



ANNUAL BUDGET
FISCAL YEAR 2008-09

VALLEY CENTER MUNICIPAL
WATER DISTRICT
VALLEY CENTER, CALIFORNIA

**VALLEY CENTER MUNICIPAL WATER DISTRICT
ANNUAL BUDGET
2008-09**

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**VALLEY CENTER MUNICIPAL WATER DISTRICT
ANNUAL BUDGET 2008-09**

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*California Society of
Municipal Finance Officers*

Certificate of Award

Excellence in Operating Budgeting 2006-07

Presented to

Valley Center Municipal Water District

This certificate recognizes Excellent Achievement in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

March 6, 2007



Mark Alvarado
CSMFO President

Agnes Walker, Chair
Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2006-2007 - Our tenth year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.

May 19, 2008



TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: PROPOSED BUDGET FOR 2008-2009

**As Adopted by the Board of Directors
on May 19, 2008**

PURPOSE:

To present and seek adoption of the proposed budget for fiscal year 2008-2009.

SUMMARY:

Staff is pleased to present this report along with the proposed fiscal year 2008-09 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2008.

The proposed budget is for a single fiscal year. The previous budget covered the two fiscal years 2006-07 and 2007-08.

DISTRICT DEMOGRAPHICS

Valley Center Municipal Water District (District) was founded on July 12, 1954, pursuant to the California Municipal Water District Law of 1911. Located in northern San Diego County, the District provides water and wastewater services to its domestic, agricultural, and commercial customers. Approximately 25,665 people live within the District. The District covers 100 square miles of which approximately 59% receives water services. Historically, 79-90% of water sold has been used to irrigate avocado and citrus groves as well as for other agricultural purposes.

Fiscal Year Ended June 30, 2008, Estimates:					
Miles of Water Main					294 miles
Number of Enclosed Reservoirs					42
Maximum Capacity of Enclosed Reservoirs					421 acre feet
Capacity of Non-potable Water in Lake Turner					1,612 acre feet
Number of Pump Stations					26
Number of Pumps					99
Total Pump Capacity					19,940 horsepower
	<u>Domestic</u>	<u>Ag</u>	<u>Commercial</u>	<u>Fire</u>	<u>Total</u>
Active Accounts	6,788	1,746	299	912	9,745
Water Sales in Acre Feet	8,088	38,168	1,829	-	48,085

As a member of the San Diego County Water Authority (SDCWA) and a sub-agency of the Metropolitan Water District of Southern California (MWD), the District imports 100% of its water from the SDCWA for resale to District customers. The District has approximately 9,700 water meters and is the second largest water retailer within the San Diego County Water Authority behind only the City of San Diego. The District is also the largest purchaser of agricultural water within

the Metropolitan Water District service area.

In addition to water supply, the District provides sanitation service for 2,689 customers through two wastewater treatment facilities: the 500,000 gallon per day Lower Moosa Canyon Water Reclamation Facility at Circle R Drive near Old Highway 395 and the Woods Valley Ranch Wastewater facility which will ultimately serve 270 homes and a golf course with a capacity of 50,000 gallons per day.

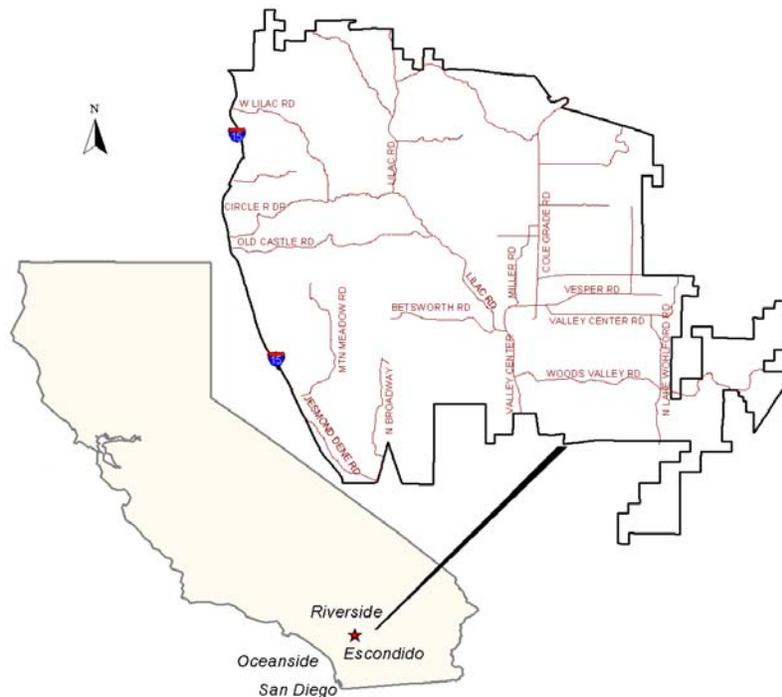
BUDGET DOCUMENTS

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.



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 2008	General Manager and Department Heads discuss Budget process.
March 2008	Departments submit Budget requests.
April 7, 2008	Budget policies reviewed by Board of Directors.
April 7, 2008	Overview of Budget reviewed by Board of Directors.
May 14, 2008	Budget submitted to Board of Directors.
May 19, 2008	Budget Review and Approval by Board of Directors

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 both revenues and expenses are recognized in the accounting period they are earned or incurred. The budget appropriates funds at the department level. Except for the minor exceptions of vehicles and the wastewater funds, 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" below.

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

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

Spending Limit

Ordinance 171, enacted in 1989 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, 2008, is \$1,983,719 per project except that for water storage projects the limitation is \$2,975,587. 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. The Valley Center Road Main project included in this budget received voter approval in 1991. All other projects proposed in this Budget are below the specified spending limitations.

Appropriation Limit

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

Budget Control and Amendment

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

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

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

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

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

BUDGET POLICIES

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

A. **Reserves** - Four categories of reserves have been established:

1. Rate Stabilization Reserves have been established to level water rates, fixed wholesale charges, and pumping rates. The projected balances of these reserves on June 30, 2009, are:

	Water Rate Stabilization	Pumping Rate Stabilization
Projected balance, June 30, 2008	\$ 0	\$ 2,477,301
Used to balance 2008-09 budget	<u>0</u>	<u>(706,225)</u>
Balance	<u>0</u>	<u>1,771,076</u>
Maximum reserve allowable by District Administrative Code	<u>\$3,012,874</u>	<u>\$ 2,062,000</u>

2. An Operating Reserve of \$1,680,822 (approximately two month's operations and maintenance budget excluding wholesale water and power purchases) 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.
 3. Restricted Reserves of \$235,672 consisting of agricultural rebates received from MWD and held for rebate to customers on termination of the agricultural water rate.
 4. Capital Projects Reserves consist of funds received for or allocated to future capital improvements, including those as outlined in the Water Master Plan.
- B. **Fees and Charges** - Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District are allocated to each system in accordance with general practices and reimbursed to the general fund.
- C. **Debt** - Debt proceeds shall be used only for capital projects which cannot be funded while maintaining reserve goals. Long-term debt shall not be used to fund current operating costs. The Debt Policy can be found in Section 50.3 of the Administrative Code. No new debt issues are proposed in this budget.
- D. **One-time and Unpredictable Revenues** - One-time revenues are allocated to the source of the revenue or refunded expenditure and shall not be used to initiate new programs which result in ongoing expenditures. Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, are forecast conservatively in the budget.

- E. **Balanced Budget** - Current operating expenditures are funded with current revenues and with rate stabilization reserves as noted above.
- F. **Revenue Diversification** - At least 50% of the District's fixed operating expenditures are to be met with the monthly meter service charge and property taxes. For the 2008-09 budget, 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.



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OVERVIEW

Wholesale costs for 2009 will increase 9.2% to \$879.65 per acre foot for domestic and 11.3% to \$625.00 for certified agricultural. In accordance with Administrative Code Section 160.3(g), all rate changes are passed through to our customers.

The budget proposes no increase in the District's share of the water rate on January 1, 2009, made possible by reductions in expenses, primarily labor. The local rate is currently \$102.41. While the rate is to be held as low as possible, the strategic plan has set a goal to keep it less than 13% of the total water commodity cost for Municipal and Industrial (M&I) and 16% for Certified Agriculture (Ag). Based on the proposed rates above, our share of the water rate will be 10.4% for M&I and 14.1% for Ag., respectively.

We are seeing indications that electric rates will increase next year, particularly for large commercial users. Natural gas prices are showing upward pressure because of continuing low levels of storage and supply problems. Based on our best estimate at this time, electricity will average 13.3¢ per kilowatt hour and natural gas \$1.17 per therm, for an aggregate cost of \$105 per acre foot of water purchased for 2008-09. This represents a 15% increase in utility costs over the estimated costs for the current fiscal year.

The budget presented here requires the use of \$541,669 of our \$2,308,000 tax revenues and \$531,100 of pumping reserves to balance the budget. The pumping reserve is used to offset anticipated energy cost increases. Without the use of tax revenues for operations, our operating loss for 2008-09 would be \$1,072,769.



McNally Reservoir

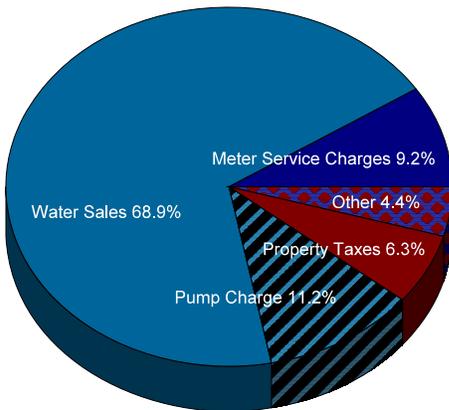
GENERAL FUND

For fiscal year 2008-09, the Water Fund operating revenue is proposed at \$36,749,334, excluding capital, which is a decrease of 18.0% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

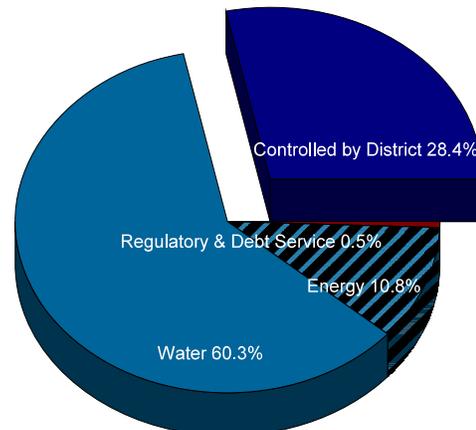
RECAP OF OPERATING FUND REVENUES

	2007-08 Adopted <u>Budget</u>	Percent of Total	2008-09 Proposed <u>Budget</u>	Percent of Total	<u>Change</u>	Percent <u>Change</u>
Water Sales	45,400 AF		34,115 AF		(11,285) AF	-24.9%
Water (includes Pumping)	\$36,674,000	81.9%	\$29,458,000	80.1%	(\$7,216,000)	-19.7%
Service Charges	3,457,800	7.7%	3,373,000	9.2%	(84,800)	-2.5%
New Connection Sales	348,000	0.8%	84,700	0.2%	(263,300)	-75.7%
Other Revenue	685,400	1.5%	791,200	2.2%	105,800	15.4%
Investment Income	840,000	1.9%	630,000	1.7%	(210,000)	-25.0%
Property Taxes	<u>1,978,000</u>	<u>4.4%</u>	<u>2,308,000</u>	<u>6.3%</u>	<u>330,000</u>	<u>16.7%</u>
Operating Revenue	<u>43,983,200</u>	<u>98.2%</u>	<u>36,644,900</u>	<u>99.7%</u>	<u>(7,338,300)</u>	<u>-16.7%</u>
Debt Service	<u>826,288</u>	<u>1.8%</u>	<u>104,434</u>	<u>0.3%</u>	<u>(721,854)</u>	<u>-87.4%</u>
TOTAL	<u>\$44,809,488</u>	<u>100.0%</u>	<u>\$36,749,334</u>	<u>100.0%</u>	<u>\$(8,060,154)</u>	<u>-18.0%</u>

General Operating Fund Revenues



General Operating Fund Expenses



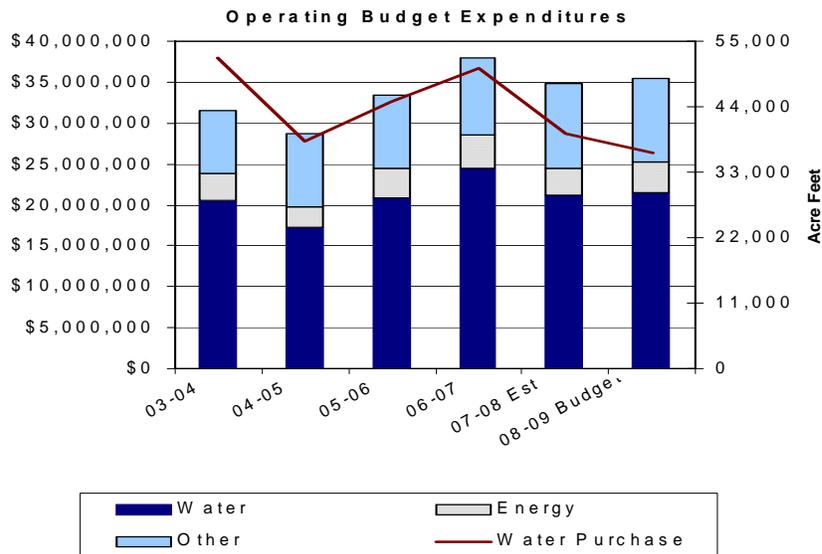
For fiscal year 2008-09, the Water Fund operating expenditures budget is proposed at \$35,514,103, excluding capital, which is a decrease of 16.5% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

RECAP OF OPERATING FUND EXPENDITURES

	2007-08 Adopted Budget	Percent of Total	2008-09 Proposed Budget	Percent of Total	Change	Percent Change
Water Purchase	48,300 AF		36,292 AF		(12,008) AF	-24.9%
Water	\$25,111,040	59.1%	\$21,417,998	60.3%	(\$3,693,042)	-14.7%
Energy	4,832,000	11.4%	3,826,000	10.8%	(1,006,000)	-20.8%
Regulatory Permit	<u>75,600</u>	<u>0.2%</u>	<u>63,950</u>	<u>0.2%</u>	<u>(11,650)</u>	<u>-15.4%</u>
Controlled by Others	<u>30,018,640</u>	<u>70.7%</u>	<u>25,307,948</u>	<u>71.3%</u>	<u>(4,710,692)</u>	<u>-15.7%</u>
Debt Service	<u>826,288</u>	<u>1.9%</u>	<u>104,434</u>	<u>0.3%</u>	<u>(721,854)</u>	<u>-87.4%</u>
Personnel	8,165,700	19.2%	7,253,500	20.4%	(912,200)	-11.2%
Other	<u>3,503,988</u>	<u>8.2%</u>	<u>2,848,221</u>	<u>8.0%</u>	<u>(655,767)</u>	<u>-18.7%</u>
Controlled by District *	<u>11,669,688</u>	<u>27.4%</u>	<u>10,101,721</u>	<u>28.4%</u>	<u>(1,567,967)</u>	<u>-13.4%</u>
TOTAL	<u>\$42,514,616</u>	<u>100.0%</u>	<u>\$35,514,103</u>	<u>100.0%</u>	<u>(\$7,000,513)</u>	<u>-16.5%</u>

*COSTS CONTROLLED BY DISTRICT

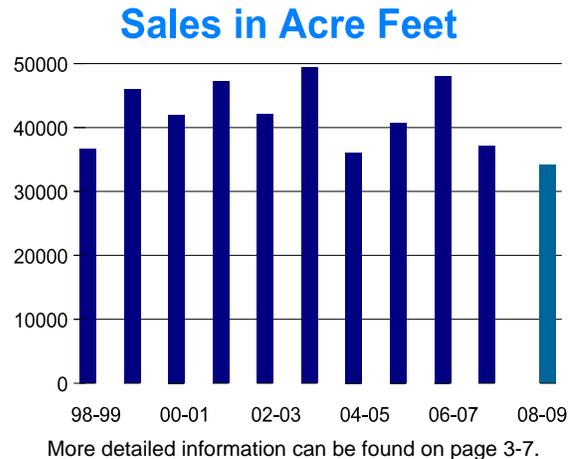
General Administration	\$1,079,386	2.5%	\$913,627	2.6%	(\$165,759)	-15.4%
Finance	2,136,199	5.0%	1,898,177	5.3%	(238,022)	-11.1%
Engineering	1,667,660	3.9%	1,406,216	3.9%	(261,444)	-15.7%
Field Operations	<u>6,786,443</u>	<u>16.0%</u>	<u>5,883,701</u>	<u>16.6%</u>	<u>(902,742)</u>	<u>-13.3%</u>
Total Controlled by District	<u>\$11,669,688</u>	<u>27.4%</u>	<u>\$10,101,721</u>	<u>28.4%</u>	<u>(\$1,567,967)</u>	<u>-13.4%</u>



REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past ten years have ranged from 36,000 to 49,336 acre feet. Because a large portion of our sales are to agriculture, sales are greatly affected by weather conditions. The 2008-09 budget year will feel the full effect of the 30% mandatory agricultural water cutback that was put into effect by the Metropolitan Water District beginning with the January 2008 billings. We expect our agricultural customers to use their entire allocation of water. We are budgeting water sales for 2008-09 at 34,115 acre feet, which is a 21% reduction over average sales for the past five years.



The MWD water delivery charge for 2009 will increase 14.6% from \$554 to \$635 per acre foot. The Capacity Reservation is estimated to increase 10% while the Readiness-to Serve Charge will increase 11.2%. The SDCWA is projecting that the Customer Service Charge will increase 6.6% and the emergency Storage Charge will increase .5% in calendar year 2009. In addition, SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The rate is projected to be \$56 in calendar 2009. All rate changes from MWD and SDCWA are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

The budget proposes no increase in the District's share of the water rate on January 1, 2009. The local rate is currently \$102.41.

Metropolitan Interim Agricultural Water Program

During 2007-08, the Interim Agricultural Water Program (IAWP) saved our customers approximately \$3,284,000 on the purchase of 30,056 acre feet of water. We are projecting 28,496 acre feet of water to be purchased in 2008-09 at the discounted agricultural rate for a savings of \$3,248,500. The projected agricultural water sales of 28,496 represents the allocation for the fiscal year to the District from MWD. In addition, the incremental melded rate cost added to the water supply charge by the SDCWA is not charged to agricultural customers, saving approximately \$1,424,000. These savings are also passed on to our participating agricultural customers.

Interest Income

For 2008-09, the District projects to earn 3.0% on invested funds for the year for a return of approximately \$630,000 in interest earnings which is the equivalent of just over \$18 per acre foot of budgeted water sales. Projected interest income is \$893,000 for 2007-08.

Property Taxes

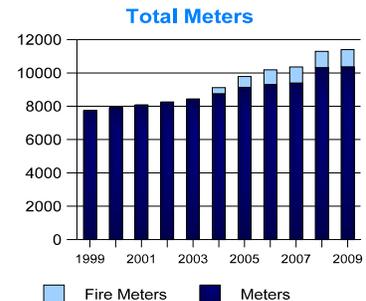
Secured property taxes are budgeted at \$2,308,000 for 2008-09. This represents a 2% increase over the current year. Property taxes are being used for capital improvements reserve funding. At this time we expect to receive our full share of property taxes. If the State of California changes our allocation, it may be necessary to revisit the budget and make adjustments as needed.

Pump Charges

While electric costs for residential users have decreased, rates for large commercial users, such as the District, have continued to increase. Because of uncertainties surrounding the energy markets, as discussed below (see energy expenditures) and funds available in our pumping rate stabilization reserve, it appears at this time that our current pump charges should remain unchanged.

Meter Sales

The 2008-09 budget anticipates the installation of 100 meters, including 50 meters for fire service. Of these new meters, 80 are anticipated to be drop-ins. Regulations by the local fire protection districts require more new homes to have residential fire sprinklers. Staff reviews meter installation charges on an annual basis. The budget assumes that meter installation revenue equals meter installation expense.



Prior years information taken from 2006-07 Comprehensive Annual Financial Report.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 36,292 acre feet of water in 2008-09 and to sell 34,115 acre feet. The implementation of the 30% agricultural water cutback leads us to presume agricultural water sales will be 70% of 2006-07 sales. Uncertainties in future home construction, our variable weather-related sales, and the ongoing impacts of energy prices, make it difficult to estimate the amount of domestic water to be purchased next year. However, we believe that our estimates for 2008-09 are reasonable and conservative.

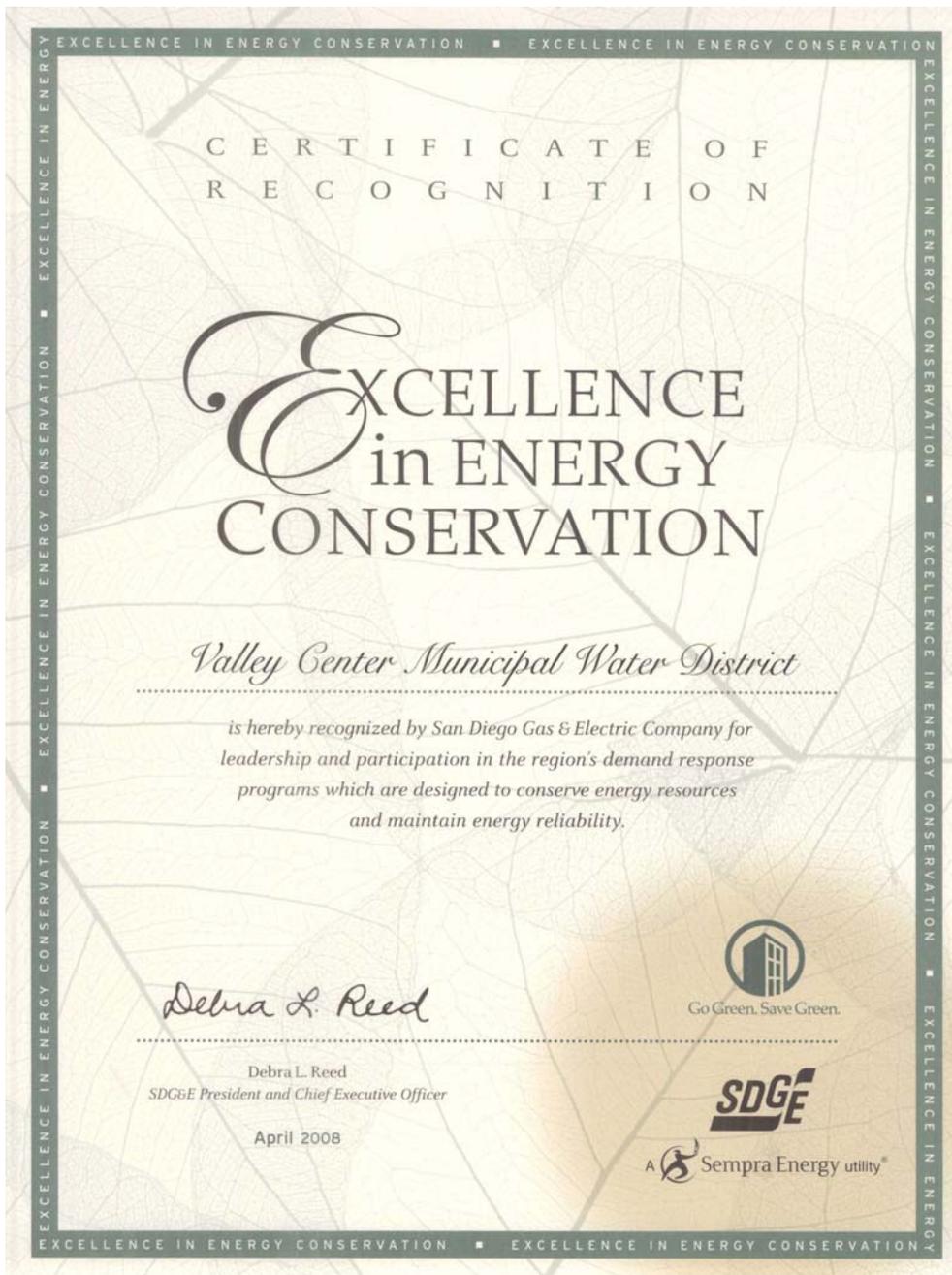
Energy

The budget expects that expenditures for energy to pump water to our customers will increase next year. The estimated rate is \$105 per acre foot of water purchased, as compared with \$100 budgeted and \$91 realized in 2007-08. Total energy costs are budgeted at \$3,826,000 versus \$4,832,000 budgeted and \$3,322,000 expended in 2007-08. Natural gas prices are showing upward pressure because of continuing low levels of storage and supply problems.

Based on our best estimate at this time, electricity will average 13.3¢ per kilowatt-hour and natural gas \$1.17 per therm, for an aggregate of \$105 per acre foot of water purchased.

The District has a signed Power Purchase Agreement to design, construct, and operate a photovoltaic solar project at Lake Turner. The project will generate up to 1.0 net mega watts of electricity that the District will purchase at a reduced rate compared to the utility rates, slightly tempering rate increases from our energy provider.

The District was recently recognized as a participant in San Diego Gas and Electric's 2007 demand-response program. The program plays an important role in helping to maintain energy reliability within our region through conservation efforts at critical times during the year.



Debt Service

The General Fund has one bank obligation which is being met by water availability charges. In 2008-09, \$104,434 will be needed to service this long term revenue debt obligation.

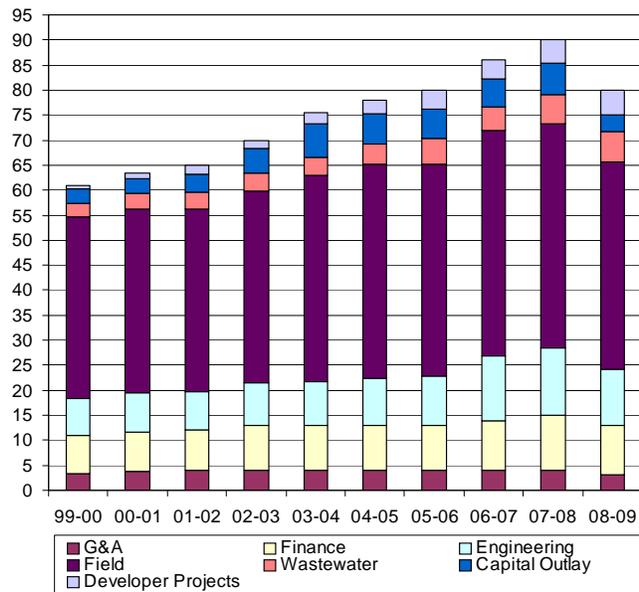
Based on the District's financial projections and future capital improvement requirements, which includes the District's aqueduct relocation and pipeline upsizing on the pending Lilac Ranch development and the District's commitment for wastewater connections from the South Node wastewater expansion project for our Lilac Road property, debt issuance is a possibility during the 2008-09 fiscal year. However, no new debt issuance or debt service has been included in the budget.

Personnel

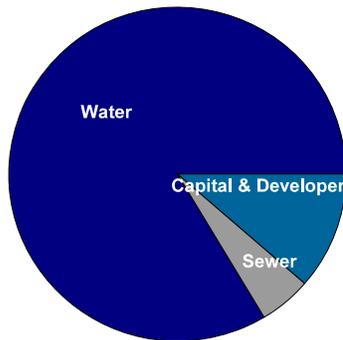
Staffing Levels

For 2008-09, the budget proposes to fund 80 positions, the same as the current staffing level. This is down ten positions from the 2007-08 budgeted staffing level of 90 positions as the District started leaving positions unfilled over a year ago. The filling of any vacancies during the year will be evaluated on a case by case basis.

Budgeted Employees



Allocation of Labor



Budgeted Full-Time Equivalent Positions by Department

	<u>2007-08</u>	<u>2008-09</u>
General Administration	4.00	3.20
Finance	11.00	9.80
Engineering	13.52	11.27
Field Operations	<u>44.68</u>	<u>41.38</u>
Total General Fund	73.20	65.65
Lower Moosa Sewer Treatment	4.86	5.07
Woods Valley Ranch Sewer	1.05	1.04
Capital Outlay	6.21	3.31
Developer Projects	<u>4.68</u>	<u>4.93</u>
TOTAL	<u>90.00</u>	<u>80.00</u>

With the onset of the mandatory 30% agricultural water cutbacks and the slowing of housing starts within the local community, the District has taken a hard look at reducing costs throughout the District. In addition, many capital improvement projects have been deferred. No new positions are proposed or requested in this budget.

Personnel Costs

The current budget includes a cost of living adjustment of 3.25% per the Memorandum of Understanding (MOU) which was ratified by the Board and is to be adopted in June.

Total personnel costs for 2008-09 are estimated at \$10,153,685. This represents a decrease of \$1,124,365 or 10.0% from our 2007-08 budget base of \$11,278,050. This decrease is broken down as follows:

Reduced Positions	\$	(478,265)
Base Salary increases (COLA, merit, promotions)		212,700
Medical Insurance		(191,850)
Retirement		(42,000)
Vac/Holiday/Sick Leave		(19,500)
Other Post Employment Benefits (OPEB)		(536,700)
Other		(68,750)
TOTAL	\$	<u>(1,124,365)</u>

The District will be required to implement Government Accounting Standards Board (GASB) Statement Number 45 on June 30, 2009. That Statement requires recognition of OPEB costs on an actuarial basis annually. Because the District has accrued over \$2 million for the OPEB, transition rules will result in no expense recognition for 2008-09.

Other Expenditures

Controlling the cost of operating the District has been an ongoing focus. Costs controlled by the District for 2008-09 are 13.4% lower than 2007-08, including personnel costs 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. Other operating item cost increases/(decreases) include:

Training costs	\$	(42,300)
Facilities insurance		(102,000)
Legislative Representation and Advocacy		(20,000)
Electric motor maintenance		(30,000)
Vehicle maintenance, including gasoline		20,900
Special department expenses		(92,500)
Outside professional services		(32,400)
Advertising		(10,000)
Transportation, meals & travel		(9,500)
Other cost decreases		(125,802)
TOTAL DECREASES	\$	<u>(443,602)</u>

CAPITAL BUDGET

Capital projects included in this budget consist of the following:

Pipelines and PRV's	\$ 1,195,000
Pump Stations	171,000
Reservoirs	1,510,000
Data Management Systems	1,011,000
Facilities	170,500
Equipment - Field	<u>49,000</u>
TOTAL New appropriations	\$ 4,106,500
Project appropriations carried forward from prior budget	<u>5,826,694</u>
TOTAL Capital Budget	<u><u>\$ 9,933,194</u></u>

Capital projects are shown in greater detail beginning on page 9-1. In addition, the budget year will see the completion of several large projects approved in past years, including the replacement of the Valley Center Road pipeline and the Automated Meter Reading (AMR) program.

As in past years, the Capital Outlay Budget for fiscal year 2008-09 contains both expansion and replacement projects identified in the District's 2002 Water Master Plan. It identifies new projects which would be needed to allow the District to serve its customers and service area through to the planned build-out of the service area. It also identifies and prioritizes existing facilities which need to be replaced over the near term.

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 financed from standby fees and capital reserves on a pay as you go cash basis instead of debt financing. This reserve is funded annually by a combination of excess operating and non-operating revenues.

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

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). Also, existing facilities are replaced when County of San Diego road improvements force a 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. However, because of the District's financial projections and future capital improvement projects, a debt issuance is a possibility during the 2008-09 fiscal year.

DEBT

Long-term indebtedness included in the budget is summarized as follows:

	<u>Actual Balance</u> <u>June 30, 2007</u>	<u>Projected</u> <u>June 30, 2008</u>	<u>Projected</u> <u>June 30, 2009</u>
District-wide revenue bonds -			
Principal and interest at 62% of prime rate payable semiannually. Final maturity July 1, 2013. (Page 5-8)	\$ 535,000	\$ 450,000	\$ 360,000
Total long-term debt	<u>\$ 535,000</u>	<u>\$ 450,000</u>	<u>\$ 360,000</u>

Long-term debt schedule:

	<u>Final</u> <u>Maturities</u>	<u>Outstanding</u> <u>June 30, 2007</u>	<u>Retired</u> <u>2007-05</u>	<u>Outstanding</u> <u>June 30, 2008</u>	<u>Maturing</u> <u>2008-09</u>	<u>Outstanding</u> <u>June 30, 2009</u>
Revenue Bonds	July 1, 2013	\$ 535,000	\$ 85,000	\$ 450,000	\$ 90,000	\$ 360,000
Total		<u>\$ 535,000</u>	<u>\$ 85,000</u>	<u>\$ 450,000</u>	<u>\$ 90,000</u>	<u>\$ 360,000</u>

The District has no general obligation bonded debt. As the District has issued no bonded debt for public placement since 1968, it is not rated by any investment rating service.

Other long-term liabilities of the District are:

- A liability for retirees' health benefits of \$2,083,317 as of June 30, 2007, payable from assets restricted for that purpose. The Salary Clearing Division includes funding for additions to these restricted assets (page 5-7).

Not included in the budget are limited obligation improvement bonds issued by Assessment District No. 96-1 (AD 96-1) pursuant to the provision of the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915. Under the Acts, the District is not obligated to repay the bonds. The bond proceeds were used to expand the Lower Moosa Canyon Water Reclamation Facility. Bonds payable at June 30, 2007, were \$1,155,000. The bonds and interest are paid from annual special assessments on property within AD 96-1. The annual assessments are billed to and collected from the AD 96-1 property owners and remitted to the District. The District remits the assessments to the AD 96-1 trustee (a commercial trust company) for eventual payment to the bondholders.

