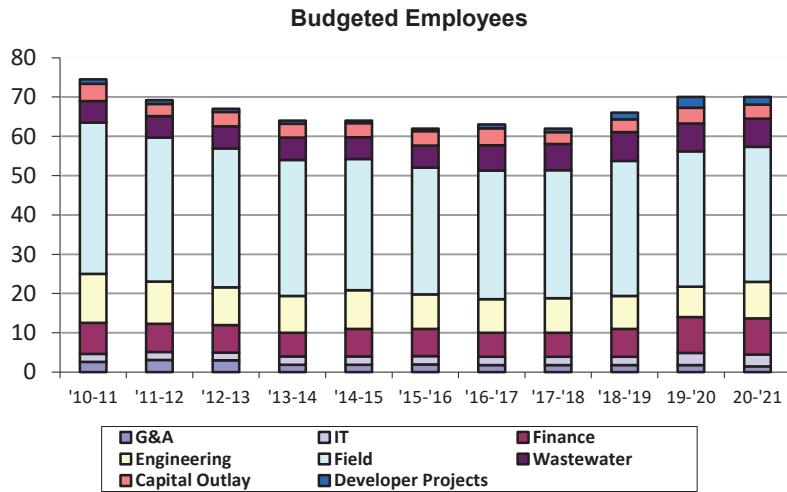
Energy

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 \$2,796,900 up \$401,914 from the Fiscal Year 2019-2020 estimated actual of \$2,394,986. The increase is due to the increases in the SDG&E rate tariffs, which are subject to time-of-use charges. In addition, there are increases due to higher labor and benefits for maintenance of pumps and motors. These increases are reduced by operational efficiencies and reducing the amount of pumping during off-peak rate periods as well as the solar photo-voltaic facilities that the District has constructed. Energy supplies and costs will continue to be a concern moving forward.

Personnel

Staffing Levels

Staffing necessary to maintain operating, maintenance and administrative service levels for Fiscal Year 2020-21 is proposed at 70 full-time equivalent (FTE's) positions, the same with no changes in the budgeted staffing level compared to Fiscal Year 2019-20. There are three employees that will be retiring in the coming year. The District's Director of Operations and Facilities will be retiring in September, the Executive Assistant/Board Secretary will retire in December, and the Engineering Technician II plans to retire in March. The District will evaluate leaving vacancies due to retirement unfilled on a case by case basis. Management staff will endeavor to fill any open positions with internal transfers. The budget includes funding for the overlap of personnel for training purposes.



Personnel Costs

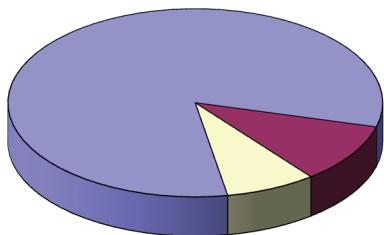
General Fund personnel costs for Fiscal Year 2020-21 are estimated at \$10,370,200. This represents an increase of \$587,900 or 6.0% from the Fiscal Year 2019-20 budget of \$9,782,300. The increase is due to a 2.4% cost of living (COLA) adjustment, promotions, within range merit increases of 1.4%, a 1.3% increase in the retirement expense, and the overlap anticipated for training purposes for retiring employee's accounts for an additional 1%.



Valley Center Municipal Water District

Budget Message

Allocation of Labor



■ Water ■ Wastewater ■ Capital & Developer

Budgeted Full-Time Equivalent Positions by Department

	<u>2019-20</u>	<u>2020-21</u>
General Administration	1.80	1.45
Information Technology	3.10	3.05
Finance	9.10	9.15
Engineering	7.75	9.27
Field Operations	<u>34.45</u>	<u>34.43</u>
Total General Fund	56.20	57.35
Lower Moosa Sewer	4.80	4.75
Treatment		
Woods Valley Ranch Sewer	<u>2.23</u>	<u>2.43</u>
Total Operating	63.23	64.53
Capital Outlay	4.05	3.55
Developer Projects	<u>2.72</u>	<u>1.92</u>
TOTAL	<u>70.00</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 \$13,447,365 for 2020-21 are \$501,933 or 3.9%, higher than Fiscal Year 2019-20, 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 2020-21 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 that include property tax revenue and water availability charges.

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.



Valley Center Municipal Water District

Budget Message

Capital projects included in this budget consist of the following:

Pipelines and Pressure Reducing Valves	\$ 931,000
Pump Stations	194,000
Reservoirs	2,810,000
Data Management Systems	250,000
Facilities	416,500
Equipment	182,600
TOTAL New Appropriations	\$ 4,784,100
Project appropriations carried forward from prior budget	6,536,007
TOTAL Capital Budget	\$ 11,320,107

Funding for the water capital projects comes from:

Property Taxes	\$ 2,607,000
Water Availability/Meter Capacity Charges	812,912
Capital Reserves	7,900,195
TOTAL Capital Budget	\$ 11,320,107



Installation and construction of a separate inlet and outlet piping structure at Paradise Reservoir.

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.



Valley Center Municipal Water District

Budget Message

Capital projects have been historically funded with revenues collected from general property tax, water availability charges, and capacity charges. Other sources include the use of Capital Improvement Reserve funds, debt financing, grants, and joint agency endeavors.

In light of the fiscal uncertainties brought about by the response to the COVID-19 Pandemic, District staff has closely evaluated each capital project and its funding source to identify the funding priority for each project.

All projects are rated according to the following Priority Levels. Priority Level 1: The project is of high importance and/or mandated and needs to be completed in Fiscal Year 2020-2021. Priority Level 2: All or a portion of the project, can be deferred until there is a clearer understanding of the COVID-19 Pandemic fiscal impact. Priority Level 3: The entire project will be deferred pending approval of outside funding opportunities. A detailed description of the implementation strategy can be found on pages 10-4 and 11-9 of this report.



Demolition of the Jesmond Dene Reservoir.



Valley Center Municipal Water District

Budget Message

MOOSA WASTEWATER TREATMENT FUND

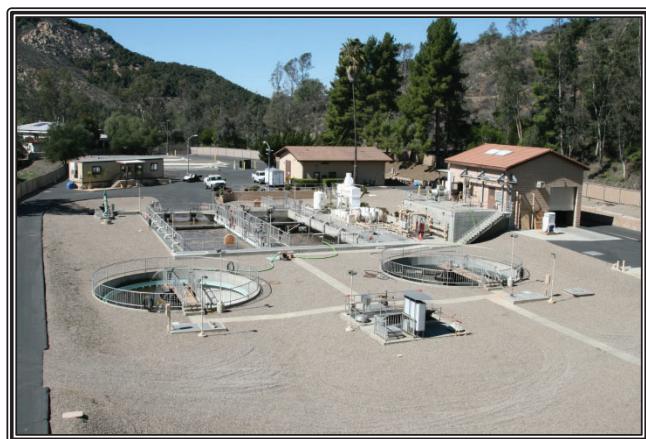
The Moosa Wastewater Treatment Plant serves approximately 2,475 customers in a limited geographic area on the west side of the District. For Fiscal Year 2020-21, budgeted operating revenues of \$1,775,660 are down \$9,159, or 0.5%, from the previous year budget. This is a result of decreased interest income. The major components of the budgeted operating expenses are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2019-20 Adopted Budget	2020-21 Proposed Budget			Percent Change
Revenues	\$ 1,784,819	100.0%	\$ 1,775,660	100.0%	\$ (9,159) -0.5%
Operating Expenses:					
Labor	\$ 829,700	46.5%	\$ 834,200	47.0%	\$ 4,500 0.5%
Electricity	104,500	5.9%	106,500	6.0%	2,000 1.9%
Chemicals	21,000	1.2%	21,000	1.2%	- 0.0%
Administrative allocation	227,278	12.7%	254,141	14.3%	26,863 11.8%
Maintenance	79,000	4.4%	71,000	4.0%	(8,000) -10.1%
Vehicle Maintenance	4,300	0.2%	4,000	0.2%	(300) -7.0%
Regulatory	28,000	1.6%	38,000	2.1%	10,000 35.7%
Outside Services	95,000	5.3%	100,000	5.6%	5,000 5.3%
Other	39,317	2.2%	39,771	2.2%	454 1.2%
Total Operating Expenses	\$ 1,428,095	80.0%	\$ 1,468,612	82.7%	\$ 40,517 2.8%
Net Operating Income	356,724	20.0%	307,048	17.3%	(49,676) -13.9%
Capital Projects	(115,000)		(890,000)		775,000
Net Change	\$ 241,724		\$ (582,952)		\$ 725,324

Staff is projecting that the Moosa operating revenues will exceed the projected operating expenses for a budget surplus of \$307,048.

The preliminary budget includes an increase to the wastewater service charge and the low pressure wastewater collection system maintenance fee of 2.4% each to offset inflation impacts. The current wastewater service charge of \$56.45 is proposed to increase \$1.35 to \$57.80 and the low pressure wastewater collection system maintenance fee of \$46.58 is proposed to increase \$1.12 to \$47.70.



Lower Moosa Wastewater Reclamation Facility.



Valley Center Municipal Water District

Budget Message

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

	2019-20 Adopted Budget	2020-21 Proposed Budget			Percent Change
Revenues	\$ 456,372	100.0%	\$ 427,082	100.0%	\$ (29,290) -6.4%
Operating Expenses:					
Labor	\$ 394,200	86.4%	\$ 420,300	98.4%	\$ 26,100 6.6%
Electricity	70,000	15.3%	77,500	18.1%	7,500 10.7%
Administrative allocation	109,419	24.0%	130,638	30.6%	21,219 19.4%
Maintenance	15,000	3.3%	23,000	5.4%	8,000 53.3%
Vehicle Maintenance	900	0.2%	900	0.2%	- 0.0%
Regulatory	23,500	5.1%	23,850	5.6%	350 1.5%
Outside Services (Laboratory & Waste Hauling)	36,200	7.9%	36,200	8.5%	- 0.0%
Insurance	17,283	3.8%	17,283	4.0%	- 0.0%
Other	21,050	4.6%	25,050	5.9%	4,000 19.0%
Total Operating Expenses	\$ 687,552	150.7%	\$ 754,721	176.7%	\$ 67,169 9.8%
Net Operating Income	(231,180)	-50.7%	(327,639)	-76.7%	(96,459) 41.7%
Capital Projects	(100,000)		-		100,000
Net Change	\$(331,180)		\$ (327,639)		\$ 3,541



The decrease of \$29,290 or 6.4% in Revenues is due to an overstatement of revenues in the prior year adopted budget within Service Area 2.

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.

Picture: Woods Valley Ranch North Village Pipeline Construction.



Valley Center Municipal Water District

Budget Message

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 2020-21, the total Stand-by Charges for Service Area 2 and Assessments for Assessment District 2012-1 are budgeted at \$602,600 and \$1,333,946, respectively.



Woods Valley Ranch Expansion – Construction of North Village Pipeline along Valley Center Road.

District staff is currently working with Touchstone Communities and their consultants to prepare planning documents and agreements necessary for the implementation of a Phase 3A Expansion project in accordance with the approved Master Plan to meet the wastewater treatment needs of the Park Circle East/West Subdivisions. On May 18, 2020 the Board of Directors approved the formation of a Community Facilities District (CFD) that encompasses the subdivisions, deemed it necessary to incur bonded indebtedness, and authorized submittal of a special tax levy. The total special tax to be collected in Fiscal Year 2020-21 is budgeted at \$821,000.

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 12-7, 12-7A and 12-7B under the Woods Valley Expansion tab for detailed schedules). Debt service payments amount to \$1,542,388 for Fiscal Year 2020-21.



Valley Center Municipal Water District

Budget Message

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 2020-21 totals \$250,360.

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 \$3,715,572 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 \$220,421.



Construction of antenna base structure at the McNally Reservoir site for the Advanced Metering Infrastructure System.



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 reflect the Performance Measurement outcomes for Calendar Year 2019.

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 2019 totaled 782.9 acre feet, 4.9% of total water sold, representing \$934,153.

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).

Discretionary Reserves as of December 31, 2019 represent 6.4 months of 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

The weighted average return on all investments for calendar year 2019 was 2.074% as compared to the 12-month rolling average U.S. Treasury Bonds of 2.071%.

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.

Pump efficiency was 107.0% 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.

The six District-owned solar arrays, with a total capacity of 331.5kWdc, exceeded 90% of the low range of anticipated production.



STRATEGIC PLAN PERFORMANCE MEASUREMENT STANDARDS (continued)

8. PROJECT ACTUAL COST - $\pm 10\%$ of Engineer's cost estimate.

Eight projects were completed in calendar year 2019 at 5.9% over the Engineer's estimate.

9. CAPITAL IMPROVEMENT PROJECTS - Project timelines shall be under contract within 12 months of budget approval.

Of the nine Engineering Department projects with approved funding, five were under contract within 12 months and four were not.

10. WATER SERVICE RELIABILITY GREATER THAN 99% - 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.

For calendar year 2019 service reliability was 99.999%.

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

The District had zero lost time accidents in calendar 2019 and zero lost time hours logged.

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 2020-21 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2020.
- 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

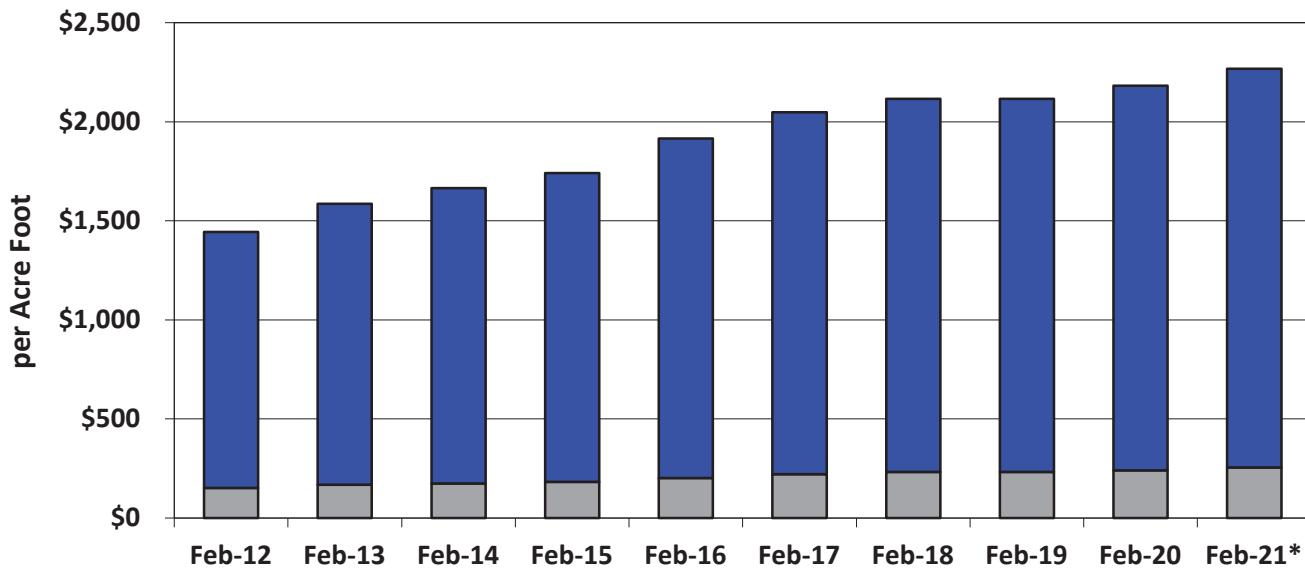
APPROVED BY:



Gary T. Arant
General Manager



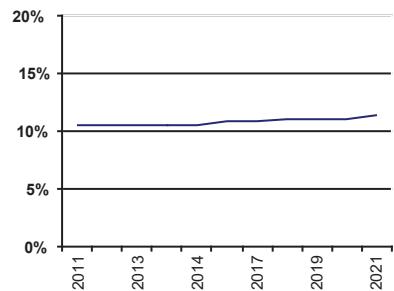
Water Rate Components



■ Valley Center Municipal Water District

■ MWD & SDCWA Wholesale

VCMWD Rate as Percentage of Total Water Rate



<u>Rate in Dollars per Acre Foot</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>	<u>Feb 2021*</u>
Valley Center Municipal Water District	\$152	\$167	\$175	\$183	\$201	\$221	\$232	\$232	\$241	\$255
MWD/SDCWA wholesale	<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>1,941</u>	<u>2,012</u>
Total	<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>\$2,182</u>	<u>\$2,267</u>
Agricultural Use Discounts **	<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>\$566</u>	<u>\$545</u>

* Proposed water rates

** Maximum discount available.



Adopted Resolutions & Ordinances

RESOLUTION NO. 2020-25

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2020-2021 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 2020-2021 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 2020-2021.
2. That the amounts designated in the final Fiscal Year 2020-2021 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 6th day of July, 2020, by the following vote to wit:

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

NOES: None

ABSENT: None



PRESIDENT

ATTEST:



Christine M. Johnson
SECRETARY



Valley Center Municipal Water District

Recap of Budget and Source of Financing
All Budgeted Funds

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2020	\$ 6,781,858	\$ 220,420	\$ 17,072,142	\$ 24,074,421	\$ 2,307,388	\$ 1,350,371	\$ 7,930,395	\$ 35,662,574
RECAP OF EXPENDITURES BY FUNCTION								
General Administration	\$ 656,636			\$ 656,636				\$ 656,636
Information Technology	\$ 923,501			\$ 923,501				\$ 923,501
Finance	\$ 2,385,852	\$ 51,638		\$ 2,437,490			\$ 528,079	\$ 2,965,569
Engineering	\$ 1,889,448			\$ 1,889,448				\$ 1,889,448
Field Operation	\$ 7,708,279			\$ 7,708,279	\$ 1,468,612	\$ 754,678		\$ 9,931,569
Source of Supply	\$ 28,885,236			\$ 28,885,236				\$ 28,885,236
Capital Projects			\$ 4,784,100	\$ 4,784,100	\$ 890,000	\$ -	\$ -	\$ 5,674,100
Total Budgeted Expenditures	\$ 42,448,952	\$ 51,638	\$ 4,784,100	\$ 47,284,690	\$ 2,358,612	\$ 754,678	\$ 528,079	\$ 50,926,059
SOURCE OF FINANCING								
Revenues:								
Water Sales	\$ 33,847,000			\$ 33,847,000				\$ 33,847,000
Meter Service Charges/Wastewater Charges	\$ 6,940,000			\$ 6,940,000	\$ 1,775,660	\$ 427,082	\$ 2,805,350	\$ 11,948,092
New Connection Sales	\$ 643,200		\$ 290,550	\$ 933,750				\$ 933,750
Other Revenue	\$ 692,870			\$ 692,870				\$ 692,870
Investment Income	\$ 326,000			\$ 326,000				\$ 326,000
Property Taxes			\$ 2,607,000	\$ 2,607,000				\$ 2,607,000
Water Availability Charges	\$ 51,638	\$ 522,362	\$ 574,000					\$ 574,000
Total Revenues	\$ 42,449,070	\$ 51,638	\$ 3,419,912	\$ 45,920,620	\$ 1,775,660	\$ 427,082	\$ 2,805,350	\$ 50,928,712
NET REVENUES & EXPENDITURES	\$ 118	\$ -	\$ (1,364,188)	\$ (1,364,070)	\$ (582,952)	\$ (327,596)	\$ 2,277,271	\$ 2,654
EXPENDITURES OF CONTINUING PROJECTS	\$ -	\$ -	\$ (6,536,007)	\$ (6,536,007)	\$ (305,000)	\$ (190,000)	\$ -	\$ (7,031,007)
TRANSFERS (See page 3-2)	\$ (118)	\$ -	\$ 118	\$ -	\$ 30,966	\$ -	\$ -	\$ 30,966
ESTIMATED BALANCE, JUNE 30, 2021	\$ 6,781,858	\$ 220,420	\$ 9,172,065	\$ 16,174,343	\$ 1,450,402	\$ 832,775	\$ 10,207,666	\$ 28,665,186

RESOLUTION NO. 2020-17

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2020-2021 FISCAL YEAR**

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

WHEREAS, effective July 1, 1990, Article XIIIIB 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 XIIIIB 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 XIIIIB 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 2019-20 fiscal year was \$7,063,320, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,600,000, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2020-2021, 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 2020-2021, 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 XIIIIB, as amended, and Section 7910 of the Government Code, as amended, the appropriation limit for Valley Center Municipal Water District for the 2020-2021 fiscal year is established at \$7,369,868.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of **VALLEY CENTER MUNICIPAL WATER DISTRICT** held the 1st day of June, 2020, by the following vote, to wit;

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

NOES: None

ABSENT: None



President

ATTEST:



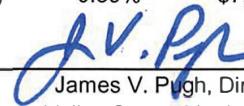
Secretary

PUBLIC NOTICE

In accordance with Government Code Section 7910, notice is hereby given that on June 1, 2020, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2020-21 appropriation limit pursuant to Article XIIIIB of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2020-21 is to be set at \$7,369,868 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.

Fiscal Year	Price Increases (1)	Population Increases	Appropriation Limit
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
2020-21	3.73% (a)	0.59%	\$7,369,868

Posted May 15, 2020


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.

ORDINANCE NO. 2020-07

**ORDINANCE OF THE VALLEY CENTER MUNICIPAL
WATER DISTRICT AMENDING THE ADMINISTRATIVE
CODE 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 Classification and Compensation Plan by modification of Article 8 Section, 8.6 Standby Pay, Section 8.7 Shift Differential, and Section 8.9(c) Salary Schedule as set forth in "Exhibit A" attached hereto.

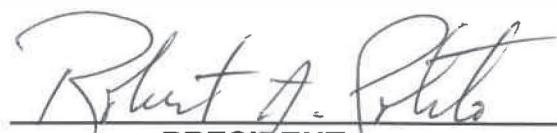
Section 2. That this is an urgency ordinance and shall take effect June 19, 2020, mid-shift, to comply with the Memorandum of Understanding with the District Employees' Association adopted by Ordinance 2019-04 affecting employee compensation to be effective June 19, 2020, mid-shift, and therefore this 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 6th day of July, 2020, by the following vote, to wit:

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

NOES: None

ABSENT: None


PRESIDENT

ATTEST: 
SECRETARY

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

(a) Standby Duty Pay. The employee assigned to the overnight standby duty shall receive \$34.88 **\$35.72** for the overnight standby shift plus a minimum of two (2) hours pay at applicable overtime rates for the first call back in each overnight standby shift. Any successive call backs in the same overnight standby shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive standby pay.

(b) Weekend/Holiday Standby Pay. The employees assigned overnight standby duty on Fridays shall receive the standby pay as set forth in Section 8.6(a) for the overnight standby shift. The employees assigned to twenty four (24) hour standby duty on Saturdays, Sundays and holidays shall receive \$66.76 **\$68.36** per twenty four (24) hour standby shift. The employees shall receive a minimum of two (2) hours pay at applicable overtime rates for the first call back in each shift. Any successive call backs in the same shift will be paid for actual time worked at applicable overtime rates.

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

Sec. 8.7 Shift Differential Pay. Employees assigned to work a different shift from the District's regular work period of Monday through Thursday from 7:00 a.m. to 4:30 p.m., and on Friday from 7:00 a.m. to 3:30 p.m. for Field personnel and 7:30 a.m. to 4:00 p.m. for Office and Field Administrative personnel shall receive \$1.57 **\$1.61** per hour shift differential pay in addition to his/her regular pay for those hours worked other than the District's regular work period.

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

VALLEY CENTER MUNICIPAL WATER DISTRICT
SALARY SCHEDULE FOR 2020-2021

RANGE NO.	BIWEEKLY SALARY RANGE		MONTHLY SALARY RANGE		YEARLY SALARY RANGE		HOURLY SALARY RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
Gen Mgr *	\$8,989.04	\$8,989.04	\$19,476.33	\$19,476.33	\$233,716.00	\$233,716.00	\$112.363	\$112.363
37.6	\$5,968.64	\$7,967.12	\$12,932.05	\$17,262.09	\$155,184.64	\$207,145.12	\$74.608	\$99.589
37.5	\$5,876.32	\$7,874.80	\$12,732.03	\$17,062.07	\$152,784.32	\$204,744.80	\$73.454	\$98.435
37.0	\$5,734.72	\$7,685.04	\$12,425.23	\$16,650.92	\$149,102.72	\$199,811.04	\$71.684	\$96.063
36.6	\$5,688.80	\$7,592.16	\$12,325.73	\$16,449.68	\$147,908.80	\$197,396.16	\$71.110	\$94.902
36.5	\$5,596.48	\$7,499.84	\$12,125.71	\$16,249.65	\$145,508.48	\$194,995.84	\$69.956	\$93.748
36.0	\$5,461.60	\$7,319.12	\$11,833.47	\$15,858.09	\$142,001.60	\$190,297.12	\$68.270	\$91.489
35.5	\$5,330.00	\$7,142.72	\$11,548.33	\$15,475.89	\$138,580.00	\$185,710.72	\$66.625	\$89.284
35.0	\$5,201.52	\$6,970.56	\$11,269.96	\$15,102.88	\$135,239.52	\$181,234.56	\$65.019	\$87.132
34.5	\$5,076.24	\$6,802.56	\$10,998.52	\$14,738.88	\$131,982.24	\$176,866.56	\$63.453	\$85.032
34.0	\$4,953.84	\$6,638.64	\$10,733.32	\$14,383.72	\$128,799.84	\$172,604.64	\$61.923	\$82.983
33.5	\$4,834.48	\$6,478.64	\$10,474.71	\$14,037.05	\$125,696.48	\$168,444.64	\$60.431	\$80.983
33.0	\$4,718.00	\$6,322.48	\$10,222.33	\$13,698.71	\$122,668.00	\$164,384.48	\$58.975	\$79.031
32.5	\$4,604.24	\$6,170.16	\$9,975.85	\$13,368.68	\$119,710.24	\$160,424.16	\$57.553	\$77.127
32.0	\$4,493.28	\$6,021.44	\$9,735.44	\$13,046.45	\$116,825.28	\$156,557.44	\$56.166	\$75.268
31.5	\$4,385.04	\$5,876.32	\$9,500.92	\$12,732.03	\$114,011.04	\$152,784.32	\$54.813	\$73.454
31.0	\$4,279.36	\$5,734.72	\$9,271.95	\$12,425.23	\$111,263.36	\$149,102.72	\$53.492	\$71.684
30.5	\$4,176.24	\$5,596.48	\$9,048.52	\$12,125.71	\$108,582.24	\$145,508.48	\$52.203	\$69.956
30.0	\$4,075.60	\$5,461.60	\$8,830.47	\$11,833.47	\$105,965.60	\$142,001.60	\$50.945	\$68.270
29.5	\$3,977.36	\$5,330.00	\$8,617.61	\$11,548.33	\$103,411.36	\$138,580.00	\$49.717	\$66.625
29.0	\$3,881.52	\$5,201.52	\$8,409.96	\$11,269.96	\$100,919.52	\$135,239.52	\$48.519	\$65.019
28.5	\$3,787.92	\$5,076.24	\$8,207.16	\$10,998.52	\$98,485.92	\$131,982.24	\$47.349	\$63.453
28.0	\$3,696.64	\$4,953.84	\$8,009.39	\$10,733.32	\$96,112.64	\$128,799.84	\$46.208	\$61.923
27.5	\$3,607.60	\$4,834.48	\$7,816.47	\$10,474.71	\$93,797.60	\$125,696.48	\$45.095	\$60.431
27.0	\$3,520.64	\$4,718.00	\$7,628.05	\$10,222.33	\$91,536.64	\$122,668.00	\$44.008	\$58.975
26.5	\$3,435.76	\$4,604.24	\$7,444.15	\$9,975.85	\$89,329.76	\$119,710.24	\$42.947	\$57.553
26.0	\$3,352.96	\$4,493.28	\$7,264.75	\$9,735.44	\$87,176.96	\$116,825.28	\$41.912	\$56.166
25.5	\$3,272.16	\$4,385.04	\$7,089.68	\$9,500.92	\$85,076.16	\$114,011.04	\$40.902	\$54.813
25.0	\$3,193.36	\$4,279.36	\$6,918.95	\$9,271.95	\$83,027.36	\$111,263.36	\$39.917	\$53.492
24.5	\$3,116.40	\$4,176.24	\$6,752.20	\$9,048.52	\$81,026.40	\$108,582.24	\$38.955	\$52.203
24.0	\$3,041.28	\$4,075.60	\$6,589.44	\$8,830.47	\$79,073.28	\$105,965.60	\$38.016	\$50.945
23.5	\$2,968.00	\$3,977.36	\$6,430.67	\$8,617.61	\$77,168.00	\$103,411.36	\$37.100	\$49.717
23.0	\$2,896.40	\$3,881.52	\$6,275.53	\$8,409.96	\$75,306.40	\$100,919.52	\$36.205	\$48.519
22.5	\$2,826.64	\$3,787.92	\$6,124.39	\$8,207.16	\$73,492.64	\$98,485.92	\$35.333	\$47.349
22.0	\$2,758.48	\$3,696.64	\$5,976.71	\$8,009.39	\$71,720.48	\$96,112.64	\$34.481	\$46.208
21.5	\$2,692.00	\$3,607.60	\$5,832.67	\$7,816.47	\$69,992.00	\$93,797.60	\$33.650	\$45.095
21.0	\$2,627.12	\$3,520.64	\$5,692.09	\$7,628.05	\$68,305.12	\$91,536.64	\$32.839	\$44.008
20.5	\$2,563.84	\$3,435.76	\$5,554.99	\$7,444.15	\$66,659.84	\$89,329.76	\$32.048	\$42.947
20.0	\$2,502.08	\$3,352.96	\$5,421.17	\$7,264.75	\$65,054.08	\$87,176.96	\$31.276	\$41.912
19.5	\$2,441.76	\$3,272.16	\$5,290.48	\$7,089.68	\$63,485.76	\$85,076.16	\$30.522	\$40.902
19.0	\$2,382.88	\$3,193.36	\$5,162.91	\$6,918.95	\$61,954.88	\$83,027.36	\$29.786	\$39.917
18.5	\$2,325.52	\$3,116.40	\$5,038.63	\$6,752.20	\$60,463.52	\$81,026.40	\$29.069	\$38.955
18.0	\$2,269.44	\$3,041.28	\$4,917.12	\$6,589.44	\$59,005.44	\$79,073.28	\$28.368	\$38.016
17.5	\$2,214.72	\$2,968.00	\$4,798.56	\$6,430.67	\$57,582.72	\$77,168.00	\$27.684	\$37.100
17.0	\$2,161.36	\$2,896.40	\$4,682.95	\$6,275.53	\$56,195.36	\$75,306.40	\$27.017	\$36.205
16.5	\$2,109.28	\$2,826.64	\$4,570.11	\$6,124.39	\$54,841.28	\$73,492.64	\$26.366	\$35.333
16.0	\$2,058.48	\$2,758.48	\$4,460.04	\$5,976.71	\$53,520.48	\$71,720.48	\$25.731	\$34.481
15.5	\$2,008.88	\$2,692.00	\$4,352.57	\$5,832.67	\$52,230.88	\$69,992.00	\$25.111	\$33.650
15.0	\$1,960.40	\$2,627.12	\$4,247.53	\$5,692.09	\$50,970.40	\$68,305.12	\$24.505	\$32.839
14.5	\$1,913.20	\$2,563.84	\$4,145.27	\$5,554.99	\$49,743.20	\$66,659.84	\$23.915	\$32.048
14.0	\$1,867.12	\$2,502.08	\$4,045.43	\$5,421.17	\$48,545.12	\$65,054.08	\$23.339	\$31.276
13.5	\$1,822.08	\$2,441.76	\$3,947.84	\$5,290.48	\$47,374.08	\$63,485.76	\$22.776	\$30.522
13.0	\$1,778.16	\$2,382.88	\$3,852.68	\$5,162.91	\$46,232.16	\$61,954.88	\$22.227	\$29.786
12.5	\$1,735.36	\$2,325.52	\$3,759.95	\$5,038.63	\$45,119.36	\$60,463.52	\$21.692	\$29.069
12.0	\$1,693.52	\$2,269.44	\$3,669.29	\$4,917.12	\$44,031.52	\$59,005.44	\$21.169	\$28.368
11.5	\$1,652.72	\$2,214.72	\$3,580.89	\$4,798.56	\$42,970.72	\$57,582.72	\$20.659	\$27.684
11.0	\$1,612.88	\$2,161.36	\$3,494.57	\$4,682.95	\$41,934.88	\$56,195.36	\$20.161	\$27.017
10.5	\$1,574.00	\$2,109.28	\$3,410.33	\$4,570.11	\$40,924.00	\$54,841.28	\$19,675	\$26.366
10.0	\$1,536.08	\$2,058.48	\$3,328.17	\$4,460.04	\$39,938.08	\$53,520.48	\$19,201	\$25.731

* General Manager salary is effective on July 1.



