

ANNUAL BUDGET

FISCAL YEAR 2009-10



VALLEY CENTER WATER DISTRICT
VALLEY CENTER, CALIFORNIA

**VALLEY CENTER WATER DISTRICT
ANNUAL BUDGET
2009-10**

BOARD OF DIRECTORS

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**C. Michael Cowett
District Counsel**

**VALLEY CENTER WATER DISTRICT
ANNUAL BUDGET 2009-10**

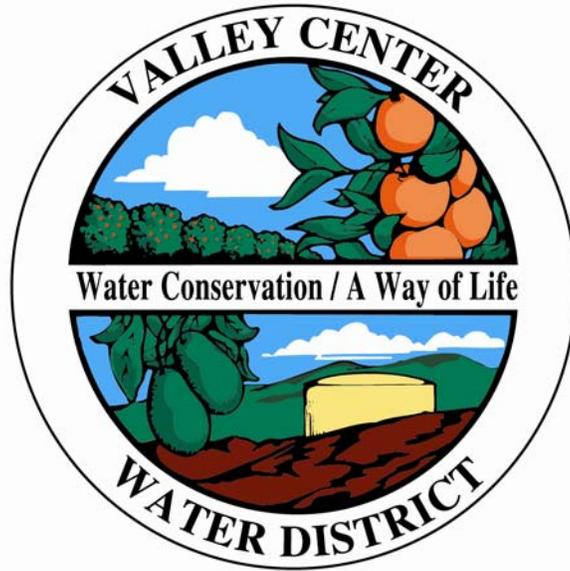
TABLE OF CONTENTS

BUDGET MESSAGE	1-1
Organization Chart	1-24
ADOPTING RESOLUTIONS	
Resolution Adopting 2008-09 Budget	2-1
Appropriation Limit under Proposition 4	2-5
GENERAL FUND	
Recap of Budget and Source of Financing	3-1
Reserves and Fund Balances	3-2
Revenue Estimate	3-3
Expenditures Recap	3-6
History of Water Purchased and Sold	3-7
General Administration Department	4-1
General Administration	4-3
Human Resources Administration	4-4
Training	4-5
Finance Department	5-1
Administration	5-3
Consumer Services	5-4
Information Systems	5-5
Facilities Operation	5-6
Salary Clearing	5-7
Debt Service	5-8
Engineering Department	6-1
Administration	6-3
Planning and Design	6-4
Public Services	6-5
Encroachments and Locates	6-6
GIS, Maps and Records	6-7
Field Operations Department	7-1
Administration	7-3
Safety and Regulatory Compliance	7-4
Landscape and Paving Maintenance	7-5
District Security	7-6
Systems Operation	7-7
Telemetry/SCADA	7-8
Treatment	7-9
Automatic Valves	7-10

Field Operations Department, continued	
Reservoir Maintenance	7-11
Pump Maintenance	7-12
Motor Maintenance/Electric Panels	7-13
Quality Control	7-14
Pipeline and Right of Way Maintenance	7-15
Corporate Facilities Maintenance	7-16
Valve Maintenance/Location	7-17
Meter Installation	7-18
Meter Reading	7-19
Service Connection Maintenance	7-20
Backflow Maintenance	7-21
Vehicle and Equipment Maintenance	7-22
Source of Supply	8-1
Capital Outlay	9-1
LOWER MOOSA WASTEWATER TREATMENT FUND	10-1
Recap of Budget and Source of Financing	10-2
Analysis of Cash Position	10-3
Revenue Estimate	10-4
Department Summary	10-5
Treatment Facility	10-6
Collection System West	10-7
STEP Maintenance	10-8
Capital Outlay	10-9
WOODS VALLEY RANCH EXPANSION FUND	11-1
Recap of Budget and Source of Financing, Cash Position, Revenue, Capital	11-2
WOODS VALLEY RANCH WASTEWATER TREATMENT FUND	12-1
Recap of Budget and Source of Financing	12-2
Analysis of Cash Position	12-3
Revenue Estimate	12-4
Wastewater Treatment	12-5
Capital Outlay	12-7
GLOSSARY	Appendix A
BUDGET POLICIES	Appendix B
WATER/WASTEWATER SUMMARY PROJECTIONS	Appendix C
INDEX	Index



Valley Center Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2008-2009 - Our eleventh year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.



BUDGET MESSAGE





June 15, 2009



TO: Honorable President and Board of Directors
FROM: Gary T. Arant, General Manager
SUBJECT: PROPOSED BUDGET FOR 2009-2010

As Adopted by the Board of Directors on June 15, 2009

PURPOSE:

To present and seek adoption of the proposed budget for fiscal year 2009-2010.

SUMMARY:

Staff is pleased to present this report along with the proposed fiscal year 2009-10 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2009.

DISTRICT DEMOGRAPHICS

Valley Center 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 25,600 people live within the District. The District covers 100 square miles of which approximately 59% receives water services. Historically, 80-90% of water sold has been used to irrigate avocado and citrus groves as well as for other agricultural purposes. The implementation of the mandatory 30% agricultural water cutback, which began in January 2008, has reduced this figure to 75%.

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 active water meters and is the third largest water retailer within the San Diego County Water Authority behind

Fiscal Year Ended June 30, 2009, Estimates:					
Miles of Water Main					295 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					27
Number of Pumps					105
Total Pump Capacity					19,940 horsepower
	<u>Domestic</u>	<u>Ag</u>	<u>Commercial</u>	<u>Fire</u>	<u>Total</u>
Active Accounts	7,042	1,482	261	917	9,702
Water Sales in Acre Feet	7,891	23,127	1,285	-	32,303

only the City of San Diego and the Otay Water District. 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 wastewater collection, treatment, and disposal services for approximately 2,700 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 70,000 gallon per day Woods Valley Ranch Wastewater Facility.

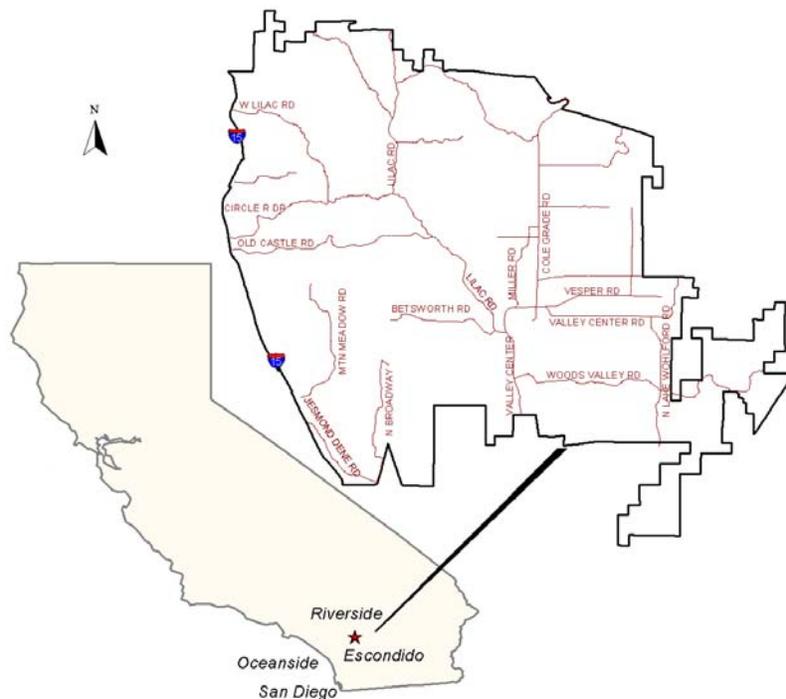
BUDGET DOCUMENTS

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

February 2009	General Manager and Department Heads discuss Budget process.
March 2009	Departments submit Budget requests.
May 4, 2009	Overview of Budget reviewed by Board of Directors.
May 26, 2009	Budget policies reviewed by Board of Directors.
May 26, 2009	Budget submitted to Board of Directors.
June 1, 2009	Budget Review by Board of Directors
June 15, 2009	Budget 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-four 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-six percent of the District's costs are directly controlled by the District. These locally controlled costs are influenced by the number of customers we serve and by infrastructure maintenance and improvements. Locally controlled costs are mostly fixed costs as they are not affected by the volume of water sold.

Spending Limit

Ordinance 171, enacted in 1988 by a vote of the District's residents, established a limitation on the expenditure of District funds for capital improvements. This limitation is adjusted annually on January 1 for the consumer price index. The limitation effective January 1, 2009, is \$2,061,084 per project except that for water storage projects the limitation is \$3,091,635. 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 less than one-half the limit established by Article XIII B.

Budget Control and Amendment

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

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

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

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

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

BUDGET POLICIES

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

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

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, 2010, are:

	Water Rate Stabilization	Pumping Rate Stabilization
Projected balance, June 30, 2009	\$ 0	\$ 1,300,908
Used to balance 2009-10 budget	<u>0</u>	<u>(369,500)</u>
Balance	<u>0</u>	<u>931,408</u>
Maximum reserve allowable by District Administrative Code	<u>\$3,085,142</u>	<u>\$ 1,952,500</u>

2. An Operating Reserve of \$3,065,178 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. On May 26, 2009, "at six months operations and maintenance budget" as approved by the Board, was changed to "at a minimum three and maximum six months operations and maintenance budget."

3. Restricted Reserves consisting of \$235,672 of agricultural rebates received from MWD and held for rebate to customers on termination of the agricultural water rate.

Government Accounting Standards Board 45 (GASB 45) changes the accounting for other post employment benefits beginning in 2008-09. The unfunded actuarial liability is to be calculated in a specified way, and our current liability is to be reset to zero. On May 26, 2009, with approval from the Board, the District transferred approximately \$2.5 million in this liability to the Reserve for Benefit Plan Liability, which will be utilized over the next several years to fund our OPEB obligations.

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 2009-10 budget, 60% of fixed costs are covered by these fixed charges.
- G. **Contingencies** - The General Manager has the authority to make certain expenditures from the operating reserve and take other actions necessary in case of a major disruption in the water distribution system.



Paradise Reservoir #2 (foreground) during final stages of exterior coating and roof repair.

OVERVIEW

The San Diego County Water Authority has not yet adopted wholesale rates. As such, we have estimated, with the most recent information available, that wholesale costs on September 1, 2009, will increase to \$987.81 per acre foot for full price, to \$738.30 for certified Interim Agricultural Water Program (IAWP), and to \$879.48 for Special Agricultural Water Rate (SAWR) customers. On January 1, 2010, wholesale fixed charges levied on the District will increase an additional \$28.40 for full price, \$39.68 for IAWP, and \$3.57 for SAWR customers. Total wholesale estimated increases are 16.5% for full price, 25.3% for IAWP, and 17.4% for SAWR customers. In accordance with Administrative Code Section 160.3(g), all wholesale rate changes are passed through to our customers.

The budget, as directed by the Board, proposes no increase in the District's share of the water rate on September 1, 2009, or January 1, 2010. 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 January 1, 2010, rates above, our share of the water rate will be 9.2% for M&I and 11.6% for Ag. IAWP, respectively.

Based on our best estimate at this time, electricity will average 12.8¢ per kilowatt hour and natural gas \$1.05 per therm, for an aggregate cost of \$106 per acre foot of water purchased for 2009-10. The aggregate cost for 2008-09 is \$93 per acre foot. These rates reflect expected savings of approximately \$40,000 from our solar energy power purchase agreement.



View of Lake Turner with solar power field in the background.

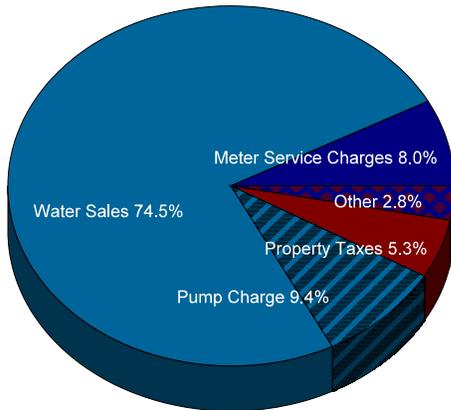
GENERAL FUND

For fiscal year 2009-10, the Water Fund operating revenue is proposed at \$41,765,129, which is an increase of 13.6% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

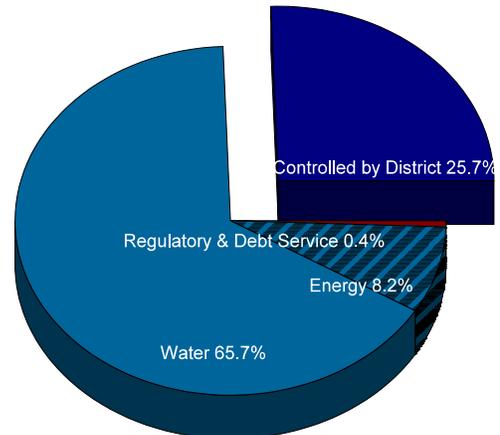
RECAP OF OPERATING FUND REVENUES

	2008-09 Adopted <u>Budget</u>	Percent of Total	2009-10 Proposed <u>Budget</u>	Percent of Total	<u>Change</u>	Percent <u>Change</u>
Water Sales	34,115 AF		33,130 AF		(985) AF	-2.9%
Water (includes Pumping)	\$29,458,000	80.1%	\$35,028,000	83.9%	\$5,570,000	18.9%
Service Charges	3,373,000	9.2%	3,333,400	8.0%	(39,600)	-1.2%
New Connection Sales	84,700	0.2%	69,400	0.2%	(15,300)	-18.1%
Other Revenue	791,200	2.2%	754,400	1.8%	(36,800)	-4.7%
Investment Income	630,000	1.7%	270,000	0.6%	(360,000)	-57.1%
Property Taxes	<u>2,308,000</u>	<u>6.3%</u>	<u>2,209,000</u>	<u>5.3%</u>	<u>(99,000)</u>	<u>-4.3%</u>
Operating Revenue	<u>36,644,900</u>	<u>99.7%</u>	<u>41,664,200</u>	<u>99.8%</u>	<u>5,019,300</u>	<u>13.7%</u>
Debt Service	<u>104,434</u>	<u>0.3%</u>	<u>100,929</u>	<u>0.2%</u>	<u>(3,505)</u>	<u>-3.4%</u>
TOTAL	<u>\$36,749,334</u>	<u>100.0%</u>	<u>\$41,765,129</u>	<u>100.0%</u>	<u>\$5,015,795</u>	<u>13.6%</u>

General Operating Fund Revenues



General Operating Fund Expenses



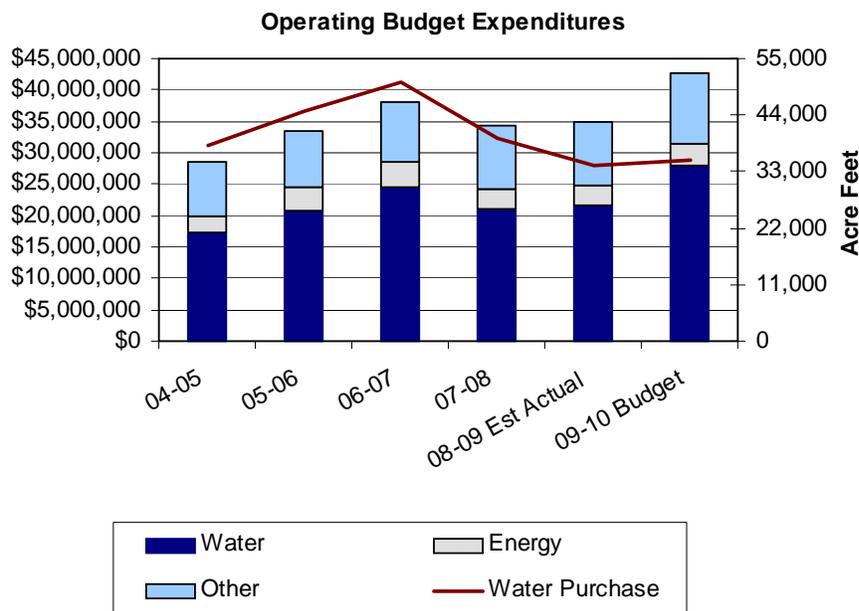
For fiscal year 2009-10, the Water Fund operating expenditures budget is proposed at \$42,615,292, which is an increase of 20.0% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

RECAP OF OPERATING FUND EXPENDITURES

	2008-09 Adopted Budget	Percent of Total	2009-10 Proposed Budget	Percent of Total	Change	Percent Change
Water Purchase	36,292 AF		35,235AF		(1,057) AF	-2.9%
Water	\$21,417,998	60.3%	\$27,984,921	65.7%	\$6,566,923	30.7%
Energy	3,826,000	10.8%	3,496,000	8.2%	(330,000)	-8.6%
Regulatory Permit	<u>63,950</u>	<u>0.2%</u>	<u>60,700</u>	<u>0.2%</u>	<u>(3,250)</u>	<u>-5.1%</u>
Controlled by Others	<u>25,307,948</u>	<u>71.3%</u>	<u>31,541,621</u>	<u>74.1%</u>	<u>6,233,673</u>	<u>24.6%</u>
Debt Service	<u>104,434</u>	<u>0.3%</u>	<u>100,929</u>	<u>0.2%</u>	<u>(3,505)</u>	<u>-3.4%</u>
Personnel	7,253,500	20.4%	8,030,000	18.8%	776,500	10.7%
Other	<u>2,848,221</u>	<u>8.0%</u>	<u>2,942,742</u>	<u>6.9%</u>	<u>94,521</u>	<u>3.3%</u>
Controlled by District *	<u>10,101,721</u>	<u>28.4%</u>	<u>10,972,742</u>	<u>25.7%</u>	<u>871,021</u>	<u>8.6%</u>
TOTAL	<u>\$35,514,103</u>	<u>100.0%</u>	<u>\$42,615,292</u>	<u>100.0%</u>	<u>\$7,101,189</u>	<u>20.0%</u>

*COSTS CONTROLLED BY DISTRICT

General Administration	\$913,627	2.6%	\$969,563	2.3%	\$55,936	6.1%
Finance	1,898,177	5.3%	2,080,148	4.9%	181,971	9.6%
Engineering	1,406,216	3.9%	1,812,505	4.2%	406,289	28.9%
Field Operations	<u>5,883,701</u>	<u>16.6%</u>	<u>6,110,526</u>	<u>14.3%</u>	<u>226,825</u>	<u>3.9%</u>
Total Controlled by District	<u>\$10,101,721</u>	<u>28.4%</u>	<u>\$10,972,742</u>	<u>25.7%</u>	<u>\$871,021</u>	<u>8.6%</u>

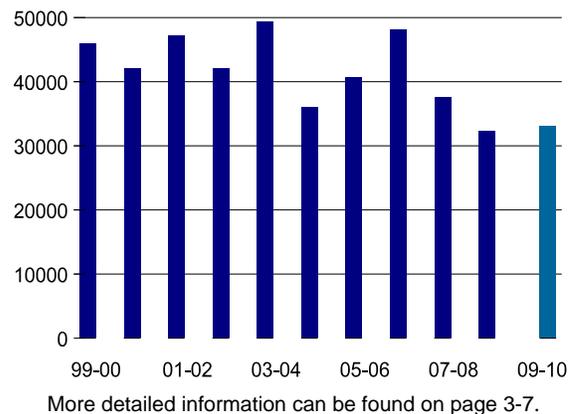


REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past ten years have ranged from 32,300 to 49,336 acre feet. Because a large portion of our sales are to agriculture, sales are greatly affected by weather conditions. The 2009-10 budget year will feel the continued effect of the mandatory 30% mandatory Interim Agricultural Water Program (IAWP) cutback, as well as the just announced 13% mandatory Special Agricultural Water Rate (SAWR) cutback, and the voluntary 8% consumption reduction for full price customers. We expect our agricultural customers to use their entire allocation of water. We are budgeting water sales for 2009-10 at 33,130 acre feet, which is a 22% reduction over average sales for the past five years.

Sales in Acre Feet



The MWD water delivery charge is estimated to increase 18.4% from \$631 to \$747 per acre foot on September 1, 2009. The Capacity Reservation Charge for 2010 is estimated to decrease by 0.6%. The SDCWA is projecting that their Customer Service Charge will increase 9.9% and the Emergency Storage Charge is expected to increase 43.4% in calendar year 2010. The latter including costs for the San Vicente Dam expansion. In addition, SDCWA includes a melded rate supply cost increment for additional water supplies such as that received from the Imperial Irrigation District. The rate, not firm at this time, is projected to be \$46 in September 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 September 1, 2009, or January 1, 2010. The local rate is currently \$102.41.

Metropolitan Interim Agricultural Water Program

The Metropolitan Water District (MWD) Board of Directors voted in October 2008 to phase out the Interim Agricultural Water Program (IAWP). The discount amount is the same for calendar 2009, but will diminish each year, along with the water consumption reduction requirements, until the program ends on December 31, 2012. The discount saved our customers approximately \$2,172,000 during 2008-09. We are projecting the savings to be approximately \$1,302,600 for 2009-10.

San Diego County Water Authority Special Agricultural Water Rate

In addition to the IAWP discount above, an incremental melded rate cost and storage commodity charge that are added to the water supply charge by the SDCWA are not charged to our agricultural customers. It is estimated that this additional discount will save our customers an estimated \$1,006,000 in 2008-09 and \$1,248,600 in 2009-10. The SDCWA Special Agricultural Water Rate (SAWR) will remain in place until at least December 31, 2010.

Interest Income

For 2009-10, the District projects to earn 1.5% on invested funds for the year for a return of approximately \$270,000 in interest earnings which is the equivalent of just over \$8 per acre foot of

budgeted water sales. Projected interest income is \$496,000 for 2008-09.

Property Taxes

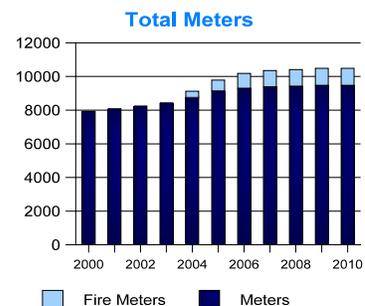
Secured property taxes are budgeted at \$2,209,000 for 2009-10. This represents no increase over the current year. At this time we expect to receive our full share of property taxes. However, if the State of California changes our allocation, due to its economic issues, it may be necessary to revisit the budget and make adjustments as needed. We will again receive \$591,000 in water availability (standby) charges.

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

No new meter installations were factored into the 2009-10 budget. 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 2007-08 Comprehensive Annual Financial Report.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 35,235 acre feet of water in 2009-10 and to sell 33,130 acre feet. The implementation of the 30% IAWP water cutback, the 13% SAWR water cutback, and the voluntary 8% domestic use conservation, make it difficult to estimate the amount of water to be purchased next year. We believe, however, that our estimates for 2009-10 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 \$106 per acre foot of water purchased, as compared with \$105 budgeted and \$93 realized in 2008-09. Total energy costs are budgeted at \$3,496,000 versus \$3,826,000 budgeted and \$3,265,000 estimated in 2008-09. Natural gas prices continue upward because of continuing low levels of storage and supply problems.

Based on our best estimate at this time, electricity will average 12.8¢ per kilowatt-hour and natural gas \$1.05 per therm, for an aggregate of \$106 per acre foot of water purchased.

The Lake Turner Photo-voltaic Solar Facility commenced operation on December 30, 2008. The District and the community are now benefiting from the generation of one megawatt of clean, solar power. The facility is operated under a power purchase agreement, where the District receives green solar power at a price that is lower than our normal supplier, without the need for a large up-front capital expenditure. The energy rates reflect expected savings of approximately \$40,000 from this agreement.

Debt Service

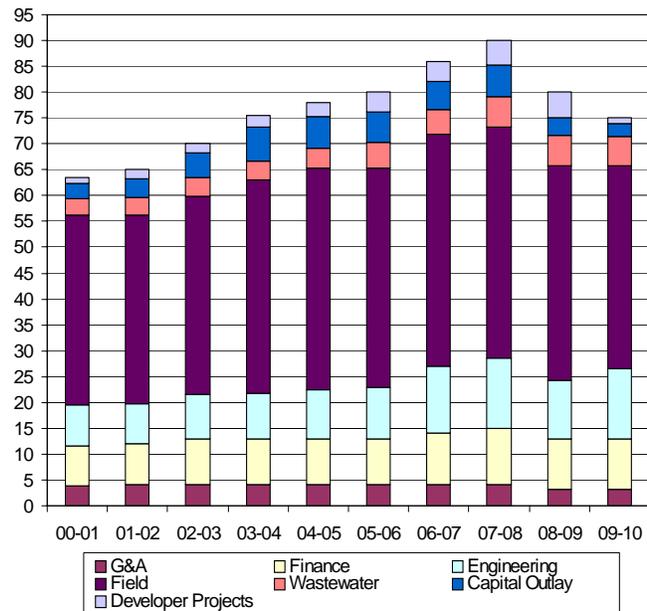
The General Fund has one bank obligation which is being met by water availability charges. In 2009-10, \$100,929 will be needed to service this long term revenue debt obligation.

Personnel

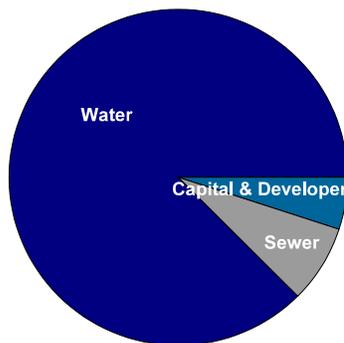
Staffing Levels

For 2009-10, the budget proposes to fund 75 positions, down five positions from the 2008-09 budgeted staffing level of 80 positions as the District continues leaving vacancies due to retirements unfilled. The filling of any vacancies during the year will be evaluated on a case by case basis. We will endeavor to fill open positions with internal transfers.

Budgeted Employees



Allocation of Labor



Budgeted Full-Time Equivalent Positions by Department

	<u>2008-09</u>	<u>2009-10</u>
General Administration	3.20	3.20
Finance	9.80	9.80
Engineering	11.27	13.46
Field Operations	<u>41.38</u>	<u>39.24</u>
Total General Fund	65.65	65.70
Lower Moosa Sewer Treatment	5.07	4.79
Woods Valley Ranch Sewer	1.04	0.85
Capital Outlay	3.31	2.50
Developer Projects	<u>4.93</u>	<u>1.16</u>
TOTAL	<u>80.00</u>	<u>75.00</u>

With the onset of the mandatory 30% IAWP water cutbacks, the mandatory 13% SAWR cutbacks, and the voluntary 8% full price use reduction along with the lack of housing starts and developer projects within the local community, the District continues to look hard at ways of reducing costs throughout the District. This includes deferring and/or the un-funding of capital improvement projects.