MOOSA WASTEWATER TREATMENT FUND

The Moosa Wastewater Treatment operating budget, which serves approximately 2,400 customers in a limited geographic area on the west side of the District. The major components of the budget are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET EXPENDITURES

	2007-08 Adopted Budget	Percent to Subtotal	2008-09 Proposed Budget	Percent to Subtotal	Change	Percent Change
Labor	\$481,355	47.8%	\$494,800	49.8%	\$13,445	2.8%
Electricity	113,000	11.2%	100,000	10.1%	(13,000)	(11.5)%
Chemicals	21,300	2.1%	15,500	1.6%	(5,800)	(27.2)%
Administrative allocation	116,698	11.6%	135,163	13.6%	18,465	15.8%
Maintenance	38,300	3.8%	38,950	3.9%	650	1.7%
Vehicle maintenance	37,155	3.7%	22,150	2.2%	(15,005)	(40.4)%
Regulatory	13,600	1.4%	14,950	1.5%	1,350	9.9%
Outside services	126,625	12.6%	116,700	11.7%	(9,925)	(7.8)%
Other	57,908	5.8%	55,632	5.6%	(2,276)	(3.9)%
Subtotal Moosa Treatment	1,005,941	100.0%	993,845	100.0%	(12,096)	(1.2)%
Capital Projects	1,240,300		75,500		(1,164,800)	(93.9)%
Replacement Fund contribution	287,748		292,802		5,054	1.8%
TOTAL	<u>\$2,533,989</u>		<u>\$1,362,147</u>		<u>(\$1,171,842)</u>	<u>(46.2)%</u>

The current wastewater service charge is \$40.50. No increase in the service charge has been included in this budget.

Beginning in 1995, the District has collected a low pressure wastewater collection system maintenance fee. The fee is currently \$33.50. No increase has been included in this budget. This rate is based on the following monthly costs per unit:

Minor operating and maintenance costs	\$ 9.96
Major life cycle costs (Pump rebuild and replacement, sludge removal)	27.31
Less sludge processing credit	<u>(3.73)</u>
	<u><u>\$ 33.54</u></u>

We are budgeted to recover 100% of the budgeted low pressure wastewater collection system maintenance. This marks the first year in which actual expenses have matched actual revenues collected.

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 large property owners in the plant's service area and matched by the District for the numerous small property owners that have expressed an interest in obtaining capacity. Costs incurred by the District by participation in this project are expected to be recovered by future capacity charges collected from property owners.

WOODS VALLEY RANCH WASTEWATER TREATMENT FUND

This Budget includes a budget for the operation of the Woods Valley Ranch Wastewater system. The 50,000 gallon per day treatment facility will ultimately serve 270 homes and a golf course. 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 EXPENDITURES

	2007-08 Adopted Budget	Percent to Total	2008-09 Proposed Budget	Percent to Total	Change	Percent Change
Labor	\$111,845	32.0%	\$127,600	34.5%	\$15,755	14.1%
Electricity	24,000	6.9%	28,500	7.7%	4,500	18.8%
Administrative allocation	29,517	8.4%	36,389	9.8%	6,872	23.3%
Maintenance	3,000	.9%	5,000	1.3%	2,000	66.7%
Vehicle maintenance	6,300	1.8%	6,000	1.6%	(300)	(4.8)%
Regulatory	11,000	3.1%	10,000	2.7%	(1,000)	(9.1)%
Outside Services (Laboratory and Waste Hauling)	50,900	14.6%	38,500	10.4%	(12,400)	(24.4)%
Other	<u>10,075</u>	<u>2.9%</u>	<u>15,575</u>	<u>4.2%</u>	<u>800</u>	<u>3.8%</u>
Total Operating	246,637	70.6%	267,564	72.3%	20,927	8.5%
Replacement Reserve	<u>102,620</u>	<u>29.4%</u>	<u>102,620</u>	<u>27.7%</u>	<u>0</u>	<u>0.0%</u>
TOTAL	<u>\$349,257</u>	<u>100.0%</u>	<u>\$370,184</u>	<u>100.0%</u>	<u>\$20,927</u>	<u>6.0%</u>

The monthly sewer service charge is \$98.60 per equivalent dwelling unit (EDU) and is collected by annual assessment on the property tax roll. It remains unchanged for fiscal year 2008-09.



Woods Valley Ranch

STRATEGIC PLAN

On April 3, 2006, the Board of Directors approved the updated *Valley Center Municipal Water District Strategic Plan for Fiscal Years 2004-2005, 2005-2006, 2006-2007, and 2007-2008*. 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.

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

Our Organizational Values

- Customer Satisfaction
- Friendliness
- Quality Service
- Safe Water
- Safe Environment
- Professionalism
- Integrity
- Ethics
- Reliability
- Efficient Use of Resources
- Conservation
- Leadership
- Cost Consciousness
- Teamwork

The following two pages reflect the Performance Measurement Standards and Implementation of Specific Goals respectively, with an assessment of how each item is addressed in this Budget document.

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 Cards” responses.

Responses show we met this standard 97.8% of the time.

2. WATER LOSS - Our standard for unaccounted water loss will be less than 5% per calendar year.

Water loss for 2007 was 4.8%. This budget allows for a water loss of 6%. Increased efforts will be made to ensure meters accurately reflect water sales.

3. OPERATING RESERVES - Operating Reserves shall be equal to six months operating and maintenance expenses (excluding wholesale water and power purchases).

Our Operating Reserves at June 30, 2009 represents approximately 2 months operating and maintenance expenses.

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

The District’s component of the water rate for operating costs is currently 11.3% of Municipal & Industrial and 15.4% of Certified Agricultural.

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

Our pump efficiency was 101.3% of design criteria.

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

Nine projects were bid. Two were completed in-house by the Field Department. The remaining seven were completed by outside contractors with aggregate results 14.7% more than estimated.

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

Reliability was greater than 99%.

8. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.

100%.

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

The District had one lost time accident in 2006-07 representing 0.14% of total hours worked.

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

As of March 2008, our investment return was 3.838% as compared to the 12-month rolling average U.S. Treasury Bonds of 3.665%. We expect to be in compliance with our performance standard at June 30, 2008.

Strategic Plan 2004-05, 2005-06, 2006-07 & 2007-08

Adopted Specific Goals

1. INTEGRATED RESOURCE PLAN - DEFERRED

Complete and adopt the Integrated Resource Plan to replace the current Water Master Plan adopted in April 2002.

2. GEOGRAPHICAL INFORMATION SYSTEM - COMPLETED

Completed GIS Master Plan tasks and converted data layers to City Works compatible format.

3. SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM - CONTINUING

Remodeled the operations center for SCADA operations. Connected existing water system telemetry information to SCADA format and completed plans and specifications for Phase 1 & 2 improvements.

4. VULNERABILITY ASSESSMENT - DEFERRED

Completed phases one and two of the recommended measures. Phase three and phase four have been postponed. The work was and will be performed by staff labor, primarily by District Security (page 7-6) with assistance from Information Technology.

5. EMPLOYEE TRAINING AND DEVELOPMENT PROGRAM - COMPLETED

The program was implemented over the last two fiscal years.

6. LONG RANGE CAPITAL FINANCIAL PLAN - COMPLETED

A long range financial plan report was completion in June 2005. Based on our current financial projections and capital improvement plan, there is the possibility that the District will require a debt issuance during 2008-09.

7. DATA PROCESSING AND MANAGEMENT SYSTEM - CONTINUING

New service order software will be installed to track customer service order requests and produce workorders. It will be integrated with our GIS system and improve our customer service. See page 9-16.

RECOMMENDATIONS

Recommendations to implement the 2008-09 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2008.
- 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:



William J. Jeffrey
Director of Finance

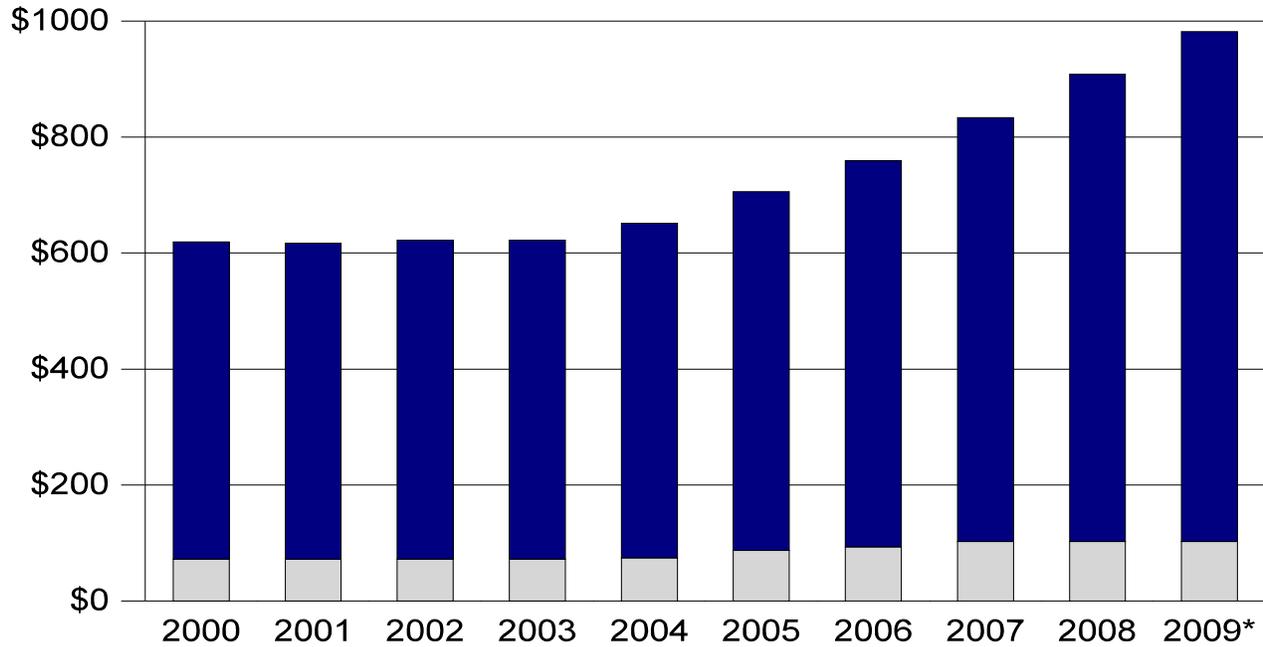
APPROVED BY:



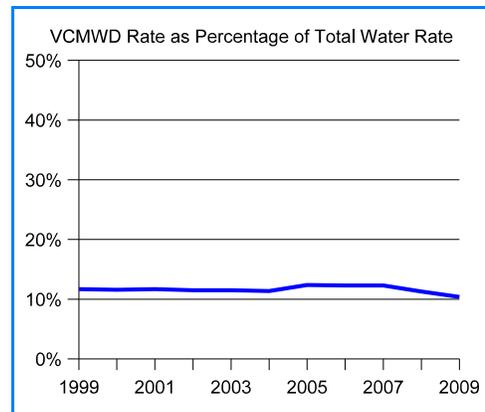
Gary T. Arant
General Manager

Water Rate Components

In Dollars per Acre Foot



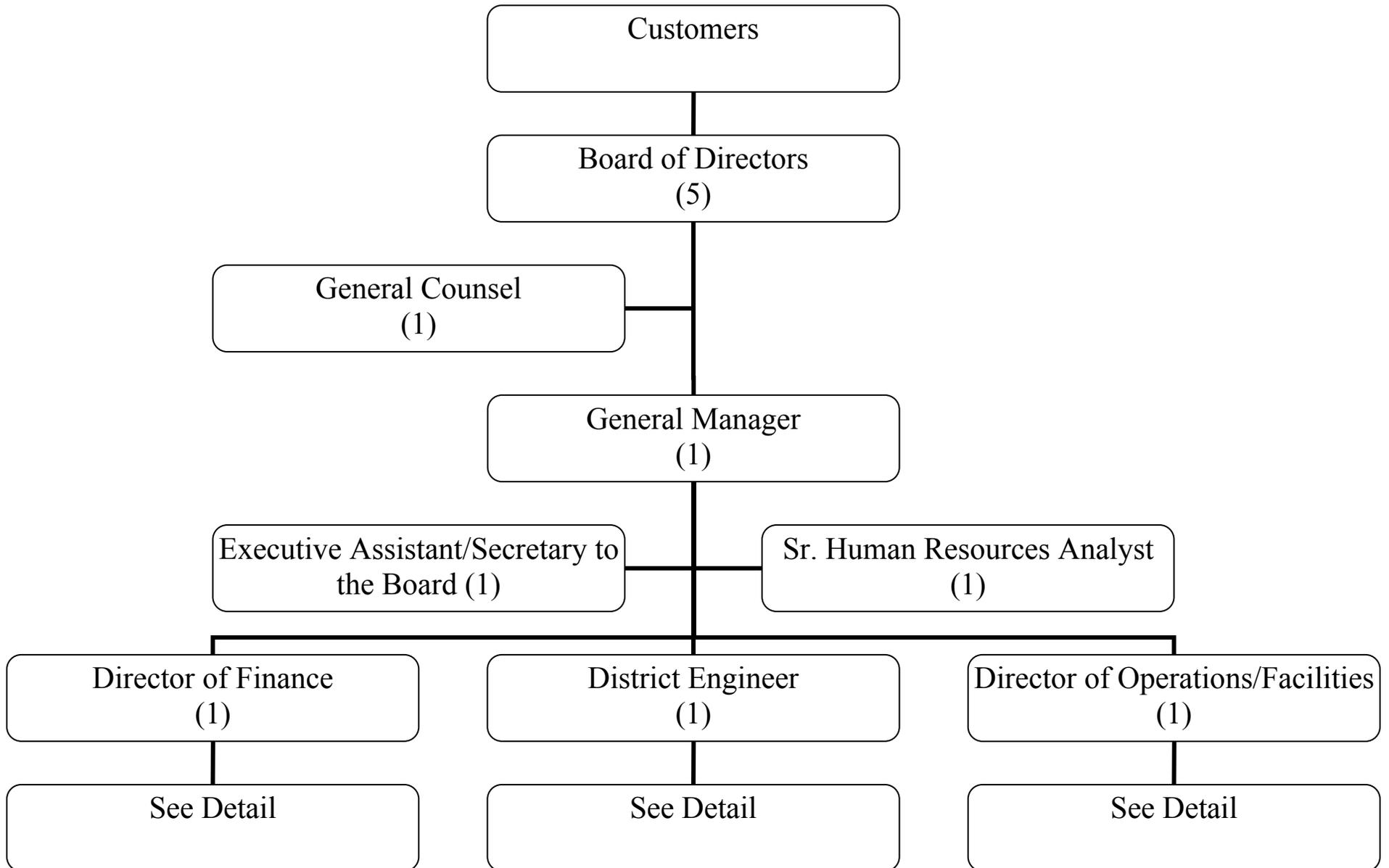
MWD & SDCWA Wholesale
 Valley Center MWD



<i>Rate in Dollars per Acre Foot</i>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009*</u>
Valley Center MWD	\$ 72	\$ 72	\$ 72	\$ 72	\$ 74	\$ 87	\$ 93	\$102	\$102	\$102
MWD/SDCWA wholesale	<u>547</u>	<u>545</u>	<u>550</u>	<u>550</u>	<u>577</u>	<u>619</u>	<u>666</u>	<u>731</u>	<u>806</u>	<u>880</u>
Total	<u>\$619</u>	<u>\$617</u>	<u>\$622</u>	<u>\$622</u>	<u>\$651</u>	<u>\$706</u>	<u>\$759</u>	<u>\$833</u>	<u>\$908</u>	<u>\$982</u>
Agricultural Use Discounts	<u>\$147</u>	<u>\$147</u>	<u>\$152</u>	<u>\$152</u>	<u>\$161</u>	<u>\$177</u>	<u>\$205</u>	<u>\$207</u>	<u>\$244</u>	<u>\$255</u>

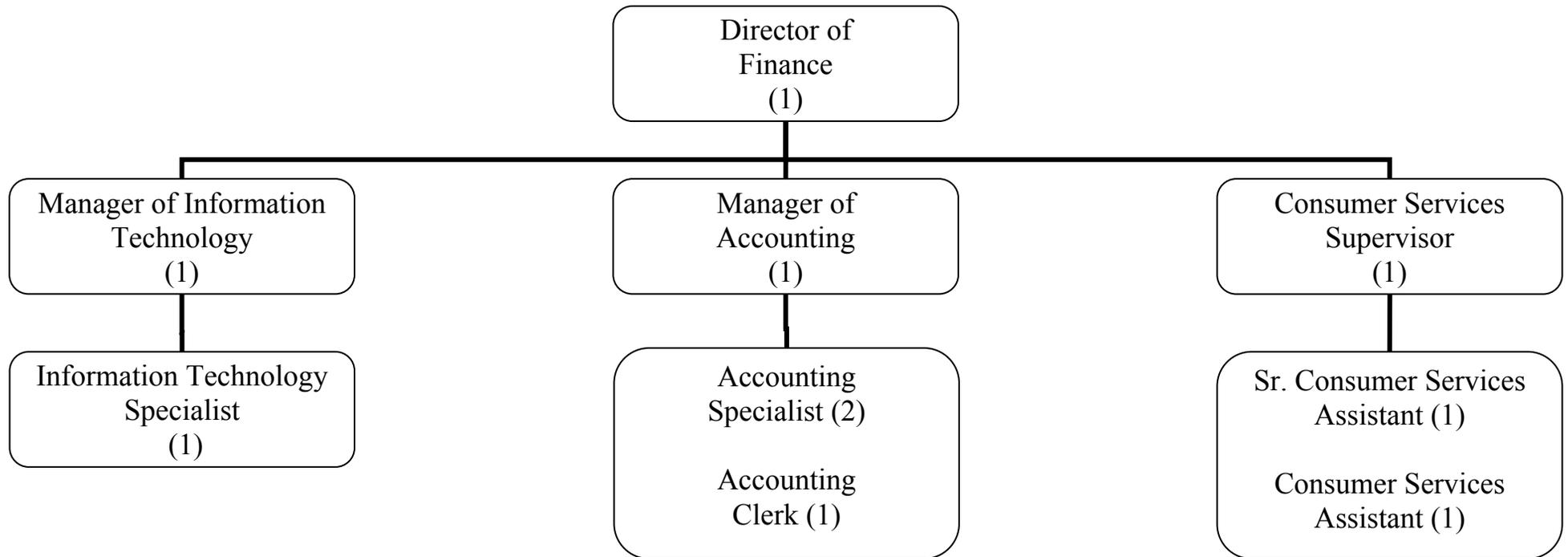
* Proposed water rates

VALLEY CENTER MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART
2008-09



VALLEY CENTER MUNICIPAL WATER DISTRICT
ORGANIZATIONAL CHART
2008-09

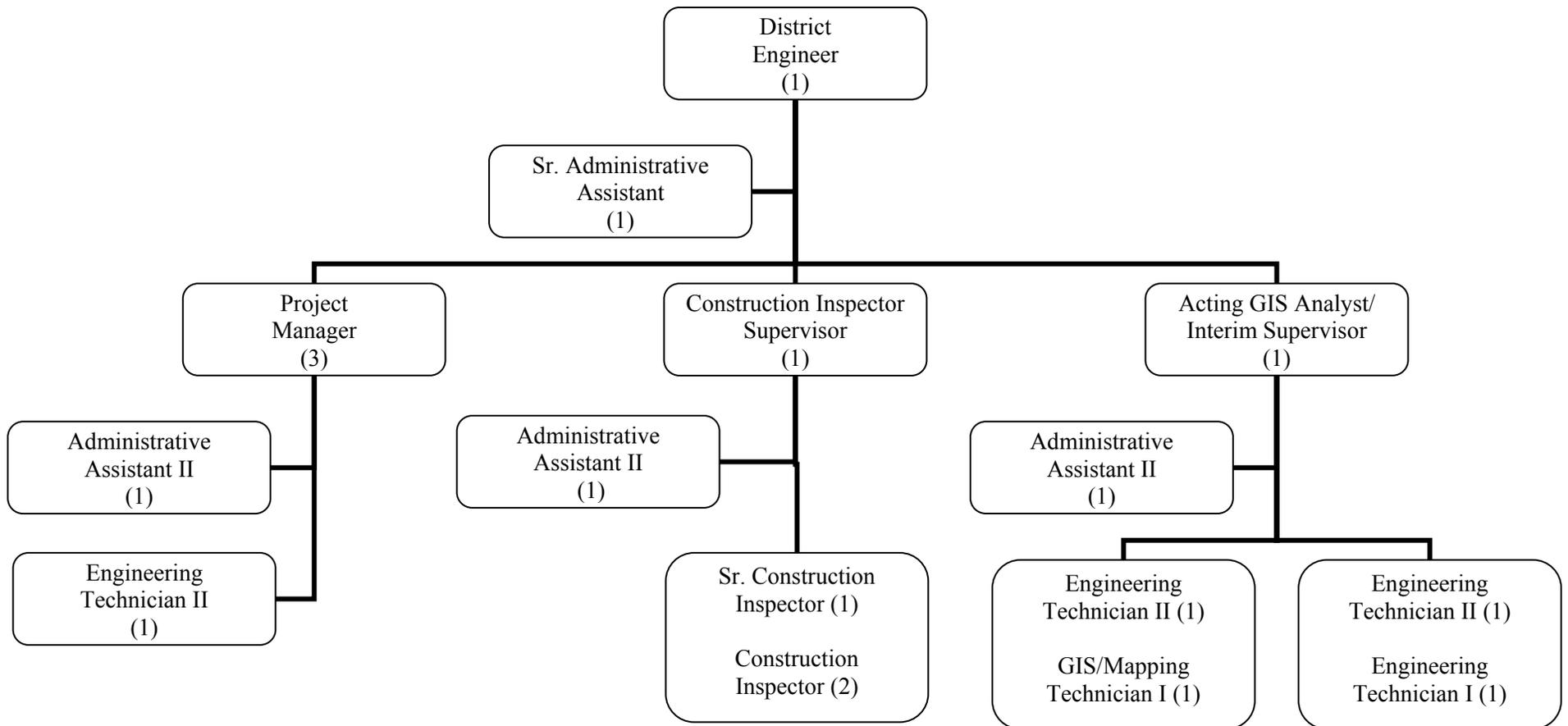
Finance Department



VALLEY CENTER MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

2008-09

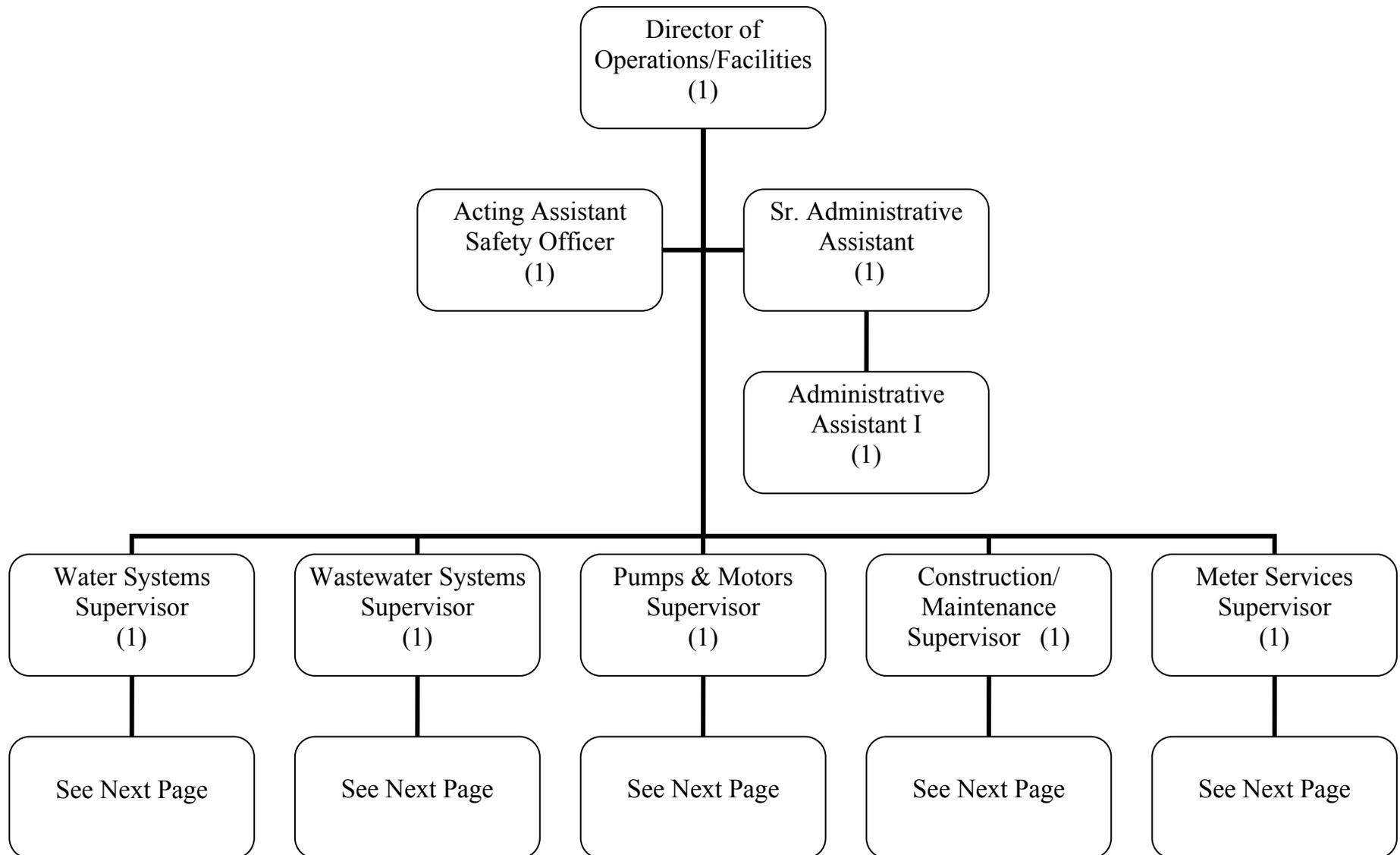
Engineering Department



VALLEY CENTER MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

2008-09

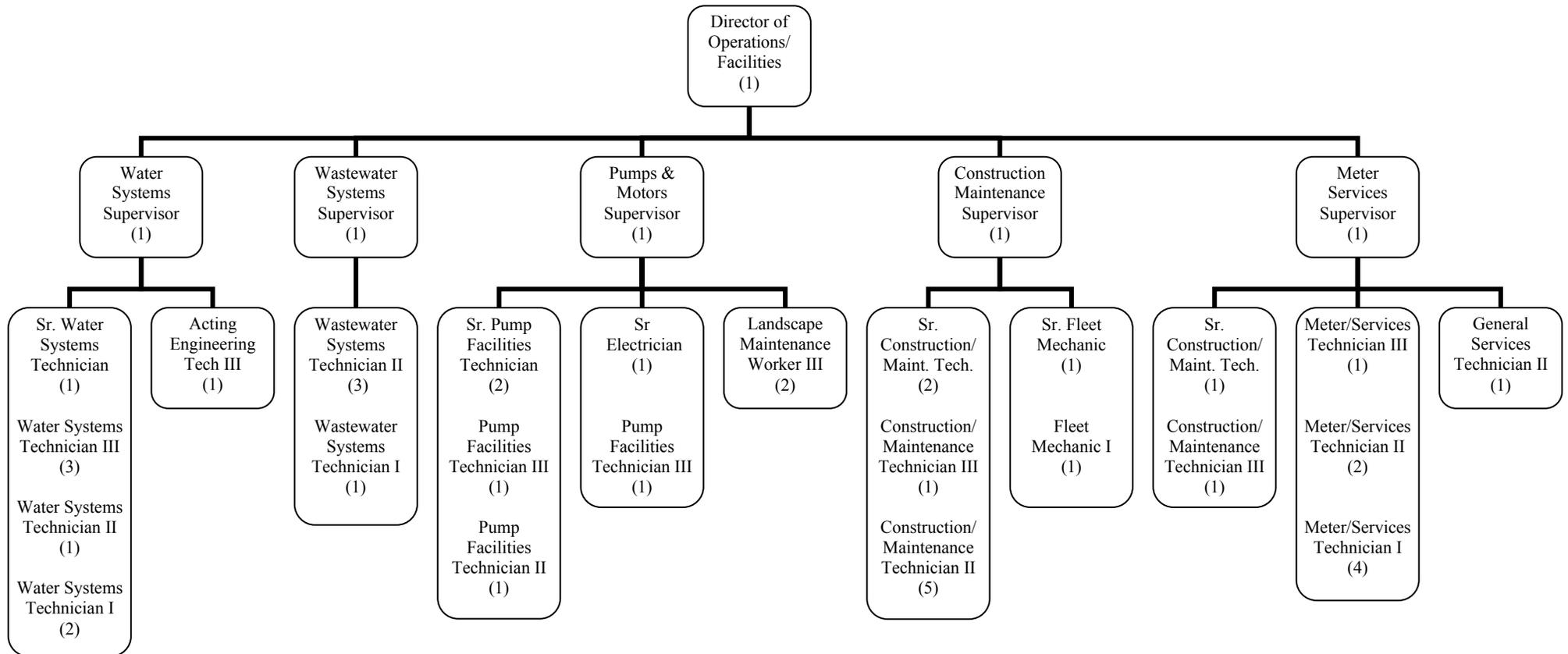
Field department (page 1 of 2)



VALLEY CENTER MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

2008-09

Field department (page 2 of 2)



RESOLUTION NO. 2008-18

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2008-2009 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 2008-2009 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 2008-2009.
2. That the amounts designated in the final 2008-2009 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 for positions, salaries, operational expenses and capital acquisitions and may adopt budget policies 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 exercise discretion in administration of the budget to respond to changed circumstances, provided that any single modification in excess of \$35,000 shall require approval by the Board.
 - c. The Department Heads may exercise discretion in administration of the budget within a single department to respond to changed circumstances, provided that any single modification in excess of \$10,000 shall require approval by the General Manager.
 - d. Except as provided by Section 3(b) herein, the Board must authorize any increase in the overall operating budget, capital budget, salary budget, and number of authorized permanent personnel positions

above the level identified in the final operating and capital budget. The General Manager may authorize the hiring of temporary or part-time staff as necessary, within the limits imposed by the available funds in the operating and capital budget.

4. That authorization is made for any carry over or continuing appropriations for the capital budget.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 19th day of May, 2008, by the following vote to wit:

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

May 19, 2008

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2008-2009

PURPOSE:

Board adoption of Resolution No. 2008-19 establishing the appropriation limit for proceeds from taxes is required by Section 7910 of the Government Code and Article XIII B of the State Constitution (Gann Amendment).

SUMMARY:

In November, 1979, the voters of California approved the addition of Article XIII B to the State Constitution. This amendment provided a maximum annual percentage that proceeds of taxes could increase. The impact of this legislation is and will be felt by cities and those agencies that exist almost entirely on proceeds of taxes of one sort or another, unlike Valley Center Municipal Water District, as we rely almost entirely on user charges. We do have to comply with the legislation by establishing an appropriations limit for the amount we do receive from property taxes; and if actual tax collections ever exceeded this limit, refund of the excess would have to be made.

Under Proposition 111, the method of calculating the annual appropriation limit was revised, effective July 1, 1990. The California Constitution specifies that the appropriation limit may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment role due to local nonresidential construction. The appropriation limit method recommended for adoption uses the highest of the options available to maximize our limit for 2008-2009.

Government Code Section 7910 also requires a 15 day period for our calculations to be available to the public for their review, if desired. The attached Public Notice was posted May 1, 2008, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2008-19 be adopted to establish the appropriation limit for 2008-2009 as \$4,627,716.

PREPARED BY:

APPROVED BY:

William J. Jeffrey
Director of Finance

Gary T. Arant
General Manager

PUBLIC NOTICE

In accordance with Government Code Section 7910, notice is hereby given that on May 19, 2008, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2008-09 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2008-09 is to be set at \$4,628,716 and was calculated as set forth below. Documentation of the computation is available in the office of the Director of Finance of the District at the above address.