Recap of Revenues & Source



Valley Center Municipal Water District

Recap of Budget and Source of Financing All Budgeted Funds

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2020	\$ 6,781,858	\$ 220,420	\$ 17,072,142	\$ 24,074,421	\$ 2,307,388	\$ 1,350,371	\$ 7,930,395	\$ 35,662,574
RECAP OF EXPENDITURES BY FUNCTION								
General Administration	\$ 656,636			\$ 656,636				\$ 656,636
Information Technology	\$ 923,501			\$ 923,501				\$ 923,501
Finance	\$ 2,385,852	\$ 51,638		\$ 2,437,490			\$ 528,079	\$ 2,965,569
Engineering	\$ 1,889,448			\$ 1,889,448				\$ 1,889,448
Field Operation	\$ 7,708,279			\$ 7,708,279	\$ 1,468,612	\$ 754,678		\$ 9,931,569
Source of Supply	\$ 28,885,236			\$ 28,885,236				\$ 28,885,236
Capital Projects			\$ 4,784,100	\$ 4,784,100	\$ 890,000	\$ -	\$ -	\$ 5,674,100
Total Budgeted Expenditures	\$ 42,448,952	\$ 51,638	\$ 4,784,100	\$ 47,284,690	\$ 2,358,612	\$ 754,678	\$ 528,079	\$ 50,926,059
SOURCE OF FINANCING								
Revenues:								
Water Sales	\$ 33,847,000			\$ 33,847,000				\$ 33,847,000
Meter Service Charges/Wastewater Charges	\$ 6,940,000			\$ 6,940,000	\$ 1,775,660	\$ 427,082	\$ 2,805,350	\$ 11,948,092
New Connection Sales	\$ 643,200		\$ 290,550	\$ 933,750				\$ 933,750
Other Revenue	\$ 692,870			\$ 692,870				\$ 692,870
Investment Income	\$ 326,000			\$ 326,000				\$ 326,000
Property Taxes			\$ 2,607,000	\$ 2,607,000				\$ 2,607,000
Water Availability Charges	\$ -	\$ 51,638	\$ 522,362	\$ 574,000				\$ 574,000
Total Revenues	\$ 42,449,070	\$ 51,638	\$ 3,419,912	\$ 45,920,620	\$ 1,775,660	\$ 427,082	\$ 2,805,350	\$ 50,928,712
NET REVENUES & EXPENDITURES	\$ 118	\$ -	\$ (1,364,188)	\$ (1,364,070)	\$ (582,952)	\$ (327,596)	\$ 2,277,271	\$ 2,654
EXPENDITURES OF CONTINUING PROJECTS	\$ -	\$ -	\$ (6,536,007)	\$ (6,536,007)	\$ (305,000)	\$ (190,000)	\$ -	\$ (7,031,007)
TRANSFERS (See page 3-3)	\$ (118)	\$ -	\$ 118	\$ -	\$ 30,966	\$ -	\$ -	\$ 30,966
ESTIMATED BALANCE, JUNE 30, 2021	\$ 6,781,858	\$ 220,420	\$ 9,172,065	\$ 16,174,343	\$ 1,450,402	\$ 832,775	\$ 10,207,666	\$ 28,665,186



Valley Center Municipal Water District

Recap of Reserves and Fund Balances All Budgeted Funds (Excludes Utility Plant)

	Projected Balance June 30, 2020	Revenues	Expenses	Net Revenues -Expenses	Transfers and Budgeted Additions	Projected Balance June 30, 2021
General Fund						
Operating						
Discretionary Reserves						
- Rate Stabilization	\$ -			\$ -		\$ -
- Pumping Rate Stabilization	\$ -	\$ 2,365,000	\$ (2,893,900)	\$ (528,900)	\$ 528,900	\$ -
- Operating Reserve	\$ 6,781,858			\$ -	\$ -	\$ 6,781,858
Unappropriated Fund Balance	\$ -	\$ 40,084,070	\$ (39,555,052)	\$ 529,018	\$ (529,018)	\$ -
Total Operating	\$ 6,781,858	\$ 42,449,070	\$ (42,448,952)	\$ 118	\$ (118)	\$ 6,781,858
Debt Service Reserve	\$ 220,420	\$ -	\$ -	\$ -	\$ -	\$ 220,420
Capital Projects Reserves						
- Continuing Projects	\$ 6,536,007		\$ (6,536,007)	\$ (6,536,007)		\$ -
- Capacity Charges	\$ 1,179,093	\$ 290,550	\$ (290,550)	\$ -		\$ 1,179,093
- Capital Improvements	\$ 9,357,042	\$ 3,419,912	\$ (4,784,100)	\$ (1,364,188)	\$ 118	\$ 7,992,971
Total Capital	\$ 17,072,142	\$ 3,419,912	\$ (11,610,657)	\$ (7,900,195)	\$ 118	\$ 9,172,065
Total General Fund	\$ 24,074,421	\$ 45,920,620	\$ (54,059,609)	\$ (8,138,989)	\$ -	\$ 16,174,343
Lower Moosa Wastewater	\$ 2,307,388	\$ 1,775,660	\$ (2,663,612)	\$ (887,952)	\$ 30,966	\$ 1,450,402
Woods Valley Expansion	\$ 7,930,395	\$ 2,805,350	\$ (528,079)	\$ 2,277,271	\$ -	\$ 10,207,666
Woods Valley Wastewater	\$ 1,350,371	\$ 427,082	\$ (944,678)	\$ (517,596)	\$ -	\$ 832,775
Total All Funds	\$ 35,662,574	\$ 50,928,712	\$ (58,195,978)	\$ (7,267,265)	\$ 30,966	\$ 28,665,186



Valley Center Municipal Water District

General Fund

Revenue Estimate

Fund	Department
01	00

Page 1 of 2

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
	WATER SALES (ACRE FEET)	@ 16,116	@ 20,000	@ 16,000	@ 17,000
80-41400	Municipal & Industrial	12,029,329	12,828,000	12,279,000	12,392,000
80-41700	Certified Agricultural - SAWR	8,935,667	12,067,000	8,570,000	10,019,000
80-41800	Certified Ag/Domestic - SAWR	7,212,749	9,947,000	7,502,000	8,770,000
80-43502	Construction	142,777	148,000	301,000	301,000
80-45000	Pump Charge	2,038,850	2,841,000	1,850,000	2,365,000
	Total Water Sales	30,359,372	37,831,000	30,502,000	33,847,000
80-41007	Additional Living Charge	\$21,860	\$22,000	\$22,000	\$22,000
80-41401	Meter Service Charges	5,708,344	5,755,000	5,752,000	6,239,000
80-41410	Infrastructure Access Charge	528,374	533,000	562,000	679,000
	Total Meter Service Charges	6,258,578	6,310,000	6,336,000	6,940,000
82-41000	Water Meters - New	\$160,835	\$83,100	\$320,100	\$566,300
82-43000	Pressure Reducers	130	0	2,800	0
82-44000	Double Check Valves	63,701	64,550	106,600	76,900
	Total New Connection Sales	224,666	147,650	429,500	643,200
83-41003	Current Secured	2,319,737	2,403,000	2,462,900	2,512,000
83-42010	Current Unsecured	73,519	77,000	77,500	79,000
83-44010	Homeowners Exemption (HOE)	15,286	16,000	15,700	16,000
83-45050	Current Water Availability Charge	578,165	582,000	574,000	574,000
83-48200	Interest Allocation-Wtr Availability Chg	803	0	400	0
83-47000	Prior Unsecured	(821)	0	12,400	0
83-48000	Interest Allocation	3,306	0	1,800	0
	Total Property Taxes-Other	2,989,995	3,078,000	3,144,700	3,181,000



Valley Center Municipal Water District

General Fund

Revenue Estimate

Fund	Department
01	00

Page 2 of 2

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
84/85-40001	Investment Income	643,004	681,500	592,000	326,000
86-41790	Delinquent Penalty	358,450	384,100	210,000	132,320
86-41850	Transfer Fee	7,100	7,000	6,000	6,600
86-42011	Turn On Charge	27,665	27,000	27,000	0
86-42100	R.P. Inspection/Svc Fee	176,540	176,000	172,300	172,000
86-42101	R.P. Repairs	15,148	15,000	15,000	15,000
86-43010	Sale of Maps/Copies	0	100	25	100
86-43300	Service Availability Charge	1,375	1,700	5,100	5,100
86-43500	Sale of Surplus	19,443	20,000	13,800	20,000
86-44020	Other	(2,636)	26,100	2,900	2,900
86-44001	Return Check Charge	425	750	5,300	750
86-44002	Lease of Facilities	336,182	332,800	377,300	332,800
86-44004	Escondido Sewer Collection Fee	3,208	3,300	2,900	3,300
86-44005	Escondido Water Service in Lieu	1,964	2,000	2,000	2,000
Total Other Revenue		1,587,868	1,677,350	1,431,625	1,018,870
89-41002	Meter Capacity Charges	151,556	145,620	122,071	290,550
89-42050	Contributions In Kind	189,127	0	0	0
89-44202	Annex Capital Fees	1,573	0	0	0
Total Capital Improvement Charges		342,256	145,620	122,071	290,550
TOTAL REVENUE		41,762,735	49,189,620	41,965,896	45,920,620



Valley Center Municipal Water District

Recap of Budget and Source of Financing All Budgeted Funds

	2018-2019	2019-2020		2020-2021
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Fund				
General Administration	\$809,691	\$863,559	\$843,811	\$656,636
Finance	3,056,078	2,465,853	2,253,514	2,437,490
Information Technology	720,807	926,702	928,132	923,501
Engineering	1,568,487	1,586,706	1,704,156	1,889,448
Field Operation	6,889,168	7,257,719	7,323,274	7,708,279
Source of Supply	26,429,160	32,211,304	26,907,423	28,885,236
Total Operating	\$39,473,391	\$45,311,843	\$39,960,310	\$42,500,590
Capital Projects	1,609,711	3,490,000	4,823,256	4,784,100
Total General Fund	\$41,083,101	\$48,801,843	\$44,783,566	\$47,284,690
Lower Moosa Wastewater Treatment	2,306,440	1,543,095	2,250,445	2,358,612
Woods Valley Wastewater Expansion	3,214,798	864,816	1,275,576	528,079
Woods Valley Wastewater Treatment	636,608	787,552	717,452	754,678
Total Wastewater	\$6,157,846	\$3,195,463	\$4,243,473	\$3,641,369
Grand Total	\$47,240,947	\$51,997,306	\$49,027,039	\$50,926,059
RECAP BY FUNCTION				
General Fund				
Operating	\$39,424,776	\$45,262,986	\$39,907,822	\$42,448,952
Debt Service	48,615	48,857	52,488	51,638
Capital Projects	1,609,711	3,490,000	4,823,256	4,784,100
Total General Fund	\$41,083,101	\$48,801,843	\$44,783,566	\$47,284,690
Lower Moosa Wastewater - Operating	2,306,440	1,543,095	2,250,445	2,358,612
Woods Valley Expansion - Admin.	81,382	0	30,600	51,200
Woods Valley Expansion - Capital Proj.	2,624,048	365,000	745,160	0
Woods Valley Expansion - Debt Service	509,367	499,816	499,816	476,879
Woods Valley Wastewater - Operating	636,608	787,552	717,452	754,678
Total Wastewater	\$6,157,845	\$3,195,463	\$4,243,473	\$3,641,369
Grand Total	\$47,240,947	\$51,997,306	\$49,027,039	\$50,926,059



Valley Center Municipal Water District

History of Water Purchased and Sold 1987-1988 through 2020-2021

WATER PURCHASED - Acre Feet

WATER SOLD - Acre Feet

*ESTIMATED



Valley Center Municipal Water District

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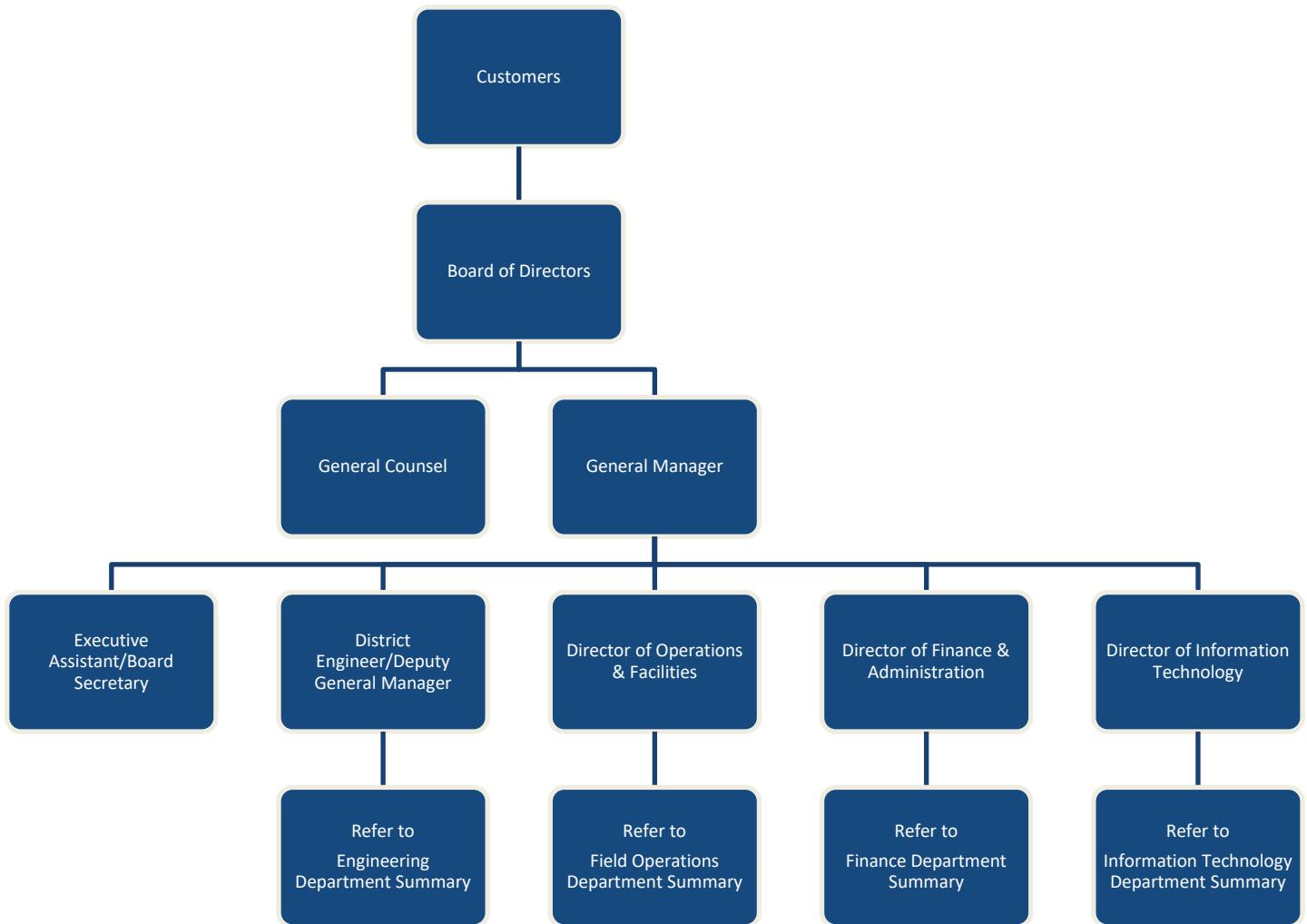


General Administration



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 2019-2020

Performance Measurement Standards – Compliance with the following standard was as follows as of December 31, 2019:

- **Customer Satisfaction (Standard 1)** – For calendar year 2019, 100% of the customer ratings were “Meets” or “Exceeds” expectations, exceeding our goal of 95%.

Strategic Plan Goals –

- **Water Supply, Imported Water Sources (Finance Strategic Goal 2)** – Worked with the San Diego County Water Authority Board and staff and the San Diego County Farm Bureau to secure SDCWA Board approval of making the Transitional Agricultural Water Rate (TSAWR) a permanent pricing program as well as opening the soon to be, Special Agricultural Water Rate (SAWR) to new participants after January 1, 2021.
- **Cost and Revenue Structure Description and Policy Issue Analysis (Finance Strategic Goal 4)** – Was completed by staff and presented to the Board of Directors and served as the core document for the development of the “Long Range Financial Strategy.”
- **Long Range Financial Strategy (Finance Strategic Goal 5)** – Based upon the recommendations in the adopted “2019 Water Master Plan” and data developed in the “Cost and Revenue Structure Description and Policy Issue Analysis,” provided strategic financial policy guidance to facilitate the implementation of the “2019 Water Master Plan,” and the basis for the Water Rates and Charges adopted for January, 2020.
- **Energy, Utility Rates and Charges (Energy Strategic Goal 2)** – Worked toward implementation of four new Photovoltaic Solar Array Projects, Corporate Facility, Lower Moosa Canyon WRF, Miller Pump Station and Betsworth Pump Station as recommended in the 2019, “Comprehensive Energy Program Analysis and Strategic Plan.”

CHALLENGES FOR 2020-2021

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.
- **Securing** funds from state and federal sources (State SRF and Federal Bureau of Reclamation) sufficient to support the Capital Improvement Projects identified for construction in FY 2020-2021 in the updated Water System Master Plan.



- **Monitoring, Overseeing, and Guiding** the: Transition from AMR to AMI – based Metering Reading and Data Gathering; Implementation of the Computerized Maintenance Management System (CMMS); Evaluation of a future ERP System, and Preparation for the Implementation of the SB 555 Water Loss Reporting Regulations as well as the SB 606 and AB 1668 Water Efficiency Planning Reporting and Eventual Implementation.
- **Overseeing**, monitoring and assisting all other departments in pursuing and meeting adopted Performance Measurements and Strategic Plan Goals in 2020-21.

GOALS FOR 2020-2021

Performance Measurement Standards:

- **Customer Satisfaction (Standard 1)** – Continue to provide outstanding customer service and product quality to sustain “Meets” or “Exceeds” ratings in overall customer satisfaction at least 95% of the time.

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 and advocating for reasonable implementation regulations for: Water Loss Regulation (SB 555); Long-term Water Use Efficiency and Water Supply Planning, Reporting and Implementation (SB 606 / AB 1668); as well as potential implementation of 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. Where appropriate, monitor and participate in any CPUC proceedings on issues which have the potential to directly or indirectly impact the District’s operations, including the: Public Safety Power Shut-off (PSPS) Proceeding; Rate Design impacting Pumping and Wastewater Treatment costs; and the Long-term Financial Viability of the District’s renewable energy investments.

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 policies and Strategic Plan Goals and Performance Measurements.
- Plan for the overall future and direction of the agency considering the potential impacts of a rapidly expanding and changing customer base;



- Maintain and, where possible, enhance the efficiency of the organization by seeking out and implementing current technology and new methods to 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;
- Through proper staffing and expertise levels, focused training, and securing appropriate technological capabilities and capacities, maintain effective levels of service and cost control as the District prepares to, and implements:
 - **Long-term Water Use Efficiency and Water Supply and Contingency Planning** (SB 606 & AB 1668);
 - **Water Loss Regulation** (SB 555); and
 - **Low Income Rate Assistance** (SB 401) legislation and regulation.

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.

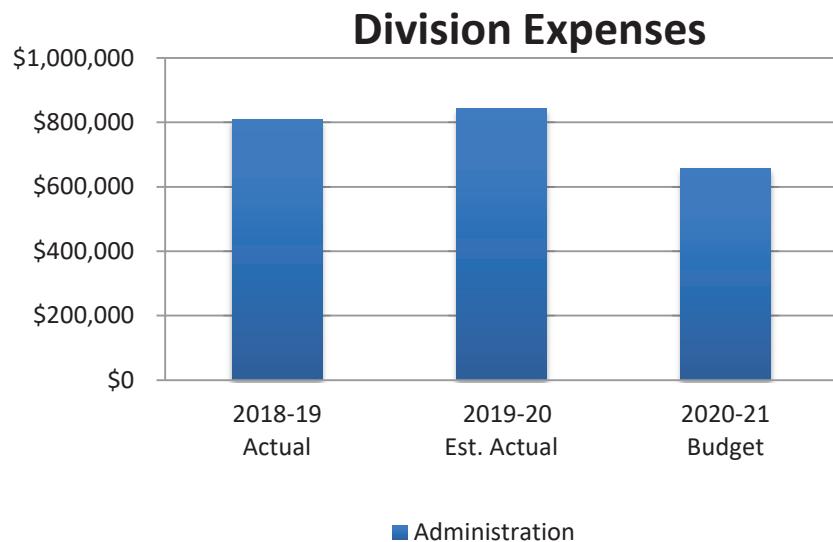
Personnel Requirements (FTE's)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
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



Valley Center Municipal Water District

General Administration



Department Summary by Division

Fund	Department
01	01

Division No.	Description	2018-2019		2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget	
01	General Administration	809,691	863,559	843,811	656,636	
	TOTAL GENERAL ADMINISTRATION	809,691	863,559	843,811	656,636	



Valley Center Municipal Water District

General Administration

Division Summary by Expense Category

Fund	Department	Division
01	01	01

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor and Benefits - Regular	543,605	532,900	564,300
50003	Overtime	115	500	0
50010	Training & Education	179	500	0
50011	Uniform Allowance	336	340	340
50025	Outside Professional Services	126,378	147,500	125,000
50026	Legal Services	60,471	55,000	55,000
50028	Printing	711	1,500	750
50029	Books & Subscriptions	670	550	750
50030	Special Department Expenses	14,703	23,100	20,000
50031	Grant Related Expenses (Wellness)	181	2,000	2,000
50033	Postage	4,885	9,700	7,500
50034	Membership Fees & Dues	32,582	33,560	33,000
50035	Directors' Fees	10,250	12,000	12,000
50036	Directors' Travel & Expenses	7,727	8,500	8,500
50037	Transportation, Meals & Travel	10,512	15,000	7,200
50039	Public Information and Notices	10,548	11,500	7,500
50083	Unclassified - Contingency Fund	3,562	20,000	15,000
50091	SGMA - Pauma Valley GSA	0	2,500	0
50189	LAFCO Budget Assessment	28,060	30,000	28,312
50454	Maintenance of Equipment	604	500	250
50991	Expense Credit	(46,388)	(43,591)	(43,591)
Total		809,691	863,559	843,811
				656,636



Valley Center Municipal Water District

General Administration

Division Detail

Fund	Department	Division	Total Budget Request
01	01	01	\$656,636

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents 2.45	387,200
50003	Overtime	500
50010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	1,000
50011	Uniform/Clothing/Shoes Uniform Allowance	340
50025	Outside Professional Services Federal Representation 55,000 Communications Intern 15,000 Energy Consultation 10,500	80,500
50026	Legal Services General Counsel's Services 60,000	60,000
50028	Printing Forms and Business Cards 500 Miscellaneous 500	1,000
50029	Books & Subscriptions Books, newspapers, periodicals and pamphlets 1,000	1,000
50030	Special Department Expenses Service Recognition Awards and Pins 3,600 Employees Retirement and Appreciation Awards 5,000 Suggestion Awards 3,000 Awards Presentation Luncheon 3,000 Staff Meeting Supplies 1,550 District Contribution - VCEA Events 3,000 Manager's Employee of the Year Award/Plaque 1,000 Employee of the Quarter Awards 750 Miscellaneous & Office Supplies 450 Notary Supplies 150	21,500
50031	Grant Related Expenses Wellness Grant District Contribution 2,000	2,000



Division Detail

Fund	Department	Division
01	01	01

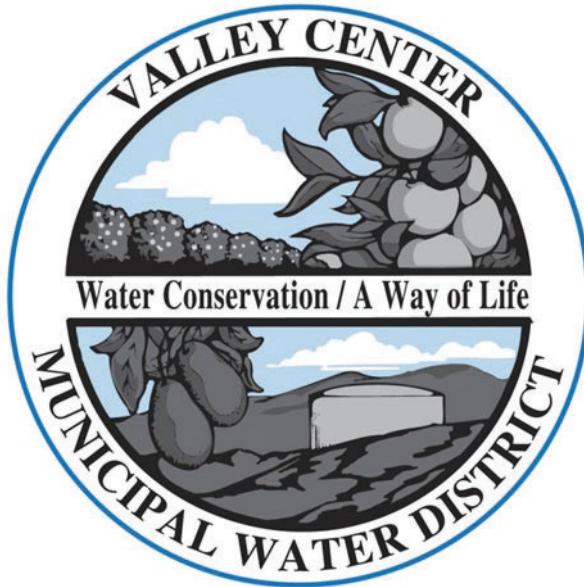
Account No.	Detail and Justification	Budget Request
50033	Postage	7,750
	General Correspondence	6,000
	Bill Insert Postage	500
	Post Office Box Fees	450
	Postage Chip Update	300
	Postage Machine Supplies	300
	Business Reply - Customer Comment Cards	100
	Permit #2 Business Reply	100
50034	Membership Fees & Dues	34,890
	Association of California Water Agencies	24,000
	American Water Works Association	3,900
	California Municipal Utilities Association	3,850
	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
	Valley Center Business Association	100
	Auto Club	50
50035	Directors' Fees	12,000
50036	Directors' Travel & Expense	8,500
	Conferences/Seminars/JPIA Mtgs/ACWA Region 10	
50037	Transportation, Meals & Travel, FastTrak	15,000
	Conferences and Meetings	15,000
50039	Public Information and Notices	10,000
	Water Use Efficiency Communications	3,500
	Customer Information Material	2,500
	Display Boards - Upkeep/revisions	2,000
	Legal/Public Notices	1,500
	Miscellaneous	500
50083	Unclassified - Contingency Fund	20,000
50189	Local Agency Formation Commission (LAFCO)	30,000
	Budget Assessment	30,000



Division Detail

Fund	Department	Division
01	01	01

Account No.	Detail and Justification	Budget Request
50454	Maintenance of Equipment Adding Machines, Transcriber, Postage Machine, Board Room Recorder and Assistive Listening Device	500
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	-37,044

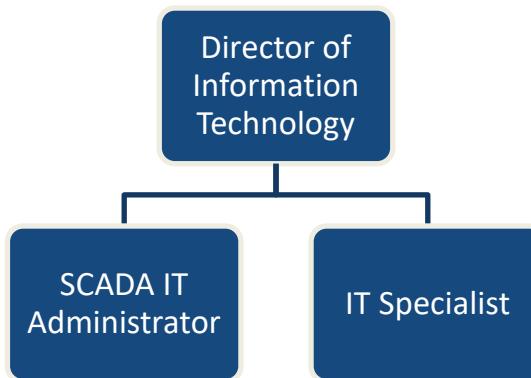


Information Technology



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 2019-2020

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

- **GIS:** The Geographic Information System (GIS) was upgraded with the latest software and hardware; portal and web maps were implemented, allowing enhanced mobile access to geographic District data.
- **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 May 11, 2020, there are approximately 3,787 customer accounts registered and utilizing the system, of which 801 have elected to no longer receive paper bills in the mail.
- **Advanced Metering Infrastructure (AMI):** Staff is continuing 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.



- **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.
 - New SCADA server systems are operational, and the updated SCADA Human Machine Interface (HMI) software is currently in use at Woods Valley Water Reclamation Facility. New SCADA server systems are also operational at 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 55 remote sites. The system consists of high definition multi-megapixel cameras that include full night vision, event tracking and notification, continuous local and remote recording capabilities, and allows remote site monitoring by operations personnel 24 hours a day.
- **Asset Management System:** Staff selected a new asset management system and started the development and deployment. A new server system has been provisioned and configured, data connections were made to the GIS systems, and several components are currently in the implementation phase, including Assets/Inventory, Water Distribution Maintenance, Dig Alerts, Work Orders, Storeroom, Workflows, and standard report templates.

CHALLENGES FOR 2020-2021

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 has started and will continue throughout Fiscal Years 2020-21 and beyond.



GOALS FOR 2020-2021

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 started on 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 and will continue throughout 2020-21 and beyond.
- **Data/Asset Management Software System:** Staff will continue to implement the asset management system that supports mobile users, have better usability, and integrates with existing GIS, financial, and other databases in the District. The implementation and deployment started and will continue throughout 2020-2021, 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.

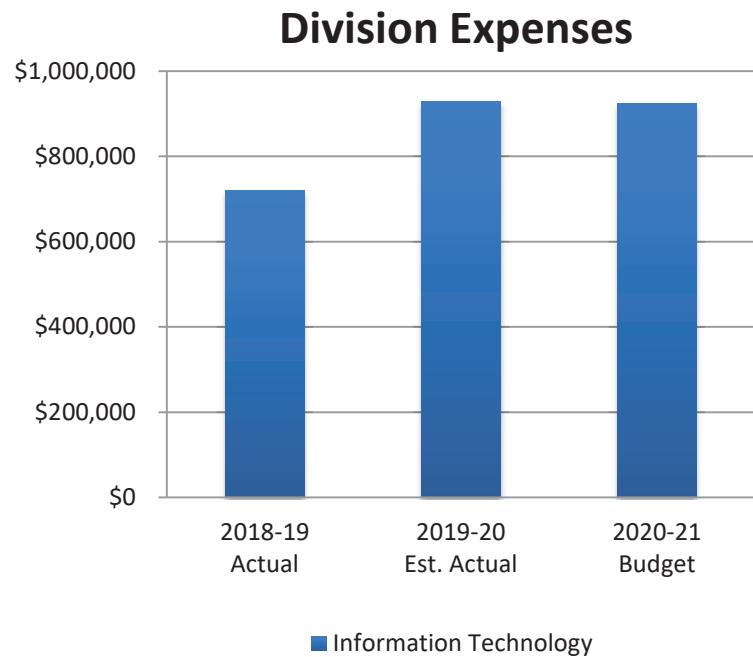
Personnel Requirements (FTE's)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
Director of Information Technology	1.0	1.0	1.0
SCADA/IT Systems Administrator	1.0	1.0	1.0
IT Specialist	1.0	1.0	1.0
Total	3.0	3.0	3.0



Valley Center Municipal Water District

Information Technology



Department Summary by Division

Fund	Department
01	05

Division No.	Description	2018-2019		2019-2020		2020-2021	
		Actual	Budget	Estimated Actual	Budget		
13	Information Systems	720,807	926,702	928,132	923,501		
	TOTAL INFORMATION SYSTEMS	720,807	926,702	928,132	923,501		



Division Summary by Expense Category

Fund	Department	Division
01	05	13

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	583,142	764,900	764,900	752,200
50003	Overtime	1,465	4,000	4,000	4,500
50010	Training & Education	270	3,000	2,500	3,500
50011	Uniform Allowance	672	680	680	700
50025	Outside Professional Services	3,808	16,000	15,000	16,000
50028	Printing	34,484	33,000	34,000	35,000
50029	Memberships & Subscriptions	130	200	130	200
50030	Special Department Expenses	24,277	25,000	25,000	26,000
50032	Telephone and Communications	16,224	17,000	17,000	18,500
50037	Transportation, Meals & Travel	0	500	100	500
50040	Rents and Leases	12,130	12,700	12,500	13,000
50341	Hazardous Waste Disposal Cost	0	500	100	500
50454	Maintenance of Equipment	23,443	18,000	21,000	22,000
50469	Maintenance Agreements & Contracts	60,590	78,000	78,000	83,000
50991	Expense Credit	(39,828)	(46,778)	(46,778)	(52,099)
Total		720,807	926,702	928,132	923,501



Division Detail

Fund	Department	Division	Total Budget Request
01	05	13	\$923,501

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	752,200
50003	Overtime	4,500
50010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	3,500
50011	Uniform Allowance	700
50025	Outside Professional Services Network System Programming ERP Programming Changes, Enhancements SCADA Programming Website Programming Telephone Equipment Programming	16,000
50028	Printing	35,000
50029	Memberships & Subscriptions	200
50030	Special Department Expenses Computer Workstation Replacements Software and Hardware Infrastructure Upgrades	26,000
50032	Telephone and Communications	18,500
50037	Transportation, Meals & Travel	500
50040	Rents and Leases Backup Tape Archive Storage Repeater Site	13,000
50341	Hazardous Waste Disposal Costs	500
50454	Maintenance of Equipment Server Repair Workstation and Laptop Repair Printer Repair Network Infrastructure Repair Telephone Equipment Repair Facsimile Machines SCADA Infrastructure Fire Suppression System Video Surveillance Repair Miscellaneous Radio Repeaters	22,000



Division Detail

Fund	Department	Division
01	05	13

Account No.	Detail and Justification	Budget Request
50469	Maintenance Agreements and Contracts	83,000
	ERP System	35,000
	Antivirus	3,500
	Firewall and VPN	6,000
	Network Management Systems	3,500
	Content Filtering	2,000
	Backup and Data Storage	4,000
	Phone System	7,000
	Website Content Management	2,000
	Asset Management System	20,000
50991	Expense Credit	(52,099)
	Reimbursement from Sewer Funds for Administrative Overhead	



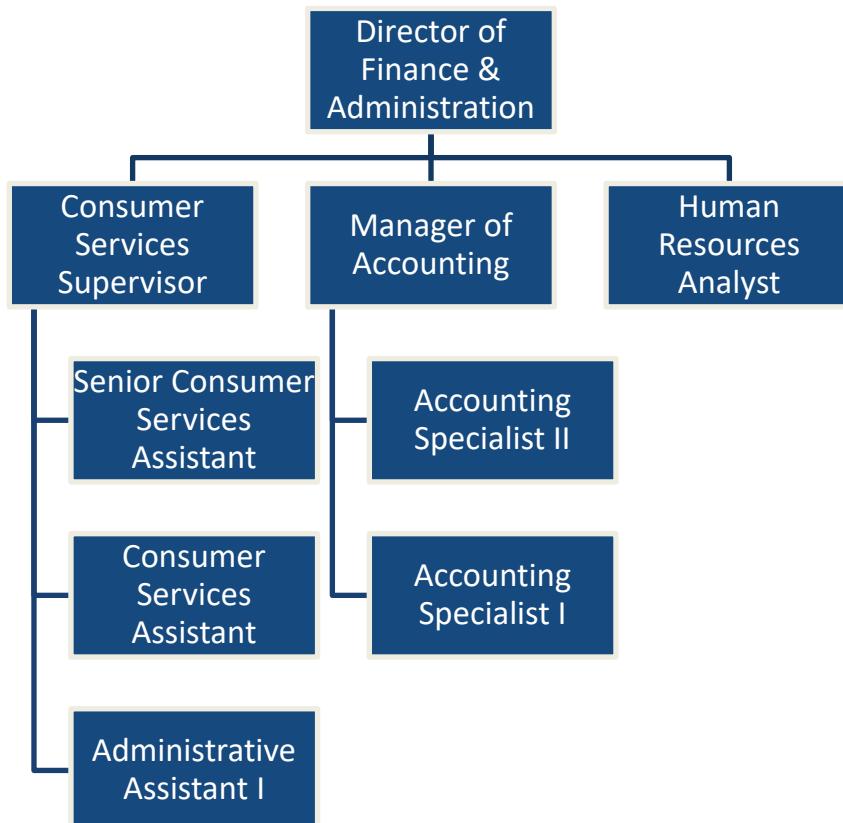
Finance



FUNCTION OVERVIEW

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

Costs incurred by the Salary Clearing Division are transferred to other divisions and funds at 210% 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 225% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.





ACCOMPLISHMENTS FOR 2019-20

Awards - Our 2019-20 annual budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2019 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, 2019:

- **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.
- **Return on Investments (Standard 4):** For the calendar year 2019 our weighted average yield was 2.074%, slightly ahead of the benchmark of 2.071% by 3 basis points. The District estimates our yield for the 2020-21 fiscal year to be 1.00%.
- **Local Share of Total Water Commodity Costs (Standard 5):** The District's share of the total water commodity rate, as budgeted as of February 1, 2019, 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.

Strategic Plan Goals –

- **Long Range Financial Strategy (Finance Strategic Goal 5) –** Based upon the recommendations in the adopted "2019 Water Master Plan" and data developed in the "Cost and Revenue Structure Description and Policy Issue Analysis," provided strategic financial policy guidance to facilitate the implementation of the "2019 Water Master Plan," and the basis for the Water Rates and Charges adopted for January, 2020.

CHALLENGES FOR 2020-2021

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.



Valley Center Municipal Water District

Finance

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, 2021, shall be no more than 15% of the total commodity cost for domestic customers and 18% for certified agricultural.

Other –

- Submit the 2020-21 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2020 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

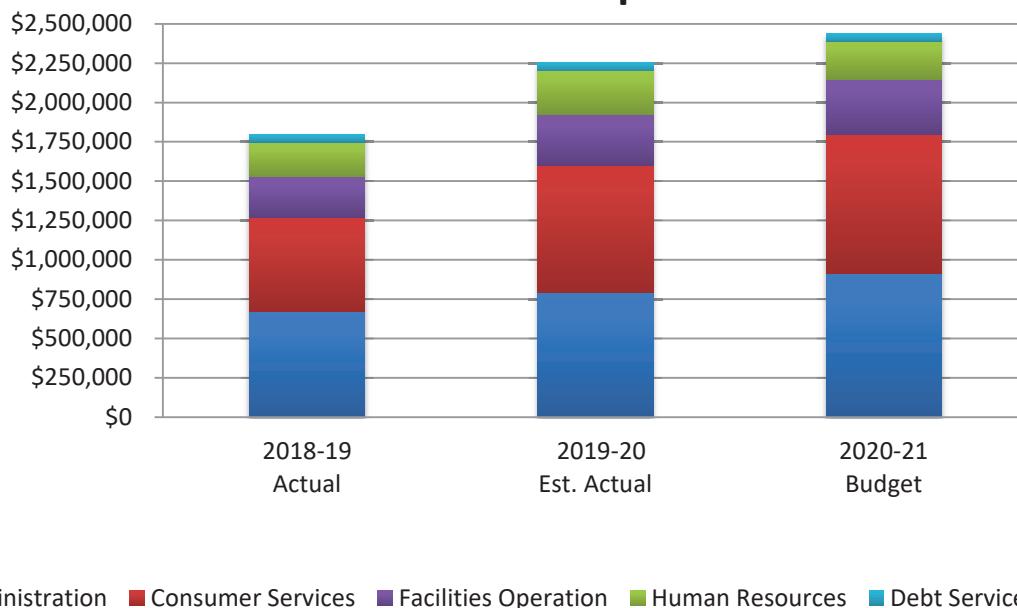
Provide ongoing financial analysis to support the District's capital improvement program in a time of reduced water deliveries and increasing wholesale prices. Continue to improve procedures to be able to provide information to users as fast and accurately as possible.