Personnel Costs

The current water budget includes a cost of living adjustment of 1.75% per the current Memorandum of Understanding (MOU) with the employees' association.

Personnel costs for 2009-10 are estimated at \$8,030,000. This represents an increase of \$776,500 or 10.7% from our 2008-09 budget base of \$7,253,500. This increase is broken down as follows:

- **Labor shift from Capital and/or Developer Projects** - Continued economic conditions, including the slow down in new housing starts, developer projects, and a much smaller capital projects budget for fiscal year 2009-10, has necessitated the shifting of labor in the Engineering Department, formerly applied to capital improvement projects, to more departmental focused efforts. These will include administrative tasks such as updating plans, specifications, and departmental processes; tasks which are often set aside to higher priorities. Also, a significant amount of staff time will be spent in searching and procuring outside funding from the Federal Stimulus Program, the State Revolving Fund, the Metropolitan Water District, and the San Diego County Water Authority. This labor shift totals \$529,200 for fiscal year 2009-10, which alone increases general labor expenses 7.3%.
- **Other Post Employment Benefits (OPEB)** -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. The District has accrued approximately \$2.5 million for OPEB, and has transferred these funds to a Restricted Reserve for Benefit Plan Liability. This reserve will be utilized to fund the OPEB obligation for the next few years resulting in no expense recognition for 2009-10. The obligation for 2009-10 is \$361,900.
- **Base Salary increases (COLA, merit, promotions)** - Estimated COLA adjustments along with expected merit and promotions, totals \$200,500 for the 2009-10 budget year.
- **Reduction in Force** - The budget proposes to fund 75 positions, down five positions from the 2008-09 budgeted staffing level of 80 positions as the District continues leaving vacancies due to retirements unfilled. Total reduction is \$228,515.
- **Other Reductions** - Total other reductions in personnel costs for 2009-10 are \$86,585.

Other Expenditures

Controlling the cost of operating the District has been an ongoing focus. Costs controlled by the District for 2009-10 are **8.6%** higher than 2008-09, 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:

Outside professional services	\$	37,580
Maintenance		32,750
Facilities Insurance		28,800
Software Technical Support		25,500
Other cost decreases		(30,109)
TOTAL INCREASES	\$	94,521

CAPITAL BUDGET

Capital projects included in this budget consist of the following:

Pipelines and PRV's	\$ 30,000
Pump Stations	451,500
Reservoirs	1,948,750
Data Management Systems	400,000
Facilities	28,000
Equipment - Field	142,000
TOTAL New appropriations	<u>\$ 3,000,250</u>
Project appropriations carried forward from prior budget	<u>2,880,138</u>
 TOTAL Capital Budget	 <u><u>\$ 5,880,388</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 2009-10 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. We have reduced our new project requests and included only those major projects that were essential (Country Club Reservoir roof) or produced rapid paybacks (pump upgrades).

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 in the near future.

DEBT

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

	<u>Actual Balance</u> <u>June 30, 2008</u>	<u>Projected</u> <u>June 30, 2009</u>	<u>Projected</u> <u>June 30, 2010</u>
District-wide revenue bonds -			
Principal and interest at 62% of prime rate payable semiannually. Final maturity July 1, 2013. (Page 5-8)	\$ 450,000	\$ 360,000	\$ 265,000
Total long-term debt	<u>\$ 450,000</u>	<u>\$ 360,000</u>	<u>\$ 265,000</u>

Long-term debt schedule:

	<u>Final</u> <u>Maturities</u>	<u>Outstanding</u> <u>June 30, 2008</u>	<u>Retired</u> <u>2008-09</u>	<u>Outstanding</u> <u>June 30, 2009</u>	<u>Maturing</u> <u>2009-10</u>	<u>Outstanding</u> <u>June 30, 2010</u>
Revenue Bonds	July 1, 2013	\$ 450,000	\$ 90,000	\$ 360,000	\$ 95,000	\$ 265,000
Total		<u>\$ 450,000</u>	<u>\$ 90,000</u>	<u>\$ 360,000</u>	<u>\$ 95,000</u>	<u>\$ 265,000</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.

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, 2009, were \$990,000. 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, is up \$18,716 or 1.9% from the previous year budget. The major components of the budget are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET EXPENDITURES

	2008-09 Adopted Budget	Percent to Subtotal	2009-10 Proposed Budget	Percent to Subtotal	Change	Percent Change
Labor	\$494,800	49.8%	\$504,100	49.8%	\$9,300	1.9%
Electricity	100,000	10.1%	100,000	9.9%	0	0.0%
Chemicals	15,500	1.6%	12,000	1.2%	(3,500)	(22.6)%
Administrative allocation	135,163	13.6%	128,929	12.7%	(6,234)	(4.6)%
Maintenance	38,950	3.9%	76,000	7.5%	37,050	95.1%
Vehicle maintenance	22,150	2.2%	20,500	2.0%	(1,650)	(7.4)%
Regulatory	14,950	1.5%	20,500	2.0%	5,550	37.1%
Outside services	116,700	11.7%	96,800	9.6%	(19,900)	(17.1)%
Other	<u>55,632</u>	<u>5.6%</u>	<u>53,732</u>	<u>5.3%</u>	<u>(1,900)</u>	<u>(3.4)%</u>
Subtotal Moosa Treatment	993,845	100.0%	1,012,561	100.0%	18,716	1.9%
Capital Projects	220,500		150,000		(70,500)	(32.0)%
Replacement Fund contribution	<u>292,802</u>		<u>319,358</u>		<u>26,556</u>	<u>9.1%</u>
TOTAL	<u>\$1,507,147</u>		<u>\$1,481,919</u>		<u>(\$25,228)</u>	<u>(1.7)%</u>

The current wastewater service charge is \$40.50 per equivalent dwelling unit per month. An increase of \$4.00 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. A \$3.25 increase has been included in this budget. This rate is based on the following monthly costs per unit:

Minor operating and maintenance costs	\$ 10.92
Major life cycle costs (Pump rebuild and replacement, sludge removal)	29.96
Less sludge processing credit	<u>(4.09)</u>
	<u><u>\$36.79</u></u>

At this level, we will recover 41% of the budgeted low pressure wastewater collection system maintenance expenses.

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 primarily by developers with participation from various other property owners in the service area potentially through the formation of an assessment district. Costs incurred by the District by participation in this project are expected to be recovered by future capacity charges collected from property owners.

This project is currently deferred pending the developer's decision to proceed.

WOODS VALLEY RANCH WASTEWATER TREATMENT FUND

This Budget includes a budget for the operation of the Woods Valley Ranch Wastewater system. The 70,000 gallon per day treatment facility serves 270 homes and a golf course. 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

	2008-09 Adopted Budget	Percent to Total	2009-10 Proposed Budget	Percent to Total	Change	Percent Change
Labor	\$127,600	47.7%	\$106,400	42.6%	(\$21,200)	(16.6)%
Electricity	28,500	10.7%	35,000	14.0%	6,500	22.8%
Administrative allocation	36,389	13.6%	31,830	12.7%	(4,559)	(12.5)%
Maintenance	5,000	1.9%	5,000	2.0%	0	0.0%
Vehicle maintenance	6,000	2.2%	5,000	2.0%	(1,000)	(16.7)%
Regulatory	10,000	3.7%	15,000	6.0%	5,000	50.0%
Outside Services (Laboratory and Waste Hauling)	38,500	14.4%	38,500	15.4%	0	0.0%
Other	<u>15,575</u>	<u>5.8%</u>	<u>13,250</u>	<u>5.3%</u>	<u>(2,325)</u>	<u>(14.9)%</u>
Total Operating	267,564	<u>100.0%</u>	249,980	<u>100.0%</u>	(17,584)	(6.6)%
Capital Projects	0		98,000		98,000	100.0%
Replacement Reserve	<u>102,620</u>		<u>102,620</u>		<u>0</u>	<u>0.0%</u>
TOTAL	<u>\$370,184</u>		<u>\$450,600</u>		<u>\$80,416</u>	<u>21.7%</u>

The monthly sewer service charge is \$98.60 per equivalent dwelling unit (EDU) and is collected by an annual assessment on the property tax roll. It remains unchanged for fiscal year 2009-10.



Woods Valley Ranch permanent treatment facility.

STRATEGIC PLAN

On July 21, 2008, the Board of Directors approved the updated *Valley Center Municipal Water District Strategic Plan for Fiscal Years 2008-2009, 2009-2010, 2010-2011, 2011-2012, and 2012-2013*. 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.”

<u>Our Organizational Values</u>		
<p><u>Customer Satisfaction</u></p> <ul style="list-style-type: none"> • Quality Service • Safe Water • Reliability • Friendliness 	<p><u>Professionalism</u></p> <ul style="list-style-type: none"> • Ethics • Integrity • Leadership • Teamwork 	<p><u>Efficient Use of Resources</u></p> <ul style="list-style-type: none"> • Conservation • Environmental Sensitivity • Cost Control

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 100.0% of the time.

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

Water loss for 2008 was 6.1%. This budget allows for a water loss of 6%. Increased efforts will be made to ensure meters accurately reflect water sales.

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

Our Discretionary Reserves as of December 31, 2008 represents approximately 9.5 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% of design criteria.

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

For calendar year 2008 there were no projects that finalized.

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 no lost time accidents in calendar 2008.

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

Our weighted average return on all investments for calendar 2008 was 3.45% as compared to the 12-month rolling average U.S. Treasury Bonds of 2.95%.

Strategic Plan Goals

1. Water Supply

Support water resource and policies at the state, regional, sub-regional, and local level which sustain and enhance the rural and agricultural character of the District's service area.

- a. **State Water Project** - Support and assist in securing the reliable and environmentally responsible conveyance through and around the Sacramento-San Joaquin Delta and expand statewide storage to restore ample and reliable supplies for all uses, including agriculture.
- b. **Seawater Desalination** - Continue to advocate and support the development of seawater desalination projects, and specifically support and assist in the realization of the Carlsbad-Poseidon Seawater Desalination Plant as both a sub-regional and local source for high quality, more reliable water supply.
- c. **Local Water Resources** - Seek out and pursue opportunities to expand the use of local surface and ground water resources.

2. Wastewater Treatment and Reclamation

Seek out and identify less costly and environmentally compatible methods of wastewater and bio-solids processing and disposal. Support and pursue the continued development of wastewater reclamation to offset imported water demand.

3. Infrastructure

Pursue the master planning and financing for the new water and wastewater infrastructure to reliably meet long-term community needs based on the county approved General Plan and replace existing aging water and wastewater infrastructure.

4. Finance

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

- a. **MWD and SDCWA Wholesale Pricing** - Seek to maintain appropriate pricing and support programs for agriculture within the MWD and SDCWA service areas.
- b. **Local Property Tax** - Protect local property taxes from appropriation by the State or County Governments.

Strategic Plan Goals, cont'd

5. Technology

Evaluate and incorporate into the District's operations and administration new technologies which increase organizational efficiency, reduce costs, and maintain and even enhance customer satisfaction, including:

- a. **GIS** - Continue expansion, enhancement, and utility;
- b. **SCADA** - Continue toward full implementation in the water and wastewater systems;
- c. **AMR** - Full implementation for all current and future meters and integration of meter reading capability through the SCADA radio network;
- d. **Service Order Software** - Implementation and full integration with other related data bases;
- e. **E-Business** - On-line customer account access and bill paying.

6. Energy

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

- a. **Efficiency** - Maximize the operating efficiency of pumps, pump motors, wastewater operations and processing, motorized equipment and the District's service fleet, as well as work practices and procedures.
- b. **Renewable and Alternative Energy Resource** - Expand renewable energy resources, such as solar power, within the District operations and facilities and support the national and regional development and/or expansion of alternative resources such as nuclear power.

7. Compensation and Benefits

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

RECOMMENDATIONS

Recommendations to implement the 2009-10 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2009.
- 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

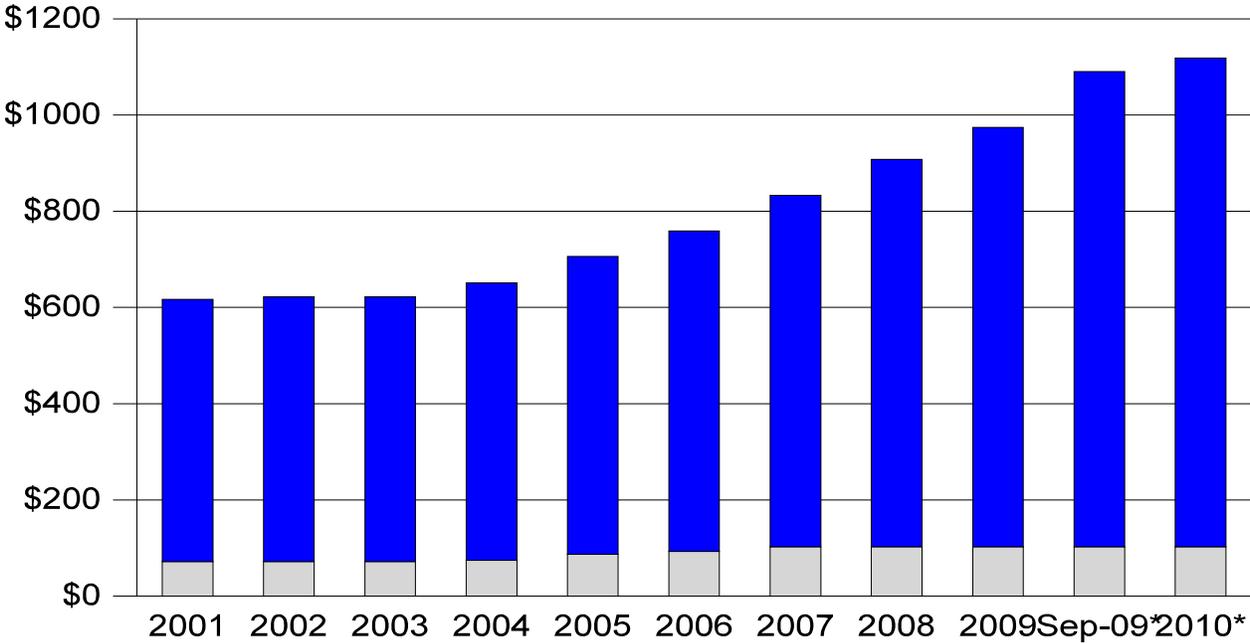
APPROVED BY:



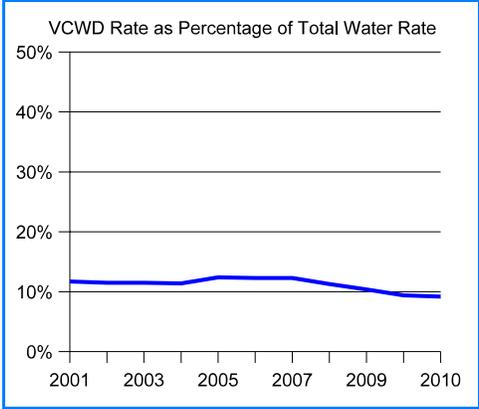
Gary T. Arant
General Manager

Water Rate Components

In Dollars per Acre Foot

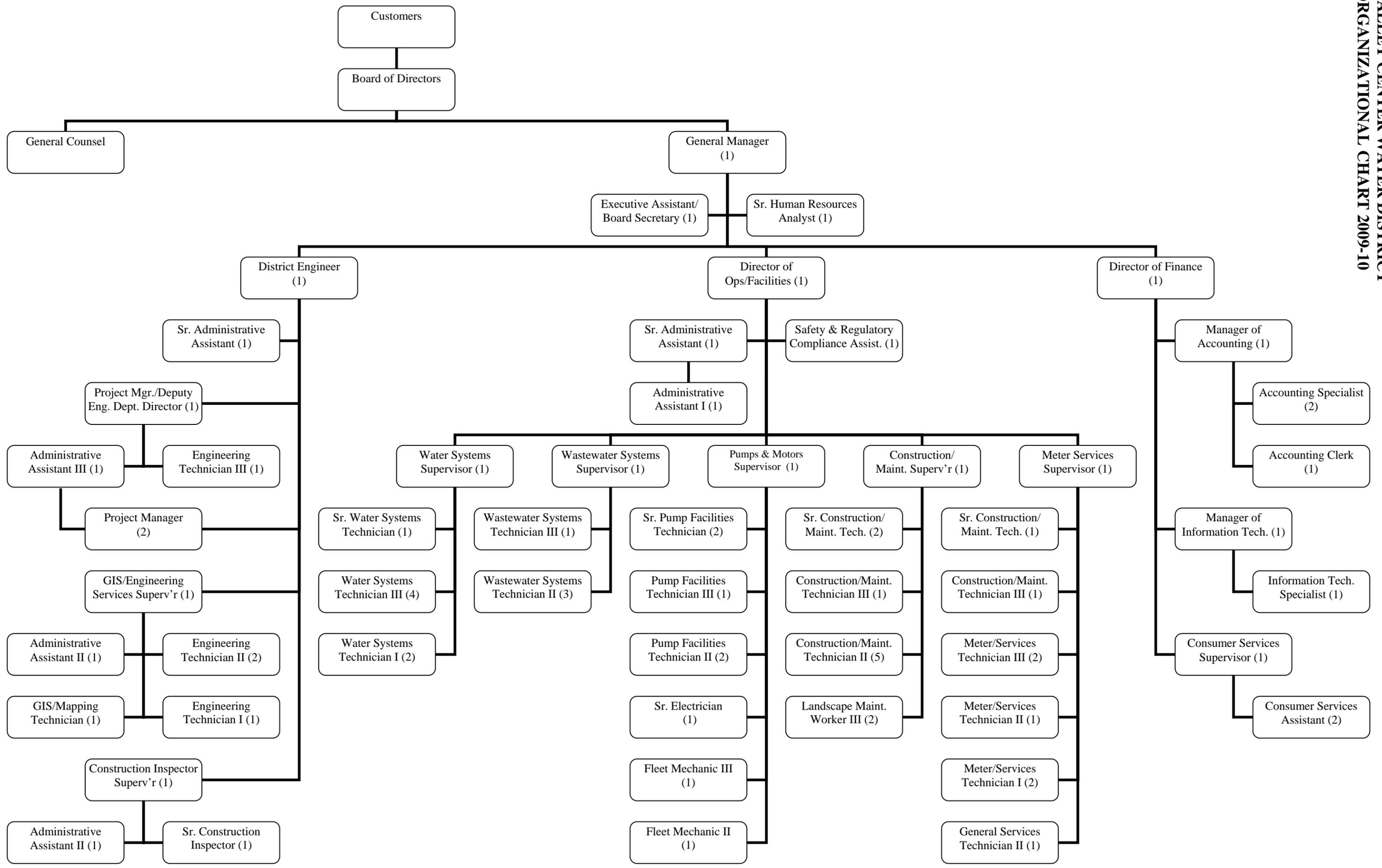


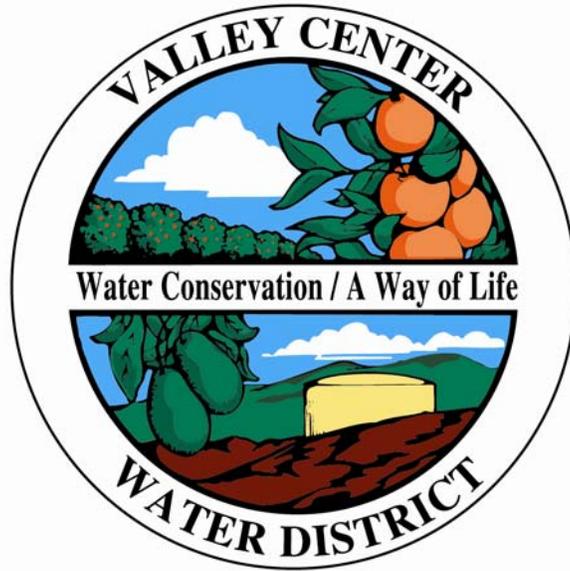
MWD & SDCWA Wholesale
 Valley Center Water District



<i>Rate in Dollars per Acre Foot</i>	2002	2003	2004	2005	2006	2007	2008	2009	Sept 2009*	2010*
Valley Center Water District	\$ 72	\$ 72	\$ 74	\$ 87	\$ 93	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102
MWD/SDCWA wholesale	<u>550</u>	<u>550</u>	<u>577</u>	<u>619</u>	<u>666</u>	<u>731</u>	<u>806</u>	<u>873</u>	<u>988</u>	<u>1,016</u>
Total	<u>\$622</u>	<u>\$622</u>	<u>\$651</u>	<u>\$706</u>	<u>\$759</u>	<u>\$833</u>	<u>\$908</u>	<u>\$975</u>	<u>\$1090</u>	<u>\$1118</u>
Agricultural Use Discounts (IAWP)	<u>\$152</u>	<u>\$152</u>	<u>\$161</u>	<u>\$177</u>	<u>\$205</u>	<u>\$207</u>	<u>\$244</u>	<u>\$252</u>	<u>\$249</u>	<u>\$238</u>

* Proposed water rates





RESOLUTIONS



RESOLUTION NO. 2009-25

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2009-2010 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 2009-2010 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 2009-2010.
2. That the amounts designated in the final 2009-2010 operating and capital budget are hereby appropriated and may be expended by the departments or funds for which they are designated and such appropriation shall be neither increased nor decreased except as provided herein.
3. That the following controls are hereby placed on the use and transfer of budgeted funds:
 - a. The General Manager is responsible for keeping expenditures within budget allocations approved by the Board of Directors for positions, salaries, operational expenses and capital acquisitions and may adopt budget procedures as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager as described herein.
 - b. The General Manager may reallocate budget items to respond to changed circumstances, provided any single modification in excess of \$35,000 shall require approval by the Board.
 - c. The Department Heads may reallocate budget items, within their department, to respond to changed circumstances, provided that any single modification in excess of \$10,000 shall require approval by the General Manager.

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

PASSED AND ADOPTED at the regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 15th day of June, 2009, by the following vote to wit:

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

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, 2009	\$8,005,877	\$0	\$5,464,330	\$13,470,207	\$403,447	\$982,573	\$14,856,227

RECAP OF EXPENDITURES BY FUNCTION

General Administration	969,563			969,563			969,563
Finance	2,080,148	100,929		2,181,077			2,181,077
Engineering	1,812,505			1,812,505			1,812,505
Field Operation	6,171,226			6,171,226	1,012,561	249,980	7,433,767
Source of Supply	31,480,921			31,480,921			31,480,921
Capital Projects			3,000,250	3,000,250	150,000	98,000	3,248,250
Total Budgeted Expenditures	\$42,514,363	\$100,929	\$3,000,250	\$45,615,542	\$1,162,561	\$347,980	\$47,126,083

SOURCE OF FINANCING

Revenues:							
Water Sales	35,028,000			35,028,000			35,028,000
Meter Service Charges/Wastewater Charges	3,333,400			3,333,400	1,335,934	384,894	5,054,228
New Connection Sales	69,400		74,000	143,400			143,400
Other Revenue	754,400			754,400			754,400
Investment Income	270,000			270,000			270,000
Property Taxes	2,209,000			2,209,000			2,209,000
Water Availability Charges	0	100,929	490,071	591,000			591,000
Total Revenues	\$41,664,200	\$100,929	\$564,071	\$42,329,200	\$1,335,934	\$384,894	\$44,050,028

NET REVENUES & EXPENDITURES

	(\$850,163)	\$0	(\$2,436,179)	(\$3,286,342)	\$173,373	\$36,914	(\$3,076,055)
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TRANSFERS (See page 3-2)

	(\$837,037)	\$0	\$837,037	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2010

	\$6,318,677	\$0	\$3,865,188	\$10,183,865	\$576,820	\$1,019,487	\$11,780,172
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.



June 1, 2009

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2009-2010

PURPOSE:

Board adoption of Resolution No. 2009-24 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 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 2009-2010.

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 13, 2009, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2009-24 be adopted to establish the appropriation limit for 2009-2010 as \$4,718,976.

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 June 1, 2009, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2009-10 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2009-10 is to be set at \$4,718,976 and was calculated as set forth below. Documentation of the computation is available in the office of the Director of Finance of the District at the above address.

