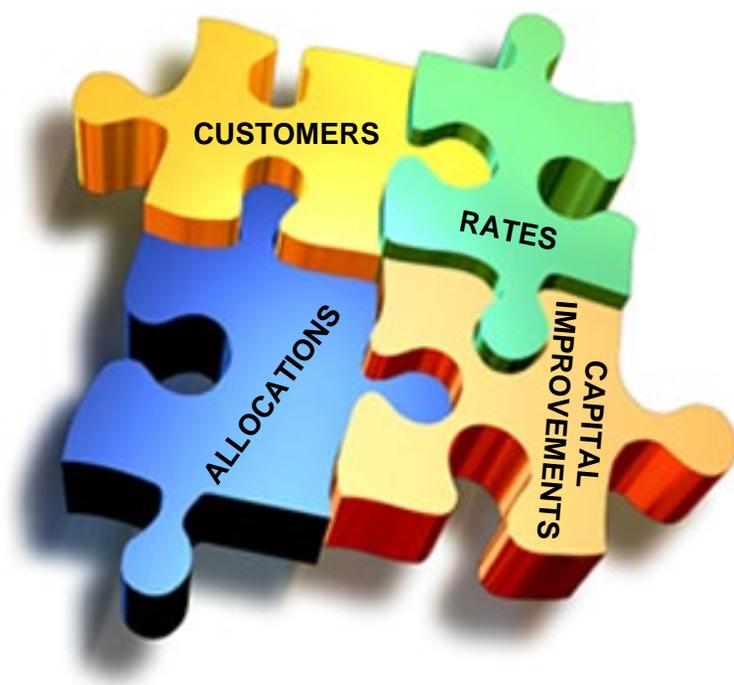


Annual Budget Fiscal Year 2010-2011



Valley Center Water District
Valley Center, California

**VALLEY CENTER WATER DISTRICT
ANNUAL BUDGET
2010-11**

BOARD OF DIRECTORS

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President**

**Robert A. Polito
Vice President**

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**Randy D. Haskell
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General Manager**

**William J. Jeffrey
Director of Finance**

**A. Greg Hoyle
Director of Operations**

**Wally Grabbe
District Engineer**

**C. Michael Cowett
District Counsel**



2010-2011 Budget Overview



VALLEY CENTER WATER DISTRICT 2010-11 BUDGET OVERVIEW

The **total combined budget** shows a deficit of \$2,776,260. The deficit will be met by using reserves without increases to local water and wastewater rates.

Total budgeted revenues for 2010-11 are \$43,004,978, which is 2.4% lower than the 2009-10 adopted budget of \$44,050,028.

For the current year ending June 30, 2010, **water sales** are project at 30,170 acre feet of water. This is 8.9% under our budget of 33,130 acre feet due to current economic conditions and the mandatory agricultural and voluntary domestic cutbacks. Budgeted water sales for 2010-11 are 30,000 acre feet. This sales figure is reasonable given current customer conservation at levels beyond what was requested, expected warmer temperatures, and continued economic uncertainties.

With the most recent information available, it is estimated that wholesale **water rates** from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) on January 1, 2011, will increase to \$1,150.86 per acre foot for full price, to \$887.01 for certified Interim Agricultural Water Program (IAWP), and to \$955.01 for Special Agricultural Water Program (SAWR) customers. Total wholesale estimated increases are 13.2% for full price, 14.0% for IAWP, and 8.1% for SAWR.

The District's local cost component of the water rate remains unchanged at \$102.41 per acre foot. The current rate has not been increased since March 2007.

It is anticipated that we will install sixteen **new meters** in 2010-11, including eight fire system meters. Estimated **interest earnings** rate at 1.25% will yield \$187,500. Secured **property taxes** are budgeted at \$1,852,000 which is a reduction of 10% from the current year due to reduced assessed property valuations within the District, reflecting the depressed real estate market. Water availability charges will again be \$591,000.

The **Moosa wastewater** monthly service charge is unchanged at \$44.50. A low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is also collected. The fee is \$36.75.

Woods Valley Ranch sewer service charges and sewer standby fees for properties not yet connected to the sewer system, are collected as a fixed charge special assessment on the property tax roll. The fee is the same as last year, \$98.60 per month.

Total budgeted expenses total \$45,781,238, which is 2.9%, or \$1,344,845, lower than the 2009-10 adopted budget of \$47,126,083.