Personnel Requirements (FTE's)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
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	1.0	1.0	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	2.0
Administrative Assistant I	1.0	1.0	0.0
Total	9.0	9.0	9.0



Division Expenses



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

Department Summary by Division

Fund	Department
01	02

Division No.	Description	2018-2019		2019-2020		2020-2021	
		Actual	Budget	Estimated Actual	Budget		
11	Administration	669,428	920,986	790,481	912,379		
12	Consumer Service	598,770	867,081	811,331	883,412		
14	Facilities Operation	258,113	347,581	320,486	350,761		
15	Human Resources	220,108	281,348	278,728	239,300		
16	Salary Clearing	1,261,044	0	0	0		
19	Debt Service	48,615	48,857	52,488	51,638		
TOTAL FINANCE		3,056,078	2,465,853	2,253,514	2,437,490		



Division Summary by Expense Category

Fund	Department	Division
01	02	11

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	585,477	711,700	740,000	848,400
50002	Temporary Labor	1,713	30,000	1,370	0
50003	Overtime	11,396	10,000	5,400	7,500
50010	Training & Education	3,618	2,500	500	2,000
50011	Uniform Allowance	1,991	3,100	2,800	3,050
50025	Outside Professional Services	88,317	180,000	66,000	83,500
50028	Printing	2,155	2,500	1,500	2,500
50029	Subscriptions and Publications	725	2,100	2,200	2,500
50030	Special Department Expenses	3,357	3,250	4,000	3,450
50033	Postage	0	8,150	7,000	250
50034	Membership Fees & Dues	600	675	600	700
50037	Transportation, Meals & Travel	10,620	13,500	5,600	10,000
50991	Expense Credit	(40,541)	(46,489)	(46,489)	(51,471)
Total		669,428	920,986	790,481	912,379



Valley Center Municipal Water District

Finance

Administration

Division Detail

Fund	Department	Division	Total Budget Request
01	02	11	\$912,379

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents 3.70	848,400
50002	Temporary Labor	0
50003	Overtime	7,500
50010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	2,000
50011	Uniform Allowance	3,050
50025	Outside Professional Services Annual District Audit 29,500 Single Audit - Other Services 15,000 Bank Service Charges 25,000 Actuarial Services 12,000 Availability Charges, Computer Svcs, Notices, & Liens 2,000	83,500
50028	Printing Checks 2,100 Business Cards 200 Other 200	2,500
50029	Subscriptions and Publications GASB 68 Reports 1,800 Government Accounting Standards Board 700	2,500
50030	Special Department Expenses Office Supplies 2,200 CAFR Applications and Debt Statistics 1,000 Budget Application 250	3,450
50033	Postage FedEx & Miscellaneous Mailings 250	250
50034	Memberships, Fees and Dues Government Finance Officers Association 200 California Municipal Treasurers' Association 175 Springbrook National Users Group 175 Calif. Society of Municipal Finance Officers 150	700
50037	Transportation, Meals & Travel ACWA Fall & Spring Conference 7,000 Transportation to Training and Seminars 1,500 Other 1,500	10,000
50991	Expense Credit	(51,471)



Division Summary by Expense Category

Fund	Department	Division
01	02	12

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	498,626	572,300	566,200	578,200
50002	Temporary Labor	19,543	30,000	0	0
50003	Overtime	12,794	20,000	3,900	7,500
50025	Outside Professional Services	56,747	101,500	102,800	115,500
50028	Printing	0	200	200	200
50030	Special Department Expenses	614	350	250	350
50033	Postage	44,038	51,000	46,500	51,000
50037	Transportation, Meals & Travel	924	500	250	500
50087	Write Off of Uncollectible Accounts	(382)	135,000	135,000	180,000
50991	Expense Credit	(34,134)	(43,769)	(43,769)	(49,838)
Total		598,770	867,081	811,331	883,412



Valley Center Municipal Water District

Finance Consumer Services

Division Detail

Fund	Department	Division	Total Budget Request
01	02	12	\$883,412

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	578,200
	Full-Time Equivalents	4.20
50003	Overtime	7,500
50025	Outside Professional Services	115,500
	ACH Processing - Civic Pay	89,000
	Bill and Notice Preparation	23,000
	Customer Statement Design Fees	1,500
	Inserts - Programming Charges	1,000
	Call-Em-All	1,000
50028	Printing	200
	Business Cards	200
50030	Special Department Expenses	350
	Office Supplies	200
	Lien Releases & Recording Fees	150
50033	Postage	51,000
	120,000 Water Bills & Final Notices	
50037	Transportation, Meals & Travel	500
	Transportation to Training and Seminars	
50087	Write Off of Uncollectible Accounts	180,000
50991	Expense Credit	(49,838)
	Reimbursement from Sewer Funds for Administrative Overhead	



Valley Center Municipal Water District

Finance Facilities Operation

Division Summary by Expense Category

Fund	Department	Division
01	02	14

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50025	Outside Professional Services	4,699	2,500	2,000	2,000
50027	Office Supplies	6,739	6,500	3,200	4,000
50028	Printing	2,697	2,250	2,500	2,750
50030	Special Department Expenses	1,581	1,600	1,600	1,600
50032	Telephone/Answering Service	63,959	70,000	64,355	69,000
50040	Rents & Leases	1,048	1,500	1,000	1,000
50042	Insurance	137,552	212,500	212,500	232,957
50045	Electricity	46,471	56,000	39,500	43,450
50454	Maintenance of Equipment	325	1,550	650	650
50991	Expense Credit	(6,958)	(6,819)	(6,819)	(6,646)
Total		258,113	347,581	320,486	350,761



Valley Center Municipal Water District

Finance Facilities Operation

Division Detail

Fund	Department	Division	Total Budget Request
01	02	14	\$350,761

Account No.	Detail and Justification	Budget Request
50025	Outside Professional Services	2,000
	Record Destruction Services	2,000
50027	Office Supplies-District	4,000
	Various Office Supplies, Copier Paper	
50028	Printing	2,750
	Letterhead, Business Cards, Labels, Envelopes	
50030	Special Department Expenses	1,600
	Property Taxes for Facilities Outside the District	800
	County Vector Control Assessment	800
50032	Telephone/Answering Service	69,000
	Telephone	22,000
	Cellular Service	37,000
	Answering Service	10,000
50040	Rents & Leases	1,000
	Storage of Application Files	1,000
50042	Insurance	232,957
	General Liability	204,600
	Property Damage and Fidelity Coverage	59,600
	Other Self Insured Retention	5,000
	Less Amount Charged to Sewer Funds	(36,243)
50045	Utilities-Electricity	43,450
	Electricity for Administration, Board Room	
	Multipurpose Room, and Engineering Annex I & II	
50454	Maintenance of Equipment	650
	Letter Opener and Folder	200
	Currency Counter	250
	Other	200
50991	Expense Credit	(6,646)
	Reimbursement from Sewer Funds	
	for Administrative Overhead	



Division Summary by Expense Category

Fund	Department	Division
01	02	15

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	222,725	279,900	278,600	232,100
50003	Overtime	0	250	460	500
50010	Training & Education	0	500	250	500
50025	Outside Professional Services	5,042	5,850	4,760	5,300
50026	Legal Services	0	3,000	0	3,000
50030	Special Department Expenses	1,308	1,250	4,300	1,800
50034	Membership Fees & Dues	0	800	560	600
50037	Transportation, Meals & Travel	191	4,000	4,000	9,000
50991	Expense Credit	(9,158)	(14,202)	(14,202)	(13,500)
Total		220,108	281,348	278,728	239,300



Valley Center Municipal Water District

Finance

Human Resources

Division Detail

Fund	Department	Division	Total Budget Request
01	02	15	\$239,300

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	232,100
50003	Overtime	500
50010	Training & Education Allocation from General Administration Training 01-02-18 Page 6-8A	500
50025	Outside Professional Services Employee Assistance Program Employment Background Checks Other	5,300
50026	Legal Services Personnel, Benefits, and Retirees' Health Plan	3,000
50030	Special Department Expenses Flu-Shots Other	1,800
50034	Membership Fees and Dues California Public Employees Labor Relations Association (CALPELRA) Society for Human Resources Management (SHRM)	600
50037	Transportation, Meals & Travel Training, Seminars, Meetings CalPELRA Conference CalPers Conference Other	9,000
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(13,500)



Valley Center Municipal Water District

Finance Salary Clearing

Division Summary by Expense Category

Fund	Department	Division
01	02	16

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor	6,461,192	6,771,601	6,929,166	7,169,700
50002	Temporary Labor	0	95,800	12,000	19,000
50003	Overtime	246,755	313,250	288,493	323,440
50004	Unemployment Insurance	8,997	9,900	9,900	9,700
50005	Retirement	3,685	2,572,500	2,483,900	2,816,600
50006	Medicare	95,256	105,900	102,600	109,000
50007	Medical	1,202,086	1,551,835	1,511,700	1,570,245
50008	Worker's Compensation	137,692	148,000	135,300	145,000
50009	Life and Disability Insurance	122,400	147,500	143,521	147,500
50012	Vacation/Sick/Holiday Leave	1,079,623	1,163,900	1,163,900	1,176,200
50013	Increase in Value Of Accrued Leave	62,028	49,500	49,500	42,800
50015	Dental	78,789	82,300	82,300	94,900
50016	Vision	11,296	13,500	13,000	13,700
50017	Retirement Health Deferred Cont.	14,967	25,000	23,000	30,700
50018	Post Retirement Health Benefit	(265)	612,044	572,254	578,463
50019	Social Security	1,567	5,100	2,000	1,900
50070	Pension Expense (Contra)	3,745,570	0	0	0
50080	OPEB Expense	414,207	0	0	0
50991	Expense Credit - Leave	(1,079,623)	(1,163,900)	(1,163,900)	(1,176,200)
50991	Expense Credit	(11,345,178)	(12,503,730)	(12,358,634)	(13,072,648)
Total		1,261,044	0	0	0



Valley Center Municipal Water District

Finance Salary Clearing

Division Detail

Fund	Department	Division	Total Budget Request
01	02	16	\$0

Account No.	Detail and Justification	Budget Request
50001 Labor	Salary for all District employees	7,169,700
	Full Time Equivalents	70.00
50002 Temporary Labor		19,000
50003 Overtime		323,440
50004 Unemployment Insurance	Federal mandated program - 1.9% of first \$7,000.	9,700
50005 Retirement	District Contribution to CalPERS.	2,816,600
50006 Medicare	1.45% of base pay plus overtime on all employees hired after April 1, 1986.	109,000
50007 Medical	Preferred Provider or Health Maintenance Organization	1,570,245
50008 Workers Compensation	Required program to provide compensation and medical costs in the event of injury on the job.	145,000
50009 Life and Disability Insurance		147,500
	Life and Accidental Death and Dismemberment	98,600
	Long-Term Disability	48,900
50012 Vacation / Sick / Holiday Leave		1,176,200
50013 Increase in Value of Accrued Leave	Generally Accepted Accounting Principles requires the District to fund accrued leave at current value at year end.	42,800
50015 Dental Insurance	District paid for employee and dependents.	94,900
50016 Vision Insurance	District paid for employee and dependents.	13,700
50017 Retirement Health, Defined Contribution Plan		30,700
50018 Post Retirement Health	Annual required contribution to defined benefit plan.	578,463
50010 Social Security		1,900
50991 Expense Credit - Leave		(1,176,200)
50991 Expense Credit		(13,072,648)



Division Summary by Expense Category

Fund	Department	Division
Account No.	Description	
01	02	18

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50110	General and Administration	179	500	179	1,000
50111	Finance Administration	3,618	2,500	3,470	2,000
50113	Information Technology	270	3,000	500	3,500
50115	Human Resources	0	500	350	500
50121	Engineering Administration	8,165	11,550	9,000	16,800
50123	Public Services	650	0	0	0
50131	Field Administration	17,302	22,000	20,000	20,000
50991	Expense Credit	(30,184)	(40,050)	(33,499)	(43,800)
Total		0	0	0	0



Valley Center Municipal Water District

Finance Training

Division Detail

Fund	Department	Division	Total Budget Request
01	02	18	\$0
Account No.	Detail and Justification		Budget Request
50110	General Administration		1,000
	Seminars & Workshops		1,000
50111	Finance Administration		2,000
	Accounting Education		1,500
	Accounting Updates		500
50113	Information Technology		3,500
	Software Training Tuition Reimbursement		3,500
50115	Finance - Human Resources		500
	Miscellaneous Training		500
50121	Engineering Administration		16,800
	Management Training		8,600
	ACWA/JPIA Leadership Training		3,600
	Continuing Education		2,600
	ACWA/JPIA Supervisory Training		2,000
50131	Field Administration		20,000
	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		7,000
	Technology Classes		2,700
	Supervisor Certification		550
	Energy Management/Preparedness		550
	Wastewater Technical Classes		800
	Collection Systems		200
	Safety		1,700
50991	Expense Credit		(43,800)
	Reimbursement from Sewer Funds for Administrative Overhead		



Valley Center Municipal Water District

Finance Debt Service

Division Summary by Expense Category

Fund	Department	Division
01	02	19

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50071	Interest on Debt	48,615	48,857	52,488	51,638
	Total	48,615	48,857	52,488	51,638

SOURCE OF FINANCING

Water Availability Charge/Other	48,615	48,857	52,488	51,638
Total	48,615	48,857	52,488	51,638



Valley Center Municipal Water District

Finance

SRF Payment Schedule

California Drinking Water

Cool Valley Reservoir Cover/Liner Replacement

Fund	Department	Division
01	02	19

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
1/01/2017		\$0.00	\$0.00	1.60%	\$0.00	\$0.00	\$0.00
7/01/2017	1	\$2,915,212.00	\$0.00	1.60%	\$1,468.43	\$1,468.43	\$2,915,212.00
1/01/2018	2	\$2,915,212.00	\$61,942.87	1.60%	\$23,513.38	\$85,456.25	\$2,853,269.13
7/01/2018	3	\$3,076,478.13	\$68,276.33	1.60%	\$23,842.23	\$92,118.56	\$3,008,201.80
1/01/2019	4	\$3,238,772.80	\$74,173.23	1.60%	\$24,977.65	\$99,150.88	\$3,164,599.57
7/01/2019	5	\$3,164,599.57	\$73,834.08	1.60%	\$25,316.80	\$99,150.88	\$3,090,765.49
1/01/2020	6	\$3,437,345.49	\$84,544.99	1.60%	\$25,665.74	\$110,210.73	\$3,352,800.50
7/01/2020	7	\$3,352,800.50	\$83,388.33	1.60%	\$26,822.40	\$110,210.73	\$3,269,412.17
1/01/2021	8	\$3,269,412.17	\$84,055.43	1.60%	\$26,155.30	\$110,210.73	\$3,185,356.74
7/01/2021	9	\$3,185,356.74	\$84,727.88	1.60%	\$25,482.85	\$110,210.73	\$3,100,628.86
1/01/2022	10	\$3,100,628.86	\$85,405.70	1.60%	\$24,805.03	\$110,210.73	\$3,015,223.16
7/01/2022	11	\$3,015,223.16	\$86,088.94	1.60%	\$24,121.79	\$110,210.73	\$2,929,134.22
1/01/2023	12	\$2,929,134.22	\$86,777.66	1.60%	\$23,433.07	\$110,210.73	\$2,842,356.56
7/01/2023	13	\$2,842,356.56	\$87,471.88	1.60%	\$22,738.85	\$110,210.73	\$2,754,884.68
1/01/2024	14	\$2,754,884.68	\$88,171.65	1.60%	\$22,039.08	\$110,210.73	\$2,666,713.03
7/01/2024	15	\$2,666,713.03	\$88,877.03	1.60%	\$21,333.70	\$110,210.73	\$2,577,836.00
1/01/2025	16	\$2,577,836.00	\$89,588.04	1.60%	\$20,622.69	\$110,210.73	\$2,488,247.96
7/01/2025	17	\$2,488,247.96	\$90,304.75	1.60%	\$19,905.98	\$110,210.73	\$2,397,943.21
1/01/2026	18	\$2,397,943.21	\$91,027.18	1.60%	\$19,183.55	\$110,210.73	\$2,306,916.03
7/01/2026	19	\$2,306,916.03	\$91,755.40	1.60%	\$18,455.33	\$110,210.73	\$2,215,160.63
1/01/2027	20	\$2,215,160.63	\$92,489.44	1.60%	\$17,721.29	\$110,210.73	\$2,122,671.19
7/01/2027	21	\$2,122,671.19	\$93,229.36	1.60%	\$16,981.37	\$110,210.73	\$2,029,441.83
1/01/2028	22	\$2,029,441.83	\$93,975.20	1.60%	\$16,235.53	\$110,210.73	\$1,935,466.63
7/01/2028	23	\$1,935,466.63	\$94,727.00	1.60%	\$15,483.73	\$110,210.73	\$1,840,739.63
1/01/2029	24	\$1,840,739.63	\$95,484.81	1.60%	\$14,725.92	\$110,210.73	\$1,745,254.82
7/01/2029	25	\$1,745,254.82	\$96,248.69	1.60%	\$13,962.04	\$110,210.73	\$1,649,006.13
1/01/2030	26	\$1,649,006.13	\$97,018.68	1.60%	\$13,192.05	\$110,210.73	\$1,551,987.45
7/01/2030	27	\$1,551,987.45	\$97,794.83	1.60%	\$12,415.90	\$110,210.73	\$1,454,192.62
1/01/2031	28	\$1,454,192.62	\$98,577.19	1.60%	\$11,633.54	\$110,210.73	\$1,355,615.43
7/01/2031	29	\$1,355,615.43	\$99,365.81	1.60%	\$10,844.92	\$110,210.73	\$1,256,249.62
1/01/2032	30	\$1,256,249.62	\$100,160.73	1.60%	\$10,050.00	\$110,210.73	\$1,156,088.89
7/01/2032	31	\$1,156,088.89	\$100,962.02	1.60%	\$9,248.71	\$110,210.73	\$1,055,126.87
1/01/2033	32	\$1,055,126.87	\$101,769.72	1.60%	\$8,441.01	\$110,210.73	\$953,357.15
7/01/2033	33	\$953,357.15	\$102,583.87	1.60%	\$7,626.86	\$110,210.73	\$850,773.28
1/01/2034	34	\$850,773.28	\$103,404.54	1.60%	\$6,806.19	\$110,210.73	\$747,368.74
7/01/2034	35	\$747,368.74	\$104,231.78	1.60%	\$5,978.95	\$110,210.73	\$643,136.96
1/01/2035	36	\$643,136.96	\$105,065.63	1.60%	\$5,145.10	\$110,210.73	\$538,071.33
7/01/2035	37	\$538,071.33	\$105,906.16	1.60%	\$4,304.57	\$110,210.73	\$432,165.17
1/01/2036	38	\$432,165.17	\$106,753.41	1.60%	\$3,457.32	\$110,210.73	\$325,411.76
7/01/2036	39	\$325,411.76	\$107,607.44	1.60%	\$2,603.29	\$110,210.73	\$217,804.32
1/01/2037	40	\$217,804.32	\$108,468.30	1.60%	\$1,742.43	\$110,210.73	\$109,336.02
7/01/2037	41	\$109,336.02	\$109,336.02	1.60%	\$874.69	\$110,210.71	(\$0.00)
Total		\$3,715,572.00			\$629,359.26	\$4,344,931.26	



Valley Center Municipal Water District

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Engineering

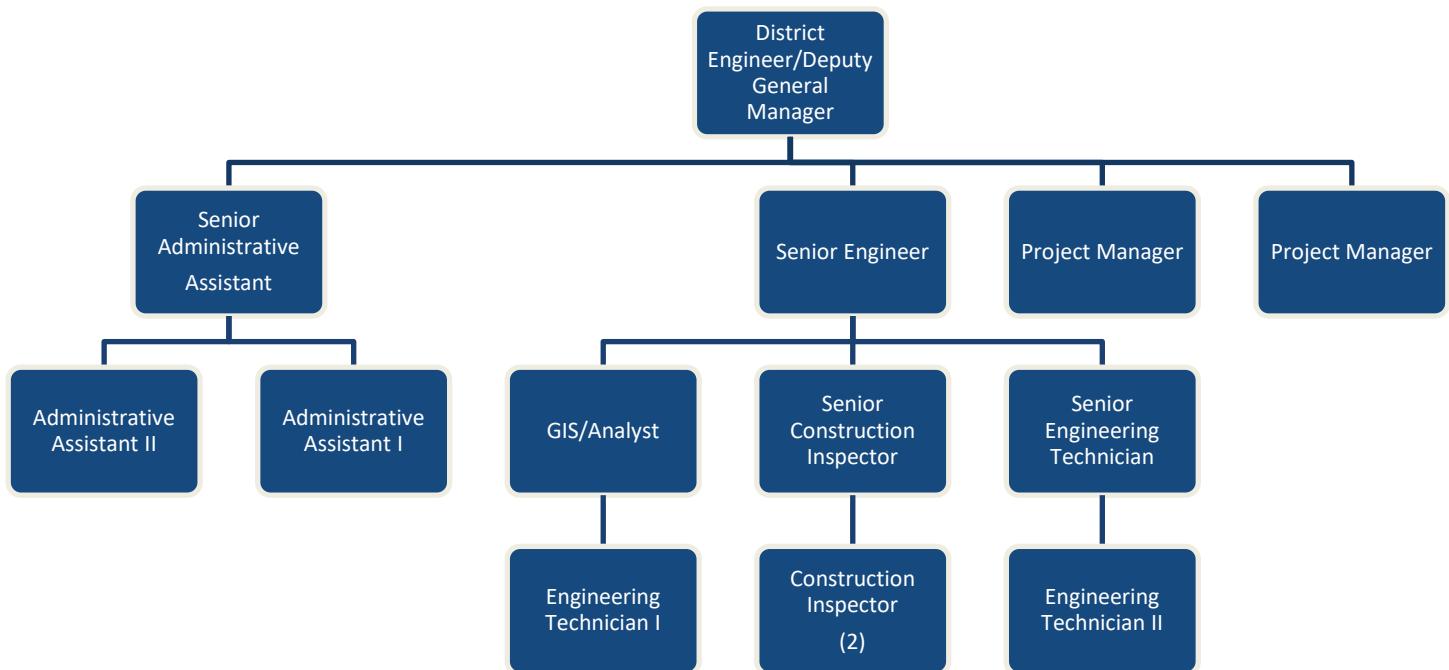


Valley Center Municipal Water District

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 2019-2020****Performance Measurement Standards:****▪ Project Actual Cost (Standard No. 8):**

Performance Goal: Final project costs shall be within $\pm 10\%$ of the engineer's estimate.

- The District completed six construction contracts in Fiscal Year 2019-2020. Two projects were completed at a cost significantly greater than the engineer's estimate (Rimrock LPS Upgrades and North Village Collection System) and two were significantly lower (Old Castle Pipeline Replacement and VCMWD Grinder Pump). The North Village Collection System had a change in scope that added 16% to the project cost but saved substantial time and cost in utilizing the unit prices of the original contract, in lieu of processing a new contract to add construction of a 6-inch force main in Old Road. Deducting out that cost brought the average down to 5.9% over the Engineer's estimate for the year. The following table provides a summary of the completed projects:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Rimrock Low Pressure Sewer Upgrades	400,000	823,050	74,590	897,640	124.4%
Via Cantamar/Reidy Canyon Res. No. 1 Painting & Recoating	632,000	584,809	11,496	596,305	(5.6%)
VCMWD Grinder Pump (Force Account Work)	52,000			45,000	(13.5%)
Reidy Canyon Reservoir Outlet Piping	80,000	77,450	3,100	80,550	0.7%
North Village Collection System	2,357,000	2,277,900	15,346	2,293,246	(2.7%)
North Village Collection System - Additional Scope of Work - Old Road Force Main			359,900	359,900	15.3%
Old Castle Road Phase 1 Pipeline Replacement	725,000	582,116	1,682	583,798	(19.5%)
Fiscal Year 2019-2020 Totals	\$4,246,000	\$4,345,325	\$466,115	\$4,856,440	14.4%
Totals Deducting Additional Scope Items	\$4,246,000	\$4,345,325	\$106,215	\$4,496,540	5.9%



- The District had the following projects under construction at the close of the fiscal year. These projects are scheduled to be completed in August 2020. The current project contract amounts are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
West Bear Ridge/Paradise Mountain No. 1 Reservoir Painting & Recoating	\$1,205,000	\$1,639,900	\$54,915	\$1,694,815	40.6%
Jesmond Dene Reservoir Demolition	\$125,000	\$113,333	(\$1,707)	\$111,627	(10.7%)
FY 2019/20 Totals	\$1,330,000	\$1,753,233	\$53,209	\$1,806,442	35.8%

- **Painting and Recoating Contract** - The engineer's estimate at the time of bid was based on \$10.00 per square foot of reservoir surface area, a 1/3 increase of the 2018 low bid cost for the Betsworth Forebay and Red Mountain Reservoirs, which consisted of similar work scope. The apparent low bidder was approximately 2% less than the second bid and 36% higher than the engineer's estimate. District staff contacted low bid contractor to question the price disparity from engineer's estimate. They informed staff that due to the size of the project, they allotted \$100,000 to hire more staff. Other factors that increased the bid amount included approximately 20% increase for labor cost in 2019 and required profit margins.

- **Capital Improvement Projects (Standard No. 9):**

Performance Goal: Projects shall be under contract within 12 months of budget approval (new).

- Funding for nine Engineering Department projects were approved with in Fiscal Year 2018-2019. Of those projects, five were under contract by the end of the fiscal year and four were not. Of the four that were not under contract within 12 month, two were a result of project scope of work changes, one was due to the County's project scheduling beyond staff's control and the fourth project is being funded by the San Diego County Water Authority (SDCWA) and had an extensive design consultant selection process and will need additional funding subject to SDCWA approval. The table on the following page provides a summary of the funded projects:



Projects Funded in FY 2018-2019 Annual Budget			
Project	Funding Amount	Under Contract with 12 months of Authorization	Contract Date
North County ESP Alternative Delivery System (Design) - Funding Agreement with SDCWA approved 11/20/2018	\$520,000	NO	May-20
Old Castle Water Line Replacement	\$4,000,000	NO	Sep-19
Reservoir Painting and Recoating Projects	\$1,345,000		
Ridge Ranch Interim		NO	
Reidy Canyon No. 1		YES	Apr-19
Jesmond Dene		NO	Apr-20
Via Cantemar		YES	Apr-19
Asset Table GIS Integration	\$90,000	YES	Jan-19
Turner Dam Emergency Action Plan (EAP)	\$95,000	YES	Aug-18
WVR SCADA/HMI Replacement Project	\$90,000	YES	Complete

- **North County ESP Alternative Delivery System Project** - The funding agreement for the design of the project was approved 11/20/2018 by the SDCWA. After a prequalification process for the design contract was completed, engineering proposals were received in Oct 2019. The selection committee for the design contract, made up of VCMWD, SDCWA and Yuima MWD staff, selected an engineering firm. Contract and scope negotiations are underway. Additional funding will be required for the design contract requiring an amendment to the funding agreement with the SDCWA. An award recommendation is anticipated for May '20 subject to SDCWA approval of the additional funding.
- **Old Castle Waterline Replacement** – Scope of Work changed as a result of the County's Road Improvement schedule. The project had to be redesigned to eliminate the waterline replacement in the portion of Old Castle Road that the County was under contract to repave. The work would not have been able to be completed prior to the County's contractor's start date. This information was not available when the project funding was approved.
- **Ridge Ranch Interim Reservoir** - Scope of Work changed from a painting and recoating project to a reservoir replacement with either a larger reservoir or an upgrade to the Ridge Ranch Pump Station. Staff is preparing a recommendation for internal review and approval.
- **Jesmond Dene Reservoir** - Scope of Work changed from a painting and recoating project to demolition and removal of the Reservoir.



Strategic Plan Goals:

▪ 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 supported and attended 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 two large subdivision developments (Park Circle and Orchard Run) in addition to other typical infill development projects resulting in the orderly expansion of the water infrastructure system.
- Completed work on the Water System Master Plan for use in identifying future infrastructure requirements for future capacity and replacement needs, and for use in obtaining funding assistance.
- Completed capital improvement project described above, including the pilot project using potable waterline relining technology on Reidy Canyon Outlet Piping, expanding the District's options for pipeline rehabilitation methods.
- Developed a method to measure discharge flow from individual private commercial low pressure systems to gain more insight on actual usage improving the accuracy of future capacity planning.

▪ Technology - Goal 4:

- **Geographical Information System** - Routine maintenance of the GIS was continued, keeping facility data current and reliable for internal use. Webmap capability to provide similar functionality to the desktop version was developed allowing more cost effective access to GIS data for employees. Cityworks DigAlert module was integrated into the Asset Management System and fully rolled out to utility markout personnel for use. Access to regularly updated Nearmap 3-inch pixel aerial imagery to be used for GIS base mapping was obtained through participation in a San Diego Imagery Consortium 3-year agreement with SanGIS. Acquired a GPS device with higher accuracy capabilities and implemented a program to start gathering GPS location of assets that were missing or did not contain the necessary level of accuracy.

▪ Other Projects and Services: Services provided in Fiscal Year 2019-2020 through May 2020 include:

- Processed applications and released for installation 42 domestic water meters; 45 fire service meters; 10 meter resizes; 2 meter relocations; 30 construction meters;
- Managed and administrated 54 Agency Clearance letters; 28 Project Availability and Commitment letters; 5 Special Projects; and 6 wastewater system connections.
- Marked out and processed 1,942 underground service alert requests.



- Identified 5 new right-of-way violations and resolved 24; processed 5 new encroachments and issued 9 encroachment permits.
- Processed 4 communication company lease site installations and upgrades.
- Developed and adopted Resolution 2020-02 adding new Administrative Code Article 280, governing the updated approach to management and implementation of the District Standards for Design and Construction

CHALLENGES FOR 2020-2021

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:

- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply and reclamation projects.
- React to County Road projects (widening, storm drain replacement, etc.) to implement capital projects as necessary to relocate District facilities as required.
- Assimilate staff with practices associated with newly established Computer Maintenance Management System (CMMS), and overcome the initial learning curve and growing pains inherent to the process.
- Continue to refine and 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 2020-2021

Performance Measurement Standards:

Meet the Performance Measurement Standards for Project Actual Cost (Standard No. 8) and CIP Completion Schedule (Standard No. 9) for projects allocated funding in the FY 2020-2021 Annual Budget.

Strategic Plan Implementation:

- **Water Supply – Goal 1:**
 - Complete design and start 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 SWRCB regulatory requirements.
 - Coordinate the SB 555 and 606 Water Loss Audit efforts internally as needed to meet the regulatory reporting and validation requirements.



- **Infrastructure – Goal 2:**

- 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 approved 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. Continue to pursue development of feasible solutions for the reclamation and beneficial use of the treated effluent.
- Complete design and schedule the replacement the Lower Moosa Canyon WRF's original main Motor Control Center.
- Successfully process the first SRF application for FY20/21, and develop a streamlined model for future applications that allows staff to assemble the needed information quickly.
- Complete the painting and recoating of the reservoirs recommended for FY 2020-21 and complete the replacement of the Ridge Ranch Interim Reservoir and demolition of the Oak Glen 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 2021, delaying the need to start the pipeline design to late FY 2020-21.

- **Technology – Goal 4:**

- **Geographical Information System (GIS):** 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. Facilitate Cityworks implementation while maintaining the same level of support to District's day to day GIS needs. Complete ongoing easement digitizing effort, converting data such that easements granted to the District are spatially visible in the GIS database.
- **Computer Aided Drafting (CAD) Document Management (DM) System:** Finalize implementation of the Synergis Adept document management system for the accessibility and organization of the District's map drawings and project documents.
- **SCADA:** 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.
- **AMR to AMI Conversion:** Assist with the conversion from AMR to AMI through securing funding sources, coordinating acquisition of receiver sites and design of facilities as needed.



- **Energy – Goal 5:**

- **Efficiency:** Assist in the design, review, and installation of energy efficient pump assemblies.

- **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.
 - Continue to refine newly updated District's Standard Specifications and Drawings focusing on establishing a process for publishing and maintaining access to the general public on the District website.
 - 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

- Continue to update and improve 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 financially feasible wastewater infrastructure projects for property owner participation on a voluntary basis within the service area of the existing treatment facilities.
- Explore development of local water supply sources.
- Seek out funding sources and financial assistance programs to fund required capital improvements.
- Maximize the use of the District's Data Management System to make facility information more readily available through integration of the Integrated Water Resource Management Plan, SCADA, GIS, CMMS and record drawings.
- Assist with the development of pumping strategies and procedures to maximize pumping efficiencies utilizing water system modeling.