<u>Fiscal Year</u>	<u>Price Increases (1)</u>	<u>Population Increases</u>	<u>Appropriation Limit</u>
Proceeds of Taxes Base Year			
1986-87			\$855,392
Annual adjustment factors:			
1987-88	12.54% (b)	5.83%	\$1,018,772
1988-89	15.56% (b)	6.09%	\$1,249,014
1989-90	7.21% (b)	5.63%	\$1,414,508
1990-91	7.96% (b)	5.83%	\$1,616,075
1991-92	4.14% (a)	5.24%	\$1,771,218
1992-93	2.75% (b)	4.04%	\$1,893,432
1993-94	2.72% (b)	2.95%	\$2,002,304
1994-95	0.71% (a)	1.42%	\$2,045,153
1995-96	4.72% (a)	1.55%	\$2,174,816
1996-97	4.67% (a)	1.19%	\$2,303,565
1997-98	4.67% (a)	1.46%	\$2,446,386
1998-99	4.15% (a)	2.63%	\$2,614,942
99-2000	4.53% (a)	2.17%	\$2,792,758
2000-01	4.91% (a)	2.33%	\$2,998,026
2001-02	7.82% (a)	1.96%	\$3,295,730
2002-03	0.06% (b)	1.80%	\$3,357,031
2003-04	2.31% (a)	1.77%	\$3,495,341
2004-05	3.28% (a)	1.73%	\$3,672,555
2005-06	5.26% (a)	1.27%	\$3,914,944
2006-07	3.96% (a)	0.94%	\$4,108,342
2007-08	4.42% (a)	2.00%	\$4,375,795
2008-09	4.29% (a)	1.43%	\$4,628,716
2009-10	0.62% (a)	1.32%	\$4,718,976

Posted May 13, 2009

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. 2009-24

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2009-2010 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 2008-09 fiscal year was \$4,628,716, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,208,300, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2009-2010, 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 2009-2010, 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 2009-2010 fiscal year is established at \$4,718,976.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 1st day of June, 2009, by the following vote, to wit;

AYES:

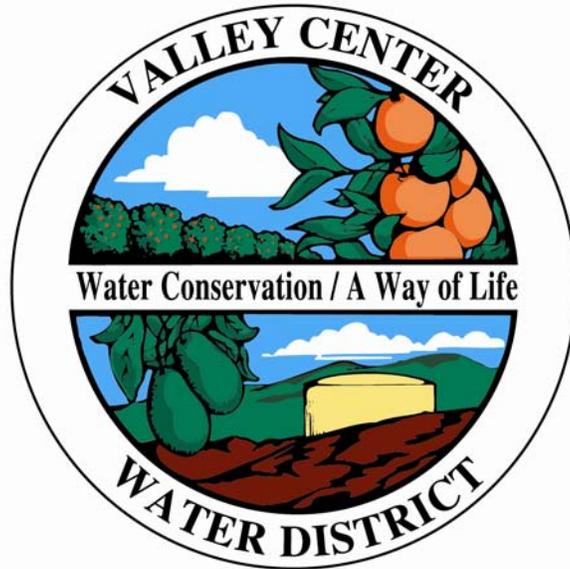
NOES:

ABSENT:

President

ATTEST:

Secretary



RECAP OF REVENUE & SOURCE

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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, 2009	\$8,005,877	\$0	\$5,464,330	\$13,470,207	\$403,447	\$982,573	\$14,856,227

RECAP OF EXPENDITURES BY FUNCTION

General Administration	969,563			969,563			969,563
Finance	2,080,148	100,929		2,181,077			2,181,077
Engineering	1,812,505			1,812,505			1,812,505
Field Operation	6,171,226			6,171,226	1,012,561	249,980	7,433,767
Source of Supply	31,480,921			31,480,921			31,480,921
Capital Projects			3,000,250	3,000,250	150,000	98,000	3,248,250
Total Budgeted Expenditures	\$42,514,363	\$100,929	\$3,000,250	\$45,615,542	\$1,162,561	\$347,980	\$47,126,083

SOURCE OF FINANCING

Revenues:							
Water Sales	35,028,000			35,028,000			35,028,000
Meter Service Charges/Wastewater Charges	3,333,400			3,333,400	1,335,934	384,894	5,054,228
New Connection Sales	69,400		74,000	143,400			143,400
Other Revenue	754,400			754,400			754,400
Investment Income	270,000			270,000			270,000
Property Taxes	2,209,000			2,209,000			2,209,000
Water Availability Charges	0	100,929	490,071	591,000			591,000
Total Revenues	\$41,664,200	\$100,929	\$564,071	\$42,329,200	\$1,335,934	\$384,894	\$44,050,028

NET REVENUES & EXPENDITURES

	(\$850,163)	\$0	(\$2,436,179)	(\$3,286,342)	\$173,373	\$36,914	(\$3,076,055)
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TRANSFERS (See page 3-2)

	(\$837,037)	\$0	\$837,037	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2010

	\$6,318,677	\$0	\$3,865,188	\$10,183,865	\$576,820	\$1,019,487	\$11,780,172
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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 WATER DISTRICT

**BUDGET
2009-2010**

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

	Projected Balance, June 30, 2009	Revenues	Expenses	Net Revenues /Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2010
General Fund						
Operating						
Rate Stabilization Reserves						
- Rate Stabilization	0			0		0
- Pumping Rate Stabilization	\$1,300,908	\$3,905,000	(\$4,274,500)	(\$369,500)		\$931,408
- Operating Reserve	4,382,878			0	(828,274)	3,554,604
Restricted Reserves						
- Agricultural Rebate	235,672			0		235,672
- Benefit Plan Liability	2,086,419		(489,426)	(489,426)		1,596,993
Unappropriated Fund Balance	0	37,759,200	(37,750,437)	8,763	(8,763)	0
Total Operating	\$8,005,877	\$41,664,200	(\$42,514,363)	(\$850,163)	(\$837,037)	\$6,318,677
Debt Service Reserve	0	100,929	(100,929)	0		0
Capital Projects Reserves						
- Continuing Projects	2,880,138			0		2,880,138
- Capacity Charges	338,006	74,000	(74,000)	0		338,006
- Capital Improvements	1,642,142	490,071	(2,784,250)	(2,294,179)	652,037	0
- Master Plan Improvements	0			0		0
- Vehicle Replacement	604,044		(142,000)	(142,000)	185,000	647,044
- Energy Efficiency	0			0		0
Total Capital	\$5,464,330	\$564,071	(\$3,000,250)	(\$2,436,179)	\$837,037	\$3,865,188
Total General Fund	\$13,470,207	\$42,329,200	(\$45,615,542)	(\$3,286,342)	\$0	\$10,183,865
Lower Moosa Wastewater Treatment	403,447	1,335,934	(1,162,561)	173,373		576,820
Woods Valley Wastewater Treatment	982,573	384,894	(347,980)	36,914		1,019,487
Total All Funds	\$14,856,227	\$44,050,028	(\$47,126,083)	(\$3,076,055)	\$0	\$11,780,172

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

REVENUE ESTIMATE

GENERAL FUND

Page 1 of 3

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 37,636 af	@ 34,115 af	@ 32,303 af	@ 33,130 af
4114	Municipal & Industrial	\$7,781,946	\$7,912,000	\$8,525,000	\$8,847,000
4115	Certified Agricultural - IAWP	9,561,125	9,165,000	7,759,000	\$5,201,000
4116	Certified Ag/Domestic - IAWP	8,578,421	8,189,000	6,892,000	4,646,000
4117	Certified Agricultural - SAWR	0	0	905,000	\$6,526,000
4118	Certified Ag/Domestic - SAWR	0	0	639,000	5,831,000
4135	Construction	81,799	68,000	64,000	72,000
4150	Pump Charge	4,489,845	4,124,000	3,807,000	3,905,000
	Total Water Sales	\$30,493,136	\$29,458,000	\$28,591,000	\$35,028,000
	METER SERVICE CHARGES				
4114	Municipal & Industrial	\$2,322,738	\$2,390,000	\$2,328,000	\$2,387,000
4115	Certified Agricultural - IAWP	334,703	329,000	268,000	202,000
4117	Certified Agricultural - SAWR	0	0	71,000	138,000
4110	Additional Living Charge	21,040	20,000	20,000	21,400
4116	Certified Ag/Domestic - IAWP	614,436	599,000	543,000	410,000
4118	Certified Ag/Domestic - SAWR	0	0	77,000	150,000
4135	Construction	29,860	35,000	25,000	25,000
	Total Meter Service Charges	\$3,322,777	\$3,373,000	\$3,332,000	\$3,333,400
	NEW CONNECTION SALES				
4210	Water Meters - New	\$91,620	\$43,600	\$149,300	\$40,800
4220	Water Meters - Relocate	(184)	5,500	0	0
4230	Pressure Reducers	295	1,400	1,100	1,400
4240	Double Check Valves	36,611	34,200	43,800	27,200
	Total New Connection Sales	\$128,342	\$84,700	\$194,200	\$69,400

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

REVENUE ESTIMATE

GENERAL FUND

Page 2 of 3

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
4310	Current Secured	\$2,124,897	\$2,209,000	\$2,113,200	\$2,113,000
4320	Current Unsecured	72,617	77,000	74,600	75,000
4340	Homeowners PTR	21,387	22,000	20,500	21,000
4350	Current Water Availability Charge	591,442	591,000	591,000	591,000
4382	Interest Allocation-Wtr Availability Chg	1,623	0	800	0
4360	Prior Secured	0	0	0	0
4370	Prior Unsecured	602	0	12,600	0
4380	Interest Allocation	5,935	0	2,800	0
Total Property Taxes-Other		\$2,818,503	\$2,899,000	\$2,815,500	\$2,800,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

REVENUE ESTIMATE

GENERAL FUND

Page 3 of 3

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
4410	Investment Income	\$772,336	\$630,000	\$496,000	\$270,000
4417	Delinquent Penalty	334,005	336,000	269,000	318,000
4418	Penalty	78,475	0	216,560	0
4419	Transfer Fee	7,410	7,000	8,600	9,000
4420	Turn On Charge	16,639	18,000	23,700	24,000
4421	R.P. Inspection/Svc Fee	134,310	128,000	102,800	128,000
4421	R.P. Repairs	16,347	19,000	14,400	19,000
4430	Sale of Maps/Copies	347	1,200	900	1,200
4433	Service Availability Charge	2,400	5,800	1,400	1,400
4434	Line Extension Study Charge	0	0	0	0
4435	Sale of Surplus	83,438	68,000	68,000	47,000
4440	Other	431,904	8,000	17,800	8,000
4440	Return Check Charge	3,361	2,000	3,120	2,000
4440	Lease of Facilities	185,803	188,200	191,600	186,800
4440	Reimbursement Fees	0	4,000	0	4,000
4440	Escondido Sewer Collection Fee	2,074	2,000	2,075	2,000
4440	Escondido Water Service in Lieu	1,404	4,000	600	4,000
4444	FEMA Reimbursement	16,845	0	0	0
4446	State Mandated Cost Reimbursement	0	0	0	0
	Total Other Revenue	\$2,087,098	\$1,421,200	\$1,416,555	\$1,024,400
	CAPITAL IMPROVEMENT CHARGES				
4810	Meter Capacity Charges	\$101,285	\$170,000	\$122,000	\$74,000
4820	Contributions In Kind	684,116	0	0	0
4842	Annex Capital Fees	0	0	0	0
	Total Capital Improvement Charges	\$785,401	\$170,000	\$122,000	\$74,000
	TOTAL REVENUE	\$39,635,257	\$37,405,900	\$36,471,255	\$42,329,200

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2009-2010**

EXPENDITURES RECAP

ALL BUDGETED FUNDS

	2007-2008	2008-2009		2009-2010
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$826,396	\$913,627	\$838,587	\$969,563
Finance	2,004,484	2,002,411	1,918,811	2,181,077
Engineering	1,368,868	1,406,216	1,547,411	1,812,505
Field Operation	5,848,522	6,007,651	5,795,461	6,171,226
Source of Supply	24,309,376	25,243,998	24,883,679	31,480,921
Total Operating	\$34,357,646	\$35,573,903	\$34,983,949	\$42,615,292
Capital Projects	7,155,215	4,106,500	3,965,369	3,000,250
Total General Fund	\$41,512,861	\$39,680,403	\$38,949,318	\$45,615,542
Lower Moosa Wastewater Treatment	1,096,969	1,194,345	2,469,388	1,162,561
Woods Valley Wastewater Expansion	65,252	94,451	25,485	0
Woods Valley Wastewater Treatment	255,405	370,184	357,409	347,980
Total	\$42,930,487	\$41,339,383	\$41,801,600	\$47,126,083

RECAP BY FUNCTION

Operating	\$34,252,357	\$35,469,469	\$34,884,477	\$42,514,363
Debt Service	105,289	104,434	99,472	100,929
Capital Projects	7,155,215	4,106,500	3,965,369	3,000,250
Total General Fund	\$41,512,861	\$39,680,403	\$38,949,318	\$45,615,542
Lower Moosa Sewer - Operating	1,096,969	1,194,345	2,469,388	1,162,561
Woods Valley Expansion - Capital Proj.	65,252	94,451	25,485	0
Woods Valley Wastewater - Operating	255,405	370,184	357,409	347,980
Total	\$42,930,487	\$41,339,383	\$41,801,600	\$47,126,083

VALLEY CENTER WATER DISTRICT

2009-2010

HISTORY OF WATER PURCHASED AND SOLD
1977-1978 THROUGH 2009-2010

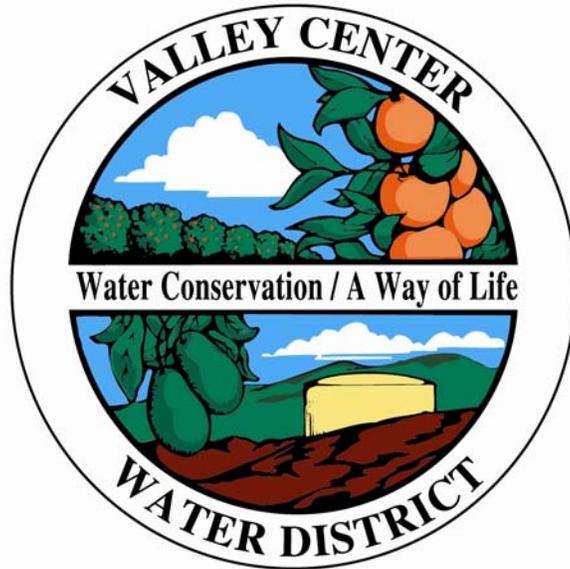
WATER PURCHASED - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
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	5322.7	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	2139.8	3134.1	2895.5	3955.3	39499.8
08-09	4226.7	4204.1	3923.1	4106.1	2800.9	1035.2	1822.3	827.7	2387.7	2145.5 *	3053.2 *	3832.3 *	34364.9 *
09-10	4179.0 *	4501.0 *	4378.0 *	3478.0 *	2796.0 *	2372.0 *	1954.0 *	1900.0 *	1346.0 *	2223.0 *	2644.0 *	3474.0 *	35245.0 *
	AVERAGE FIRST 6 MONTHS					25174.9	AVERAGE LAST 6 MONTHS					15057.6	40232.5
						62.573%						37.427%	100.000%

WATER SOLD - Acre Feet

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
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	2459.2	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	5396.8	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	3266.8	2569.9	2664.1	1876.4	3252.9	3744.2	4746.0	48085.1
07-08	4994.6	5759.9	5684.4	4293.7	4234.4	2140.2	986.1	277.6	913.4	2480.1	3236.7	2635.1	37636.2
08-09	3884.3	3958.4	3871.8	3878.8	3322.6	1944.4	1012.1	1461.0	1165.6	1829.2 *	2701.3 *	3273.4 *	32303.0 *
09-10	3928.0 *	4231.0 *	4115.0 *	3269.0 *	2628.0 *	2230.0 *	1837.0 *	1786.0 *	1265.0 *	2090.0 *	2485.0 *	3266.0 *	33130.0 *
	AVERAGE FIRST 6 MONTHS					24989.3	AVERAGE LAST 6 MONTHS					12528.3	37517.6
						66.607%						33.393%	100.000%

*ESTIMATED



GENERAL ADMINISTRATION

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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 2008-2009

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 delivery options and 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 necessary Regional Water Quality Control Board, State Lands Commission, and California Coastal Commission permits. With the plant fully subscribed and the permits secured, the actual project construction will move forward to the anticipated on-line, water delivery date of early to mid-2011.

Lake Turner Solar Power Project – After three years of planning, negotiating, and finally construction, the Lake Turner Photo-voltaic Solar Facility achieved commercial operation on December 30, 2008. The District and the community it serves are now benefiting financially and environmentally from the generation of one megawatt of clean, green solar power.

CHALLENGES FOR 2009-2010

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 year, including:

- Continued implementation of the Interim Agricultural Water Program (IAWP) supply reductions.
- Implementation of the potential mandatory use reductions to Full Price and Special Agricultural Water Rate (SAWR) customer classes.
- Managing the financial implications of reduced water deliveries and rapidly increasing wholesale prices, while maintaining effective staffing, service, and major maintenance levels.
- Assisting Poseidon Resources in implementation of the sea water desalting project by helping to secure the final regulatory permits and necessary policy adjustments and agreements from Metropolitan Water District (MWD) and the San Diego County Water Authority (SDCWA).
- Assuring timely completion of the Corporate Facility Photo-voltaic Solar Power Project.
- Reaching conclusion 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.
- Informing District customer classes on water supply shortage issues as well as assisting with implementation of water conservation opportunities and methods through printed media and classes.

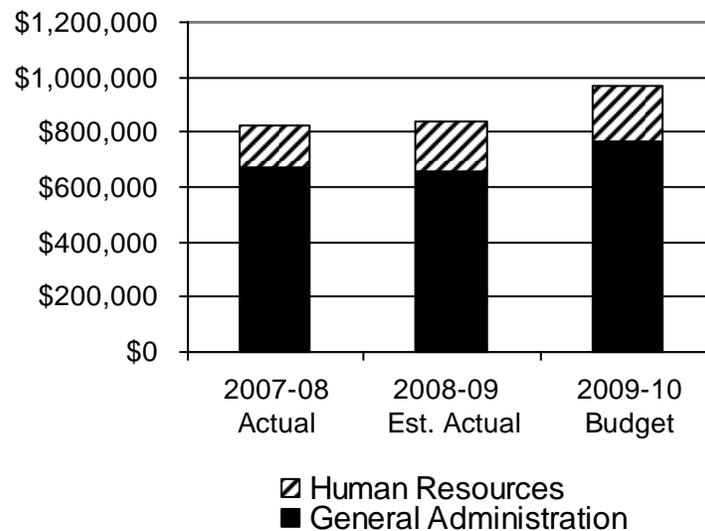
GOALS FOR 2009-2010

- Continue to meet mandatory supply reduction targets while preserving as much of the agricultural economy as possible.
- Secure extension of the SAWR rate beyond the current end date of 2010.
- Adjust budgets and programs to reflect the financial realities associated with rapidly reducing 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.
- The Corporate Photo-voltaic Solar Project is on-line and delivering power.
- CalPERS prior funding issue is concluded.
- District constituents are well informed about water supply issues and how to implement water use reduction opportunities and methods through the printed media and classes.

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, advocate and 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 WATER DISTRICT

**BUDGET
2009-2010**

**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		0.20	0.20
Total Full-Time Equivalents	<u>2.00</u>	<u>1.20</u>	<u>3.20</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

DEPARTMENT SUMMARY

GENERAL ADMINISTRATION

Div. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
1	General Administration	673,578	711,419	654,699	762,865
15	Human Resources	152,818	202,208	183,888	206,698
18	Training	0	0	0	0
TOTAL GENERAL ADMINISTRATION		826,396	913,627	838,587	969,563

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

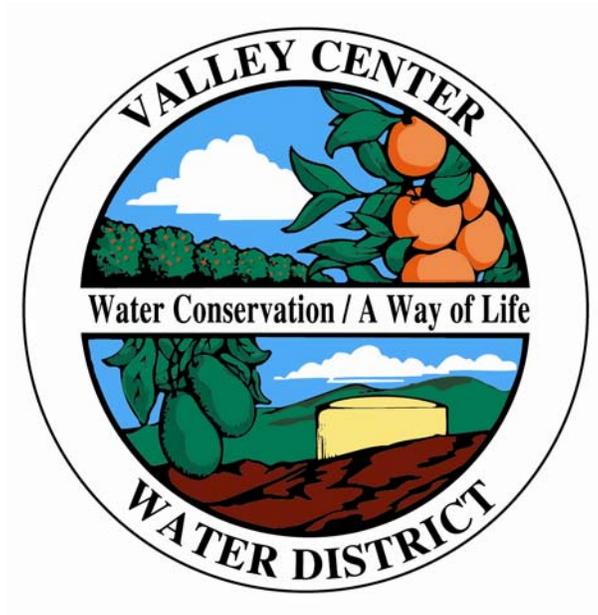
Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	453,094	456,600	457,800	494,100
03	Overtime	3,439	1,000	2,000	1,000
10	Training & Education	225	500	200	500
11	Uniform/Clothing/Shoes	672	1,000	1,000	1,000
25	Outside Professional Services	101	2,050	500	250
26	Legal Services	79,196	65,650	75,000	74,650
28	Printing	2,794	6,850	5,000	6,850
29	Books & Subscriptions	2,595	2,100	1,400	2,100
30	Special Department Expenses	19,373	20,425	19,000	22,600
33	Postage	7,666	13,225	13,500	16,025
34	Membership Fees & Dues	16,430	19,990	19,500	19,950
35	Directors' Fees	12,900	16,000	14,000	16,000
36	Directors' Travel & Expenses	5,865	11,000	7,000	11,000
37	Transportation, Meals & Travel	7,391	9,000	9,000	9,000
39	Public Information and Notices	14,884	22,550	16,000	28,550
54	Maintenance of Equipment	150	450	1,000	600
83	Unclassified - Contingency Fund	835	10,000	0	10,000
84	Water Conservation Program	19,503	46,225	14,000	43,225
89	LAFCO Budget Assessment	28,536	32,000	23,995	27,200
90	Legislative Representation & Advocacy	20,083	0	0	0
91	Expense Credit	(22,154)	(25,196)	(25,196)	(21,735)
	Total	673,578	711,419	654,699	762,865

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	130,469	144,300	142,400	155,900
03	Overtime	2,183	3,700	4,700	4,900
10	Training & Education	2,568	4,000	2,000	3,700
25	Outside Professional Services	4,024	26,120	13,000	13,000
26	Legal Services	11,890	21,000	17,000	22,500
28	Printing	0	200	0	0
29	Books & Subscriptions	351	400	300	450
30	Special Department Expenses	5,674	4,600	3,700	4,000
34	Membership Fees & Dues	360	550	450	600
37	Transportation, Meals & Travel	3,238	2,000	2,000	2,500
39	Advertising	842	2,500	5,500	5,000
91	Expense Credit	(8,781)	(7,162)	(7,162)	(5,852)
	Total	152,818	202,208	183,888	206,698



FINANCE

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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 197% 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 212% to cover other overhead expenses.

ACCOMPLISHMENTS FOR 2008-2009

Awards - Our 2008-09 budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2008 Comprehensive Annual Financial Report has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

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

- **Discretionary Reserves:** (Standard 3) The District's standard is to maintain unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year at six month's operations and maintenance budget, excluding wholesale water and power purchases. The unrestricted reserve balance is projected to meet our performance standard.
- **Local Share of Total Water Commodity Costs:** (Standard 4) Our share of the total water commodity rate, as budgeted as of January 1, 2010, will be 9.2% of the total commodity cost for domestic customers and 11.6% for certified IAWP agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments:** (Standard 10) As of February 2009, our investment return was 2.291% as compared to the 12-month rolling average for U.S. Treasury bonds of 1.508% for the same period. For the calendar year 2008 our weighted average yield was 3.45%, exceeding the benchmark of 2.95% by 50 basis points. The District estimates our yield for the 2009-10 fiscal year to be 1.5%.

Information and Business Systems:

- The District's website was completely redesigned using dynamic content management software to facilitate updates and breaking news. Work was started on programming to enable customer access to their billing and water usage information.
- A needs assessment and design requirements were being evaluated for new service order software to track customer service order requests and produce work orders.
- Live data feeds from the Unix financial software to the Structured Query Language (SQL) server were established, providing easier access to financial and customer records. These feeds will be used to integrate financial data with GIS and the new service order software, and eliminate the need to replace the financial software and continue using the reliable Unix server.

CHALLENGES FOR 2009-2010

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% Interim Agricultural Water Program (IAWP), the implementation of the mandatory 13% use reductions to our new Special Agricultural Water Rate (SAWR) customers, and management of the voluntary 8% use reduction for our full price customer classes for compliance and adherence to District policy and guidelines. These water sales reductions will have a direct impact on the District's financial results, requiring diligence in budgeting and operations.

GOALS FOR 2009-2010

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

- **Service Order Software – Goal 5d:** 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.
- **E-Business – Goal 5e:** 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.

Server Room Relocation – The existing computer servers and infrastructure equipment will be relocated from a portable building to the main administration building to increase access control, cooling capacity, and fire prevention.