<u>Fiscal Year</u>	<u>Price Increases (1)</u>	<u>Population Increases</u>	<u>Appropriation Limit</u>
Proceeds of Taxes Base Year			
1986-87			\$855,392
Annual adjustment factors:			
1987-88	12.54% (b)	5.83%	\$1,018,772
1988-89	15.56% (b)	6.09%	\$1,249,014
1989-90	7.21% (b)	5.63%	\$1,414,508
1990-91	7.96% (b)	5.83%	\$1,616,075
1991-92	4.14% (a)	5.24%	\$1,771,218
1992-93	2.75% (b)	4.04%	\$1,893,432
1993-94	2.72% (b)	2.95%	\$2,002,304
1994-95	0.71% (a)	1.42%	\$2,045,153
1995-96	4.72% (a)	1.55%	\$2,174,816
1996-97	4.67% (a)	1.19%	\$2,303,565
1997-98	4.67% (a)	1.46%	\$2,446,386
1998-99	4.15% (a)	2.63%	\$2,614,942
99-2000	4.53% (a)	2.17%	\$2,792,758
2000-01	4.91% (a)	2.33%	\$2,998,026
2001-02	7.82% (a)	1.96%	\$3,295,730
2002-03	0.06% (b)	1.80%	\$3,357,031
2003-04	2.31% (a)	1.77%	\$3,495,341
2004-05	3.28% (a)	1.73%	\$3,672,555
2005-06	5.26% (a)	1.27%	\$3,914,944
2006-07	3.96% (a)	0.94%	\$4,108,342
2007-08	4.42% (a)	2.00%	\$4,375,795
2008-09	4.29% (a)	1.43%	\$4,628,716

Posted May 1, 2008

William J. Jeffrey, Director of Finance
Valley Center Municipal Water District

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

RESOLUTION NO. 2008-19

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2008-2009 FISCAL YEAR

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

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

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

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

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

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

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

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

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

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

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

1. That the foregoing facts are true and correct.
2. That the appropriation limit for the 2007-08 fiscal year was \$4,375,795, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,262,300, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2008-2009, 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 2008-2009, the District shall use the percentage change in population for San Diego County or for the unincorporated portion of San Diego County, whichever is greater, as provided by the State of California Department of Finance.
5. That pursuant to Article XIII B, as amended, and Section 7910 of the Government Code, as amended, the appropriation limit for Valley Center Municipal Water District for the 2008-2009 fiscal year is established at \$4,628,716.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 19th day of May, 2008, by the following vote, to wit;

AYES:

NOES:

ABSENT:

President

ATTEST:

Secretary

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**RECAP OF BUDGET AND
SOURCE OF FINANCING
ALL BUDGETED FUNDS**

	Operating	Debt Service	Capital Projects	Total General	Moosa Wastewater	Woods Valley	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2008	\$6,136,274	\$0	\$6,975,213	\$13,111,486	\$322,093	\$806,155	\$14,239,735

RECAP OF EXPENDITURES BY FUNCTION

General Administration	913,627			913,627			913,627
Finance	1,898,177	104,434		2,002,611			2,002,611
Engineering	1,406,216			1,406,216			1,406,216
Field Operation	5,947,651			5,947,651	993,845	267,564	7,209,060
Source of Supply	25,243,998			25,243,998			25,243,998
Capital Projects			4,106,500	4,106,500	75,500		4,182,000
Total Budgeted Expenditures	\$35,409,669	\$104,434	\$4,106,500	\$39,620,603	\$1,069,345	\$267,564	\$40,957,512

SOURCE OF FINANCING

Revenues:							
Water Sales	29,458,000			29,458,000			29,458,000
Meter Service Charges/Wastewater Charges	3,373,000		0	3,373,000	1,224,234	384,733	4,981,967
New Connection Sales	84,700		170,000	254,700			254,700
Other Revenue	791,200			791,200			791,200
Investment Income	630,000			630,000			630,000
Property Taxes	2,308,000	0		2,308,000			2,308,000
Water Availability Charges	0	104,434	486,566	591,000			591,000
Total Revenues	\$36,644,900	\$104,434	\$656,566	\$37,405,900	\$1,224,234	\$384,733	\$39,014,867

NET REVENUES & EXPENDITURES

\$1,235,231	\$0	(\$3,449,934)	(\$2,214,703)	\$154,889	\$117,169	(\$1,942,645)
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TRANSFERS (See page 3-2)

(\$3,683,934)	\$0	\$3,683,934	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2009

\$3,687,571	\$0	\$7,209,213	\$10,896,783	\$476,982	\$923,324	\$12,297,090
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**RECAP OF RESERVES
AND FUND BALANCES
(Excludes Utility Plant)**

	Projected Balance, June 30, 2008	Revenues	Expenses	Net Revenues /Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2009
General Fund						
Operating						
Rate Stabilization Reserves						
- Rate Stabilization						
- Pumping Rate Stabilization	\$2,477,301	\$4,124,000	(\$4,655,100)	(\$531,100)	(\$175,125)	\$1,771,076
- Operating Reserve	3,423,300			0	(1,742,478)	1,680,822
Restricted Reserves						
- Agricultural Rebate	235,672			0		235,672
Unappropriated Fund Balance	0	32,520,900	(30,754,569)	1,766,331	(1,766,331)	0
Total Operating	\$6,136,274	\$36,644,900	(\$35,409,669)	\$1,235,231	(\$3,683,934)	\$3,687,571
Debt Service Reserve	0	104,434	(104,434)	0		0
Capital Projects Reserves						
- Continuing Projects	5,826,694			0		5,826,694
- Capacity Charges	592,620	170,000	(170,000)	0		592,620
- Capital Improvements	0	486,566	(3,936,500)	(3,449,934)	3,449,934	0
- Master Plan Improvements	0		0	0	0	0
- Vehicle Replacement	555,899		0	0	234,000	789,899
- Energy Efficiency	0		0	0		0
Total Capital	\$6,975,213	\$656,566	(\$4,106,500)	(\$3,449,934)	\$3,683,934	\$7,209,213
Total General Fund	\$13,111,486	\$37,405,900	(\$39,620,603)	(\$2,214,703)	\$0	\$10,896,783
Lower Moosa Wastewater Treatment	322,093	1,224,234	(1,069,345)	154,889		476,982
Woods Valley Wastewater Treatment	806,155	384,733	(267,564)	117,169		923,324
Total All Funds	\$14,239,735	\$39,014,867	(\$40,957,512)	(\$1,942,645)	\$0	\$12,297,090

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

REVENUE ESTIMATE

GENERAL FUND

Page 1 of 3

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 48,085 af	@ 45,400 af	@ 37,087 af	@ 34,115 af
4114	Municipal & Industrial	\$7,616,707	\$7,936,400	\$7,867,000	\$7,912,000
4115	Certified Agricultural	11,950,482	12,332,220	9,336,000	9,165,000
4116	Certified Ag/Domestic	10,150,455	10,820,020	8,499,000	8,189,000
4135	Construction	131,029	211,360	67,000	68,000
4150	Pump Charge	5,668,077	5,374,000	4,483,000	4,124,000
Total Water Sales		\$35,516,750	\$36,674,000	\$30,252,000	\$29,458,000
	METER SERVICE CHARGES				
4114	Municipal & Industrial	\$2,227,833	\$2,432,100	\$2,307,000	\$2,390,000
4115	Certified Agricultural	329,905	331,000	337,000	329,000
4110	Additional Living Charge	20,849	20,400	20,000	20,000
4116	Certified Ag/Domestic	599,535	601,300	614,000	599,000
4135	Construction	47,825	73,000	35,000	35,000
Total Meter Service Charges		\$3,225,947	\$3,457,800	\$3,313,000	\$3,373,000
	NEW CONNECTION SALES				
4210	Water Meters - New	\$147,898	\$191,200	\$159,300	\$43,600
4220	Water Meters - Relocate	(45)	5,500	200	5,500
4230	Pressure Reducers	832	1,400	1,100	1,400
4240	Double Check Valves	61,460	149,900	56,400	34,200
Total New Connection Sales		\$210,145	\$348,000	\$217,000	\$84,700

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

REVENUE ESTIMATE

GENERAL FUND

Page 2 of 3

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
4310	Current Secured	\$1,984,990	\$1,882,000	\$2,165,200	\$2,209,000
4320	Current Unsecured	73,777	73,000	75,500	77,000
4340	Homeowners PTR	21,383	22,000	21,600	22,000
4350	Current Water Availability Charge	590,011	593,200	591,000	591,000
4382	Interest Allocation-Wtr Availability Chg	1,805	0	0	0
4360	Prior Secured	216	0	0	0
4370	Prior Unsecured	(2,520)	0	13,300	0
4380	Interest Allocation	6,091	1,000	0	0
Total Property Taxes-Other		\$2,675,753	\$2,571,200	\$2,866,600	\$2,899,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

REVENUE ESTIMATE

GENERAL FUND

Page 3 of 3

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
4410	Investment Income	\$884,815	\$840,000	\$893,000	\$630,000
4417	Delinquent Penalty	317,118	281,000	380,700	336,000
4419	Transfer Fee	7,190	9,000	7,360	7,000
4420	Turn On Charge	14,472	14,000	18,190	18,000
4421	R.P. Inspection/Svc Fee	121,388	90,000	128,040	128,000
4421	R.P. Repairs	20,425	18,000	18,750	19,000
4430	Sale of Maps/Copies	777	1,200	340	1,200
4433	Service Availability Charge	3,450	1,200	5,750	5,800
4434	Line Extension Study Charge	0	0	0	0
4435	Sale of Surplus	65,731	68,000	68,000	68,000
4440	Other	12,562	1,000	359,300	8,000
4440	Return Check Charge	2,440	1,000	3,560	2,000
4440	Lease of Facilities	227,595	191,000	182,200	188,200
4440	Reimbursement Fees	0	4,000	0	4,000
4440	Escondido Sewer Collection Fee	1,908	2,000	2,075	2,000
4440	Escondido Water Service in Lieu	510	4,000	1,880	4,000
4444	FEMA Reimbursement	56,664	0	14,700	0
4446	State Mandated Cost Reimbursement	18,759	0	0	0
	Total Other Revenue	\$1,755,804	\$1,525,400	\$2,083,845	\$1,421,200
	CAPITAL IMPROVEMENT CHARGES				
4810	Meter Capacity Charges	\$110,421	\$520,000	\$144,000	\$170,000
4820	Contributions In Kind	957,637	0	0	0
4842	Annex Capital Fees	0	0	0	0
	Total Capital Improvement Charges	\$1,068,058	\$520,000	\$144,000	\$170,000
	TOTAL REVENUE	\$44,452,457	\$45,096,400	\$38,876,445	\$37,405,900

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

EXPENDITURES RECAP

ALL BUDGETED FUNDS

	2006-2007	2007-2008		2008-2009
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$869,129	\$1,079,386	\$878,251	\$913,627
Finance	1,785,635	2,962,487	1,930,647	2,002,611
Engineering	1,308,093	1,667,660	1,443,945	1,406,216
Field Operation	5,501,322	6,862,043	6,049,169	5,947,651
Source of Supply	28,531,427	29,943,040	24,527,329	25,243,998
Total Operating	\$37,995,606	\$42,514,616	\$34,829,341	\$35,514,103
Capital Projects	7,155,215	12,085,250	6,042,995	4,106,500
Total General Fund	\$45,150,821	\$54,599,866	\$40,872,336	\$39,620,603
Lower Moosa Wastewater Treatment	785,360	3,152,565	1,055,200	1,069,345
Woods Valley Wastewater Expansion	65,252	344,451	250,000	94,451
Woods Valley Wastewater Treatment	371,723	349,257	408,912	370,184
Total	\$46,373,156	\$58,446,139	\$42,586,448	\$41,154,583

RECAP BY FUNCTION

Operating	\$37,886,815	\$41,688,328	\$34,723,533	\$35,409,669
Debt Service	108,791	826,288	105,808	104,434
Capital Projects	7,155,215	12,085,250	6,042,995	4,106,500
Total General Fund	\$45,150,821	\$54,599,866	\$40,872,336	\$39,620,603
Lower Moosa Sewer - Operating	785,360	3,152,565	1,055,200	1,069,345
Woods Valley Expansion - Capital Proj.	65,252	344,451	250,000	94,451
Woods Valley Wastewater - Operating	371,723	349,257	408,912	370,184
Total	\$46,373,156	\$58,446,139	\$42,586,448	\$41,154,583

VALLEY CENTER MUNICIPAL WATER DISTRICT

2008-2009

**HISTORY OF WATER PURCHASED AND SOLD
1977-1978 THROUGH 2008-2009**

WATER PURCHASED - Acre Feet

<u>YEAR</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>		
77-78	4217.1	3361.5	3182.4	3105.6	2118.8	1778.3	736.0	258.6	278.2	432.2	2628.7	4331.6	26429.0		
78-79	5155.4	5025.8	3191.9	4119.1	1323.4	514.8	326.8	143.8	475.8	1367.3	3021.3	4171.4	28836.8		
79-80	4808.8	4922.9	5525.3	3147.3	1906.9	2371.4	700.5	303.4	368.1	2122.6	2142.8	4360.6	32680.6		
80-81	6103.3	6239.8	4807.9	4586.2	3676.1	2586.6	2803.0	918.5	398.6	2407.0	4124.3	5394.9	44046.2		
81-82	6781.8	6200.0	6068.7	4019.9	3235.9	1985.8	192.1	527.2	1027.1	1690.3	2823.8	3538.6	38091.2		
82-83	5592.7	6190.5	4847.6	4512.1	1645.2	461.9	1317.0	458.7	87.2	904.9	2531.3	4034.3	32583.4		
83-84	5737.0	4625.2	5473.0	3054.9	1628.3	341.4	1080.1	2766.0	3756.7	3488.5	5287.9	5008.3	42247.3		
84-85	6035.9	5691.6	6308.7	4415.4	1664.2	180.1	657.5	504.5	1571.3	2718.2	4143.1	5062.7	38953.2		
85-86	6433.5	6287.9	4800.6	4404.2	1628.4	849.8	2719.2	359.3	1139.6	2489.4	4799.4	5143.3	41054.6		
86-87	6167.6	6991.1	4801.2	3148.4	3051.3	1490.4	1742.0	2027.3	615.4	4034.4	4411.0	5031.1	43511.2		
87-88	5324.3	6078.5	5678.1	2798.1	947.0	1188.0	901.8	2078.9	3235.9	2445.2	4226.2	5035.2	39937.2		
88-89	5988.1	5974.0	5903.9	4879.6	2460.7	1944.7	1379.7	1243.7	2704.2	4290.2	4589.6	5747.0	47105.4		
89-90	7076.1	6686.1	6255.6	4890.2	4777.0	4419.5	1513.3	1022.5	2823.6	2914.4	5126.0	5030.5	52534.8		
90-91	7407.1	6803.4	6949.6	6123.1	4273.9	3740.2	2299.9	3266.8	348.5	1680.7	3646.1	3814.9	50354.2		
91-92	4479.1	4623.0	4713.1	4888.7	3789.4	1930.6	1368.9	1091.8	388.6	2260.8	3954.0	4799.5	38287.5		
92-93	5922.2	6130.2	5936.6	4648.7	3432.6	979.0	516.5	132.2	1056.5	2710.5	4080.8	3968.5	39514.3		
93-94	4588.9	4934.7	4582.2	3899.8	2132.8	1571.9	2406.0	385.0	877.1	1873.0	2171.8	4375.4	33798.6		
94-95	4829.2	5447.0	4745.3	3869.4	2104.8	1921.0	181.1	737.6	393.0	1522.1	1915.2	3060.5	30726.2		
95-96	4615.4	5329.8	5214.9	3891.6	2899.9	1982.8	1876.6	524.4	1091.5	3113.5	3964.4	4317.2	38822.0		
96-97	5286.9	5563.8	4729.4	4121.5	1862.7	693.3	237.7	1142.5	2994.2	3334.2	4490.8	4286.9	38743.9		
97-98	4992.9	5537.3	4321.1	3838.6	2068.6	896.8	641.6	207.2	871.0	1027.3	1470.5	3327.7	29200.6		
98-99	5054.0	5587.1	4666.7	4102.4	2375.3	1568.2	2220.3	1459.1	2200.5	2182.5	3755.1	4023.9	39195.1		
99-00	5304.4	5552.4	4833.7	5544.5	3993.3	3888.1	2911.9	1374.0	1899.2	3341.9	4615.7	5290.8	48549.9		
00-01	5888.9	6364.2	5683.8	3911.5	3090.6	3846.9	1680.8	978.0	1386.0	2227.3	4383.2	5156.3	44597.5		
01-02	5533.3	5998.9	5298.0	5070.1	2910.0	1441.5	3044.3	3216.4	3204.0	3657.5	4747.0	5403.1	49524.1		
02-03	5995.0	6024.9	5877.3	4586.9	3014.9	1713.3	3207.5	1489.0	1277.3	2547.1	3783.6	4158.0	43674.8		
03-04	6061.1	6467.7	5766.5	5517.0	2922.9	2742.6	3178.0	1282.9	3201.1	3978.4	5740.7	5327.2	52181.6		
04-05	6222.8	5973.1	6053.1	2872.2	1183.1	1812.0	478.4	659.4	894.3	3288.1	4018.9	4649.2	38104.6		
05-06	5837.3	5835.5	5302.0	3708.3	3950.8	3642.9	2744.7	2464.8	624.6	1512.7	3804.0	5339.3	44766.9		
06-07	6593.1	5778.2	5751.0	4292.3	4387.2	2021.6	3654.3	1247.2	3348.2	3449.4	4822.0	5166.9	50511.4		
07-08	5805.6	5975.0	5176.6	4768.7	3707.3	880.7	596.8	464.4	1436.8 *	2435.5 *	3732.8 *	4473.9 *	39454.0 *		
08-09	4303.8 *	4589.4 *	4339.1 *	3342.4 *	2934.8 *	2337.0 *	2093.1 *	1852.9 *	1480.7 *	2456.6 *	2975.5 *	3586.6 *	36292.0 *		
	AVERAGE FIRST 6 MONTHS					25331.8 62.629%					AVERAGE LAST 6 MONTHS			15115.4 40447.2 37.371% 100.000%	

WATER SOLD - Acre Feet

<u>YEAR</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>		
77-78	3291.0	3763.9	3019.3	2918.5	2951.8	2221.8	175.9	153.9	155.1	254.9	1450.0	3802.4	24158.5		
78-79	4091.5	4624.2	4610.5	3739.2	2612.6	578.9	305.8	149.3	277.9	373.1	2311.4	3202.6	26877.0		
79-80	4324.8	4220.4	4410.6	4643.9	2158.1	2565.0	1361.9	230.6	169.8	1147.6	1717.9	2946.5	29897.1		
80-81	5230.2	5362.8	5282.5	4068.7	3573.2	2526.4	2965.5	1355.0	871.5	1279.3	2753.1	3897.6	39165.8		
81-82	6160.5	4835.6	6805.9	3975.9	3900.3	1752.8	1348.9	236.3	967.9	477.2	2463.4	3070.1	35994.8		
82-83	3839.0	5790.1	5767.0	3526.2	3165.6	322.2	1185.1	414.1	346.3	554.7	1032.9	3451.4	29394.6		
83-84	4407.9	5616.5	4819.2	2601.9	3175.5	282.7	544.7	2008.3	2994.5	3158.9	3876.5	4688.6	38175.2		
84-85	5540.3	5168.6	6216.7	4849.7	2923.6	482.9	259.7	474.6	951.9	2136.0	2989.7	4253.0	36246.7		
85-86	6025.1	5371.5	5573.7	3429.1	3306.4	370.3	1633.0	1453.4	644.3	1155.6	3528.0	4848.4	37338.8		
86-87	5256.7	6099.2	6220.0	2746.6	3292.5	2017.3	1274.7	2154.4	911.0	1648.2	4034.9	4480.3	40135.8		
87-88	5075.2	5496.0	5770.9	4559.4	485.3	1225.0	885.4	970.2	2114.0	3877.4	2111.3	4166.3	36736.4		
88-89	5541.8	5738.1	6129.3	4617.5	3508.7	2308.5	726.9	1266.4	1880.6	3188.3	3920.8	4661.9	43488.8		
89-90	6311.7	6279.5	6257.1	5351.0	4596.1	3906.8	2255.1	1326.8	1439.2	2924.5	3886.8	4002.6	48537.2		
90-91	6273.1	6243.0	6415.6	6045.7	4939.7	3333.2	2262.9	3139.4	1257.4	655.9	2588.9	3513.9	46668.7		
91-92	3822.2	3846.7	4740.0	4562.5	3654.4	2866.6	903.4	1506.6	520.4	767.3	3430.0	3767.7	34387.8		
92-93	5311.0	5527.2	5529.9	5729.0	3298.1	2094.3	431.0	205.4	542.8	1535.3	3510.5	3410.2	37124.7		
93-94	4614.4	4227.5	4591.6	3928.3	3023.5	1496.8	2430.7	867.6	748.7	1267.2	1451.7	3156.4	31804.4		
94-95	4800.7	4564.8	5130.8	3947.2	2779.1	2094.3	695.8	395.4	486.5	1040.1	1321.5	2507.6	29763.8		
95-96	3908.3	4394.7	5697.9	3850.9	3126.2	2078.4	2078.4	694.7	541.8	2060.1	3680.3	3802.5	36295.0		
96-97	4607.2	5026.2	5376.3	3826.9	3022.0	800.9	397.7	578.3	1970.9	2985.4	3855.3	4209.7	36656.8		
97-98	4566.5	4809.3	5163.0	3338.3	3304.4	802.0	973.2	355.9	438.1	618.9	1375.8	2261.1	28006.5		
98-99	4137.4	4973.8	5283.6	4042.6	2970.1	1545.2	2462.3	956.0	2061.6	1668.0	3039.8	3541.7	36682.1		
99-00	4654.8	4919.7	5376.5	4827.9	4508.1	3480.2	3424.3	2413.0	809.4	3105.6	3574.2	4922.9	46016.6		
00-01	5008.6	6061.1	5868.0	4349.5	2985.2	3428.2	2969.7	1191.4	483.0	1754.6	3348.5	4554.9	42002.7		
01-02	4893.5	5664.6	5568.1	4774.4	4237.6	1675.2	2075.0	3069.6	3309.7	2917.2	3909.2	5053.2	47147.3		
02-03	5110.0	6081.5	5590.0	5187.1	3374.5	2681.1	1915.4	2787.0	508.3	2292.3	2483.5	4059.9	42070.6		
03-04	4858.7	6156.9	5823.1	5130.8	4085.7	2947.0	2484.3	2428.3	1715.0	3488.0	4821.4	5398.8	49336.0		
04-05	5156.8	5801.5	6036.9	4961.1	1018.2	1434.1	1013.1	690.3	563.6	2114.7	2785.1	4514.3	36089.7		
05-06	4910.9	5389.9	5646.3	4597.6	2952.1	3787.6	2412.1	2157.4	1245.5	765.4	2615.6	4247.7	40728.1		
06-07	5550.1	6036.5	5807.0	4504.7	4066.5	3268.8	2569.9	2664.1	1876.4	3252.9	3744.2	4746.0	48085.1		
07-08	4996.2	5760.2	5690.6	4296.2	4235.1	2163.6	989.2	515.2	958.0 *	1594.2 *	2377.1 *	3511.2 *	37086.8 *		
08-09	4045.6 *	4314.0 *	4078.8 *	3141.9 *	2758.7 *	2198.8 *	1967.5 *	1741.7 *	1391.9 *	2309.2 *	2797.0 *	3371.4 *	34114.5 *		
	AVERAGE FIRST 6 MONTHS					25123.6 66.651%					AVERAGE LAST 6 MONTHS			12570.5 37694.2 33.349% 100.000%	

*ESTIMATED

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
General Administration**

FUNCTION OVERVIEW

Provide overall District administration and specific administration 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 2007-2008

Carlsbad/Poseidon Seawater Desalination Project – Progress continued on the implementation of the Carlsbad Poseidon Desal Plant. To facilitate the project, Valley Center Municipal Water District organized the San Diego Desal Partners to lend support to the project as well as develop operational scenarios for the distribution of the desalted seawater. It is hoped that these efforts aided in achieving three major milestones for the project – fully subscribing the plant capacity to nine agencies, securing the State Lands Commission Permit, and securing the California Coastal Commission Permit. With the plant fully subscribed and these two permits secured, the project will move forward to the anticipated on-line date of late 2010.

Lake Turner Solar Power Project – Though set aside in 2006-07 as being financially infeasible, the District still clearly expressed an interest in a solar project. In early 2007, with the advent of new state subsidy programs and federal tax incentives, World Water and Solar Technologies (WWST) returned to the District with a new Power Purchase Agreement proposal. The agreement has WWST financing, constructing, owning, and operating the solar facility and the District simply buying the power at a reduced rate compared to utility rates. Through 2007-08, the District negotiated with WWST and their financing entity to come to mutually acceptable terms and by the fall of 2007, a Power Purchase Agreement for up to 1.0 net mega watts was in place. It is anticipated that the Lake Turner Solar Power Project will be on-line and producing clean solar power during 2008.

Bonsall-Pala Hydrologic Sub-areas Municipal Service Review – Although work continued through the first half of 2007-08, circumstances have dramatically slowed the progress on this effort. In August 2007, the final Programmatic Environmental Impact Report was issued for the San Luis Rey Municipal Water District (SLRMWD) water, wastewater, and reclaimed water master plan. Within one month, the first legal challenge to its adequacy was filed. Since that time, two more have been filed. Also, endangered species and regulatory issues on the State Water Project forced a 30% reduction in that supply, triggering mandatory 30% Interim Agricultural Water Program (IAWP) reductions, as well as calls for urban conservation. As a result, the Valley Center Municipal Water District Board communicated to the SLRMWD and other interested parties that while there was still a long-term interest in possibly providing service in that area, that given the legal and water supply issues, action and further consideration would be set aside at this time.

CHALLENGES FOR 2008-2009

The General Administrative Department is charged with and is responsible for the overall management of all District activities and programs in compliance with Board direction and policy, as well as the Human Resources function. Beyond these general responsibilities, the General Administration Department will face a number of challenges over the next fiscal years, including:

- Implementation of the 30% IAWP supply reduction and voluntary 10% municipal and industrial conservation.
- Managing the financial implications of the agricultural and municipal and industrial reductions, while maintaining effective staffing, service, and major maintenance levels.
- Assisting Poseidon Resources and the City of Carlsbad in implementation of the sea water desalting project and securing the necessary exchange agreements and policy adjustments from Metropolitan Water District to secure the District's access to its contract amount of water.

- Assuring timely completion of the Lake Turner Solar Power Project.
- Reaching a mutually acceptable resolution on the Cal-PERS prior funding issue.
- Assisting ACWA and other statewide organizations to inform the public on issues associated with the need to fix the State Water Project.

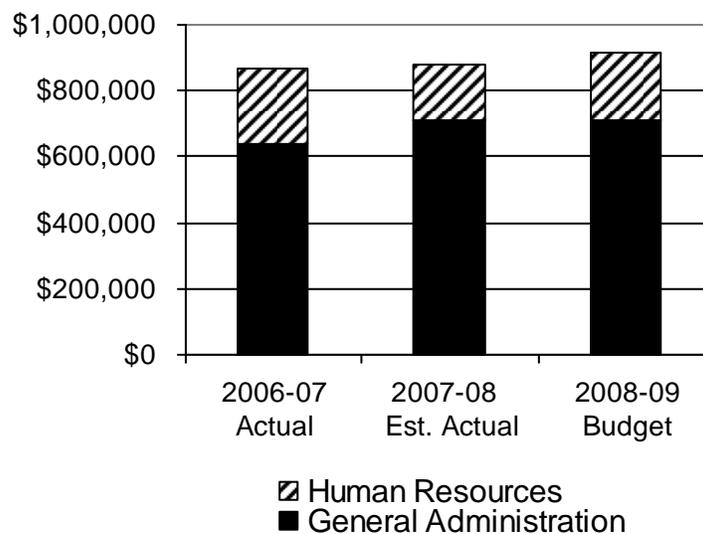
GOALS FOR 2008-2009

- Meet 30% IAWP supply reduction target while preserving as much of the agricultural economy as possible.
- Preserve the Metropolitan Water District Interim Agricultural Water Program.
- Adjust budgets and programs to reflect the financial realities associated with dramatically reduced water deliveries and revenues while still maintaining adequate service response and reliability levels.
- The Carlsbad/Poseidon Sea Water Desal Plant is under construction and all policy and distribution issues are resolved.
- Lake Turner Solar Project is on-line and delivering power.
- CalPERS prior funding issue is successfully concluded.
- District constituents are well informed about the statewide water supply issue so that they can make balanced decisions on how to vote on possible statewide bond issues in 2008.

LONG-TERM GOALS

It remains the long-term goal of the General Administration Department to implement the policies of the Board of Directors, maintain an efficient and cost effective organization, implement the Capital Replacement and Improvement Program, preserve local financial resources for local purposes, protect appropriate wholesale revenue/rate equity for all customer classes, with all efforts aimed toward fulfilling the District's mission to "Ensure Customer Satisfaction Through Quality Service at the Lowest Possible Cost."

General Administration



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**General Administration
Full-Time Equivalents**

	<u>01-5101.</u>	<u>01-5115.</u>	<u>Total</u>
General Manager	1.00		1.00
Executive Ass't/Sec to Board	1.00		1.00
Sr. Human Resources Analyst		1.00	1.00
Accounting Clerk		<u>0.20</u>	<u>0.20</u>
Total Full-Time Equivalents	<u>2.00</u>	<u>1.20</u>	<u>3.20</u>

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

DEPARTMENT SUMMARY

GENERAL ADMINISTRATION

Div. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
1	General Administration	640,265	774,662	712,882	711,419
15	Human Resources	228,864	304,724	165,369	202,208
18	Training	0	0	0	0
TOTAL GENERAL ADMINISTRATION		869,129	1,079,386	878,251	913,627

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **General Administration** **51**
 DIV: **Human Resources** **15**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	187,518	239,245	133,900	144,300
03	Overtime	3,060	3,450	2,400	3,700
10	Training & Education	2,029	7,000	3,000	4,000
25	Outside Professional Services	16,323	19,400	12,000	26,120
26	Legal Services	1,129	20,000	13,000	21,000
28	Printing	0	350	0	200
29	Books & Subscriptions	996	450	400	400
30	Special Department Expenses	4,997	8,160	6,000	4,600
34	Membership Fees & Dues	200	550	550	550
37	Transportation, Meals & Travel	520	2,000	1,400	2,000
39	Advertising	19,077	12,900	1,500	2,500
91	Expense Credit	(6,985)	(8,781)	(8,781)	(7,162)
	Total	228,864	304,724	165,369	202,208

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **General Administration** **51**
 DIV: **Training** **18**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	General and Administration	378	1,000	500	500
11	Finance Administration	2,489	6,200	2,000	2,500
12	Consumer Services	196	500	315	500
13	Information Technology	11,375	11,000	14,300	3,500
15	Human Resources	2,029	7,000	3,000	4,000
21	Engineering Administration	6,910	9,320	4,500	5,800
22	Planning and Design	110	4,000	2,500	4,200
23	Public Services	905	1,200	1,200	1,000
24	Encroachments and Locates	0	0	0	900
28	GIS, Maps and Records	1,865	3,420	2,500	3,000
31	Field Administration	33,098	44,600	34,000	20,000
91	Expense Credit	(59,355)	(88,240)	(64,815)	(45,900)
	Total	0	0	0	0

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **General Administration** **51**
 DIV: **Training** **18**

Acct. No.	Detail and Justification	Department Request
01	General Administration Seminars & Workshops 500	500
11	Finance Administration Accounting Education 1,200 Accounting Updates 1,300	2,500
12	Consumer Services Customer Service Seminars 500	500
13	Information Technology Software Training Tuition Reimbursement 3,500	3,500
15	General Administration - Human Resources Tuition Reimbursement 2,000 Miscellaneous Training 2,000	4,000
21	Engineering Administration Management Training 1,000 JPIA Supervisory Training 1,000 Continuing Education 3,800	5,800
22	Engineering - Planning and Design Technical Training 1,200 Safety Training 1,500 Construction Methods 1,500	4,200
23	Engineering - Public Services Customer Service Seminars 500 Notary Training and Certification 500	1,000
24	Engineering - Encroachments and Locates Miscellaneous Training 900	900
28	Engineering - GIS, Maps and Records Software Training-AutoCAD, GIS, Access, etc. 1,500 ESRI Conference 1,500	3,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **General Administration** **51**
 DIV: **Training** **18**

Acct. No.	Detail and Justification	Department Request
31	Field Administration Customer Service 250 Backflow/Cross Connection 350 Cla-valve 200 Heavy Equipment 500 Trenching/Shoring 300 Water Quality 250 Electric 1,800 Pump Training 500 Computer 200 Continuing Education 7,775 Technology Classes 2,500 Supervisor Certification 400 Energy Management/Preparedness 400 Wastewater Technical Classes 575 Collection Systems 1,000 Safety 3,000	20,000
91	Expense Credit	(45,900)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Finance**

FUNCTION OVERVIEW

The Finance Department provides professional financial planning to the District to provide funding for the operational costs and capital improvement projects needed to provide 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 Information Technology Division provides comprehensive technology planning, integration, and support to all areas of the District to maximize efficiency.

Costs incurred by the Salary Clearing Division are transferred to other divisions and funds at 188% of actual productivity 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 203% to cover other overhead expenses.

ACCOMPLISHMENTS FOR 2006-2008

Awards - Our 2006-08 two-year budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2006 Comprehensive Annual Financial Report has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). We believe our 2007 report continues to conform to the Certificate of Achievement program requirements, and we have submitted it to GFOA. In addition, the District also received the Certification of Excellence for our Investment Policy from the Association of Public Treasurers of the United States and Canada.

Performance Measurement Standards - Compliance with these Standards was as follows:

- **Operating Reserves:** (Standard 3) The District's standard is to maintain an operating reserve at six month's operations and maintenance budget, excluding wholesale water and power purchases. Because of our large capital improvement program the operating reserves have been reduced to fund capital projects, and the operating reserve is expected to be two month's budget.
- **Local Share of Total Water Commodity Costs:** (Standard 4) Our share of the total water commodity rate, as budgeted, will be 11.3% of the total commodity cost for domestic customers and 15.4% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments:** (Standard 10) As of March 2008, our investment return was 3.838% as compared to the 12-month rolling average for U.S. Treasury bonds of 3.665% for the same period. We expect to be in compliance with our performance standard at June 30, 2008. The District estimates our yield for the 2008-09 fiscal year to be 3%.