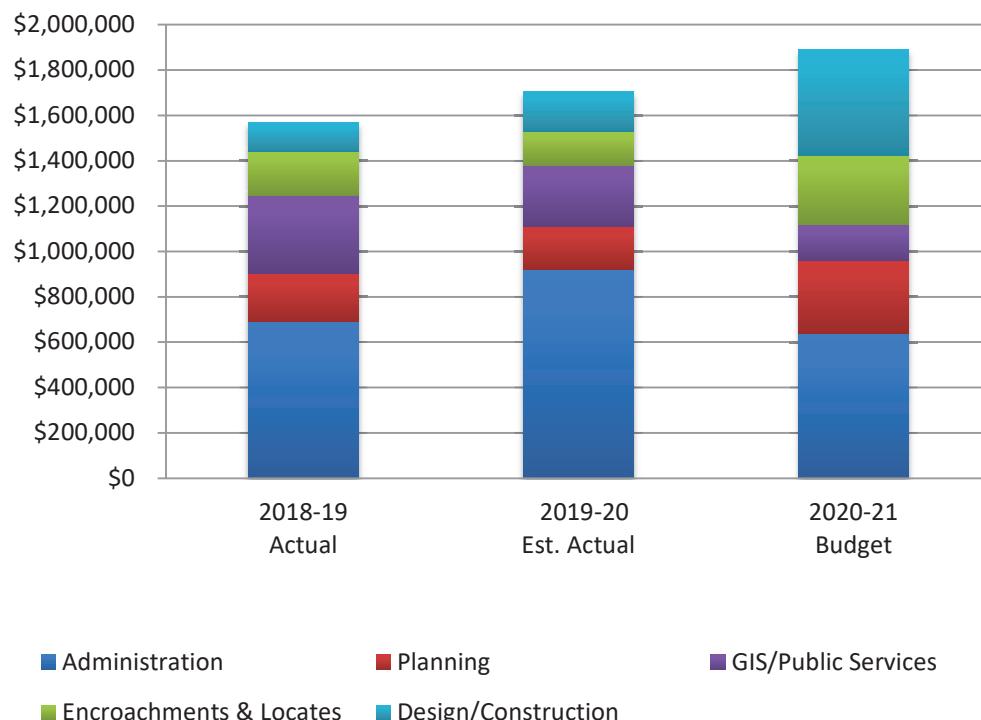
Valley Center Municipal Water District

Engineering

Personnel Requirements (FTE's)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
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	0.0
Project Manager	1.0	1.0	2.0
Senior Administrative Assistant	1.0	1.0	0.0
Senior Engineering Assistant	0.0	0.0	1.0
Administrative Assistant II	1.0	1.0	0.0
Engineering Assistant II	0.0	0.0	1.0
Administrative Assistant I	1.0	1.0	0.0
Engineering Assistant I	0.0	0.0	1.0
Senior Engineering Technician	1.0	1.0	1.0
Engineering Technician III	2.0	2.0	0.0
Engineering Technician II	1.0	1.0	0.0
Engineering Technician I	0.0	0.0	2.0
GIS Analyst	1.0	1.0	0.0
Senior GIS Analyst	0.0	0.0	1.0
Construction Inspector Supervisor	0.0	0.0	1.0
Construction Inspector	2.0	2.0	2.0
	14.0	14.0	14.0

Division Expenses





Department Summary by Division

Fund	Department
01	03

Division No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
21	Administration	691,042	495,536	920,186	635,736
22	Planning	209,471	313,286	189,686	322,411
23	GIS/Water Conservation	346,158	221,613	269,113	159,918
24	Encroachments & Locates	192,327	252,552	149,552	303,763
28	Maps & Records	129,489	303,719	175,619	467,620
TOTAL ENGINEERING		1,568,487	1,586,706	1,704,156	1,889,448



Valley Center Municipal Water District

Engineering
Administration

Division Summary by Expense Category

Fund	Department	Division
01	03	21

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	672,598	484,100	900,000	623,200
50003	Overtime	2,082	800	6,900	5,200
50010	Training & Education	8,165	11,550	10,000	16,800
50011	Uniforms/Shoes	4,642	6,500	6,000	7,100
50026	Legal Services	2,675	7,500	1,200	7,500
50028	Printing	34	200	500	200
50029	Books & Subscriptions	128	1,100	500	1,100
50030	Special Department Expenses	4,906	5,000	15,300	5,700
50034	Membership Fees & Dues	2,933	3,000	2,800	4,000
50037	Transportation, Meals & Travel	3,719	800	2,000	800
50454	Maintenance of Equipment	0	0	0	0
50085	Capital Planning	17,500	0	0	0
50991	Expense Credit	(28,340)	(25,014)	(25,014)	(35,864)
Total		691,042	495,536	920,186	635,736



Valley Center Municipal Water District

Engineering Administration

Division Detail

Fund	Department	Division	Total Budget Request
01	03	21	\$635,736
Account No.	Detail and Justification		Budget Request
50001	Labor & Benefits - Regular	Full-Time Equivalents	623,200
50003	Overtime		5,200
50010	Training & Education	Allocation from General Administration Training 01-02-18 Page 6-8A	16,800
50011	Uniforms/Shoes		7,100
50026	Legal Services		7,500
50028	Printing	Reports and Business Cards	200
50029	Books & Subscriptions	AWWA Standards Update Standard Specifications for Public Works Technical Journals, Publications, Software Engineering News Record Miscellaneous	1,100
50030	Special Department Expenses	General Office Supplies Parcel Quest - Online Property Search Tool SD County Assessor's Maps Miscellaneous Supplies and Equipment	5,700
50034	Membership, Fees & Dues	American Water Works Association American Public Works Association American Society of Civil Engineers Certifications Construction Management Association of America Southern California Alliance Public Treatment Works Works (SCAP) Water Environment Federation Notary Renewal Miscellaneous	4,000
50037	Transportation, Meals & Travel		800
50991	Expense Credit	Reimbursement from Sewer Funds for Administrative Overhead	(35,864)



Division Summary by Expense Category

Fund	Department	Division
01	03	22

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	217,639	298,400	200,000	289,300
50003	Overtime	0	500	500	1,100
50025	Outside Professional Services	9,461	20,000	4,000	40,000
50028	Printing	111	0	0	0
50030	Special Department Expenses	0	400	0	400
50037	Transportation, Meals & Travel	50	2,400	1,000	2,400
50459	Software Technical Support	3,604	7,400	0	7,400
50991	Expense Credit	(21,394)	(15,814)	(15,814)	(18,189)
Total		209,471	313,286	189,686	322,411



Valley Center Municipal Water District

Engineering Planning

Division Detail

Fund	Department	Division	Total Budget Request
01	03	22	\$322,411

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	289,300
50003	Overtime	1,100
50025	Outside Professional Services Consultant - Sewer System Computer Model	40,000
50028	Printing Reports, Business Cards, Mass Mailings	0
50030	Special Department Expenses Project Management Supplies and Equipment	400
50037	Transportation, Meals & Travel	2,400
50459	Software Technical Support Adept Document Management Info Water Info Sewer	7,400
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(18,189)



Valley Center Municipal Water District

Engineering
Customer Service

Division Summary by Expense Category

Fund	Department	Division
01	03	23

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	325,093	129,400	230,000
50002	Interns & Temporary Labor	0	25,000	0
50003	Overtime	6,316	750	6,600
50010	Training & Education	650	0	0
50025	Outside Professional Services	0	10,000	0
50029	Books & Subscriptions	0	150	0
50030	Special Department Expenses	2,853	25,500	100
50034	Membership Fees & Dues	0	400	0
50037	Transportation, Meals & Travel	223	600	2,600
50184	Water Conservation Program	4,606	16,000	16,000
50459	Software Technical Support	24,405	25,000	25,000
50991	Expense Credit	(17,988)	(11,187)	(11,187)
Total		346,158	221,613	269,113
				159,918



Valley Center Municipal Water District

Engineering
Customer Service

Division Detail

Fund	Department	Division	Total Budget Request
01	03	23	\$159,918

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	151,300
50002	Interns & Temporary Labor	0
50003	Overtime	540
50025	Outside Professional Service	0
50029	Books & Subscriptions	0
50030	Special Department Expenses Office Supplies	500
50034	Membership, Fees & Dues	0
50037	Transportation, Meals & Travel	600
50184	Water Conservation Program Splash Science School Mobile Lab Water Conservation Materials Green Machine WaterSMART Field Services Program Landscape Irrigation Classes California Urban Water Conservation Counsel Dues Printing Public Outreach Water Education Programs - Poster Contest School Program	16,000 2,700 2,400 2,000 2,700 400 1,200 1,300 1,300 1,000 1,000
50459	Software Technical Support	0
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(9,022)



Valley Center Municipal Water District

Engineering Encroachments & Locates

Division Summary by Expense Category

Fund	Department	Division
01	03	24

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	148,319	250,000	100,000	300,500
50003	Overtime	1,039	750	1,000	1,100
50025	Outside Professional Services	0	6,750	10,400	9,500
50026	Legal Services	49,226	4,000	30,900	4,000
50030	Special Department Expenses	3,504	2,500	20,000	4,500
50037	Transportation, Meals & Travel	0	300	0	300
50454	Maintenance of Equipment	0	1,000	0	1,000
50991	Expense Credit	(9,761)	(12,748)	(12,748)	(17,137)
Total		192,327	252,552	149,552	303,763



Valley Center Municipal Water District

Engineering Encroachments & Locates

Division Detail

Fund	Department	Division	Total Budget Request
01	03	24	\$303,763

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	300,500
	Full-Time Equivalents	1.80
50003	Overtime	1,100
50025	Outside Professional Services	9,500
	Surveying	5,000
	Vegetation/Tree Removal	3,000
	ROW Assistance	1,500
50026	Legal Services	4,000
50030	Special Department Expenses	4,500
	Markout Supplies	500
	Locator Equipment	1,200
	Valve Lid Magnets	1,100
	Inspection Supplies	500
	Dig Alert	1,200
50037	Transportation, Meals & Travel	300
50454	Maintenance of Equipment	1,000
	Locators	1,000
50991	Expense Credit	(17,137)
	Reimbursement from Sewer Funds for Administrative Overhead	



Valley Center Municipal Water District

Engineering Maps & Records

Division Summary by Expense Category

Fund	Department	Division
01	03	28

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	137,177	297,000	180,000	433,900
50002	Interns & Temporary Labor	0	10,000	0	0
50003	Overtime	0	2,250	900	1,400
50025	Outside Professional Services	0	0	0	20,000
50028	Printing	477	0	0	0
50029	Books & Subscriptions	0	150	0	150
50030	Special Department Expenses	149	2,000	3,000	200
50034	Membership Fees & Dues	0	0	0	400
50037	Transportation, Meals & Travel	0	600	0	2,600
50454	Maintenance of Equipment	2,117	1,500	1,500	4,800
50459	Software Technical Support	0	5,550	5,550	30,550
50991	Expense Credit	(10,431)	(15,331)	(15,331)	(26,380)
Total		129,489	303,719	175,619	467,620



Valley Center Municipal Water District

Engineering Maps & Records

Division Detail

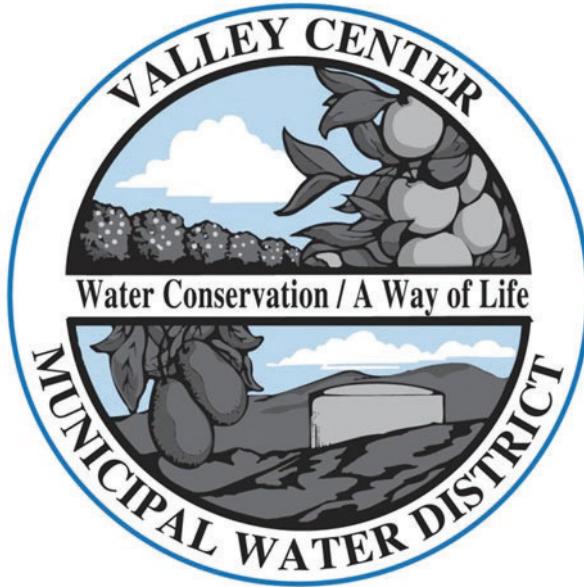
Fund	Department	Division	Total Budget Request
01	03	28	\$467,620

Account No.	Description	2018-2019 Actual	2019-2020 Budget	2020-2021 Estimated Actual	2020-2021 Budget
50001	Labor & Benefits - Regular				433,900
	Full-Time Equivalents	2.95			
50002	Interns and Temporary Labor				0
50003	Overtime				1,400
50025	Outside Professional Services				20,000
	GIS Application Support	20,000			
50028	Printing				0
50029	Books & Subscriptions				150
50030	Special Department Expenses				200
	Drafting Office Supplies	200			
50034	Membership Fees and Dues				400
	Geospatial Information and Technology Association	200			
	California Geographic Information Association	100			
	Urban and Regional Information Systems Association	100			
50037	Transportation, Meals & Travel				2,600
	Cityworks Conference	2,000			
	ESRI User Conference	600			
50454	Maintenance of Equipment				4,800
	Large Format Plotters	4,800			
50459	Software Technical Support				30,550
	AutoCAD Software 3-SLM	3,130			
	AutoCAD Software 1-ELD	2,420			
	GIS Small Utilities Enterprise Agreement	25,000			
50991	Expense Credit				(26,380)
	Reimbursement from Sewer Funds				



Valley Center Municipal Water District

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Field Operations

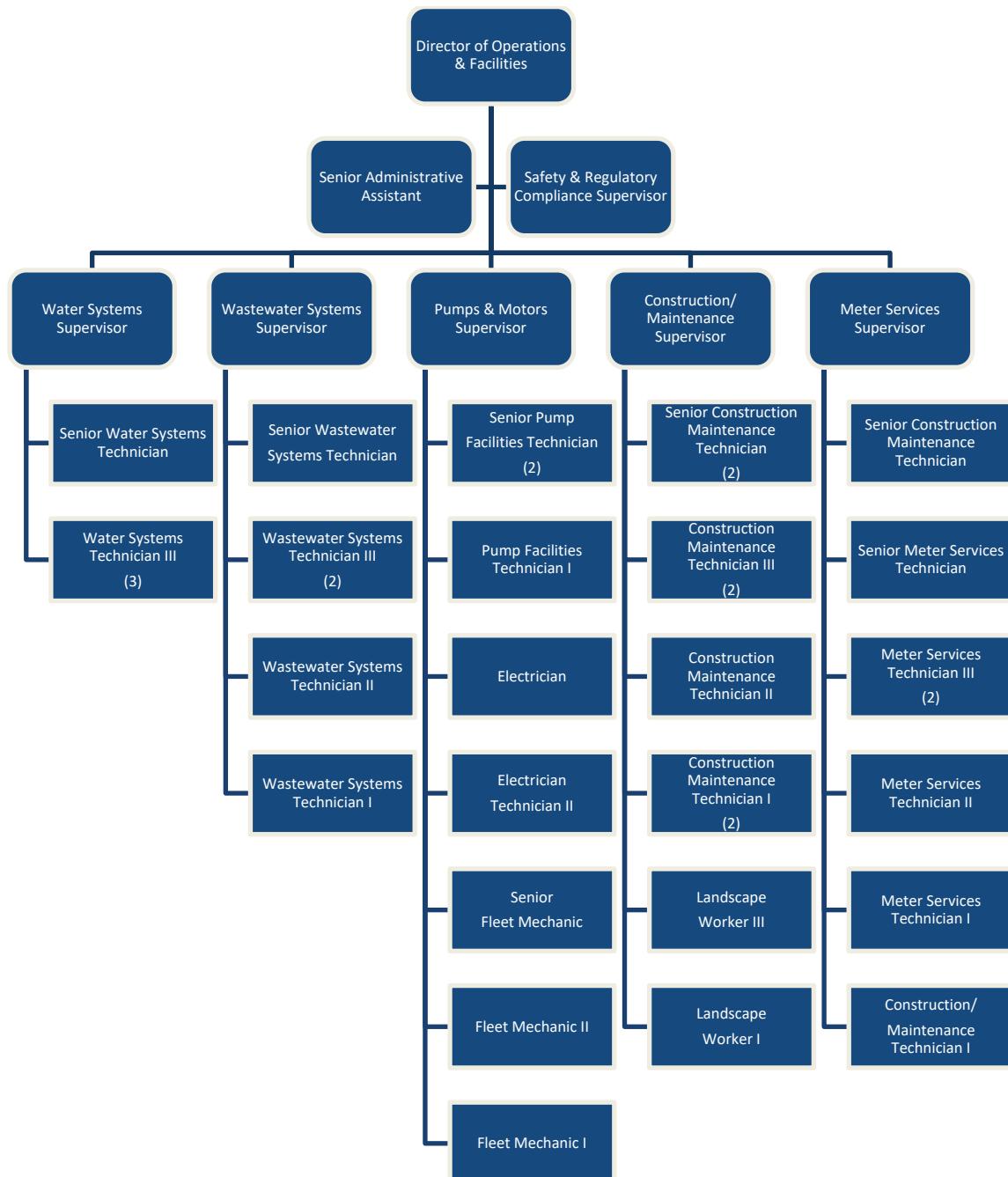


Valley Center Municipal Water District

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.





Field Operations

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 11 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 \$698,580. 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 \$778,788 over the past 11 years. Combined, the District has received refunds and lower insurance premiums of \$1,477,368. 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.

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 4, 2020, there were 10,254 active meters, of which 1,248 are fire meters, and 4,769 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.

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.*

ACCOMPLISHMENTS FOR 2019-2020

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 2019 was 782.9 acre feet, 4.9% of total water sold. Through a service agreement with CAL Fire, the District cleared 43 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 6):** 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. The 2018-19 pump efficiency testing provided a result of 107% above the designed efficiency standard. In a continuing effort to meet the District's Pump Efficiency Standard, Paradise Pump #2, Red Mtn. Pump #1, Oathill Pump #3, Valley Center Pump #5 and Miller Pump #5 were reconditioned to restore the pumps overall efficiency. During the District's pump rebuilding process, the reconditioned pumps were fitted with mechanical seals to reduce water loss from the old design of the pump packing system.
- **Solar Energy Production (Standard 7):** the objective is to maintain the production of solar energy, of District installed solar array systems, above 90% of the scheduled production. Staff routinely monitors the monthly production of each site and performs the manufacturer recommended maintenance and cleanings. For FY 2018-2019, the District owned and operated six solar facilities, with a total capacity of 331.5 kWdc. The six solar sites produced a total of 517,084 kWhrs. of electricity. All of the District's solar facilities exceeded the 90% of the scheduled kilowatt hour energy production for the current age of the photovoltaic panels.



- **Water Service Reliability (Standard 10):** was 99.996% for calendar year 2019.
- **Compliance with Regulations (Standard 12):** The District was compliant with all state and federal regulations.
- **Lost-time Accidents (Standard 11):** The District had no lost-time accidents in calendar year 2019.
- **Vulnerability Assessment-** Staff has applied the necessary security upgrades and improvements within the construction of SCADA Phases III through VII. For Fiscal Year 2020-21, additional security cameras will be installed at various locations to provide greater graphical surveillance and response. Staff will utilize the new AMI antennas at various locations to provide a greater observation and assessment of its service area during SDG&E Public Safety Power Shutoff events.

Strategic Plan Implementation:

- **SCADA (Goal IV.2):** Continued to monitor the SCADA system program. Automated the bypass control valves at Miller PS, Oathill PS and Cantrell Corners PS to remotely control flows into our various pressure zones. 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 Fiscal Year 2018-2019 for all of the remote SCADA sites. Staff continues install or upgrade multiple security cameras and communication radios throughout the District.
- **Solar Projects (Goal V.2):** 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 Lilac Road with automated shut-off valves to reduce water loss and potential property damage.
- Replaced a faulty 30" wedge valve in the Lake Turner Bell structure.
- Purchased and outfitted four half ton replacement pickup trucks and two replacement service trucks.
- Completed smog testing on 13 vehicles, opacity testing on 11 trucks and APCD emission testing on all 8 natural gas engines.
- Constructed the new AMI antenna pads at Reid Hill and Meadows Reservoir sites.
- Load tested 14 Emergency Back-up Generators.
- Satin sealed the asphalt paving at the corporate facility and 12 reservoirs, pressure reducing stations, and pump station sites.
- Cleaned, pressure washed, and inspected 12 steel tank reservoirs and inspected and cleaned five 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 G, to include a number of appurtenance repairs and upgrades.
- Completed dead-end line flushing requirement.

CHALLENGES FOR 2020-2021

- 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 2020-2021

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
- **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.
- **Solar Energy Production (Standard 7):** Maintain the production of solar energy above 90% of the schedule production at the District constructed solar array facilities. Continue to regularly monitor the monthly production of each site and perform required manufacture maintenance and cleaning. Diagnose and complete repairs in a timely manner to minimize production loss.



- **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.
- **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 station bypass valves 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 has implemented the Advanced Metering Infrastructure System (AMI) in the Central Valley Area. This past FY, meter routes 13, 14, 29, 31 and 32 were completed totaling 1,452 AMI meter upgrades. In, addition, two new AMI structures were completed at Reid Hill and Meadows reservoir sites and AMI upgrades are underway in the Hidden Meadows development. The new AMI antennas will provide coverage to meter routes 1, 2, 3, 15, 16, 17 and 30, totaling 2,932 meters. All new developments, such as, KB Homes, will utilize the new Ally meter. This will provide the ability to remotely turn-on, turn-off or restrict the meters flow capability, further increasing staff efficiencies and productivity. For Fiscal Year 2020-2021, staff will complete the AMI radio build out that will cover 95% of meter coverage throughout the District's service area.

Other Goals:

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- 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 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 10 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 better evaluate water loss across our remote easements.
- Continue installing the new Sensus Ally meters that feature a remote turn-on, turn-off and or restricted use capabilities and build out the Advanced Metering Infrastructure (AMI) radio system.
- Develop a meter testing and evaluation program to reduce water loss via meter inaccuracies.

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 in the development and implementation of a Computerized Maintenance Management System (CMMS). The CMMS software will help increase efficiency by providing staff electronic mobile work order and service request capabilities as well as the ability to streamline reporting, track costs and schedule preventative maintenance.
- 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.



Valley Center Municipal Water District

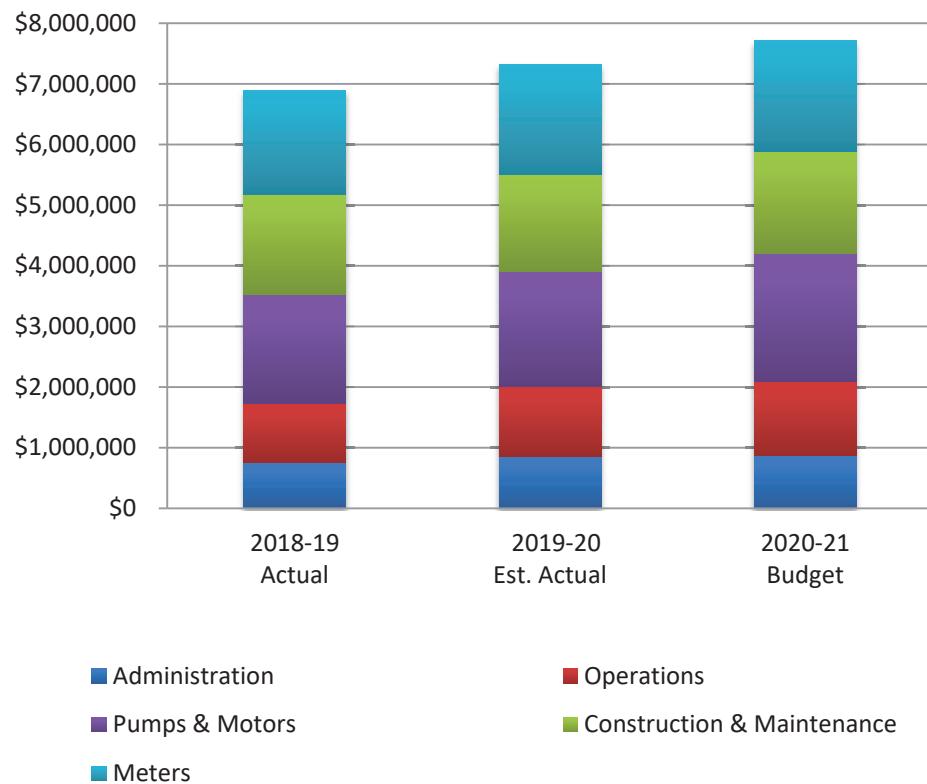
Field Operations

Personnel Requirements (FTE's)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
Director of Operations	1.0	1.0	1.0
Safety, Regulatory & Special Projects Manager	0.0	0.0	1.0
Safety & Regulatory Compliance Supervisor	1.0	1.0	0.0
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	2.0
Construction Maintenance Tech II	0.0	0.0	1.0
Construction Maintenance Tech I	2.0	2.0	3.0
Landscape Maintenance Worker III	1.0	1.0	1.0
Landscape Maintenance Worker I	1.0	1.0	1.0
Senior Meter Service Technician	1.0	1.0	1.0
Meter Services Technician III	1.0	1.0	2.0
Meter Services Technician II	3.0	3.0	2.0
Senior Pump Facilities Technician	2.0	2.0	2.0
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	1.0	1.0	1.0
Pump Facilities Technician I	1.0	1.0	1.0
Senior Water Systems Technician	1.0	1.0	1.0
Water Systems Technician III	3.0	3.0	3.0
Water Systems Technician I	1.0	1.0	1.0
Total	36.0	36.0	36.0



Division Expenses





Valley Center Municipal Water District

Field Operations

Department Summary by Division

Fund	Department
01	04

Division No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
ADMINISTRATION		753,664	756,865	855,264
31	Field Administration	433,279	422,017	501,142
32	Safety & Regulatory Compliance	246,025	249,601	272,401
34	District Security	74,360	85,247	81,721
OPERATIONS		971,779	1,150,400	1,149,611
42	System Operation	719,712	859,300	891,714
44	Treatment	60,219	78,000	60,573
45	Automatic Valves	91,870	103,900	97,324
49	Quality Control	99,978	109,200	100,000
PUMPS & MOTORS		1,805,668	1,986,000	1,898,972
43	SCADA	153,643	237,800	168,710
46	Reservoir Maintenance	233,578	252,000	247,632
47	Pump Maintenance	364,598	322,600	283,200
48	Motor Maintenance & Electric Panels	579,624	623,900	650,066
71	Vehicle & Equipment Maintenance	474,225	549,700	549,364
CONSTRUCTION & MAINTENANCE		1,642,498	1,661,226	1,601,716
33	Landscape & Paving Maintenance	207,759	225,326	221,666
53	Pipeline and Right-of-Way Maint.	694,901	734,900	688,400
55	Valve Maintenance & Location	739,838	701,000	691,650
METERS		1,715,559	1,703,228	1,817,711
54	Corporate Facilities Maintenance	134,571	106,428	77,618
61	Meter Installation	171,990	147,750	188,519
62	Meter Reading	67,176	74,250	47,545
63	Service Connection Maintenance	1,196,886	1,167,600	1,310,745
65	Backflow Maintenance	144,936	207,200	193,284
TOTAL FIELD OPERATIONS		6,889,168	7,257,719	7,323,274
				7,708,279



Valley Center Municipal Water District

Field Administration

Division Summary by Expense Category

Fund	Department	Division
01	04	31

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	382,848	366,900	451,000	465,200
50003	Overtime	170	500	250	500
50010	Training & Education	17,301	22,000	18,500	20,000
50011	Uniform/Clothing/Shoes	37,783	38,500	38,000	38,500
50028	Printing	1,627	1,500	2,250	2,000
50030	Special Department Expenses	1,224	1,500	1,400	1,500
50032	Automated Telephone Dial Service	655	1,000	400	1,000
50033	Postage	22	75	50	75
50034	Memberships, Fees and Dues	277	350	450	500
50037	Transportation, Meals & Travel	12,843	10,000	9,500	11,000
50038	Regulatory Permits & Fees	550	1,000	650	1,000
50991	Expense Credit	(22,021)	(21,308)	(21,308)	(28,906)
Total		433,279	422,017	501,142	512,369



Valley Center Municipal Water District

Field

Administration

Division Detail

Fund	Department	Division	Total Budget Request
01	04	31	\$512,369
Account No.	Detail and Justification		Budget Request
50001	Labor & Benefits - Regular		465,200
	Full-Time Equivalents		2.38
50003	Overtime		500
50010	Training & Education		20,000
	Allocation from General Administration Training 01-02-18 Page 6-8A		
50011	Uniform/Clothing/Shoes		38,500
	Uniforms for Field Personnel	28,000	
	Safety Shoes	8,500	
	Hats	1,000	
	Sweatshirts	500	
	Jackets	500	
50028	Printing		2,000
	General Printing	2,000	
50030	Special Department Expenses		1,500
	Office Supplies	1,000	
	Miscellaneous Equipment	500	
50032	Automated Telephone Dial Service		1,000
	Communication during scheduled SDCWA shutdowns		
50033	Postage		75
	General Postage	75	
50034	Memberships, Fees and Dues		500
	Miscellaneous	500	
50037	Transportation, Meals & Travel		11,000
	San Diego County Water Works Group Meetings	1,000	
	After Hour Meals	8,000	
	Joint Power Insurance Authority Meetings	2,000	
50038	Regulatory Permits & Fees		1,000
	State Water Resources Control Board	1,000	
50991	Expense Credit		(28,906)
	Reimbursement from Sewer Funds for Administrative Overhead		



Valley Center Municipal Water District

Field

Administration

Division Summary by Expense Category

Safety & Regulatory Compliance

Fund	Department	Division
01	04	32

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	217,550	209,700	245,000	223,200
50003	Overtime	3,822	3,000	3,700	3,500
50014	Employee Physicals	8,727	9,000	9,000	9,000
50025	Outside Professional Services	10,393	22,100	9,100	22,100
50030	Special Department Expenses	17,144	17,000	17,000	17,000
50034	Memberships, Fees and Dues	922	1,400	1,200	1,400
50991	Expense Credit	(12,533)	(12,599)	(12,599)	(14,750)
Total		246,025	249,601	272,401	261,450



Valley Center Municipal Water District

Field

Administration

Safety & Regulatory Compliance

Division Detail

Fund	Department	Division
01	04	32

Total Budget Request
\$261,450

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	223,200
	Full-Time Equivalents	1.05
50003	Overtime	3,500
50014	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
50025	Outside Professional Service	22,100
	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
50030	Special Department Expenses	17,000
	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
50034	Memberships, Fees and Dues	1,400
	National Safety Council	500
	Cal OSHA Reports	400
	Pacific Safety Council	300
	National Fire Protection Association	200
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(14,750)



Valley Center Municipal Water District

Field

Administration

District Security

Division Summary by Expense Category

Fund	Department	Division
01	04	34

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	66,046	67,000	65,000
50025	Outside Professional Services	265	5,000	4,900
50030	Special Department Expenses	657	2,000	1,100
50034	Memberships, Fees and Dues	524	550	524
50452	Maintenance of Facilities	11,954	15,000	14,500
50991	Expense Credit	(5,086)	(4,303)	(4,303)
Total		74,360	85,247	81,721
				93,666



Valley Center Municipal Water District

Division Detail

Fund	Department	Division
01	04	34

Total Budget Request
\$93,666

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	71,400
50025	Outside Professional Services	7,000
50030	Special Department Expenses EOC Supplies Security Supplies Emergency Satellite Television Fees Office Supplies	2,000 1,000 350 350 300
50034	Memberships, Fees and Dues Water Information Sharing and Analysis Center	550
50452	Maintenance of Facilities Security Gate Maintenance Cameras (Stationary and PTZ)	18,000 10,000 8,000
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(5,284)



Valley Center Municipal Water District

Field

Operations

System Operation

Division Summary by Expense Category

Fund	Department	Division
01	04	42

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	627,036	743,300	775,000
50002	Temporary Labor	0	0	0
50003	Overtime	90,360	110,000	109,714
50025	Outside Professional Services	13	0	0
50030	Special Department Expenses	14	1,000	1,000
50452	Maintenance of Facilities	2,289	5,000	6,000
Total		719,712	859,300	891,714
				913,350



Valley Center Municipal Water District

Field

Operations

System Operation

Division Detail

Fund	Department	Division
01	04	42

Total Budget Request
\$913,350

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	784,900
50002	Temporary Labor	4,700
50003	Overtime Stand-By Pay, Operation Call Out, Shift Pay	115,000
50025	Outside Professional Services	0
50030	Special Department Expenses	1,250
50452	Maintenance of Facilities Equipment General Maintenance Maintenance/Repairs on Aging Facilities	7,500



Valley Center Municipal Water District

Field Operations Treatment

Division Summary by Expense Category

Fund	Department	Division
01	04	44

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	32,547	43,500	37,273	34,100
50003	Overtime	0	500	500	500
50025	Outside Professional Services	175	500	500	500
50030	Special Department Expenses	0	500	300	500
50038	Regulatory Permits & Fees	469	500	500	600
50323	Chlorine	24,689	30,000	20,000	25,000
50452	Maintenance of Facilities	2,339	2,500	1,500	2,500
Total		60,219	78,000	60,573	63,700



Valley Center Municipal Water District

Field Operations Treatment

Division Detail

Fund	Department	Division
01	04	44

Total Budget Request
\$63,700

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	34,100
50003	Overtime	500
50025	Outside Professional Services Chlorinator Maintenance	500
50030	Special Department Expenses Tools and Replacement	500
50038	Regulatory Permits & Fees	600
50323	Chlorine Chlorine Tablets HTH to Increase Residual in Reservoirs	25,000
50452	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators Rebuild Chlorine Detectors	2,500



Valley Center Municipal Water District

Field

Operations

Automatic Valves

Division Summary by Expense Category

Fund	Department	Division
01	04	45

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	63,919	76,900	65,324	79,700
50003	Overtime	549	1,000	1,000	1,000
50025	Outside Professional Services	197	0	0	0
50030	Special Department Expenses	836	1,000	1,000	1,000
50443	Maintenance of Valves	26,369	25,000	30,000	32,500
Total		91,870	103,900	97,324	114,200



Valley Center Municipal Water District

Field

Operations

Automatic Valves

Division Detail

Fund	Department	Division
01	04	45

Total Budget Request
\$114,200

Account No.	Detail and Justification	Budget Request
50001 Labor & Benefits - Regular	Full-Time Equivalents	79,700
50003 Overtime		1,000
50025 Outside Professional Services		0
50030 Special Department Expenses	Tools and Replacement	1,000
50443 Maintenance of Valves	Rebuild, Repair & Maintenance of Pressure Reducing, Pressure Relief, Altitude, Pump Control, and Isolation Valves	32,500



Valley Center Municipal Water District

Field

Operations

Quality Control

Division Summary by Expense Category

Fund	Department	Division
01	04	49

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	58,664	50,200	45,000
50003	Overtime	334	500	500
50025	Outside Professional Services	6,840	11,500	11,500
50028	Printing	954	1,500	1,500
50030	Special Department Expenses	3,985	5,000	4,000
50033	Postage	0	500	500
50038	Regulatory Permits & Fees	27,866	35,000	31,000
50452	Maintenance of Facilities	1,335	5,000	6,000
Total		99,978	109,200	100,000
				126,800



Valley Center Municipal Water District

Field

Operations

Quality Control

Division Detail

Fund	Department	Division
01	04	49

Total Budget Request
\$126,800

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents 0.36	60,300
50003	Overtime	500
50025	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 VC 1B Analyzer 6,000	17,500
50028	Printing Consumer Confidence Reports, Annual Notifications, Regulations	1,500
50030	Special Department Expenses Lab Supplies 4,000 Glassware Replacement 1,000	5,000
50033	Postage Notifications for major shutdowns 250 Consumer confidence reports 250	500
50038	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	35,000
50452	Maintenance of Facilities Chlorine Residual Comparators 2,500 Chlorine Residual Reagent 3,000 Rebuild/Repair Chlorine Residual Analyzers 1,000	6,500



Valley Center Municipal Water District

Field

Pumps & Motors

SCADA

Division Summary by Expense Category

Fund	Department	Division
01	04	43

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	90,061	163,800	100,000
50003	Overtime	353	2,500	1,900
50025	Outside Professional Services	23,323	10,000	9,800
50030	Special Department Expenses	0	1,500	1,500
50032	Telephone	1,845	2,000	1,440
50452	Maintenance of Facilities	7,997	10,000	9,970
50459	Software Technical Support	26,058	28,000	26,100
50465	SCADA Repairs	4,006	20,000	18,000
Total		153,643	237,800	168,710
				175,300