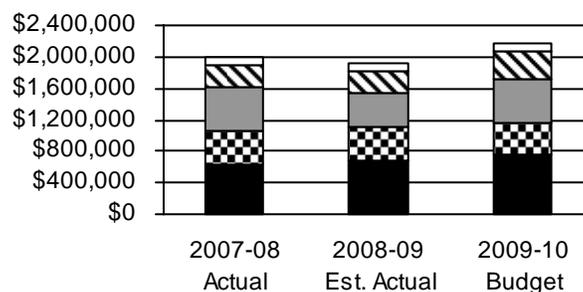
LONG-TERM GOALS

Provide ongoing financial analysis to support the District's capital improvement program in a time of reduced water deliveries and rapidly increasing wholesale prices. Continue to improve procedures to be able to provide 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 June 30, 2008	Retired 2008-09	Outstanding June 30, 2009	Maturing 2009-10	Outstanding June 30, 2010
Revenue Bonds	2.015%	July 1, 2013	450,000	90,000	360,000	95,000	265,000

Finance



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

VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

Finance
Full-Time Equivalents

	<u>01-5211.</u>	<u>01-5212.</u>	<u>01-5213.</u>	<u>Total</u>
Accounting Clerk	0.70	0.10		0.80
Accounting Specialist	2.00			2.00
Consumer Services Assistant		2.00		2.00
Consumer Services Supervisor		1.00		1.00
Director of Finance	1.00			1.00
Information Technology Specialist			1.00	1.00
Manager of Accounting	1.00			1.00
Manager of Information Technology			1.00	1.00
Total Full-Time Equivalents	<u>4.70</u>	<u>3.10</u>	<u>2.00</u>	<u>9.80</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

DEPARTMENT SUMMARY

FINANCE

Div. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
11	Administration	632,627	677,104	689,904	758,174
12	Consumer Service	434,559	393,581	415,961	410,728
13	Information Systems	552,983	494,101	445,101	557,254
14	Facilities Operation	279,026	333,191	268,373	353,992
16	Salary Clearing	0	0	0	0
19	Debt Service	105,289	104,434	99,472	100,929
TOTAL FINANCE		2,004,484	2,002,411	1,918,811	2,181,077

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	609,648	619,700	647,400	695,000
03	Overtime	1,399	7,500	500	7,500
10	Training & Education	920	2,500	900	2,500
11	Uniform Allowance	3,362	3,400	3,400	3,500
25	Outside Professional Services	25,980	39,800	37,800	43,300
28	Printing	1,164	4,250	900	4,250
29	Subscriptions and Publications	516	900	500	800
30	Special Department Expenses	4,299	7,450	7,400	7,700
33	Postage	309	9,100	9,100	9,600
34	Membership Fees & Dues	929	1,100	1,000	1,400
37	Transportation, Meals & Travel	3,905	4,800	4,400	5,000
91	Expense Credit	(19,804)	(23,396)	(23,396)	(22,376)
	Total	632,627	677,104	689,904	758,174

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 4.70	695,000
03	Overtime	7,500
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	2,500
11	Uniforms/Clothing/Shoes Uniform Allowance	3,500 3,500
25	Outside Professional Services Annual District Audit Availability Charges Computer Svcs, Notices, & Lier Proposition 218 Notification Bank Service Charges Other	43,300 19,700 1,700 5,500 11,400 5,000
28	Printing Budgets Business Cards Comprehensive Annual Financial Report Tax Forms Checks Other	4,250 500 500 500 250 2,000 500
29	Subscriptions and Publications Trade Journals and Newspapers Government Accounting Standards Board	800 350 450
30	Special Department Expenses CAFR Applications and Debt Statistics Budget Application Office Supplies Computer Paper for HP Line Printers	7,700 900 100 1,800 4,900

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
33	Postage Prop. 218 Notices 9,000 Availability Charge Notices 300 FedEx & Miscellaneous Mailings 300	9,600
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 320 California Board of Accountancy 300 Other 130	1,400
37	Transportation, Meals & Travel ACWA Fall & Spring Conference 3,900 Transportation to Training and Seminars 550 Other 550	5,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(22,376)

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	275,530	297,800	326,100	299,100
03	Overtime	1,380	3,500	900	3,500
10	Training & Education	315	500	0	500
25	Outside Professional Services	16,585	21,900	18,000	21,900
28	Printing	7,915	11,420	10,700	12,650
30	Special Department Expenses	78	300	300	300
32	Telephone	0	0	0	800
33	Postage	39,026	42,000	41,400	49,000
37	Transportation, Meals & Travel	74	100	100	100
87	Write Off of Uncollectible Accounts	105,240	30,000	32,400	35,000
91	Expense Credit	(11,584)	(13,939)	(13,939)	(12,122)
	Total	434,559	393,581	415,961	410,728

VALLEY CENTER WATER DISTRICT

BUDGET DETAIL & JUSTIFICATION	FUND:	General	01
2009-2010	DEPT.:	Finance	52
	DIV.:	Consumer Services	12

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.10	299,100
03	Overtime	3,500
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	500
25	Outside Professional Services Bill and Notice Preparation 20,000 Collections Fees 1,500 Other 400	21,900
28	Printing Bill Payment Stubs 75 Business Cards 75 Computer Generated Forms: Billing & Delinquency Stock & Envelopes 12,000 Other 500	12,650
30	Special Department Expenses Office Supplies 200 Lien Releases & Recording Fees 100	300
32	Telephone Reverse 911 Telephone Dialing Service 800	800
33	Postage 132,000 Water Bills & Final Notices 49,000	49,000
37	Transportation, Meals & Travel Transportation to Training and Seminars 100	100
87	Write Off of Uncollectible Accounts	35,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(12,122)

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	282,273	287,900	278,200	334,200
03	Overtime	184	2,000	1,400	2,000
10	Training & Education	13,881	3,500	1,200	3,500
25	Outside Professional Services	8,775	7,000	11,300	11,600
29	Subscriptions and Publications	3,009	1,600	1,000	1,000
30	Special Department Expenses	60,425	32,600	13,800	28,000
32	Telephone/Answering Service	10,158	10,000	10,000	10,300
37	Transportation, Meals & Travel	1,028	600	400	600
40	Rents and Leases	9,859	11,100	10,900	11,400
41	Hazardous Waste Disposal Cost	0	500	500	500
54	Maintenance of Equipment	41,975	43,900	23,200	50,000
59	Maintenance of Software	92,531	81,100	81,200	88,100
	Total Network and Workstations	524,098	481,800	433,100	541,200
61	Outside Professional Services - HP	26,461	20,400	22,400	22,900
62	Maintenance of Equipment - HP	4,334	7,600	5,500	7,800
63	Special Department Expenses - HP	1,197	1,800	1,600	1,800
	Total Hewlett Packard	31,992	29,800	29,500	32,500
91	Expense Credit	(3,107)	(17,499)	(17,499)	(16,446)
	Total Equipment and Credits	(3,107)	(17,499)	(17,499)	(16,446)
	Total	552,983	494,101	445,101	557,254

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.00	334,200
03	Overtime	2,000
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	3,500
25	Outside Professional Services Network System Engineer & Internet Programming 7,600 Email Backup and Filter Server 2,000 Radio Repeater Contract (2 repeaters) 2,000	11,600
29	Books & Subscriptions Publications 1,000	1,000
30	Special Department Expenses Printer Supplies, Ribbons, Cartridges 11,000 Facsimile Machine Supplies 1,000 Backup Tapes 2,000 Software Upgrades 6,000 Miscellaneous 8,000	28,000
32	Telephone/Answering Service	10,300
37	Transportation, Meals & Travel	600
40	Rents and Leases Backup Tape Archive Storage 3,500 Repeater Site 7,900	11,400
41	Hazardeous Waste Disposal Costs	500

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
54	Maintenance of Equipment Server Repair 8,000 Workstation Repair 8,000 Laptop Repair 3,000 Printer Repair 4,000 Network Infrastructure Repair 7,500 Cellular Phones and Batteries 3,000 Telephone Equipment and Programming 4,000 Copier Machines 4,000 Facsimile Machines 1,500 SCADA Servers and Radios 7,000	50,000
59	Maintenance of Software Antivirus 4,100 Document Management 32,000 Firewall 8,500 Intrusion Detection 5,500 Network Management and Security 25,000 Web Security 3,000 Backup 3,000 Website Content Management System 7,000	88,100
61	Outside Professional Services - HP Datastream Software Maintenance Agreement 5,200 Water Billing and Service Order Programming 7,500 Programming Changes and Enhancements 8,400 USPS - Class Certification 1,000 Emulator and Plug-In Licenses 800	22,900
62	Maintenance of Equipment - HP 3 Printers 2,600 CMT's (Handheld Meter Readers) 2,000 Hewlett Packard Mainframe 2,200 Miscellaneous 1,000	7,800

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
63	Special Department Expenses - HP Ribbons for HP Line Printers 1,600 Backup Tapes 200	1,800
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(16,446)

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
25	Outside Professional Services	1,384	1,600	2,600	3,000
27	Office Supplies	7,900	9,500	9,500	9,900
28	Printing	3,744	4,500	4,500	4,700
30	Special Department Expenses	1,615	900	700	900
32	Telephone/Answering Service	35,650	53,700	35,900	47,600
40	Rents & Leases	1,477	2,900	2,000	2,900
42	Insurance	176,700	202,318	164,300	231,118
45	Electricity	48,011	59,700	51,700	53,700
54	Maintenance of Equipment	7,309	3,300	2,400	3,800
91	Expense Credit	(4,764)	(5,227)	(5,227)	(3,626)
	Total	279,026	333,191	268,373	353,992

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
25	Outside Professional Services	3,000
	Record Destruction Services	1,600
	Solar Energy Registration	1,200
	Miscellaneous	200
27	Office Supplies-District	9,900
	Various Office Supplies, Copier Paper	9,900
28	Printing	4,700
	Letterhead, Business Cards, Labels, Envelopes	4,700
30	Special Department Expenses	900
	Property Taxes for Facilities Outside the District	200
	County Vector Control Assessment	700
32	Telephone/Answering Service	47,600
	Telephone	8,600
	Cellular Service	25,600
	Answering Service	4,800
	Reverse 911 Telephone Dialing Service	8,600
40	Rents & Leases	2,900
	Postage Machine Print Head	1,350
	Storage of Application Files	1,550
42	Insurance	231,118
	General Liability	199,800
	Property Damage and Fidelity Coverage	42,600
	Other Self Insured Retention	5,000
	Less Amount Charged to Sewer Funds	(16,282)
45	Utilities-Electricity	53,700
	Electricity for Administration, Board Room Multipurpose Room, and Engineering Annex I & II	

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor	5,538,603	5,630,235	5,335,600	5,508,651
02	Interns and Temporary Labor	0	23,000	51,600	41,200
03	Overtime	318,972	354,750	224,400	287,450
04	Unemployment Insurance	14,900	15,900	14,900	14,300
05	Retirement	1,439,802	1,571,000	1,478,415	1,552,500
06	Medicare	76,409	80,000	79,100	80,400
07	Medical	880,127	1,010,400	1,038,200	1,059,375
08	Worker's Compensation	122,096	134,000	122,600	123,000
09	Life and Disability Insurance	119,976	132,400	120,900	127,300
10	Social Security	3,661	1,400	3,700	2,600
12	Vacation/Sick/Holiday Leave	845,635	890,800	800,500	862,800
13	Increase in Value Of Accrued Leave	82,738	67,200	67,200	59,800
15	Dental	84,270	84,900	64,000	66,000
16	Vision	13,053	13,600	13,000	13,000
18	Post Retirement Health Benefit	400,824	105,700	476,396	489,426
19	Deferred Compensation	36,015	38,400	36,000	38,400
91	Expense Credit	(9,977,081)	(10,153,685)	(9,926,511)	(10,326,202)
	Total	0	0	0	0

VALLEY CENTER WATER DISTRICT

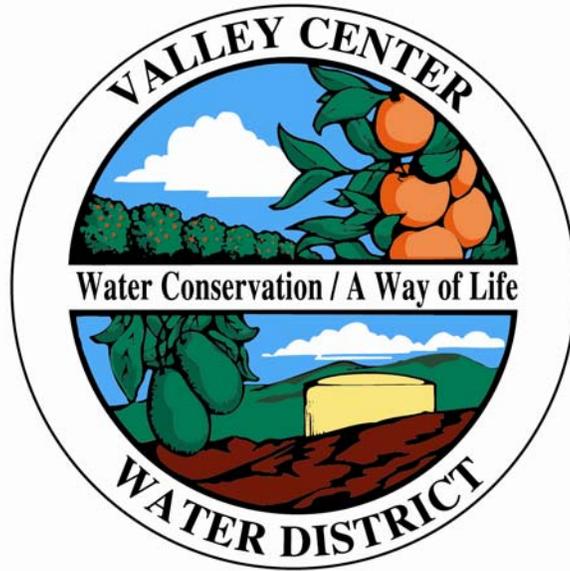
**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
25	Outside Professional Services	0	0	0	0
70	Principal	85,000	90,000	90,000	95,000
71	Interest on Debt	20,289	14,434	9,472	5,929
	Total	105,289	104,434	99,472	100,929

SOURCE OF FINANCING

Ad Valorem Property Tax	0	0	0	0
Water Availability Charge/Other	105,289	104,434	99,472	100,929
Total	105,289	104,434	99,472	100,929



ENGINEERING

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**DEPARTMENT SUMMARY
Engineering**

FUNCTION OVERVIEW

The Engineering Department provides professional and technical expertise to the District to plan for the future and help the District to meet its mission of providing reliable water and wastewater 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 by 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, Planning, Public Services, Encroachments and Locates, and GIS/Maps and Records.

ACCOMPLISHMENTS FOR 2008-2009

Performance Measurement Standards

- **Project Actual Cost (Standard No. 6):** Maintain project actual cost to $\pm 10\%$ of the engineer's estimate. Of the six projects accepted in the previous budget period, two projects were constructed by the Field Department (Lilac Pump Station and Circle R Pump Station) and four were by outside contractors (SCADA, Cole Grade Road, Moosa Aerobic Digester No. 2 and Aeration Tank Retrofit, and Paradise Reservoir). With the exception of the Paradise Reservoir project, actual costs for all contractor projects were maintained within $\pm 10\%$ of the engineer's estimate. Exceptionally low bids were received for the Paradise Reservoir project and this project was completed approximately 24% under the original project estimate.

All of the projects that were accepted were completed within the initial project allocation. With the exception of the SCADA project, all projects met the goal of maintaining total cumulative change order amounts at or below 5%. The SCADA project change orders totalled 10% of the original contract amount and were due, in part, to increasing the scope of the work to include security and electrical improvements after the project was bid.

Strategic Plan Implementation -

- **Geographical Information System (GIS) - Goal 5a:** Continued to upgrade the GIS with additional data and features and converted data layers to City Works compatible format.
- **Supervisory Control and Data Acquisition (SCADA) - Goal 5b:** Successfully completed and integrated into service the 14 sites included in the Phase 1 & 2 construction contract. The wireless network was upgraded to improve redundancy by adding radios to select sites to eliminate single point sources of failure. As part of this effort, Betsworth Reservoir was integrated into the SCADA system. District personnel also integrated Ridge Ranch Reservoir into the system, replacing the existing tone telemetry system serving the site that had failed.

Other Major Projects –

- Completed the major components of the Valley Center Road Pipeline Replacement project at an approximate value of \$4,500,000. Remaining items to complete include minor punch list items and as-built drawings.
- Completed the Cole Grade Road Pipeline Replacement project.

- Completed the Moosa Aerobic Digester No. 2 and Aeration Tank Retrofit project.
- In a cooperative effort with the Facilities and Operations Department, the Lilac Pump Station and Circle R Pump Station projects were designed, constructed, and placed into service.
- Continued work on the following projects:
 - Lower Moosa Canyon – Continued progress on the Waste Discharge Permit Update and development of a Sewer System Management Plan (SSMP).
 - Woods Valley Ranch Permanent Plant – Continued to provide project coordination.
 - Woods Valley Ranch Expansion Project – Completed expansion Master Plan and program level California Environmental Quality Act (CEQA) documentation.
 - Live Oak Ranch – Continued design coordination.
- Provided technical engineering services associated with private development including 2 projects for concept approval and completed plan review and approval for 3 projects with a total of 12 lots. Engineering completed 6 fire hydrant and special projects, and accepted 2 private developments into the system.
- Processed applications and released for installation 66 domestic/agricultural services, 19 fire service meters, 3 meter relocations, processed 7 sewer connections, and marked out and processed approximately 1150 underground service alert requests.
- Received matching Local Investigation and Studies Assistance grant funds from the San Diego County Water Authority to determine the feasibility of constructing a Water Reclamation Facility at the Welk golf course to offset the use of potable water used to supplement the golf course irrigation system.

CHALLENGES FOR 2009-2010

The Department will continue to provide construction management and inspection services for the Valley Center Road project, provide in-house design, inspection, construction management, and project management services for the Country Club Reservoir floating cover, purchase property for Reidy Canyon Reservoir No. 2; 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 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 Orchard Run, Live Oak Ranch, North Village, 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 2009-2010

Strategic Plan Implementation -

Geographical Information System – Goal 5a: 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 – Goal 5b: In conjunction with the field department, integrate District facility sites as needed into the SCADA system as opportunities arise and additional funding is made available. 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.

Update of the District's Standard Specifications to include wastewater facilities, update the District's Water and Wastewater Facility Design Guidelines, and develop Computer Aided Drafting Standards to be used in the for preparation of water and wastewater 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. Re-evaluate water master plan recommendations on zone by zone basis. Prepare Integrated Resource Plan encompassing all District facilities; water, wastewater, and recycled water.

Continue to assist field personnel in use of digital District maps and record drawings. Keep the District's record drawings as up to date as possible

Strive to reduce processing time and paperwork required for the water and wastewater service requests and continue the process of creating all paperwork required on the computer.

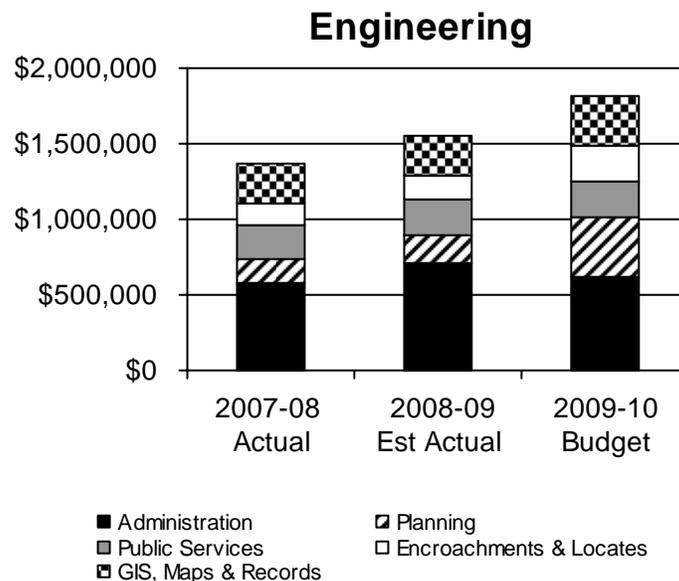
Review procedures for processing wastewater service applications in an attempt to streamline the process.

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

Provide opportunities for cross training in the areas of GIS and mapping in order to increase the ability to provide GIS and mapping products to customers and staff, and to allow for interdepartmental training.

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.



VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**Engineering
Full-Time Equivalents**

	<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>
Administrative Assistant II	1.00		0.40	0.40	0.20			2.00
Administrative Assistant III	0.50	0.15			0.10	0.05	0.20	1.00
Const. Inspector Supervisor	0.25	0.10		0.35	0.05	0.10	0.15	1.00
District Engineer	0.60	0.30	0.02	0.02	0.02	0.02	0.02	1.00
Engineering Tech I	0.10		0.80	0.10				1.00
Engineering Tech II	0.20	0.20	0.70	0.05	0.80	0.02	0.03	2.00
Engineering Tech III	0.10	0.15	0.05	0.25	0.15	0.15	0.15	1.00
GIS Mapping Tech	0.10	0.05			0.85			1.00
GIS/Eng. Serv. Supervisor	0.25	0.10	0.20		0.45			1.00
Project Manager	0.40	0.65		0.20		0.30	0.45	2.00
Project Manager/Deputy Eng Dept Dir.	0.25	0.35		0.05		0.15	0.20	1.00
Sr. Administrative Assistant	0.60	0.30			0.05	0.02	0.03	1.00
Sr. Construction Inspector	0.10			0.40		0.15	0.35	1.00
Total Full-Time Equivalents	4.45	2.35	2.17	1.82	2.67	0.96	1.58	16.00

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

DEPARTMENT SUMMARY

ENGINEERING

Div. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
21	Administration	584,853	558,452	712,522	615,303
22	Planning and Design	154,752	199,026	176,431	402,808
23	Public Services	222,891	201,001	239,741	229,456
24	Encroachments & Locates	144,249	157,907	156,507	244,657
28	Maps & Records	262,123	289,830	262,210	320,281
TOTAL ENGINEERING		1,368,868	1,406,216	1,547,411	1,812,505

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	572,982	537,500	710,400	608,600
03	Overtime	9,094	10,000	1,250	2,000
10	Training & Education	1,805	5,800	2,500	2,500
11	Uniforms/Clothing/Shoes	6,066	7,750	6,000	6,000
26	Legal Services	4,057	5,000	5,000	5,000
28	Printing	142	250	250	250
29	Books & Subscriptions	393	300	350	350
30	Special Department Expenses	6,025	6,500	3,000	4,000
34	Membership Fees & Dues	1,519	2,130	1,800	1,800
37	Transportation, Meals & Travel	1,155	2,500	1,750	2,000
54	Maintenance of Equipment	0	500	0	0
91	Expense Credit	(18,385)	(19,778)	(19,778)	(17,197)
	Total	584,853	558,452	712,522	615,303

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 4.45	608,600
03	Overtime	2,000
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	2,500
11	Uniforms/Clothing/Shoes Uniform Allowance	6,000
26	Legal Services	5,000
28	Printing Reports, Business Cards, Mass Mailings	250
29	Books & Subscriptions Technical Journals, Publications, Software	350
30	Special Department Expenses	4,000
	Office and Drafting Supplies	2,500
	Special Software Updates	500
	Inspector Supplies	700
	Miscellaneous	300
34	Membership, Fees & Dues	1,800
	American Water Works Association	100
	American Public Works Association	250
	American Society of Civil Engineers	500
	Calif. Professional Engineer License	150
	Dept. Of Health Services Certification	200
	Water Environment Federation	250
	Other	350

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	118,816	168,300	175,800	378,300
03	Overtime	694	1,000	500	500
10	Training & Education	693	4,200	0	2,000
25	Outside Professional Services	32,450	25,000	0	25,000
28	Printing	0	75	80	100
29	Books & Subscriptions	722	1,000	1,000	1,000
30	Special Department Expenses	296	100	0	0
34	Membership Fees & Dues	5,297	6,000	6,000	7,000
37	Transportation, Meals & Travel	362	400	100	200
91	Expense Credit	(4,578)	(7,049)	(7,049)	(11,292)
	Total	154,752	199,026	176,431	402,808

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	221,284	201,200	241,000	229,500
03	Overtime	969	1,000	800	800
10	Training & Education	1,147	1,000	770	1,025
28	Printing	30	50	40	90
29	Books & Subscriptions	0	170	140	150
30	Special Department Expenses	4,326	4,000	3,750	3,900
34	Membership Fees & Dues	1,010	600	200	200
37	Transportation, Meals & Travel	34	100	160	200
91	Expense Credit	(5,909)	(7,119)	(7,119)	(6,409)
	Total	222,891	201,001	239,741	229,456

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Encroachments and Locates** **24**

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	148,957	150,200	156,700	239,800
03	Overtime	608	1,500	300	500
10	Training & Education	0	900	500	500
25	Outside Professional Services	0	5,000	0	5,000
26	Legal Services	0	2,500	2,500	2,500
30	Special Department Expenses	207	1,000	600	1,000
34	Membership, Fees & Dues	967	2,400	1,500	2,200
91	Expense Credit	(6,490)	(5,593)	(5,593)	(6,843)
	Total	144,249	157,907	156,507	244,657

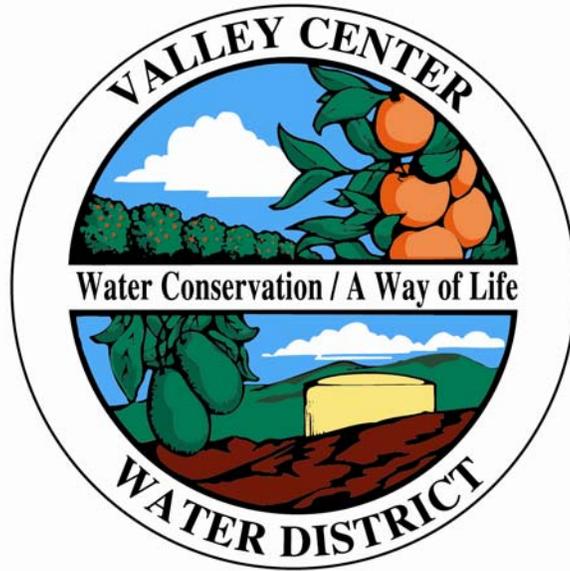
VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	248,700	255,300	230,000	293,100
03	Overtime	3,002	4,000	550	750
10	Training & Education	1,129	3,000	1,000	1,500
25	Outside Professional Services	0	15,000	8,700	5,000
28	Printing	0	75	90	120
29	Books & Subscriptions	0	250	250	250
30	Special Department Expenses	5,419	5,400	5,700	2,200
34	Membership, Fees & Dues	155	220	235	250
37	Transportation, Meals & Travel	130	800	250	300
54	Maintenance of Equipment	930	750	1,700	2,500
59	Software Technical Support	12,326	15,300	24,000	23,300
91	Expense Credit	(9,668)	(10,265)	(10,265)	(8,989)
	Total	262,123	289,830	262,210	320,281





FIELD OPERATIONS

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**DEPARTMENT SUMMARY
Field Operations**

FUNCTION OVERVIEW

The Field Operations Department is the largest within Valley Center Water District with a staff of 46 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, radio dispatch, and employee's certifications and physical requirements. 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. It also analyzes pump efficiency data and monitors and tracks solar generation, incorporating the information in developing pumping strategies to improve resources and to reduce overall pumping costs. 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.*

Pumps and Motors - 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 105 pumps. In addition, it oversees and maintains all of the District's emergency power generation and natural gas pumps. This division is also responsible for the Fleet and Equipment Maintenance Division, which repairs and maintains District vehicles, tractors, and equipment. The District fleet consists of 52 vehicles, 52 pieces of large equipment, and 85 pieces of miscellaneous equipment.

Construction and Maintenance - This Division maintains, inspects, repairs, upgrades, and locates as necessary the more than 295 miles of pipelines that run throughout the District's service area. It also maintains, identifies, locates, detects for leaks, and repairs all mainline valves and appurtenances and performs most of the District's in-house construction projects. 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 landscaping needs and requirements of all District facilities and easements.

Meter Services - The Meter Services Division is responsible for the installation, relocation and repair of all water meters and service laterals. This includes responsibility for warehousing, meter installation, backflow and service repair inventories. This Division reads, monitors, and tests water meters. As of April 2009, there were 9,702 active meters, of which 917 are fire meters, and 3,839 backflow devices that we repair and test. 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 2008-2009

Performance Measurement Standard:

- **Water Loss** (Standard 2): Water loss for the calendar year 2008 was 6.1%. The average water lost for the last four calendar years was 5.0%. 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 22 pump and motor combinations and replacing pumps at Circle R and Pfau Pump Stations. The pumping efficiency for the calendar year 2008 was 101% 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 no lost time accident in the calendar year 2008, complying with our standard of less than 1% of hours worked.

Strategic Plan Implementation:

- **SCADA** (Goal 5b): 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:

- Installed a French drain at Jesmond Dene Reservoir to alleviate run-off problems.
- Constructed a containment basin to house remote diesel and gas tanks at Moosa's Wastewater Facility.
- Replaced Paradise Reservoir #2 roof support structures.
- Completed implementation of the District's Automated Meter Reading Program (AMR).
- Increased the District's Corporate fuel storage capacity for emergency preparation.
- Resolved Via Cantamar Reservoir site drainage issue and constructed a roof structure over the Via Cantamar Pump Station.
- Installed a self supported solar powered aeration mixing system at Lake Turner.
- Re-fabricated Lilac Pressure Reducing Valve Relief Station design.
- Installed Cool Roof systems on the main Administration and Multi Purpose buildings.
- Re-painted all of the Corporate Facility buildings and re-carpeted main Administration building.
- Re-constructed and upgraded all of the pumps at Circle R and Pfau Pump Stations.
- Constructed an additional pump at Lilac Pump Station for improved redundancy.
- Built a new SCADA / PLC training aid board and work bench in the Operations Center.
- Satin sealed 9 Reservoir and Pump Station sites.
- Constructed a new concrete slab and block wall to house inventory items in lower yard and built a containment basin and roof covering to house the asphalt products.
- Installed 4 new inline valves and replaced 7 broken valves throughout the District's service area.
- Completed and updated the District's Dead-End Line Flushing Program.
- Installed new internal mixing systems at five Reservoirs to improve water quality measures.
- Cleaned, washed down and inspected 11 steel reservoir tanks.

CHALLENGES FOR 2009-2010

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 2009-2010

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.
- **Pump Efficiency** (Standard 5): Maintain the efficiency requirements through repair, reconditioning and replacing sub-par equipment. Replace the Rincon and West pumps and completely reconstruct the Jesmond Dene Pump Station and pressure relief valve.
- **Continue** to maintain 99% water service reliability, compliance with all regulations, and no lost-time accidents (Standards 7, 8, and 9).

Strategic Plan Implementation:

- **SCADA System (Goal 5b)** - Continue construction and implementation of SCADA development.
- **Vulnerability Assessment** - Complete the recommended measures. Phases three and four have been postponed, but we will slowly implement the necessary security upgrades with the SCADA development.