The cost of water sold, which is the single greatest **water operating expense**, is 68.1% of the total budget. It is 1.0% lower than 2009-10 due to lower demand offset by increased wholesale costs. General Administration costs are essentially the same as last year, including \$100,000 in the new Federal and State Government Relations expense. Finance expenses are projected to be \$29,644 lower than the current budget due to lower software maintenance and postage expenses associated with Proposition 218 notices. Engineering expenses are reduced \$59,586, primarily due to labor reductions and Field Operation expenses are \$328,951 lower than the current budget due to the elimination of the contribution to the vehicle replacement reserve of \$185,000, reduced outside professional services for paving costs and janitorial services of \$104,000, and reduced maintenance expenses totaling \$41,900.

Moosa proposed operating expenses are \$50,551 more than the current 2009-10 budget. The increase is due to increases in administrative overhead, \$19,891; labor, \$19,300; outside professional services, \$6,000; and chemical expenses, \$3,500.

Woods Valley Ranch expenses are \$37,920 higher than the current 2009-10 budget. Increased utility expense of \$14,350, insurance of \$8,848, administrative overhead of \$8,472, and labor of \$4,600 make up the increase.

Capital projects budgeted for the coming year total \$2,554,630. Major items include: Lilac Reservoir Cover replacement, \$485,000, SCADA improvements, \$300,000, Integrated Water Resources Management Plan, \$195,000, Pump and Motor Replacements, \$195,000, Centrifuge upgrade at Moosa, \$350,000, and Phase 2 of the Woods Valley Ranch Expansion project, \$320,000.

**VALLEY CENTER WATER DISTRICT
2010-11 BUDGET OVERVIEW**

	2009-10 Adopted Budget	2009-10 Estimated Actual	2010-11 Proposed Budget	Change from Prior Budget	Percent Change from Prior Budget
REVENUES:					
Water Sales	33,130 A.F.	30,170 A.F.	30,000 A.F.	(3,130) A.F.	-9.5%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	35,028,000	32,008,000	34,455,000	(573,000)	-1.6%
Meter Service Charges	3,333,400	3,252,500	3,400,500	67,100	2.0%
New Connection Sales	69,400	36,600	65,600	(3,800)	-5.5%
Other Revenue	754,400	1,130,900	692,500	(61,900)	-8.2%
Investment Income	270,000	290,000	187,500	(82,500)	-30.6%
Property Taxes	2,209,000	2,073,100	1,852,000	(357,000)	-16.2%
Total Operating Revenue	41,664,200	38,791,100	40,653,100	(1,011,100)	-2.4%
Debt Service Revenues - Water Availability Charges	100,929	100,931	103,886	2,957	2.9%
Capital Project Revenues:					
Capacity Charges	74,000	(56,526)	35,000	(39,000)	-52.7%
Water Availability Charges	490,071	490,369	487,114	(2,957)	-0.6%
Total Capital Project Revenue	564,071	433,843	522,114	(41,957)	-7.4%
Total General Fund Revenues	42,329,200	39,325,874	41,279,100	(1,050,100)	-2.5%
Moosa Wastewater Revenues	1,335,934	1,305,874	1,350,259	14,325	1.1%
Woods Valley Ranch Wastewater Revenues	384,894	375,266	375,619	(9,275)	-2.4%
Total Budgeted Revenues	44,050,028	41,007,014	43,004,978	(1,045,050)	-2.4%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	969,563	889,988	968,675	(888)	-0.1%
Finance	2,080,148	1,783,330	2,050,504	(29,644)	-1.4%
Engineering	1,812,505	1,663,810	1,752,919	(59,586)	-3.3%
Field Operation	6,171,226	5,904,376	5,842,275	(328,951)	-5.3%
Source of Supply	31,480,921	28,661,244	31,157,337	(323,584)	-1.0%
Total Operating Expenses	42,514,363	38,902,748	41,771,710	(742,653)	-1.7%
Debt Service	100,929	100,931	103,886	2,957	2.9%
Capital Projects Appropriations	3,000,250	2,581,361	1,694,000	(1,306,250)	-43.5%
Total General Fund Expenditures	45,615,542	41,585,040	43,569,596	(2,045,946)	-4.5%
Moosa Wastewater:					
Operating Expenses	1,012,561	863,351	1,063,112	50,551	5.0%
Capital Project Appropriations	150,000	597,860	478,030	328,030	218.7%
Total Moosa Expenditures	1,162,561	1,461,211	1,541,142	378,581	32.6%
Woods Valley Ranch Wastewater:					
Operating Expenses	249,980	260,300	287,900	37,920	15.2%
Capital Project Appropriations	98,000	18,000	382,600	284,600	290.4%
Total Woods Valley Ranch Expenditures	347,980	278,300	670,500	322,520	92.7%
Total Budgeted Expenditures	47,126,083	43,324,551	45,781,238	(1,344,845)	-2.9%
NET REVENUES & EXPENDITURES	(3,076,055)	(2,317,537)	(2,776,260)	299,795	-9.7%
FUNDING FROM RESERVES	3,076,055	2,317,537	2,776,260	(299,795)	-9.7%
	0	0	0	0	0.0%



**VALLEY CENTER WATER DISTRICT
ANNUAL BUDGET 2010-11**

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Valley Center Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2009-2010 - Our twelfth 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





May 17, 2010



TO: Honorable President and Board of Directors
FROM: Gary T. Arant, General Manager
SUBJECT: PROPOSED BUDGET FOR 2010-2011

**As Adopted by the Board of
Directors
on June 21, 2010**

PURPOSE:

To present and seek adoption of the proposed budget for fiscal year 2010-2011.