Valley Center Municipal Water District

Field

Pumps & Motors

SCADA

Division Detail

Fund	Department	Division
01	04	43

Total Budget Request
\$175,300

Account No.	Detail and Justification	Budget Request
50001 Labor & Benefits - Regular	Full-Time Equivalents	101,300
50003 Overtime		2,500
50025 Outside Professional Services	SCADA Programming	10,000
50030 Special Department Expenses		1,500
50032 Telephone	Leased Telemetry Lines and Alarm Monitor	2,000
50452 Maintenance of Facilities		10,000
50459 Software Technical Support		28,000
50465 SCADA Repairs	SCADA Miscellaneous	13,000
	Pressure Level Transducers	7,000



Valley Center Municipal Water District

Field

Pumps & Motors

Reservoir Maintenance

Division Summary by Expense Category

Fund	Department	Division
01	04	46

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	166,551	194,200	190,000
50002	Temporary Labor	0	0	0
50003	Overtime	319	1,000	800
50025	Outside Professional Services	24,035	8,000	9,817
50030	Special Department Expenses	0	800	800
50038	Regulatory Permits & Fees	30,215	30,000	30,215
50452	Maintenance of Facilities	12,458	18,000	16,000
Total		233,578	252,000	247,632
				265,000



Valley Center Municipal Water District

Field

Pumps & Motors

Reservoir Maintenance

Division Detail

Fund	Department	Division
01	04	46

Total Budget Request
\$265,000

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	196,500
50002	Temporary Labor	5,700
50003	Overtime	1,000
50025	Outside Professional Service Diver - Cleaning and Inspection Turner Dam - Inspection and Repairs	8,000
50030	Special Department Expenses Hose & Pump Equipment	800
50038	Regulatory Permits & Fees Turner Dam Environmental Health Permits	37,000
50452	Maintenance of Structures & Improvements Cathodic Protection Floating Reservoir Covers Repair and Patching Reservoir cleaning and inspection Site Improvements - Construction Maintenance	16,000



Valley Center Municipal Water District

Field

Pumps & Motors

Pump Maintenance

Division Summary by Expense Category

Fund	Department	Division
01	04	47

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	297,376	234,100	198,000
50003	Overtime	387	3,000	2,000
50025	Outside Professional Services	26,430	36,000	35,600
50030	Special Department Expenses	1,322	1,500	1,400
50444	Maintenance of Pumps	38,373	44,000	42,500
50454	Maintenance of Equipment	710	4,000	3,700
Total		364,598	322,600	283,200
				391,000



Valley Center Municipal Water District

Division Detail

Fund	Department	Division
01	04	47

Field Pumps & Motors Pump Maintenance

Total Budget Request
\$391,000

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	303,500
50003	Overtime	2,000
50025	Outside Professional Services Machine Work Epoxy Coating	36,000
50030	Special Department Expenses Tool Replacement Miscellaneous Items	1,500
50444	Maintenance of Pumps Pump Repair Parts Packing/Mechanical Seals Bearings	44,000
50454	Maintenance of Equipment (Surge Tanks) Air Compressors Controls Relief Valves	4,000



Valley Center Municipal Water District

Field

Pumps & Motors

Division Summary by Expense Category

Motor Maintenance/Electrical Panels

Fund	Department	Division
01	04	48

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	394,619	416,400	450,000
50003	Overtime	4,037	5,000	5,200
50025	Outside Professional Services	49,603	60,000	57,000
50030	Special Department Expenses	2,866	3,000	3,892
50038	Regulatory Permits & Fees	32,585	33,000	32,577
50455	Maintenance of Engines	53,247	46,500	45,400
50456	Maintenance of Electric Motors	16,256	25,000	22,451
50458	Maintenance of Electrical Facilities	26,411	35,000	33,546
Total		579,624	623,900	650,066
				762,900



Valley Center Municipal Water District

Field

Pumps & Motors

Motor Maintenance/Electrical Panels

Division Detail

Fund	Department	Division
01	04	48

Total Budget Request
\$762,900

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	552,400
	Full-Time Equivalents	3.34
50003	Overtime	5,000
50025	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
50030	Special Department Expenses	3,000
	Electrical Safety Equipment and Testing	2,500
	Test and Diagnostic Equipment	500
50038	Regulatory Permits & Fees	36,000
	Natural Gas Engines	29,000
	Environmental Health	4,000
	Emergency Generators	3,000
	Portable Equipment	0
50455	Maintenance of Engines	46,500
	Services	30,000
	Miscellaneous Repairs	16,500
50456	Maintenance of Electric Motors/Gear Drives	25,000
	Bearings	20,000
	Parts and Repairs	5,000
50458	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



Valley Center Municipal Water District

Field

Pumps & Motors

Division Summary by Expense Category

Vehicle & Equipment Maintenance

Fund	Department	Division
01	04	71

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	244,488	291,600	289,000
50003	Overtime	3,166	6,000	5,500
50025	Outside Professional Services	27,239	12,000	14,000
50030	Special Department Expenses	4,384	4,300	4,089
50038	Regulatory Permits & Fees	1,957	4,000	2,200
50040	Rents & Leases	0	0	0
50341	Hazardous Waste Disposal Costs	8,930	8,000	7,900
50450	Maintenance - Gas, Oil & Grease	139,437	155,000	150,238
50451	Maintenance of Vehicles	52,236	55,000	51,272
50453	Maintenance of Radios	9,281	14,000	10,303
50454	Maintenance of Equipment	34,432	20,000	35,062
50991	Expense Credit	(51,325)	(20,200)	(20,200)
Total		474,225	549,700	549,364
				512,700



Valley Center Municipal Water District

Field

Pumps & Motors

Vehicle & Equipment Maintenance

Division Detail

Fund	Department	Division
01	04	71

Total Budget Request
\$512,700

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	246,300
50003	Overtime	6,000
50025	Outside Professional Services Vehicle and Equipment Repairs Generator Load Testing Fuel Tank Testing	15,000
50030	Special Department Expenses Software Repair Manuals Specialty Tools Replacement Tools Tools for Service Truck	4,300
50038	Regulatory Permits & Fees Emergency Generators Portable Equipment Boom Truck	3,000
50040	Rents and Leases Message Boards	0
50341	Hazardous Waste Disposal Costs Recycling Oil, Filters & Solvents Asbestos Pipe Recycling Tires & Miscellaneous Disposal of Aerosols Cleanup Material Compliance Guides	8,000
50450	Fuel, Oil, and Chemicals Fuel Oil and Coolant Fuel Tank Parts	165,000
50451	Maintenance of Vehicles Parts for Fleet	55,000



Valley Center Municipal Water District

Field

Pumps & Motors

Vehicle & Equipment Maintenance

Division Detail

Fund	Department	Division
01	04	71

Account No.	Detail and Justification	Budget Request
50453	Maintenance of Radios/Vehicle Tracking	14,000
	Radio Parts	1,700
	Vehicle Tracking Service Contract	12,300
50454	Maintenance of Equipment	25,000
	Grader/Dozer/Backhoe	15,000
	Miscellaneous Equipment	10,000
50991	Expense Credit	(28,900)
	Rental Value of Vehicles and Equipment Used for:	
	Installation of Meters	01-04-61-50451 (24,000)
	Moosa Treatment Plant	13-03-26-50451 (1,500)
	Moosa Collection	13-03-27-50451 (1,500)
	Moosa STEP Maintenance	13-03-29-50451 (1,000)
	Woods Valley Ranch Treatment Plant	17-03-31-50451 (900)



Valley Center Municipal Water District

Field

Construction & Maintenance

Landscape & Paving Maintenance

Division Summary by Expense Category

Fund	Department	Division
01	04	33

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	203,057	218,200	215,520	232,300
50003	Overtime	0	500	0	500
50025	Outside Professional Services	8,969	10,000	10,620	10,000
50030	Special Department Expenses	463	1,000	900	1,000
50452	Maintenance of Facilities	6,267	7,000	6,000	7,000
50991	Expense Credit	(10,997)	(11,374)	(11,374)	(13,394)
Total		207,759	225,326	221,666	237,406



Valley Center Municipal Water District

Division Detail

Fund	Department	Division
01	04	33

Total Budget Request
\$237,406

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	232,300
50003	Overtime	500
50025	Outside Professional Services Tree Trimming and Turner Dam Cattail Control Lilac Property Mowing Pre-Emergent spray of station/facilities	10,000 5,000 3,500 1,500
50030	Special Department Expenses	1,000
50452	Maintenance of Facilities Irrigation and Plants Landscape Materials Gravel	7,000 4,000 2,500 500
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(13,394)



Valley Center Municipal Water District

Division Summary by Expense Category

Fund	Department	Division
01	04	53

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	564,028	583,900	556,900	587,600
50002	Temporary Labor	0	0	0	2,800
50003	Overtime	21,449	45,000	27,500	45,000
50025	Outside Professional Services	23,748	22,000	21,500	22,000
50030	Special Department Expenses	3,095	3,000	3,400	3,000
50040	Rents & Leases	975	1,000	1,100	1,000
50452	Maintenance of Facilities	81,606	80,000	78,000	80,000
Total		694,901	734,900	688,400	741,400

Field

Construction & Maintenance

Pipeline & R.O.W. Maintenance



Valley Center Municipal Water District

Division Detail

Fund	Department	Division
01	04	53

Total Budget Request
\$741,400

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	587,600
50002	Temporary Labor	2,800
50003	Overtime Emergency Leak Repair	45,000
50025	Outside Professional Services Asphalt Paving Asphalt Satin Sealing Traffic Control	22,000
50030	Special Department Expenses Fire Hose and Fittings Cones and Barricades Tools Welding Supplies	3,000
50040	Rents & Leases	1,000
50452	Maintenance of Facilities Asphalt, Hot and Cold Mix Decomposed Granite, Road Base and Rock Culverts Cement Clamps and Couplings Welding Materials Asphalt-Cement Disposal Pipe - Repair AC Pipe Disposal Erosion Control Material Trash Disposal	80,000



Valley Center Municipal Water District

Field

Construction & Maintenance

Valve Maintenance/Locations

Division Summary by Expense Category

Fund	Department	Division
01	04	55

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	579,636	589,500	591,000
50003	Overtime	9,421	15,000	10,500
50025	Outside Professional Services	6,775	10,000	8,250
50030	Special Department Expenses	1,777	1,500	1,600
50040	Rents & Leases	1,560	1,000	800
50452	Maintenance of Facilities	140,669	84,000	79,500
Total		739,838	701,000	691,650
				711,100



Valley Center Municipal Water District

Field

Construction & Maintenance

Valve Maintenance/Locations

Division Detail

Fund	Department	Division
01	04	55

Total Budget Request
\$711,100

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	599,600
	Full-Time Equivalents	3.90
50003	Overtime	15,000
50025	Outside Professional Services	10,000
	Traffic Control	7,000
	Asphalt Paving	3,000
50030	Special Department Expenses	1,500
	Tools	500
	Welding Supplies	500
	Markout Materials/Calibration	250
	Cones	250
50040	Rents & Leases	1,000
	Heavy Equipment and Asphalt Breaker	
50452	Maintenance of Facilities	84,000
	Appurtenance Repair & Replacement Parts	15,500
	Valve Replacement/Repairs	15,000
	Air Vacs and Covers	9,000
	Spools and AVK	9,000
	Fire Hydrants	8,500
	Air Vac Screens	5,500
	Valve Post Materials	5,500
	Blow Offs	4,500
	Valve Can Materials	3,500
	Cement	2,750
	Tagging Material	2,000
	Paint	1,750
	Erosion Control Material	1,500



Valley Center Municipal Water District

Field Meters

Division Summary by Expense Category

Corporate Facilities Maintenance

Fund	Department	Division
01	04	54

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	24,133	25,300	11,140	10,100
50003	Overtime	0	500	350	500
50025	Outside Professional Services	101,675	56,500	53,000	56,500
50030	Special Department Expenses	3,771	5,000	3,500	5,000
50038	Regulatory Permits & Fees	3,481	2,500	3,500	3,500
50452	Maintenance of Facilities	7,798	22,000	11,500	22,000
50991	Expense Credit	(6,287)	(5,372)	(5,372)	(5,212)
Total		134,571	106,428	77,618	92,388



Valley Center Municipal Water District

Field Meters

Division Detail

Fund	Department	Division
01	04	54

Corporate Facilities Maintenance

Total Budget Request
\$92,388

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	10,100
50003	Overtime	500
50025	Outside Professional Services Janitorial Service Air Conditioner Repairs/Service Trash Pickup Asphalt Seal Internal Window, Floor Cleaning Bug and Termite Treatment Carpet Cleaning Generator Load Testing Miscellaneous	56,500 16,000 10,000 8,000 5,000 4,000 3,000 3,000 2,500 5,000
50030	Special Department Expenses Breakroom Supplies Miscellaneous Supplies	5,000 3,500 1,500
50038	Regulatory Permit & Fees Environmental Health Permit Emergency Stationary Gen-sets	3,500 1,250 2,250
50452	Maintenance of Facilities Special Cleaning of Building Building Maintenance Janitor Supplies Floor Mats/Lighting Miscellaneous	22,000 4,000 11,500 3,000 2,500 1,000
50991	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(5,212)



Valley Center Municipal Water District

Field
Meters

Meter Installation

Division Summary by Expense Category

Fund	Department	Division
01	04	61

Account No.	Description	2018-2019	2019-2020	2020-2021
		Actual	Budget	Estimated Actual
50001	Labor & Benefits - Regular	45,976	49,900	41,643
50003	Overtime	1,554	1,200	1,051
50025	Outside Professional Services	0	0	0
50030	Special Department Expenses	0	1,000	126
50038	Regulatory Permits & Fees	0	250	0
50040	Rents & Leases	0	400	250
50446	Installation Material-Meters	49,668	45,000	66,135
50451	Maintenance of Vehicles	36,102	15,000	21,450
50457	Installation Material-Backflows	38,690	35,000	57,864
Total		171,990	147,750	188,519
				262,550



Valley Center Municipal Water District

Field Meters

Meter Installation

Division Detail

Fund	Department	Division
01	04	61

Total Budget Request
\$262,550

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents 0.56	88,200
50003	Overtime	1,200
50025	Outside Professional Services	7,500
50030	Special Department Expenses	1,000
50038	Regulatory Permits & Fees Excavation Permits	250
50040	Rents & Leases	400
50446	Installation Material-Meters	75,000
50451	Vehicle Maintenance	24,000
50457	Installation Material - Backflows Including Approved Double Check Valves, RP Devices and Fire Protection	65,000



Valley Center Municipal Water District

Field
Meters

Meter Reading

Fund	Department	Division
01	04	62

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	33,250	38,000	46,314	58,700
50003	Overtime	305	250	1,017	1,000
50030	Special Department Expenses	685	1,000	214	1,000
50459	Software Technical Support	32,936	35,000	0	35,000
Total		67,176	74,250	47,545	95,700



Valley Center Municipal Water District

Field Meters

Meter Reading

Division Detail

Fund	Department	Division
01	04	62

Total Budget Request
\$95,700

Account No.	Detail and Justification	Budget Request
50001 Labor & Benefits - Regular	Full-Time Equivalents	58,700
50003 Overtime		1,000
50030 Special Department Expenses	Misc. Tools and Equipment	1,000
50459 Software Technical Support	AMI Technology Support & Maintenance	35,000



Valley Center Municipal Water District

Field
Meters

Division Summary by Expense Category

Service Connection Maintenance

Fund	Department	Division
01	04	63

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	975,269	955,600	1,088,485	888,700
50002	Temporary Labor	0	0	0	5,700
50003	Overtime	34,033	35,000	48,940	45,000
50025	Outside Professional Services	34,527	35,000	46,837	45,000
50030	Special Department Expenses	3,725	1,500	1,483	2,000
50040	Rents & Leases	0	500	0	500
50452	Maintenance of Facilities	149,332	140,000	125,000	140,000
Total		1,196,886	1,167,600	1,310,745	1,126,900



Valley Center Municipal Water District

Field Meters

Division Detail

Fund	Department	Division
01	04	63

Service Connection Maintenance

Total Budget Request
\$1,126,900

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	888,700
50002	Temporary Labor	5,700
50003	Overtime	45,000
50025	Outside Professional Services Flagging Assistance Cal-Fire Clearing Asphalt Paving	45,000
50030	Special Department Expenses Pressure Recorder Transducers Meter Security Locks Miscellaneous Tools & Equipment	2,000
50040	Rents & Leases	500
50452	Maintenance of Facilities Maintenance Parts and Materials Replace Deteriorated Services Meter Repairs and Usage Exchanges Security Measures (Meters) Asphalt Repairs Repair/Replace Pressure Reducing Valves Repair/Replace Clay Valves Traffic Control Equipment Adapter Fittings for Auxiliary Hose Shoring Repair Kits and Pump	140,000



Valley Center Municipal Water District

Field
Meters

Division Summary by Expense Category

Backflow Maintenance

Fund	Department	Division
01	04	65

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	95,317	143,700	156,387	189,900
50003	Overtime	5,259	5,000	2,106	5,000
50025	Outside Professional Services	1,355	2,500	1,467	2,500
50030	Special Department Expenses	375	1,000	0	1,000
50452	Maintenance of Facilities	42,630	55,000	33,324	50,000
Total		144,936	207,200	193,284	248,400



Valley Center Municipal Water District

Field Meters

Division Detail

Fund	Department	Division
01	04	65

Backflow Maintenance

Total Budget Request
\$248,400

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full-Time Equivalents	189,900
50003	Overtime	5,000
50025	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water	2,500
50030	Special Department Expenses New Testing Supply Requirements Repair Tools and Fixtures Test Equipment for Reclaimed Water	1,000
50452	Maintenance of Facilities Replacement Devices Reduced Pressure (RP) Repair Parts Double Check (DC) Repair Parts	50,000



Source of Supply



FUNCTION OVERVIEW

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

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

Certified agricultural water purchases receive rebates for the SDCWA's emergency storage program, supply reliability, and markup in the melded rate supply cost used to pay for additional water supplies such as transfers from the Imperial Irrigation District. These rebates, were approximately \$566 per acre foot as of January 1, 2020, 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 2019-2020

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 worked diligently to continue agricultural discounts. In November 2019, SDCWA announced that the Temporary Special Agricultural Water Rate (TSAWR) would become Permanent (PSAWR) effective January 2021.

CHALLENGES FOR 2020-2021

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 2020-2021

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 3.9% for treated water and 6.6% for certified agricultural over the current adopted rates. The SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The melded rate supply cost, not firm at this time, is projected to be \$173 in January 2021.



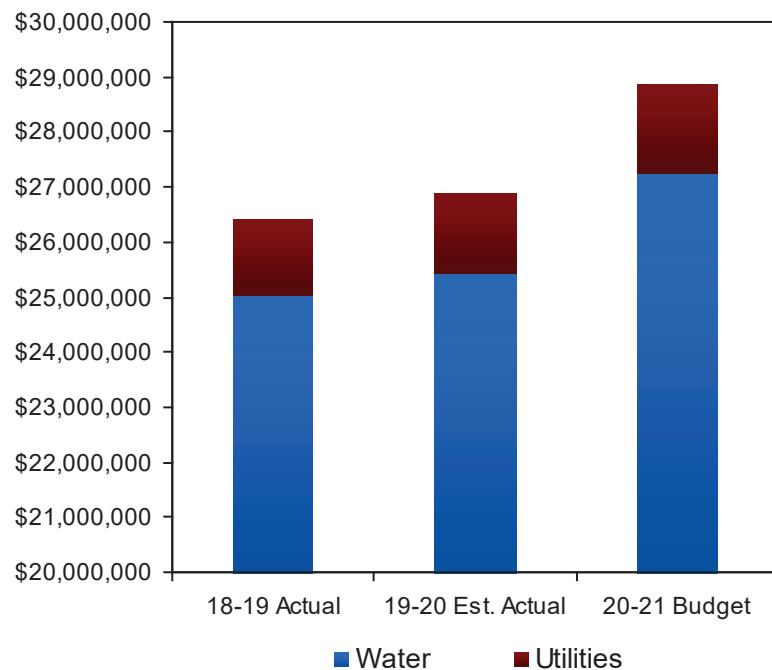
Final rate recommendation will be based on wholesale rates actually adopted by the SDCWA and what is needed to implement the adopted capital replacement program. Also included in the water charges the District is required to pay SDCWA and MWD in 2021 are fixed charges for ready-to-serve, capacity, customer 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 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2021 budgeted sales are 17,000 acre feet and the fixed charges totaling \$4,239,248 are allocated over 15,300 acre feet. Total fixed charges for 2021 are \$109,737, or 2.5%, lower than calendar Fiscal Year 2019-20.

As a result of an effort led by the District, other SDCWA agricultural water agencies and the San Diego County Farm Bureau, the SDCWA Board took action earlier this year to make the Transitional Special Agricultural Water Rate (SAWR) program, permanent beginning January 1, 2021. The total SAWR price differential for 2021 is projected at \$545 per acre foot, down \$21 per acre foot from \$566 in calendar year 2020.

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





Department Summary by Division

Fund	Department	Division
01	04	41

Division No.	Description	2018-2019		2019-2020		2020-2021	
		Actual	Budget	Estimated Actual	Budget		
41	Source of Supply	26,429,160	32,211,304	26,907,423	28,885,236		
TOTAL SOURCE OF SUPPLY		26,429,160	32,211,304	26,907,423	28,885,236		



Division Summary by Expense Category

Fund	Department	Division
01	04	41

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
	WATER PURCHASES (ACRE FEET)	@ 17,166	@ 21,280	@ 17,020	@ 18,090
50321	Water Supply Charge - MWD & CWA	20,356,384	25,355,600	20,352,990	21,988,950
50368	Water Delivery Charge - CWA	2,002,312	2,636,880	2,084,680	2,591,080
50369	Agricultural Rebate - CWA	(1,992,783)	(2,612,260)	(1,593,240)	(2,094,660)
50371	Water Delivery Credit - CWA/USBR	0	0	(125,708)	(153,863)
50378	Transportation Credit - CWA/USBR	0	0	(17,040)	(24,420)
50186	Ready to Serve Charge	484,993	490,578	519,640	546,737
50081	Infrastructure Access Charge	532,248	588,100	588,280	695,900
50394	Capacity Reservation Charge - MWD	568,409	527,002	493,350	495,284
50397	Customer Service Charge - CWA	1,334,820	1,340,469	1,285,430	1,276,594
50399	Emergency Storage Charge - CWA	1,191,204	1,243,832	1,214,700	1,205,145
50337	Supply Reliability Charge - CWA	570,648	747,104	642,620	715,489
Total Water		25,048,235	30,317,304	25,445,703	27,242,236
50045	Utilities - Electricity	933,502	1,382,600	1,020,400	1,199,400
50047	Utilities - Natural Gas	447,423	511,400	441,320	443,600
Total Utilities		1,380,925	1,894,000	1,461,720	1,643,000
Total		26,429,160	32,211,304	26,907,423	28,885,236



Valley Center Municipal Water District

Source of Supply

Division Detail

Fund	Department	Division	Total Budget Request
01	04	41	\$28,885,236

Account No.	Detail and Justification	Budget Request	
		Jul to Dec	Jan to Jun
50321	Water Supply Charge		21,988,950
	To MWD & CWA -	1,205.00	1,235.00
	Expected purchases in AF	11,740	6,350
	Expected purchases in \$	14,146,700	7,842,250
50368	Water Delivery Charge		2,591,080
	To MWD & CWA -	132.00	164.00
	Expected purchases in AF	11,740	6,350
	Expected purchases in \$	1,549,680	1,041,400
50369	Agricultural Rebate - CWA		(2,094,660)
	Ag Discount Rate	(178.00)	(163.00)
	Estimated Ag purchases in AF	7,940	4,180
		(1,413,320)	(681,340)
50371	Water Supply Credit - CWA/USBR		(153,863)
	M&I Supply Rate	(925.00)	(940.00)
	Estimated purchases in AF	83	83
		(76,313)	(77,550)
50378	Transportation Credit - CWA/USBR		(24,420)
	Water Delivery Rate	(132.00)	(164.00)
	Estimated purchases in AF	83	83
		(10,890)	(13,530)
50186	Ready to Serve Charge		546,737
50081	Infrastructure Access Charge		695,900
50394	Capacity Reservation Charge - MWD		495,284
	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.		
50397	Customer Service Charge - CWA		1,276,594
	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.		
50399	Emergency Storage Charge - CWA		1,205,145
	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.		



Division Detail

Fund	Department	Division
01	04	41

Account No.	Detail and Justification	Budget Request
50337	Supply Reliability Charge - CWA	715,489
50045	Utilities - Electrical	1,199,400
50047	Utilities - Natural Gas	443,600
	Utilities are based on sale of 17,000 A.F. and purchase of 18,080 A.F. @ \$91 per A.F.	Electric 73% 1,199,400 Natural Gas 27% 443,600 Total 1,643,000



Valley Center Municipal Water District

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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 10-2.

ACCOMPLISHMENTS FOR 2019-2020

Strategic Plan Implementation:

- **Water Supply (Goal I):** VCMWD entered into an agreement with the San Diego County Water Authority for the Water Authority to fund the design, and later construction of improvements to the VCMWD water distribution system needed for the Water Authority to be able to provide emergency water supply to VCMWD's VC3 service area and Yuima MWD during a failure of the Water Authority's aqueduct system. This project is part of the Water Authority's North County Emergency Supply Project and eliminated the need for construction of Water Authority facilities to accomplish the same goal. VCWMD also selected an engineering firm to complete the design and award of the design contract is anticipated prior to the end of the fiscal year.
- **Infrastructure (Goal II):** Engineering staff completed the update of the District standards and is in the process of posting the document to the District's website. The Water Master Plan was updated prioritizing replacement project recommendations and funding strategies for the implementation in the next five years pending availability of funding.
- **Technology (Goal IV):**
 - **SCADA System:** 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.
 - **Advanced Metering Infrastructure:** Staff is continuing 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.
 - **Asset Management System:** Staff selected a new asset management system and started the development and deployment. A new server system has been provisioned and configured, data connections were made to the GIS systems, and several components are currently in the implementation phase, including Assets/Inventory, Water Distribution Maintenance, Dig Alerts, Work Orders, Storeroom, Workflows, and standard report templates.



- Energy - Renewable and Alternative Energy Resources (Goal V):** 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. With the assistance of Water Energy Consulting, by the end of the FY the District was negotiating with Blue Max Energy to develop a combined .417 Mw of Photo-voltaic solar at the Corporate Facility and the Lower Moosa Canyon Water Reclamation Facility via Power Purchase Agreements.

Water Facility Improvements:

- Construction of the Old Castle Road Phase 1 pipeline replacement was completed.
- Painting and recoating of the Via Cantamar and Reidy Canyon No. 1 Reservoirs were completed including structural repairs.
- Painting and recoating of West Bear Ridge, Paradise Mountain No. 1 and Circle R Reservoirs was started and is anticipated to be completed in August, 2020.
- Installation of Manways for the Phase 2 Condition Assessment for the balance of the Bar Wrapped Concrete Cylinder Pipe (BWCCP) and internal mortar repair on a section of 39-inch BWCCP was completed. Due to unforeseen circumstances, the contract with Pure Technologies for the condition assessment this fiscal year was terminated. Completion of the condition assessment for the balance of the BWCCP will be pursued in the following fiscal year pending funding priorities.
- Demolition of the Jesmond Dene Reservoir, associated drainage and surface improvements was completed.
- The northern section of the Reidy Canyon Reservoir Outlet pipeline was relined and placed back in service. This was a successful reconditioning of the pipeline utilizing relining techniques that will be considered for pipelines recommended for replacement in the Water Master Plan. Pipeline relining has the potential for significant savings over the traditional replacement methods.

CHALLENGES FOR 2020-2021

- 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.
- Monitor financial impacts of the COVID - 19 Pandemic Response to determine when Capital Improvement Projects approved in the Fiscal Year 2020-21 Budget can proceed to implementation.
- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply, reclamation, and solar power generation projects.
- Review and refinement of the District's Standard Specifications for Design and Construction, and updating the web site postings as documents are revised.



GOALS FOR 2020-2021

Strategic Plan Implementation:

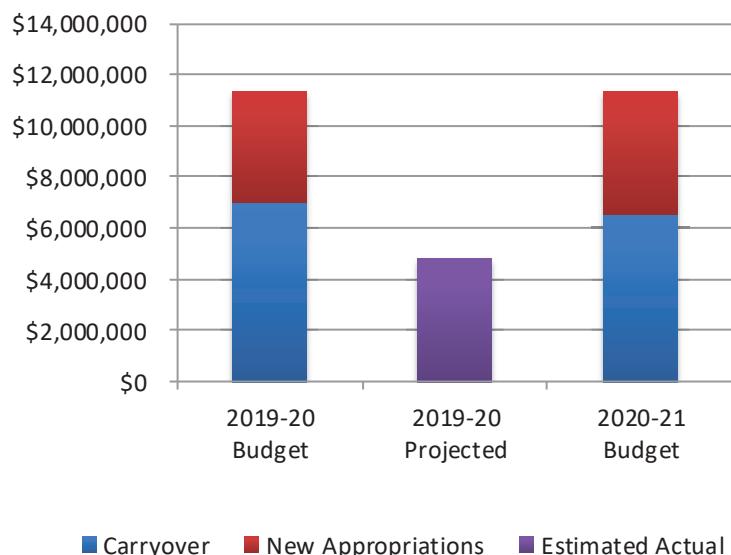
- **Water Supply (Goal I):** Complete design and construction of improvements for the provision of emergency water supply to VCMWD's VC3 Service Area and Yuima MWD as part of the San Diego County Water Authority's North County Emergency Supply Project.
- **Infrastructure (Goal II):**
 - **Water Master Plan:** Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures and update the Water Master plan as appropriate.
 - **CIP Design:** When appropriate utilize District staff and Design/Drafting Consultants to prepare CIP designs in-house in rather than turnkey engineering design contracts. Engineering staff has the expertise and ability to complete a majority of the proposed capital improvement projects in-house, realizing a significant savings in cost and time over soliciting and awarding design contracts to consulting engineering firms. In order to streamline the design process, certain sub-contract design professionals; surveying, traffic control, electrical, etc. can be utilized when specialty designs are needed for a project. Larger projects would continue to be awarded to engineering consultants to provide the additional staff needed for more timely completion and when additional expertise is needed.
- **Technology (Goal IV):**
 - **Advanced Metering Infrastructure System (AMI):** Implement an Advanced Metering Infrastructure System (AMI) in the greater Hidden Meadows development area and Southern portion of the District's service that will provide the ability to remotely monitor meter usage and provide customers with real-time usage and leak detection capabilities. A new AMI $\frac{3}{4}$ " 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 has begun and will continue throughout Fiscal Year 2020-21, with full data deployment capabilities scheduled to be implemented during the following fiscal years.
 - **Energy - Renewable and Alternative Energy Resources (Goal V):** Oversee completion of the Corporate Facility and Lower Moosa Canyon Photo-voltaic Solar Projects to offset energy consumption, demand charges, and electric costs at those facilities.



LONG-TERM GOALS

- Design and construct the projects as identified in the Water Master Plan and Financial Model.
- 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 improvement projects, coordinating the replacement and relocation of District Facilities as appropriate.