Other Goals:

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- Continue to identify and install new in-line valves and repair existing in-line and reservoir valves at designated points throughout the District's service area.
- Continue to clean, inspect, and repair reservoirs throughout our service area.
- Replace and upgrade the West and Rincon pumps to improve efficiencies.
- Construct a new water recycle washing system to maintain the District's service fleet.
- Pave 1,200' of roadway on Cougar Pass easement.
- Rebuild and upgrade the 6" Gordon Hill Pressure Reducing Station.
- Complete Valley Center Fire Protection District Fire Hydrant Testing and Maintenance Program.
- Recoat the interior and exterior of Oat Hill and West #1 & #2 Reservoirs.
- Install emergency transfer switches at Miller, Hauck Mesa and Lilac Pump Stations and construct three stationary emergency generators at Couser, Circle R and Red Mt. Pump Stations.
- Construct a new PRV work shop and expand the employees Locker Room.
- Set-up utilities to facilitate a Business Continuity Plan in the lower yard area.
- Develop a complete Facility Maintenance program and schedule for all of the pump and reservoir stations.
- Re-pave, satin seal and re-stripe the District's employee parking area.

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.

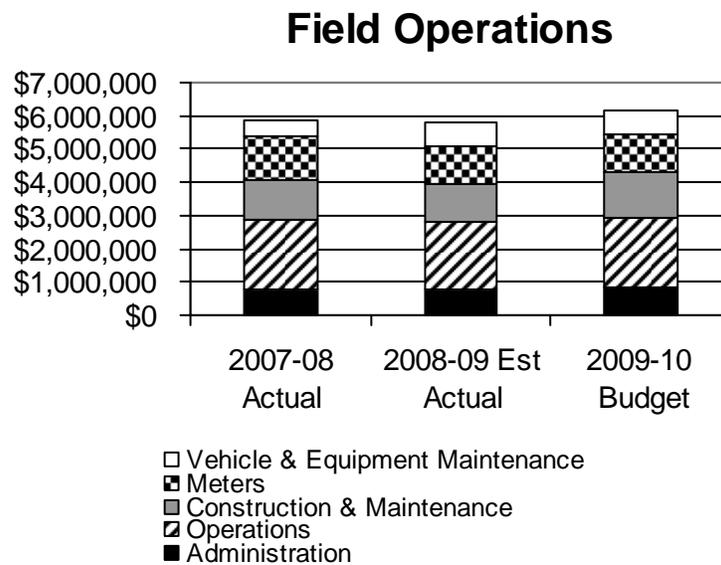
Continue upgrading all of the District's pump and corporate facilities to improve pump efficiency (Standard 5).

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.

Work with Information Technology to develop a maintenance, inventory, and service order record keeping system to improve work efficiencies, practices, and maintenance records.

Implement and develop pumping strategies and procedures to maximize pumping efficiencies and incorporate solar generation into that approach.



VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

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	
Administrative Assistant I	0.88	0.10																					0.98	
Construction Maintenance Supervisor									0.01	0.01			0.87		0.07			0.01					0.01	0.98
Construction Maintenance Tech II									0.11	0.05		0.02	1.85		2.61			0.09		0.05	0.04	0.04	4.86	
Construction Maintenance Tech III									0.04	0.01			0.08		0.80	0.04	0.05	0.90		0.01	0.02	0.02	1.97	
Director of Operations/Facilities	0.83	0.05		0.02																			0.90	
Fleet Mechanic II													0.02					0.01					0.98	
Fleet Mechanic III													0.02					0.01		0.95			0.97	
General Services Tech II														0.10			0.05	0.65	0.20				1.00	
Landscape Maintenance Wkr III			1.90						0.06				0.04										2.00	
Meter Services Supervisor													0.01	0.01		0.02		0.74	0.20		0.01	0.01	1.00	
Meter Services Tech I					0.03								0.01				0.19	1.27	0.50				2.00	
Meter Services Tech II													0.02		0.04	0.05	0.69	0.20					1.00	
Meter Services Tech III													0.01				0.20	0.94	0.85				2.00	
Pump Facilities Tech II									0.65	0.90	0.40												1.95	
Pump Facilities Tech III									0.20	0.30	0.45												0.95	
Pumps & Motors Supervisor			0.10						0.10	0.30	0.25										0.25		1.00	
Safety & Reg Compliance Asst.	0.18	0.72		0.07																			0.97	
Sr. Administrative Assistant	0.93	0.05																					0.98	
Sr. Construction Maintenance Tech									0.04	0.02			0.93		0.90	0.06	0.05	0.91		0.02	0.01	0.01	2.95	
Sr. Electrician									0.05	0.15	0.50												0.90	
Sr. Pump Facilities Tech									0.10	0.50	0.20		0.03		0.02								0.95	
Sr. Pump Facilities Tech									0.20	0.55	0.20												0.95	
Sr. Water Systems Tech					0.68		0.08	0.10				0.10		0.03				0.01					1.00	
Water Systems Supervisor			0.02	0.77	0.02	0.02	0.03					0.03		0.03									0.08	1.00
Water Systems Tech I				1.55	0.05	0.10	0.13					0.10						0.02					0.05	2.00
Water Systems Tech III			0.10	2.56	0.30	0.20	0.21				0.22							0.01					0.40	4.00
Wastewater Systems Tech III																					0.05		0.05	
Wastewater Systems Tech II																					0.07		0.07	
Total Full-Time Equivalents	2.82	0.92	2.00	0.21	5.59	0.37	0.40	0.47	1.56	2.79	2.00	0.47	3.89	0.17	4.40	0.16	0.59	6.26	1.95	2.22	0.20	0.92	40.36	

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

DEPARTMENT SUMMARY

FIELD OPERATIONS

Div. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
ADMINISTRATION					
31	Field Administration	407,725	418,962	413,677	441,730
32	Safety & Regulatory Compliance	139,086	79,792	125,142	151,023
33	Landscape & Paving Maintenance	202,700	192,193	197,563	206,321
34	District Security	7,841	27,187	11,087	29,814
	Total Administration:	757,352	718,134	747,469	828,888
OPERATIONS					
42	System Operation	675,227	695,600	724,350	771,300
43	Telemetry	195,201	160,900	160,075	126,600
44	Treatment	74,478	79,950	51,440	71,500
45	Automatic Valves	59,036	62,400	49,200	68,000
46	Reservoir Maintenance	186,830	206,100	189,600	196,500
47	Pump Maintenance	301,743	342,800	329,200	369,300
48	Motor Maintenance & Electric Panels	533,795	486,300	441,800	409,200
49	Quality Control	81,373	110,000	91,500	106,300
	Total Operations:	2,107,683	2,144,050	2,037,165	2,118,700
CONSTRUCTION & MAINTENANCE					
53	Pipeline and Right-of-Way Maint.	596,547	544,400	546,200	653,000
54	Corporate Facilities Maintenance	144,862	170,487	94,787	153,888
55	Valve Maintenance & Location	489,405	467,250	524,850	527,600
	Total Construction & Maintenance:	1,230,814	1,182,137	1,165,837	1,334,488
METERS					
61	Meter Installation	99,050	84,680	72,200	69,400
62	Meter Reading	73,214	85,000	38,210	58,550
63	Service Connection Maintenance	955,615	887,000	880,850	789,200
65	Backflow Maintenance	172,022	198,600	144,600	249,000
	Total Meters:	1,299,901	1,255,280	1,135,860	1,166,150
71	Vehicle & Equipment Maintenance	452,772	708,050	709,130	723,000
TOTAL FIELD OPERATIONS		5,848,522	6,007,651	5,795,461	6,171,226

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	314,882	349,700	349,500	358,100
02	Interns and Temporary Labor	3,579	0	0	0
03	Overtime	4,306	3,000	1,000	2,000
10	Training & Education	43,585	20,000	27,000	30,000
11	Uniform/Clothing/Shoes	33,363	33,000	35,000	40,000
25	Outside Professional Service	4,054	0	0	0
28	Printing	1,805	3,000	1,800	2,500
30	Special Department Expenses	5,562	3,500	3,700	4,000
32	Automated Telephone Dial Service	945	3,500	500	2,000
33	Postage	21	150	70	150
34	Memberships, Fees and Dues	1,181	500	700	500
37	Transportation, Meals & Travel	9,621	15,000	7,500	12,500
38	Regulatory Permits & Fees	1,185	2,000	1,460	2,000
54	Maintenance of Equipment	0	450	285	450
91	Expense Credit	(16,364)	(14,838)	(14,838)	(12,470)
	Total	407,725	418,962	413,677	441,730

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
54	Maintenance of Equipment Electronic Equipment 150 Counterfeit Scanner 300	450
91	Expense Credit	(12,470)

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Safety & Regulatory Compliance** **32**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.92	113,800
03	Overtime	1,500
07	Employee Physicals As required by the Department of Health Services, Department of Motor Vehicles, Department of Transportation, and OSHA, including hearing tests, drug testing, and respirator physicals.	8,000
25	Outside Professional Service	6,000
	Fire Extinguisher Testing 3,000	
	Automated External Defibrillator Compliance Program 1,500	
	DOT Administration Fee 1,500	
30	Special Department Expenses	25,500
	First Aid Equipment 2,500	
	Safety Protection Equipment 8,000	
	Safety Materials 2,000	
	Respirator Replacements 1,000	
	Safety Signs 1,000	
	Rain Gear & Safety Vests 3,200	
	Fall Protection Harness Replacement 800	
	Emergency/First Aid Supplies 4,000	
	Fire Extinguisher Replacement 1,000	
	Fall Protection Rescue Equipment 500	
	Miscellaneous 1,500	
34	Memberships, Fees and Dues	500
	National Safety Compliance 500	
91	Expense Credit	(4,277)
	Reimbursement from Sewer Funds for Administrative Overhead	

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Systems Operation** **42**

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	550,400	554,100	626,250	649,800
03	Overtime	116,104	135,000	92,000	115,000
30	Special Department Expenses	40	1,000	800	1,000
52	Maintenance of Facilities	8,683	5,500	5,300	5,500
	Total	675,227	695,600	724,350	771,300

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	111,045	82,800	90,900	38,500
03	Overtime	4,038	5,000	1,775	4,000
30	Special Department Expenses	342	600	0	600
32	Telephone	39,296	37,500	36,400	35,000
52	Maintenance of Facilities	40,480	35,000	31,000	35,000
59	Software Technical Support	0	0	0	13,500
	Total	195,201	160,900	160,075	126,600

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	47,378	41,900	27,700	43,000
03	Overtime	25	500	440	500
23	Chlorine	18,883	26,000	20,800	22,500
25	Outside Professional Services	0	500	0	500
30	Special Department Expenses	99	200	0	200
38	Regulatory Permits & Fees	0	350	0	300
52	Maintenance of Facilities	8,093	10,500	2,500	4,500
	Total	74,478	79,950	51,440	71,500

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Reservoir Maintenance** **46**

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	156,794	181,300	163,800	169,200
03	Overtime	918	1,000	0	500
30	Special Department Expenses	1,096	800	800	800
38	Regulatory Permits & Fees	13,816	13,000	13,000	14,000
52	Maintenance of Facilities	14,206	10,000	12,000	12,000
	Total	186,830	206,100	189,600	196,500

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	228,549	279,200	265,100	309,400
03	Overtime	1,075	2,000	1,500	2,000
30	Special Department Expenses	2,632	1,000	2,200	1,000
38	Regulatory Permits & Fees	0	600	400	500
52	Maintenance of Pumps	69,487	60,000	60,000	56,400
	Total	301,743	342,800	329,200	369,300

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	289,250	296,700	223,700	230,700
03	Overtime	10,159	5,000	3,500	2,500
30	Special Department Expenses	1,969	1,000	2,600	1,000
38	Regulatory Permits & Fees	19,840	24,100	22,000	22,000
52	Maintenance of Electrical Facilities	35,480	30,000	60,000	35,000
55	Maintenance of Engines	39,125	29,500	30,000	26,000
56	Maintenance of Electric Motors	137,972	100,000	100,000	92,000
	Total	533,795	486,300	441,800	409,200

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	44,466	51,200	46,500	51,300
03	Overtime	0	500	0	500
25	Outside Professional Services	20,690	25,000	23,100	26,000
28	Printing	4,188	6,000	5,200	6,000
30	Special Department Expenses	0	300	0	500
33	Postage	1,041	2,000	1,500	2,000
38	Regulatory Permits & Fees	10,020	20,000	12,000	15,000
52	Maintenance of Facilities	968	5,000	3,200	5,000
	Total	81,373	110,000	91,500	106,300

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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 0.5	51,300
03	Overtime	500
25	Outside Professional Services	26,000
	Lab Analysis For:	
	Bacteriological	10,000
	Trihalomethane (THM) Stage 1 & 2	10,000
	Haloacetic acids (HAA)	6,000
28	Printing Annual Notifications, Regulations	6,000
30	Special Department Expenses	500
	Lab Supplies	400
	Glassware Replacement	100
33	Postage	2,000
	Notifications for major shutdowns	800
	Consumer confidence reports	1,200
38	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	15,000
52	Maintenance of Facilities	5,000
	Chlorine Residual Comparators	2,000
	Chlorine Residual Reagent	1,000
	Rebuild/Repair Chlorine Residual Analyzers	2,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	384,076	367,400	384,500	431,000
03	Overtime	46,570	47,000	35,000	42,000
25	Outside Professional Services	47,555	30,000	34,500	85,000
30	Special Department Expenses	4,229	3,000	3,000	3,000
40	Rents & Leases	2,195	2,500	1,700	2,000
52	Maintenance of Facilities	111,922	94,500	87,500	90,000
	Total	596,547	544,400	546,200	653,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	29,881	35,400	17,200	19,400
03	Overtime	1,349	2,000	300	1,500
25	Outside Professional Services	69,471	104,500	54,500	107,500
30	Special Department Expenses	12,061	7,500	5,900	7,000
52	Maintenance of Facilities	35,261	25,000	20,800	23,000
91	Expense Credit	(3,161)	(3,913)	(3,913)	(4,512)
	Total	144,862	170,487	94,787	153,888

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	77,843	29,100	34,000	18,500
03	Overtime	1,131	2,000	1,300	2,000
30	Special Department Expenses	813	2,000	0	1,000
38	Regulatory Permits & Fees	0	250	0	250
40	Rents & Leases	0	150	0	150
51	Maintenance of Vehicles	7,151	12,500	8,400	10,000
52	Installation Material-Meters	8,232	21,680	21,000	22,500
57	Installation Material-Backflows	3,880	17,000	7,500	15,000
	Total	99,050	84,680	72,200	69,400

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.16	18,500
03	Overtime	2,000
30	Special Department Expenses	1,000
38	Regulatory Permits & Fees Excavation Permits	250
40	Rents & Leases	150
51	Vehicle Maintenance	10,000
52	Installation Material-Meters	22,500
57	Installation Material - Backflows Including Approved Double Check Valves, RP Devices and Fire Protection	15,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	72,825	83,900	35,600	55,300
03	Overtime	283	750	610	750
30	Special Department Expenses	106	350	600	500
59	Software Technical Support	0	0	1,400	2,000
	Total	73,214	85,000	38,210	58,550

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	740,754	751,700	730,250	650,800
03	Overtime	42,510	35,000	20,700	25,000
30	Special Department Expenses	3,916	5,900	4,500	3,000
38	Regulatory Permits & Fees	0	150	150	150
40	Rents & Leases	0	250	250	250
52	Maintenance of Facilities	168,435	94,000	125,000	110,000
	Total	955,615	887,000	880,850	789,200

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	105,805	139,600	91,100	192,500
03	Overtime	2,045	4,000	1,000	2,000
25	Outside Professional Services	580	2,500	1,500	2,500
30	Special Department Expenses	203	2,000	1,000	1,500
52	Maintenance of Facilities	63,389	50,500	50,000	50,500
	Total	172,022	198,600	144,600	249,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	195,171	193,600	205,250	248,400
03	Overtime	5,081	9,000	8,000	8,000
30	Special Department Expenses	7,909	3,000	9,000	3,000
38	Regulatory Permits & Fees	5,604	3,500	6,900	6,500
40	Rents & Leases	125	3,000	3,000	3,000
41	Hazardous Waste Disposal Costs	4,041	6,000	7,600	8,000
50	Maintenance - Gas, Oil & Grease	169,350	190,000	140,000	190,000
51	Maintenance of Vehicles	73,408	71,000	77,500	71,000
53	Maintenance of Radios	1,808	15,000	15,000	15,000
54	Maintenance of Equipment	25,015	20,600	25,330	20,600
75	Contrib. to Replacement Reserve	252,203	234,000	252,200	185,000
91	Expense Credit	(286,943)	(40,650)	(40,650)	(35,500)
	Total	452,772	708,050	709,130	723,000

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.22	248,400
03	Overtime	8,000
30	Special Department Expenses Replacement Tools 600 Specialty Tools 1,000 Tools for Service Truck 400 Software Repair Manuals 1,000	3,000
38	Regulatory Permits & Fees Gas Tank Permit 1,200 Waste Oil Tank Permit 500 Above Ground Tank 1,200 Health Permit 1,000 Yard Generator Permits 2,300 Air Pollution Control District Solvent Tank Fee 300	6,500
40	Rents and Leases Message Boards	3,000
41	Hazardous Waste Disposal Costs Recycling Oil, Filters & Solvents 2,000 Recycling Tires & Miscellaneous 2,000 Cleanup Material 600 Compliance Guides 400 Disposal of Aerosols 1,000 Asbestos Pipe 2,000	8,000
50	Gas, Oil, Transmatic, Diesel, Coolant, Gear Lube, Treatment Chemicals 185,000 5,000	190,000
51	Maintenance of Vehicles Parts for Fleet	71,000

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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)	185,000
91	Expense Credit Rental Value of Vehicles and Equipment Used for: Installation of Meters 01-5461.51 10,000 Moosa Treatment Plant 13-5326.51 15,000 Moosa Collection 13-5327.51 3,500 Moosa STEP Maintenance 13-5329.51 2,000 Woods Valley Ranch Treatment Plant 17-5331.51 5,000	(35,500)

**LICENSED MOTOR VEHICLE REPLACEMENT RESERVE 01-5471-75
2009-2010**

Car	Type of Vehicle	VIN #	Asset #	Adjusted Cost	Life in Yrs.	Est. Depr. 2009-2010	Inflation Adjust.
1	03 Dodge 1/2 ton 4X4	1D7HU18N43S227834	4983	29,154	4	0	27
2	99 Ford F250 4x4	1FTNX2154XEA66234	4655	27,339	4	0	25
3	99 Ford F250 4x4	1FTNX2154XEA66235	4656	26,684	4	0	24
4	06 Chevy Colorado	1GCDT196X68220374	5266	22,100	4	5,525	20
5	99 Ford F350 4x4	1EDWX3756XEB66233	4657	30,804	4	0	28
7	06 Chevy Colorado	1GCDT196268220627	5263	22,100	4	5,525	20
8	06 Chevy Colorado	1GCDT196268220336	5264	22,100	4	5,525	20
9	08 Ford F450 Diesel	1FDXF47R28EA12637	5387	51,417	4	12,854	47
10	01 Ford-550 4X4	1FDAF57F31EC60919	4834	45,347	5	0	41
11	08 Ford F-350 Super Duty	1FDWF36R28ED51907	5485	39,515	4	9,879	0
12	08 Ford F-350 Super Duty	1FDWF36R48ED51908	5486	39,309	4	9,827	0
13	03 Ford F350	1FDWX36P23EC03258	4984	37,479	4	0	34
14	08 Ford F550 Diesel	1FDAF57RX8EA12638	5388	65,390	4	16,348	60
15	05 Ford F550 4X4	1FDAF57P65EB76415	5162	52,761	4	13,190	48
16	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P15EB76412	5163	40,809	4	10,202	37
17	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P35EB76413	5164	51,495	4	12,874	47
18	86 Ford F700	1FDWF70K7GVA59705	4103,4658	29,737	4	0	27
19	05 Ford F350 Ext Cab 4X4 Diesel	1FDWX37P55EB76414	5165	41,152	4	10,288	38
20	99 Ford F800	1FDNF80C3WVA31831	4659	55,670	5	0	51
21	95 Ford F450	1FDLF47G9SEA28399	4562	25,246	4	0	23
22	01 Ford F-150 4X4	1FTRX18W11NB31475	4835	24,747	4	0	23
23	07 Ford F150 Ext Cab 4WD	1FTPX14597NA33629	5384	25,170	4	6,293	23
24	99 Ford F150 4x4	1FTRF18W4XKA22960	4706	21,533	4	0	20
25	99 Ford F250 4x4	1FTNX2156XEC68335	4707	27,403	4	0	25
27	87 Ford F800 LN7000 Water Truck	1FTWR72P4HVA51454	4756	19,395	5	0	18
29	97 Chev 1/2 ton 4x4	1GCEK14M2VZ190101	4624	21,851	4	0	20
31	99 Chev 2500 4x4	1GBGC24RXF012254	4708	24,174	4	0	22
32	03 Chev HD	1GCEK19V83E201169	4985	24,319	4	0	22
33	08 Ford F350	1FDWX36R58EA12636	5389	51,621	4	12,905	47
34	04 Ford F750 5YD Dump	3FRXF75624V604121	4986	63,950	5	0	58
35	01 Ford F-150 4X4	1FTRX18WX1NB31474	4836	25,025	4	0	23
37	92 Ford F150 4X4	2FTEF14H1NCA35057	4434	14,215	4	0	13
38	95 Ford Dump	1FDXF80E9SVA39968	4591	43,600	4	0	40
39	96 Chev Van	1GNDM19WOTB152475	4590	18,782	4	0	17
41	06 Chevy Colorado	1GCDT196568220251	5265	22,100	4	5,525	20
44	01 Ford F-150 4X4	1FTRX18W61NB31472	4837	25,043	4	0	23
45	01 Ford F-150 4X4	1FTRX18W81NB31473	4838	25,018	4	0	23
46	02 Ford F-150	1FTRX18W22NB06375	4902	24,962	4	0	23
47	02 Ford F-350	1FDWX36FX2EC19987	4903	36,000	4	0	33
48	02 Ford F-550	1FDAF57F62EC50788	4904	51,617	5	0	47
49	04 Chevy CK1500	1GCEK19V94E256599	5057	24,282	4	0	22
50	04 Chevy CK1500	1GCEK19V84E258912	5058	24,439	4	0	22
51	04 Chevy CK1500	1GCEK19V44E255957	5059	24,362	4	0	22
52	04 Chevy CK1500	1GCEK19V34E256971	5060	24,369	4	0	22
53	04 Chevy CK1500	1GCEK19V64E264854	5061	24,369	4	0	22
54	04 Chevy CK1500	1GCEK19V94E263570	5062	24,286	4	0	22
55	04 Chevy CK1500	1GCEK19V24E255410	5063	24,232	4	0	22
56	05 Ford F150 Supercab 4X4	1FTRX14W75KC83483	5166	22,700	4	5,675	21
57	05 Ford F150 Supercab 4X4	1FTRX14W95KC83484	5167	23,136	4	5,784	21
58	05 Ford F150 Supercab 4X4	1FTRX14W05KC83485	5168	23,922	4	5,981	22
59	07 Chevy Colorado	1GCDT19E878148762	5385	24,091	4	6,023	22
60	07 Chevy Colorado	1GCDT19E678146492	5386	24,174	4	6,044	22
61	07 Chevy Colorado	1GCDT19E678148582	5391	23,927	4	5,982	22
62	08 Ford Ranger	1FTZR45E88PA61883	5483	22,918	4	5,730	0
63	08 Ford Ranger	1FTZR45E68PA61882	5484	22,895	4	5,724	0

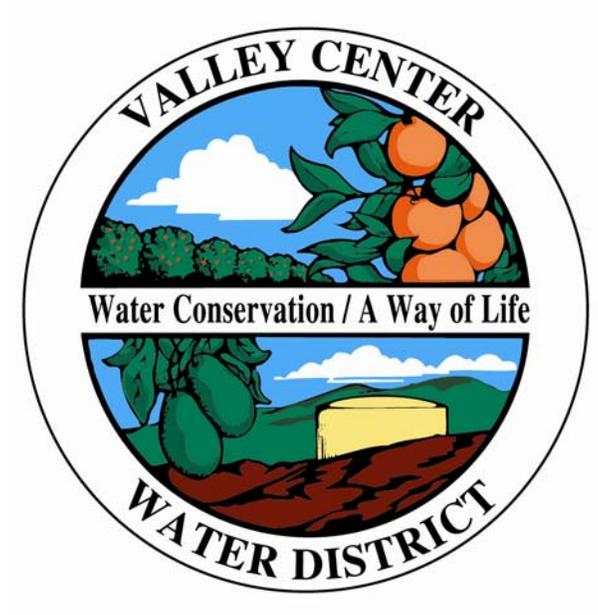
55 1,704,235 183,701 1,332

Inflation adjustment December 2008

Contribution to Vehicle Replacement Reserve for Fiscal Year 2009-10

1,332

185,033



SOURCE OF SUPPLY

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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 (SDCWA) 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 SDCWA'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 \$252 per acre foot as of July 1, 2009, are passed through to qualifying agricultural customers.

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

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

ACCOMPLISHMENTS FOR 2008-2009

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

The IAWP Program under the MWD is being phased out. The program will terminate on January 1, 2013. The SDCWA has maintained their agricultural rebate program under the special agricultural water rate (SAWR) program, at least until the end of 2010.

While electricity costs were budgeted at 13.3¢ per kilowatt hour last year, costs are currently running slightly below that at a weighted average cost of 12.6¢ per kilowatt hour.

The Lake Turner Photovoltaic Solar Project was completed and operational at the end of December 2008. It is providing the District clean, green solar energy at 8.8¢ per kilowatt hour.

CHALLENGES FOR 2009-2010

The use of fixed charges by MWD and SDCWA will leave the District exposed if water sales drop below historical levels, as we are currently seeing, because of the mandatory reduction in IAWP deliveries.

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

Continued management of the 30% IAWP supply reduction, the announced 13% mandatory SAWR reduction, and the voluntary 8% full price conservation program.

GOALS FOR 2009-2010

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

efficiently and economically as possible.