SUMMARY:

Staff is pleased to present this report along with the proposed fiscal year 2010-2011 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2010.

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 71% 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. Implementation of the mandatory 25% IAWP (Interruptible Agricultural Water Program) and the mandatory 13% SAWR (Special Agricultural Water Rate) water cutbacks, have reduced this figure to 72%.

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 as of June 30, 2009, was the fourth largest

Fiscal Year Ended June 30, 2010, Estimates:					
Miles of Water Main					297 miles
Number of Enclosed Reservoirs					42
Maximum Capacity of Enclosed Reservoirs					421 acre feet
Capacity of Non-potable Water in Lake Turner					1,612 acre feet
Number of Pump Stations					26
Number of Pumps					96
Total Pump Capacity					19,785 horsepower
	<u>Domestic</u>	<u>Ag</u>	<u>Commercial</u>	<u>Fire</u>	<u>Total</u>
Active Accounts	7,134	1,372	257	912	9,675
Water Sales in Acre Feet	7,640	21,591	939	-	30,170

water retailer within the San Diego County Water Authority behind the City of San Diego, Helix Water District, and the Otay Water District.

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 440,000 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.

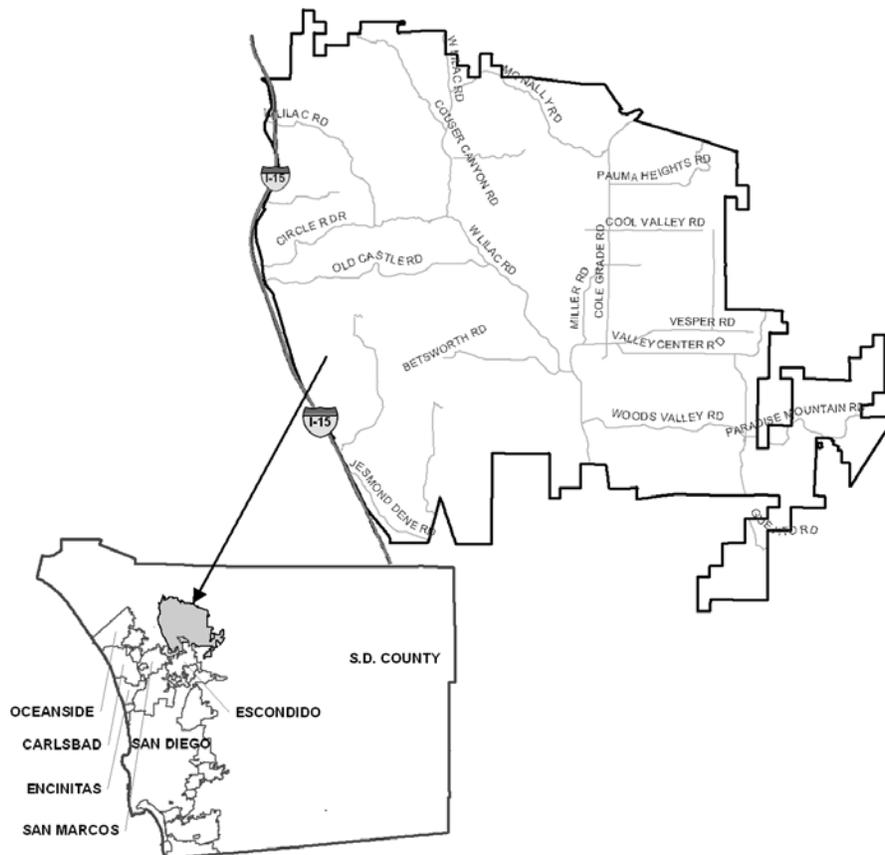
BUDGET DOCUMENTS

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

January 2010	General Manager and Department Heads discuss Budget process.
March 2010	Departments submit Budget requests.
March 15, 2010	Budget policies approved by Board of Directors.
April 19, 2010	Overview of Budget reviewed by Board of Directors.
May 12, 2010	Budget submitted to Board of Directors.
May 17, 2010	Budget Review by Board of Directors
June 21, 2010	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-five 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-five 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, 2010, 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.

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.