Capital Outlay





Valley Center Municipal Water District

Capital Outlay Budget Summary

Fund	Department	Division
01	06	78

Acct. No.	Capital Project Request See Page	Description	Mid-Year	Total	Total	Recaptured or	Estimated	New Appropriation	Total Approved Budget
			Budget Adjustments 2019-2020	Approved Budget 2019-2020	Estimated Expenditures 2019-2020	Not Carried Forward to 2020-2021	Budget Carried Forward to 2020-2021		
Pipelines & PRV's									
51020		Participation, Upsizing, & Unspecified Repl Projects	234,390	234,390	-	-	-	-	-
51060	10-6	New Valve Installations and Appurtenances	25,000	16,000	-	9,000	-	16,000	25,000
5151X		Water System Upgrade Projects	-	-	-	-	-	-	-
51510		Concrete Cylinder Pipe Analysis	163,383	670,732	226,732	444,000	-	-	444,000
51513		Keys Creek Pipeline Replacement	-	164,122	14,122	150,000	-	-	150,000
51690	10-7	Cole Grade Road Pipeline Replacement	120,000	243,426	123,426	335,000	455,000	15,000	470,000
51410		Old Castle Waterline Replacement Project	701,879	646,879	(55,000)	-	-	-	-
51411		Alps Way Pipeline	225,000	25,000	-	200,000	-	-	200,000
51412		Gordon Hill Pipeline PH2	498,474	23,474	-	475,000	-	-	475,000
51413		Reidy Canyon Reservoir Outlet Pipeline	299,869	139,869	(160,000)	-	-	-	-
51414		Hell Hole Canyon Pipeline	(25,000)	750,000	-	750,000	-	-	750,000
51415		Oat Hill Discharge Pipeline	575,000	75,000	-	500,000	-	-	500,000
51416		Rock Hill Road Interite	125,000	-	-	125,000	-	-	125,000
51417		Lilac Road Pipeline Upsizing PH1	600,000	50,000	-	550,000	-	-	550,000
51120		2020 DWSRF Loan Application	25,000	54,062	29,062	(25,000)	-	-	-
51121	10-8	2021 DWSRF Loan Application	-	-	-	25,000	25,000	50,000	75,000
51070	10-9	McNally Reservoir Feeder Replacement (Liner)	-	-	-	150,000	150,000	850,000	1,000,000
Subtotal Pipelines & PRV's			283,383	5,166,954	1,603,954	270,000	3,833,000	931,000	4,764,000
Pump Stations									
51160	10-10	Pump & Motor Replacements	-	18,659	9,000	9,659	-	25,000	34,659
51050		Natural Gas Engine Controls Upgrade & Automation	121,717	60,110	-	61,607	-	-	61,607
51430	10-11	Automation of Bypass Valve Controls	11,056	10,290	-	766	-	16,500	17,266
51440	10-12	San Gabriel PS Controls Upgrade & Automation	-	-	-	-	-	52,500	52,500
51450	10-13	Natural Gas Engine Exhaust Silencers	-	-	-	-	-	100,000	100,000
Subtotal Pump Stations			-	151,432	79,400	-	72,032	194,000	266,032
Reservoirs									
51130	10-14	Reservoir Mixing System	-	21,726	30,000	(8,274)	-	40,000	31,726
51380		Reidy Canyon Area Reservoir	-	9,595	9,595	-	-	-	-
51290		Betsworth Forebay No. 1 Painting & Recoating	-	3,000	3,000	-	-	-	-
51210		Red Mountain Reservoir Painting & Recoating	-	3,000	3,000	-	-	-	-
51300		Reservoir Painting and Recoating Projects	-	130,053	130,053	-	-	-	-
51301		Via Cantamar & Reidy Canyon Reservoir P&C	-	450,371	450,371	-	-	-	-
51302		Jesmond Dene Reservoir Demo	65,000	165,000	165,000	-	-	-	-
51303		Ridge Ranch Reservoir Replacement	-	690,000	50,000	640,000	-	-	640,000
51304		Circle R Reservoir	-	150,000	25,000	125,000	-	-	125,000
51305		West Bear Ridge & Paradise Mtn No. 1 Reservoirs	515,000	2,175,000	575,000	1,600,000	-	-	1,600,000
51306		Old Castle Reservoir	-	270,000	-	(270,000)	-	-	-
51307	10-15	Weaver Reservoir	-	-	-	-	-	1,875,000	1,875,000
51308	10-16	Couser Canyon Reservoir	-	-	-	-	-	745,000	745,000
51309	10-17	Oak Glen Demolition	-	-	-	-	-	150,000	150,000
Subtotal Reservoirs			580,000	4,067,745	1,441,019	(270,000)	2,356,726	2,810,000	5,166,726
Data Management Systems									
51240		Server Virtualization, Storage, Disaster Recovery	-	11,235	11,235	-	-	-	-
51680	10-18	AMI Technology	(35,000)	951,530	830,035	121,495	-	250,000	371,495
51040		Boardroom A/V Technology Upgrade	-	33,335	10,793	22,542	-	-	22,542
51480		Asset Management System	-	146,524	50,524	96,000	-	-	96,000
51750		Asset Table GIS Integration	-	38,561	38,561	-	-	-	-
51730		SCADA/HMI Migration	-	3,086	3,086	-	-	-	-
Subtotal Data Management Systems			(35,000)	1,184,271	944,234	-	240,037	250,000	490,037
Facilities									
51610	10-19	2020 Urban Water Management Plan	-	-	-	-	-	175,000	175,000
51647		Solar Evaluation	84,000	99,138	76,105	23,033	-	-	23,033
51670		Turner Dam Emergency Action Plan	-	76,675	76,675	-	-	-	-
51630		District Grinder Pump	-	52,000	52,000	-	-	-	-
51530	10-20	Administration Building Roof	-	-	-	-	-	40,500	40,500
51540	10-21	Easement Gate Controller Replacement	-	-	-	-	-	50,000	50,000
51650	10-22	Risk & Resilience Assmnt & Emergency Resp. Plan	-	-	-	-	-	151,000	151,000
Subtotal Facilities			84,000	227,813	204,780	-	23,033	416,500	439,533
Equipment									
51370	10-23	Vehicles	-	509,048	507,869	1,179	-	159,600	160,779
51390	10-24	Phone System Upgrade	-	45,000	35,000	10,000	-	15,000	25,000
51800		Boring Machine	-	7,000	7,000	-	-	-	-
51810	10-25	Utility Dump Trailer	-	-	-	-	-	8,000	8,000
Subtotal Equipment			-	561,048	549,869	-	11,179	182,600	193,779
Total Capital Projects			912,383	11,359,263	4,823,256	-	6,536,007	4,784,100	11,320,107



Valley Center Municipal Water District

Capital Outlay Budget Summary

Estimated Expenditures by Year

Fund	Department	Division
01	06	78

Acct. No.	Capital Project Request See Page	Description	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021	Estimated Actual Expenditures 2020-2021	Estimated Actual Expenditures 2021-2022	Estimated Project Balance after 2 years
Pipelines & PRV's								
51020		Participation, Upsizing, & Unspecified Repl Projects	-		-	-	-	
51060	10-6	New Valve Installations and Appurtenances	9,000	16,000	25,000	25,000		
5151X		Water System Upgrade Projects	-		-	-		
51510		Concrete Cylinder Pipe Analysis	444,000		444,000	300,000	144,000	
51513		Keys Creek Pipeline Replacement	150,000		150,000	150,000		
51690	10-7	Cole Grade Road Pipeline Replacement	455,000	15,000	470,000	350,000	120,000	
51410		Old Castle Waterline Replacement Project	-		-	-		
51411		Alps Way Pipeline	200,000		200,000	200,000		
51412		Gordon Hill Pipeline PH2	475,000		475,000	175,000	300,000	
51413		Reidy Canyon Reservoir Outlet Pipeline	-		-	-		
51414		Hell Hole Canyon Pipeline	750,000		750,000	325,000	425,000	
51415		Oat Hill Discharge Pipeline	500,000		500,000	400,000	100,000	
51416		Rock Hill Road Interite	125,000		125,000	-	125,000	
51417		Lilac Road Pipeline Upsizing PH1	550,000		550,000			
51120		2020 DWSRF Loan Application	-		-	-		
51121	10-8	2021 DWSRF Loan Application	25,000	50,000	75,000	75,000		
51070	10-9	McNally Reservoir Feeder Replacement (Liner)	150,000	850,000	1,000,000	800,000	200,000	
Subtotal Pipelines & PRV's			3,833,000	931,000	4,764,000	3,350,000	1,414,000	-
Pump Stations								
51160	10-10	Pump & Motor Replacements	9,659	25,000	34,659	34,659		
51050		Natural Gas Engine Controls Upgrade & Automation	61,607		61,607	61,607		
51430	10-11	Automation of Bypass Valve Controls	766	16,500	17,266	17,266		
51440	10-12	San Gabriel PS Controls Upgrade & Automation	-	52,500	52,500	52,500		
51450	10-13	Natural Gas Engine Exhaust Silencers	-	100,000	100,000	100,000		
Subtotal Pump Stations			72,032	194,000	266,032	266,032		-
Reservoirs								
51130	10-14	Reservoir Mixing System	(8,274)	40,000	31,726	31,726		
51380		Reidy Canyon Area Reservoir	-		-	-		
51290		Betsworth Forebay No. 1 Painting & Recoating	-		-	-		
51210		Red Mountain Reservoir Painting & Recoating	-		-	-		
51300		Reservoir Painting and Recoating Projects	-		-	-		
51301		Via Cantamar & Reidy Canyon Reservoir P&C	-		-	-		
51302		Jesmond Dene Reservoir Demo	-		-	-		
51303		Ridge Ranch Reservoir Replacement	640,000		640,000	540,000	100,000	
51304		Circle R Reservoir	125,000		125,000	125,000		
51305		West Bear Ridge & Paradise Mtn No. 1 Reservoirs	1,600,000		1,600,000	1,600,000		
51306		Old Castle Reservoir	-		-	-		
51307	10-15	Weaver Reservoir	-	1,875,000	1,875,000	1,000,000	875,000	
51308	10-16	Couser Canyon Reservoir	-	745,000	745,000	45,000	700,000	
51309	10-17	Oak Glen Demolition	-	150,000	150,000	150,000		
Subtotal Reservoirs			2,356,726	2,810,000	5,166,726	3,491,726	1,675,000	-
Data Management Systems								
51240		Server Virtualization, Storage, Disaster Recovery	-		-	0		
51680	10-18	AMI Technology	121,495	250,000	371,495	371,495		
51040		Boardroom A/V Technology Upgrade	22,542		22,542	22,542		
51480		Asset Management System	96,000		96,000	96,000		
51750		Asset Table GIS Integration	-		-	0		
51730		SCADA/HMI Migration	-		-	0		
Subtotal Data Management Systems			240,037	250,000	490,037	490,037		-
Facilities								
51610	10-19	2020 Urban Water Management Plan	-	175,000	175,000	175,000		
51647		Solar Evaluation	23,033		23,033	23,033		
51670		Turner Dam Emergency Action Plan	-		-	-		
51630		District Grinder Pump	-		-	-		
51530	10-20	Administration Building Roof	-	40,500	40,500	40,500		
51540	10-21	Easement Gate Controller Replacement	-	50,000	50,000	50,000		
51650	10-22	Risk & Resilience Assmnt & Emergency Resp. Plan	-	151,000	151,000	80,500	70,500	
Subtotal Facilities			23,033	416,500	439,533	369,033	70,500	-
Equipment								
51370	10-23	Vehicles	1,179	159,600	160,779	160,779		
51390	10-24	Phone System Upgrade	10,000	15,000	25,000	25,000		
51800		Boring Machine	-		-	-		
51810	10-25	Utility Dump Trailer	-	8,000	8,000	8,000		
Subtotal Equipment			11,179	182,600	193,779	193,779		-
Total Capital Projects			6,536,007	4,784,100	11,320,107	8,160,607	3,159,500	-



Capital Outlay Implementation Strategy

FUNDING PRIORITY

Capital projects have been historically funded with revenues collected from general property tax, water availability charges, and capacity charges. Other sources include the use of Capital Improvement Reserve funds, debt financing, grants, and joint agency endeavors.

In light of the fiscal uncertainties brought about by the response to the COVID-19 Pandemic, District staff has closely evaluated each capital project and its funding source to identify the funding priority for each project.

All projects are rated according to the following Priority Levels:

- **Priority Level 1:** The project is of high importance and/or mandated and needs to be completed in Fiscal Year 2020-2021. The project, or portion thereof, must be initiated to maintain the overall operational effectiveness of the District. For some Priority 2, or Priority 3 Projects, planning and design efforts are required to prepare the overall project to move forward when local funds are confirmed or to secure outside financing. For this reason some projects have been assigned multiple ratings, such as Priority 1 for Planning and Design and a lower priority, 2 or 3 for Construction.
- **Priority Level 2:** The project is important and addressing it is necessary. However, all or a portion of the project, can be deferred until there is a clearer understanding of the COVID-19 Pandemic fiscal impact.
- **Priority Level 3:** The project is important and addressing it is necessary. However, the entire project will be deferred pending approval of outside funding opportunities (State Revolving Fund Loan, Grant, etc.)

Each Capital Project Request beginning on page 10-6 of this budget document displays a table at the top of the page that looks similar to the one below.

New Item	Type Replacement	Master Plan Priority A	Project ID CV010	Funding Priority Design 1 Construction 2	Strategic Plan Standard 8, 9 Goal II
Indicates whether the project request is for a new item, a replacement, or a continuing project.	Correlates to the District's Master Plan document, not included in this budget. A copy can be provided upon request.	Correlates to the Priority Level described above.	Correlates to the Strategic Plan Goals and Performance Standards described in the Budget Message beginning on page 1-22 of this budget document.		

The table on the following page includes all capital projects re-categorized and rated by Priority Level 1, 2, or 3.



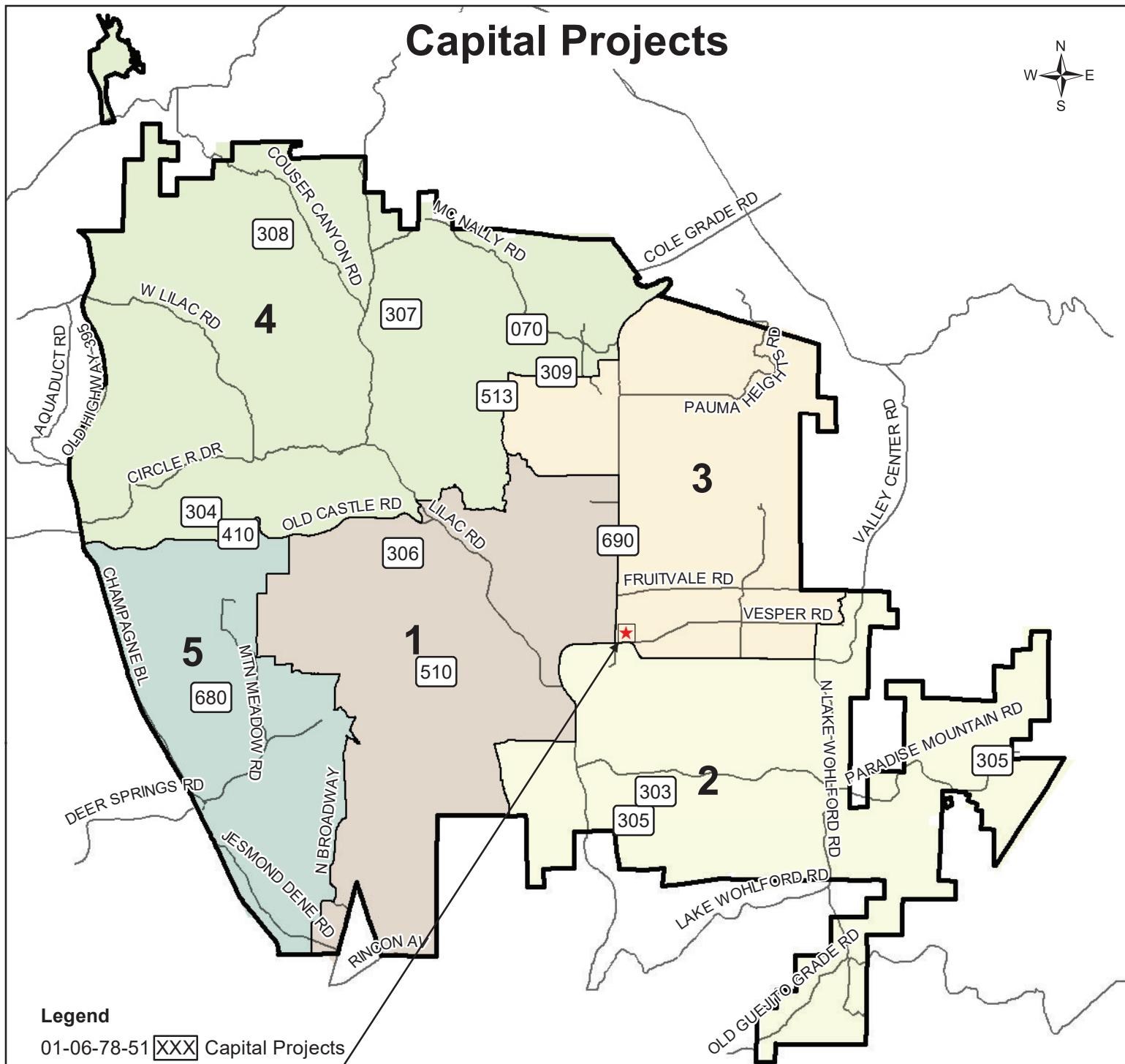
Valley Center Municipal Water District

Capital Outlay Implementation Strategy

Fund	Department	Division
01	06	78

Acct. No.	Capital Project Request See Page	Description	Priority Level 1 High	Funding Priority		Total Approved Budget 2020-2021
				Priority Level 2 Deferred Due to Pandemic	Priority Level 3 Deferred Pending Outside Funding	
Pipelines & PRV's						
51020		Participation, Upsizing, & Unspecified Repl Projects				-
51060	10-6	New Valve Installations and Appurtenances	25,000			25,000
5151X		Water System Upgrade Projects				-
51510		Concrete Cylinder Pipe Analysis		444,000		444,000
51513		Keys Creek Pipeline Replacement			150,000	150,000
51690	10-7	Cole Grade Road Pipeline Replacement	470,000			470,000
51410		Old Castle Waterline Replacement Project				-
51411		Alps Way Pipeline		200,000		200,000
51412		Gordon Hill Pipeline PH2			475,000	475,000
51413		Reidy Canyon Reservoir Outlet Pipeline				-
51414		Hell Hole Canyon Pipeline	25,000	725,000		750,000
51415		Oat Hill Discharge Pipeline			500,000	500,000
51416		Rock Hill Road Interite	15,000	110,000		125,000
51417		Lilac Road Pipeline Upsizing PH1	50,000		500,000	550,000
51120		2020 DWSRF Loan Application				-
51121	10-8	2021 DWSRF Loan Application	75,000			75,000
51070	10-9	McNally Reservoir Feeder Replacement (Liner)	100,000	900,000		1,000,000
Subtotal Pipelines & PRV's			760,000	2,379,000	1,625,000	4,764,000
Pump Stations						
51160	10-10	Pump & Motor Replacements		34,659		34,659
51050		Natural Gas Engine Controls Upgrade & Automation	61,607			61,607
51430	10-11	Automation of Bypass Valve Controls			17,266	17,266
51440	10-12	San Gabriel PS Controls Upgrade & Automation			52,500	52,500
51450	10-13	Natural Gas Engine Exhaust Silencers	100,000			100,000
Subtotal Pump Stations			161,607	104,425	-	266,032
Reservoirs						
51130	10-14	Reservoir Mixing System		31,726		31,726
51380		Reidy Canyon Area Reservoir				-
51290		Betsworth Forebay No. 1 Painting & Recoating				-
51210		Red Mountain Reservoir Painting & Recoating				-
51300		Reservoir Painting and Recoating Projects				-
51301		Via Cantamar & Reidy Canyon Reservoir P&C				-
51302		Jesmond Dene Reservoir Demo				-
51303		Ridge Ranch Reservoir Replacement			640,000	640,000
51304		Circle R Reservoir		125,000		125,000
51305		West Bear Ridge & Paradise Mtn No. 1 Reservoirs		1,600,000		1,600,000
51306		Old Castle Reservoir				-
51307	10-15	Weaver Reservoir	25,000	1,850,000		1,875,000
51308	10-16	Couser Canyon Reservoir	25,000	720,000		745,000
51309	10-17	Oak Glen Demolition	25,000	125,000		150,000
Subtotal Reservoirs			75,000	4,451,726	640,000	5,166,726
Data Management Systems						
51240		Server Virtualization, Storage, Disaster Recovery				-
51680	10-18	AMI Technology	371,495			371,495
51040		Boardroom A/V Technology Upgrade	22,542			22,542
51480		Asset Management System	96,000			96,000
51750		Asset Table GIS Integration				-
51730		SCADA/HMI Migration				-
Subtotal Data Management Systems			490,037	-	-	490,037
Facilities						
51610	10-19	2020 Urban Water Management Plan	175,000			175,000
51647		Solar Evaluation	23,033			23,033
51670		Turner Dam Emergency Action Plan				-
51630		District Grinder Pump				-
51530	10-20	Administration Building Roof	40,500			40,500
51540	10-21	Easement Gate Controller Replacement	50,000			50,000
51650	10-22	Risk & Resilience Assmnt & Emergency Resp. Plan	80,500	70,500		151,000
Subtotal Facilities			369,033	70,500	-	439,533
Equipment						
51370	10-23	Vehicles		160,779		160,779
51390	10-24	Phone System Upgrade	25,000			25,000
51800		Boring Machine				-
51810	10-25	Utility Dump Trailer	8,000			8,000
Subtotal Equipment			33,000	160,779	-	193,779
Total Capital Projects			1,888,677	7,166,430	2,265,000	11,320,107

Capital Projects



Legend

01-06-78-51 XXX Capital Projects

District Offices and Yard

- 370 - Vehicles
- 480 - Asset Management System
- 610 - 2020 Urban Water Management Plan
- 647 - Solar Power Evaluation
- 650 - Risk & Resilience Assessment & Emergency Response Plan

District - Wide

- 020 - Upsizing
- 060 - New Valve Installations & Appurtenances
- 070 - McNally Reservoir Feeder Replacement
- 160 - Pump & Motor Replacements
- 303 - Ridge Ranch Reservoir Replacement
- 304 - Circle R Reservoir
- 305 - West Bear Ridge & Paradise Mtn. No.1 Reservoirs
- 306 - Old Castle Reservoir
- 307 - Weaver Reservoir
- 308 - Couser Canyon Reservoir
- 309 - Oak Glen Reservoir Demolition
- 410 - Old Castle Waterline Replacement Project
- 510 - Concrete Cylinder Pipe Analysis
- 513 - Keys Creek Pipeline Replacement
- 680 - AMI Technology/Hidden Meadows Area
- 690 - Cole Grade Road Pipeline Replacement





Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51060

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

New Valve Installations and Appurtenance Upgrades

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Existing Service	Priority N/A	Project ID N/A	1	Standard 10	Goal II

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 2020-21.

Breakdown and locations are listed below:

Completed in 2019-20:

- Retrofit 6 hydrants with AVK check valve along Lilac Road
- Lake Turner Bell 30 inch butterfly valve

Remaining Projects:

- Manzanita Crest (2) – 16 and 6 inch valves
- West Lilac Road and La Bah – 10 inch valve
- Spearhead Trail – 12 inch valve
- Various appurtenances – air/vac and blow-offs for new valves

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
New Valve Installations and Appurtenances	25,000	16,000	9,000	16,000	25,000	0	25,000	41,000
Total Project	25,000	16,000	9,000	16,000	25,000	0	25,000	41,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51690

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Cole Grade Road Pipeline Replacement

Continuing Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority	Project ID	Design	Construction	Standard	Goal
		A	CV011	1	1	10	II

PROJECT DESCRIPTION:

The County of San Diego (County) has funded the design and construction of the Cole Grade Road Widening between Fruitvale Road and Pauma Heights Road. The widening project will convert portions of Cole Grade Road from a two lane road with no center median into a two lane road with a striped two way left turn lane median. The District has held off replacement of the aging infrastructure in sections of Cole Grade Road pending the County's implementation of the road improvements. At this time, the County's plans and specifications are 90% complete and the County anticipates construction of the first phase (Cool Valley Road to Pauma Heights Road) to begin in February 2021. The project also consists of installation of SDGE's transmission and distribution conduits within the Cole Grade Road corridor. Currently, SDG&E has 90% plans for the transmission design and 30% plans for the distribution design. The District's design drawings will be included in the County's Bid Package.

Approximately 14,100 linear feet (LF) of ductile iron pipe of various sizes are within the limits of the Cole Grade Road Widening Project. Approximately 7,500 LF of pipe was installed on the west side of road centerline in the 1990's, and will remain in place. However, several short sections of this pipe will be redesigned to avoid conflicts with County's proposed storm drain crossings.

Phase 1 Improvements consist of the installation of new water services and appurtenances between Cool Valley Road and Pauma Heights Road. Furthermore, a water main realignment is required at the Keys Creek bridge and culvert crossing north of Cool Valley Road.

Phase 2 Improvements consist of the abandonment of the existing water line and installation of approximately 6,600 LF of new 14-inch water main, west of the road centerline between Fruitvale Road and Cool Valley Road. Work also includes the installation of new valves, water services and appurtenances.

This project is a continuation of the Cole Grade Road Pipeline Replacement Project started in FYE 2016 with a budget authorization of \$165,000 for planning, design and coordination with the County. When the project budget was established in April 2015, future construction costs were estimated at \$2.985M. A design contract with IEC Engineering has been awarded for both the Phase 1 and Phase 2 Improvements along with additional project funding in September 2019, bringing the total authorization to \$260,000. Additional funding, in the amount of \$350,000 (\$335,000 from the reallocation of existing CIP funding and \$15,000 in new funding) for the Phase 1 construction is being requested at this time. Future Phase 2 construction costs are currently estimated at \$4.39M. Together with the Phase 1 construction cost (\$0.35M), the total estimated construction cost represents a 8% annual increase over the original projection in April 2015. Since that time the County has further identified the scope of work resulting in some additional work. The construction cost estimate will be further refined upon completion of the design. Based on the County's current schedule, a request for construction funding for Phase 2 would be included as part of the District's FY2021-2022 Annual Budget.



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51690

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Cole Grade Road Pipeline Replacement

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior				Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Recaptured in 2020-2021					
Staff-Planning, Bid/Award, Inspection	45,000	35,000	10,000	30,000		40,000	425,000	465,000	500,000
Consultant - Engineering	150,785	60,000	90,785			90,785		90,785	150,785
Consultant - Potholing	25,000	25,000	0						25,000
Construction	0	0	0	275,000		275,000	3,400,000	3,675,000	3,675,000
Miscellaneous	19,215	0	19,215			19,215		19,215	19,215
Contingency	20,000	20,000	0	30,000	15,000	45,000	565,000	610,000	630,000
Total Project	260,000	140,000	120,000	335,000	15,000	470,000	4,390,000	4,860,000	5,000,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51121

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

DWSRF Loan Application 2021

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority	Project ID	Design	Construction	Standard	Goal
		A	WS012, WS015b, RC018	1	3	N/A	II

PROJECT DESCRIPTION:

This is a new project that utilizes the remaining balance of Drinking Water State Revolving Fund (DWSRF) Application Project that began in Fiscal Year 2018/2019 for the purpose of producing the necessary documentation required by the DWSRF loan program application process. The project included staff time, environmental consultant, and supporting consulting services to help staff navigate the application process. Initially the approach was to group all projects that are desired to be DWSRF funded over a five year period into one application. From discussions with the State Water Resources Control Board (SWRCB), it was determined that a better approach would be to use separate applications each year for only the projects that are likely to move forward to construction within the following fiscal year. For instance, the application that is being completed, under the original project account, for submittal in 2020 will include the Gordon Hill, Lilac Road and Oat Hill Pipeline Replacement Projects. The application may take 6-12 months to be approved, and, if approved, construction would not start until the end of Fiscal Year 2020-21 and would carry over into Fiscal Year 2021-22.

Similarly the DWSRF Application for 2021 will focus on Master Plan projects identified for construction to start in Fiscal Year 2021-22, currently consisting of the remaining phase of Old Castle Pipeline Replacement Project (WS015b), Gordon Hill Relief Discharge (WS012) and Broadway South Pipeline Relocation (RC018). If approved, construction would start in Fiscal Year 2021-22 and carry over into the following year. It is estimated that \$25,000 of the DWSRF 2020 project budget would be remaining upon submittal and completion of the approval process. That remaining balance plus the requested \$50,000 would be utilized for the DWSRF 2021 Application. Design for these projects would be funded from the funds reallocated from the prior year projects approved for SRF funding.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior				Proposed		Future	Estimated
	Prior	Estimated	Estimated	Recaptured	Budget	Allocation	Total	Total
	Budget	Actual	Budget	to	2020-2021	2020-2021	Project	Project
Staff					30,000	30,000	30,000	30,000
Consultant				5,000	20,000	25,000	25,000	25,000
Miscellaneous				5,000		5,000	5,000	5,000
Contingency				15,000		15,000	15,000	15,000
Total Project	0	0	0	25,000	50,000	75,000	0	75,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51070

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

McNally Reservoir Feeder Pipeline Relining

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority A	Project ID CV010	Design 1	Construction 2	Standard 10	Goal II

PROJECT DESCRIPTION:

The project was added to the Master Plan CIP list in Fiscal Year 2019-2020, for replacement due to its age, type of pipe material, and location. The waterline is located in challenging terrain with difficult accessibility making this pipeline replacement project a good candidate for relining versus conventional replacement. Preliminary scoping has been evaluated with input from Advantage Reline, and determination made that the reline approach is feasible, with the proposed budget reflected accordingly. The project consists of relining 4,500 linear feet of 14-inch steel pipe from Lilac Reservoir to McNally Reservoir, including seven access pits, with relocation of two meters, one blow-off and one air release/vacuum relief assembly.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior				Proposed Budget Allocation	Total Budget	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Remaining Budget	Recaptured to 2020-2021					
					2020-2021	2020-2021			
Staff-Planning					50,000	50,000		50,000	50,000
Bid/Award, Inspection									
Construction				150,000	678,000	828,000		828,000	828,000
Miscellaneous					20,000	20,000		20,000	20,000
Contingency					102,000	102,000		102,000	102,000
Total Project	0	0	0	150,000	850,000	1,000,000		0	1,000,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51160

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Pump and Motor Replacement

Continuing Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Existing Service	Priority N/A	Project ID N/A	2	Standard 6	Goal V

PROJECT DESCRIPTION:

This would allocate funds to be used in the event that the District suffers an unexpected failure or a drop in efficiency that would require the replacement of a pump or motor. If emergency repairs are needed at a pump station, the need may arise to perform additional upgrades and enhancements to a pump or motor in a cost efficient manner.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Staff			0	2,000	2,000		2,000	2,000
Engineering			0					
Construction	18,659	9,000	9,659	20,500	30,159		30,159	39,159
Miscellaneous			0					
Contingency			0	2,500	2,500		2,500	2,500
Total Project	18,659	9,000	9,659	25,000	34,659	0	34,659	43,659



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51430

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Automation of Bypass Valve Controls

Continuing Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Existing Service	Priority N/A	Project ID N/A	2	Standard 10	Goal V

PROJECT DESCRIPTION:

Automate the bypass valves at Jesmond Dene Reservoir, Hauck Pump Station, and Rainbow Pump Station. Currently, staff has to drive out to the site and manually adjust the bypass valves at the pump stations and reservoirs to move water from a higher elevation to a lower zone. The automation of the bypass valves will allow staff to remotely adjust the valves through the District's SCADA system. The automation of bypass valves will grant staff greater flexibility in moving water throughout the District to maintain water quality and during SDCWA shutdown events.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Staff			0	5,000	5,000		5,000	5,000
Engineering			0					
Construction	11,056	10,290	766	10,000	10,766		10,766	21,056
Miscellaneous			0					
Contingency			0	1,500	1,500		1,500	1,500
Total Project	11,056	10,290	766	16,500	17,266	0	17,266	27,556



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51440

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

San Gabriel Pump Station Engine Controls Upgrade & Automation

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	2	Standard 6	Goal V

PROJECT DESCRIPTION:

Replacement of the existing engine controls for the Natural Gas Engines at San Gabriel Pump Station. The reliability and operation of the natural gas engines at San Gabriel Pump Station are critical to maintaining adequate water supplies during an SDG&E power outage. The use of the natural gas engines is also a key component in staff's efforts to achieve the lowest possible pumping cost. The existing engine controllers are outdated and have limited available engine data and troubleshooting capabilities.

The project consists of upgrading the Ignition Controller, Detention System, Fuel/Emission Management System and replacing the Murphy Engine Controller with a Programmable Logic Controller on two natural gas engines. The new engine control equipment will provide staff with greater diagnostic capabilities and flexibility in tuning the engines to be as fuel efficient as possible while meeting San Diego APCD emission requirements. The new Programmable Logic Controller's will allow staff to automatically operate the engines based on predetermined operator controlled set points.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Proposed Budget Allocation				Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget	2020-2021				
Staff	0		9,000		9,000		9,000	9,000
Equipment	0		39,000		39,000		39,000	39,000
APCD Permits	0		2,000		2,000		2,000	2,000
Contingency	0		2,500		2,500		2,500	2,500
Total Project	0	0	52,500		52,500		52,500	52,500



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51450

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Natural Gas Engine Exhaust Silencers and Catalysts

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	1	Standard 6	Goal V

PROJECT DESCRIPTION:

Replacement of the existing exhaust combo silencer/catalytic converter units and catalyst elements for the natural gas engines at Betsworth Forebay, with new separate exhaust silencers and catalytic converters. The current exhaust combo units were installed in the late 1990's and per the original installer had an approximate life expectancy of 15 years. The catalyst elements have also exceeded their life expectancy and the replacements will be of a no-slip design. The no-slip design improves emissions by limiting the possibility of exhaust slippage around the element. The new exhaust silencers and catalytic converter housings will be two separate units. This will allow for the future replacement of only the failed component.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed		Future	Estimated	
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation 2020-2021	Total 2020-2021	Future Budget Allocation	Total Project Budget	Total Project Cost
Staff	0			12,000	12,000		12,000	12,000
Catalyst Elements	0			33,200	33,200		33,200	33,200
Catalyst Housings	0			18,000	18,000		18,000	18,000
Silencers & Piping	0			19,800	19,800		19,800	19,800
Heat Insulation	0			12,000	12,000		12,000	12,000
Contingency	0			5,000	5,000		5,000	5,000
Total Project	0	0	0	100,000	100,000	0	100,000	100,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51130

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Reservoir Mixing System

Continuing Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Existing Service	Priority N/A	Project ID N/A	2	Standard 12	Goal I

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.

Reservoirs sites are listed below:

Completed in 2019-20

- Paradise #1 Reservoir

Remaining Projects:

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

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior	Estimated	Estimated	Proposed		Future	Future	Estimated
	Prior	Actual	Budget	Budget	Allocation	Total	Total	Total
	Budget	Expense	Remaining	2020-2021	2020-2021	Project	Project	Project
Reservoir Mixing System	21,726	30,000	(8,274)	40,000		31,726	31,726	61,726
Total Project	21,726	30,000	(8,274)	40,000		31,726	0	31,726
								61,726



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51307

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Weaver Reservoir Paint/Recoat Project

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority A	Project ID N/A	Design 1	Construction 2	Standard 12	Goal II

PROJECT DESCRIPTION:

The District has 37 steel reservoirs and 5 floating cover reservoirs with geotextile liners. Steel Reservoirs require recoating approximately every 15 years in order to maintain viability. Weaver Reservoir is a 5 MG above ground welded steel water reservoir which provides storage for the surrounding rural residential and agricultural developments. Weaver Reservoir was last painted and recoated in 2002, therefore exceeding the 15 year recoating time frame. The District's Water Master Plan dated, January 19, 2019 recommends 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 \$2.0 M per year with Weaver Reservoir scheduled to be painted and recoated in Fiscal Year 2020-2021.

The scope of work will 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 contract documents and perform inspection services for the reservoir.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior				Proposed			Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation	Total 2020-2021 Budget	Future Budget Allocation			
				2020-2021	2020-2021				
Staff-Planning, Bid/Award, Inspection				65,000	65,000			65,000	65,000
Construction				1,585,000	1,585,000			1,585,000	1,585,000
Miscellaneous				40,000	40,000			40,000	40,000
Contingency				185,000	185,000			185,000	185,000
Total Project	0	0	0	1,875,000	1,875,000			1,875,000	1,875,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51308

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Couser Reservoir Paint/Recoat Project

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority A	Project ID N/A	Design 1	Construction 2	Standard 12	Goal II

PROJECT DESCRIPTION:

The District has 37 steel reservoirs and 5 floating cover reservoirs with geotextile liners. Steel Reservoirs require recoating approximately every 15 years in order to maintain viability. Couser Reservoir is a 1.5 MG above ground welded steel water reservoir which provides storage for the surrounding rural residential and agricultural developments. Couser Reservoir was last painted and recoated in 1990, therefore exceeding the 15 year recoating time frame. The District's Water Master Plan dated, January 19, 2019 recommends 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 \$2.0 M per year with Couser Reservoir scheduled to be painted and recoated in Fiscal Year 2020-2021.

The scope of work will 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 contract documents and perform inspection services for the reservoir.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior				Proposed			Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation	Total 2020-2021	Future Budget Allocation	2020-2021		
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021		
Staff-Planning, Bid/Award, Inspection				60,000	60,000			60,000	60,000
Construction				590,000	590,000			590,000	590,000
Miscellaneous				20,000	20,000			20,000	20,000
Contingency				75,000	75,000			75,000	75,000
Total Project	0	0	0	745,000	745,000	0	745,000	745,000	



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51309

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Oak Glen Reservoir Demolition

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority A	Project ID N/A	Design 1	Construction 2	Standard 12	Goal II

PROJECT DESCRIPTION:

Staff is recommending the demolition of 0.42 million gallon Oak Glen Reservoir. The Oak Glen Reservoir is a small bolted steel reservoir in the 1520 Zone constructed in 1965. In 2010, the reservoir's roof showed signs of structural damage and with decreasing water demands, it was decided to take the reservoir offline. The reservoir has remained offline since that time. The other reservoirs in the 1520 Zone, totaling over 9 MG, have met the overall storage needs of the Oak Glen Reservoir service zone, thus it is not economically viable to replace the roof or continue maintaining a reservoir that is no longer hydraulically necessary for the system.

The scope of work shall include removal and disposal of the reservoirs shell, interior/exterior ladders, rafters, central vent, overflow pipe and other miscellaneous materials. All visible infrastructure, including all above ground piping and valves, with the exception of the pressure reducing station, shall be removed. All unnecessary below grade piping shall be removed to the main and capped. The existing asphalt concrete driveway shall be removed and replaced to maintain access only to the pressure reducing station.