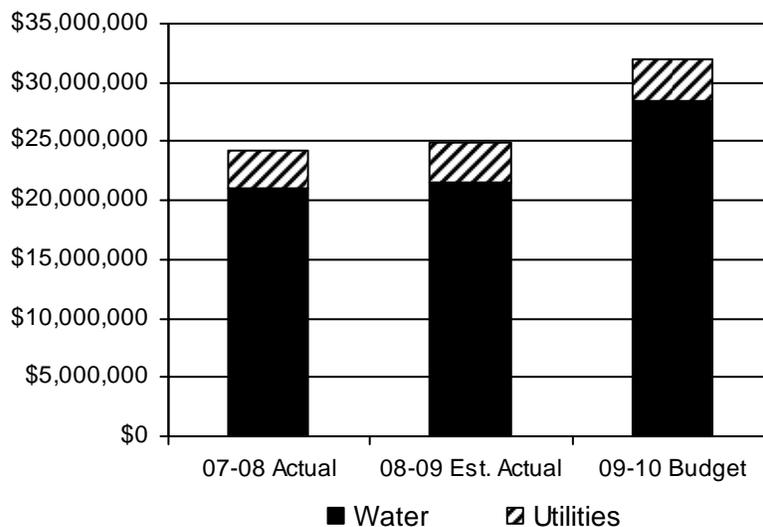
Wholesale rates have not yet been adopted by the San Diego County Water Authority. As such, we have estimated, with the most recent information available, that the water supply charge is estimated to increase 18.4% from \$631 to \$747 per acre foot on September 1, 2009. The Capacity Reservation Charge for 2010 is estimated to decrease 0.6%. The SDCWA is projecting that their Customer Service Charge will increase 9.9% and the emergency Storage Charge is expected to increase 43.4% in calendar year 2010. The latter including costs for the San Vicente Dam expansion. In addition, SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The rate, not firm at this time, is projected to be \$46 in September 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.

Based on our best estimate at this time, electricity will average 12.8¢ per kilowatt hour and natural gas \$1.05 per therm, for an aggregate cost of \$106 per acre foot of water purchased for 2009-10. The aggregate cost for 2008-09 is \$93 per acre foot, an increase of 14%. These rates reflect expected savings of about \$40,000 from our solar energy power purchase agreement.

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, the termination of the IAWP program, and the uncertainties surrounding the SAWR program.

Source of Supply



VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

DEPARTMENT SUMMARY

SOURCE OF SUPPLY

Div. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	24,309,376	25,243,998	24,883,679	31,480,921
TOTAL SOURCE OF SUPPLY		24,309,376	25,243,998	24,883,679	31,480,921

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
		@ 39,500 af	@ 36,292 af	@ 34,365 af	@ 35,235 af
21	Water Supply Charge - MWD & CWA	20,778,768	21,275,813	20,119,700	25,322,513
22	Water Delivery Charge - CWA	2,369,988	2,235,300	2,118,000	2,335,506
23	Agricultural Rebate - MWD	(3,284,169)	(3,248,544)	(2,172,200)	(1,302,606)
24	Agricultural Rebate - CWA	(1,085,461)	(1,424,236)	(1,006,200)	(1,248,580)
25	Ready to Serve Charge	(261,762)	(249,396)	(237,036)	(118,872)
26	Infrastructure Access Charge	294,468	327,431	327,970	357,582
27	Water Delivery Charge - MWD Tier II	19,825	0	0	0
30	Capacity Reservation Charge - MWD	814,001	873,230	840,016	845,778
35	Customer Service Charge - CWA	1,003,284	1,171,200	1,171,236	1,246,300
36	Emergency Storage Charge - CWA	397,844	457,200	457,193	547,300
	Total Water	21,046,786	21,417,998	21,618,679	27,984,921
45	Utilities - Electricity	3,075,282	3,542,100	3,180,000	3,405,000
47	Utilities - Natural Gas	187,308	283,900	85,000	91,000
	Total Utilities	3,262,590	3,826,000	3,265,000	3,496,000
	Total	24,309,376	25,243,998	24,883,679	31,480,921

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification			Department Request
21	Water Supply Charge			25,322,513
		<u>Jul to Aug</u>	<u>Sep to Jun</u>	
	To MWD & CWA -	631.00	747.00	
	Expected purchases in AF	<u>8,681</u>	<u>26,566</u>	
	Expected purchases in \$	5,477,711	19,844,802	
22	Water Delivery Charge			2,335,506
		<u>Jul to Aug</u>	<u>Sep to Jun</u>	
	To MWD & CWA -	64.00	67.00	
	Expected purchases in AF	<u>8,681</u>	<u>26,566</u>	
	Expected purchases in \$	555,584	1,779,922	
23	Agricultural Rebate - MWD			(1,302,606)
		<u>Jul to Dec</u>	<u>Jan to Jun</u>	
	Ag Discount Rate	(114.00)	(86.00)	
	Estimated Ag purchases in AF	<u>7,665</u>	<u>4,986</u>	
		(873,810)	(428,796)	
24	Agricultural Rebate - CWA			(1,248,580)
		<u>Jul to Aug</u>	<u>Sep to Jun</u>	
	Ag Discount Rate	(51.00)	(46.00)	
	Estimated Ag purchases in AF	<u>6,376</u>	<u>20,074</u>	
		(325,176)	(923,404)	
25	Ready to Serve Charge			(118,872)
26	Infrastructure Access Charge			357,582

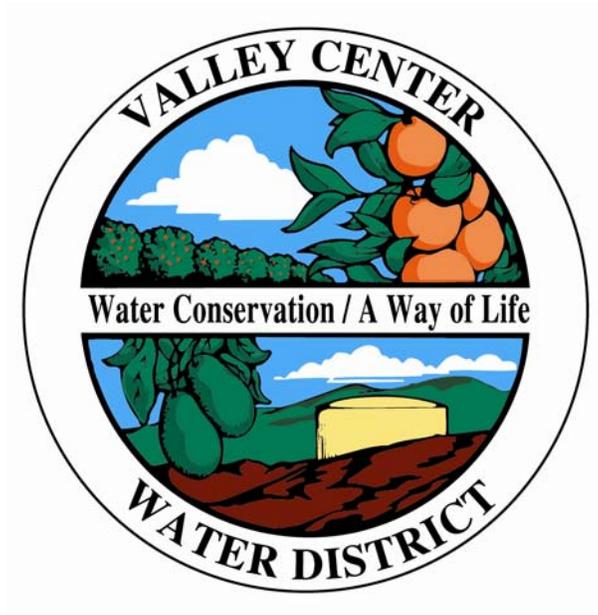
VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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.	845,778									
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.	1,246,300									
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.	547,300									
45	Utilities - Electrical	3,405,000									
47	Utilities - Natural Gas	91,000									
	Utilities are based on sale of 33,130 A.F. and purchase of 35,245 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;">97%</td> <td style="text-align: right;">3,405,000</td> </tr> <tr> <td>Natural Gas</td> <td>3%</td> <td style="text-align: right;"><u>91,000</u></td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;"><u><u>3,496,000</u></u></td> </tr> </table>	Electric	97%	3,405,000	Natural Gas	3%	<u>91,000</u>	Total		<u><u>3,496,000</u></u>	
Electric	97%	3,405,000									
Natural Gas	3%	<u>91,000</u>									
Total		<u><u>3,496,000</u></u>									





CAPITAL OUTLAY

FUNCTION OVERVIEW

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

A complete schedule of projects under construction, proposed, and completed is presented on page 9-3 and 9-3A.

ACCOMPLISHMENTS FOR 2008-2009**Strategic Plan Implementation:**

- **Full Development of GIS:** (Goal 5a) Continued to upgrade the GIS with additional data, features, added tasks, and converted data layers to City Works compatible format.
- **SCADA System:** (Goal 5b) Successfully completed the Phase 1 & 2 improvements (approximately 14 sites) construction contract.

Other Major Projects:

- **Field Operations Projects** – Completed the following projects; Lilac Pump Station, Circle R Pump Station, Paradise Reservoir, the Automatic Meter Reading (AMR) meter replacement project, and various smaller projects.
- **Finance Projects** – The District's website was completely redesigned using dynamic content management software to facilitate updates and breaking news.
- **Engineering Projects** – Among other projects:
 - Completed the SCADA Phase 1 & 2 project with a combined value of approximately \$1,260,000.
 - Completed the Cole Grade Road Pipeline Replacement project with a combined value of approximately \$172,000.
 - Refined the phasing design for the Rodriguez Road Pipeline Replacement project to allow coordination with the private development plans along the alignment.
 - Substantially completed the Valley Center Road Pipeline Replacement project at an approximate value of \$4,500,000. Remaining items to complete include, minor punch list items and as-built drawings.

CHALLENGES FOR 2009-2010

- Complete and obtain final acceptance of 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 2009-2010

Strategic Plan Implementation:

- **Full Development of GIS:** (Goal 5a) Continue to assist staff in all departments with development and maintenance of database information and integration with GIS.
- **SCADA System:** (Goal 5b) Complete the next phase of construction extending the wireless network backbone to establish SCADA system coverage to key facility sites.

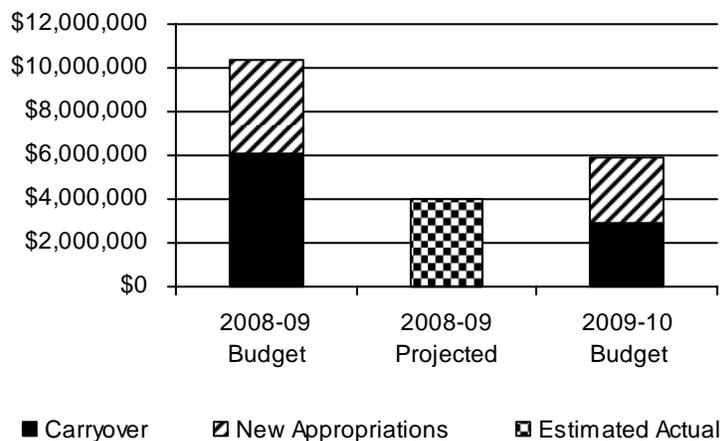
Other Major Projects:

- **Pump Station Reconstruction** – Complete the design and construction of the Pfau Pump Station upgrades.
- **Reservoirs** – Complete property acquisition for an additional reservoir site within the Reidy Canyon service zone to meet peak day demand storage requirements and replace the Country Club Reservoir cover and liner.
- **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 as identified in the SCADA Master Plan. Plan and design for the expansion of existing facilities in an economic and efficient manner while minimizing impacts to customer service. Work with the County on future road projects that are expected, including Cole Grade Road, Valley Center Road East, and possibly a 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 possibly a new connection in the Reidy Canyon area (VC-2).

Capital Outlay



VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2009-2010

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2009						2010						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Pipelines & PRV's															
Participation & Unspecified Replacement Projects	02	As Required													
VC-1 A/B Relocation	17													Deferred	
Lilac Reservoir Feeder Replacement	19													Deferred	
Lilac PS to McNally Res. Pipeline Replacement	20													Deferred	
Gordon Hill Road Pipeline	22													Deferred	
Valley Center Road Main	33		Construction												
New Valve Installations and Appurtenances	06		Planning		Design			Construction							
Pump Stations															
Portable Power and Transfer Switching	05	Planning	Design			Construction									
Pump & Motor Replacements	16	Planning	Design				Construction								
Electric Pump Starter Replacements	25		Construction												
Pfau Pump Station Upgrade	04		Construction												
Emergency Stationary Generators	32	Planning	Design			Construction									
Catalytic Elements	36	Planning	Design			Construction									
Reservoirs															
Reservoir Coating - Interior & Exterior	34	Planning	Design		Construction										
Reidy Canyon Area Reservoir	38		Planning			Purchase									
Country Club Reservoir Upgrade	90	Planning	Design			Bid		Construction							
Paradise #2 Roof Replacement	76	Construction													
Data Management Systems															
Service Order Software	47	Design	Construction												
SCADA System Improvements and Security	71	Planning	Design		Construction										
GIS Phase II Implementation	89		Construction												
Enterprise Computer Programming Improvements	96		Construction												
Server Virtualization, Storage Area Network, Disaster Recovery	24	Design	Construction												
DM Integration with GIS	27		Construction												
Customer On-Line Access	37		Construction												
Facilities															
Administration Facility Improvements	60	Planning	Design		Construction										
IT Server Room Relocation	31		Design			Construction									
Solar Power Carport	03	Design	Construction												
Equipment															
Diesel Particulate Filters	01		Construction												
Radio Repeaters	95		Construction												
Replacement Trucks	15	Planning	Design			Construction									

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2008-09	Estimated Actual Expenditures 2008-09	Budget Carried Forward to 2009-10	New Appropriation 2009-10	Total Approved Budget 2009-10
Pipelines & PRV's							
Participation, Upsizing, & Unspecified Repl Projects	02		3,472,750	78,207	450,000		450,000
Cole Grade Road Pipeline Replacement	09		204,149	204,149	0		0
VC-1 A/B Relocation	17		16,706		16,706		16,706
Lilac Reservoir Feeder Line Replacement	19		85,428		10,000		10,000
Lilac PS to McNally Res. Pipeline Replacement	20		88,550		10,000		10,000
Kornblum Loop	21		9,163	9,163	0		0
Gordon Hill Road Pipeline	22		17,340	12,340	5,000		5,000
Lilac PS to Oak Glen Res. Pipeline Replacement	23		146		0		0
Nelson Way Pipeline Replacement	28		108		0		0
Valley Center Road Main	33		1,429,857	1,329,857	100,000		100,000
Rodriguez Rd PL Replacement	48		371,070	31,070	0		0
Lilac Road Pipeline Replacement	49		5,598	5,598	0		0
New Valve Installations and Appurtenances	06	9-5				30,000	30,000
Pump Stations							
Portable Power and Transfer Switching	05	9-6	35,362		35,362	80,000	115,362
Pump & Motor Replacements	16	9-7	69,447	17,384	52,063	120,500	172,563
Electric Pump Starter Replacements	25		163,850	153,321	10,529		10,529
Gas Engine Heat Exchangers	26		33,991	33,991	0		0
Couser Pump Station	72		4,817	4,817	0		0
Lilac Pump Station Upgrades	82		129,193	129,193	0		0
Replacement Emergency Portable Pump	46		66,000	66,000	0		0
PFAU Pump Station Upgrade	04		220,000	20,000	200,000		200,000
Emergency Stationary Generators	32	9-8				221,000	221,000
Catalytic Elements	36	9-9				30,000	30,000
Reservoirs							
Lake Turner Gauging Station	07		10,902	10,902	0		0
Lake Turner Solar Power Project	13		38,083	38,083	0		0
Reservoir Coating - Interior & Exterior	34	9-10	39,982		39,982	180,000	219,982
Reidy Canyon Area Reservoir	38		898,177		898,177		898,177
Meadows Reservoir #2	51		34,313	34,313	0		0
Country Club Reservoir Upgrade	90	9-11	194,988	24,988	170,000	1,768,750	1,938,750
Lake Turner Mixing System	50		56,260	56,260	0		0
Paradise #2 Roof Replacement	76		550,000	425,000	125,000		125,000
Data Management Systems							
Geographical Information System	39		7,786	7,786	0		0
AMR Program - Phase II & III	40		248,533	248,533	0		0
Service Order Software	47		293,407		293,407		293,407
Accounting System Upgrade	55		100,000		0		0
Information Technology System Upgrades	58		2,058	2,058	0		0
SCADA System Improvements & Security	71	9-12	780,339	764,534	15,805	400,000	415,805
GIS Phase II Implementation	89		43,527	3,527	40,000		40,000
Enterprise Computer Programming Improvements	96		53,650		53,650		53,650
Content Management Software	98		5,237	5,237	0		0
Server Virtualization, Storage, Disaster Recovery	24		166,126	42,537	123,589		123,589
Document Management Integration with GIS	27		26,000	5,238	20,762		20,762
Customer On-Line Access	37		40,000		40,000		40,000
Color Printer Replacement	44		6,000	6,000	0		0
Facilities							
Security Upgrades Phase One	42		815	815	0		0
Administration Facility Improvements	60	9-13	83,314	52,925	30,389	28,000	58,389
Security Updates Phase II	92		42,311	42,311	0		0
Two 5,000 Gallon Fuel Tanks	83		50,000	50,000	0		0
Emergency 2,500 AMP Circuit Breaker	84		14,872	14,872	0		0
IT Server Room Relocation	31		90,000		90,000		90,000
Solar Power Carport	03		15,000	2,015	12,985		12,985

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2008-09	Estimated Actual Expenditures 2008-09	Budget Carried Forward to 2009-10	New Appropriation 2009-10	Total Approved Budget 2009-10
Equipment							
Diesel Particulate Filters	01		49,000	27,129	21,871		21,871
Finance - New Employee Equipment	68		749	761	0		0
Radio Repeaters	95		19,316	4,455	14,861		14,861
Replacement Vehicles	15	9-14				142,000	142,000
Total Capital Projects			10,384,270	3,965,369	2,880,138	3,000,250	5,880,388

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2009-2010. All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

Projected Capital Expenditures by Year

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2009-10	New Appropriation 2009-10	Total Approved Budget 2009-10	Estimated Actual Expenditures 2009-10	Estimated Actual Expenditures 2010-11	Estimated Project Balance after 2 years
Pipelines & PRV's								
Participation, Upsizing, & Unspecified Repl Project	02		450,000		450,000	450,000		
Cole Grade Road Pipeline Replacement	09		0		0			
VC-1 A/B Relocation	17		16,706		16,706		16,706	
Lilac Reservoir Feeder Line Replacement	19		10,000		10,000		10,000	
Lilac PS to McNally Res. Pipeline Replacement	20		10,000		10,000		10,000	
Kornblum Loop	21		0		0			
Gordon Hill Road Pipeline	22		5,000		5,000		5,000	
Lilac PS to Oak Glen Res. Pipeline Replacement	23		0		0			
Nelson Way Pipeline Replacement	28		0		0			
Valley Center Road Main	33		100,000		100,000	100,000		
Rodriguez Rd PL Replacement	48		0		0			
Lilac Road Pipeline Replacement	49		0		0			
New Valve Installations and Appurtenances	06	9-5		30,000	30,000	30,000		
Pump Stations								
Portable Power and Transfer Switching	05	9-6	35,362	80,000	115,362	115,362		
Pump & Motor Replacements	16	9-7	52,063	120,500	172,563	57,520	57,520	57,522
Electric Pump Starter Replacements	25		10,529		10,529	10,529		
Gas Engine Heat Exchangers	26		0		0			
Couser Pump Station	72		0		0			
Lilac Pump Station Upgrades	82		0		0			
Replacement Emergency Portable Pump	46		0		0			
PFAU Pump Station Upgrade	04		200,000		200,000	200,000		
Emergency Stationary Generators	32	9-8		221,000	221,000	221,000		
Catalytic Elements	36	9-9		30,000	30,000	30,000		
Reservoirs								
Lake Turner Gauging Station	07		0		0			
Lake Turner Solar Power Project	13		0		0			
Reservoir Coating - Interior & Exterior	34	9-10	39,982	180,000	219,982	219,982		
Reidy Canyon Area Reservoir	38		898,177		898,177	898,177		3,400,000
Meadows Reservoir #2	51		0		0			
Country Club Reservoir Upgrade	90	9-11	170,000	1,768,750	1,938,750	1,500,000	438,750	
Lake Turner Mixing System	50		0		0			
Paradise #2 Roof Replacement	76		125,000		125,000	125,000		
Data Management Systems								
Geographical Information System	39		0		0			
AMR Program - Phase II & III	40		0		0			
Service Order Software	47		293,407		293,407	175,000	118,407	
Accounting System Upgrade	55		0		0			
Information Technology System Upgrades	58		0		0			
SCADA System Improvements & Security	71	9-12	15,805	400,000	415,805	207,903	207,903	2,182,477
GIS Phase II Implementation	89		40,000		40,000	40,000		
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		123,589		123,589	123,589		
Document Management Integration with GIS	27		20,762		20,762	20,762		
Customer On-Line Access	37		40,000		40,000	40,000		
Color Printer Replacement	44		0		0			
Facilities								
Security Upgrades Phase One	42		0		0			
Administration Facility Improvements	60	9-13	30,389	28,000	58,389	58,389		
Security Updates Phase II	92		0		0			
Two 5,000 Gallon Fuel Tanks	83		0		0			
Emergency 2,500 AMP Circuit Breaker	84		0		0			
IT Server Room Relocation	31		90,000		90,000	90,000		
Solar Power Carport	03		12,985		12,985	12,985		

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

Projected Capital Expenditures by Year

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2009-10	New Appropriation 2009-10	Total Approved Budget 2009-10	Estimated Actual Expenditures 2009-10	Estimated Actual Expenditures 2010-11	Estimated Project Balance after 2 years
Equipment								
Diesel Particulate Filters	01		21,871		21,871	21871		
Finance - New Employee Equipment	68		0		0			
Radio Repeaters	95		14,861		14,861	14861		
Replacement Vehicles	15	9-14		142,000	142,000	142000		
Total Capital Projects			2,880,138	3,000,250	5,880,388	4,931,755	891,111	5,639,999

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2009-2010.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

Capital Projects



District Offices and Yard

- 03 - Solar Power Carport
- 24 - Server Virtualization, Storage, Disaster Recovery
- 27 - DM Integration with GIS
- 31 - IT Server Room Relocation
- 37 - Customer On-Line Access
- 47 - Service Order Software
- 60 - Administration Facility Improvements
- 71 - SCADA System Improvements & Security
- 89 - Geographical Information System Phase II
- 96 - Enterprise Computer Programming Improvements

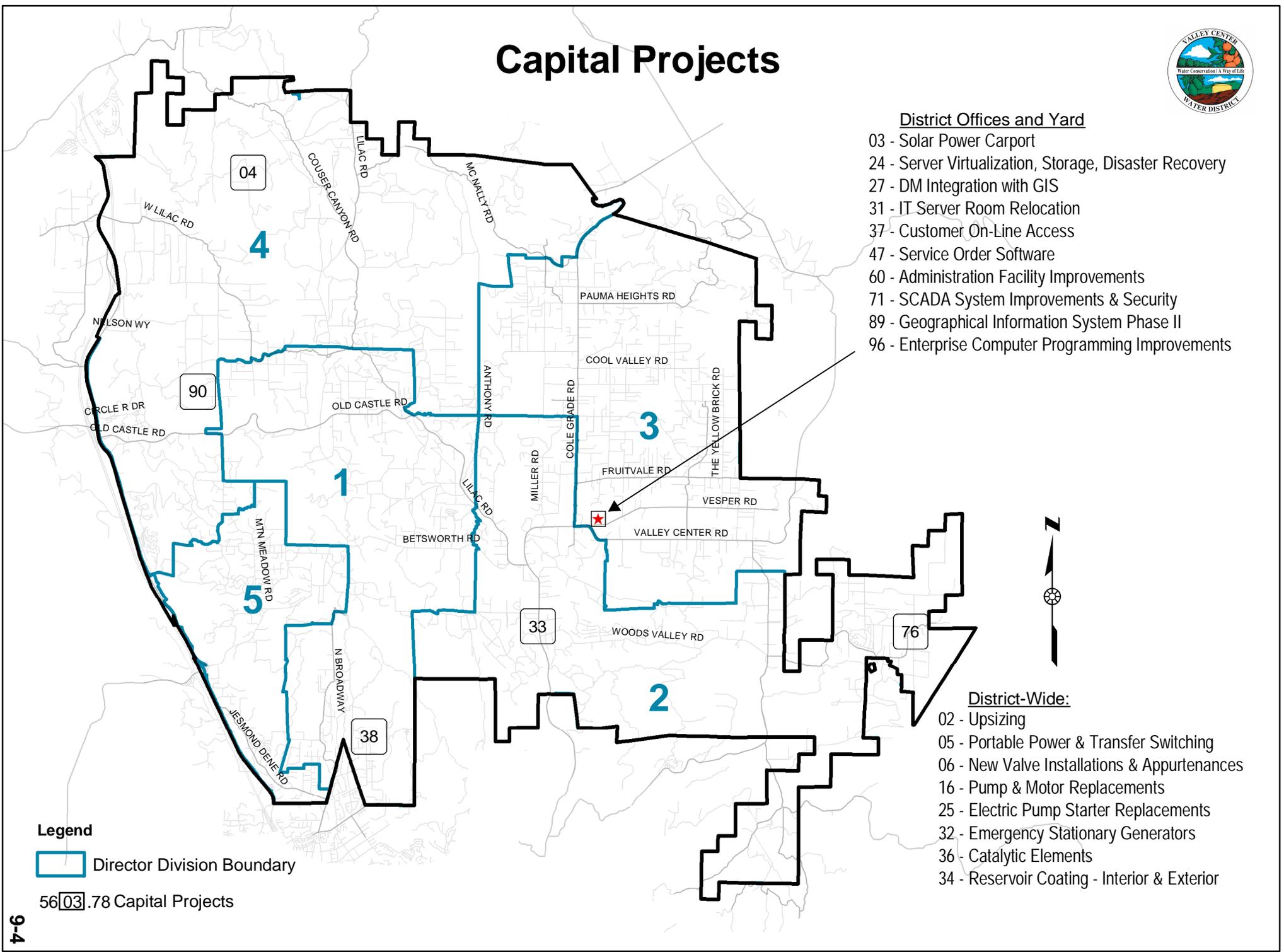
District-Wide:

- 02 - Upsizing
- 05 - Portable Power & Transfer Switching
- 06 - New Valve Installations & Appurtenances
- 16 - Pump & Motor Replacements
- 25 - Electric Pump Starter Replacements
- 32 - Emergency Stationary Generators
- 36 - Catalytic Elements
- 34 - Reservoir Coating - Interior & Exterior

Legend

Director Division Boundary

56 03 .78 Capital Projects



**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5606.78
DEPARTMENT:	Field

PROJECT NAME:

New Valve Installations And Appurtenances

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

PROJECT DESCRIPTION:

Installation of new mainline valves and appurtenances throughout the District's service area. Breakdown and locations are listed below.

- Old Castle Road and Cedar Trails – 12 inch valve
- Manzanita Crest (2) – 16 and 6 inch valves
- Oat Hill Pump Station – 24 inch valve
- West Lilac Road and La Bah – 10 inch valve
- Cobb Lane – 16 inch valve
- Spearhead Trail – 12 inch valve
- Various appurtenances – air/vac and blow-offs

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installation and Appurtenances				\$30,000	\$30,000		\$30,000	\$30,000
Total Project	\$0	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5605.78
DEPARTMENT:	Field

Portable Power And Transfer Switching

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

PROJECT DESCRIPTION:

Provide emergency electrical transfer switching to allow the use of portable generators at Lilac and Miller Pump Stations in the event of utility electrical power service interruption.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Transfer Switching	\$35,362		\$35,362	\$80,000	\$115,362		\$115,362	\$115,362
Total Project	\$35,362	\$0	\$35,362	\$80,000	\$115,362	\$0	\$115,362	\$115,362

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5616.78
DEPARTMENT:	Field

Pump And Motor Replacements

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	
	Existing Service	Priority		<u>Standard</u>	<u>Goal</u>
				5	6a

PROJECT DESCRIPTION:

Pump system replacements help meet the District's pumping efficiencies goal to reduce power consumption. Additional funds are requested due to the replacement of a complete pump station at Jesmond Dene Pump Station. This will include replacement of the suction and discharge piping, new electrical control system, two new vertical turbine pump and motor combinations, underground electrical from the utility, six foot block wall surround with gates, and landscaping to complement the neighborhood.