District Office

BUDGET POLICIES

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

A. **Reserves** - Four categories of reserves have been established. Reserves are detailed on page 3-2.

- 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, 2011, are:

	Water Rate Stabilization	Pumping Rate Stabilization
Projected balance, June 30, 2010	\$ 0	\$ 1,336,492
Used to balance 2010-11 budget	<u>0</u>	<u>(291,750)</u>
Balance	<u>0</u>	<u>1,044,742</u>
Maximum reserve allowable by District Administrative Code	<u>\$3,575,522</u>	<u>\$1,735,000</u>

On March 15, 2010, the Board approved including the cost of pumping facility capital projects as a use of the Pumping Rate Stabilization reserve.

- An Operating Reserve of \$4,319,678 has been established for emergencies and unforeseen circumstances. In an emergency, capital projects would be critically reviewed to release appropriated capital funds for other purposes.

The Operating Reserve combined with the Rate Stabilization Reserves together are considered to be discretionary reserves, unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget. The proposed budget meets this goal.

- Restricted Reserves include the Agricultural Rebate Reserve, Replacement Reserves, and The Benefit Plan Liability Reserve.

The Agricultural Rebate consists of rebates received from MWD and held for rebate to customers on termination of the agricultural water rate.

Replacement Reserves include licensed vehicles, Lower Moosa Canyon Water Reclamation Facility, and Woods Valley Ranch Water Reclamation Facility. On March 16, 2010, the Board approved the elimination of the licensed vehicle reserve to be utilized for operations.

The Reserve for Benefit Plan Liability consists of monies set aside by the District for other post-employment benefits (OPEB). This reserve is used to fund the annual required contribution for the OPEB obligation.

- 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.

OVERVIEW

Based on the current water and wastewater rates and charges and our estimates of water sales and connections, this proposed budget shows a deficit of \$2,776,260 as follows:

Water Operations	\$1,118,610
Water Capital Projects	1,171,886
Moosa Wastewater (Capital Projects)	190,883
Woods Valley Ranch Wastewater (Capital Projects)	<u>294,881</u>
Total Deficit	\$2,776,260

These deficits will be met by using reserves without increases to local water and wastewater rates. Details on each of these funds are discussed in further detail on the following pages.

GENERAL FUND

For fiscal year 2010-11, the Water Fund operating revenue is proposed at \$40,756,986, which is a decrease of 2.4% from the budget adopted for last year. The Water Fund operating expenditures budget is proposed at \$41,875,596, which is a decrease of 1.7% from the budget adopted for last year.

Changes in the major components of the budget are summarized as follows:

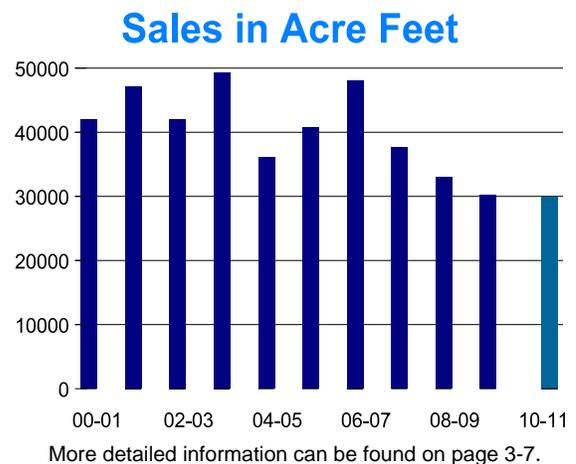
RECAP OF GENERAL FUND

	2009-10 Adopted Budget	Percent of Total	2010-11 Proposed	Percent of Total	Change	Percent Change
OPERATING REVENUES:						
Water Sales	33,130 AF		30,000 AF		(3,130) AF	-9.4%
Water (includes Pumping)	\$35,028,000	83.9%	\$34,455,000	84.5%	(\$573,000)	-1.6%
Service Charges	3,333,400	8.0%	3,400,500	8.3%	67,100	2.0%
New Connection Sales	69,400	0.2%	65,600	0.2%	(3,800)	-5.5%
Other Revenue	754,400	1.8%	692,500	1.7%	(61,900)	-8.2%
Investment Income	270,000	0.6%	187,500	0.5%	(82,500)	-30.6%
Property Taxes	<u>2,209,000</u>	<u>5.3%</u>	<u>1,852,000</u>	<u>4.5%</u>	<u>(357,000)</u>	<u>-16.2%</u>
Operating Revenue	<u>41,664,200</u>	<u>99.8%</u>	<u>40,653,100</u>	<u>99.7%</u>	<u>(1,011,100)</u>	<u>-2.4%</u>
Debt Service	<u>100,929</u>	<u>0.2%</u>	<u>103,886</u>	<u>0.3%</u>	<u>2,957</u>	<u>2.9%</u>
TOTAL Operating Revenues	<u>\$41,765,129</u>	<u>100.0%</u>	<u>\$40,756,986</u>	<u>100.0%</u>	<u>\$(1,008,143)</u>	<u>-2.4%</u>
OPERATING EXPENDITURES:						
Water Purchase	35,235 AF		31,900AF		(3,335) AF	-9.5%
Water	\$27,984,921	65.7%	\$28,327,337	67.6%	\$342,416	1.2%
Energy	3,496,000	8.2%	2,830,000	6.8%	(666,000)	-19.1%
Regulatory Permit	<u>60,700</u>	<u>0.2%</u>	<u>59,750</u>	<u>0.1%</u>	<u>(950)</u>	<u>-1.6%</u>
Controlled by Others	<u>31,541,621</u>	<u>74.1%</u>	<u>31,217,087</u>	<u>74.5%</u>	<u>(324,534)</u>	<u>-1.0%</u>
Debt Service	<u>100,929</u>	<u>0.2%</u>	<u>103,886</u>	<u>0.2%</u>	<u>2,957</u>	<u>2.9%</u>
Personnel	8,030,000	18.8%	7,991,600	19.1%	(38,400)	-0.5%
Other	<u>2,942,742</u>	<u>6.9%</u>	<u>2,563,023</u>	<u>6.1%</u>	<u>(379,719)</u>	<u>-12.9%</u>
Controlled by District *	<u>10,972,742</u>	<u>25.7%</u>	<u>10,554,623</u>	<u>25.2%</u>	<u>(418,119)</u>	<u>-3.8%</u>
TOTAL Operating Expenditures	<u>\$42,615,292</u>	<u>100.0%</u>	<u>\$41,875,596</u>	<u>100.0%</u>	<u>(\$739,696)</u>	<u>-1.7%</u>
NET Revenues and Expenditures	<u>(\$850,163)</u>		<u>(\$1,118,610)</u>		<u>(\$268,447)</u>	<u>-31.6%</u>
*COSTS CONTROLLED BY DISTRICT						
General Administration	\$969,563	2.3%	\$968,675	2.3%	(\$888)	-0.1%
Finance	2,080,148	4.9%	2,050,504	4.9%	(29,644)	-1.4%
Engineering	1,812,505	4.2%	1,752,919	4.2%	(59,586)	-3.3%
Field Operations	<u>6,110,526</u>	<u>14.3%</u>	<u>5,782,525</u>	<u>13.8%</u>	<u>(328,001)</u>	<u>-5.4%</u>
Total Controlled by District	<u>\$10,972,742</u>	<u>25.7%</u>	<u>\$10,554,623</u>	<u>25.2%</u>	<u>(\$418,119)</u>	<u>-3.8%</u>

REVENUE ESTIMATES

Water Sales and Rate Increase

Water sales for the past ten years have ranged from 30,170, estimated for 2009-10, to 49,336 acre feet, in 2003-04. Historically, a large portion of our sales are to agriculture which is greatly affected by weather conditions and currently by the economy. The 2010-11 budget year will feel the continued effect of the mandatory 25% Interim Agricultural Water Program (IAWP) cutback, as well as the 13% mandatory Special Agricultural Water Rate (SAWR) cutback, and the voluntary 8% consumption reduction for full price customers.



Customers have reduced their water usage significantly below these requested reductions. Economic conditions and a depressed real estate market have also reduced water sales. For 2009-10 we project actual conservation will be 37%. We are budgeting water sales for 2010-11 at 30,000 acre feet, which is a 21% reduction over average sales for the past five years.

The SDCWA has not yet adopted wholesale rates. As such, we have estimated, with the most recent information available, that wholesale costs on January 1, 2011, will increase to \$1,150.86 per acre foot for full price, to \$887.01 for certified Interim Agricultural Water Program (IAWP), and to \$955.01 for Special Agricultural Water Rate (SAWR) customers. Total wholesale estimated increases are 13.2% for full price, 14.0% for IAWP, and 8.1% for SAWR customers. 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 MWD treated water supply charge is estimated to increase 8.7% from \$747 to \$812 per acre foot on January 1, 2011. Also, the SDCWA water delivery charge is increasing from \$67 to \$75 per acre foot. The Capacity Reservation Charge for 2011 is estimated to increase by 3.4%. The SDCWA is projecting that their Customer Service Charge will increase 21% and the Emergency Storage Charge is expected to increase 41.1% in calendar year 2011. 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 \$68 in January 2011.

The budget, as presented, proposes no increase in the District's local share of the water rate on January 1, 2011. The current local rate of \$102.41 has been in effect since March 2007. 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, 2011, rates above, our share of the water rate will be 8.2% for M&I and 10.4% for Ag. IAWP, respectively.