District staff shall prepare contract documents and perform inspection services for the reservoir demolition.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed			Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation	Total 2020-2021 Budget	Future Budget Allocation		
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Staff-Planning, Bid/Award, Inspection				25,000	25,000		25,000	25,000
Construction				100,000	100,000		100,000	100,000
Miscellaneous				10,000	10,000		10,000	10,000
Contingency				15,000	15,000		15,000	15,000
Total Project	0	0	0	150,000	150,000	0	150,000	150,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51680

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Advanced Metering Infrastructure System

Continuing Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Existing Service	Priority N/A	Project ID N/A	1	Standard 1	Goal IV

PROJECT DESCRIPTION:

To provide funding for the development and installation of Advanced Metering Infrastructure (AMI) to the existing water meters in the greater Hidden Meadows development area and southern portion of the District's service area. The Hidden Meadows and southern end developments are high density residential zones, when completed will provide a large number of customers to be on the new AMI system, which will reduce customer service and meter reading workloads. Staff will also, complete the AMI radio systems at Circle R, McNally, Rincon and Paradise reservoir sites

Completed in Fiscal Year 2018-19

- Woods Valley development and Red Ironbark development

Completed in Fiscal Year 2019-20

- Radio Antennas at; Reid and Meadows Reservoirs
- Pauma Heights development
- Greystone development
- Valley Center Road area
- Lake Wolford Road area

Scheduled for Fiscal Year 2020-21

- Radio Antennas at; Circle R, McNally, Rincon and Paradise Reservoirs
- The greater Hidden Meadows area
- Meter Routes 1, 15, 16 and 17

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost	
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining						
Advanced Metering Infrasturcture, MXU's and Ally meters	951,530	830,035	121,495 0 0 0	250,000	371,495		1,850,000	2,680,035	
Total Project	951,530	830,035	121,495	250,000	371,495		0	1,850,000	2,680,035



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51610

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Urban Water Management Plan - 2020 Update

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Planning	Priority A	Project ID N/A	1	Standard 12	Goal I

PROJECT DESCRIPTION:

The Urban Water Management Planning Act (SB 606) requires urban water suppliers that either provide over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections is required to submit an Urban Water Management Plan (UWMP) every five years. Within the UWMP, the urban water supplier must:

- Assess the reliability of water sources over a 20-year planning time frame,
- Describe demand management measures and water shortage contingency plans. SB 606 has imposed more stringent planning and drought response requirements which will increase the cost of completing the plan as compared to the 2015 UWMP.
- Report progress toward meeting a targeted 20 percent reduction in per-capita (per-person) urban water consumption by the year 2020, and
- Discuss the use and planned use of recycled water.

With reduced agricultural demands a separate agricultural Water Management Plan is not anticipated.

The 2020 UWMP update must be submitted to the Department of Water Resources by July 1, 2021.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual	Estimated Budget Remaining					
Staff				25,000	25,000		25,000	25,000
Consultant				125,000	125,000		125,000	125,000
Contingency				25,000	25,000		25,000	25,000
Total Project	0	0	0	175,000	175,000	0	175,000	175,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51530

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Refurbish the Roof on Main Administration Building

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	1	Standard N/A	Goal N/A

PROJECT DESCRIPTION:

In 2007-08, due to an SDG&E rebate incentive program and the current condition of the existing roof on the main administration building, staff installed an elastomeric coating, or Cool Roof, over the existing 40lb. felt paper. The current roof coating has not experienced any major issues or failures, however, the elastomeric coating has a roughly 15 year life cycle and staff would like to take proactive measures in refurbishing the roof on the main administration building with a new overlay.

The renovation cost would include cleaning and pressure washing the existing roof then applying a second layer of the elastomeric coating on the roof of the main administration building.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed		Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation	Total 2020-2021		
Staff	0	2,500		2,500		2,500	2,500
Construction	0	35,000		35,000		35,000	35,000
Contingency	0	3,000		3,000		3,000	3,000
	0						
Total Project	0	0	0	40,500	40,500	0	40,500



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51540

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Easement Gate Controller Replacement

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Existing Service	Priority	Project ID	Design	Construction	Standard	Goal
		A	N/A	1	1	N/A	N/A

PROJECT DESCRIPTION:

The District requires most of its access gates to easements and facility sites to be motorized and wirelessly controlled through a remote opener. The District provides controllers to be installed on the property owner's gates for use by District staff only. This eliminates the need for the owner to provide unique pass codes for the District and provides consistency of access for all gates. However, many of the gates have existing controller equipment that is outdated and, as a result, replacement parts are often unavailable. Staff is proposing to replace controllers on all automated gates to current equipment standards, as well as, purchase additional controllers to stock for repairs and future gate installations. Staff is estimating roughly 100 gates will be upgraded for budgeting purposes. Preliminary pricing was collected, suggesting \$400 per gate which includes parts and labor based on a vendor providing a turnkey service. Staff may elect to purchase materials only and perform the installation using District forces. The proposed budget would be sufficient to fund either approach.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Remaining Budget					
Staff				5,000	5,000		5,000	5,000
Engineering				40,000	40,000		40,000	40,000
Construction								
Miscellaneous								
Contingency				5,000	5,000		5,000	5,000
Total Project	0	0	0	50,000	50,000		50,000	50,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51650

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Risk and Resilience Assessment and Emergency Response Plan

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Planning	Priority N/A	Project ID N/A	Design 1	Construction 2	Standard 12	Goal N/A

PROJECT DESCRIPTION:

The America's Water Infrastructure Act (AWIA) signed by Congress on October 23, 2018, requires utilities to conduct a Risk and Resilience Assessment (RRA) of their Community Water Systems and develop a corresponding Emergency Response Plan (ERP). Agencies serving between 3,301 and 49,999 are required to submit their plans by June 30, 2021.

The document will be prepared by an outside consultant with assistance from in-house staff.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior	Estimated	Estimated	Proposed		Future	Future	Estimated	
	Prior	Actual	Budget	Budget	Allocation	Total	Budget	Total	Project
	Budget	Expense	Remaining	2020-2021	2020-2021	Allocation	Project	Cost	Cost
Staff			0	25,000		25,000		25,000	25,000
Outside Consultants			0	125,000		125,000		125,000	125,000
Miscellaneous			0	1,000		1,000		1,000	1,000
Contingency			0						
Total Project	0	0	0	151,000	151,000		0	151,000	151,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51370

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Vehicles

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	2	Standard N/A	Goal N/A

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 #31, a 2011 Ford, Ranger, extra cab truck with 4-wheel drive and approximately 153,000 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 #46, a 2002 Ford, F-150, extra cab truck with 4-wheel drive and approximately 161,000 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 #56, a 2005 Ford, F-150, extra cab truck with 4-wheel drive and approximately 145,600 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 #59, a 2007 Chevrolet, Colorado, extra cab truck with 4-wheel drive and approximately 121,000 miles.

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Vehicle 1	0	38,000	38,000		38,000		38,000	38,000
Vehicle 2	0	38,000	38,000		38,000		38,000	38,000
Vehicle 3	0	38,000	38,000		38,000		38,000	38,000
Vehicle 4	0	38,000	38,000		38,000		38,000	38,000
Contingency	1,179		7,600		8,779		8,779	8,779
Total Project	0	0	1,179	159,600	160,779	0	160,779	160,779



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51390

DEPARTMENT: Information Technology

CAPITAL PROJECT REQUEST

Phone System Upgrade

Replacement Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	1	Standard 1	Goal IV

PROJECT DESCRIPTION:

The current CISCO phone system has served the District for more than six years, but the hardware (servers) have reached end-of-life and soon can no longer be serviced. New phone system servers use virtualization technology for additional redundancy, making our system less vulnerable for downtime due to server failure. The new system provides compatibility with new desk phone models and offers better integration with the latest mobile technology.

The proposed 2020-21 budget allocation includes additional implementation costs by outside professional services that are higher than originally anticipated.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Phone System Implementation	45,000	35,000	10,000	15,000	10,000 15,000	10,000 15,000	10,000 15,000	45,000 15,000
Total Project	45,000	35,000	10,000	15,000	25,000	0	25,000	60,000



Valley Center Municipal Water District

ACCOUNT NO.:

01-06-78-51810

DEPARTMENT:

Field

CAPITAL PROJECT REQUEST

Utility Dump Trailer

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	New	Priority N/A	Project ID N/A	1	Standard N/A	Goal N/A

PROJECT DESCRIPTION:

The new utility dump trailer will be used by the Construction & Maintenance Division along with the Meter Division. The dump trailer will grant the division's greater flexibility in performing their daily work, where the use of a dump truck would be unwarranted for the size of the project. The dump trailer will have a gross vehicle weight rating of 9,990 lbs and will be capable of hauling approximately 7,400 lbs of material.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Utility Dump Trailer			0	8,000	8,000		8,000	8,000
Total Project	0	0	0	8,000	8,000	0	8,000	8,000



Valley Center Municipal Water District

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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 division 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 2019 - 2020

Wastewater Collection System:

- Performed in-house cleaning and video inspection of 20% 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.
- Inspected and assessed 20% of all the collection system manholes for condition and preventative maintenance per the District's Sewer System Management Plan (SSMP).
- Continued assisting with the training, testing and Implementation of the City Works Asset Management Software to improve efficiencies in the Wastewater Division.
- Sprayed 700 manholes with a vector control system that aids in the elimination of insects and rodents within the collection system.
- Completed the Rimrock Low Pressure Sewer System Upgrades Project which consisted of replacing deteriorating service saddles and isolation valves and adding additional isolation valves and flushing connections to improve operation of the system enabling the wastewater operators to more efficiently maintain the LPS system with fewer customer interruptions.
- Cleaned and powder coated 80 valve can lids within the Rim Rock Low Pressure System to improve visibility and access.

Treatment Plant:

- Continued to implement operational changes that reduced equipment run times and energy consumption and improved effluent quality.
- In-house fabrication of new screenings unit, channel support that replaced the failing, original and 20 year old support structure.
- Preliminary planning, engineering, environmental, and Power Purchase Agreement negotiations were completed in Fiscal Year 2019-2020, with project completion anticipated by Fall, 2020.



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 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 2020-2021

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.
- Implementation of the City Works Asset Management Software for better efficiency.
- 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 replacement of the Motor Control Center at the Meadows Lift Station.
- Complete the replacement the emergency generator at the Islands Lift Station.
- Complete the replacement of the Main Motor Control Center at the Lower Moosa Canyon WRF.
- Complete the migration of the existing Wonderware HMI SCADA software to the Inductive Automation Ignition product and PLC upgrades.



Valley Center Municipal Water District

Moosa

- 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.
- Addition of Solar Power Facilities at the treatment plant site through a Power Purchase Agreement and coordination of the solar power installation with the replacement of the MCC project.

Planning Projects:

- Complete the Lower Moosa Canyon WRF Master Plan Update and continue to monitor the progress of County approvals of the Lilac Hills Ranch project for possible impact on the expansion planning efforts for the facility.

LONG-TERM GOALS

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

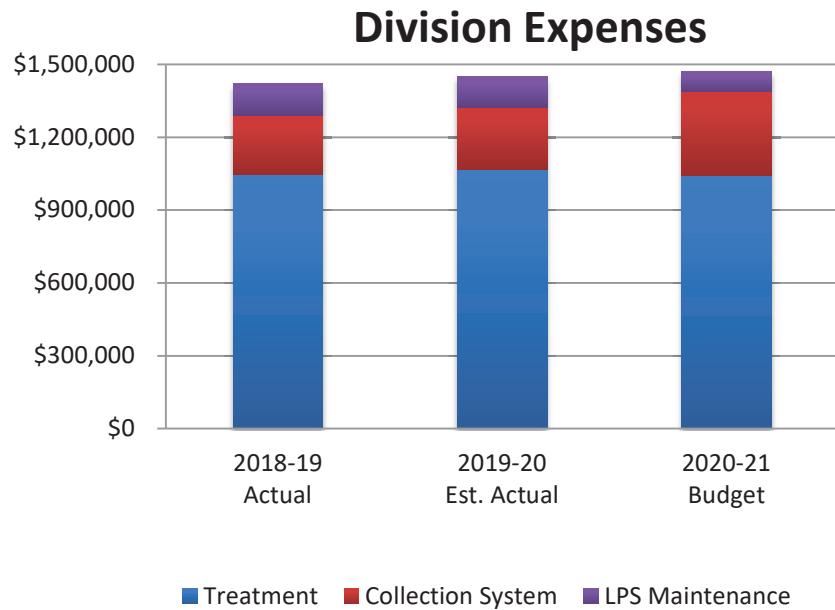
Explore potential for reuse of the facility's treated effluent to augment potable water supplies through either Title 22 recycled water irrigation or Indirect Potable Reuse.

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)

	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
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	1.3
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	4.0





Valley Center Municipal Water District

Lower Moosa Wastewater Recap of Budget and Source of Financing July 1, 2019 to June 30, 2021

Fund
13

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2019	1,245,458	519,016	993,150	0	2,757,624
Revenue 2019-2020					
Wastewater Service Charges	321,614			1,350,186	1,671,800
Wastewater Lateral & Inspection Fees				1,150	1,150
Interest	31,300			15,256	46,556
Wastewater LPS Charges				54,100	54,100
Total Revenue	352,914	0	0	1,420,692	1,773,606
Estimated Expenditures 2019-2020	0	0	(803,150)	(1,447,295)	(2,250,445)
Transfers	(115,000)		115,000	26,603	26,603
Net Change	237,914	0	(688,150)	0	(450,236)
ESTIMATED BALANCE JUNE 30, 2020	1,483,372	519,016	305,000	0	2,307,388
Revenue 2020-2021					
Wastewater Service Charges	321,614			1,372,686	1,694,300
Interest	16,400			10,200	26,600
Wastewater LPS Charges				54,760	54,760
Total Revenue	338,014	0	0	1,437,646	1,775,660
Proposed Expenditures 2020-2021			(890,000)	(1,468,612)	(2,358,612)
Expenditures of Continuing Projects			(305,000)		(305,000)
Transfers	(890,000)		890,000	30,966	30,966
Net Change	(551,986)	0	(305,000)	0	(856,986)
ESTIMATED BALANCE JUNE 30, 2021	931,386	519,016	0	0	1,450,402

GENERAL INFORMATION:	2018-2019	2019-2020		2020-2021
	Actual	Budget	Estimated Actual	Budget
Average Wastewater Connections:	2,468	2,466	2,470	2,475
Monthly Rates:				
Effective July 1	53.76	56.45	56.45	56.45
Effective February 1	56.45	56.45	56.45	57.80



Valley Center Municipal Water District

Lower Moosa Wastewater

Revenue Estimate

Fund	Department
13	00

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
81-41001	Wastewater Service Charge	1,675,573	1,670,400	1,671,800	1,693,300
81-41012	Wastewater Capacity Reservation Fee	0	1,000	0	1,000
81-41008	Wastewater Lateral Fee	0	0	0	0
81-41005	Wastewater Inspection Fee	600	0	150	0
81-41006	LPS Wastewater Inspection Fee	1,200	0	1,000	0
84-41000	Interest - Operating & Replace. Res.	63,060	59,200	46,556	26,600
81-42900	Wastewater LPS Charges	53,461	54,219	54,100	54,760
87-44500	Other Income	0	0	0	0
Total		1,793,894	1,784,819	1,773,606	1,775,660



Department Summary by Division

Fund	Department
13	03

Division No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
26	Treatment	1,045,470	1,017,693	1,066,493	1,040,915
27	Collection System/West	242,757	268,302	256,302	348,097
29	LPS Maintenance	130,950	142,100	124,500	79,600
78	Capital Projects	887,263	115,000	803,150	890,000
TOTAL MOOSA TREATMENT		2,306,440	1,543,095	2,250,445	2,358,612



Valley Center Municipal Water District

Lower Moosa Wastewater Treatment

Division Summary by Expense Category

Fund	Department	Division
13	03	26

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	527,447	475,800	535,000	455,300
50003	Overtime	25,058	22,500	23,000	24,000
50025	Outside Professional Services	79,103	65,000	70,000	70,000
50030	Special Department Expenses	2,724	3,500	2,800	3,500
50032	Telephone	3,895	4,000	1,900	3,500
50038	Regulatory Permits & Fees	24,672	26,000	30,000	36,000
50040	Rents & Leases	0	500	500	500
50042	Insurance	15,282	15,315	15,315	16,174
50045	Electricity	78,834	100,000	88,000	100,000
50048	Diesel	0	500	500	500
50049	Water	5,270	6,500	6,400	6,500
50323	Chlorine	18,122	21,000	18,000	21,000
50341	Hazardous Waste Disposal Costs	0	300	300	300
50451	Maintenance of Vehicles	1,496	1,500	1,500	1,500
50452	Maintenance of Facilities	41,728	46,000	44,000	46,000
50082	Administrative Overhead	215,915	227,278	227,278	254,141
50085	Capital Planning	5,924	0	0	0
50087	Bad Debt Expense	0	2,000	2,000	2,000
Total		1,045,470	1,017,693	1,066,493	1,040,915



Valley Center Municipal Water District

Lower Moosa Wastewater Treatment

Division Detail

Fund	Department	Division	Total Budget Request
13	03	26	\$1,040,915

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	455,300
	Full Time Equivalents	2.58
50003	Overtime	24,000
50025	Outside Professional Services	70,000
	Pumper Trucks - for Grit Removal	11,000
	Lab Analysis	20,000
	Sludge Removal	15,000
	SCADA System Maintenance	5,000
	Muffin Monster Service/Screening Auger	6,000
	Flow Meter Calibration and Repair	2,000
	Lab Equipment Service & Calibration	2,000
	Generator Load Testing & Fuel Tank Inspections	2,500
	Cal-Fire Clearing	1,500
	Confined Space Standby	5,000
50030	Special Department Expenses	3,500
	Lab Supplies	2,000
	Tools	500
	Equipment	1,000
50032	Telephone	3,500
	Leased Lines and Alarm Monitoring	2,000
	T-1 Network Line	1,500
50038	Regulatory Permits & Fees	36,000
	State Water Resources Control Board	26,000
	HazMat Permit	5,000
	Air Pollution Control District fees	5,000
50040	Rents & Leases	500
50341	Hazardous Waste Disposal Costs	300
	Recycling Oil, Filters, Solvents	
50042	Insurance	16,174
50045	Electricity	100,000
50048	Diesel	500
	Generator Set and Tractor	500
50049	Water	6,500



Valley Center Municipal Water District

Lower Moosa Wastewater Treatment

Division Detail

Fund	Department	Division
13	03	26

Account No.	Detail and Justification	Budget Request
50323	Chlorine	21,000
	Polymer	6,500
	Sodium Hypochlorite	2,000
	Sodium Hydroxide	500
	Laboratory Chemicals	12,000
50451	Maintenance of Vehicles	1,500
50452	Maintenance of Facilities	46,000
	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
50082	Administrative Overhead	254,141
50087	Bad Debt Expense	2,000



Valley Center Municipal Water District

Lower Moosa Wastewater Collection System West

Division Summary by Expense Category

Fund	Department	Division
13	03	27

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	189,669	220,600	208,000	293,800
50003	Overtime	786	2,000	1,000	2,000
50025	Outside Professional Services	25,569	22,000	22,000	27,000
50030	Special Department Expenses	2,754	2,000	2,000	1,500
50038	Regulatory Permits & Fees	1,928	2,000	2,000	2,000
50042	Insurance	1,698	1,702	1,702	1,797
50045	Electricity	4,256	4,500	6,500	6,500
50049	Water	1,571	2,000	2,000	2,000
50451	Maintenance of Vehicles	1,647	1,500	1,100	1,500
50452	Maintenance of Facilities	12,879	10,000	10,000	10,000
Total		242,757	268,302	256,302	348,097



Valley Center Municipal Water District

Lower Moosa Wastewater Collection System/West

Division Detail

Fund	Department	Division	Total Budget Request
13	03	27	\$348,097

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	293,800
	Full Time Equivalents	1.80
50003	Overtime	2,000
50025	Outside Professional Services	27,000
	Sewer Cleaning/Repair	12,000
	Manhole Sensors	7,000
	Pumping	3,000
	Generator Load Testing	1,000
	Cal-Fire Clearing	2,500
	Special Repairs	1,500
50030	Special Department Expenses	1,500
50038	Regulatory Permits and Fees	2,000
50040	Rents & Leases	0
	Equipment as Needed	
50042	Insurance	1,797
50045	Electricity	6,500
50049	Water	2,000
50451	Maintenance of Vehicles	1,500
50452	Maintenance of Facilities	10,000
	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



Valley Center Municipal Water District

Lower Moosa Wastewater LPS Maintenance

Division Summary by Expense Category

Fund	Department	Division
13	03	29

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	94,181	104,800	95,000	56,600
50003	Overtime	2,028	4,000	1,300	2,500
50025	Outside Professional Services	9,404	8,000	7,500	3,000
50030	Special Department Expenses	0	1,000	4,700	1,500
50451	Maintenance of Vehicles	1,414	1,300	1,000	1,000
50452	Maintenance of Facilities	23,923	23,000	15,000	15,000
Total		130,950	142,100	124,500	79,600



Valley Center Municipal Water District

Lower Moosa Wastewater LPS Maintenance

Division Detail

Fund	Department	Division	Total Budget Request
13	03	29	\$79,600

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	56,600
	Full Time Equivalents	0.37
50003	Overtime	2,500
50025	Outside Professional Services	3,000
	Pumping of Tanks	3,000
50030	Special Department Expenses	1,500
50451	Maintenance of Vehicles	1,000
50452	Maintenance of Facilities	15,000
	Pump Rebuild Kits	4,500
	Replacement Pumps	5,500
	Retrofit STEP System Pumps	5,000



Valley Center Municipal Water District

Capital Outlay Budget Summary Moosa

Fund	Department	Division
13	06	78

Acct. No.	Capital Project Request See Page	Description	Mid-Year Budget Adjustments 2019-2020	Total		Recaptured or Not Carried Forward to 2020-2021	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021
				Approved Budget 2019-2020	Estimated Expenditures 2019-2020				
53290		Meadows Lift Station Motor Control Center Repl.	50,000	-		50,000			50,000
53540		Master Plan	-	45		45	-		-
53541		Title XVI Feasibility Study	188,751	188,751		-			-
53730		HMI/SCADA Migration & Control Upgrade System	180,084	10,084		170,000			170,000
53770		Rimrock LPS System Improvements	40,000	358,202	358,202	-			-
53780		Screening Unit		1,794	1,794	-			-
53030		Wastewater O&M Manual Development		60,000	60,000	-			-
53040	11-11	Moosa Main MCC Replacement	150,000	171,567	151,567	20,000	650,000		670,000
53140		Collection System Vitrified Clay Pipe Lining		73,179	6,501	(16,678)	50,000		50,000
53060		Solar Evaluation		24,573	26,206	16,633	15,000		15,000
53360	11-12	RAS/WAS Unit Upgrade						85,000	85,000
53460	11-13	Low Pressure Sewer Alarm System						100,000	100,000
53430	11-14	Islands Lift Station Generator						55,000	55,000
Total Capital Projects			190,000	1,108,150	803,150	0	305,000	890,000	1,195,000



Valley Center Municipal

Capital Outlay Budget Summary

Moosa

Estimated Expenditures by Year

Fund	Department	Division
13	06	78

Acct. No.	Capital Project Request See Page	Description	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021	Estimated Actual Expenditures 2020-2021	Estimated Actual Expenditures 2021-2022	Estimated Project Balance after 2 years
53290		Meadows Lift Station Motor Control Center Repl.	50,000		50,000	50,000		
53540		Master Plan	(90)		(90)	(90)		
53541		Title XVI Feasibility Study	-		-	-		
53730		HMI/SCADA Migration & Control Upgrade System	170,000		170,000	150,000	20,000	
53770		Rimrock LPS System Improvements	-		-	-		
53780		Screening Unit	-		-	-		
53030		Wastewater O&M Manual Development	-		-	-		
53040	11-11	Moosa Main MCC Replacement	20,000	650,000	670,000	600,000	70,000	
53140		Collection System Vitrified Clay Pipe Lining	83,356		83,356	83,356		
53060		Solar Evaluation	(18,266)		(18,266)	(18,266)		
53650	11-12	RAS/WAS Unit Upgrade		85,000	85,000	85,000		
53460	11-13	Low Pressure Sewer Alarm System		100,000	100,000	100,000		
53430	11-14	Islands Lift Station Generator		55,000	55,000	55,000		
Total Capital Projects			305,000	890,000	1,195,000	1,105,000	90,000	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2021-22.



Capital Outlay Implementation Strategy Moosa

FUNDING PRIORITY

Capital projects have been historically funded with revenues collected from general property tax, water availability charges, and capacity charges. Other sources include the use of Capital Improvement Reserve funds, debt financing, grants, and joint agency endeavors.

In light of the fiscal uncertainties brought about by the response to the COVID-19 Pandemic, District staff has closely evaluated each capital project and its funding source to identify the funding priority for each project.

All projects are rated according to the following Priority Levels:

- **Priority Level 1:** The project is of high importance and/or mandated and needs to be completed in Fiscal Year 2020-2021. The project, or portion thereof, must be initiated to maintain the overall operational effectiveness of the District. For some Priority 2, or Priority 3 Projects, planning and design efforts are required to prepare the overall project to move forward when local funds are confirmed or to secure outside financing. For this reason some projects have been assigned multiple ratings, such as Priority 1 for Planning and Design and a lower priority, 2 or 3 for Construction.
- **Priority Level 2:** The project is important and addressing it is necessary. However, all or a portion of the project, can be deferred until there is a clearer understanding of the COVID-19 Pandemic fiscal impact.
- **Priority Level 3:** The project is important and addressing it is necessary. However, the entire project will be deferred pending approval of outside funding opportunities (State Revolving Fund Loan, Grant, etc.)

Each Capital Project Request beginning on page 11-11 of this budget document displays a table at the top of the page that looks similar to the one below.

New Item	Type Replacement	Master Plan Priority A	Project ID CV010	Funding Priority Design 1	Funding Priority Construction 2	Strategic Plan Standard 8, 9	Strategic Plan Goal II
Indicates whether the project request is for a new item, a replacement, or a continuing project.	Correlates to the District's Master Plan document, not included in this budget. A copy can be provided upon request.			Correlates to the Priority Level described above.		Correlates to the Strategic Plan Goals and Performance Standards described in the Budget Message beginning on page 1-22 of this budget document.	

The table on the following page includes all capital projects re-categorized and rated by Priority Level 1, 2, or 3.



Valley Center Municipal Water District

Capital Outlay Implementation Strategy Moosa

Fund	Department	Division
13	06	78

Acct. No.	Capital Project Request See Page	Description	Funding Priority			Total Approved Budget 2020-2021
			Priority Level 1 High	Priority Level 2 Deferred Due to Pandemic	Priority Level 3 Deferred Pending Outside Funding	
53290		Meadows Lift Station Motor Control Center Repl.		50,000		50,000
53540		Master Plan				-
53541		Title XVI Feasibility Study				-
53730		HMI/SCADA Migration & Control Upgrade System	20,000	150,000		170,000
53770		Rimrock LPS System Improvements				-
53780		Screening Unit				-
53030		Wastewater O&M Manual Development				-
53040	11-11	Moosa Main MCC Replacement	70,000	600,000		670,000
53140		Collection System Vitrified Clay Pipe Lining	50,000			50,000
53060		Solar Evaluation	15,000			15,000
53650	11-12	RAS/WAS Unit Upgrade		85,000		85,000
53460	11-13	Low Pressure Sewer Alarm System	15,000	85,000		100,000
53430	11-14	Islands Lift Station Generator	55,000			55,000
Total Capital Projects			225,000	970,000	0	1,195,000



Valley Center Municipal Water District

ACCOUNT NO.:

13-06-78-53040

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Lower Moosa Canyon WRF MCC Replacement

Continuing Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Replacement	Priority A	Project ID N/A	Design 1	Construction 2	Standard 8, 9	Goal II

PROJECT DESCRIPTION:

The main Motor Control Center (MCC) at the Lower Moosa Canyon Water Reclamation Facility (Moosa) was installed with the original construction of the facility in the mid-1970's. The MCC is nearing the end of its service life and risk of equipment failure is increasing. Replacement parts for the dated equipment are becoming scarce. The MCC is a critical component of the treatment process; without it, all treatment comes to a halt. Staff established the MCC replacement project in FY 2017-18 to plan for the replacement of the MCC in near future. Extensive planning was necessary for the replacement of the MCC to ensure that critical processes are maintained during the upgrade process and that future expansion requirements are incorporated into the design. Equipment control strategies were also to be evaluated as part of this planning effort. Control system upgrade recommendations that would improve plant operation, energy efficiency, redundancy and reliability were to be included as part of the proposed MCC Replacement and SCADA/HMI Migration projects.

Staff entered into a professional services agreement with Rockwell Construction Services in July 2019 to evaluate and document the existing electrical facilities, prepare phasing plan for the MCC replacement, and develop control schematics to be incorporated in the migration from Wonderware to Inductive Automation SCADA/HMI and prepare a bid package for replacement of the MCC. Equipment control upgrades and SCADA/HMI Migration implementation recommendations from the planning effort would be incorporated in the HMI/SCADA Migration project and bid separately under that project authorization.

The following table summarizes the estimated cost for the construction phase of MCC Replacement Project. Funding for the project would come from the Moosa Facility capital replacement reserves.

Project Budget	Prior			Proposed Budget Allocation 2020-2021	Total Budget 2020-2021	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Staff	70,000	60,000	10,000	42,000	52,000		52,000	112,000
Engineering (PDR)	35,000	35,000	-					35,000
Engineering (Design)	85,000	85,000	-	35,000	35,000		35,000	120,000
Construction			-	500,000	500,000		500,000	500,000
Miscellaneous			-	7,500	7,500		7,500	7,500
Contingency (15%)	10,000		10,000	65,500	75,500		75,500	75,500
Total Project	200,000	180,000	20,000	650,000	670,000	0	670,000	850,000



Valley Center Municipal Water District

ACCOUNT NO.:

13-06-78-53650

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Lower Moosa Canyon WRF RAS/WAS Pumps Replacement

New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority A	Project ID N/A	2	Standard 8, 9	Goal II

PROJECT DESCRIPTION:

This project is for the replacement of two of the three RAS/WAS pumps at the Lower Moosa Canyon Water Reclamation Facility. The two pumps that need to be replaced are the older Aurora Pumps that are currently experiencing seal and impellor issues. The other pump is a Fairbank Morse pump that is newer and operating satisfactorily. The Wastewater Division purchased two new Vaughn pumps to replace the Aurora pumps in 2018. This project is for the removal of the two existing Aurora pumps and installation of the new pumps. Installation of the new Vaughn pumps will require modifications to the existing suction and discharge piping.

The following table summarizes the estimated cost for the planning, design and installation of the new pumps. The installation of the new pumps could be completed by either District forces or outside contract depending on the availability of District construction crews. Funding for the project would come from the Moosa Facility capital replacement reserves.

Project Budget	Prior			Proposed			Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation	2020-2021	Total 2020-2021		
Staff				-	6,000	6,000	6,000	6,000
Engineering (Design)				-	8,000	8,000	8,000	8,000
Construction				-	60,000	60,000	60,000	60,000
Contingency (15%)				-	11,000	11,000	11,000	11,000
Total Project	0	0	0	85,000	85,000	0	85,000	85,000



Valley Center Municipal Water District

ACCOUNT NO.:

13-06-78-53460

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Lower Moosa Canyon WRF Low Pressure Sewer Alarm System

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Existing Service	Priority	Project ID	Design	Construction	Standard	Goal
		A	N/A	1	2	8, 9	II

PROJECT DESCRIPTION:

This project is to provide an independent alarm system for the Low Pressure Sewer (LPS) pump units installed in the Lower Moosa Canyon Water Reclamation Facility (Moosa) LPS service area. The District is responsible for maintaining the privately owned LPS pumps in the Moosa Service Area. Each property owner with an LPS pump unit is charged a monthly LPS service charge, in addition to their Moosa Sewer Service Charge. Currently, if a LPS pump unit fails, a visual and audible on-site alarm is activated and the property owner is responsible for calling and notifying the District. If an LPS unit were to fail, there is a high likelihood that the property owner may not notify District in time to prevent a Sanitary Sewer Overflow. If this were to occur, extensive cleanup and Regional Board notification, with possible fines, may result.

Staff is recommending an automated alarm communication system, not dependent on property owner action, similar to the system used in the Woods Valley Ranch WRF service area, be installed in the Moosa Service Area. The system would include the installation of a radio unit at the LPS pump unit site, a power connection to the radio from the alarm relay in the existing pump panel and installation of a receiver at the Meadows Reservoir.

Other types of commercially available independent alarm systems require not only the purchase and installation of an alarm control board in the LPS pump unit control panel but also an annual subscription for either a cellular or satellite based communication system. While the initial installation of the commercially available alarm communication system may be of similar cost as the proposed solution, the proposed solution does not require an annual subscription. Maintenance of the proposed system would be a fraction of the cost of other subscription services and would be supported by the current LPS monthly service charge.

There are a total of approximately 110 LPS pump units installed in Moosa Service Area. The scope of work for the project would include a planning phase to a) evaluate the radio signal strength and the installation requirements at each LPS pump unit site and b) prepare a more detailed life cycle cost estimate for the system. This life cycle cost would be compared to other options for confirmation of the system selection prior to proceeding with installation.



Valley Center Municipal Water District

ACCOUNT NO.:

13-06-78-53460

DEPARTMENT:

Engineering

CAPITAL PROJECT REQUEST

Lower Moosa Canyon WRF Low Pressure Sewer Alarm System

New Project	Type	Master Plan		Funding Priority		Strategic Plan	
	Existing Service	Priority	Project ID	Design	Construction	Standard	Goal
		A	N/A	1	2	8, 9	II

PROJECT DESCRIPTION CONTINUED:

The cost for the initial planning phase is estimated at \$15,000 with the balance reserved for equipment acquisition and installation. Implementation costs are estimated at \$500 per unit utilizing District forces with a 25% contingency that would allow for utilization of a contractor for all or a portion of the work to be completed.