Pump installation will be completed by in-house staff.

The pumps scheduled for replacement are: Jesmond Dene 1 and 2, West 1 and 2, and Rincon 1 and 2.

An additional allocation of funds is 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 and/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 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Jesmond Dene				\$52,000	\$52,000		\$52,000	\$52,000
West	34,723	8,692	26,031	28,000	54,031		54,031	62,723
Rincon	34,724	8,692	26,032	15,500	41,532		41,532	50,224
Miscellaneous Replacements				25,000	25,000		25,000	25,000
Total Project	\$69,447	\$17,384	\$52,063	\$120,500	\$172,563	\$0	\$172,563	\$189,947

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5632.78
DEPARTMENT:	Field

Emergency Stationary Generators

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

PROJECT DESCRIPTION:

Install stationary automatic emergency generators at smaller stand alone pump stations where lack of storage would create a no water situation very quickly in the event of loss of utility electric power. Systems will be installed by in-house staff.

The facilities involved are Circle R, Red Mountain, and Couser Pump Stations.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Circle R				\$49,000	\$49,000		\$49,000	\$49,000
Red Mountain				76,000	76,000		76,000	76,000
Couser				76,000	76,000		76,000	76,000
In-house Installation				20,000	20,000		20,000	20,000
Total Project	\$0	\$0	\$0	\$221,000	\$221,000	\$0	\$221,000	\$221,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5636.78
DEPARTMENT:	Field

Replacement Catalytic Elements (4)

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

PROJECT DESCRIPTION:

The San Diego Air Pollution Control District requires replacement of the catalytic elements in the natural gas engines air pollution control systems to maintain compliance with current air quality standards.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Catalytic Elements				\$30,000	\$30,000		\$30,000	\$30,000
Total Project	\$0	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5634.78
DEPARTMENT:	Field

PROJECT NAME:

Reservoir Coating - Interior & Exterior

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	<u>Goal</u>
	Existing Service	Priority		Standard	3

PROJECT DESCRIPTION:

Recoat the interior and exterior of three steel reservoirs that have failing interior coal tar enamel coatings. The three reservoirs are:

1. Oathill Reservoir, with a capacity of 450,000 gallons, was constructed in 1973.
2. West Reservoir #1, with a capacity of 1,000,000 gallons, was constructed in 1963.
3. West Reservoir #2, with a capacity of 2,000,000 gallons, was constructed in 1984.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Recoating	\$39,982		\$39,982	\$180,000	\$219,982		\$219,982	\$219,982
Total Project	\$39,982	\$0	\$39,982	\$180,000	\$219,982	\$0	\$219,982	\$219,982

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5690.78
DEPARTMENT:	Engineering

Country Club Reservoir Upgrades

New Item	Type Replacement	Master Plan	Project ID	Strategic Plan	
		Priority A		Standard 7,8	Goal 3

PROJECT DESCRIPTION:

Country Club Reservoir is a 10 million gallon reservoir with a structural cover and asphaltic liner that was originally constructed in 1975. The cover is deteriorating to the point where structural integrity and water quality could be compromised. The underdrain system is indicating minor leakage from the liner. The scope of this project is to replace the existing structural cover and liner with a floating cover and hypalon type liner along with other minor improvements to the inlet/outlet structure.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff Preliminary	\$25,000	\$14,778	\$10,222	\$110,000	\$120,222		\$120,222	\$135,000
Design Report	47,597	47,597	0	0	0		0	47,597
Engineering	75,000	13,875	61,125	0	61,125		61,125	75,000
Construction	0	0	0	1,485,000	1,485,000		1,485,000	1,485,000
Contingency	98,653	0	98,653	173,750	272,403		272,403	272,403
Total Project	\$246,250	\$76,250	\$170,000	\$1,768,750	\$1,938,750	\$0	\$1,938,750	\$2,015,000

PROJECT NAME:

ACCOUNT NO.:	01-5671.78
DEPARTMENT:	Engineering

SCADA System Improvements/Security

	<u>Type</u>	<u>Master Plan Priority</u>	<u>Project ID</u>	<u>Strategic Plan Standard</u>	<u>Goal</u>
Continuing Project	Existing Service	A	AA01-04	2,5,7	3,5b

PROJECT DESCRIPTION:

Phase 1 and 2 completed the following:

- Established Master Plan Design requirements and specifications for the integration of facilities into the SCADA system.
- Base backbone communication system.
- Control Center was upgraded and a computerized operator interface with the system was installed.
- 14 major sites consisting of 6 pump stations, 8 reservoirs, and 2 aqueduct connections, were upgraded and integrated into the SCADA system.

The next phase of work (Phase 3) will focus on four areas:

- Acquisition of available data not already in the system.
- Integration of sites being upgraded.
- Improving network communication paths and system redundancy as the system expands.
- Utilization of the data.

Data Acquisition

For the water system, all available data is being collected at central either through the SCADA Network or the telemetry phone lines, with the exception of flow rates at aqueduct connections VC1a/1b, 2, 3, and 7. In Phase 3, radio communication would be established at VC1, 2, and 3 and an insertion meter installed at the Gopher Canyon Chlorination Station. This would require new radio installations at Reid Hill Reservoir and Hubbard Hill in Escondido.

Wastewater operation data will be made available secure internet connection to a terminal at each plant site.

Integration of data currently available at the Islands Lift Station would be accessed through radio installations at MJM and Reid Hill reservoirs.

Integration of Upgraded Sites

Sites being upgrade (as separate capital projects in this budget) include: Pfau Pump Station, Woods Valley Ranch, Lower Moosa Canyon Water Reclamation Facility, and Jesmond Dene Pump Station. Radio installations are needed at Gopher Canyon Chlorination Station, Hubbard Hill in Escondido, and McNally to complete these integrations.

Communication Paths and Redundancy

Work in this area will include upgrading radio network paths as the system expands, re-utilizing replaced radios in other areas in other portions of the network, and adding equipment to eliminate any single point sources of failure.

Utilization of Data

Work in this area will consist of reviewing operation data and modifying Programmable Logic Controller (PLC) programming and writing Wonderware control scripts to more efficiently control the pump facilities.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	\$597,290	\$597,290	\$0	\$145,000	\$145,000	\$375,000	\$520,000	\$1,117,290
Planning	57,500	57,500	0			\$55,000	\$55,000	\$112,500
Design	1,513,566	1,513,566	0				\$0	\$1,513,566
Operations								
Improvements	176,635	176,635	0				\$0	\$176,635
Construction	1,126,432	1,126,432	0	150,000	150,000	1,200,000	1,350,000	2,476,432
System								
Integration	65,000	65,000	0	25,000	25,000	250,000	275,000	340,000
Tech Support	132,214	132,214	0		0	23,500	23,500	155,714
Miscellaneous	120,478	120,478	0		0	5,000	5,000	125,478
Contingency	28,408	12,603	15,805	80,000	95,805	\$273,977	369,782	382,385
Total Project	\$3,817,523	\$3,801,718	\$15,805	\$400,000	\$415,805	\$2,182,477	\$2,598,282	\$6,400,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5660.78
DEPARTMENT:	Field

PROJECT NAME:

Administration Facility Improvements

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

PROJECT DESCRIPTION:

Construct a Pressure Reducing and Altitude valve workshop in the old Cla-valve building and expand the employee's locker room to include operation personnel.

Construct water, wastewater, power, and communication utilities in the lower yard area to facilitate the District's Business Continuity Plan.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Improvements	\$83,314	\$52,925	\$30,389	\$28,000	\$58,389		\$58,389	\$111,314
Total Project	\$83,314	\$52,925	\$30,389	\$28,000	\$58,389	\$0	\$58,389	\$111,314

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5615.78
DEPARTMENT:	Field

Replacement Vehicles

Replacement	Type	Master Plan		Project ID	Strategic Plan	
		Priority			Standard	Goal

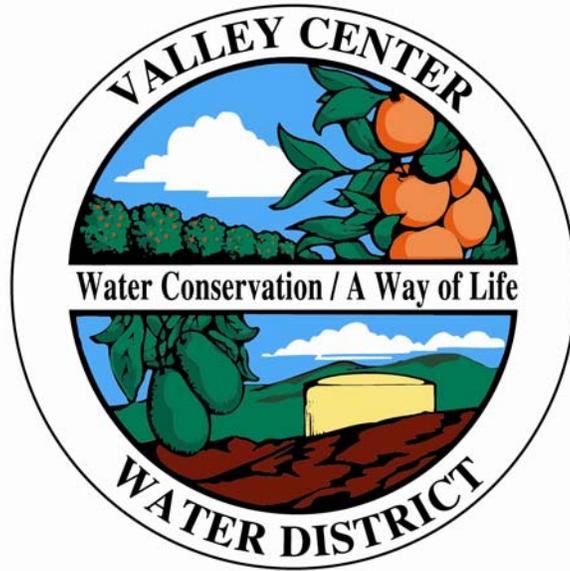
PROJECT DESCRIPTION:

- 1.) Mid-size 4-wheel drive extra-cab pick-up with tool box, light bar, two-way radio, and accessories. This vehicle will replace vehicle #2, a 1999 Ford ¾-ton, 4-wheel drive pick-up with approximately 110,000 miles.
- 2.) Mid-size 4-wheel drive extra-cab pick-up with tool box, light bar, two-way radio, and accessories. This vehicle will replace vehicle #32, a 2003 Chevrolet ½-ton, 4-wheel drive pick-up with approximately 120,000 miles.
- 3.) Full-size 1 ½ - ton, diesel fueled, 4-wheel drive service truck with utility body, light bar, winch, two-way radio, and accessories. This vehicle will replace vehicle #5, a 1999 Ford 1-ton, 4-wheel drive service truck with approximately 85,000 miles.

This vehicle is used extensively in the Construction and Maintenance (C&M) Division to perform valve maintenance and mainline repairs. The use of truck #5 is limited C&M division due to the truck's low gross vehicle weight rating. Truck #5 is unable to tow trailers or carry additional cargo to perform daily tasks. The replacement of truck #5 will increase the ability of the C&M division to respond to emergency mainline leaks and perform daily tasks more efficiently.

- 4.) Mid-size vehicle (car/truck/suv). This vehicle will be used by the General Manager and it will replace vehicle #39, a 1996 Chevrolet Astro Van with approximately 46,500 miles. With the creation of the Fleet Maintenance vehicle loaner program the use of the van has decreased. To save future maintenance costs and repairs we are selling #39 as a surplus vehicle.

Project Budget	Prior Budget	Prior	Estimated Budget Remaining	Proposed Budget Allocation	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense		2009-10				
Vehicle 1				\$26,500	\$26,500		\$26,500	\$26,500
Vehicle 2				26,500	26,500		26,500	26,500
Vehicle 3				59,000	59,000		59,000	59,000
Vehicle 4				30,000	30,000		30,000	30,000
Total Project	\$0	\$0	\$0	\$142,000	\$142,000	\$0	\$142,000	\$142,000



LOWER MOOSA

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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 2008-2009

Wastewater Collection System: Continued inspection, cleaning, and repair of the collection system wastewater mains. Projects for the replacement of the deteriorating main crossing Lower Moosa Creek within the Castle Creek Golf Course and the replacement and upgrade of the vulnerable high line descending down the steep slopes out of the Hidden Meadows area were initiated.

Treatment Plant: Completed the conversion of the aeration basins to high efficiency fine bubble diffusers, reducing blower horsepower requirements and added anoxic zones to improve nitrogen removal per discharge permit requirements. Improvements were also made to the digester to improve aeration and reduction of solids and a permanent hoist added to aid in the maintenance of the submersible aerator. The facility SCADA system was updated and landscaping streamlined to reduce water consumption.

Meadows Lift Station Refurbishment: Upgraded alarm system for better reliability, improved aesthetics at facility by refurbishing fence and rebuilt dilapidated pump stands and supports.

Highlands Lift Station: Streamlined landscaping to reduce water consumption at facility.

Laboratory: Acquired equipment and training towards State Certification of laboratory.

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

Fats, Oils, and Grease (FOG) Program: Continued implementation and enforcement the FOG program at local commercial properties.

New Wastewater Connections: Developer projects in the High Vista area were under construction and anticipated to be completed by the end of the fiscal year.

Other Projects:

- Completed video inspection of the entire gravity collection system in the Hidden Meadows area, to meet new State requirements.
- Performed multiple repairs within the collection system, to improve system reliability.
- Improved STEP system efficiency and reliability.
- Completed new vehicle fueling station at the Moosa facility.

CHALLENGES AND GOALS FOR 2009-2010

- Improve process control and monitoring for maximum plant efficiency.
- Expand production and improve quality of sludge processing facilities.
- Explore tertiary level treatment and water reuse possibilities.

- Complete State Certification for laboratory to begin in house analysis of water and wastewater samples for significant cost savings.
- Reduce energy consumption with equipment improvements and process control.
- Repair and upgrade 39 STEP sewer pump systems and STEP odor control station.
- Continue collection system evaluations and work through documented repair list.
- 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.

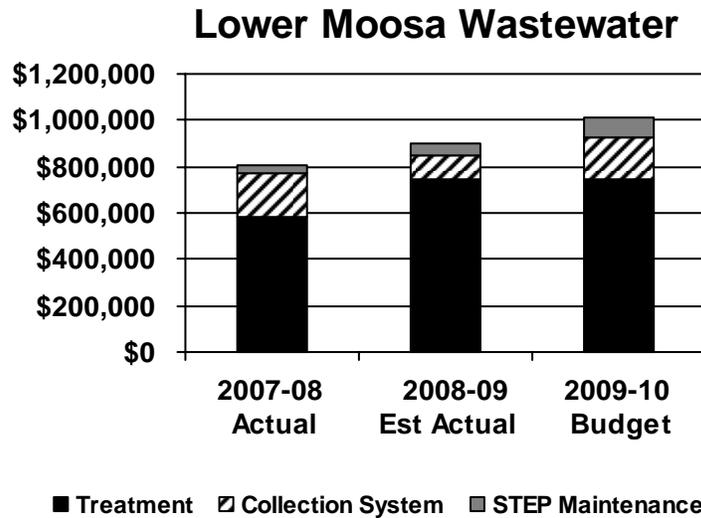
LONG-TERM GOALS

Plan for future upgrades to meet increasing demands 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 WATER DISTRICT

**BUDGET
2009-2010**

**Lower Moosa
Full-Time Equivalents**

	13-5326.	13-5327.	13-5329.	Total
Administrative Assistant I	0.02			0.02
Construction Maintenance Supervisor	0.01	0.01		0.02
Construction Maintenance Tech I	0.01	0.02		0.03
Construction Maintenance Tech II	0.04	0.07		0.11
Construction Maintenance Tech III	0.01	0.02		0.03
Director of Operations/Facilities	0.08			0.08
Fleet Mechanic II	0.01			0.01
Fleet Mechanic III	0.01	0.01		0.02
Pump Facilities Tech II	0.05			0.05
Pump Facilities Tech III			0.05	0.05
Safety & Reg Compliance Asst.	0.02			0.02
Sr Administrative Assistant	0.02			0.02
Sr Pump Facilities Tech	0.07		0.03	0.10
Sr. Construction Maintenance Tech	0.02	0.03		0.05
Sr. Electrician	0.10			0.10
Wastewater Systems Supr	0.50	0.20	0.10	0.80
Wastewater Systems Tech II	1.63	0.55	0.30	2.48
Water Systems Tech III	0.50	0.20	0.10	0.80
Total Full-Time Equivalents	3.10	1.11	0.58	4.79

VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

MOOSA WASTEWATER TREATMENT FUND
RECAP OF BUDGET AND
SOURCE OF FINANCING

BUDGET REQUIREMENT

Operating/Treatment	745,843
Collection System/West	176,418
STEP Maintenance	90,300
Capital Projects	150,000
Operating Reserves	215
Increase in Capital Replacement Fund	<u>173,158</u>
	<u><u>1,335,934</u></u>

SOURCE OF FINANCING

Revenue	1,335,934
	<u>1,335,934</u>
	<u><u>1,335,934</u></u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**MOOSA WASTEWATER TREATMENT FUND
ANALYSIS OF CASH POSITION
JULY 1, 2008, TO JUNE 30, 2010**

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2008	0	(22,392)	1,866,013	283,188	2,126,809
ADD: Revenue 2008-2009					
Wastewater Service Charges	289,262			882,753	1,172,015
Wastewater Lateral & Inspection Fees				8,300	8,300
Interest	2,500			32,431	34,931
Wastewater STEP Charges				30,200	30,200
Wastewater STEP Repair Charges				0	0
Capacity Charges		0			0
LESS: Estimated Expenditures 2008-2009	0	0	(1,567,093)	(902,295)	(2,469,388)
Transfers	(200,500)		200,500	0	0
Net Change	91,262	0	(1,366,593)	51,389	(1,223,942)
ESTIMATED BALANCE JUNE 30, 2009	91,262	(22,392)	499,420	334,577	902,867
ADD: Revenue 2009-2010					
Wastewater Service Charges	319,358			974,042	1,293,400
Interest	3,800			2,134	5,934
Wastewater STEP Charges				36,600	36,600
Capacity Charges		0			0
LESS: Proposed Expenditures 2009-2010	0		(150,000)	(1,012,561)	(1,162,561)
Expenditures of Continuing Projects			(499,420)		(499,420)
Transfers	(150,000)		150,000	0	0
Net Change	173,158	0	(499,420)	215	(326,047)
ESTIMATED BALANCE JUNE 30, 2010	264,420	(22,392)	0	334,792	576,820

GENERAL INFORMATION:

Average Wastewater Connections:

Monthly Rates:

Effective July 1

Effective September 1

2007-2008	2008-2009		2009-2010
Actual	Budget	Estimated Actual	Budget
2,391	2,440	2,445	2,459
38.50	40.00	40.50	40.50
40.50	41.50	40.50	44.50

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**REVENUE ESTIMATE
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	1,150,711	1,185,800	1,171,515	1,293,400
4110.02	Wastewater Capacity Reservation Fee	0	0	500	0
4110.05	Wastewater Inspection Fee	150	0	300	0
4110.06	STEP Wastewater Inspection Fee	800	0	8,000	0
4410.00	Interest - Operating & Replace. Res.	84,418	5,034	34,927	5,934
4429.00	Wastewater STEP Charges	28,258	33,400	30,200	36,600
4429.01	Wastewater STEP Repair Charges	0	0	0	0
4440.00	Other	16,375	0	0	0
4810.00	Capacity Charges	60,825	0	0	0
	Total	1,341,537	1,224,234	1,245,442	1,335,934

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**DEPARTMENT SUMMARY
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Description	2007-2008	2008-2009		2009-2010
	Actual	Budget	Estimated Actual	Budget
Treatment	584,076	786,207	742,307	745,843
Collection System/West	185,920	175,288	110,488	176,418
STEP Maintenance	34,969	32,350	49,500	90,300
Capital Projects	292,004	200,500	1,567,093	150,000
TOTAL MOOSA TREATMENT	1,096,969	1,194,345	2,469,388	1,162,561

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	227,201	361,100	358,700	330,100
03	Overtime	18,350	17,000	15,000	15,000
23	Chemicals	14,184	15,500	9,500	12,000
25	Outside Professional Services	52,438	78,700	31,500	60,800
30	Special Department Expenses	5,098	6,500	4,500	5,000
32	Telephone	4,433	4,200	3,600	4,200
38	Regulatory Permits & Fees	7,349	8,950	15,500	15,500
40	Rents & Leases	0	500	700	500
41	Hazardous Waste Disposal Costs	0	300	300	300
42	Insurance	9,731	12,044	12,044	13,214
45	Electricity	82,176	95,000	90,000	95,000
48	Diesel	0	300	300	300
49	Water	3,442	4,000	2,800	3,000
51	Maintenance of Vehicles	13,646	18,000	13,000	15,000
52	Maintenance of Facilities	28,645	28,950	48,200	45,000
82	Administrative Overhead	116,699	135,163	135,163	128,929
87	Bad Debt Expense	684	0	1,500	2,000
	Total	584,076	786,207	742,307	745,843

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 3.10	330,100
03	Overtime	15,000
23	Chemicals Polymer 8,000 Sodium Hypochlorite 3,500 Sodium Hydroxide 500	12,000
25	Outside Professional Services Pumper Trucks - for Grit Removal 6,000 Lab Analysis 25,000 Sludge Removal 15,000 SCADA System Maintenance 2,000 Muffin Monster Service 8,000 Oder Scrubber Maintenance 2,000 Mowing of Spray Fields 2,000 Flow Meter Calibration and Repair 500 Lab Equipment Service & Calibration 300	60,800
30	Special Department Expenses Lab Supplies 2,000 Tools 1,000 Equipment 2,000	5,000
32	Telephone Leased Lines and Alarm Monitoring 2,000 T-1 Network Line 2,200	4,200
38	Regulatory Permits & Fees State Water Resources Control Board 13,500 HazMat Permit 1,500 Air Pollution Control District fees 500	15,500
40	Rents & Leases	500

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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	13,214
45	Electricity	95,000
48	Diesel Generator Set and Tractor	300
49	Water	3,000
51	Maintenance of Vehicles	15,000
52	Maintenance of Facilities SCADA Computer Equipment Maintenance 4,000 Building and Grounds Maintenance Equipment 3,000 Electrical Equipment 5,000 Electric Motor Maintenance 8,000 Filter Replacement 4,000 Tractor Maintenance 2,000 Hardware 4,000 Pipe and Fittings 3,000 Mechanical Plugs 2,000 Building and Yard Maintenance 10,000	45,000
82	Administrative Overhead	128,929
87	Bad Debt Expense	2,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	101,709	114,300	61,800	114,000
03	Overtime	3,266	3,000	1,500	2,000
25	Outside Professional Services	34,273	32,000	18,300	30,000
30	Special Department Expenses	4,878	3,000	1,500	2,000
38	Regulatory Permits and Fees	5,229	6,000	3,000	5,000
40	Rents & Leases	0	250	250	250
42	Insurance	1,081	1,338	1,338	1,468
45	Electricity	4,558	5,000	5,000	5,000
49	Water	1,669	900	1,300	1,200
51	Maintenance of Vehicles	3,512	3,500	3,000	3,500
52	Maintenance of Facilities	25,745	6,000	13,500	12,000
	Total	185,920	175,288	110,488	176,418

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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 1.11	114,000
03	Overtime	2,000
25	Outside Professional Services Sewer Cleaning 23,000 Manhole Sensors 4,500 Pumping 2,500	30,000
30	Special Department Expenses	2,000
38	Regulatory Permits and Fees	5,000
40	Rents & Leases Equipment as Needed 250	250
42	Insurance	1,468
45	Electricity	5,000
49	Water	1,200
51	Maintenance of Vehicles	3,500
52	Maintenance of Facilities Motors Dip and Bake 1,500 Pump Repair 2,000 Replacement Pump 2,500 SCADA 2,000 Air Conditioner Repair 2,000 Valves and Solenoids, Grinder Servicing 2,000	12,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	26,996	19,400	33,700	60,000
03	Overtime	1,912	2,000	3,000	3,000
25	Outside Professional Services	2,090	6,000	3,500	6,000
30	Special Department Expenses	57	300	300	300
51	Maintenance of Vehicles	1,370	650	2,400	2,000
52	Maintenance of Facilities	2,544	4,000	6,600	19,000
	Total	34,969	32,350	49,500	90,300

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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 0.58	60,000
03	Overtime	3,000
25	Outside Professional Services Pumping of Tanks 5,000 Special Repairs 1,000	6,000
30	Special Department Expenses	300
51	Maintenance of Vehicles	2,000
52	Maintenance of Facilities Pump Rebuild Kits 1,500 Replacement Pumps 2,500 Retrofit STEP System Pumps 15,000	19,000

VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2009-2010

Lower Moosa 13
Capital Outlay 56

Description	Acct. No.	Prior	2009						2010						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lower Moosa															
Waste Discharge Report	53		Construction												
Main Sewer Line Ductile Iron Pipe Replacement	77	Bid	Construction												
Transmission Line Replacement	78	Design	Bid	Construction											
Equipment	79		Construction												
Relocate Two 1,000 Gallon Fuel Tanks	18	Construction	Construction												
Welk Skimming Plant	11	Planning	Design			Construction									
Rimrock STEP System Modification	41	Planning	Design			Construction									
Combination Sewer Cleaning Truck	43	Planning	Design			Construction									

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2008-2009	Estimated Actual Expenditures 2008-2009	Budget Carried Forward to 2009-2010	New Appropriation 2009-2010	Total Approved Budget 2009-2010
Aeration System Upgrade	12		1,377,457	1,377,457	0		0
Waste Discharge Report	53		33,631	3,631	30,000		30,000
Master Plan - Sewer Line Replacement	54		23,420	23,420	0		0
Main Sewer Line Ductile Iron Pipe Replacement	77		75,000	25,000	50,000		50,000
Transmission Line Replacement	78		362,626	22,626	340,000		340,000
Lower Moosa - Equipment	79		8,879	4,959	3,920		3,920
Relocate Two 1,000 Gallon Fuel Tanks	18		60,500	60,000	500		500
Welk Skimming Plant	11		125,000	50,000	75,000		75,000
Rimrock STEP System Modification		10-11				75,000	75,000
Combination Sewer Cleaning Truck (1/2)		10-12				75,000	75,000
Total Capital Projects			2,066,513	1,567,093	499,420	150,000	649,420

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2009-2010. All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5641.78
DEPARTMENT:	Lower Moosa WRF

Rimrock Step System Modification

New Item	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	
	Ultimate Service	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
				1	2

PROJECT DESCRIPTION:

The Rimrock Subdivision was constructed with a Low Pressure Wastewater System. Approximately 32 Septic Tank Effluent Pump (STEP) units in the Rimrock area are experiencing excessive corrosion due to septic tank effluent and need to be modified. These are the units where an Environment One grinder pump was installed after the septic tank. A retrofit program is proposed to eliminate the septic tank by plumbing the house discharge through the existing septic tank directly to the grinder pump. An overflow outlet would be installed so that the septic tank could be used as an emergency holding tank for raw effluent should the grinder pump fail. The storage available in the septic tank (now an emergency overflow holding tank) would provide additional time to respond to a high level alarm from the grinder pump and help prevent an unnecessary wastewater spill. Wastewater overflow into the holding tank would be pumped out in conjunction with repairing the grinder pump.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Modifications				\$75,000	\$75,000		\$75,000	\$75,000
Total Project	\$0	\$0	\$0	\$75,000	\$75,000	\$0	\$75,000	\$75,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5643.78
DEPARTMENT:	Lower Moosa WRF

Combination Sewer Cleaning Truck

New Item	Type	Master Plan	Project ID	Strategic Plan
		Priority		Standard
				1,7

PROJECT DESCRIPTION:

A combination sewer truck is needed for the wastewater collection systems. This will enable staff to clean the sewer lines and remove debris preventing blockages and spills. It will also be used for removing blockages when they occur.