Information and Business Systems:

- Substantial programming changes were required to our billing system to implement the Interim Agricultural Water Program's mandatory water allocation reduction.
- The new backup data server center was moved to an offsite location to provide data availability in case of a major disaster at the main offices.
- A new radio repeater was installed on Palomar Mountain to improve emergency communications in the remote corners of the District. The existing local repeater has been retained as a backup system, and all existing radios will be programmed to access both systems.
- The new District Intranet using Microsoft Sharepoint server was completed to delegate Intranet editing and provide faster information and improve data collaboration. The Intranet provides a central depository for shared documents and forms.

CHALLENGES FOR 2008-2009

The 2002 Water Master Plan identifies over \$50 million of capital projects. Funding these projects with the lowest possible impact on our water rates will be our greatest challenge. In addition, there is the management and monitoring of the mandatory 30% agricultural water cutbacks for compliance and adherence to District policy and guidelines.

GOALS FOR 2008-2009

Strategic Plan Implementation –

- **Long-Range Capital Financial Plan Completed and First Debt Issuance Completed - (Goal 6)** The long range financial plan report was completed in June 2005 and the financial model has been integrated into our budgeting and rate setting process. Based on the District's financial projections and future capital improvement requirements, which includes the District's aqueduct relocation and pipeline upsizing on the pending Lilac Ranch development and the District's commitment for wastewater connections from the South Node wastewater expansion project for our Lilac Road property, debt issuance is a possibility during the 2008-09 fiscal year. No debt issuance or debt service has been included in the budget. We are with our financial advisor to assist the District in preparing for this possible debt issuance.
- **Data Processing and Management System to be Fully Integrated:** (Goal 7) New Service Order Software will be implemented to track customer service order requests and produce work orders. This will be integrated with our Geographical Information System (GIS) and improve customer service and automatically schedule routine maintenance. An improved job cost program will ultimately integrate it with our labor and inventory programs.

Information Systems – Increasing reliability and efficiency, we will implement the following:

- Using the District's website, allow customers the ability to have on-line access to their account information. The programming will give our customers the functionality to create user accounts, view their bill information, and pay their bills over the internet.
- Our current financial accounting system will be converted from Unix to Windows SQL as the new system becomes available from our vendor in the next two years. This will allow better sharing of data between our various databases, including GIS and SCADA.

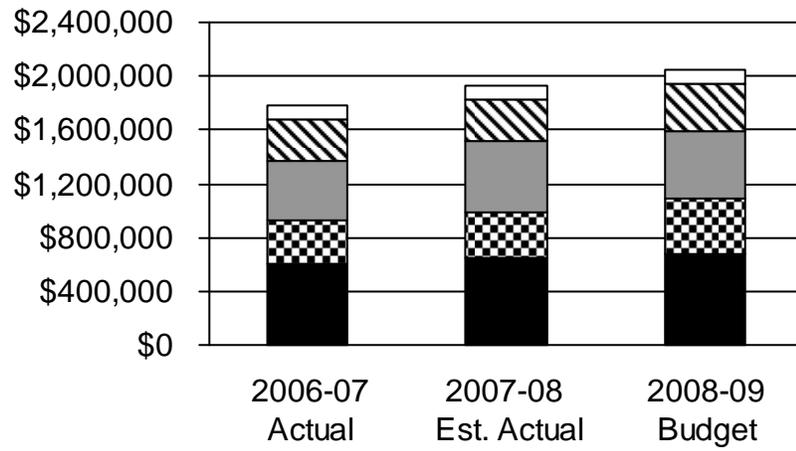
LONG-TERM GOALS

Provide ongoing financial analysis to support the District's capital improvement program. Continue to improve procedures to be able to provide data to users as fast and accurately as possible, using new technologies including electronic transmissions and storage.

LONG-TERM DEBT SCHEDULE

	Interest rate	Final maturities	Outstanding <u>June 30, 2007</u>	Retired <u>2007-08</u>	Outstanding <u>June 30, 2008</u>	Maturing <u>2008-09</u>	Outstanding <u>June 30, 2009</u>
Revenue Bonds	2.64%	July 1, 2013	535,000	85,000	450,000	90,000	360,000

Finance



- Administration
- Information Technology
- Consumer Services
- Facilities Operation
- Debt Service

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**Finance
Full-Time Equivalents**

	<u>01-5211.</u>	<u>01-5212.</u>	<u>01-5213.</u>	<u>01-5214.</u>	<u>Total</u>
Accounting Clerk	0.70	0.10			0.80
Accounting Specialist	1.98			0.02	2.00
Consumer Services Assistant		1.00			1.00
Consumer Services Supervisor		1.00			1.00
Director of Finance	0.90		0.05	0.05	1.00
Information Technology Specialist			1.00		1.00
Manager of Accounting	0.98			0.02	1.00
Manager of Information Technology			1.00		1.00
Sr. Consumer Services Asst		1.00			1.00
Total Full-Time Equivalents	<u>4.56</u>	<u>3.10</u>	<u>2.05</u>	<u>0.09</u>	<u>9.80</u>

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

DEPARTMENT SUMMARY

FINANCE

Div. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
11	Administration	598,251	717,746	643,296	660,604
12	Consumer Service	332,827	408,336	342,216	393,581
13	Information Systems	440,779	561,063	536,993	494,101
14	Facilities Operation	304,987	449,054	302,334	349,891
16	Salary Clearing	0	0	0	0
19	Debt Service	108,791	826,288	105,808	104,434
TOTAL FINANCE		1,785,635	2,962,487	1,930,647	2,002,611

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Administration** **11**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	554,566	641,300	589,100	603,200
03	Overtime	2,003	7,500	4,000	7,500
10	Training & Education	2,489	6,200	2,000	2,500
11	Uniform Allowance	3,400	3,700	3,400	3,400
25	Outside Professional Services	31,204	40,500	37,800	39,800
28	Printing	731	8,800	3,050	4,250
29	Subscriptions and Publications	559	1,200	1,050	900
30	Special Department Expenses	4,800	9,000	8,600	7,450
33	Postage	8,456	9,750	8,500	9,100
34	Membership Fees & Dues	1,446	2,200	1,200	1,100
37	Transportation, Meals & Travel	5,106	6,900	4,400	4,800
54	Maintenance of Equipment	0	500	0	0
91	Expense Credit	(16,509)	(19,804)	(19,804)	(23,396)
	Total	598,251	717,746	643,296	660,604

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT. **Finance** **52**
 DIV: **Administration** **11**

Acct. No.	Detail and Justification	Department Request
33	Postage Prop. 218 Notices 8,500 Availability Charge Notices 350 FedEx & Miscellaneous Mailings 250	9,100
34	Memberships, Fees and Dues American Institute of CPA's 350 Calif. Society of Municipal Finance Officers 150 California Municipal Treasurers' Association 150 Government Finance Officers Association 300 California Board of Accountancy 0 Other 150	1,100
37	Transportation, Meals & Travel ACWA Fall & Spring Conference 3,700 Transportation to Training and Seminars 550 Other 550	4,800
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(23,396)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Consumer Services** **12**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	257,021	314,410	269,800	297,800
03	Overtime	474	300	2,900	3,500
10	Training & Education	196	500	315	500
25	Outside Professional Services	14,860	22,700	18,050	21,900
28	Printing	8,052	9,910	8,500	11,420
30	Special Department Expenses	431	300	150	300
33	Postage	37,281	41,500	39,000	42,000
37	Transportation, Meals & Travel	31	100	85	100
54	Maintenance of Equipment	0	200	0	0
87	Write Off of Uncollectible Accounts	24,217	30,000	15,000	30,000
91	Expense Credit	(9,736)	(11,584)	(11,584)	(13,939)
	Total	332,827	408,336	342,216	393,581

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Information Technology** **13**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	248,492	296,320	284,500	287,900
03	Overtime	6,017	4,000	1,000	2,000
10	Training & Education	11,375	11,000	14,300	3,500
25	Outside Professional Services	2,872	7,200	5,800	7,000
29	Subscriptions and Publications	1,676	1,000	1,600	1,600
30	Special Department Expenses	38,402	64,500	57,300	32,600
32	Telephone/Answering Service	11,315	15,300	10,200	10,000
37	Transportation, Meals & Travel	1,117	350	500	600
40	Rents and Leases	7,843	11,000	11,000	11,100
41	Hazardous Waste Disposal Cost	0	500	500	500
54	Maintenance of Equipment	31,075	46,400	43,600	43,900
59	Maintenance of Software	65,737	76,800	82,000	81,100
	Total Network and Workstations	425,921	534,370	512,300	481,800
61	Outside Professional Services - HP	11,830	20,700	20,300	20,400
62	Maintenance of Equipment - HP	4,482	7,700	5,800	7,600
63	Special Department Expenses - HP	703	1,400	1,700	1,800
	Total Hewlett Packard	17,015	29,800	27,800	29,800
91	Expense Credit	(2,157)	(3,107)	(3,107)	(17,499)
	Total Equipment and Credits	(2,157)	(3,107)	(3,107)	(17,499)
	Total	440,779	561,063	536,993	494,101

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT. **Finance** **52**
 DIV: **Information Technology** **13**

Acct. No.	Detail and Justification	Department Request
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(17,499)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Facilities Operation** **14**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	23,333	16,610	12,950	16,500
03	Overtime	90	200	0	200
25	Outside Professional Services	1,264	2,200	1,200	1,600
27	Office Supplies	9,201	9,200	8,500	9,500
28	Printing	2,426	4,000	4,000	4,500
30	Special Department Expenses	787	1,500	800	900
32	Telephone/Answering Service	40,743	56,000	41,600	53,700
40	Rents & Leases	1,857	5,000	2,000	2,900
42	Insurance	172,662	304,508	177,198	202,318
45	Electricity	46,871	51,000	56,800	59,700
54	Maintenance of Equipment	9,693	3,600	2,050	3,300
91	Expense Credit	(3,940)	(4,764)	(4,764)	(5,227)
	Total	304,987	449,054	302,334	349,891

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Salary Clearing** **16**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor	5,388,897	5,895,800	5,335,600	5,630,235
02	Interns and Temporary Labor	0	20,800	51,600	23,000
03	Overtime	329,856	345,400	303,800	354,750
04	Unemployment Insurance	18,023	18,900	15,000	15,900
05	Retirement	1,394,443	1,613,000	1,514,000	1,571,000
06	Medicare	70,002	81,300	76,900	80,000
07	Medical	820,288	1,202,250	926,900	1,010,400
08	Worker's Compensation	147,315	194,000	128,900	134,000
09	Life and Disability Insurance	119,903	153,100	122,000	132,400
10	Social Security	658	1,300	3,200	1,400
12	Vacation/Sick/Holiday Leave	817,291	910,300	894,300	890,800
13	Increase in Value Of Accrued Leave	61,958	57,000	57,000	67,200
15	Dental	89,225	87,600	78,800	84,900
16	Vision	13,448	16,500	13,000	13,600
18	Post Retirement Health Benefit	145,776	642,400	384,900	105,700
19	Deferred Compensation	36,443	38,400	36,000	38,400
91	Expense Credit	(9,453,526)	(11,278,050)	(9,941,900)	(10,153,685)
	Total	0	0	0	0

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Debt Service** **19**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
25	Outside Professional Services	0	0	0	0
70	Principal	80,000	322,100	85,000	90,000
71	Interest on Debt	28,791	504,188	20,808	14,434
	Total	108,791	826,288	105,808	104,434

SOURCE OF FINANCING

Ad Valorem Property Tax	0	0	0	0
Water Availability Charge/Other	108,791	826,288	105,808	104,434
Total	108,791	826,288	105,808	104,434

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Engineering**

FUNCTION OVERVIEW

The Engineering Department provides professional and technical expertise to the District to plan for the future, and for the District to meet its mission of providing reliable water and sewer service to its customers. The Engineering Department accomplishes improvements to the system to provide that service through planning, designing, inspecting and managing District Capital Improvement Projects, and plan checking and inspecting Developer Projects. The Engineering Department also maintains and updates the technical records of the physical system, easements, District property, and installed improvements, and provides technical information to our customers and to District staff. These functions help accomplish Strategic Plan Performance Measurement Standards: 1 (Customer Satisfaction), 7 (Water Service Reliability), and 8 (Compliance with Regulations). The Department is divided into the following five sections to accomplish these functions: Administration, Water and Wastewater Planning, Public Services, Encroachments and Locates, and GIS/Maps and Records.

ACCOMPLISHMENTS FOR 2006-2008

Performance Measurement Standards

- **Project Actual Cost (Standard No. 6):** Maintain project actual cost to $\pm 10\%$ of the engineer's estimate. Of the nine projects accepted in the previous two year budget period, two projects were constructed by the Field Department (Jesmond Dene Pressure Reducing Valve and Via Cantamar Pump Station) and seven were by outside contractors (see Other Major Projects). The seven capital projects that were constructed by outside contractors had final project costs exceeding the engineer's estimate by a total of 14.7%. The majority of the deviation from the standard can be attributed to the Couser Pump Station and Meadows Reservoir projects. The engineer's estimate for the Couser Pump Station project was approximately 10% low. At the time of bid, material costs were fluctuating and the project costs for similar pump station projects that were used to develop the engineer's cost estimate, most likely, did not reflect current costs. The Meadows Reservoir project has excessive change orders due to unforeseen field conditions and had an increase in project scope to accommodate vulnerability assessment improvements. Had the engineer's estimate for the Couser Pump Station project been increased 10% to better reflect current costs and the change orders on the Meadows Reservoir project been held to a 5% level, the overall actual cost for all projects would be approximately 7.5% over the engineer's estimate, and in line with our standards.

In addition to the above Performance Measurement Standard, the Engineering Department initiated two additional performance standards for capital improvement projects as part of the 2006-2008 budget;

- **Maintain overall project costs to less than the initial budget allocations:** Of the nine projects that were accepted, four were completed within the initial budget allocation (Jesmond Dene Pressure Reducing Valve, Via Cantamar Pump Station, Engineering Annex, and Lake Wohlford Road Pipeline relocations). The initial budget allocations for the other five projects were not sufficient to complete the projects as desired. The Engineering staff has initiated the following procedures to better estimate project costs:
 - Develop project budgets from a more extensive Preliminary Design Report (PDR). This report would define the project scope and identify project requirements, complexities, and challenges.

- Reduce time from project conception to completion. Costs for any project will increase the longer the project takes to complete. Once again, a comprehensive PDR should help reduce the project time by identifying all project requirements and obtaining “buy in” from all stakeholders prior to design. Once design begins, and changes in scope will increase project time resulting in unplanned costs.
 - Better manage unforeseen conditions during construction. Many times unforeseen conditions will lead to extensive change orders that were not budgeted. Field evaluation can be included in design to better identify features that may adversely impact construction and allow appropriate costs to be included in the budget.
- **Maintain construction change orders to less than 5% of the contract amount:** Of the seven capital projects that were bid, the total change order percent was 7.8%. Two of the projects did not have any changes and three had changes totaling less than 5%. The remaining two projects (Lake Wohlford and Meadows Reservoir) had change order amounts totaling 10% and 15%, respectively, of the initial contract amount. With the exception of these two projects, the change order standard was met.

Strategic Plan Implementation -

- **Geographical Information System (GIS) - Goal 1:** The District GIS has been developed and is available through ArcView in a City Works-compatible format. The ArcView map service viewer has been modified to provide basic query functions on various layers of District data, such as water and wastewater services, property ownership, and customer information from a single foundation repository. The core map service also has intuitive tools for selecting services for mass notifications via email, phone, or direct mailings. The Information is made available to all staff through server based shared ArcView license.
- **Supervisory Control and Data Acquisition (SCADA) - Goal 2:** The SCADA system project has progressed on three fronts, 1) conversion of the central control center, 2) establishment of a wireless SCADA Network through the District, and 3) conversion of individual facility sites to provide advanced operational information to better track system performance and efficiency. The operations center was remodeled for SCADA operations. The previous control consoles and circular charts were replaced with computer workstations and large monitor displays. These computer systems show system operation information and store operation data for trending and later analysis as desired. The system utilizes both the radio based communication system for the upgraded sites and phone line tone telemetry system for the existing sites. Plans and specifications for Phase 1 & 2 improvements (approximately 14 sites) were completed and the construction project awarded. The project will be near completion by the end of the fiscal year.

Other Major Projects –

- Completed the Lake Wohlford Road Pipeline Relocation, Valley Center Road-Lake Wohlford Pipeline Relocation, Couser Way Pipeline Replacement, Merry Ferry/East Miller Pressure Reducing Valve (PRV) Upgrades, Couser Pump Station, Field Space Remodel, and Engineering Annex Modular Building projects with a combined value of approximately \$2,822,000.
- In a cooperative effort with the Facilities and Operations Department, the Via Cantamar Pump Station and Jesmond Dene Pressure Reducing Valve projects were designed, constructed, and placed into service with a combined value of approximately \$260,000.
- Completed the phasing design for the Rodriguez Road Pipeline Replacement project to allow coordination with private development plans along the alignment.
- Continued to provide construction management and inspection services for the Valley Center Road Pipeline Replacement project.

- Continued work on the following water reclamation facility projects:
 - Lower Moosa Canyon – Permit Update and Wastewater Master Plan compliance with new Sanitary Sewer Overflow (SSO) regulations and development of Sewer System Management Plan (SSMP)
 - Woods Valley Ranch Permanent Plant – Continued to provide project coordination and inspection services.
 - Orchard Run – Continued design coordination
 - Woods Valley Ranch Expansion Project - Design of plant expansion for Southern Village Area
 - Lilac Ranch – Provided preliminary design report review
 - Live Oak Ranch – Continued preliminary design report review and design coordination.
 - Northern Village Area (Cole Grade and Valley Center Road) - Responded to preliminary inquiries.
- Provided technical engineering services associated with private development including 11 projects for concept approval and completed plan review and approval for 15 projects with a total of 736 lots. Engineering completed 13 fire hydrant and special projects, and accepted five private developments into the system.
- VC-1A/B Aqueduct Connection Relocation – Prepared preliminary evaluation of relocation and coordinated with the San Diego County Water Authority (SDCWA) for relocation of the facility. SDCWA desired to delayed project until 2009-10.

CHALLENGES FOR 2008-2009

The Department will continue to provide construction management and inspection services for the Valley Center Road and Cole Grade Road projects; plan and design for the expansion of existing facilities in an economic and efficient manner while minimizing impacts to customer service; and provide engineering, construction management and inspection services for an ever increasing number of capital improvement and privately funded water and wastewater projects.

On the wastewater side, the Department will continue to coordinate the design and construction of developer wastewater collection and treatment plant projects planned for Woods Valley, Orchard Run, Live Oak Ranch and Lilac Ranch, manage the expansion project to the Woods Valley Ranch Water Reclamation Facility, complete the Lower Moosa Canyon Permit Update and Wastewater Master Plan, and comply with the Regional Board requirements for the Sewer System Management Plan (SSMP).

GOALS FOR 2008-2009

Strategic Plan Implementation -

Geographical Information System - Continue to assist staff with development of database information and integration with GIS. Assist other departments with the development and maintenance of database information to be interfaced with the GIS.

SCADA System - Complete the Phase 1 and 2 improvements and integrate other facility sites as needed and opportunities arise. Coordinate integration of developer constructed facilities into the SCADA system.

Other Major Projects –

Design and construct the capital projects as outlined in the capital outlay section of this budget.

Complete the update of the District's Standard Specifications to include wastewater facilities, update and modification to the District's Water and Wastewater Facility Design Guidelines, and development of Computer Aided Drafting Standards for preparation of plans.

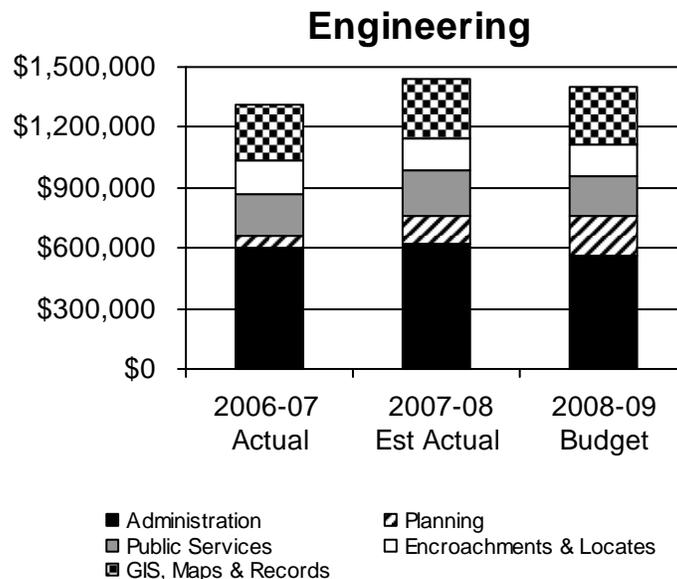
Work with the County and the San Diego Association of Governments (SanDAG) on their General Plan Update as they affect the District and the services it provides.

Review procedures for processing wastewater service applications in an attempt to streamline the process.

Develop Electronic Document Management System library for project files and integrate with GIS where applicable.

LONG-TERM GOALS

Maximize the use of the District's computers to incorporate the Water Master Plan, SCADA, GIS, and scanned mapping in the many daily functions of the District. Integrate all remaining facility sites into the SCADA system. Re-evaluate water master plan recommendations on zone by zone basis. Prepare Integrated Resource Plan encompassing all District facilities; water, wastewater and recycled water. Work with the County on future road projects that are expected, including a possible new connector road across the northern part of the District. Work with the San Diego County Water Authority on the relocation of VC 1A/B and new connection in the Reidy Canyon Area (VC-2).



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**Engineering
Full-Time Equivalents**

2006-2007

	<u>01-5321.</u>	<u>01-5322.</u>	<u>01-5323.</u>	<u>01-5324.</u>	<u>01-5328.</u>	<u>01-1510.</u>	<u>01-5600.</u>	<u>Total</u>
Actng GIS Analyst/Intrm Supervisor	0.22	0.08	0.25		0.45			1.00
Administrative Assistant II	1.20	0.15	0.30	0.20	0.05	0.55	0.55	3.00
Const. Inspector Supervisor	0.23	0.02		0.15	0.05	0.25	0.30	1.00
Construction Inspector	0.30			0.85		0.55	0.30	2.00
District Engineer	0.50	0.25	0.02	0.02	0.02	0.04	0.15	1.00
Engineering Tech I	0.13		0.82	0.05				1.00
Engineering Tech II	0.41	0.02	0.67	0.05	1.00	0.45	0.40	3.00
GIS Mapping Tech	0.13	0.03			0.80	0.02	0.02	1.00
Project Manager	0.51	0.29				0.85	1.35	3.00
Sr. Administrative Assistant	0.60	0.30				0.05	0.05	1.00
Sr. Construction Inspector	0.15					0.20	0.65	1.00
Total Full-Time Equivalents	4.38	1.14	2.06	1.32	2.37	2.96	3.77	18.00

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

DEPARTMENT SUMMARY

ENGINEERING

Div. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
21	Administration	600,128	676,175	624,465	558,452
22	Planning and Design	64,537	175,932	135,572	199,026
23	Public Services	201,846	217,891	230,391	201,001
24	Encroachments & Locates	168,904	238,945	150,960	157,907
28	Maps & Records	272,678	358,717	302,557	289,830
TOTAL ENGINEERING		1,308,093	1,667,660	1,443,945	1,406,216

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Administration** **21**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	548,743	646,045	600,000	537,500
03	Overtime	7,567	8,000	15,000	10,000
10	Training & Education	6,910	9,320	4,500	5,800
11	Uniforms/Clothing/Shoes	5,924	8,500	7,000	7,750
25	Outside Professional Services	28,875	1,000	0	0
26	Legal Services	2,839	5,000	5,000	5,000
28	Printing	286	750	100	250
29	Books & Subscriptions	529	750	250	300
30	Special Department Expenses	9,585	7,450	6,500	6,500
34	Membership Fees & Dues	1,330	2,245	2,000	2,130
37	Transportation, Meals & Travel	3,488	4,500	2,000	2,500
54	Maintenance of Equipment	0	1,000	500	500
91	Expense Credit	(15,948)	(18,385)	(18,385)	(19,778)
	Total	600,128	676,175	624,465	558,452

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Administration** **21**

Acct. No.	Detail and Justification	Department Request
37	Transportation, Meals & Travel	2,500
54	Maintenance of Equipment Copiers, Plotters, and Office Equipment	500
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(19,778)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Planning & Design** **22**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	47,918	132,470	100,000	168,300
03	Overtime	669	500	500	1,000
10	Training & Education	110	4,000	2,500	4,200
25	Outside Professional Services	14,079	35,000	30,000	25,000
28	Printing	0	150	50	75
29	Books & Subscriptions	552	950	900	1,000
30	Special Department Expenses	225	900	100	100
34	Membership Fees & Dues	4,581	5,770	5,700	6,000
37	Transportation, Meals & Travel	267	520	400	400
54	Maintenance of Equipment	0	250	0	0
91	Expense Credit	(3,864)	(4,578)	(4,578)	(7,049)
	Total	64,537	175,932	135,572	199,026

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Public Services** **23**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	200,500	214,400	230,000	201,200
03	Overtime	1,590	2,000	1,000	1,000
10	Training & Education	905	1,200	1,200	1,000
28	Printing	66	180	50	50
29	Books & Subscriptions	36	170	50	170
30	Special Department Expenses	4,000	4,600	3,000	4,000
34	Membership Fees & Dues	114	1,000	900	600
37	Transportation, Meals & Travel	201	250	100	100
91	Expense Credit	(5,566)	(5,909)	(5,909)	(7,119)
	Total	201,846	217,891	230,391	201,001

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Public Services** **23**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.06	201,200
03	Overtime	1,000
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	1,000
28	Printing Board Displays, Presentations, Reports Standard Specifications, Rules, Regulations, Etc.	50
29	Books & Subscriptions Technical Journals and Magazines	170
30	Special Department Expenses Drafting and Office Supplies 700 Fisrt American Real Estate On-Line Service 2,800 Miscellaneous 500	4,000
34	Membership, Fees & Dues Certifications 150 Notary (every 4 years) 400 Miscellaneous 50	600
37	Transportation, Meals & Travel	100
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(7,119)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Maps & Records** **28**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	219,906	306,395	270,000	255,300
03	Overtime	1,760	1,000	4,000	4,000
10	Training & Education	1,910	3,420	2,500	3,000
25	Outside Professional Services	2,340	15,000	15,000	15,000
28	Printing	0	200	50	75
29	Books & Subscriptions	144	250	75	250
30	Special Department Expenses	41,567	22,850	5,000	5,400
34	Membership, Fees & Dues	125	220	200	220
37	Transportation, Meals & Travel	202	800	200	800
54	Maintenance of Equipment	0	750	1,200	750
59	Software Technical Support	11,374	17,500	14,000	15,300
91	Expense Credit	(6,650)	(9,668)	(9,668)	(10,265)
	Total	272,678	358,717	302,557	289,830

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Field Operations**

FUNCTION OVERVIEW

The Field Operations Department is the largest within Valley Center Municipal Water District with a staff of 49 regular employees, including five in wastewater operations. The department, under the guidance of the Director of Operations and Facilities, is responsible for the operation and maintenance of all District facilities, water and wastewater, and the District's security, code enforcement, and safety programs.

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

- The Safety and Regulatory Compliance Division encompasses code enforcement, the District's safety and compliance program for all departments, and site leases of District properties.
- The District Security Division administers the implementation of the recommended measures from our vulnerability assessment.

Operations - Water - The Water Operations Division estimates usage, purchases water, and regulates flow throughout the distribution system. The Division is also responsible for water quality, sampling, testing, pressure reducing stations and the operation and maintenance of the SCADA and telemetry system. In addition, it oversees the Corporate Facilities Maintenance Division which repairs and maintains the District's corporate facilities.

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 Division is also responsible for the maintenance of the sewer collection systems, which includes, locates, inspections and repairs of 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.*

Water Facilities - This Division maintains the pumping systems and reservoir storage systems at a high level of efficiency, reliability, and safety through proactive maintenance and replacement programs. The system consists of 42 reservoirs and 99 pumps. This division is also responsible for the landscaping needs and requirements of all District facilities.

Construction and Maintenance - This Division maintains, inspects, repairs, upgrades, and locates as necessary the more than 294 miles of pipelines that run throughout the District's service area. It also maintains, identifies, locates, detects for leaks, and repairs all mainline valving and appurtenances. It assists the Wastewater Division with all the major repairs of sewer lines and manholes within the wastewater system. This Division is also responsible for the Fleet and Equipment Maintenance Division which repairs and maintains the District's vehicles, tractors and equipment. The District fleet consists of 55 vehicles, 36 pieces of large equipment and 55 pieces of miscellaneous equipment.

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 2008, there were 10,398 meters, of which 912 are fire meters, and 3,520 backflow devices. It oversees the Cross Connection/Backflow program and responds to the majority of the customer service requests which are received by the District.

ACCOMPLISHMENTS FOR 2006-2008

Performance Measurement Standard:

- **Water Loss** (Standard 2): Water loss for the calendar year 2007 was 4.8%. The weighted average water lost for the last four calendar years was 5.1%. Although the unaccounted water loss has increased from the previous year, we continue to work on strategies and procedures we feel will further reduce the “unknown water loss” in the next measurement period.
- **Pump Efficiency** (Standard 5): The goal is to maintain the pumping efficiency at or above 95% of the design criteria. This budget period the steps taken towards this goal included annual efficiency testing of all the distribution pumps, reconditioning pumps systems that dropped below the acceptable range. This included rebuilding 20 pump and motor combinations and replacing pumps at Circle R and Jesmond Dene Pump Stations. In addition to the pump work, we upgraded the electric motor starters to a soft start design at Betsworth, Miller and Oathill Pump Stations. The pumping efficiency for 2006-2008 budget period was 100.6% of design criteria.
- **Water Service Reliability** (Standard 7) was better than 99%.
- **Compliance with Regulations** (Standard 8): The District was compliant with all state and federal regulations.
- **Lost-time Accidents** (Standard 9): The District had one lost time accident in 2006-2008, representing 0.14% of total hours worked, complying with our standard of less than 1% of hours worked.

Strategic Plan Implementation:

- **SCADA** (Goal 2): Continued to monitor the SCADA system program. Progressively remove old telemetry signal units that were not SCADA compatible and replaced them with new SCADA compatible transducer units.

Other Projects:

- Recoat the interior and exterior of McNally, Reid Hill, Paradise #2, and Mizpah Reservoirs, and install an exterior stairway on McNally.
- Assisted with the re-design of the Operations Center.
- Installation of a tablet chlorinator for VC-7.
- Installation of SCADA compatible Depolox III chlorine residual analyzers at VC-2 and VC-3.
- Completed over 70% implementation of the District’s Automated Meter Reading Program (AMR). AMR meters provide information quickly, efficiently, and more safely. They require less manpower to read the meters and provide more accurate readings.
- Upgraded Jesmond Dene Reservoir PRV and Jesmond Dene Pump Station PRV to above ground.
- Graded and constructed the new storage/inventory building at the District yard.
- Initial Distribution System Evaluation (IDSE) per the new Stage II Disinfection/Disinfection Bypass Rule.
- Increased the District’s employee parking area.
- Designed and built new Via Cantamar Pump Station.
- Installed soft-starts at Betsworth, Oathill and Miller PS in preparation of the new SCADA Project.
- Cleared and pre-graded Lake Turner Solar site.
- Rebuilt Jesmond Dene Reservoir and Rincon PS electric and telemetry panels.

CHALLENGES FOR 2008-2009

To repair, upgrade and maintain the water system, while at the same time keeping the system fully operational and meeting all our goals, guidelines and standards.

Take over the implementation of the new SCADA Program in-house and continue to move the project forward with District forces.

Train and develop employees on the new SCADA Programming and related software issues and requirements.

GOALS FOR 2008-2009

Performance Measurement Standards:

- **Water Loss** (Standard 2): To further improve our water loss, continue replacing high usage 3-inch, 2-inch, and 1½-inch meters to meet our efficiency standard and continue the ¾-inch and 1-inch meter exchange program through the new AMR exchange program.
- **Pump Efficiency** (Standard 5): Maintain the efficiency requirements through repair, reconditioning and replacing sub-par equipment. Replace the Cantrel Corners pumps and silos. Add an additional 350 HP pump to the Lilac Pump Station.
- **Continue** to maintain 99% water service reliability, compliance with all regulations, and no lost-time accidents (Standards 6, 7, and 8).

Strategic Plan Implementation:

- **SCADA System** - (Goal 2): Assist the Engineering Department with completion of Phases I & II.
- **Vulnerability Assessment** - (Goal 3): Complete phase one and two of the recommended measures. Phases three and four have been postponed.