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 diminishes each year, along with the water consumption reduction requirements, until the program ends on December 31, 2012. The discount saved our customers approximately \$1,076,600 during 2009-10. We are projecting the savings to be approximately \$794,000 for 2010-11.

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 \$881,000 in 2009-10 and \$1,331,300 in 2010-11. The SDCWA Special Agricultural Water Rate (SAWR) has been extended until December 31, 2012, at which time the SAWR calculation will be revised.

Interest Income

For 2010-11, the District projects to earn 1.25% on invested funds for the year for a return of approximately \$187,500 in interest earnings which is the equivalent of \$6.25 per acre foot of budgeted water sales. Projected interest income is \$290,000 for 2009-10.

Property Taxes

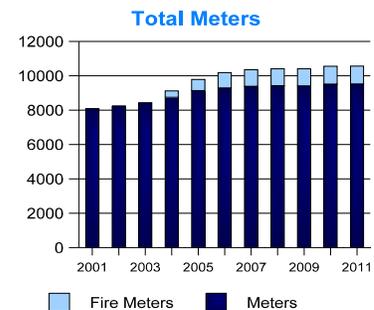
Secured property taxes are budgeted at \$1,852,000 for 2010-11. This represents a decrease of \$221,100, or 10.6% over the current year estimate, because of a reduction in assessed valuation. We will again receive \$591,000 in water availability (standby) charges.

Pump Charges

Pumping charges for 2010-11 are expected to be \$3,470,000 compared to \$3,905,000 budgeted in 2009-10. This is due to less water demand, 30,000 acre feet in estimated sales compared to 33,130 acre feet for 2009-10. Because of uncertainties surrounding the current economy and funds available in our pumping rate stabilization reserve, it appears at this time that our current pump charges should remain unchanged.

Meter Sales

The 2010-11 budget anticipates the installation of 16 new meter installations, including 8 meters for fire service. 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 2008-09 Comprehensive Annual Financial Report.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 31,900 acre feet of water in 2010-11 and to sell 30,000 acre feet. The implementation of the 25% IAWP water cutback, the 13% SAWR water cutback, and the voluntary 8% domestic use conservation, combined with the ongoing slow economy, make it difficult to estimate the amount of water to be purchased. We believe, however, that our estimate for 2010-11 is reasonable given current customer conservation levels, expected warmer temperatures, and continued economic uncertainties.

Energy

The budget expects that expenditures for energy to pump water to our customers will decrease next year. The estimated rate is \$89 per acre foot of water purchased, as compared with \$106 budgeted and \$83 realized in 2009-10. Total energy costs are budgeted at \$2,830,000 versus

\$3,496,000 in 2009-10. The decrease in energy costs is due to lower demand, operational efficiencies, reducing the amount of pumping during off-peak rate periods, and our power purchase agreement for solar power at Lake Turner. Energy cost savings are being re-invested in continued efficiency upgrades to the water pumping facilities and possible investment in alternative energy sources, such as solar photo-voltaic.

Debt Service

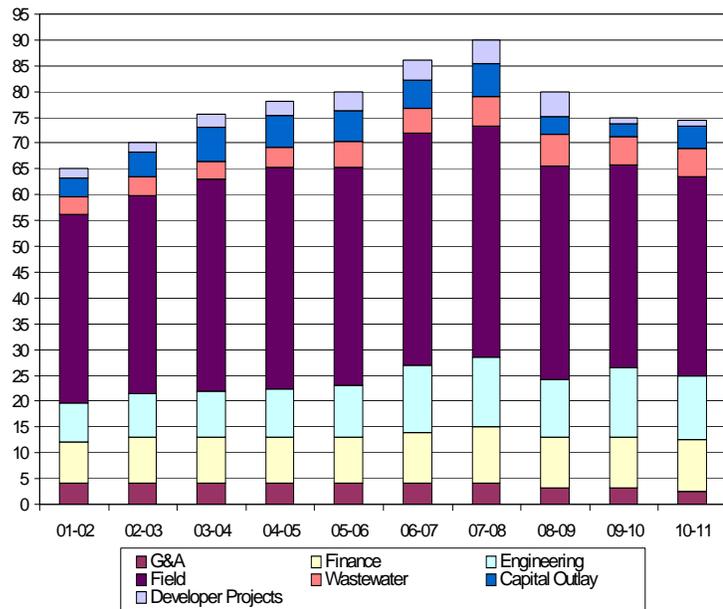
The General Fund has one bank obligation which is being met by water availability charges. In 2010-11, \$103,886 will be needed to service this long term revenue debt obligation.