Video inspections of the system have revealed that the system is beginning to show its age of 40 years. This will lead to an increase in broken pipes, roots, blockages, and spills. Local, state, and federal regulations are becoming ever stricter and the fines for non-compliance are severe. This vehicle will help the District stay in compliance with current and future rules and regulations.

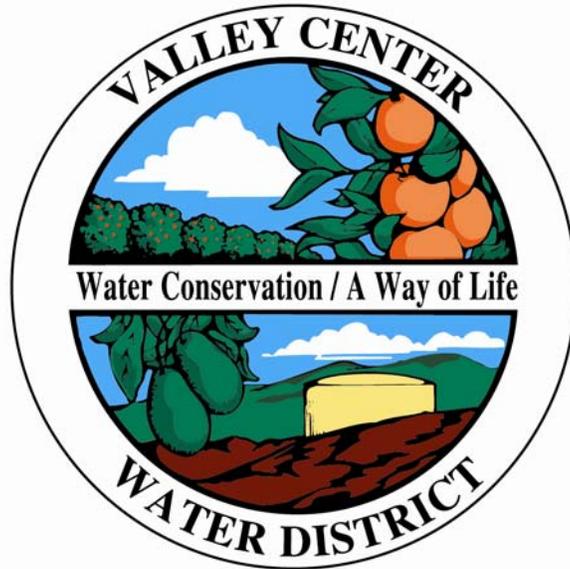
The truck will be able to do more than just clean the sewers; it will ease our maintenance of the lift stations and the STEP system pumps. Additionally, it is designed with built in tools which allow hydro-excavation and will expedite excavating lines for repair or inspection. Using the hydro-excavation will reduce excavating times significantly and will require less staff to perform such work. It also eliminates the risk of damaging underground utilities since there is no force applied to the ground for removal.

The addition of the new Vector truck will significantly benefit the Wastewater Department during emergency events, which will diminish regulators from imposing penalties and fines during such occasions.

The cost of the truck will be shared between Moosa and Woods Valley Ranch.

Project Budget	Prior Budget	Prior	Estimated	Proposed	Total Budget	Future	Future Total	Estimated
		Estimated	Budget	Budget				
		Actual	Remaining	Allocation	2009-2010	Allocation	Project	Cost
		Expense		2009-10			Budget	
Sewer Cleaning Truck				\$75,000	\$75,000		\$75,000	\$75,000
Total Project	\$0	\$0	\$0	\$75,000	\$75,000	\$0	\$75,000	\$75,000





WOODS VALLEY EXPANSION

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**DEPARTMENT SUMMARY
Woods Valley Ranch Wastewater Expansion**

FUNCTION OVERVIEW

The South Village Wastewater Expansion Project is a joint developer/District project to extend wastewater service to parcels owned by the developers and participating property owners in 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 of 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 Phase 1 project was constructed Newland Communities and included the initial 0.070 million gallon per day (mgd) WVRWRF and extension of a gravity collection system to serve the Woods Valley Ranch 270 lot subdivision and golf course facilities. This expansion project is considered Phase 2 and would extend wastewater service to the 67 lot subdivision owned by Butterfield Trails LLC (formerly the Alti Corporation), 80 equivalent dwelling units (EDU's) to property owned by Bell Enterprises, and 83 plus EDU's to other property owners in the South Village area. The project improvements will be funded primarily by the developers with participation from the various other property owners in the service area through formation of an assessment district and either the sale of bonds or the acquisition of a State Revolving Fund Loan.

ACCOMPLISHMENTS FOR 2008-2009

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

- The project Master Plan and the Phase 2 Project Preliminary Design Report were approved by the Board.
- Completed and certified the Programmatic Environmental Impact Report (EIR) for the ultimate expansion of the Woods Valley Ranch Water Reclamation Facility and project specific environmental evaluation for the Phase 2 project.
- Solicited property owner commitments 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 AND GOALS FOR 2009-2010

This project is currently deferred pending the developer's decision to proceed.

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, pending the developer's decision to proceed, 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 and complete a water balance analysis to determine maximum recycled water demand for the golf course and ultimate seasonal storage requirements.

- Execute developer agreements for the design and construction of the Phase 2 Expansion and 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 seasonal storage pond expansion site, along with easements for proposed pipelines.
- Form an assessment district and, pending favorable bond market conditions, sell bonds or obtain another source of financing for the Phase 2 construction funding.
- Initiate construction of the Phase 2 Expansion 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 WATER DISTRICT

**BUDGET
2009-2010**

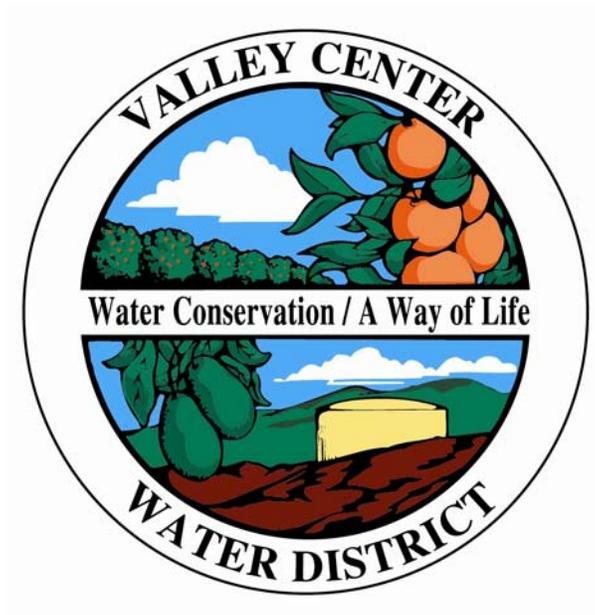
**Woods Valley Ranch Wastewater
Capital Outlay**

**16
56**

Acct. No.	Description	Total Approved Budget 2008-09	Estimated Actual Expenditures 2008-09	Budget Carried Forward to 2009-10	New Appropriation 2009-10	Total Approved Budget 2009-10
5656	WVR WRF Planning	25,485	25,485	0		0
Total Capital Projects		25,485	25,485	0	0	0

Projects identified as "Continuing Projects" are not completed and any unexpended appropriations from 2008-09 will be carried forward to 2009-10.





WOODS VALLEY RANCH

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**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 2008-2009

Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction: The new 70,000 gpd permanent treatment facility completed start-up testing and was conditionally accepted for operation and maintenance. The 50,000 gpd interim facility was removed from the site. 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 for final acceptance include completion of punch list items. Operation of the facility uncovered a defect in some of the pipe material and the affected piping was replaced. Record drawings are being prepared by the Developer's engineering design firm. Completion of the punch list items and final acceptance is expected by the end of July 2009, at which time it will be dedicated to the District for ownership.

Woods Valley Ranch Water Reclamation Facility: Installed automated gate at Plant entrance and security fencing on easement entrance to the Treatment Plant.

Collection System: Videoed and inspected entire collection system to meet State Requirements.

Reclamation System: Acquired training, equipment and experience to meet RWQCB and State Health Department requirements.

CHALLENGES AND GOALS FOR 2009-2010

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. The following improvements are proposed to improve plant performance:

- Improve energy efficiency of aeration and digester blowers by installing Variable Frequency Drives (VFD's).
- Lower chemical cost by installing an awning over chlorine contact tank.
- Reduce hauling and handling cost of sludge, by improving sludge thickening process.
- Make minor manhole repairs at pre-identified locations to alleviate seasonal infiltration.

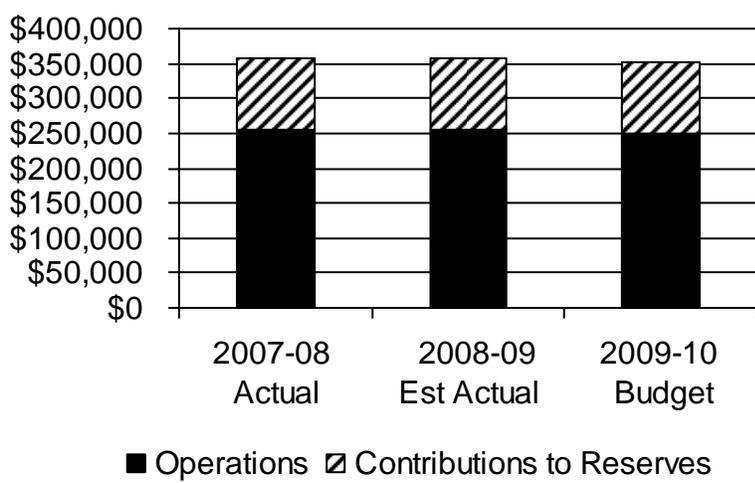
LONG-TERM GOALS

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 project in accordance with the approved Master Plan to meet the wastewater treatment needs of property in the Southern Village Area and the Orchard Run Subdivision.

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 coordinated a joint project with multiple land owners and two developers to extend wastewater service to the proposed service area. A Master Plan outlining a phased expansion plan for the facility and collection system for the service area was completed and a program level Environmental Impact Report for the expansion was completed. The project is pending the developer's decision to proceed.

Orchard Run Subdivision: The Waste Discharge Permit for the WVRWRF was amended in fiscal year 2007-08 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 Unit 1 "in-tract" facilities. Unit 2 is in plan review. 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.

Woods Valley Ranch Wastewater



VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

Woods Valley Ranch
Full-Time Equivalents

	<u>17-5331.</u>	<u>Total</u>
Director of Operations/Facilities	0.02	0.02
Fleet Mechanic II	0.01	0.01
Fleet Mechanic III	0.01	0.01
Safety & Reg Compliance Asst.	0.01	0.01
Wastewater Systems Supr	0.20	0.20
Wastewater Systems Tech II	0.45	0.45
Wastewater Systems Tech III	0.15	0.15
	<u>0.85</u>	<u>0.85</u>

VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

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

BUDGET REQUIREMENT

Operating/Treatment	249,980
Capital Replacement Reserves	15,622
Increase in Operating Fund Cash	23,697
Capital Projects	98,000
	<hr/>
	<u>387,299</u>

SOURCE OF FINANCING

Revenue	384,894
Operating Reserves	2,405
	<hr/>
	<u>387,299</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

**WOODS VALLEY RANCH WASTEWATER TREATMENT
ANALYSIS OF CASH POSITION
JULY 1, 2008, TO JUNE 30, 2010**

	Replacement Reserve Fund	Operating Reserve Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1,	568,951	177,898	109,686	856,535
ADD: Revenue 2008-2009				
Wastewater Service Charge	102,620	0	228,676	331,296
Reclaimed Water & Meter Charge			33,400	33,400
Interest	10,557	5,574		16,131
TRANSFER		(56,077)	56,077	0
LESS: Estimated Expenditures 2008-2009	0	0	(254,789)	(254,789)
Net Change	113,177	(50,503)	63,364	126,038
ESTIMATED BALANCE JUNE 30, 2009	682,128	127,395	173,050	982,573
ADD: Revenue 2009-2010				
Wastewater Service Charge	102,620	0	228,676	331,296
Reclaimed Water & Meter Charge			34,300	34,300
Interest	11,002	8,296		19,298
TRANSFER		(10,701)	10,701	0
LESS: Proposed Expenditures 2009-2010	(98,000)	0	(249,980)	(347,980)
Net Change	15,622	(2,405)	23,697	36,914
ESTIMATED BALANCE JUNE 30, 2010	697,750	124,990	196,747	1,019,487

GENERAL INFORMATION:

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

	2007-2008	2008-2009		2009-2010
	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 WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	298,141	300,533	299,350	311,182
4110.02	Wastewater Capacity Reservation Fee	33,128	30,763	31,946	20,114
4140.00	Reclaimed Water	32,335	33,000	32,100	33,000
4140.01	Reclaimed Water Meter Charge	1,096	1,000	1,300	1,300
4382.00	Interest Allocation	909	0	0	0
4410.00	Interest - Operating & Replace. Res.	29,942	19,437	21,557	19,298
4440.00	Other Income	500	0	0	0
	Total	396,051	384,733	386,253	384,894

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Description	2007-2008	2008-2009		2009-2010
	Actual	Budget	Estimated Actual	Budget
Treatment	255,405	370,184	357,409	352,600
Capital Projects	0	0	0	98,000
TOTAL WOODS VALLEY RANCH	255,405	370,184	357,409	450,600

VALLEY CENTER WATER DISTRICT

**BUDGET
2009-2010**

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

Acct. No.	Description	2007-2008	2008-2009		2009-2010
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	101,236	110,100	103,500	91,400
03	Overtime	9,270	17,500	10,000	15,000
23	Chemicals	9,222	7,000	4,600	6,000
25	Outside Professional Services	55,872	38,500	36,500	38,500
30	Special Department Expenses	1,938	5,000	2,700	3,000
32	Telephone	0	225	800	350
38	Regulatory Permits & Fees	6,706	10,000	13,000	15,000
40	Rents & Leases	0	250	250	250
42	Insurance	2,051	2,200	2,200	3,000
45	Electricity	29,737	28,500	36,000	35,000
48	Diesel	0	300	300	300
49	Water	0	600	250	350
51	Maintenance of Vehicles	4,479	6,000	3,500	5,000
52	Maintenance of Facilities	5,377	5,000	4,800	5,000
82	Administrative Overhead	29,517	36,389	36,389	31,830
	Total Treatment Operations	255,405	267,564	254,789	249,980
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	255,405	370,184	357,409	352,600

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2009-2010**

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 0.85	91,400
03	Overtime	15,000
23	Chemicals	6,000
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	3,000
	Tools	2,000
	Equipment	1,000
32	Telephone	350
38	Regulatory Permits & Fees	15,000
40	Rents & Leases	250
42	Insurance	3,000
45	Electricity	35,000
48	Diesel	300
49	Water	350
51	Maintenance of Vehicles	5,000
52	Maintenance of Facilities including collection system	5,000
78	Contribution to Capital Replacement Reserve	102,620
82	Administrative Overhead	31,830

VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2009-2010

Woods Valley Ranch 17
Capital Outlay 56

Description	Acct. No.	Prior	2009						2010						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Woods Valley Ranch															
Combination Sewer Cleaning Truck	45	Planning	Design			Construction									
Chlorine Contact Basin Cover	57	Planning	Design			Construction									
Installation of Variable Frequency Drives	59	Planning	Design		Construction										

VALLEY CENTER WATER DISTRICT

BUDGET
2009-2010

Woods Valley Ranch
Capital Outlay

17
56

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2008-2009	Estimated Actual Expenditures 2008-2009	Budget Carried Forward to 2009-2010	New Appropriation 2009-2010	Total Approved Budget 2009-2010
Combination Sewer Cleaning Truck (1/2)		12-9				75,000	75,000
Chlorine Contact Basin Cover (WVRWRF)		12-10				18,000	18,000
Installation of Variable Frequency Drives		12-11				5,000	5,000
Total Capital Projects			0	0	0	98,000	98,000

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2009-2010. All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-5645.78
DEPARTMENT:	Woods Valley Ranch WRF

Combination Sewer Cleaning Truck

New Item	Type	Master Plan	Project ID	Strategic Plan
		Priority		Standard
				1,7

PROJECT DESCRIPTION:

A combination sewer truck is needed for the wastewater collection systems. This will enable staff to clean the sewer lines and remove debris preventing blockages and spills. It will also be used for removing blockages when they occur.

Video inspections of the system have revealed that the system is beginning to show its age of 40 years. This will lead to an increase in broken pipes, roots, blockages, and spills. Local, state, and federal regulations are becoming ever stricter and the fines for non-compliance are severe. This vehicle will help the District stay in compliance with current and future rules and regulations.

The truck will be able to do more than just clean the sewers; it will ease our maintenance of the lift stations and the STEP system pumps. Additionally, it is designed with built in tools which allow hydro-excavation and will expedite excavating lines for repair or inspection. Using the hydro-excavation will reduce excavating times significantly and will require less staff to perform such work. It also eliminates the risk of damaging underground utilities since there is no force applied to the ground for removal.

The addition of the new Vector truck will significantly benefit the Wastewater Department during emergency events, which will diminish regulators from imposing penalties and fines during such occasions.

The cost of the truck will be shared between Moosa and Woods Valley Ranch.

Project Budget	Prior Budget	Prior	Estimated	Proposed	Total Budget	Future	Future Total	Estimated
		Estimated	Budget	Budget				
		Actual	Remaining	Allocation	2009-2010	Allocation	Project	Cost
		Expense		2009-10			Budget	
Sewer Cleaning Truck				\$75,000	\$75,000		\$75,000	\$75,000
Total Project	\$0	\$0	\$0	\$75,000	\$75,000	\$0	\$75,000	\$75,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-5657.78
DEPARTMENT:	Woods Valley Ranch WRF

Chlorine Contact Basin Cover

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:

Install a permanent cover over the chlorine contact basin at Woods Valley WRF. The ultra-violet (UV) light from the sun degrades the chlorine which disinfects the treated effluent from the plant. This cover will reduce our chlorine usage by approximately \$15,000 annually. The cover will also protect equipment from the weather and UV damage, extending their service life.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Basin cover				\$18,000	\$18,000		\$18,000	\$18,000
Total Project	\$0	\$0	\$0	\$18,000	\$18,000	\$0	\$18,000	\$18,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2009-2010**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-5659.78
DEPARTMENT:	Woods Valley Ranch WRF

Installation Of Variable Frequency Drives

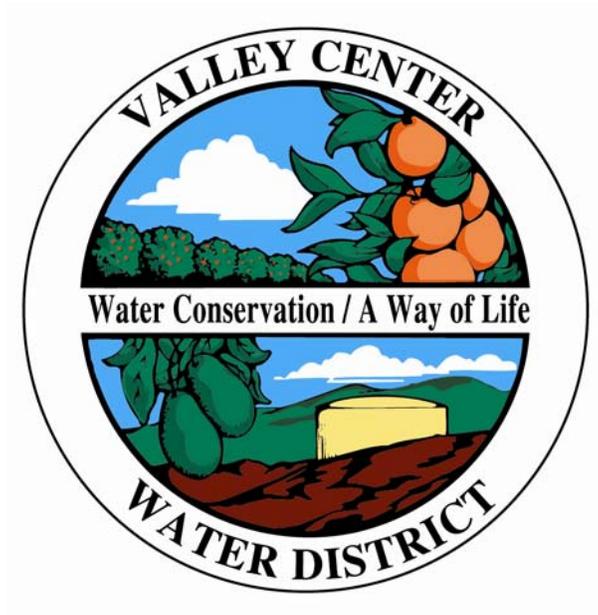
New Item	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
		<u>Priority</u>		<u>Standard</u>

PROJECT DESCRIPTION:

Install variable frequency drives (VFD's) at the Woods Valley aeration and digester blowers. The VFD's will reduce the current energy consumption by an estimated \$7,000 annually and would extend the life of the existing blowers.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2009-10	Total Budget 2009-2010	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Variable Frequency Drives				\$5,000	\$5,000		\$5,000	\$5,000
Total Project	\$0	\$0	\$0	\$5,000	\$5,000	\$0	\$5,000	\$5,000





APPENDIX

VALLEY CENTER WATER DISTRICT ANNUAL BUDGET 2009-10

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.

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

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.

Variable Frequency Drive (VFD) - A variable-frequency drive is an electronic controller that adjusts the speed of an electric motor by modulating the power being delivered. They provide continuous control, matching motor speed to the specific demands of the work being performed.

VALLEY CENTER 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 a minimum three and maximum 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)
- D. Benefit Plan Liability Reserve: This reserve consists of monies that have been set aside by the District for the other post-employment benefits. The reserve will be used to fund the District's annual liability as calculated by accounting standards.

4. Capital Reserves:

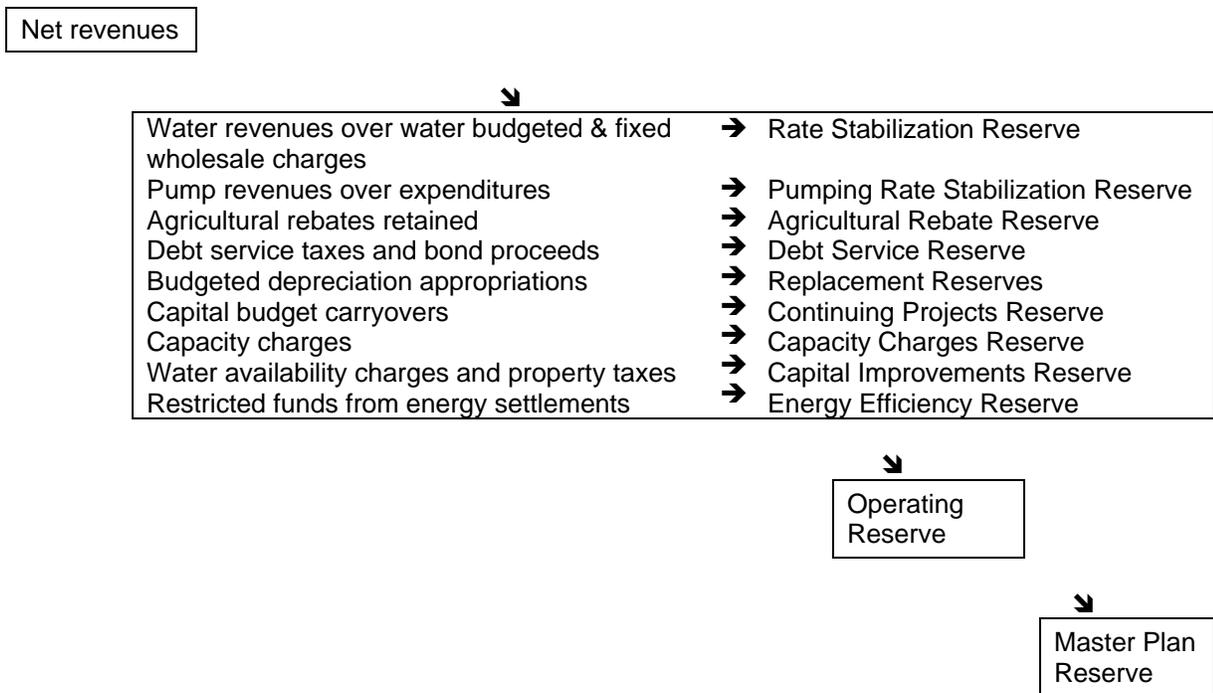
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to 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	Three months operating budget (excluding water & power)	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
Benefit Plan Liability	Funds from Benefit Plan Liability Account	Fill District's liability for OPEB.	Unexpended restricted funds	Unexpended restricted funds	No
<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.



INDEX

VALLEY CENTER WATER DISTRICT ANNUAL BUDGET 2009-10

INDEX

Administration, General	4-3	LOWER MOOSA WASTEWATER	
Administration, Finance	5-3	TREATMENT FUND	1-16, 10-1
Administration, Engineering	6-3	Capital Outlay	10-9
Administration, Field Operation	7-3	Cash Position	10-3
Adopting Resolutions	2-1	Collection System West	10-7
Appropriation Limit under		Recap of Budget and	
Proposition 4	1-4, 2-5	Source of Financing	10-2
Automatic Valves	7-10	Revenue Estimate	10-4
Backflow Maintenance	7-21	STEP Maintenance	10-8
Budget Control	1-4	Treatment Facility	10-6
Budget Message	1-1	Meter Installation	7-18
Budget Policies	1-5, Appendix B	Meter Reading	7-19
Budget Process	1-3	Motor Maintenance	7-13
Capital Outlay, General Fund	1-14, 9-1	Organization Chart	1-24
Capital Outlay, Wastewater	See Wastewater	Performance Measurement Standards	1-19
Computer Operations	5-5	Personnel (See also Salary Clearing)	1-12
Consumer Services	5-4	Pipeline and Right of Way	
Corporate Facilities Maintenance	7-16	Maintenance	7-15
Debt	1-15	Planning and Design	6-4
Debt Service, General Fund	1-12, 5-8	Public Services, Engineering	6-5
Demographics	1-1	Pump Maintenance	7-12
District Security	7-6	Quality Control	7-14
Encroachments and Locates	6-6	Recap of Budget and	
Energy Costs (See also Utilities)	1-7, 1-11	Source of Financing	3-1
Engineering Department	6-1	Reserves	1-5, 3-2
Expenditure Estimates	1-11	Reservoir Maintenance	7-11
Facilities Operation (See also		Resolution Adopting Budget	2-1
Corporate Facilities Maintenance)	5-6	Revenue Estimates	1-10, 3-3
Field Operations Department	7-1	Right of Way Maintenance	7-15
Finance Department	5-1	Safety & Regulatory Compliance	7-4
Fund Recap, General Fund Expenditures	3-6	Salary Clearing	
General Administration	4-3	(See also Personnel)	5-7
General Administration Department	4-1	Service Connection Maintenance	7-20
General Fund	1-8, 3-1	Source of Supply	8-1
GIS, Maps and Records	6-7	Spending Limit	1-3
Glossary	Appendix A	Strategic Plan	1-18
History of Water Purchased and Sold	3-7	Systems Operation	7-7
Human Resources Administration	4-4	Telemetry/SCADA	7-8
Information Systems	5-5	Training	4-5
Landscape & Paving Maintenance	7-5	Treatment	7-9

Utilities (See also Energy Costs)	8-3
Valves, Automatic	7-10
Valve Maintenance/Inspection	7-17
Vehicle and Equipment	
Maintenance	7-22
WASTEWATER - See:	
Lower Moosa Wastewater	
Treatment Fund	10-1
Woods Valley Ranch Wastewater	
Expansion Fund	11-1
Woods Valley Ranch Wastewater	
Treatment Fund	12-1
Wastewater Summary Projection	Appendix C
Water Purchases	8-3
Water Rate Components	1-23
Water Summary Projection	Appendix C

WOODS VALLEY RANCH WASTEWATER	
EXPANSION FUND	1-17, 11-1
Cash Position	11-2
Capital Outlay	11-2
Recap of Budget and	
Source of Financing	11-2
Revenue Estimate	11-2
WOODS VALLEY RANCH WASTEWATER	
TREATMENT FUND	1-17, 12-1
Cash Position	12-3
Capital Outlay	12-7
Treatment Facility	12-6
Recap of Budget and	
Source of Financing	12-2
Revenue Estimate	12-4