Other Goals:

- Build a containment basin and roof covering to house the asphalt products.
- In-house security upgrades at reservoir and pumping facilities.
- Install a French drain and lay new asphalt at Jesmond Dene Reservoir to alleviate run-off problems.
- Construct a containment basin to house remote diesel and gas tanks at Moosa's Wastewater Facility.
- Install and repair inline valves at designated points throughout the Districts service area.
- Makes repairs or replace Paradise Reservoir #2 roof support structures.
- Complete implementation of the District's Automated Meter Reading Program (AMR).
- Increase the Districts Corporate fuel storage capacity for an emergency preparation.
- Resolve Via Cantamar Reservoir site drainage issue.
- Install a self supported aeration mixing system at Lake Turner.
- Re-fabricate Lilac PRV Relief Station design.

LONG TERM GOALS

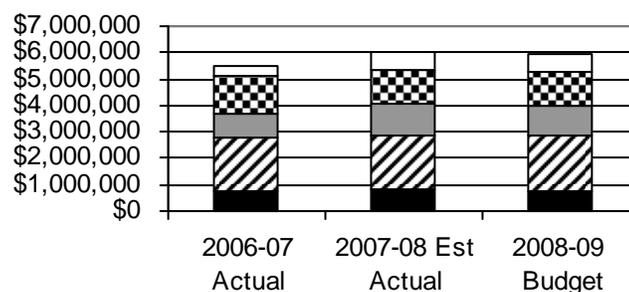
Continue moving forward with the SCADA system installation at our water and wastewater facilities. The District will complete the work in-house on phases three through seven.

Continue upgrading all of the District's pump and corporate facilities to improve pump efficiency (Standard 5).

Continue to train and develop district personnel to meet the districts future succession planning demands.

Re-establish easement maintenance and meter maintenance programs throughout the districts distribution system.

Field Operations



- Vehicle & Equipment Maintenance
- ▣ Meters
- ▨ Construction & Maintenance
- ▧ Operations
- Administration

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2008-2009

Field
Full-Time Equivalents

	01-5431	01-5432	01-5433	01-5434	01-5442	01-5443	01-5444	01-5445	01-5446	01-5447	01-5448	01-5449	01-5453	01-5454	01-5455	01-5461	01-5462	01-5463	01-5465	01-5471	01-1510	01-5600	TOTAL	
Actng Assistant Safety Officer	0.60	0.25																					0.85	
Actng Engineering Tech III				0.06	0.17	0.25						0.01											0.50	0.99
Administrative Assistant I	0.90	0.05																						0.95
Construction Maintenance Supervisor				0.02					0.14	0.06		0.01	2.58	2.58			0.16			0.07	0.12	0.07		5.81
Construction Maintenance Tech III									0.02	0.01		0.01	0.10	0.76	0.05		0.92			0.01	0.05	0.04		1.97
Director of Operations/Facilities	0.75																							0.75
Fleet Mechanic I													0.03	0.02			0.01			0.94				1.00
General Services Tech II														0.24			0.01	0.75						1.00
Landscape Maintenance Wkr III			1.90						0.04				0.02	0.04										2.00
Meter Services Supervisor													0.01			0.02		0.80	0.10		0.03	0.04		1.00
Meter Services Tech I					0.70	0.09	0.05	0.05				0.05	0.07			0.13	0.70	2.58	0.50		0.01	0.07		5.00
Meter Services Tech II													0.01			0.02	0.16	1.06	0.70		0.02	0.03		2.00
Meter Services Tech III																	0.15	0.62	0.20		0.01	0.02		1.00
Pump & Motors Supervisor			0.10						0.25	0.35	0.30													1.00
Pump Facilities Tech II									0.30	0.50	0.20													1.00
Pump Facilities Tech III									0.25	0.60	1.05		0.04		0.03									1.97
Sr Administrative Assistant	0.83	0.10																						0.93
Sr Construction Maintenance Tech				0.02					0.01	0.01			0.12	0.75	0.08		0.91				0.04	0.03		1.97
Sr Fleet Mechanic													0.03	0.02			0.01			0.94				1.00
Sr Pump Facilities Tech									0.55	0.80	0.45													1.80
Sr Water Systems Tech				0.02	0.60	0.05	0.08	0.10				0.08									0.01	0.05		0.99
Sr. Construction Maintenance Tech									0.04	0.01			0.75	0.10			0.04			0.01	0.01	0.01		0.97
Sr. Electrician									0.05	0.20	0.70													0.95
Water Systems Supervisor				0.02	0.75	0.02	0.02	0.02				0.03		0.08							0.01	0.05		1.00
Water Systems Tech I					0.81		0.05	0.08				0.05					0.01							1.00
Water Systems Tech II				0.02	0.59	0.10	0.05	0.08				0.05					0.01					0.10		1.00
Water Systems Tech III				0.06	1.80	0.30	0.17	0.19				0.22		0.05			0.01				0.04	0.15		2.99
Total Full-Time Equivalents	3.08	0.40	2.00	0.22	5.42	0.81	0.42	0.52	1.65	2.54	2.70	0.51	3.76	0.37	4.30	0.30	1.02	7.89	1.50	1.97	0.35	1.16		42.89

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

DEPARTMENT SUMMARY

FIELD OPERATIONS

Div. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
ADMINISTRATION					
31	Field Administration	452,543	562,846	432,586	418,962
32	Safety & Regulatory Compliance	121,116	183,748	154,068	79,792
33	Landscape & Paving Maintenance	193,037	207,167	212,707	192,193
34	District Security	16,368	33,678	6,008	27,187
	Total Administration:	783,064	987,439	805,369	718,134
OPERATIONS					
42	System Operation	729,232	742,860	689,975	695,600
43	Telemetry	169,087	221,150	166,326	160,900
44	Treatment	90,869	109,945	78,260	79,950
45	Automatic Valves	43,309	69,275	51,325	62,400
46	Reservoir Maintenance	201,593	158,435	157,200	206,100
47	Pump Maintenance	212,548	367,365	336,100	342,800
48	Motor Maintenance & Electric Panels	438,561	581,255	509,740	486,300
49	Quality Control	85,278	116,445	101,990	110,000
	Total Operations:	1,970,477	2,366,730	2,090,916	2,144,050
CONSTRUCTION & MAINTENANCE					
53	Pipeline and Right-of-Way Maint.	488,138	586,970	592,250	544,400
54	Corporate Facilities Maintenance	87,094	112,669	104,389	110,487
55	Valve Maintenance & Location	343,064	452,730	470,400	467,250
	Total Construction & Maintenance:	918,296	1,152,369	1,167,039	1,122,137
METERS					
61	Meter Installation	166,285	354,530	59,300	84,680
62	Meter Reading	118,965	205,670	96,150	85,000
63	Service Connection Maintenance	989,595	787,505	944,250	887,000
65	Backflow Maintenance	187,273	321,505	194,000	198,600
	Total Meters:	1,462,118	1,669,210	1,293,700	1,255,280
71	Vehicle & Equipment Maintenance	367,367	686,295	692,145	708,050
TOTAL FIELD OPERATIONS		5,501,322	6,862,043	6,049,169	5,947,651

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Administration** **31**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	366,368	431,960	350,000	349,700
02	Interns and Temporary Labor	5,476	24,100	3,500	0
03	Overtime	6,716	5,500	5,500	3,000
10	Training & Education	33,098	44,200	34,000	20,000
11	Uniform/Clothing/Shoes	27,411	39,000	32,000	33,000
28	Printing	738	3,500	2,600	3,000
30	Special Department Expenses	9,107	7,500	7,500	3,500
32	Automated Telephone Dial Service	0	5,000	1,500	3,500
33	Postage	353	350	200	150
34	Memberships, Fees and Dues	1,415	800	1,000	500
37	Transportation, Meals & Travel	14,211	14,200	8,500	15,000
38	Regulatory Permits & Fees	1,185	2,500	2,500	2,000
54	Maintenance of Equipment	350	600	150	450
91	Expense Credit	(13,885)	(16,364)	(16,364)	(14,838)
	Total	452,543	562,846	432,586	418,962

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Administration** **31**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.08	349,700
03	Overtime	3,000
10	Training & Education Allocation from General Administration Training 5118 Page 4-5B	20,000
11	Uniform/Clothing/Shoes	33,000
	Uniforms for Field Personnel 21,500	
	Safety Shoes 8,000	
	Uniform Allowance for Office Personnel 700	
	Hats 1,800	
	Sweatshirts 500	
	Jackets 500	
28	Printing	3,000
30	Special Department Expenses	3,500
	Office Supplies 3,000	
	Miscellaneous Equipment 500	
32	Automated Telephone Dial Service	3,500
33	Postage	150
34	Memberships, Fees and Dues	500
	Miscellaneous 500	
37	Transportation, Meals & Travel	15,000
	San Diego County Water Works Group Meetings 1,200	
	After Hour Meals 12,300	
	Joint Power Insurance Authority Meetings 1,500	
38	Regulatory Permits & Fees	2,000
	State Water Resources Control Board 2,000	

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Landscape & Paving Mnt** **33**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	179,115	190,960	198,000	182,000
03	Overtime	39	1,500	1,000	1,000
25	Outside Professional Services	6,302	7,000	6,000	5,000
30	Special Department Expenses	1,164	1,500	1,500	1,000
52	Maintenance of Facilities	11,315	12,000	12,000	10,000
91	Expense Credit	(4,898)	(5,793)	(5,793)	(6,807)
	Total	193,037	207,167	212,707	192,193

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **District Security** **34**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	12,398	30,870	4,600	24,900
03	Overtime	369	1,000	500	1,000
28	Printing	0	650	150	500
30	Special Department Expenses	4,339	1,000	1,200	1,200
33	Postage	0	300	100	150
34	Memberships, Fees and Dues	400	800	400	400
91	Expense Credit	(1,138)	(942)	(942)	(963)
	Total	16,368	33,678	6,008	27,187

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Telemetry/SCADA** **43**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	98,411	141,250	88,700	82,800
03	Overtime	3,969	3,500	4,576	5,000
30	Special Department Expenses	0	400	550	600
32	Telephone	41,183	37,500	39,900	37,500
52	Maintenance of Facilities	25,524	38,500	32,600	35,000
	Total	169,087	221,150	166,326	160,900

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Treatment** **44**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	60,329	71,745	47,400	41,900
03	Overtime	70	500	250	500
23	Chlorine	20,209	19,000	25,060	26,000
25	Outside Professional Services	0	500	0	500
30	Special Department Expenses	0	200	200	200
38	Regulatory Permits & Fees	264	1,000	350	350
52	Maintenance of Facilities	9,997	17,000	5,000	10,500
	Total	90,869	109,945	78,260	79,950

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Treatment** **44**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.42	41,900
03	Overtime	500
23	Chlorine Chlorine Tablets 15,500 HTH to Increase Residual in Reservoirs 10,500	26,000
25	Outside Professional Services Chlorinator Maintenance 500	500
30	Special Department Expenses Tools and Replacement	200
38	Regulatory Permits & Fees	350
52	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators 9,000 Rebuild Chlorine Detectors 1,500	10,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Automatic Valves** **45**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	31,698	51,625	40,700	51,400
03	Overtime	242	500	125	500
30	Special Department Expenses	0	650	500	500
52	Maintenance of Valves	11,369	16,500	10,000	10,000
	Total	43,309	69,275	51,325	62,400

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Pump Maintenance** **47**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	162,314	286,765	255,750	279,200
03	Overtime	1,259	2,000	2,000	2,000
30	Special Department Expenses	1,084	2,000	2,610	1,000
38	Regulatory Permits & Fees	314	600	600	600
52	Maintenance of Pumps	47,577	76,000	75,140	60,000
	Total	212,548	367,365	336,100	342,800

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Pump Maintenance** **47**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.54	279,200
03	Overtime	2,000
30	Special Department Expenses Tool Replacement 500 Miscellaneous Items 500	1,000
38	Regulatory Permits & Fees Boom Truck Certification 400 District Yard Permit 200	600
52	Maintenance of Pumps 24 Pumps are Scheduled 37,600 Painting 8,000 Machine Work 10,000 Bearings 3,200 Packing 1,200	60,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Motor Maint./Elec.Panels** **48**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	267,253	339,455	269,940	296,700
03	Overtime	6,254	5,500	9,500	5,000
30	Special Department Expenses	3,736	2,200	2,200	1,000
38	Regulatory Permits & Fees	18,931	24,100	24,100	24,100
52	Maintenance of Electrical Facilities	26,190	32,000	36,000	30,000
55	Maintenance of Engines	35,471	48,000	48,000	29,500
56	Maintenance of Electric Motors	80,726	130,000	120,000	100,000
	Total	438,561	581,255	509,740	486,300

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Quality Control** **49**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	25,067	55,245	47,300	51,200
03	Overtime	0	500	250	500
25	Outside Professional Services	31,048	22,200	23,170	25,000
28	Printing	8,822	5,500	5,000	6,000
30	Special Department Expenses	2	300	250	300
33	Postage	1,300	2,700	2,200	2,000
38	Regulatory Permits & Fees	18,477	26,500	20,820	20,000
52	Maintenance of Facilities	562	3,500	3,000	5,000
	Total	85,278	116,445	101,990	110,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Quality Control** **49**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.51	51,200
03	Overtime	500
25	Outside Professional Services Lab Analysis For: Bacteriological 10,000 Trihalomethane (THM) 9,000 Haloacetic acids (HAA) 6,000	25,000
28	Printing Annual Notifications, Regulations	6,000
30	Special Department Expenses Lab Supplies 200 Glassware Replacement 100	300
33	Postage Notifications for major shutdowns 800 Consumer confidence reports 1,200	2,000
38	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	20,000
52	Maintenance of Facilities Chlorine Residual Comparators 2,000 Chlorine Residual Reagent 1,000 Rebuild/Repair Chlorine Residual Analyzers 2,000	5,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Pipeline & R.O.W. Maint.** **53**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	306,134	380,220	384,000	367,400
03	Overtime	48,653	37,000	45,000	47,000
25	Outside Professional Services	55,002	56,500	50,000	30,000
30	Special Department Expenses	5,286	4,250	4,250	3,000
40	Rents & Leases	2,503	2,500	2,500	2,500
52	Maintenance of Facilities	70,560	106,500	106,500	94,500
	Total	488,138	586,970	592,250	544,400

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Pipeline & R.O.W. Maint.** **53**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.76	367,400
03	Overtime Emergency Leak Repair	47,000
25	Outside Professional Services Asphalt Paving 16,000 Asphalt Satin Sealing 10,000 Mowing of Corporate Facilities 4,000	30,000
30	Special Department Expenses Fire Hose and Fittings 500 Cones and Barricades 650 Tools 500 Welding Equipment 250 Welding Supplies 600 Markout Locator Calibration 300 Miscellaneous Equipment 200	3,000
40	Rents & Leases	2,500
52	Maintenance of Facilities Asphalt, Hot and Cold Mix 20,000 Decomposed Granite, Road Base and Rock 27,500 Culverts 2,000 Cement 2,000 Clamps and Couplings 13,500 Welding Materials 4,000 Asphalt-Cement Disposal 4,000 Pipe 6,500 Trash Disposal 10,000 Erosion Control Material 5,000	94,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Corporate Facilities Maint.** **54**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	22,991	31,830	19,600	35,400
03	Overtime	2,031	2,500	1,180	2,000
25	Outside Professional Services	34,018	52,000	45,000	44,500
30	Special Department Expenses	5,027	4,500	14,000	7,500
52	Maintenance of Facilities	25,518	25,000	27,770	25,000
91	Expense Credit	(2,491)	(3,161)	(3,161)	(3,913)
	Total	87,094	112,669	104,389	110,487

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Meter Installation** **61**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	45,389	107,830	25,000	29,100
03	Overtime	1,907	4,000	1,800	2,000
30	Special Department Expenses	836	3,200	2,500	2,000
38	Regulatory Permits & Fees	0	900	0	250
40	Rents & Leases	70	200	0	150
51	Maintenance of Vehicles	17,353	45,000	7,000	12,500
52	Installation Material-Meters	74,972	108,400	15,000	21,680
57	Installation Material-Backflows	25,758	85,000	8,000	17,000
	Total	166,285	354,530	59,300	84,680

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Meter Reading** **62**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	118,662	204,270	95,000	83,900
03	Overtime	303	1,000	750	750
30	Special Department Expenses	0	400	400	350
	Total	118,965	205,670	96,150	85,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Service Conn. Maint.** **63**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	786,531	671,455	789,000	751,700
03	Overtime	37,304	24,000	50,000	35,000
30	Special Department Expenses	4,091	6,850	6,850	5,900
38	Regulatory Permits & Fees	0	700	150	150
40	Rents & Leases	379	500	250	250
52	Maintenance of Facilities	161,290	84,000	98,000	94,000
	Total	989,595	787,505	944,250	887,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Backflow Maintenance** **65**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	119,967	241,205	130,000	139,600
03	Overtime	3,664	5,500	4,500	4,000
25	Outside Professional Services	1,621	3,300	2,500	2,500
30	Special Department Expenses	218	3,500	2,000	2,000
52	Maintenance of Facilities	61,803	68,000	55,000	50,500
	Total	187,273	321,505	194,000	198,600

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Vehicle & Equip. Maint.** **71**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	175,128	199,050	204,000	193,600
03	Overtime	10,288	8,000	8,500	9,000
30	Special Department Expenses	4,865	4,200	4,400	3,000
38	Regulatory Permits & Fees	2,876	4,800	3,500	3,500
40	Rents & Leases	7,254	21,000	21,000	3,000
41	Hazardous Waste Disposal Costs	3,865	11,500	5,600	6,000
50	Maintenance - Gas, Oil & Grease	135,818	166,600	174,000	190,000
51	Maintenance of Vehicles	60,546	73,500	73,500	71,000
53	Maintenance of Radios	2,614	6,300	6,300	15,000
54	Maintenance of Equipment	23,376	27,600	27,600	20,600
75	Contrib. to Replacement Reserve	218,288	252,200	252,200	234,000
91	Expense Credit	(277,551)	(88,455)	(88,455)	(40,650)
	Total	367,367	686,295	692,145	708,050

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Vehicle/Equipment Maint** **71**

Acct. No.	Detail and Justification	Department Request
53	Maintenance of Radios/Vehicle Tracking Service Contract & New Installations 3,000 Vehicle Tracking 12,000	15,000
54	Maintenance of Equipment Grader/Dozer/Backhoe 11,000 Miscellaneous Equipment 9,600	20,600
75	Contribution to Vehicle Replacement Reserve (From following page)	234,000
91	Expense Credit Rental Value of Vehicles and Equipment Used for: Installation of Meters 01-5461.51 12,500 Moosa Treatment Plant 13-5326.51 18,000 Moosa Collection 13-5327.51 3,500 Moosa STEP Maintenance 13-5329.51 650 Woods Valley Ranch Treatment Plant 17-5331.51 6,000	(40,650)

**LICENSED MOTOR VEHICLE REPLACEMENT RESERVE 01-5471-75
2008-2009**

Car	Type of Vehicle	VIN #	Asset #	Adjusted Cost	Life in Yrs.	Est. Depr. 2008-2009	Inflation Adjust.
1	03 Dodge 1/2 ton 4X4	1D7HU18N43S227834	4983	29,154	4	0	1,190
2	99 Ford F250 4x4	1FTNX2154XEA66234	4655	27,339	4	0	1,116
3	99 Ford F250 4x4	1FTNX2154XEA66235	4656	26,684	4	0	1,089
4	06 Chevy Colorado	1GCDT196X68220374	5266	22,100	4	5,525	902
5	99 Ford F350 4x4	1EDWX3756XEB66233	4657	30,804	4	0	1,257
7	06 Chevy Colorado	1GCDT196268220627	5263	22,100	4	5,525	902
8	06 Chevy Colorado	1GCDT196268220336	5264	22,100	4	5,525	902
9	08 Ford F450 Diesel	1FDXF47R28EA12637	5387	51,417	4	12,854	0
10	01 Ford-550 4X4	1FDAF57F31EC60919	4834	45,347	5	0	1,851
13	03 Ford F350	1FDWX36P23EC03258	4984	37,479	4	0	1,530
14	08 Ford F550 Diesel	1FDAF57RX8EA12638	5388	65,390	4	16,348	0
15	05 Ford F550 4X4	1FDAF57P65EB76415	5162	52,761	4	13,190	2,153
16	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P15EB76412	5163	40,809	4	10,202	1,666
17	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P35EB76413	5164	51,495	4	12,874	2,102
18	86 Ford F700	1FDWF70K7GVA59705	4103,4658	29,737	4	0	1,214
19	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P55EB76414	5165	41,152	4	10,288	1,680
20	99 Ford F800	1FDNF80C3WVA31831	4659	55,670	5	0	2,272
21	95 Ford F450	1FDLF47G9SEA28399	4562	25,246	4	0	1,030
22	01 Ford F-150 4X4	1FTRX18W11NB31475	4835	24,747	4	0	1,010
23	07 Ford F150 Ext Cab 4WD	1FTPX14597NA33629	5384	25,170	4	6,293	0
24	99 Ford F150 4x4	1FTRF18W4XKA22960	4706	21,533	4	0	879
25	99 Ford F250 4x4	1FTNX2156XEC68335	4707	27,403	4	0	1,118
27	87 Ford F800 LN7000 Water Truck	1FTWR72P4HVA51454	4756	19,395	5	0	792
29	97 Chev 1/2 ton 4x4	1GCEK14M2VZ190101	4624	21,851	4	0	892
31	99 Chev 2500 4x4	1GBGC24RXF012254	4708	24,174	4	0	987
32	03 Chev HD	1GCEK19V83E201169	4985	24,319	4	0	993
33	08 Ford F350	1FDWX36R58EA12636	5389	51,621	4	12,905	0
34	04 Ford F750 5YD Dump	3FRXF75624V604121	4986	63,950	5	0	2,610
35	01 Ford F-150 4X4	1FTRX18WX1NB31474	4836	25,025	4	0	1,021
37	92 Ford F150 4X4	2FTEF14H1NCA35057	4434	14,215	4	0	580
38	95 Ford Dump	1FDXF80E9SVA39968	4591	43,600	4	0	1,779
39	96 Chev Van	1GNDM19WOTB152475	4590	18,782	4	0	767
41	06 Chevy Colorado	1GCDT196568220251	5265	22,100	4	5,525	902
44	01 Ford F-150 4X4	1FTRX18W61NB31472	4837	25,043	4	0	1,022
45	01 Ford F-150 4X4	1FTRX18W81NB31473	4838	25,018	4	0	1,021
46	02 Ford F-150	1FTRX18W22NB06375	4902	24,962	4	0	1,019
47	02 Ford F-350	1FDWX36FX2EC19987	4903	36,000	4	0	1,469
48	02 Ford F-550	1FDAF57F62EC50788	4904	51,617	5	0	2,107
49	04 Chevy CK1500	1GCEK19V94E256599	5057	24,282	4	0	991
50	04 Chevy CK1500	1GCEK19V84E258912	5058	24,439	4	0	997
51	04 Chevy CK1500	1GCEK19V44E255957	5059	24,362	4	0	994
52	04 Chevy CK1500	1GCEK19V34E256971	5060	24,369	4	0	995
53	04 Chevy CK1500	1GCEK19V64E264854	5061	24,369	4	0	995
54	04 Chevy CK1500	1GCEK19V94E263570	5062	24,286	4	0	991
55	04 Chevy CK1500	1GCEK19V24E255410	5063	24,232	4	0	989
56	05 Ford F150 Supercab 4X4	1FTRX14W75KC83483	5166	22,700	4	5,675	926
57	05 Ford F150 Supercab 4X4	1FTRX14W95KC83484	5167	23,136	4	5,784	944
58	05 Ford F150 Supercab 4X4	1FTRX14W05KC83485	5168	23,922	4	5,981	976
59	07 Chevy Colorado	1GCDT19E878148762	5385	24,091	4	6,023	0
60	07 Chevy Colorado	1GCDT19E678146492	5386	24,174	4	6,044	0
61	07 Chevy Colorado	1GCDT19E678148582	5391	23,927	4	5,982	0
62	08 Ford Ranger	1FTZR45E88PA61883	NEW	18,322	4	4,581	0
63	08 Ford Ranger	1FTZR45E68PA61882	NEW	18,322	4	4,581	0
11	08 Ford F-350 Super Duty	1FDWF36R28ED51907	NEW	38,357	4	9,589	0
12	08 Ford F-350 Super Duty	1FDWF36R48ED51908	NEW	36,544	4	9,136	0

55 1,691,143 180,428 53,622

Inflation adjustment December 2007

Contribution to Vehicle Replacement Reserve for Fiscal Year 2008-09

53,622

234,050

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
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 (CWA) which in turn purchases most of its water from the Metropolitan Water District of Southern California (MWD).

Certified agricultural water purchases receive rebates under the MWD's Interim Agricultural Water Program (IAWP) and for the CWA's markup in the melded rate supply cost used to pay for additional water supplies such as transfers from the Imperial Irrigation District. These rebates, approximately \$255 per acre foot, are passed through to qualifying agricultural customers.

The District must also pay the MWD and CWA 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 2006-2008

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 CWA strategies to maintain affordable water rates and is working to continue the agricultural discounts.

While electricity costs were budgeted at 12.9¢ per kilowatt hour last year, costs are currently running below that.

CHALLENGES FOR 2008-2009

The use of fixed charges by MWD and CWA will leave the District exposed if water sales drop below historical levels, as we are currently seeing since January 1, 2008, because of the mandatory reduction in IAWP deliveries. The District had established reserves to stabilize rates if this occurred, but these reserves were depleted in 2007.

Energy supplies and costs will be of continuing concern, along with efforts to keep water supply costs at the lowest level possible.

Management of the 30% IAWP supply reduction, which began with the January 2008 billings, and the voluntary 10% municipal and industrial conservation.

GOALS FOR 2008-2009

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.

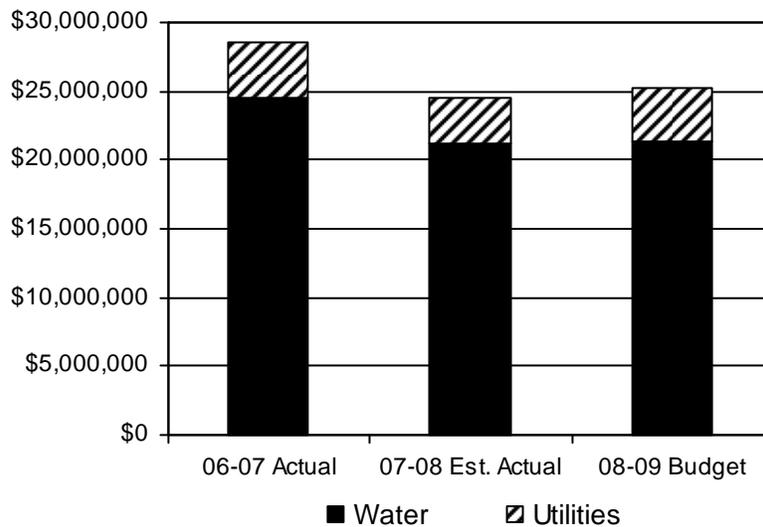
The MWD water delivery charge for 2009 will increase 14.6% from \$554 to \$635 per acre foot. The Capacity Reservation Charge for 2009 is estimated to increase 10%. The SDCWA is projecting that their Customer Service Charge will increase 6.6% and the emergency Storage Charge will increase .5% in calendar year 2009. In addition, SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The rate is projected to be \$56 in calendar 2009. All rate changes from MWD and SDCWA are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

Natural gas prices are showing upward pressure because of continuing low levels of storage and supply problems. Based on our best estimate at this time, electricity will average 13.3¢ per kilowatt hour and natural gas \$1.17 per therm, for an aggregate cost of \$105 per acre foot of water purchased for 2008-09. The aggregate cost for 2007-08 is \$91 per acre foot, an increase of 15%. The completion of the Lake Turner Solar Project will provide 2.1 million kilowatt hour of electricity at a rate less than San Diego Gas and Electric, reducing the average power rate by less than 1%.

LONG-TERM GOALS

The costs of water, ready-to-serve, customer service, capacity reservation, emergency storage, 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 the uncertainties surrounding the IAWP program.

Source of Supply



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

DEPARTMENT SUMMARY

SOURCE OF SUPPLY

Div. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	28,531,427	29,943,040	24,527,329	25,243,998
TOTAL FIELD OPERATIONS		28,531,427	29,943,040	24,527,329	25,243,998

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Source of Supply** **41**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
		@ 50,511 af	@ 48,300 af	@ 39,454 af	@ 36,292 af
21	Water Supply Charge - MWD & CWA	25,067,564	25,557,420	20,752,300	21,275,813
22	Water Delivery Charge - CWA	3,030,684	2,898,000	2,367,250	2,235,300
23	Agricultural Rebate - MWD	(4,473,508)	(4,353,800)	(3,283,700)	(3,248,544)
24	Agricultural Rebate - CWA	(1,289,448)	(1,298,500)	(978,350)	(1,424,236)
25	Ready to Serve Charge	(273,586)	(277,300)	(261,768)	(249,396)
26	Infrastructure Access Charge	270,723	283,320	294,468	327,431
27	Water Delivery Charge - MWD Tier II	(164)	0	0	0
30	Capacity Reservation Charge - MWD	794,810	813,500	814,001	873,230
35	Customer Service Charge - CWA	1,064,309	1,123,500	1,103,284	1,171,200
36	Emergency Storage Charge - CWA	335,539	364,900	397,844	457,200
39	Water Refunds	0	0	0	0
	Total Water	24,526,923	25,111,040	21,205,329	21,417,998
45	Utilities - Electricity	3,937,010	4,325,300	3,075,500	3,542,100
47	Utilities - Natural Gas	315,764	506,700	246,500	283,900
65	Utilities - Energy Settlement	(248,270)	0	0	0
65	Utilities - Refunds	0	0	0	0
	Total Utilities	4,004,504	4,832,000	3,322,000	3,826,000
	Total	28,531,427	29,943,040	24,527,329	25,243,998

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DIV: **Field Operation** **54**
 DEPT: **Source of Supply** **41**

Acct. No.	Detail and Justification	Jul to Dec	Jan to Jun	Department Request
21	Water Supply Charge			21,275,813
	To MWD & CWA -	554.00	635.00	
	Expected purchases in AF	<u>21,847</u>	<u>14,445</u>	
	Expected purchases in \$	12,103,238	9,172,575	
22	Water Delivery Charge			2,235,300
	To MWD & CWA -	60.00	64.00	
	Expected purchases in AF	<u>21,847</u>	<u>14,445</u>	
	Expected purchases in \$	1,310,820	924,480	
23	Agricultural Rebate - MWD			(3,248,544)
	Ag Discount Rate	(114.00)	(114.00)	
	Estimated Ag purchases in AF	<u>17,154</u>	<u>11,342</u>	
		(1,955,556)	(1,292,988)	
24	Agricultural Rebate - CWA			(1,424,236)
	Ag Discount Rate	(46.00)	(56.00)	
	Estimated Ag purchases in AF	<u>17,154</u>	<u>11,342</u>	
		(789,084)	(635,152)	
25	Ready to Serve Charge			(249,396)
26	Infrastructure Access Charge			327,431

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **General** **01**
 DIV: **Field Operation** **54**
 DEPT: **Source of Supply** **41**

Acct. No.	Detail and Justification	Department Request									
30	Capacity Reservation Charge - MWD 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.	873,230									
35	Customer Service Charge - CWA This charge is based on a three-year rolling average of all deliveries. It is levied to recover estimated costs necessary to support the functioning of the Authority, to develop policies and implement programs that benefit the region.	1,171,200									
36	Emergency Storage Charge - CWA This charge is based on a three-year rolling average of non-agricultural deliveries. It is levied to recover costs associated with the Emergency Storage Program.	457,200									
45	Utilities - Electrical	3,542,100									
47	Utilities - Natural Gas	283,900									
	Utilities are based on sale of 34,115 A.F. and purchase of 36,292 A.F. @ \$105 per A.F.										
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Electric</td> <td style="padding-right: 20px;">93%</td> <td style="text-align: right;">3,542,100</td> </tr> <tr> <td>Natural Gas</td> <td>7%</td> <td style="text-align: right;"><u>283,900</u></td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;"><u><u>3,826,000</u></u></td> </tr> </table>	Electric	93%	3,542,100	Natural Gas	7%	<u>283,900</u>	Total		<u><u>3,826,000</u></u>	
Electric	93%	3,542,100									
Natural Gas	7%	<u>283,900</u>									
Total		<u><u>3,826,000</u></u>									

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
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 increase the service of the water supply and distribution system. 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 9-3 and 9-3A.

ACCOMPLISHMENTS FOR 2006-2008

Strategic Plan Implementation:

- **Full Development of GIS:** (Goal 1) Completed GIS Master Plan tasks and converted data layers to City Works compatible format.
- **SCADA System:** (Goal 2) Remodeled operations center for SCADA operations, replaced previous control consoles and circular charts with computer workstations and large monitor displays of operation information, connected existing water system telemetry information to SCADA format. Completed plans and specifications for Phase 1 & 2 improvements (approximately 14 sites) and awarded construction contract.