Project Budget	Prior			Proposed		Total	Future	Future	Estimated	
	Prior	Estimated	Estimated	Budget	Allocation					
	Budget	Actual	Budget	Allocation			Budget	Allocation	Cost	
Staff				-	25,000	25,000			25,000	25,000
Equipment & Installation				-	55,000	55,000			55,000	55,000
Contingency (25%)				-	20,000	20,000			20,000	20,000
Total Project	0	0	0	100,000	100,000		0	100,000	100,000	



Valley Center Municipal Water District

ACCOUNT NO.:

13-06-78-53430

DEPARTMENT:

Wastewater

CAPITAL PROJECT REQUEST

Lower Moosa Canyon WRF Islands Lift Station Generator

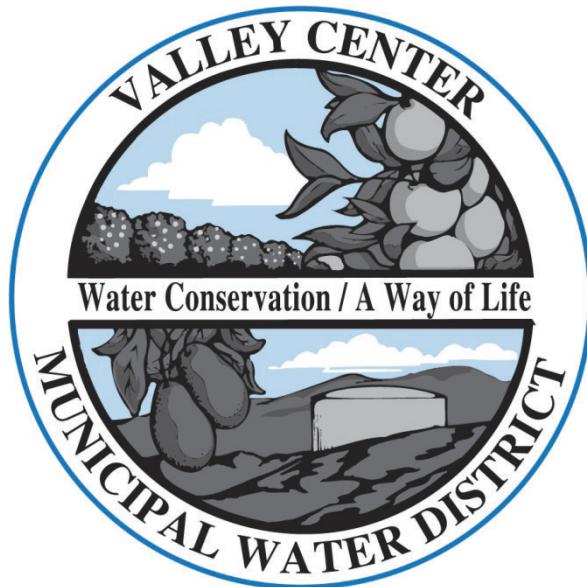
New Project	Type	Master Plan		Funding Priority	Strategic Plan	
	Replacement	Priority N/A	Project ID N/A	1	Standard 8, 9	Goal II

PROJECT DESCRIPTION:

Replacement of the existing 30kW emergency generator and automatic transfer switch at Islands Lift Station, with a new 30kW generator and ATS. The existing generator is used to supply electricity to the facility in the event of a SDG&E power outage. The generator was manufactured in 2004 by Generic Industrial Power and is powered by a Kia Motor Corporation 3.0 Liter diesel engine. Repair parts for the engine are no longer available from the manufacturer or from an aftermarket supplier.

The following table summarizes the project's current and future funding requirements and expense allocations:

Project Budget	Prior			Proposed		Future	Estimated	
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining	Budget Allocation 2020-2021	Total Budget 2020-2021	Budget Allocation	Total Project Budget	Total Project Cost
Staff				-	8,000	8,000	8,000	8,000
Generator				-	34,000	34,000	34,000	34,000
Automatic Transfer Switch				-	6,500	6,500		
Miscellaneous				-	4,000	4,000	4,000	4,000
Contingency				-	2,500	2,500	2,500	2,500
Total Project	0	0	0	55,000	55,000	0	48,500	48,500



Woods Valley Ranch Wastewater Expansion



Valley Center Municipal Water District

Woods Valley Ranch Wastewater 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 525,000 gallons per day for a project ultimate demand of 3,000 Equivalent Dwelling Units (EDUs). 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, 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, and 3) Charlan Road Seasonal Storage Facility. The North Village Collection System was completed with funding from the sale of a limited obligation improvement bond. 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.

ACCOMPLISHMENTS FOR 2019-2020

- Staff assisted property owner participants with planning and installation of their grinder pump units for connection to the Low Pressure Sewer System.
- Completed construction of the North Village Collection System, including the forcemain in Old Road for the Park Circle and Orchard Run projects.
- Completed the planning studies for the Phase 3 Expansion Project and formation of the Community Facilities District.
- Several capacity transfers were completed, reallocating of capacity and assessments from property owners requesting capacity reductions to property owners requesting additional capacity.
- Completed the design of the Orchard Run Lift Station for construction by the developer of the Orchard Run and Park Circle Developments.
- The WVRWRF Master Plan was completed reducing the design requirements for an EDU creating additional capacity in the Phase 2 Expansion project resulting in a lower assessment per EDU for all participants.



Woods Valley Ranch Wastewater Expansion

- Formation of the Communities Facilities District (CFD) was completed, including a CFD Financing agreement with the developer of the Park Circle and Orchard Run projects, to secure the financial security needed for future construction of the Orchard Run Lift Station and the Phase 3 Expansion Project needed for the developments.

CHALLENGES AND GOALS FOR 2020-2021

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

- Assist property owner participants with connection to the Low Pressure Sewer System,
- Assist property owners with the transfer of wastewater capacity from those that no longer desire the capacity to those that do.
- 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 planning efforts for increased capacity requests in the North Village area.
- Secure developer funding for, and complete, the design of the North Village Lift Station and acquisition of the lift station site.

LONG-TERM GOALS

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

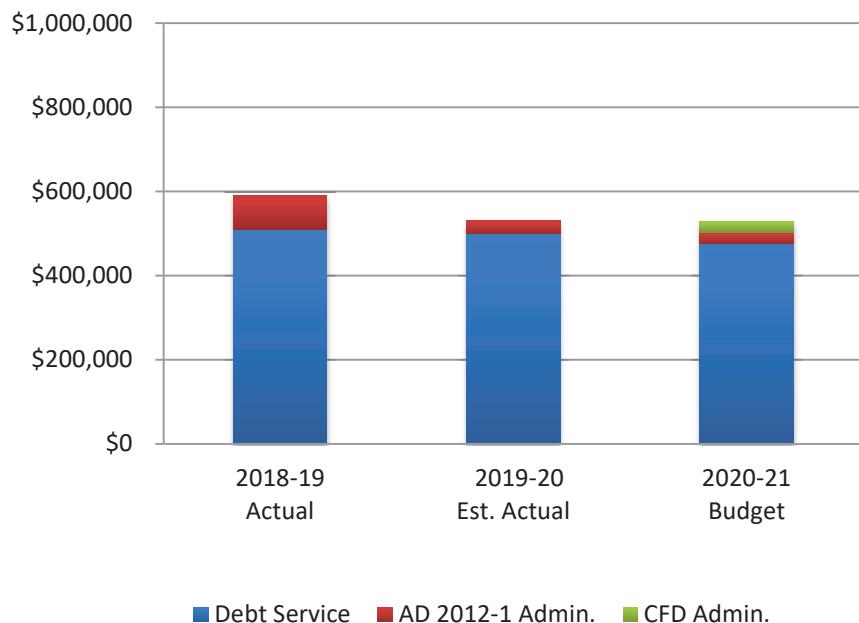
- Work with the developers and property owners in the Woods Valley Ranch WRF Service Area to prepare planning documents and agreements necessary for the implementation of a Phase 3 and future expansion projects in accordance with the approved Master Plan to meet the wastewater treatment needs of property in the South and North Village area.
- 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.
- Development of a reclamation plan that provides for the perpetual beneficial reuse of the treated effluent generated by the wastewater customers.
- 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.



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

Division Expenses





Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

Recap of Budget and Source of Financing

July 1, 2019 to June 30, 2021

Fund
16

	Debt Service Replacement Fund	Continuing Reserve Fund	Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2019	1,931,398	1,542,388	3,721,675	0	7,195,461
Add: Revenue 2019-2020					
Wastewater Stand-By Charge	602,600				602,600
AD 2012-1 Assessment	1,343,827				1,343,827
Interest	64,083				64,083
Total Revenue	2,010,510	0	0	0	2,010,510
LESS: Estimated Expenditures 2019-2020			(745,160)	(530,416)	(1,275,576)
Transfers	(530,416)			530,416	0
Net Change	1,480,094	0	(745,160)	0	734,934
ESTIMATED BALANCE JUNE 30, 2020	3,411,492	1,542,388	2,976,515	0	7,930,395
Add: Revenue 2020-2021					
Wastewater Stand-By Charge	602,600				602,600
AD 2012-1 Assessment	1,333,946				1,333,946
CFD Special Tax (Phase 3)	821,000				821,000
Interest	47,804				47,804
Total Revenue	2,805,350	0	0	0	2,805,350
LESS: Proposed Expenditures 2020-2021			0	(528,079)	(528,079)
Expenditures of Continuing Projects			0	0	0
Transfers	(528,079)		0	528,079	0
Net Change	2,277,271	0	0	0	2,277,271
ESTIMATED BALANCE JUNE 30, 2021	5,688,763	1,542,388	2,976,515	0	10,207,666



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

Revenue Estimate

Fund	Department
16	00

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
81-41005	Wastewater Stand-By Charge (SA-2)	573,963	602,600	602,600	602,600
81-41110	Assessment District 2012-1 South Village	1,312,617	1,557,490	1,343,827	1,333,946
81-411XX	CFD Special Tax (Phase 3)	0	0	0	821,000
84-41000	Interest Allocation	136,772	103,997	64,083	47,804
89-42000	Contributions in Kind	3,158,492	0	0	0
Total		5,181,844	2,264,087	2,010,510	2,805,350



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

Department Summary by Division

Fund	Department
16	03

Division No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
19	Debt Service - Interest Expense	509,367	499,816	499,816	476,879
35	AD 2012-1 Administration	81,382	0	30,600	25,600
37	CFD 2020-1 Administration	-	0	0	25,600
78	Capital Projects	2,624,048	365,000	745,160	0
TOTAL WOODS VALLEY RANCH		3,214,798	864,816	1,275,576	528,079



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion AD 2012-1 Administration

Division Summary by Expense Category

Fund	Department	Division
16	03	35

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	48,545	0	26,000	10,600
50003	Overtime	222	0	0	0
50025	Outside Professional Services	32,615	0	4,600	15,000
	Total	81,382	0	30,600	25,600



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion AD 2012-1 Administration

Division Detail

Fund	Department	Division	Total Budget Request
16	03	35	\$25,600

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full Time Equivalents	10,600 0.04
50003	Overtime	
50025	Outside Professional Services	15,000



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion CFD 2020-1 Administration

Division Summary by Expense Category

Fund	Department	Division
16	03	37

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	0	0	0	10,600
50003	Overtime	0	0	0	0
50025	Outside Professional Services	0	0	0	15,000
	Total	0	0	0	25,600



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion CFD 2020-1 Administration

Division Detail

Fund	Department	Division	Total Budget Request
16	03	37	\$25,600

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full Time Equivalents	10,600 0.04
50003	Overtime	
50025	Outside Professional Services	15,000



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

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	



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

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	



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Expansion

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	



Valley Center Muni Water District

Capital Outlay Budget Summary Woods Valley Ranch Expansion

Fund	Department	Division
16	06	78

Acct. No.	Capital Project Request See Page	Description	Mid-Year Budget Adjustments 2019-2020	Total Approved Budget 2019-2020	Total Estimated Expenditures 2019-2020	Recaptured or Not Carried Forward to 2020-2021	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021
531XX		WVR Wastewater Reclamation Facility		4,119,500	745,160		3,374,340		3,374,340
53150		North Village Collection System							-
53160		WVR Ranch WRF Phase 2 Expansion							-
53170		WVGC Seasonal Storage							-
53180		Bond Issuance Costs AD 2012-1							-
53300		WVR WRF Phase 3 Planning							-
53310		Orchard Run Lift Station							-
53320		North Village Lift Station							-
Total Capital Projects			-	4,119,500	745,160	-	3,374,340	-	3,374,340

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2020-2021.



Capital Outlay Budget Summary

Woods Valley Ranch Expansion

Estimated Expenditures by Year

Fund	Department	Division
16	06	78

Acct. No.	Capital Project Request See Page	Description	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021	Estimated Actual Expenditures 2020-2021	Estimated Actual Expenditures 2021-2022	Estimated Project Balance after 2 years
531XX		WVR Wastewater Reclamation Facility	3,374,340		3,374,340	2,374,340	1,000,000	
53150		North Village Collection System				-		
53160		WVR Ranch WRF Phase 2 Expansion				-		
53170		WVGC Seasonal Storage				-		
53180		Bond Issuance Costs AD 2012-1				-		
53300		WVR WRF Phase 3 Planning				-		
53310		Orchard Run Lift Station				-		
53320		North Village Lift Station				-		
Total Capital Projects			3,374,340		3,374,340	2,374,340	1,000,000	-



Woods Valley Ranch Wastewater Treatment



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Treatment

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 roll, 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 20% of the gravity collection system to eliminate potential blockages and reduce outside service expenditures. No sewer overflows occurred during the 2019 – 2020 fiscal year.
- 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.
- Powder coated valve can lids and installed locking devices on the valves, throughout the South and North Node collection system, to improve visibility and protect system from tampering.
- Completed the annual fats, oils and grease inspections on commercial businesses.
- Continued assisting with the training, testing and implementation of the City Works Asset Management Software to improve efficiencies in the Wastewater Division.

CHALLENGES AND GOALS FOR 2020-2021

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 evaluation of solar power generation system development and implementation.



Woods Valley Ranch Wastewater Treatment

- Inspect and clean collection system sewer lines per District's Sanitary Sewer Management Plan (SSMP).
- Assist and prepare for the new collection system and lift station within the Bear Peak, Orchard Run and Park Circle Development, including pump and haul operations of the interim lift station, and operation and maintenance of the interim lift station until completion of the permanent Orchard Run Lift Station (currently scheduled for early in FY 2022-2023)
- Implementation of the City Works Asset Management Software for better efficiency.
- 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.
- Complete the update of 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)

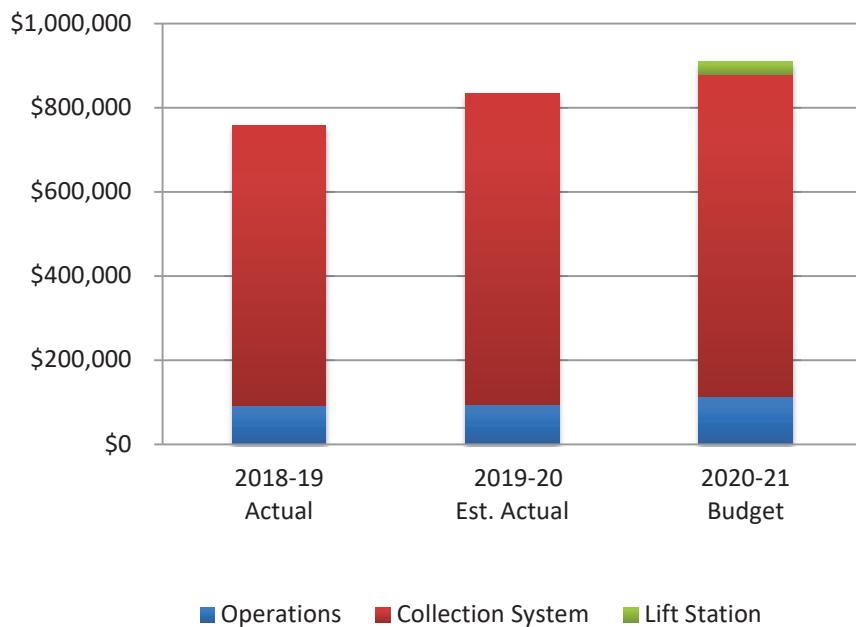
	Actual FY 2019-20	Budget FY 2019-20	Proposed FY 2020-21
Wastewater Systems Supervisor	0.3	0.3	0.3
Senior Wastewater System Technician	0.4	0.4	0.4
Wastewater Systems Technician III	0.6	0.6	0.6
Wastewater Systems Technician II	0.3	0.3	0.3
Wastewater Systems Technician I	0.3	0.3	0.3
Total	1.9	1.9	1.9



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Treatment

Division Expenses





Valley Center Municipal Water District

Woods Valley Ranch Wastewater Recap of Budget and Source of Financing July 1, 2019 to June 30, 2021

Fund
17

	Replacement Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2019	455,253	343,776	849,752	0	1,648,781
Add: Revenue 2019-2020					
Wastewater Service Charge	154,090			192,587	346,677
Wastewater Service Charge (SA-2)				0	0
Grinder Maintenance Charge (SA-2)	6,950				6,950
Reclaimed Water & Meter Charge				53,401	53,401
Interest	12,014				12,014
Total Revenue	173,054	0	0	245,988	419,042
LESS: Estimated Expenditures 2019-2020			(37,450)	(680,002)	(717,452)
Transfers	188,288		(622,302)	434,014	0
Net Change	361,342	0	(659,752)	0	(298,410)
ESTIMATED BALANCE JUNE 30, 2020	816,595	343,776	190,000	0	1,350,371
ADD: Revenue 2020-2021					
Wastewater Service Charge	154,090			200,870	354,960
Wastewater Service Charge (SA-2)				0	0
Grinder Maintenance Charge (SA-2)	8,000				8,000
Reclaimed Water & Meter Charge				55,106	55,106
Interest	9,016				9,016
Total Revenue	171,106	0	0	255,976	427,082
LESS: Proposed Expenditures 2020-2021			0	(754,678)	(754,678)
Expenditures of Continuing Projects			(190,000)		(190,000)
Transfers	(517,114)	18,412	0	498,702	0
Net Change	(346,008)	18,412	(190,000)	0	(517,596)
ESTIMATED BALANCE JUNE 30, 2021	470,587	362,188	0	0	832,775

GENERAL INFORMATION:	2018-2019		2019-2020		2020-2021
	Actual	Budget	Estimated	Actual	Budget
Average Wastewater Units Billed:	280	281	281	281	300
Monthly Rates:					
Effective July 1	98.60	98.60	98.60	98.60	98.60
Effective January 1	98.60	98.60	98.60	98.60	98.60



Valley Center Municipal Water District

Woods Valley Ranch Wastewater

Revenue Estimate

Fund	Department
17	00

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
81-41001	Wastewater Service Charge	337,185	336,029	345,494	353,777
81-41003	Wastewater Capacity Reservation Fee	550	1,183	1,183	1,183
81-41006	LPS Connection Inspection Fee	0	0	0	0
81-41013	Wastewater Service Charge (SA-2)	0	47,328	0	0
81-41014	Grinder Pump Maintenance (SA-2)	2,403	9,660	6,950	8,000
81-44100	Reclaimed Water	57,189	49,425	51,400	53,000
81-44001	Reclaimed Water Meter Charge	1,964	2,005	2,001	2,106
84-41000	Interest - Operating & Replace. Res.	14,184	10,742	12,014	9,016
89-42000	Contributions In Kind	20,711	0	0	0
Total		434,186	456,372	419,042	427,082



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Treatment

Department Summary by Division

Fund	Department
17	03

Division No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
30	Collection System	92,125	89,400	95,025	112,950
31	Treatment	664,322	752,242	739,067	765,618
36	Lift Station	0	0	0	30,200
78	Capital Projects	34,251	100,000	37,450	0
TOTAL WOODS VALLEY RANCH		790,698	941,642	871,542	908,768



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Collection System

Division Summary by Expense Category

Fund	Department	Division
17	03	30

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	84,958	78,200	85,000	98,300
50003	Overtime	698	1,500	1,000	1,500
50025	Outside Professional Services	1,850	4,200	3,900	4,200
50030	Special Department Expenses	365	1,000	500	600
50038	Regulatory Permits & Fees	2,286	2,500	2,625	2,850
50452	Maintenance of Facilities	1,968	2,000	2,000	5,500
Total		92,125	89,400	95,025	112,950



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Collection System

Division Detail

Fund	Department	Division	Total Budget Request
17	03	30	\$112,950

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	98,300
	Full Time Equivalents	0.60
50003	Overtime	1,500
50025	Outside Professional Services	4,200
50030	Special Department Expenses	600
50038	Regulatory Permit & Fees	2,850
50452	Maintenance of Facilities including collection system	5,500
	Pump Rebuilds	3,500
	Replacement Pump(s)	2,000



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Treatment

Division Summary by Expense Category

Fund	Department	Division
17	03	31

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	237,106	306,500	300,000	290,800
50003	Overtime	7,240	8,000	10,000	9,500
50025	Outside Professional Services	34,958	32,000	28,000	32,000
50030	Special Department Expenses	2,628	1,600	1,600	1,600
50032	Telephone	276	400	300	300
50038	Regulatory Permits & Fees	18,979	21,000	19,875	21,000
50040	Rents & Leases	0	250	250	250
50042	Insurance	15,918	17,283	17,283	17,283
50045	Electricity	49,247	70,000	69,000	75,000
50048	Diesel	0	300	300	300
50049	Water	968	1,500	1,500	1,500
50324	Chemicals	14,611	16,000	14,800	16,000
50451	Maintenance of Vehicles	1,611	900	1,150	900
50452	Maintenance of Facilities	10,924	13,000	11,500	14,500
50082	Administrative Overhead	105,932	109,419	109,419	130,595
50085	Capital Planning	9,834	0	0	0
Total Treatment Operations		510,232	598,152	584,977	611,528
50078	Contribution to Replacement Reserve	154,090	154,090	154,090	154,090
Total		664,322	752,242	739,067	765,618



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Treatment

Division Detail

Fund	Department	Division	Total Budget Request
17	03	31	\$765,618

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular	290,800
	Full Time Equivalents	1.65
50003	Overtime	9,500
50025	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
50030	Special Department Expenses	1,600
	Tools	800
	Equipment	800
50032	Telephone	300
50038	Regulatory Permits & Fees	21,000
50040	Rents & Leases	250
50042	Insurance	17,283
50045	Electricity	75,000
50048	Diesel	300
50049	Water	1,500
50324	Chemicals	16,000
50451	Maintenance of Vehicles	900
50452	Maintenance of Facilities	14,500
	Motor & Pump Repairs	5,000
	Safety Material	2,000
	Misc Material/Equipment	4,000
	Gate Upgrades	3,500
50078	Contribution to Capital Replacement Reserve	154,090
50082	Administrative Overhead	130,595



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Lift Station

Division Summary by Expense Category

Fund	Department	Division
17	03	36

Account No.	Description	2018-2019	2019-2020		2020-2021
		Actual	Budget	Estimated Actual	Budget
50001	Labor & Benefits - Regular	0	0	0	16,100
50003	Overtime	0	0	0	4,100
50025	Outside Professional Services	0	0	0	0
50030	Special Department Expenses	0	0	0	2,000
50045	Electricity	0	0	0	2,500
50324	Chemicals	0	0	0	2,500
50452	Maintenance of Facilities	0	0	0	3,000
Total		0	0	0	30,200



Valley Center Municipal Water District

Woods Valley Ranch Wastewater Lift Station

Division Detail

Fund	Department	Division	Total Budget Request
17	03	36	\$30,200

Account No.	Detail and Justification	Budget Request
50001	Labor & Benefits - Regular Full Time Equivalents	16,100
50003	Overtime	4,100
50025	Outside Professional Services	0
50030	Special Department Expenses	2,000
50045	Electricity	2,500
50324	Chemicals	2,500
50452	Maintenance of Facilities including collection system	3,000



Valley Center Municipal Water District

Capital Outlay Budget Summary Woods Valley Ranch Wastewater Treatment

Fund	Department	Division
17	06	78

Acct. No.	Capital Project Request See Page	Description	Mid-Year	Total	Total	Recaptured or	Estimated	New	Total
			Budget Adjustments 2019-2020	Approved Budget 2019-2020	Estimated Expenditures 2019-2020	Not Carried Forward to 2020-2021	Budget Carried Forward to 2020-2021		
57460	Phase 2 Expansion Project (Replacement Component)		498,645	-	(498,645)	-	-	-	-
57480	SCADA/HMI Replacement Project		9,500	9,500	-	-	-	-	-
57880	Wastewater Permit Requirements		127,950	27,950	-	100,000	-	100,000	100,000
57030	Wastewater O&M Manual Development		90,000	-	-	90,000	-	90,000	90,000
57090	Nitrogen/Ammonia Sensors		123,657	-	(123,657)	-	-	-	-
Total Capital Projects			-	849,752	37,450	(622,302)	190,000	-	190,000

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



Valley Center Municipal Water District

Capital Outlay Budget Summary Woods Valley Ranch Wastewater Treatment

Estimated Expenditures by Year

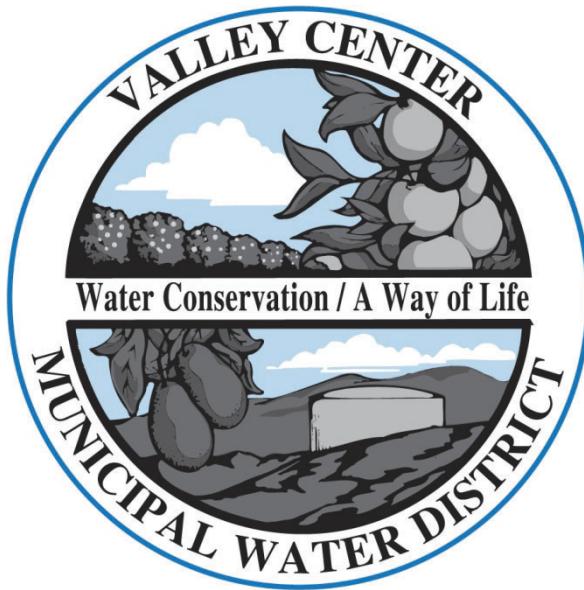
Fund	Department	Division
17	06	78

Acct. No.	Capital Project Request See Page	Description	Estimated Budget Carried Forward to 2020-2021	New Appropriation 2020-2021	Total Approved Budget 2020-2021	Estimated Actual Expenditures 2020-2021	Estimated Actual Expenditures 2021-2022	Estimated Project Balance after 2 years
57460	Phase 2 Expansion Project (Replacement Component)		-		-	-	-	-
57480	SCADA/HMI Replacement Project		-		-	-	-	-
57880	Wastewater Permit Requirements		100,000		100,000	100,000	100,000	-
57030	Wastewater O&M Manual Development		90,000		90,000	90,000	90,000	-
57090	Nitrogen/Ammonia Sensors		-		-	-	-	-
Total Capital Projects			190,000		190,000	190,000	190,000	-



Valley Center Municipal Water District

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Appendix



Appendix Glossary

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 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.



Appendix Budget Policies

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 Capital Improvement 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 for the asset categories listed below to provide funding for emergencies and natural disasters, such as fire, earthquake, flooding, etc. This reserve need not be funded in the budget.
 - (1) General Fund
 - (2) Lower Moosa Canyon Water Reclamation Facility
 - (3) Woods Valley Ranch Water Reclamation Facility

The Operating Reserves and 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 for the General Fund Operating Reserve).



Valley Center Municipal Water District

Appendix Budget Policies

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. This reserve shall earn interest in accordance with state statute.
- B. Replacement Reserves: Reserves for the following asset categories shall be established.
 - (1) Lower Moosa Canyon Water Reclamation Facility
 - (2) Woods Valley Ranch Water Reclamation Facility (Funded in accordance with agreement with customer)
 - (1) Woods Valley Ranch Grinder Pumps

Each reserve shall receive an annual budget appropriation based on a percentage of the current annual depreciation of the asset category as determined from the estimated current replacement cost, service life and age of facility. Proceeds from the sale of these assets shall be credited to these reserves. The "Buy-In" component of the capacity charges for the asset category shall be credited to these reserves. This reserve shall earn interest in accordance with state statute.

These reserves may be used for the replacement of assets or facilities or installation of system upgrades, but not for installation of additional assets or facilities needed for increasing capacity. The reserve shall not exceed the replacement value of the assets covered. With Board approval, funds may be loaned from this reserve for other purposes subject to full repayment of the principle amount plus interest.

4. Capital Reserves:

- A. Continuing Projects Reserves: Unexpended appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: The "Incremental" component of capacity charges shall be credited to the capacity charges reserve in accordance with state statute to provide funding for capacity expansion projects identified in the facility master plan allocable to future demand. This reserve shall earn interest in accordance with state statute.
- C. Capital Improvements Reserve: Water 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 "Buy-In" component of the water capacity charge shall be credited 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, and (3) not contingent on outside factors.



Valley Center Municipal Water District

Appendix Budget Policies

The following table provides reference to reserves. For complete details refer to Section 50.2:

Reserve	Source	Use	Minimum	Maximum	Index
Rate Stabilization Reserves:					
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
Operating Reserve:					
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
Restricted Reserves:					
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 ◦ Grinder Pumps	Budget appropriation equal to a percentage of annual depreciation on related assets, plus proceeds from sales of those assets	Replacement of assets, System Upgrades	None	Replacement cost of assets	Interest

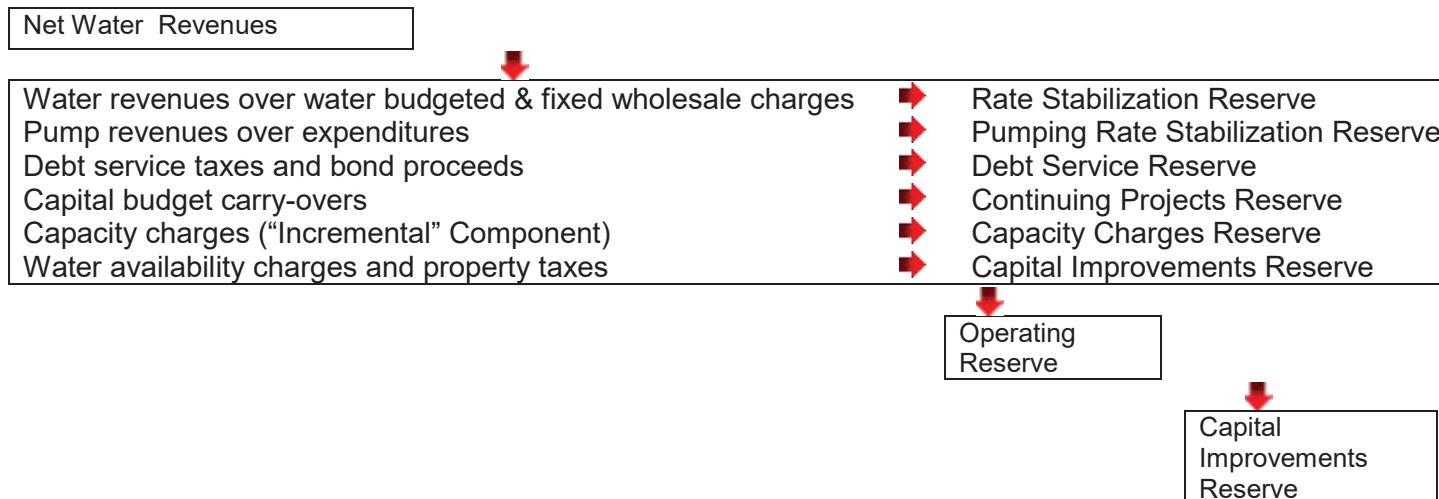


Appendix Budget Policies

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 ("Incremental" component)	Capacity Expansion projects for future demand	Unexpended capacity charges	Unexpended capacity charges	Interest
Capital Improvements	Availability charges not allocated to RTS and debt service, property taxes, and "Buy-In" component of Water Capacity Charge plus earnings not reserved for other purposes	Future capital projects	None	Projects outlined in Master Plan	No

The following charts provide reference to the flow of funds into the reserves. For complete details refer to Section 50.2:

Water System Reserves:





Appendix Budget Policies

Wastewater System Reserves

Debt Service Funds:

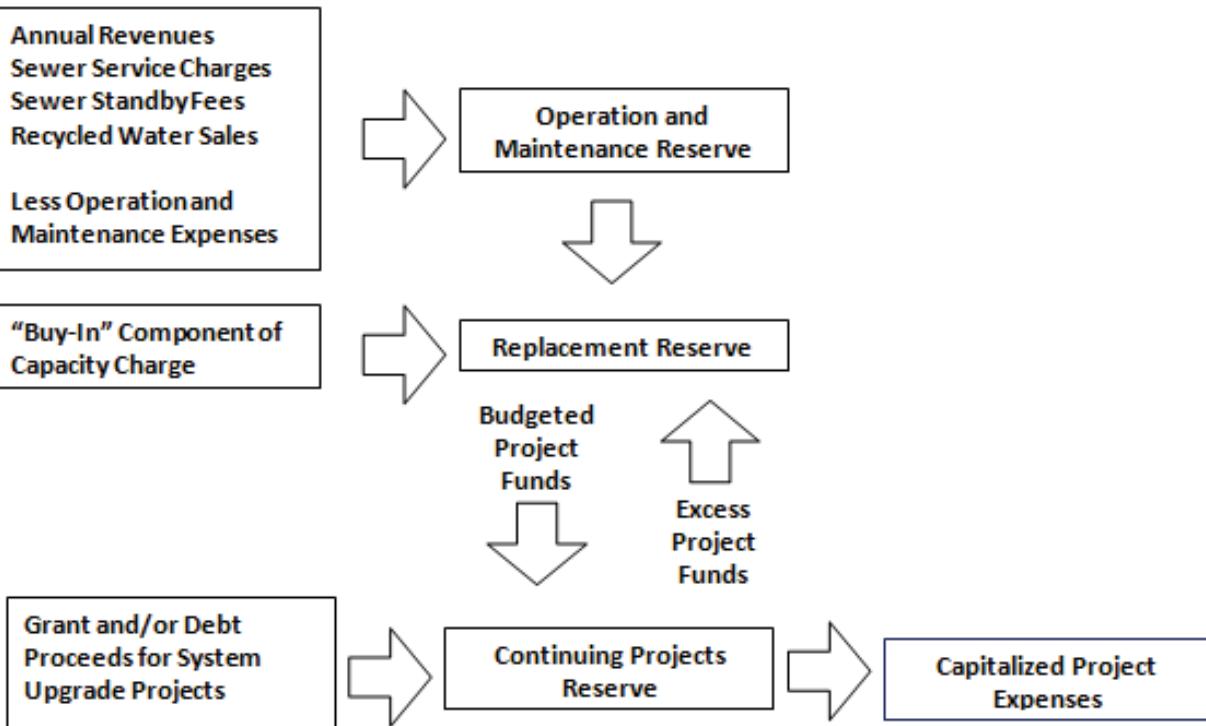


SOURCE OF FUNDS

RESERVES

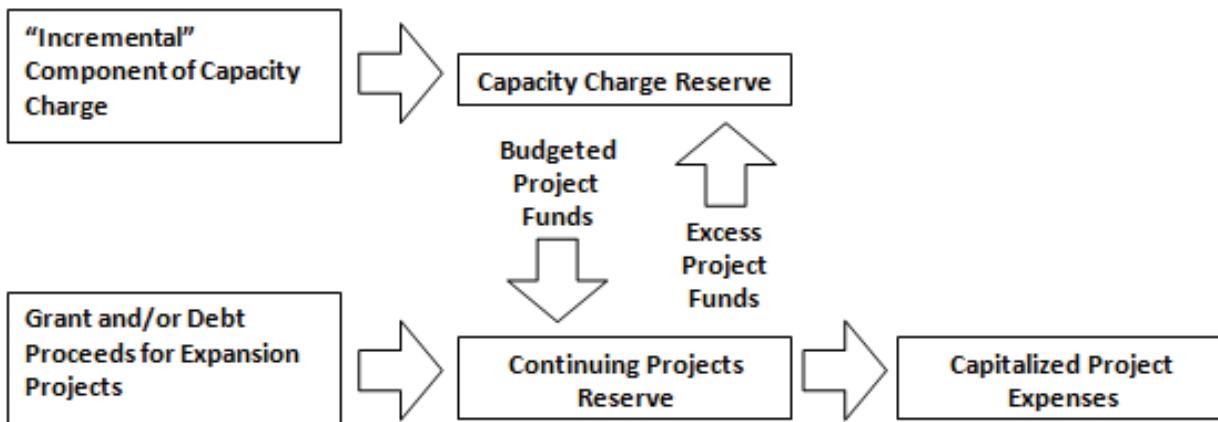
FACILITIES

O&M, Replacement and System Upgrade Funds:





Capacity Expansion Funds:



(b) Fees and Charges. Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District shall be allocated to the 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. It is the policy and goal of the District that the current annual operating expenditures shall be funded with current revenues, including but not limited to those provided by the Monthly Meter Service Charge and the Valley Center MWD Commodity Rate. 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 60% of the District's fixed operating expenditures with the Monthly Meter Service Charge revenue.

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



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