Other Major Projects:

- **Field Operations Projects** – Completed the following projects; Rincon Pump Station Electrical Panel, Steel Storage Building, Reservoir Coating, Exterior Stairway Installation, Electric Pump Starter Replacements, Electric Starter Panel Wrap Replacement, and various smaller projects.
- **Engineering Projects** - Among other projects:
 - Completed the Lake Wohlford Pipeline Projects, Jesmond Dene PRV, Couser Way Pipeline Replacement, Merry Ferry/East Miller PRV Improvement, Couser Pump Station, Via Cantamar Pump Station, Field Space Remodel (Control Room Remodel), and Engineering Annex Modular Building projects with a combined value of approximately \$1,910,000.
 - Continued providing construction management and inspection services for the Valley Center Road Pipeline Replacement Project, a cooperative effort with the County of San Diego.
 - Completed the phasing design for the Rodriguez Road Pipeline Replacement project to allow coordination with private development plans along the alignment.
 - Designed and bid the Cole Grade Pipeline Replacement project.

CHALLENGES FOR 2008-2009

- Continue to coordinate the construction of the Valley Center Road Project with the County of San Diego.
- Work with the County of San Diego on their General Plan Update as they affect the District's services and Master Plan recommendations.

GOALS FOR 2008-2009

Strategic Plan Implementation:

- **Full Development of GIS:** (Goal 1) Continue to assist staff in all departments with development and maintenance of database information and integration with GIS.
- **SCADA System:** (Goal 2) Complete the Phase 1 & 2 construction contract establishing SCADA system coverage to key facility sites and wireless network backbone for extending SCADA system to other sites.
- **Data Processing and Management System to be Fully Integrated:** (Goal 7) New Service Order Software will be implemented to track customer service order requests and produce work orders. This will be integrated with our Geographical Information System (GIS) and improve customer service and automatically schedule routine maintenance. An improved job cost program will integrate it with our labor and inventory programs. Also, provide customers with on-line access to their account history.

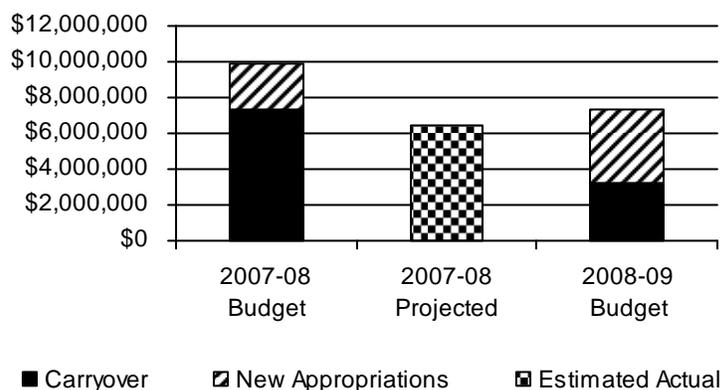
Other Major Projects:

- **Pipeline Replacements** – Complete the replacement of various sections of tar-wrapped steel pipe, including Rodriguez Road – Phase I, and Cole Grade Road.
- **Pump Station Reconstruction** – Complete the design and construction of the Lilac Pump Station upgrades.
- **Field Operations Projects** – Recoating of reservoirs; three exterior and interior, completion of phase-one, and start-up of phase two of security upgrades per Vulnerability Assessment recommendations.
- **Reservoirs** – Complete property acquisition for an additional reservoir site within the Reidy Canyon service zone to meet peak day demand storage requirements and complete the analysis and planning for a possible additional reservoir site within the easterly portion of the Country Club service zone.
- **Valley Center Road Pipeline Replacement** - Continue to provide construction management and inspection services in cooperation with the County of San Diego.

LONG-TERM GOALS

Design and construct the projects identified in the Integrated Water Resources Plan and complete the integration of the facility sites included in the final phases of the SCADA project, Phases 6 and 7. Plan and design for the expansion of existing facilities in an economic and efficient manner while minimizing impacts to customer service. Coordinate pipeline replacement projects with the County of San Diego as opportunities arise including Valley Center Road east of Cole Grade Road, Cole Grade Road south of Miller Road, and a possible east/west arterial road from Lilac to Cole Grade Road.

Capital Outlay



VALLEY CENTER MUNICIPAL WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2008-2009

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2008						2009						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Pipelines & PRV's															
Participation & Unspecified Replacement Projects	02	As Required													
Cole Grade Pipeline Replacement-Cool Vly to Miller	09	Bid/Award	Construction												
Lilac Reservoir Feeder Replacement	19							Deferred							
Lilac PS to McNally Res. Pipeline Replacement	20							Deferred							
Kornblum Loop	21							Deferred							
Gordon Hill Road Pipeline	22							Deferred							
Lilac PS to Oak Glen Res. Pipeline Replacement	23							Deferred							
Nelson Way Pipeline Replacement	28							Deferred							
Valley Center Road Main	33		Construction												
Rodriguez Rd PL Replacement	48	Plan/Design		Bid	Award		Construction								
Lilac Road Pipeline Replacement	49							Deferred							
Pump Stations															
Portable Power and Switching	05		Construction												
Pump Replacements	16		Planning				Construction								
Electric Pump Starter Replacements	25						Construction								
Gas Engine Heat Exchangers	26		Planning			Construction									
Pump & Motor Replacements	69	As Required													
Replacement Emergency Portable Pump	46		Planning			Construction									
Reservoirs															
Lake Turner Gauging Station	07	Design/Bid	Award	Construct											
Lake Turner Solar Power Project	13	Planning			Construction										
Reservoir Coating - Interior & Exterior	34	Construction													
Reidy Canyon Area Reservoir	38	Planning	Property/Right-of-Way Acquisition												
Country Club Reservoir Upgrade	90	Planning						Design							
Reservoir Recoating - 4 Exterior and Interior	91	Construction													
Lake Turner Mixing System	50	Planning		Construction											
Paradise #2 Roof Replacement	76	Planning				Construction									
Data Management Systems															
Geographical Information System	39	Construction													
AMR Program - Phase II & III	40	Construction													
Service Order Software	47	Design				Construction									
Accounting System Upgrade	55	Design					Construction								
SCADA System Improvements	71	Construction													
Enterprise Computer Programming Improvements	96					Construction									
Server Virtualization, Storage Area Network, Disaster Recovery	24		Design			Construction									

**VALLEY CENTER MUNICIPAL WATER DISTRICT
CAPITAL PROJECTS TIMETABLE**

BUDGET
2008-2009

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2008						2009						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Data Management Systems, Cont'd															
DM Integration with GIS	27								Construction						
Customer On-Line Access	37		Design			Construction									
Color Printer Replacement	44				Purchase										
Facilities															
Security Upgrades Phase I	42								Construction						
Administration Facility Improvements	60								Construction						
Security Updates Phase II	92								Construction						
Two 5,000 Gallon Fuel Tanks	83		Planning			Construction									
Emergency 2,500 AMP Circuit Breaker	84		Planning		Construction										
IT Server Room Relocation - Design	31								Planning						
Equipment															
Field - Equipment	01		Planning				Construction								

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2007-08	Estimated Actual Expenditures 2007-08	Budget Carried Forward to 2008-09	New Appropriation 2008-09	Total Approved Budget 2008-09
Pipelines & PRV's							
Participation, Upsizing, & Unspecified Repl Projects	02	9-5	3,265,030	41,275	3,223,755	285,000	3,508,755
Cole Grade Road Pipeline Replacement	09		225,000	40,000	185,000		185,000
Jesmond Dene PRV	14		5,857	715	0		0
VC-1 A/B Relocation	17		20,000	20,000	0		0
Lilac Reservoir Feeder Line Replacement	19		103,595	25,000	0		0
Lilac PS to McNally Res. Pipeline Replacement	20		88,550	10,000	0		0
Kornblum Loop	21		9,163	9,163	0		0
Gordon Hill Road Pipeline	22		34,163	34,163	0		0
Lilac PS to Oak Glen Res. Pipeline Replacement	23		146	146	0		0
Nelson Way Pipeline Replacement	28		108	108	0		0
Valley Center Road Main	33	9-6	3,058,898	2,000,000	1,058,898	150,000	1,208,898
Rodriguez Rd PL Replacement	48	9-7	31,305	31,305	0	760,000	760,000
Lilac Road Pipeline Replacement	49		5,598	5,598	0		0
Couser Way Pipeline Replacement	52		4,042	3,129	0		0
Merry Ferry/East Miller PRV Upgrade	73		0	112	0		0
Pump Stations							
Portable Power and Switching	05		38,220	36,000	2,220		2,220
Pump Replacements	16	9-8	126,590	81,250	45,340	35,000	80,340
Electric Pump Starter Replacements	25		269,600	105,750	163,850		163,850
Gas Engine Heat Exchangers	26	9-9	49,468	49,468	0	36,000	36,000
Pump & Motor Replacements	69	9-10	50,039	42,000	8,039	42,000	50,039
Couser Pump Station	72		38,309	13,310	0		0
Lilac Pump Station Upgrades	82		329,420	329,420	0		0
Via Cantamar Pump Station	86		1,021	1,021	0		0
Replacement Emergency Portable Pump	46	9-11				58,000	58,000
Reservoirs							
Lake Turner Gauging Station	07		49,675	3,200	46,475		46,475
Lake Turner Solar Power Project	13		48,300	1,478	46,822		46,822
Reservoir Coating - Interior & Exterior	34		149,500	109,518	39,982		39,982
Exterior Stairway Installation & Recoating - McNally	35		2,431	6,597	0		0
Reidy Canyon Area Reservoir	38	9-12	19,398	25,000	(5,602)	900,000	894,398
Meadows Reservoir #2	51		0	2,516	0		0
Country Club Reservoir Upgrade	90		194,998	10,000	184,998		184,998
Reservoir Recoating - 4 Exterior and Interior	91		135,424	132,853	2,571		2,571
Lake Turner Mixing System	50	9-13				60,000	60,000
Paradise #2 Roof Replacement	76	9-14				550,000	550,000
Data Management Systems							
Geographical Information System	39		7,785		7,785		7,785
AMR Program - Phase II & III	40	9-15	1,058,828	1,058,828	0	700,000	700,000
Service Order Software	47	9-16	216,407		216,407	77,000	293,407
Accounting System Upgrade	55		120,000		120,000		120,000
Information Technology System Upgrades	58		59,725	50,000	0		0
SCADA System Improvements	71		1,516,025	1,216,025	300,000		300,000
GIS Phase II Implementation	89		62,527	62,527	0		0
Enterprise Computer Programming Improvements	96		53,650		53,650		53,650
Content Management Software	98		16,844	16,844	0		0
Server Virtualization, Storage, Disaster Recovery	24	9-17				150,000	150,000
Document Management Integration with GIS	27	9-18				26,000	26,000
Customer On-Line Access	37	9-19				40,000	40,000
Color Printer Replacement	44	9-20				18,000	18,000
Facilities							
Security Upgrades Phase One	42		35,389	9,178	26,211		26,211
Administration Facility Improvements	60	9-21	82,558	72,000	10,558	15,000	25,558
40 X 60 Steel Storage Building	61			3,876	0		0
Field Space Remodel	81		105,394	101,529	0		0
Engineering/Finance Space Remodel	87		12,310	12,310	0		0
Engineering Annex No. 3	88		6,484	6,484	0		0
Security Updates Phase II	92		163,759	76,252	87,507		87,507
Two 5,000 Gallon Fuel Tanks	83	9-22				60,500	60,500
Emergency 2,500 AMP Circuit Breaker	84	9-23				25,000	25,000
IT Server Room Relocation - Design	31	9-24				70,000	70,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2007-08	Estimated Actual Expenditures 2007-08	Budget Carried Forward to 2008-09	New Appropriation 2008-09	Total Approved Budget 2008-09
Equipment							
Replacement Trucks	62		90,138	90,138	0		0
New Trucks	64		44,073	44,073	0		0
Tablet Chlorinator & Chlorine Residual Analyzer	65		19,764	19,020	0		0
Field - Equipment	66		2,228		2,228		2,228
Diesel Particulate Filters	01	9-25				49,000	49,000
Engineering - Equipment	67		25,028	25,028	0		0
Finance - New Employee Equipment	68		7,906	5,000	0		0
Radio Repeaters	95		24,580	3,788	0		0
Total Capital Projects			12,085,250	6,042,995	5,826,694	4,106,500	9,933,194

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2008-2009.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

Projected Capital Expenditures by Year

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2008-09	New Appropriation 2008-09	Total Approved Budget 2008-09	Estimated Actual Expenditures 2008-09	Estimated Actual Expenditures 2009-10	Estimated Project Balance after 2 years
Pipelines & PRV's								
Participation, Upsizing, & Unspecified Repl Project	02	9-5	3,223,755	285,000	3,508,755	298,755	1,040,000	2,170,000
Cole Grade Road Pipeline Replacement	09		185,000		185,000	185,000		
Jesmond Dene PRV	14		0		0			
VC-1 A/B Relocation	17		0		0			
Lilac Reservoir Feeder Line Replacement	19		0		0			
Lilac PS to McNally Res. Pipeline Replacement	20		0		0			
Kornblum Loop	21		0		0			
Gordon Hill Road Pipeline	22		0		0			
Lilac PS to Oak Glen Res. Pipeline Replacement	23		0		0			
Nelson Way Pipeline Replacement	28		0		0			
Valley Center Road Main	33	9-6	1,058,898	150,000	1,208,898	1,208,898		
Rodriguez Rd PL Replacement	48	9-7	0	760,000	760,000	760,000		1,000,000
Lilac Road Pipeline Replacement	49		0		0			
Couser Way Pipeline Replacement	52		0		0			
Merry Ferry/East Miller PRV Upgrade	73		0		0			
Pump Stations								
Portable Power and Switching	05		2,220		2,220	2,220		
Pump Replacements	16	9-8	45,340	35,000	80,340	80,340		
Electric Pump Starter Replacements	25		163,850		163,850	54,616	54,616	54,618
Gas Engine Heat Exchangers	26	9-9	0	36,000	36,000	36,000		
Pump & Motor Replacements	69	9-10	8,039	42,000	50,039	16,679	16,679	16,680
Couser Pump Station	72		0		0			
Lilac Pump Station Upgrades	82		0		0			
Via Cantamar Pump Station	86		0		0			
Replacement Emergency Portable Pump	46	9-11		58,000	58,000	58,000		
Reservoirs								
Lake Turner Gauging Station	07		46,475		46,475	46,475		
Lake Turner Solar Power Project	13		46,822		46,822	46,822		
Reservoir Coating - Interior & Exterior	34		39,982		39,982	39,982		
Exterior Stairway Installation & Recoating - McNally	35		0		0			
Reidy Canyon Area Reservoir	38	9-12	(5,602)	900,000	894,398	894,398		3,400,000
Meadows Reservoir #2	51		0		0			
Country Club Reservoir Upgrade	90		184,998		184,998	184,998		
Reservoir Recoating - 4 Exterior and Interior	91		2,571		2,571	2,571		
Lake Turner Mixing System	50	9-13		60,000	60,000	60,000		
Paradise #2 Roof Replacement	76	9-14		550,000	550,000	550,000		
Data Management Systems								
Geographical Information System	39		7,785		7,785	7,785		
AMR Program - Phase II & III	40	9-15	0	700,000	700,000	700,000		
Service Order Software	47	9-16	216,407	77,000	293,407	175,000	118,407	
Accounting System Upgrade	55		120,000		120,000	60,000	60,000	
Information Technology System Upgrades	58		0		0			
SCADA System Improvements	71		300,000		300,000	125,000	125,000	50,000
GIS Phase II Implementation	89		0		0			
Enterprise Computer Programming Improvements	96		53,650		53,650	26,825	26,825	
Content Management Software	98		0		0			
Server Virtualization, Storage, Disaster Recovery	24	9-17		150,000	150,000	150,000		
Document Management Integration with GIS	27	9-18		26,000	26,000	26,000		
Customer On-Line Access	37	9-19		40,000	40,000	40,000		
Color Printer Replacement	44	9-20		18,000	18,000	18,000		
Facilities								
Security Upgrades Phase One	42		26,211		26,211	26,211		
Administration Facility Improvements	60	9-21	10,558	15,000	25,558	25,558		
40 X 60 Steel Storage Building	61		0		0			
Field Space Remodel	81		0		0			
Engineering/Finance Space Remodel	87		0		0			
Engineering Annex No. 3	88		0		0			
Security Updates Phase II	92		87,507		87,507	87,507		
Two 5,000 Gallon Fuel Tanks	83	9-22		60,500	60,500	60,500		
Emergency 2,500 AMP Circuit Breaker	84	9-23		25,000	25,000	25,000		
IT Server Room Relocation - Design	31	9-24		70,000	70,000	70,000	235,000	

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

Projected Capital Expenditures by Year

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2008-09	New Appropriation 2008-09	Total Approved Budget 2008-09	Estimated Actual Expenditures 2008-09	Estimated Actual Expenditures 2009-10	Estimated Project Balance after 2 years
Equipment								
Replacement Trucks	62		0		0			
New Trucks	64		0		0			
Tablet Chlorinator & Chlorine Residual Analyzer	65		0		0			
Field - Equipment	66		2,228		2,228	2,228		
Diesel Particulate Filters	01	9-25		49,000	49,000	49,000		
Engineering - Equipment	67		0		0			
Finance - New Employee Equipment	68		0		0			
Radio Repeaters	95		0		0			
Total Capital Projects			5,826,694	4,106,500	9,933,194	6,200,369	1,676,528	6,691,298

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2008-2009.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.



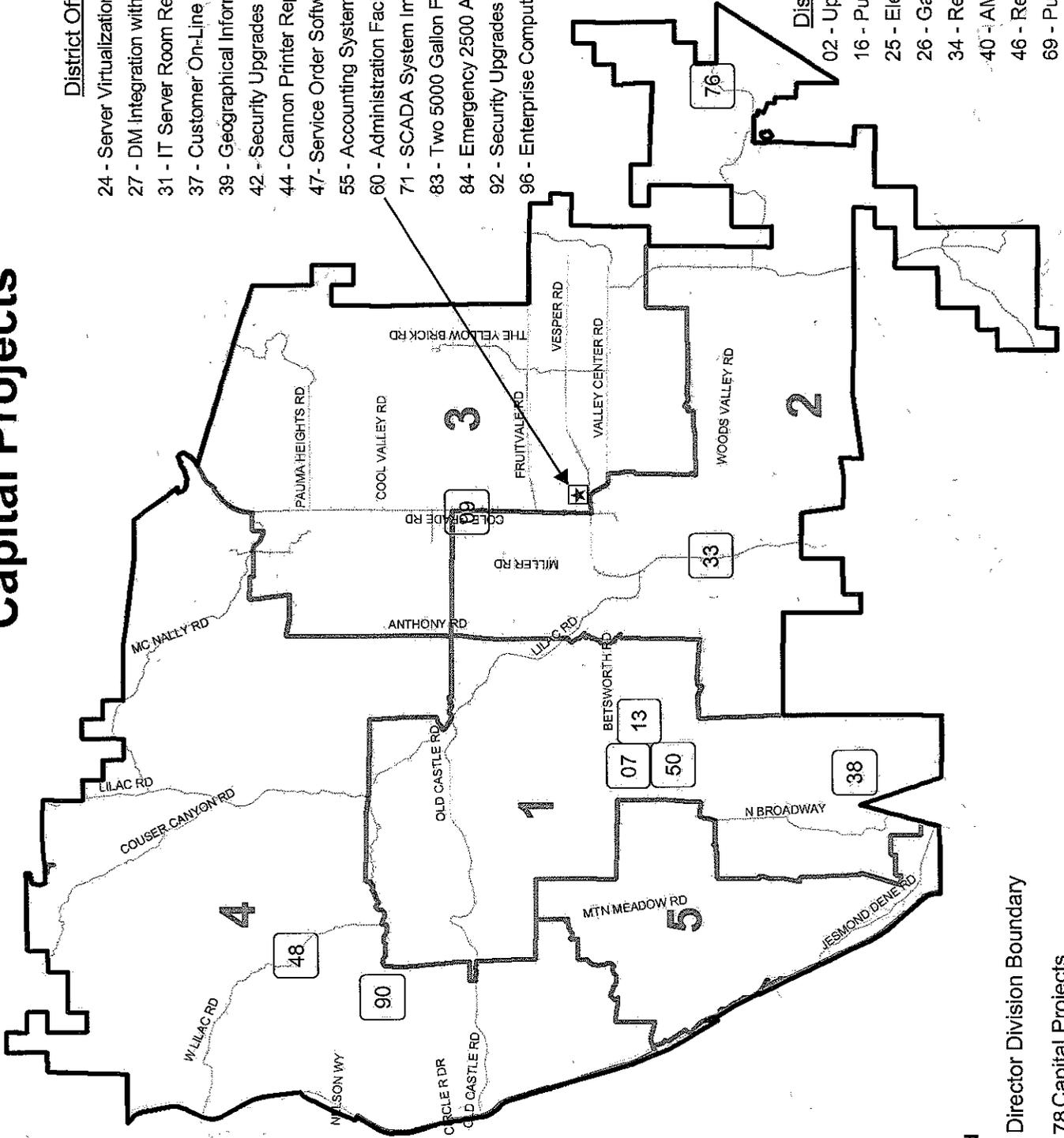
Capital Projects

District Offices and Yard

- 24 - Server Virtualization, Storage, Disaster Recovery
- 27 - DM Integration with GIS
- 31 - IT Server Room Relocation - Design
- 37 - Customer On-Line Access
- 39 - Geographical Information System
- 42 - Security Upgrades Phase 1
- 44 - Cannon Printer Replacement
- 47 - Service Order Software
- 55 - Accounting System Upgrade
- 60 - Administration Facility Improvements
- 71 - SCADA System Improvements
- 83 - Two 5000 Gallon Fuel Tanks
- 84 - Emergency 2500 AMP Circuit Breaker
- 92 - Security Upgrades Phase 2
- 96 - Enterprise Computer Programming Improvements

District-Wide:

- 02 - Upsizing
- 16 - Pump Replacements
- 25 - Electric Pump Starter Replacements
- 26 - Gas Engine Heat Exchangers
- 34 - Reservoir Coating - Interior and Exterior
- 40 - AMR Program - Phase II & III
- 46 - Replacement Emergency Portable Pump
- 69 - Pump & Motor Replacements
- 91 - Reservoir Recoating - 4 Exterior and Interior



Legend

Director Division Boundary

56[03].78 Capital Projects

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5602.78
DEPARTMENT:	Engineering

PROJECT NAME:

Participation, Upsizing And Unspecified Replacement Projects

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

PROJECT DESCRIPTION:

This project allocates funds for two types of projects, 1) Participation Projects and 2) Unspecified Replacement Projects. *Participation Projects* occur when it is desirable for the District to participate with a developer project in either upsizing a proposed facility (pipeline, etc.) or adding a minor facility extension to the developer project that benefits the District. Funding for participation projects is typically reallocated from available funds or newly appropriated with concept approval. *Unspecified Replacement Projects* occur when the need or an opportunity arises to replace a facility during the budget year. Typically these projects develop as a result of a developer or County project or as a result of a repair that revealed a suspect section of pipeline or correction of known problem areas, deep culvert crossings, etc.

The District has, as part of concept approval of certain developer projects, committed to the over-sizing of specific water lines for the overall benefit of the District. These commitments are listed below and would be funded from this account when completed by the developer. In addition to committed participation in developer projects, additional funds for Unspecified Replacement Projects are requested.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Participation Projects								
Prior Projects	48,749	48,749	0		0		0	48,749
Thill	35,000		35,000	5,000	40,000		40,000	40,000
Steinbeck	230,000		230,000		230,000		230,000	230,000
Live Oak Rch	760,000		760,000	30,000	790,000		790,000	790,000
Farmer	13,000		13,000	1,300	14,300		14,300	14,300
Evans	6,000		6,000		6,000		6,000	6,000
SeaBright	8,000		8,000		8,000		8,000	8,000
Saiki	6,000	6,000	0		0		0	6,000
Lilac Ranch	2,170,000		2,170,000		2,170,000		2,170,000	2,170,000
Replacement Projects								
Prior Projects	315,188	315,188	0		0		0	315,188
Skyline Comp Meter	11,500	10,274	1,226		1,226		1,226	11,500
Via Cantamar Drainage Imp.	25,000	25,000	0		0		0	25,000
Available Project Funds								
Future Projects	529		529	248,700	249,229		249,229	249,229
Total Project	3,628,966	405,211	3,223,755	285,000	3,508,755	0	3,508,755	3,913,966

Participation Project Summary

Thill - Upsizing of waterline for a portion of the 12" loop from Cobb Lane to Lake Wohlford Road. Funding is expected to occur July 2008 pending end of warranty period. An additional \$5,000 is requested per actual participation cost as indicated in the January 24, 2008, Project Participation Report.

Steinbeck – Shared cost of an 8" loop 1070 foot waterline in High Mountain Drive. Funding is anticipated late 2008-09. Amount based on December 2007 estimate. No adjustment for inflation is requested.

Live Oak Ranch - Replacement of 5,450 feet of 16" waterline in Cobb Lane and upsizing and extension of 2,977 feet of 12" loop from Cobb Lane to Lake Wohlford Road. Funding anticipated to occur in 2009-10. Amount based on June 2007 estimate. An additional \$30,000 (approximately 4%) requested to keep pace with inflation.

Farmer - Upsizing to 12" of 200 feet of waterline proposed in Lilac Road near Munster Platz Road. Amount based on November 2005 estimate. An additional \$1,300 (10%) is requested to reflect anticipated construction cost increases due to inflation (4% per year). Funding is expected to occur 2009-10.

Evans - Replacement and upsizing to 8" of approximately 100 feet of waterline north of Merry Ferry PRV. Project is expected to expire due to inactivity one year after August 2007 plan approval.

SeaBright - Upsizing to 12" of approximately 500 feet of waterline in Rodriguez Road for future loop north to West Lilac Road. Amount based on August 2007 estimate. No adjustment for inflation requested. Funding is expected to occur late 2008-09.

Saiki – Participation in improvements to existing facilities in Lilac Road. Project completed in 2007-08

Lilac Ranch – Concept approval of a 350 lot subdivision is being proposed for May 2008. This project provides an opportunity to replace several large transmission mains in the Lilac/Weaver zones (VC-1 A/B area) at reduced cost through participation with the Developer. Participation cost is estimated at \$2.1 million and funding is not anticipated until 2011-12.

Replacement Projects

Skyline Compound Meter Replacement – Replacement of existing meter and installation of backflow device at Skyline Ranch to bring the service up to current standards. Project completion scheduled for 1st quarter 2008-09.

Via Cantamar Drainage Improvements – Design and installation of storm water drainage improvements to route site drainage away from downstream property owner to avoid storm water runoff damage. Project scheduled for completion by the end of 2007-08.

Available Project Funds

Future Projects - \$248,700 is requested to be appropriated and reserved for future participation or replacement projects that may come up during the budget year.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5633.78
DEPARTMENT:	Engineering

Valley Center Road - Main Replacement

Continuing Project	Type Replacement	Master Plan Priority A	Project ID *	Strategic Plan Standard 7	Goal
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PROJECT DESCRIPTION:

This is a continuing project which received voter approval required under Ordinance 171 in 1991. The project is under construction and is approximately 60% complete. Due to numerous facility conflicts and technical construction and scheduling issues, a greater amount of staff time has been utilized to ensure VCMWD operational needs are met during construction. Increased construction related costs including contract administration and inspection have been necessary due to the site conditions and complexity of work. Further, several extensive service high-line facilities have been installed by VCMWD staff to ensure continuous service to customers during the work. In response to these issues, the budget increase is requested to fund the higher than anticipated staff charges associated with construction management, construction inspection, customer service, and field operations.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	536,000	495,577	40,423	150,000	190,423		190,423	686,000
Design	450,000	361,000	89,000		89,000		89,000	450,000
Construction	4,225,000	3,340,000	885,000		885,000		885,000	4,225,000
Miscellaneous	25,000	25,000	0		0		0	25,000
Contingency	44,475	0	44,475		44,475		44,475	44,475
County Changes	25,000	25,000	0		0		0	25,000
Total Project	5,305,475	4,246,577	1,058,898	150,000	1,208,898	0	1,208,898	5,455,475

- * Project ID
- 151821-CV54A
- 151822-152002
- 151823-15822
- 151823-151824
- 151823-151825
- 151825-151824
- 151826-151825
- 151828-151826
- 151864-151865
- 152002-151821
- 152011-151828
- 152011-151865
- 152011-151865
- 152049-151865

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5648.78
DEPARTMENT:	Engineering

Rodriguez Road Pipeline Replacement

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
	Replacement	<u>Priority</u> A	CH05, 02	<u>Standard</u> 7
				<u>Goal</u>

PROJECT DESCRIPTION:

The Rodriguez Road Pipeline Replacement project consists of the replacement of approximately 3,300 feet of 18-inch and 1,200 feet of 20-inch transmission main. Located within Rodriguez Road between the Rainbow Pump Station and West Lilac Road, the project will replace an existing aging pipeline within the same corridor. Design was begun in 2004 and the project has evolved several times to coincide with existing property lines and planned development. The pipeline will be constructed in two phases; Phase I being the eastern portion within the proposed nine lot Seabright subdivision between Rodriguez Road and West Lilac and, Phase II being the western portion beginning 600 feet east of the Rainbow Pump Station and continuing easterly along Rodriguez Road. Phase I is planned to be constructed in conjunction with the development of the Seabright subdivision and Phase II is planned to be constructed at a later date pending the availability of funds.

Initial project funding was originally authorized in 2003-04 for design only. The budget was modified in 2004-05 to include estimated construction and construction related costs. The budget was again adjusted in 2006-08 to reflect several pipeline realignments and phasing to coincide with planned private development. Construction funding for both phases was deferred as part of the 2006-08 mid budget cycle adjustment.

Funding is requested for the 2008-09 Budget to construct Phase I (1,500 feet of 18-inch and 325 feet of 20-inch piping), concurrently with a planned private development. Costs include staff time for project management and inspection, construction contract, design, soils and survey consultants, and contingencies.

Future Budget Allocation costs to construct Phase II (3204 feet of 20-inch transmission main) include staff time for project management and inspection, construction contract, soils and survey consultants, and contingencies.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	60000	60000	0	35,000	35,000	73,500	108,500	168,500
Preliminary Design Report	10,000	10,000	0		0		0	10,000
Design	137,000	137,000	0	10,000	10,000		10,000	147,000
Construction			0	625,000	625,000	735,000	1,360,000	1,360,000
Miscellaneous			0	25,000	25,000	25,000	50,000	50,000
Contingency	13,000	13,000	0	65,000	65,000	166,500	231,500	244,500
Total Project	220,000	220,000	0	760,000	760,000	1,000,000	1,760,000	1,980,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5616.78
DEPARTMENT:	Field

Pump Replacements

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	<u>Goal</u>
	Existing Service	Priority		Standard	
				5	

PROJECT DESCRIPTION:

The following pumps are scheduled for replacement. They will help meet the District's pumping efficiency standard (#5) and reduce power consumption. Additional funds are requested due to the increased costs of raw materials and finished products.

The installation of these pump replacements will be completed by in-house staff.

Current efficiencies by Pump Station:

Rincon 1&2	52%
West 1&2	55%

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Rincon			22,670	15,000	37,670		37,670	37,670
West			22,670	15,000	37,670		37,670	37,670
Contingency			0	5,000	5,000		5,000	5,000
Total Project	0	0	45,340	35,000	80,340	0	80,340	80,340

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5626.78
DEPARTMENT:	Field

Gas Engine Heat Exchangers

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
	Existing Service	<u>Priority</u>		<u>Standard</u>
				8

PROJECT DESCRIPTION:

Replace two engine cooler heat exchangers for the natural gas pump engines at Betsworth Pump Station. The existing engine coolers are 38 years old and are constructed in single wall design. They are at the end of their useful life. In the past, we have experienced two engine cooler failures that have resulted in property damage and water loss. In addition, current health department rules require double wall construction.

With the proactive response the district has taken, the purchase of two more natural gas double walled engine coolers are the last engine coolers left to be replaced.

Project Budget	<u>Prior Budget</u>	<u>Prior Estimated Actual Expense</u>	<u>Estimated Budget Remaining</u>	Proposed Budget Allocation 2008-09	<u>Total Budget 2008-2009</u>	<u>Future Budget Allocation</u>	<u>Future Total Project Budget</u>	<u>Estimated Total Project Cost</u>
Double-wall Engine cooler			0	36,000	36,000		36,000	36,000
Total Project	0	0	0	36,000	36,000		36,000	36,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5669.78
DEPARTMENT:	Field

PROJECT NAME:

Pump and Motor Replacements

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
	Existing Service	Priority		Standard
				5

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.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Replacements			8,039	42,000	50,039		50,039	50,039
Total Project	0	0	8,039	42,000	50,039	0	50,039	50,039

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5646.78
DEPARTMENT:	Field

Replacement Emergency Portable Pump

Continuing Project	Type	Master Plan	Project ID	Strategic Plan
	Existing Service	Priority		Standard
				7

PROJECT DESCRIPTION:

A replacement emergency portable diesel pump that meets current San Diego County Air Pollution Control District's (SDCAPCD) exhaust emissions requirements for emergency and continuous use. The current portable diesel pump is a 1995 with over 10,000 hours and does not meet the new SDCAPCD's continuous use standards and can only be used under declared emergency conditions. The replacement pump will be sized and used for emergency or daily operations at various pump stations to augment water supplies in the event of power outages, and reservoir and potable pipeline maintenance events.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Portable Pump				58,000	58,000		0	58,000
Total Project	0	0	0	58,000	58,000	0	0	58,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5638.78
DEPARTMENT:	Engineering

Reidy Canyon Area Reservoir

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
	Ultimate Service	<u>Priority</u> A	RC (New)	<u>Standard</u> 7
				<u>Goal</u>

PROJECT DESCRIPTION:

The Reidy Canyon Reservoir project is a previously budgeted project that consisted of developing the planning studies necessary to identify water improvements required to meet ultimate storage and supply needs of the Reidy Canyon service zone. The preliminary design report indicated the need for the installation of additional storage reservoirs, a San Diego County Water Authority Connection, and pipeline upsizing within the service zone. The reservoir will supplement the current storage capacity within the Reidy Canyon service zone which has been determined to be inadequate during periods of peak use. The SDCWA connection will provide additional capacity and redundant source of water. Pipeline upsizing within the zone will provide transmission main capacity to fully utilize the proposed facilities. The identified improvements are proposed to be constructed in multiple independent phases; initial reservoir project, aqueduct construction and transmission main phase, final reservoir and additional loop redundancy.

Funding for the 2008-09 budget allocation is requested for acquisition of the land needed for the new reservoir site. Sites for reservoirs within the service area are scarce and it is recommended that a site be acquired now for construction of the reservoir at a later date. Future budget allocations are included for design and construction of the initial reservoir, connection to the existing system and minor offsite system improvements to enhance the flow to/from the reservoir. A second reservoir and the aqueduct connection would be a separate project and is not included in the future budget allocation.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	19,398	25,000	-5,602	25,000	19,398	321,000	340,398	365,398
Design			0	0	0	214,000	214,000	214,000
Land			0	700,000	700,000		700,000	700,000
Construction			0	0	0	2,141,000	2,141,000	2,141,000
Soils, Survey, etc.			0	0	0	50,000	50,000	50,000
Contingency			0	175,000	175,000	674,000	849,000	849,000
Total Project	19,398	25,000	-5,602	900,000	894,398	3,400,000	4,294,398	4,319,398

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5650.78
DEPARTMENT:	Field

PROJECT NAME:

Lake Turner mixing system

	<u>Type</u>	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
New project	Ultimate service			8	

PROJECT DESCRIPTION:

Solar powered reservoir mixing system to eliminate the fouling and algae blooms in Lake Turner. It will also improve the overall water quality of the lake.

This self-contained solar powered mixing system will allow for the elimination of the current electrically operated mixing system at a cost savings between \$12,000 and \$18,000 per year. The new solar powered mixing system would pay for itself in less than 5 years.

Project Budget	<u>Prior Budget</u>	<u>Prior Estimated Actual Expense</u>	<u>Estimated Budget Remaining</u>	Proposed Budget Allocation 2008-09	<u>Total Budget 2008-2009</u>	<u>Future Budget Allocation</u>	<u>Future Total Project Budget</u>	<u>Estimated Total Project Cost</u>
Mixing system				60,000	60,000		60,000	60,000
Total Project	0	0	0	60,000	60,000		60,000	60,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5676.78
DEPARTMENT:	Field

Paradise # 2 Reservoir Roof Replacement

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

PROJECT DESCRIPTION:

To replace the steel roof support system and roof sheeting with a new 2-bay system that includes intermediate support columns, new rafters, and roof sheeting.

Coat the interior and exterior of the reservoir to current AWWA D102 standards.

This will be a design-build project that includes full detailed structural calculations and shop drawings per current AWWA D100 standards.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Roof Replacement			0	550,000	550,000		550,000	550,000
Total Project	0	0	0	550,000	550,000		550,000	550,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5640.78
DEPARTMENT:	Field

PROJECT NAME:

Automated Meter Reading Project

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	<u>Goal</u>
	Existing Service	Priority		Standard 2, 7	

PROJECT DESCRIPTION:

This will complete the District's Automated Meter Reading (AMR) Project. There are approximately 3,000 meters left to be exchanged; 1,570 ¾" meters, 720 1" meters, 236 1½" meters, 390 2" meters, and 115 3" meters.

AMR meters provide information quickly, efficiently, and more safely. They require less manpower to read the meters and provide more accurate readings.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
AMR Project	1,541,300	1,541,300	0	700,000	700,000	0	700,000	2,241,300
Total Project	1,541,300	1,541,300	0	700,000	700,000	0	700,000	2,241,300

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5647.78
DEPARTMENT:	Finance

Service Order Software

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

PROJECT DESCRIPTION:

This program will track customer service order requests and produce a work order as appropriate. It will also track field work orders progress and, ultimately, costs. Work orders can be created from customer service requests or from requests from field supervisors. Maintenance work orders can also be automatically prepared based on elapsed time on the equipment.

The software will be customized to received customer account information, labor rates, and inventory issues from our current Datastream financial software. Completed service orders will produce journal entries for the job cost system. It will also integrate with our GIS.

The project includes software licensing, installation, and integration with our GIS and our financial system. There are three phases:

1. Purchase of software, installation, configuration, and implementation for customer service requests.
2. Implementation for all other field department work orders, an offline field solution, management reports, SCADA integration to generate work orders based on automated data, and system support.
3. Future integration with Datastream financial software. The first two phases will operate independent of the financial software, requiring manual entry of customer data, labor rates, and inventory issues, as the present paper system requires, as well as manual reconciliation of work orders to financial data when necessary.

This project was first budgeted in 2006-07 but was deferred by the Board of Directors on October 2, 2006. Staff recommends resuming the project now that our GIS system is operational on all computer workstations.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
GIS geocoding	24,000	23,593	407		407		407	24,000
Software license	30,000		30,000	60,000	90,000		90,000	90,000
Phase 1 - Customer Requests			0	60,000	60,000		60,000	60,000
Phase 2 - Field work orders	126,000		126,000	-18,000	108,000		108,000	108,000
Phase 3 - Finance integration	60,000		60,000	-25,000	35,000		35,000	35,000
Total Project	240,000	23,593	216,407	77,000	293,407	0	293,407	317,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5624.78
DEPARTMENT:	Finance

Server Virtualization, Storage Area Network, and Disaster Recovery

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

PROJECT DESCRIPTION:

Currently, Information Technology (IT) has approximately 20 servers, all performing various District functions. These servers require a lot of electrical power and generate a considerable amount of heat. Last year we had to start running the backup air conditioning system with the primary air conditioner to keep the server room at the proper, cool temperature required for server reliability. The current air conditioning units and server room design cannot accommodate much more growth in technology due to limits in cooling and power capacity.

This project implements specialized software to consolidate all our servers into just 5 physical servers. This is done by creating a virtual image of our existing servers and running 5 to 10 virtual servers on one physical computer. This will lower heat output and lower server room power consumption by up to 75%.

Since all servers will be virtualized, this limits the requirement to purchase new servers for new applications like the planned service order software program. Instead, the server is created in the software. This lowers future deployment costs. In addition, it will lower operational costs by reducing the time needed to install and configure a new server from one week to one day.

This project also includes the cost of a storage area network. This has two purposes: First, the storage area network will store all the virtual server configuration files. Each physical server will load and run the virtual server files from this storage area network. The advantage of this is that if a physical server fails, the other physical servers will take over the failed server's virtual machines, eliminating downtime. Also, creating a new server will only require creating a new file on the storage network. Second, the storage area network will accommodate our rapid demand for file storage space. Due to the increased use of technology and the digitizing of more and more files, the District's network storage requirements doubles every three years. This project will provide additional disk space to meet network storage growth.

With the virtualization software and the storage area network, each server will be hardware independent. IT will be able to back up the software image of the server instead of data files. In the event of a server failure, IT can install the virtualization file on any hardware and restore the entire server within hours. This reduces server and site failure recovery from days and possibly weeks to just hours.

The last benefit of this project is limiting the need to purchase multiple future servers. When we migrate the District's financial software from the HP to SQL Server, we will not have to purchase multiple servers to support the financial system with the required redundancy, and will not have to purchase a new server each time we install a new system.

Project Budget	Prior Budget	Prior	Estimated Budget Remaining	Proposed	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense		Budget Allocation 2008-09				
Virtualization software			0	90,000	90,000		90,000	90,000
Storage area network			0	60,000	60,000		60,000	60,000
Total Project	0	0	0	150,000	150,000	0	150,000	150,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5627.78
DEPARTMENT:	Finance

Document Management Integration With GIS

New Item	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
		<u>Priority</u>		<u>Standard</u>

PROJECT DESCRIPTION:

This project will create a link, using middleware, between the new GIS interface and our existing document management (DM) system. This link will allow users to search for meters and other items in our GIS and see the associated documents that are in our DM system.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Middleware Software			0	11,000	11,000		11,000	11,000
Labor			0	15,000	15,000		15,000	15,000
Total Project	0	0	0	26,000	26,000	0	26,000	26,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5637.78
DEPARTMENT:	Finance

Customer On-line Access

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

PROJECT DESCRIPTION:

Using the District's new website, this project includes functionality to allow customers to view and pay water bills online.

There are three parts to this project:

1. Programming of the Financial System.
2. Programming to integrate Microsoft SQL and the HP Financial System information. Net technologies to allow SQL to import and export data into our Financial System.
3. Site Core programming to create the web interface to allow customers to create user accounts, view bill information, and pay accounts online. The web interface includes:
 - Registration page – this is a form where users will register to login to the site.
 - Login page – Login page for the user. With forgot password link and remember my login option.
 - Landing page – this is the page were the user is redirected to after login.
 - My Account page – this is where we put the billing data from the billing system.
 - My Profile page – this is where users can update their profile, name, address etc.
 - Change password – page for changing password.
 - An application to process customer payments using our third party processor, with fees paid by the customer.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
On-line Access			0	40,000	40,000		40,000	40,000
Total Project	0	0	0	40,000	40,000	0	40,000	40,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5644.78
DEPARTMENT:	Finance

Color Printer Replacement

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
		<u>Priority</u>		<u>Standard</u>

PROJECT DESCRIPTION:

The District has two high duty cycle color laser printers used for printing reports, maps, and photographs. One is ten years old and has a failing paper tray, hard drive, and drum. The proposed all-in-one color printer-copier-scanner will replace this printer.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Color printer			0	18,000	18,000		18,000	18,000
Total Project	0	0	0	18,000	18,000	0	18,000	18,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5660.78
DEPARTMENT:	Field

PROJECT NAME:

Administration Facility Improvements

	<u>Type</u>	<u>Master Plan Priority</u>	<u>Project ID</u>	<u>Strategic Plan Standard</u>	<u>Goal</u>
New project	Ultimate service				

PROJECT DESCRIPTION:

Provides funds to repair and upgrade the District's main administration building roof. The current flat roof is near the end of its material life cycle. By installing the elastomeric roof coating, the district will increase the roof's life span and will also reduce the District's energy consumption by the high reflectance of the "cool" roof system.

The district will also receive minor reimbursement through the SDG&E Standard Performance Program.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Improvements	82,558	72,000	10,558	15,000	25,558	0	25,558	108,116
Total Project	82,558	72,000	10,558	15,000	25,558	0	25,558	108,116

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5683.78
DEPARTMENT:	Field

Two 5,000 Gallon Fuel Tanks

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
		<u>Priority</u>		<u>Standard</u>

PROJECT DESCRIPTION:

Replace the existing 1,000 gallon (800 gallon actual capacity) diesel fuel tank with a new 5,000 gallon (4,300 gal actual capacity) diesel fuel tank. The larger fuel tank is needed to meet the demands of the fleet and the emergency generators throughout the district. The combined fuel usage of our current generators and future Live Oak Ranch generator at 75% load is approximately 3,200 gallons per day. By increasing the District's fuel capacity we will be better prepared to handle emergency situations and improve our response times.

Replace the four existing 1,000 gallon (3,200 gallon combined actual capacity) gasoline fuel tanks with a new 5,000 gal (4,300 gal actual capacity) gasoline fuel tank. This change is needed to make room for the new diesel fuel tank. The two new fuel tanks will sit within the same foot print as the four existing 1,000 gallon tanks. By installing the tanks in the same foot print we will not have to expand the concrete containment ring or the concrete apron. The new tanks will increase our diesel fuel storage by 4,300 gallons and our gasoline storage by 1,100 gallons.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Two 5,000 Gallon Fuel Tanks			0	60,500	60,500		60,500	60,500
Total Project	0	0	0	60,500	60,500	0	60,500	60,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5684.78
DEPARTMENT:	Field

Emergency 2,500 Amp Circuit Breaker

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

PROJECT DESCRIPTION:

A list of electrical components was developed after the October 2007 fires that, in the event of a catastrophic electrical failure or an emergency event, would be needed to get one of the District's larger, critical stations back on line within 24 hours.

The District determined that the most vulnerable area in a cataclysmic event and one that could take weeks or even months to receive would be:

1. 2,500 amp circuit breaker.

The emergency 2,500 amp circuit breaker would fit any of the District large and essential pump stations in the event of a major disaster.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
2,500 Amp Circuit Breaker			0	25,000	25,000		25,000	25,000
Total Project	0	0	0	25,000	25,000		25,000	25,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5631.78
DEPARTMENT:	Finance

Information Technology Server Room Relocation - Design

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

PROJECT DESCRIPTION:

This project is for the design work to relocate the Information Technology server room and offices from their current location in a portable building to the old pump shop building.

The old pump shop building has approximately 1,200 square feet of usable space for a server room, two offices, a work cubical, storage, and a large work bench. The old pump shop is the most cost effective location as no additional demolition needs to be done, there is no need for construction of a new building, and it is a central location for 90% of the fiber runs that are currently installed.

The design work would include the architectural, mechanical, and electrical construction documents as well as the construction administration phases.

Project Budget	Prior Budget	Prior	Estimated	Estimated Budget Remaining	Proposed Budget Allocation	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense	Estimated Budget		2008-09				
Design					70,000	70,000		0	70,000
Construction							153,000	153,000	153,000
Fiber/Cabling/Furniture/									
Misc IT Costs							55,000	55,000	55,000
Contingency							27,000	27,000	27,000
Total Project	0	0	0		70,000	70,000	235,000	235,000	305,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5601.78
DEPARTMENT:	Field

Diesel Particulate Filters

Continuing Project	Type	Master Plan	Project ID	Strategic Plan	Goal
	Existing Service	Priority		Standard	
				7, 8	

PROJECT DESCRIPTION:

The Air Resources Board (ARB) adopted the Diesel Particulate Matter (PM) Control Measure for on-road heavy-duty Diesel vehicles operated by public agencies and utilities at its December 8, 2005, Board Hearing. The rule mandates that municipal and utility vehicle owners reduce diesel PM emissions from their affected vehicles through the application of Best Available Control Technology, or BACT, by specified implementation dates. Implementation is phased-in by engine model year groups. We have seven vehicles that fall under this new rule.

Vehicle #20 has already received a diesel particulate filter to make us compliant with the ARB ruling. The rest of the trucks are required to have diesel particulate filters installed over the next three years. VCMWD has been awarded a grant in the amount of \$45,264 from the San Diego County Air Pollution Control District (SDCAPCD) through the Palomar Energy Mitigation Fund to help with the cost of installing diesel particulate filters on the six remaining trucks. The purpose of the Palomar Energy Mitigation Fund is to offset the emissions created from the new electricity generating power plant built in Escondido by lowering emission from other sources in the surrounding area. The SDCAPCD is requiring that all diesel particulate filters are installed by June 30, 2009.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Diesel Particulate Filters			0	49,000	49,000		49,000	49,000
Total Project	0	0	0	49,000	49,000	0	49,000	49,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Lower Moosa Wastewater Treatment Fund**

FUNCTION OVERVIEW

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

ACCOMPLISHMENTS FOR 2006-2008

Meadows Lift Station Refurbishment: Rebuilt the pumps and motors, refurbished check valves, and applied new coating systems.

Treatment Plant: Improved the Chlorine Dosage system, purchased a new aerator for the Aerobic Digester, refurbished the rakes in Secondary Clarifiers 1 and 2, and improved the existing foam control system in the scum pits.

New Wastewater Connections: Developer projects were completed that extended service to additional properties, primarily in the Greystone and Islands developments in the Hidden Meadows area.

Sewer System Management Plan (SSMP): Completed initial steps to comply with new Regional Water Quality Control Board sewer system overflow waste discharge requirements.

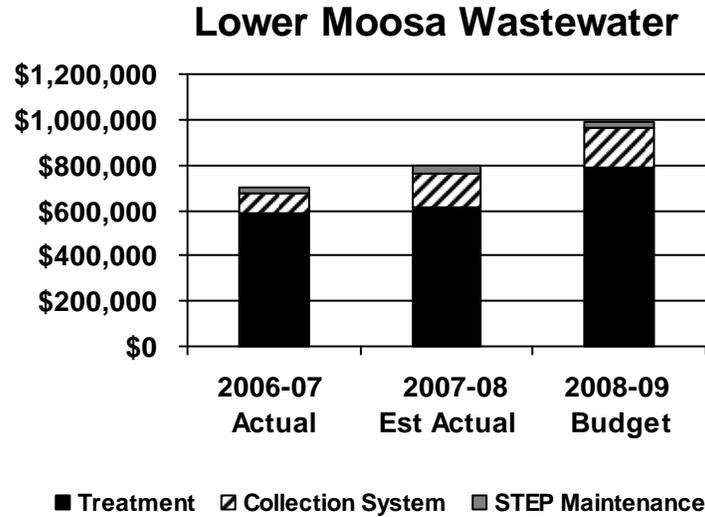
Fats, Oils, and Grease (FOG) Program: Started implementing and enforcing the FOG program at local commercial properties, which will reduce the possibility of a Sanitary Sewer Overflow (SSO), reduce the possibility of property damage and related fines associated with a spill, improve wastewater system maintenance, and improve public health and safety.

CHALLENGES FOR 2008-2009

- Improve process control and monitoring for maximum plant efficiency.
- Completion of Aerobic Digester Improvements consisting of the installation of the new aerator, install new lifting trolley and rail system, and new instrumentation.
- Completion of Aeration Basin improvements consisting of new diffuser system, anoxic zones, mix liquor recirculation pumps, and new instrumentation.
- Work with the Regional Water Quality Control Board to update the Waste Discharge Permit and develop an expansion plan to meet future demands of the service area. This includes solutions to the limited groundwater basin capacity and influence on Moosa Creek for disposal of projected ultimate discharge capacity.
- Explore design for new Maintenance and Storage Facility.

LONG-TERM GOALS

Plant Expansion – Plan for future upgrades to meet increasing demand for service. Explore potential for tertiary treatment and water reuse to augment potable water supplies for use in irrigation in existing and future developments. Continue improvements in the SCADA system to provide for more automated plant operation. Expand the capacity of the entire treatment plant as required to meet the wastewater capacity needs of the service area.



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**Lower Moosa
Full-Time Equivalents**

	13-5326.	13-5327.	13-5329.	Total
Actng Assistant Safety Officer	0.10			0.10
Actng Engineering Tech III	0.01			0.01
Administrative Assistant I	0.03			0.03
Construction Maintenance Supervisor	0.01	0.02		0.03
Construction Maintenance Tech II	0.06	0.10		0.16
Construction Maintenance Tech III	0.01	0.02		0.03
Director of Operations/Facilities	0.15			0.15
Pump Facilities Tech III	0.03			0.03
Sr Administrative Assistant	0.05			0.05
Sr Construction Maintenance Tech	0.01	0.02		0.03
Sr Pump Facilities Tech	0.10	0.05	0.05	0.20
Sr Water Systems Tech	0.01			0.01
Sr. Construction Maintenance Tech	0.01	0.02		0.03
Sr. Electrician	0.05			0.05
Wastewater Systems Supr	0.60	0.11	0.04	0.75
Wastewater Systems Tech I	0.65	0.18	0.02	0.85
Wastewater Systems Tech II	1.75	0.72	0.08	2.55
Water Systems Tech III	0.01			0.01
Total Full-Time Equivalents	3.64	1.24	0.19	5.07

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2008-2009

MOOSA WASTEWATER TREATMENT FUND
RECAP OF BUDGET AND
SOURCE OF FINANCING

BUDGET REQUIREMENT

Operating/Treatment	786,207
Collection System/West	175,288
STEP Maintenance	32,350
Capital Projects	75,500
Operating Reserves	154,889

1,224,234

SOURCE OF FINANCING

Revenue	1,224,234
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1,224,234

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**MOOSA WASTEWATER TREATMENT FUND
ANALYSIS OF CASH POSITION
JULY 1, 2007, TO JUNE 30, 2009**

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2007	990,165	(83,217)	367,717	610,779	1,885,444
ADD: Revenue 2007-2008					
Wastewater Service Charges	287,748			876,652	1,164,400
Wastewater Lateral & Inspection Fees				8,000	8,000
Interest	41,600			56,232	97,832
Wastewater STEP Charges				28,400	28,400
Wastewater STEP Repair Charges				0	0
Capacity Charges		0			0
LESS: Estimated Expenditures 2007-2008	0	0	(256,624)	(798,576)	(1,055,200)
Transfers	(1,319,513)		1,778,907	(459,394)	0
Net Change	(990,165)	0	1,522,283	(288,686)	243,432
ESTIMATED BALANCE JUNE 30, 2008	0	(83,217)	1,890,000	322,093	2,128,876
ADD: Revenue 2008-2009					
Wastewater Service Charges	292,802			892,998	1,185,800
Interest	2,900			2,134	5,034
Wastewater STEP Charges				33,400	33,400
Capacity Charges		0			0
LESS: Proposed Expenditures 2008-2009	0		(75,500)	(993,845)	(1,069,345)
Expenditures of Continuing Projects			(1,890,000)		(1,890,000)
Transfers	(295,702)		75,500	220,202	0
Net Change	0	0	(1,890,000)	154,889	(1,735,111)
ESTIMATED BALANCE JUNE 30, 2009	0	(83,217)	0	476,982	393,765

GENERAL INFORMATION:

Average Wastewater Connections:

Monthly Rates:

Effective July 1

Effective January 1

2006-2007	2007-2008		2008-2009
Actual	Budget	Estimated Actual	Budget
2,339	2,540	2,392	2,440
38.50	40.00	40.50	40.50
40.50	41.50	40.50	40.50

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**REVENUE ESTIMATE
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	988,399	1,048,600	1,047,400	1,065,800
4110.05	Wastewater Inspection Fee	150	0	150	0
4110.06	STEP Wastewater Inspection Fee	17,600	0	8,000	0
4150.00	Wastewater Electric Charge	114,032	118,500	117,000	120,000
4410.00	Interest - Operating & Replace. Res.	73,078	40,000	41,600	5,034
4429.00	Wastewater STEP Charges	20,870	21,800	28,400	33,400
4429.01	Wastewater STEP Repair Charges	311	0	0	0
4440.00	Other	0	0	14,625	0
4810.00	Capacity Charges	386,633	0	0	0
	Total	1,601,073	1,228,900	1,257,175	1,224,234

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Description	2006-2007	2007-2008		2008-2009
	Actual	Budget	Estimated Actual	Budget
Treatment	583,804	791,215	612,375	786,207
Collection System/West	90,855	182,966	146,301	175,288
STEP Maintenance	23,791	31,760	39,900	32,350
Capital Projects	86,910	2,146,624	256,624	75,500
TOTAL MOOSA TREATMENT	785,360	3,152,565	1,055,200	1,069,345

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **Lower Moosa** **13**
 DEPT: **Field Operations** **53**
 DIV: **Wastewater Treatment** **26**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	206,411	344,060	250,000	361,100
03	Overtime	15,643	15,000	17,000	17,000
23	Chemicals	17,581	21,300	14,000	15,500
25	Outside Professional Services	38,093	81,000	65,000	78,700
30	Special Department Expenses	7,396	7,000	7,000	6,500
32	Telephone	4,289	4,100	4,100	4,200
38	Regulatory Permits & Fees	6,347	8,100	8,100	8,950
40	Rents & Leases	0	500	350	500
41	Hazardous Waste Disposal Costs	0	300	300	300
42	Insurance	8,651	14,507	14,507	12,044
45	Electricity	109,075	109,000	70,800	95,000
48	Diesel	0	300	0	300
49	Water	3,487	6,400	3,520	4,000
51	Maintenance of Vehicles	22,136	32,500	13,000	18,000
52	Maintenance of Facilities	47,369	30,450	28,000	28,950
82	Administrative Overhead	97,326	116,698	116,698	135,163
	Total	583,804	791,215	612,375	786,207

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **Lower Moosa** **13**
 DEPT: **Field Operation** **53**
 DIV: **Wastewater Treatment** **26**

Acct. No.	Detail and Justification	Department Request
41	Hazardous Waste Disposal Costs Recycling Oil, Filters, Solvents	300
42	Insurance	12,044
45	Electricity	95,000
48	Diesel Generator Set and Tractor	300
49	Water	4,000
51	Maintenance of Vehicles	18,000
52	Maintenance of Facilities SCADA Computer Equipment Maintenance 3,250 Building and Grounds Maintenance Equipment 2,700 Electrical Equipment 4,600 Electric Motor Maintenance 7,000 Filter Replacement 1,200 Tractor Maintenance 2,000 Hardware 3,100 Pipe and Fittings 3,100 Mechanical Plugs 2,000	28,950
82	Administrative Overhead	135,163

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **Lower Moosa** **13**
 DEPT: **Field Operations** **53**
 DIV: **Collection Sys. West** **27**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	48,803	118,435	88,000	114,300
03	Overtime	2,403	3,000	2,500	3,000
25	Outside Professional Services	16,426	37,000	30,000	32,000
30	Special Department Expenses	1,579	3,000	3,000	3,000
38	Regulatory Permits and Fees	259	5,500	5,500	6,000
40	Rents & Leases	0	250	250	250
42	Insurance	961	1,601	1,601	1,338
45	Electricity	3,355	4,000	4,500	5,000
49	Water	569	900	900	900
51	Maintenance of Vehicles	4,384	4,230	3,500	3,500
52	Maintenance of Facilities	12,116	5,050	6,550	6,000
	Total	90,855	182,966	146,301	175,288

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: Lower Moosa 13
 DEPT: Field Operation 53
 DIV: Collection System West 27

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 1.24	114,300
03	Overtime	3,000
25	Outside Professional Services Sewer Cleaning 25,000 Manhole Sensors 4,500 Pumping 2,500	32,000
30	Special Department Expenses	3,000
38	Regulatory Permits and Fees	6,000
40	Rents & Leases Equipment as Needed 250	250
42	Insurance	1,338
45	Electricity	5,000
49	Water	900
51	Maintenance of Vehicles	3,500
52	Maintenance of Facilities Motors Dip and Bake 1,500 Pump Repair 2,000 Replacement Pump 2,500	6,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **Lower Moosa** **13**
 DEPT: **Field Operations** **53**
 DIV: **STEP Maintenance** **29**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	17,302	18,860	28,000	19,400
03	Overtime	528	750	2,000	2,000
25	Outside Professional Services	925	8,625	6,000	6,000
30	Special Department Expenses	0	300	300	300
51	Maintenance of Vehicles	2,593	425	600	650
52	Maintenance of Facilities	2,443	2,800	3,000	4,000
	Total	23,791	31,760	39,900	32,350

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **Lower Moosa** **13**
 DEPT: **Field Operation** **53**
 DIV: **STEP Maintenance** **29**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 0.19	19,400
03	Overtime	2,000
25	Outside Professional Services Pumping of Tanks 5,000 Special Repairs 1,000	6,000
30	Special Department Expenses	300
51	Maintenance of Vehicles	650
52	Maintenance of Facilities Pump Rebuild Kits 1,500 Replacement Pumps 2,500	4,000

VALLEY CENTER MUNICIPAL WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2008-2009

Lower Moosa 13
Capital Outlay 56

Description	Acct. No.	Prior	2008						2009						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lower Moosa															
Aeration Basin Upgrade	12	Plan/Design	Construction												
Waste Discharge Report	53		Planning												
Main Sewer Line Ductile Iron Pipe Replacement	77	Planning	Construction												
Transmission Line Replacement	78	Planning	Construction												
Relocate Two 1,000 Gallon Fuel Tanks	18	Planning	Construction												

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2007-2008	Estimated Actual Expenditures 2007-2008	Budget Carried Forward to 2008-2009	New Appropriation 2008-2009	Total Approved Budget 2008-2009
Aeration Basin Upgrade	12		1,481,436	31,436	1,450,000		1,450,000
Waste Discharge Report	53	10-11	21,706	21,706	0	15,000	15,000
Master Plan - Sewer Line Replacement	54		34,374	34,374	0		0
Digester Improvements	70		150,000	150,000	0		0
Main Sewer Line Ductile Iron Pipe Replacement	77		75,000	0	75,000		75,000
Transmission Line Replacement	78		365,000	0	365,000		365,000
Lower Moosa - Equipment	79		19,108	19,108	0		0
Relocate Two 1,000 Gallon Fuel Tanks	18	10-12				60,500	60,500
Total Capital Projects			2,146,624	256,624	1,890,000	75,500	1,965,500

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2008-2009.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5653.78
DEPARTMENT:	Lower Moosa WRF

Waste Discharge Report

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

PROJECT DESCRIPTION:

The current waste discharge permit for LMCWRF (Order No. 95-32) was adopted in February 1995 and later amended in August 1995. Per the amended waste discharge permit, the District is required to submit a technical report that demonstrates the basin has a capacity for discharges in excess of 0.44 mgd or implement an approved basin management plan designed to balance the discharges to and extractions from the basin, prior to exceeding that amount. Because the ground water monitoring data shows a nexus between discharges to the percolation ponds and the adjacent Moosa Creek, additional evaluation is required to develop a waste discharge plan that meets the ground water basin water quality requirements in light of the basin's physical constraints. An additional \$15,000 is requested for staff and consulting expenses to complete the submittals to the Regional Board necessary to develop a waste discharge plan to obtain the updated permit.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	10,000	10,000	0	5,000	5,000		5,000	15,000
Perc Pond Evaluation	38,300	38,300	0	10,000	10,000		10,000	48,300
Eng. Report	53,200	53,200	0		0		0	53,200
Permit Fees	1,500	1,500	0		0		0	1,500
Legal	500	500	0		0		0	500
Contingency	6,500	6,500	0		0		0	6,500
Total Project	110,000	110,000	0	15,000	15,000	0	15,000	125,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2008-2009**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5618.78
DEPARTMENT:	Lower Moosa WRF

Relocate two 1,000 gallon fuel tanks

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

PROJECT DESCRIPTION:

Relocate two of the existing fuel tanks to Moosa Wastewater Reclamation Facility. One will be gasoline and the other diesel. The diesel tank will increase the onsite fuel supply at Moosa allowing the emergency backup generator to run longer before needing to be refueled. These tanks will be capable of dispensing fuel for the wastewater trucks that are assigned to that site and other district vehicles or equipment that are on the west side of the district. Constructing a secondary remote fueling station will allow district vehicles to re-fill without returning to the central valley which increases efficiency and reduces the district carbon footprint.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2008-09	Total Budget 2008-2009	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Relocate Fuel Tanks			0	60,500	60,500		60,500	60,500
			0		0		0	0
Total Project	0	0	0	60,500	60,500	0	60,500	60,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Woods Valley Ranch Wastewater Expansion**

FUNCTION OVERVIEW

The South Village Expansion Project is an expansion of the existing Woods Valley Ranch wastewater service area to the southern node area of Valley Center. This area consists mainly of the South Village area as identified on the County General Plan along Valley Center Road from Woods Valley Road north to Lilac Road. The service area is anticipated to have an ultimate wastewater demand of 0.45 mgd. Expansion would be in multiple phases and consist of constructing a low pressure wastewater collection system, seasonal storage, expansion to the Woods Valley Ranch Water Reclamation Facility (WVRWRF) and sale of recycled water to beneficial use sites (primarily the Woods Valley Ranch Golf Course). The initial construction of the Woods Valley Ranch WRF is considered the Phase 1 Improvements. This expansion project is considered Phase 2 and consists of the wastewater facility improvements necessary to provide service to approximately 190 Equivalent Dwelling Units of capacity for property owners in the South Village area. The project will participate in the treatment plant expansion plans proposed by the Alti Corporation and Bell Enterprises for their developments and will construct the necessary collection system and seasonal storage improvements. The project improvements will be funded through formation of an assessment district which meets the requirement of the District's Spending Limit Ordinance.

ACCOMPLISHMENTS FOR 2006-2008

The following Phase 2 Expansion project major tasks have been completed:

- Coordinated the wastewater service plan with the developers and developed a joint participation plan for expansion of the treatment facility.
- Obtained an initial commitment and funding for the preliminary design of the project from property owners desiring wastewater service.
- The project master plan and preliminary design report was prepared, reviewed by staff, and submitted to the Board for approval.
- Completed and certified the programmatic environmental impact report for the ultimate expansion of the Woods Valley Ranch Water Reclamation Facility and project specific environmental evaluation for the Phase 2 project.
- Solicited final commitment to the project through execution of a Wastewater Service Agreement that provides for the necessary financial security to borrow funds for the design phase of the project.

CHALLENGES FOR 2008-2009

The District is tasked with coordinating a viable partnership between the developer interests in the South Village area and the property owners that desire wastewater service to expand the WVRWRF. The challenge will be to develop a project that meets all the requirements and has an affordable unit cost for those properties desiring service. Challenges for the up-coming fiscal year for the South Village Wastewater Expansion Project include the following:

- Execute the wastewater service agreements with the Phase 2 project participants, establishing financial security for funds needed for the Design phase of the project.
- Obtain a Waste Discharge Permit modification for the additional required discharge capacity from the Regional Water Quality Control Board.
- Review and approve developer construction plans and specifications for the treatment plant expansion.
- Develop construction plans and specifications for the collection system and seasonal storage facilities.
- Negotiate property acquisition contracts for the south storage pond, along with easements for proposed pipelines.
- Form the assessment district and sell bonds for construction funding.
- Initiate construction on the project.

LONG-TERM GOALS

Successfully execute the multi-phased plan to have wastewater capacity available when needed without requiring District financial commitments and resources. The wastewater expansion project shall be developed with funding provided only by the property owners that directly benefit from the wastewater improvements.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**Woods Valley Ranch Wastewater
Capital Outlay**

**16
56**

Acct. No.	Description	Total Approved Budget 2007-08	Estimated Actual Expenditures 2007-08	Budget Carried Forward to 2008-09	New Appropriation 2008-09	Total Approved Budget 2008-09
5656	WVR WRF Planning	344,451	250,000	94,451		94,451
Total Capital Projects		344,451	250,000	94,451	0	94,451

Projects identified as "Continuing Projects" are not completed and any unexpended appropriations from 2007-08 will be carried forward to 2008-09.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
Woods Valley Ranch Wastewater Treatment**

FUNCTION OVERVIEW

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

ACCOMPLISHMENTS FOR 2006-2008

Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction: The 50,000 gpd interim treatment facility provides wastewater service while the permanent plant was being constructed. Construction of the permanent treatment facility was substantially completed by the developer and placed into service. The new facility has undergone start-up testing and effluent from the permanent facility is being discharged to the golf course storage ponds where it is used for irrigation of the golf course. Remaining tasks include final performance testing and punch list items. The interim facility has been taken off line and will be removed from the site upon conditional acceptance. Completion of the permanent plant and final acceptance is expected by the end of June 2008, at which time it will be dedicated to the District for operation and maintenance.

Orchard Run Subdivision: The waste discharge permit for the WVRWRF was amended to extend the service area and increase the permitted discharge capacity to include the Orchard Run Subdivision, a proposed 300 lot subdivision. The waste discharge limit of the Woods Valley Ranch Water Reclamation Facility is now 0.147 mgd. Development of the Orchard Run Subdivision has not progressed past plan approval of the "in-tract" facilities. Expansion plans to the Woods Valley Ranch Water Reclamation Facility for Orchard Run have not been developed and are planned to occur subsequent to the South Village Expansion Project.

South Village Wastewater Expansion Project: The South Village Wastewater Expansion Project will extend the service area of the Woods Valley Ranch Water Reclamation Facility to include the property currently zoned for commercial and other higher density land uses along Valley Center Road from Woods Valley Road north to Lilac Road. The District is coordinating a joint project with multiple land owners and two developers, Bell Enterprises and the Alti Corporation to extend wastewater service to the proposed service area.

CHALLENGES AND GOALS FOR 2008-2009

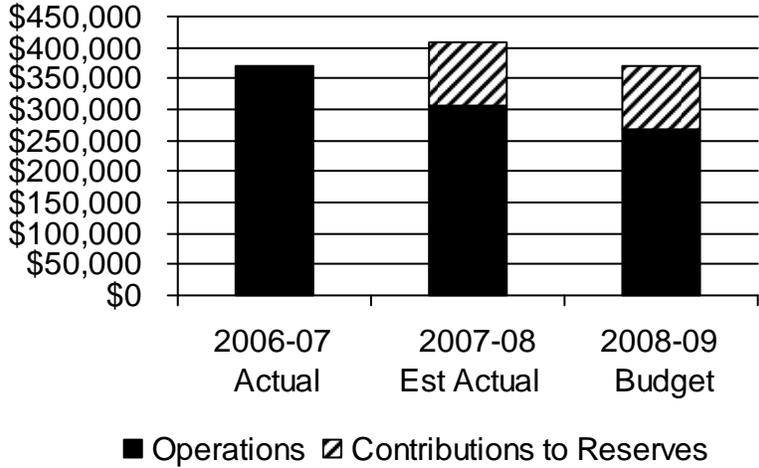
Following final acceptance of the Phase 1 project, the 70,000 gpd permanent treatment plant, the District will continue to operate and maintain the permanent wastewater treatment facility and produce an effluent that will meet California Title 22 Water Quality Requirements for irrigation of the golf course facility.

Extra effort and diligence will be required to maintain service and effluent quality during future expansion phases.

LONG-TERM GOALS

Operate and maintain the plant to be self-supporting without financial consideration from the General Fund. Work with the developers and property owners in the vicinity of the Woods Valley Ranch WRF to develop an expansion plan to meet the wastewater treatment needs of property in the Southern Village Area and the Orchard Run Subdivision.

Woods Valley Ranch Wastewater



VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2008-2009

Woods Valley Ranch
Full-Time Equivalents

	<u>17-5331.</u>	<u>Total</u>
Actng Assistant Safety Officer	0.05	0.05
Administrative Assistant I	0.02	0.02
Director of Operations/Facilities	0.10	0.10
Sr Administrative Assistant	0.02	0.02
Wastewater Systems Supr	0.25	0.25
Wastewater Systems Tech I	0.15	0.15
Wastewater Systems Tech II	0.45	0.45
	<u>1.04</u>	<u>1.04</u>

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2008-2009

WOODS VALLEY RANCH WASTEWATER TREATMENT
RECAP OF BUDGET AND
SOURCE OF FINANCING

BUDGET REQUIREMENT

Operating/Treatment	267,564
Operating Reserves	6,818
Capital Replacement Reserves	114,965

389,347

SOURCE OF FINANCING

Revenue	384,733
Decrease in Operating Fund Cash	4,614

389,347

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**WOODS VALLEY RANCH WASTEWATER TREATMENT
ANALYSIS OF CASH POSITION
JULY 1, 2007, TO JUNE 30, 2009**

	Replacement Reserve Fund	Operating Reserve Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1,	445,076	169,426	103,427	717,929
ADD: Revenue 2007-2008				
Wastewater Service Charge	102,620	0	228,676	331,296
Reclaimed Water & Meter Charge			34,000	34,000
Interest	18,222	11,000		29,222
TRANSFER		(44,078)	44,078	0
LESS: Estimated Expenditures 2007-2008	0	0	(306,292)	(306,292)
Net Change	120,842	(33,078)	462	88,226
ESTIMATED BALANCE JUNE 30, 2008	565,918	136,348	103,889	806,155
ADD: Revenue 2008-2009				
Wastewater Service Charge	102,620	0	228,676	331,296
Reclaimed Water & Meter Charge			34,000	34,000
Interest	12,345	7,092		19,437
TRANSFER		(274)	274	0
LESS: Proposed Expenditures 2008-2009	0	0	(267,564)	(267,564)
Net Change	114,965	6,818	(4,614)	117,169
ESTIMATED BALANCE JUNE 30, 2009	680,883	143,166	99,275	923,324

GENERAL INFORMATION:

Average Wastewater Units Billed:
Monthly Rates:
 Effective July 1
 Effective January 1

	2006-2007	2007-2008		2008-2009
	Actual	Adopted Budget	Estimated Actual	Budget
Average Wastewater Units Billed:	280	280	280	280
Monthly Rates:				
Effective July 1	98.60	98.60	98.60	98.60
Effective January 1	98.60	98.60	98.60	98.60

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**REVENUE ESTIMATE
WOODS VALLEY RANCH
WASTEWATER TREATMENT FUND**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	260,282	0	298,166	300,533
4110.02	Wastewater Capacity Reservation Fee	70,987	331,296	33,130	30,763
4140.00	Reclaimed Water	27,058	0	33,000	33,000
4140.01	Reclaimed Water Meter Charge	492	0	1,000	1,000
4382.00	Interest Allocation	1,011	0	0	0
4410.00	Interest - Operating & Replace. Res.	32,300	17,505	29,222	19,437
4440.00	Other Income	1,000	0	0	0
	Total	393,130	348,801	394,518	384,733

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

**DEPARTMENT SUMMARY
WOODS VALLEY RANCH
WASTEWATER TREATMENT FUND**

Description	2006-2007	2007-2008		2008-2009
	Actual	Budget	Estimated Actual	Budget
Treatment	371,723	349,257	408,912	370,184
TOTAL WOODS VALLEY RANCH	371,723	349,257	408,912	370,184

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2008-2009**

FUND: **Woods Valley Ranch** **17**
 DEPT: **Field Operations** **53**
 DIV: **Wastewater Treatment** **31**

Acct. No.	Description	2006-2007	2007-2008		2008-2009
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	74,560	94,345	136,800	110,100
03	Overtime	13,796	17,500	14,000	17,500
23	Chemicals	5,473	5,400	12,500	7,000
25	Outside Professional Services	55,085	50,900	38,175	38,500
30	Special Department Expenses	1,467	1,600	1,600	5,000
32	Telephone	0	225	0	225
38	Regulatory Permits & Fees	6,235	11,000	9,500	10,000
40	Rents & Leases	0	0	0	250
42	Insurance	1,732	2,200	2,200	2,200
45	Electricity	11,489	24,000	25,000	28,500
48	Diesel	0	0	0	300
49	Water	0	650	0	600
51	Maintenance of Vehicles	10,537	6,300	5,500	6,000
52	Maintenance of Facilities	5,271	3,000	6,500	5,000
61	Operating Costs Paid by Developer	160,617	0	25,000	0
82	Administrative Overhead	25,461	29,517	29,517	36,389
	Total Treatment Operations	371,723	246,637	306,292	267,564
78	Contribution to Replacement Reserve	0	102,620	102,620	102,620
79	Contribution to Operating Reserve	0	0	0	0
	Total Contributions to Reserves	0	102,620	102,620	102,620
	Total	371,723	349,257	408,912	370,184

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2008-2009**

FUND: **Woods Valley Ranch** **17**
 DEPT: **Field Operation** **53**
 DIV: **Wastewater Treatment** **31**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 1.04	110,100
03	Overtime	17,500
23	Chemicals	7,000
25	Outside Professional Services	38,500
	Pumper Trucks - Haul waste	5,500
	Laboratory Testing Services	18,300
	Courier Service	6,400
	Sewer Cleaning	8,300
30	Special Department Expenses	5,000
	Tools	3,500
	Equipment	1,500
32	Telephone	225
38	Regulatory Permits & Fees	10,000
40	Rents & Leases	250
42	Insurance	2,200
45	Electricity	28,500
48	Diesel	300
49	Water	600
51	Maintenance of Vehicles	6,000
52	Maintenance of Facilities including collection system	5,000
78	Contribution to Capital Replacement Reserve	102,620
82	Administrative Overhead	36,389

VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2008-09

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.

AMR - See Automated Meter Reading

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

Automated Meter Reading - Remotely reads set meters using a handheld meter reading device.

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.

CWA - San Diego County Water Authority.

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.

Economic Study Group (ESG) - Water agencies which are jointly working to obtain rate-cost of service equity from its supplier.

Educational Revenue Augmentation Fund (ERAF) - State enacted legislation that shifts partial financial responsibility for funding education to local government (cities, counties and special districts).

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.

ERAF - See Educational Revenue Augmentation Fund

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 then 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.

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.

Urban Water Management Plan Act - California law which requires that we prepare an Urban Water Conservation Program.

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

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.

Xeriscape - Water-wise landscaping.

VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2008-09

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 Master Plan reserves which will be funded in the order presented from accumulated net earnings.

1. Rate Stabilization Reserves:

- A. Rate Stabilization Reserve: The District component of sales in excess of budgeted water sales and revenue collected for fixed charges in excess of those fixed expenses incurred shall be placed in a rate stabilization reserve to fill any deficit resulting from the water sales volume falling below projected budget figures. It could also be used to defer future increases in the District's component of the water commodity rate and fixed wholesale charges. Fixed wholesale charges include the Metropolitan Water District's Capacity Reservation Charge and the San Diego County Water Authority's Customer Service Charge and Emergency Storage Project Charge. The reserve shall be limited to no more than 50% of the District component of budgeted water sales and fixed wholesale charges.
- B. Pumping Rate Stabilization Reserve: Pumping revenues in excess of the cost of electrical and natural gas power and the cost of the operation and maintenance of all pumping facilities 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. The reserve may also be used for the replacement of pump facilities with Board approval, provided that such use does not reduce the reserve below 25% of the annual budgeted pump charge revenue.

2. Operating Reserve:

- A. A reserve shall be established to provide funding for emergencies and natural disasters, such as fire, earthquake, flooding, etc. This reserve need not be funded in the budget, but the District shall endeavor to maintain this reserve at six months operations and maintenance budget (excluding wholesale water and power purchases).

3. Restricted Reserves:

- A. Agricultural Rebate Reserve: This reserve consists of agricultural rebates received from the District's certified agricultural customers prior to the District establishing a special agricultural rate and will be held for rebates to certified

agricultural customers necessary in the event a supplier's agricultural rate is terminated before the end of a billing cycle. It will also be available to cover costs associated when agricultural water sales volume exceeds the established agricultural wholesale allotment.

- B. 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.
- C. Replacement Reserves: Reserves for the asset categories listed below shall be established. Each reserve shall receive an annual budget appropriation in the amount of depreciation on the following assets plus an inflation factor (or interest allocation for wastewater fund reserves). Proceeds from the sale of these assets shall also be credited to these reserves. These reserves may be used for the purchase of replacement of assets or facilities, but not for additional assets or increased capacity. The reserve shall not exceed the replacement value of the assets covered.
 - (1) Licensed Motor Vehicles
 - (2) Lower Moosa Canyon Water Reclamation Facility
 - (3) Woods Valley Ranch Water Reclamation Facility (Funded in accordance with agreement with customer)

4. Capital Reserves:

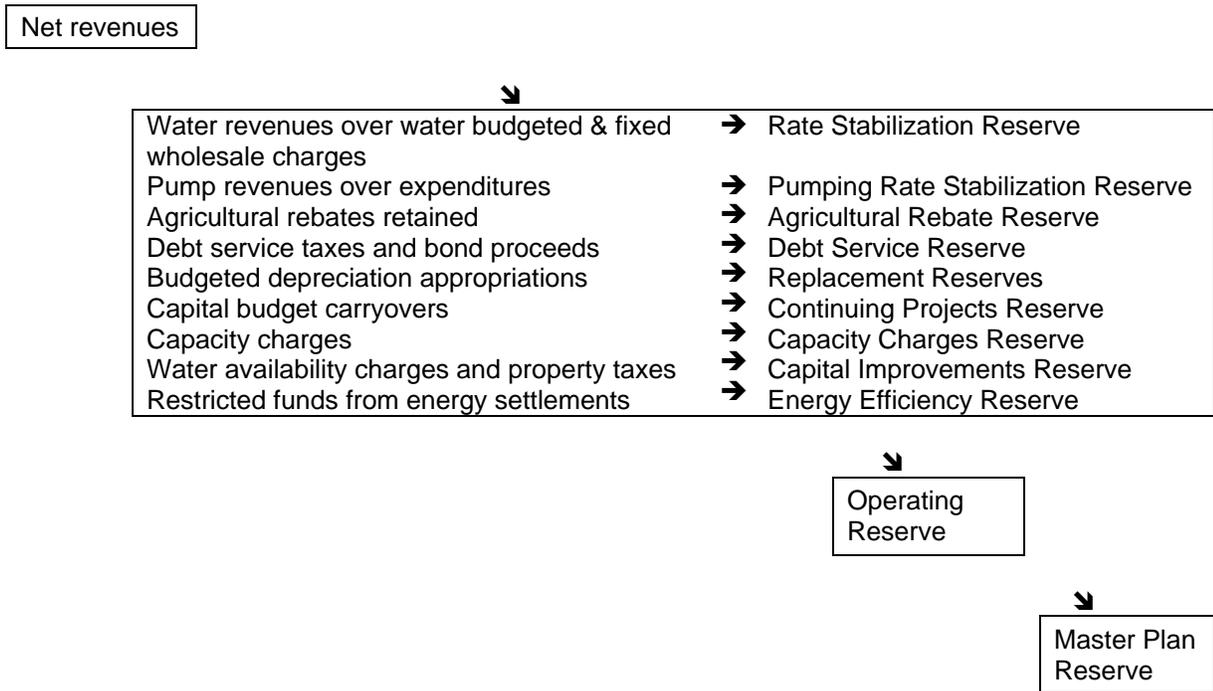
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to provide funding for future capital projects. This reserve shall earn interest in accordance with state statute.
- C. Capital Improvements Reserve: Availability charges not allocated to the readiness-to-serve charge and debt service, and property taxes not otherwise allocated shall be credited to the capital improvements reserve to provide funding for future capital projects.
- D. Master Plan System Improvements Reserve: The District maintains a Master Plan which outlines future facility additions and replacements. A reserve shall be established to fund the current estimated cost of all projects outlined in the Water Master Plan which are (1) not allocable to future demand, (2) not previously appropriated, (3) and not contingent on outside factors. This reserve shall be reduced by the Capital Improvements Reserve and increased by inflation and contingency factors. This reserve shall be funded from retained earnings not reserved for other purposes.
- E. Energy Efficiency Reserve: Funds received from the energy company settlements are restricted for energy conservation projects and shall be credited to the energy efficiency reserve.

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

Reserve	Source	Use	Minimum	Maximum	Index
<u>Rate Stabilization Reserves:</u>					
Rate Stabilization	Water revenues over water budgeted and fixed wholesale charges	Deficits resulting from sales volume below budget projections and to moderate future rate increases	None	50% of budgeted District component of water sales and fixed wholesale charges	No
Pumping Rate Stabilization	Pumping revenues over costs	Defer future pumping rate increases; replacement of pump facilities with Board approval	25% of the annual budgeted pump revenue if used for replacements	50% of budgeted pump charge revenue	No
<u>Operating Reserve:</u>					
Operating Reserve	Earnings not reserved for other purposes	Emergencies or natural disasters	None	Six months operating budget (excluding water & power)	No
<u>Restricted Reserves:</u>					
Agricultural Rebate	Agricultural rebates retained	Payments at termination of supplier's agricultural rate; Costs when ag. Sales exceed ag. wholesale allotment	None	Agricultural rebates received prior to District rebate plan	No
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: - Licensed Motor Vehicles - Lower Moosa Canyon WRF - Woods Valley Ranch WRF	Budget appropriation equal to depreciation on related assets, plus proceeds from sales of those assets	Replacement of assets	None	Replacement cost of assets	Inflation (or interest for wastewater fund reserves)

Reserve	Source	Use	Minimum	Maximum	Index
<u>Capital Projects:</u>					
Continuing Projects	Unexpended appropriations for capital projects carried forward	Budgeted capital projects	None	Unexpended appropriations	No
Capacity Charges	Capacity charges	Future capital projects benefiting new growth	Unexpended capacity charges	Unexpended capacity charges	Interest
Capital Improvements	Availability charges not allocated to RTS and debt service, and property taxes	Future capital projects	None	Projected capital projects	Interest
Master Plan System Improvements	Earnings not reserved for other purposes	Projects outlined in Master Plan not otherwise provided for	None	Projects outlined in Master Plan	ENR index
Energy Efficiency	Funds from settlement of District claims on energy providers	Restricted by settlement agreement to energy conservation projects	Unexpended restricted funds	Unexpended restricted funds	No

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



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

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

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

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

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

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

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

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

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

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

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

	BUDGETED		PROJECTED			
	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
General Fund						
Beginning Balance	\$ 629,920	\$ 438,201	\$ -	\$ -	\$ -	\$ -
Operating Revenues						
Water Sales	\$ 25,334,000	\$ 28,599,839	\$ 32,070,320	\$ 33,391,489	\$ 37,315,788	\$ 38,958,093
Connection Fees	\$ 84,700	\$ 87,453	\$ 90,295	\$ 93,230	\$ 96,260	\$ 99,388
Capacity Fees	\$ 170,000	\$ 266,000	\$ 278,900	\$ 292,400	\$ 306,400	\$ 321,300
Meter Service Charges	\$ 3,373,000	\$ 3,521,141	\$ 3,625,602	\$ 3,733,161	\$ 3,843,912	\$ 3,957,948
Pumping Revenue	\$ 4,124,000	\$ 4,613,351	\$ 4,772,070	\$ 4,927,435	\$ 5,087,861	\$ 5,253,510
Total Operating Water Revenues	\$ 33,085,700	\$ 37,087,784	\$ 40,837,186	\$ 42,437,715	\$ 46,650,220	\$ 48,590,239
Property Taxes - Other	\$ 2,899,000	\$ 2,974,010	\$ 3,051,458	\$ 3,131,423	\$ 3,213,986	\$ 3,299,234
Property Taxes - Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 791,200	\$ 816,914	\$ 843,464	\$ 870,876	\$ 899,180	\$ 928,403
Interest	\$ 630,000	\$ 650,475	\$ 671,615	\$ 693,443	\$ 715,980	\$ 739,249
Transfer Interest to Cap Chg Res (until 06-07 Capital Reserves)	\$ (21,720)	\$ (650,475)	\$ (671,615)	\$ (693,443)	\$ (715,980)	\$ (739,249)
Total Non-Operating Water Revenues	\$ 4,298,480	\$ 3,790,924	\$ 3,894,922	\$ 4,002,299	\$ 4,113,166	\$ 4,227,637
TOTAL WATER REVENUES	\$ 37,384,180	\$ 40,878,708	\$ 44,732,108	\$ 46,440,014	\$ 50,763,386	\$ 52,817,875
Expenditures						
Source of Supply	\$ 25,243,998	\$ 27,852,935	\$ 30,011,358	\$ 32,227,888	\$ 34,523,059	\$ 36,963,951
General Administration	\$ 913,627	\$ 943,320	\$ 973,978	\$ 1,005,632	\$ 1,038,315	\$ 1,072,060
Finance	\$ 1,898,177	\$ 1,959,868	\$ 2,023,563	\$ 2,089,329	\$ 2,157,232	\$ 2,227,343
Engineering	\$ 1,406,216	\$ 1,451,918	\$ 1,499,105	\$ 1,547,826	\$ 1,598,131	\$ 1,650,070
Field Operation	\$ 5,947,651	\$ 6,140,950	\$ 6,340,531	\$ 6,546,598	\$ 6,759,362	\$ 6,979,041
Debt Service	\$ 104,434	\$ 108,682	\$ 108,967	\$ 113,907	\$ 55,000	\$ -
Total Operating Expenditures	\$ 35,514,103	\$ 38,457,672	\$ 40,957,502	\$ 43,531,181	\$ 46,131,099	\$ 48,892,465
Transfer To Other Funds						
To Vehicles & Equipment	\$ 234,000	\$ 25,672	\$ 26,506	\$ 27,368	\$ 28,257	\$ 29,175
To Operating Reserve	\$ (1,742,478)	\$ 68,073	\$ 70,830	\$ 73,699	\$ 76,684	\$ 79,789
To Rate Stabilization Reserve	\$ (706,225)	\$ 120,433	\$ 128,623	\$ 137,369	\$ 146,710	\$ 156,686
To Ag. Credit Restricted Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
To Expansion Reserve (Capacity Fees)	\$ 170,000	\$ 266,000	\$ 278,900	\$ 292,400	\$ 306,400	\$ 321,300
To Capital Reserves (Water Availability Chg Less Debt)	\$ 486,566	\$ 482,318	\$ 482,033	\$ 477,093	\$ 536,000	\$ 591,000
To Replacement Reserve (Capital Project Expenses)	\$ 3,619,934	\$ 1,896,740	\$ 2,787,714	\$ 1,900,905	\$ 3,538,236	\$ 2,747,459
Total Transfers	\$ 2,061,797	\$ 2,859,236	\$ 3,774,606	\$ 2,908,834	\$ 4,632,287	\$ 3,925,410
Fund Balance After Reserves	\$ 438,201	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve (General Fund)						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Operating Fund to Adjust Ending Balance	\$ (1,742,478)	\$ 68,073	\$ 70,830	\$ 73,699	\$ 76,684	\$ 79,789
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (1,742,478)	\$ 68,073	\$ 70,830	\$ 73,699	\$ 76,684	\$ 79,789
Ending Balance Operations Reserve	\$ 1,680,822	\$ 1,748,895	\$ 1,819,726	\$ 1,893,424	\$ 1,970,108	\$ 2,049,898
Rate Stabilization Reserve (Water & Pumping RSFs)						
Beginning Balance	\$ 2,477,301	\$ 1,771,076	\$ 1,891,509	\$ 2,020,132	\$ 2,157,501	\$ 2,304,211
Transfer from Operating Fund to Adjust Ending Balance	\$ (706,225)	\$ 120,433	\$ 128,623	\$ 137,369	\$ 146,710	\$ 156,686
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (706,225)	\$ 120,433	\$ 128,623	\$ 137,369	\$ 146,710	\$ 156,686
Ending Balance Rate Stabilization Reserve	\$ 1,771,076	\$ 1,891,509	\$ 2,020,132	\$ 2,157,501	\$ 2,304,211	\$ 2,460,897
Ag. Credit Reserve						
Beginning Balance	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance Ag. Credit Reserve	\$ 235,672					
Ending Balance Operating Fund	\$ 4,125,771	\$ 3,876,076	\$ 4,075,529	\$ 4,286,597	\$ 4,509,991	\$ 4,746,467

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

	BUDGETED FY 08/09	FY 09/10	FY 10/11	PROJECTED FY 11/12	FY 12/13	FY 13/14
Capital Reserves (Continuing Project, Capital Improvements, Master Plan, & Energy Efficiency)						
Beginning Reserve Balance	\$ 5,826,694	\$ 5,826,694	\$ 5,068,051	\$ 2,309,824	\$ 2,009,229	\$ 1,686,716
Revenues and Transfers In						
Interest	\$ -	\$ 632,696	\$ 663,323	\$ 676,535	\$ 689,793	\$ 703,085
Transfer Interest/Funds In From Other Funds/Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Availability Charges Less Debt	\$ 486,566	\$ 482,318	\$ 482,033	\$ 477,093	\$ 536,000	\$ 591,000
Transfer from Operating Fund	\$ 3,619,934	\$ 1,896,740	\$ 2,787,714	\$ 1,900,905	\$ 3,538,236	\$ 2,747,459
Proceeds From Debt Issue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues and Transfers In	\$ 4,106,500	\$ 3,011,754	\$ 3,933,071	\$ 3,054,533	\$ 4,764,029	\$ 4,041,544
Balance Prior to Expenses	\$ 9,933,194	\$ 8,838,448	\$ 9,001,122	\$ 5,364,357	\$ 6,773,258	\$ 5,728,260
Expenditures						
Capital Expenses	\$ 4,106,500	\$ 3,770,397	\$ 6,691,298	\$ 3,355,129	\$ 5,086,541	\$ 4,410,476
Total Expenditures	\$ 4,106,500	\$ 3,770,397	\$ 6,691,298	\$ 3,355,129	\$ 5,086,541	\$ 4,410,476
Ending Balance Capital Replacement Reserve	\$ 5,826,694	\$ 5,068,051	\$ 2,309,824	\$ 2,009,229	\$ 1,686,716	\$ 1,317,784
Capacity Charge Reserves (Capital Expansion)						
Beginning Reserve Balance	\$ 592,620	\$ 592,620	\$ 276,398	\$ 563,590	\$ 872,898	\$ 1,205,485
Revenue and Transfers In						
Transfer from Capital Fund (Capacity Fees)	\$ 148,280	\$ 266,000	\$ 278,900	\$ 292,400	\$ 306,400	\$ 321,300
Interest	\$ 21,720	\$ 17,779	\$ 8,292	\$ 16,908	\$ 26,187	\$ 36,165
Total Revenues and Transfers In	\$ 170,000	\$ 283,779	\$ 287,192	\$ 309,308	\$ 332,587	\$ 357,465
Balance Prior to Expenses	\$ 762,620	\$ 876,398	\$ 563,590	\$ 872,898	\$ 1,205,485	\$ 1,562,950
Expenditures						
Capital Expansion Expenses (Ultimate)	\$ 170,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 170,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Ending Balance Expansion Reserve	\$ 592,620	\$ 276,398	\$ 563,590	\$ 872,898	\$ 1,205,485	\$ 1,562,950
Vehicle Equipment Reserve						
Beginning Balance	\$ 555,900	\$ 789,900	\$ 815,572	\$ 842,078	\$ 869,445	\$ 897,702
Revenue and Transfers In						
Transfer from Operating Reserve	\$ 234,000	\$ 25,672	\$ 26,506	\$ 27,368	\$ 28,257	\$ 29,175
Total Revenues and Transfers In	\$ 234,000	\$ 25,672	\$ 26,506	\$ 27,368	\$ 28,257	\$ 29,175
Balance Prior to Expenses	\$ 789,900	\$ 815,572	\$ 842,078	\$ 869,445	\$ 897,702	\$ 926,878
Ending Balance Vehicle Reserve	\$ 789,900	\$ 815,572	\$ 842,078	\$ 869,445	\$ 897,702	\$ 926,878
Summary of All Ending Funds & Reserves						
General Fund						
Operating Reserve (General Fund)	\$ 1,680,822	\$ 1,748,895	\$ 1,819,726	\$ 1,893,424	\$ 1,970,108	\$ 2,049,898
Rate Stabilization Reserve (General Fund)	\$ 1,771,076	\$ 1,891,509	\$ 2,020,132	\$ 2,157,501	\$ 2,304,211	\$ 2,460,897
Ag. Credit Reserve (Restricted)	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672	\$ 235,672
Unappropriated Fund Balance	\$ 438,201	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund	\$ 4,125,771	\$ 3,876,076	\$ 4,075,529	\$ 4,286,597	\$ 4,509,991	\$ 4,746,467
Capital Improvement Fund						
Capital Reserves (Continuing Project, Capital Improvements, Ma:	\$ 5,826,694	\$ 5,068,051	\$ 2,309,824	\$ 2,009,229	\$ 1,686,716	\$ 1,317,784
Capacity Charge Reserves (Capital Expansion)	\$ 592,620	\$ 276,398	\$ 563,590	\$ 872,898	\$ 1,205,485	\$ 1,562,950
Vehicle Equipment Reserve	\$ 789,900	\$ 815,572	\$ 842,078	\$ 869,445	\$ 897,702	\$ 926,878
Total Capital Improvement Fund	\$ 7,209,214	\$ 6,160,021	\$ 3,715,492	\$ 3,751,572	\$ 3,789,904	\$ 3,807,612
Total All Funds & Reserves	\$ 11,334,984	\$ 10,036,098	\$ 7,791,021	\$ 8,038,169	\$ 8,299,895	\$ 8,554,078

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

**VALLEY CENTER MUNICIPAL WATER DISTRICT
WASTEWATER SUMMARY PROJECTIONS**

	BUDGETED FY 08/09	FY 09/10	FY 10/11	PROJECTED FY 11/12	FY 12/13	FY 13/14
Moosa Wastewater Treatment Fund						
Beginning Balance, Operating Fund	\$ 322,093	\$ 476,982	\$ 636,882	\$ 801,982	\$ 972,482	\$ 1,148,482
Revenues	\$ 1,224,234	\$ 1,264,600	\$ 1,306,300	\$ 1,349,400	\$ 1,393,900	\$ 1,439,800
Budget Requirement						
Operating/Treatment	\$ 786,207	\$ 811,800	\$ 838,200	\$ 865,400	\$ 893,500	\$ 922,500
Collection System/West	\$ 175,288	\$ 181,000	\$ 186,900	\$ 193,000	\$ 199,300	\$ 205,800
STEP Maintenance	\$ 32,350	\$ 33,400	\$ 34,500	\$ 35,600	\$ 36,800	\$ 38,000
Capital Projects	\$ 75,500	\$ 78,500	\$ 81,600	\$ 84,900	\$ 88,300	\$ 91,800
Expansion Fund Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserves	\$ 154,889	\$ 159,900	\$ 165,100	\$ 170,500	\$ 176,000	\$ 181,700
Transfer (to)/from Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Budget Requirement	\$ 1,224,234	\$ 1,264,600	\$ 1,306,300	\$ 1,349,400	\$ 1,393,900	\$ 1,439,800
Addition to Operating Reserve	\$ 154,889	\$ 159,900	\$ 165,100	\$ 170,500	\$ 176,000	\$ 181,700
Ending Balance, Operating Fund	\$ 476,982	\$ 636,882	\$ 801,982	\$ 972,482	\$ 1,148,482	\$ 1,330,182
Woods Valley Ranch Wastewater Treatment Fund						
Beginning Balance, Operating Fund	\$ 103,889	\$ 99,275	\$ 99,275	\$ 99,275	\$ 99,275	\$ 99,275
Revenues	\$ 384,733	\$ 395,000	\$ 407,900	\$ 421,200	\$ 434,900	\$ 449,000
Budget Requirement						
Operating/Treatment	\$ 267,564	\$ 276,300	\$ 285,300	\$ 294,600	\$ 304,200	\$ 314,100
Operating Reserves	\$ 6,818					
Increase in Capital Replacement Fund	\$ 114,965	\$ 118,700	\$ 122,600	\$ 126,600	\$ 130,700	\$ 134,900
Total Budget Requirement	\$ 389,347	\$ 395,000	\$ 407,900	\$ 421,200	\$ 434,900	\$ 449,000
Ending Balance, Operating Fund	\$ 99,275	\$ 99,275	\$ 99,275	\$ 99,275	\$ 99,275	\$ 99,275

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

VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2008-09

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