Personnel

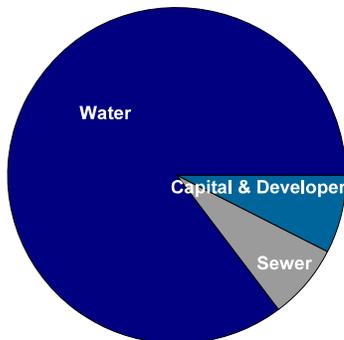
Staffing Levels

For 2010-11, the budget proposes to fund 74½ positions, down ½ a position from the 2009-10 budgeted staffing level of 75 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

	2009-10	2010-11
General Administration	3.20	2.60
Finance	9.80	9.90
Engineering	13.46	12.46
Field Operations	<u>39.24</u>	<u>38.59</u>
Total General Fund	65.70	63.55
Lower Moosa Sewer Treatment	4.79	4.56
Woods Valley Ranch Sewer	0.85	0.89
Capital Outlay	2.50	4.36
Developer Projects	1.16	1.14
TOTAL	<u>75.00</u>	<u>74.50</u>

With the onset of the mandatory 25% 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

General Fund personnel costs for 2010-11 are estimated at \$7,991,600. This represents a decrease of \$38,400 or 0.5% from our 2009-10 budget base of \$8,030,000. This decrease is a result of a reduction in force from attribution, partially offset by a cost of living adjustment of 1.86% per the current Memorandum of Understanding (MOU) with the employees' association.

Reduction in Force - The budget proposes to fund a total of 74½ positions, down ½ a position from the 2009-10 budgeted staffing level of 75 positions as the District continues leaving vacancies due to retirements unfilled. In addition, the 2009-10 budget included partial salaries for three employees that retired in the beginning of the current year. Total reduction for 2010-11 is \$182,020.

Other Expenditures

Controlling the cost of operating the District has been an ongoing focus. Costs controlled by the District for 2010-11 are 3.8% lower than 2009-10, 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. Operating item cost increases and (decreases) include:

Vehicle Replacement Reserve	\$ (185,000)
Outside Professional Services	(104,000)
Maintenance and Supplies	(190,719)
Federal and State Government Relations	100,000
TOTAL DECREASES	<u>\$ (379,719)</u>



Example of the floating cover on Cool Valley Reservoir. In this picture, the hatch is open and the cover inflated to perform maintenance procedures.

CAPITAL BUDGET

Capital projects included in this budget consist of the following:

Pipelines and PRV's	\$ 377,000
Pump Stations	217,000
Reservoirs	618,000
Data Management Systems	300,000
Facilities	90,000
Equipment	92,000
TOTAL New appropriations	<u>\$ 1,694,000</u>
Project appropriations carried forward from prior budget	<u>2,895,616</u>
 TOTAL Capital Budget	 <u><u>\$ 4,589,616</u></u>

Funding for the water capital projects comes from:

Capacity charges	\$ 35,000
Water availability charges	487,114
Capital Improvement Reserve	1,171,886
Reserve for Continuing Projects	<u>2,895,616</u>
 TOTAL	 <u><u>\$ 4,589,616</u></u>

Capital projects are shown in greater detail beginning on page 9-1.

As in past years, the Capital Outlay Budget for fiscal year 2010-11 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 (Lilac Reservoir Cover Replacement) 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 June 30, 2009</u>	<u>Projected June 30, 2010</u>	<u>Projected June 30, 2011</u>
District-wide revenue bonds -			
Principal and interest at 62% of prime rate payable semiannually. Final maturity July 1, 2013. (Page 5-8)	\$ 360,000	\$ 265,000	\$ 165,000
Total long-term debt	<u>\$ 360,000</u>	<u>\$265,000</u>	<u>\$ 165,000</u>

Long-term debt schedule:

	<u>Final Maturities</u>	<u>Outstanding June 30, 2009</u>	<u>Retired 2009-10</u>	<u>Outstanding June 30, 2010</u>	<u>Maturing 2010-11</u>	<u>Outstanding June 30, 2011</u>
Revenue Bonds	July 1, 2013	\$ 360,000	\$ 95,000	\$ 265,000	\$ 100,000	\$ 165,000
Total		<u>\$ 360,000</u>	<u>\$ 95,000</u>	<u>\$ 265,000</u>	<u>\$ 100,000</u>	<u>\$ 165,000</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, 2010, were \$905,000. 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 2,450 customers in a limited geographic area on the west side of the District, is up \$50,551 or 5.0% from the previous year budget. The major components of the budget are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2009-10		2010-11		Change	Percent Change
	Adopted Budget	Percent	Proposed Budget	Percent		
Revenues	\$1,335,934	100.0%	\$1,350,259	100.0%	\$14,325	1.1%
Operating Expenses:						
Labor	\$504,100	37.7%	\$519,400	38.5%	\$15,300	3.0%
Electricity	100,000	7.5%	100,000	7.4%	0	0.0%
Chemicals	12,000	0.9%	15,500	1.1%	3,500	29.2%
Administrative allocation	128,929	9.7%	148,820	11.0%	19,891	15.4%
Maintenance	76,000	5.7%	76,000	5.6%	0	0.0%
Vehicle maintenance	20,500	1.5%	20,500	1.5%	0	0.0%
Regulatory	20,500	1.5%	21,000	1.6%	500	2.4%
Outside services	96,800	7.3%	102,800	7.6%	6,000	6.2%
Other	<u>53,732</u>	<u>4.0%</u>	<u>59,092</u>	<u>4.4%</u>	<u>5,360</u>	<u>10.0%</u>
Subtotal Moosa Treatment	\$1,012,561	75.8%	\$1,063,112	78.7%	\$50,551	5.0%
Net Operating Income	323,373	24.2%	287,147	21.3%	(36,226)	(11.2)%
Capital Projects	150,000		478,030		328,030	218.7%
Replacement Fund Contribution	<u>319,358</u>		<u>294,472</u>		<u>(24,886)</u>	<u>(7.8)%</u>
Total funded from reserves	<u>(\$145,985)</u>		<u>(\$485,355)</u>		<u>(\$339,370)</u>	<u>(23.9)%</u>

The current wastewater service charge is \$44.50 per equivalent dwelling unit per month. No increase in the service charge has been included in this budget.

Beginning in 1995, the District has collected a low pressure wastewater collection system maintenance fee. The fee is currently \$36.75. No 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 51% 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 by various property owners in the service area through the formation of an assessment district and the acquisition of a State Revolving Fund (SRF) Loan. Costs incurred by the District by participation in this project are expected to be recovered by future capacity charges collected from property owners. This budget appropriates \$320,000 for the District's participation in the project, funded from the Woods Valley Ranch Wastewater Treatment Fund Replacement reserve.

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

	2009-10 Adopted Budget	Percent to Total	2010-11 Proposed Budget	Percent to Total	Change	Percent Change
Revenues	\$384,894	100.0%	\$375,619	100.0%	(\$9,275)	(2.4)%
Operating Expenses:						
Labor	\$106,400	27.6%	\$111,000	29.6%	\$4,600	4.3%
Electricity	35,000	9.1%	49,350	13.1%	14,350	41.0%
Administrative allocation	31,830	8.3%	40,302	10.7%	8,472	26.6%
Maintenance	5,000	1.3%	5,000	1.3%	0	0.0%
Vehicle maintenance	5,000	1.3%	5,000	1.3%	0	0.0%
Regulatory	15,000	3.9%	15,000	4.0%	0	0.0%
Outside Services (Laboratory and Waste Hauling)	38,500	10.0%	40,000	10.6%	1,500	3.9%
Insurance	3,000	0.8%	11,848	3.2%	8,848	294.9%
Other	<u>10,250</u>	<u>2.6%</u>	<u>10,400</u>	<u>2.8%</u>	<u>150</u>	<u>1.5%</u>
Total Operating Expenses	249,980	64.9%	287,900	76.6%	37,920	15.2%
Net Operating Income	134,914	35.1%	87,719	23.4%	(47,195)	(35.0)%
Capital Projects	98,000		62,600		(35,400)	(36.1)%
Replacement Reserve Contribution	<u>102,620</u>		<u>102,620</u>		<u>0</u>	<u>0.0%</u>
Total funded from replacement reserves	<u>(\$65,706)</u>		<u>(\$77,501)</u>		<u>(\$11,795)</u>	<u>(18.0)%</u>

Electricity and insurance costs are 41.0% and 249.9% higher than the previous year. This is due to the conditional acceptance for operations and maintenance of the permanent facility.

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 2010-11.



Lake 9 at Welk Village

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. As adopted by the Board of Directors, the Strategic Plan serves as the core policy framework by which the District has established its values, performance standards, and improvement goals for critical aspects of its operations, such as Water Supply, Wastewater Treatment and Reclamation, Infrastructure, Finance, Technology, Energy, and Compensation and Benefits. All expenditures appearing in this document, whether routine and ongoing, programmatic, or project oriented, are based upon or justified by some aspect of the Board adopted Strategic Plan.

Below are the **Mission Statement, Organizational Values, Performance Measurements, and Strategic Plan Goals** contained in the current Strategic Plan. Performance Measurements also reflect the Performance Measurement outcomes for calendar year 2009.

Within the various Department narratives appearing throughout the budget are reports on progress made over the past fiscal year toward accomplishing the various goals appurtenant to the specific department as well as the projects and programs proposed in the upcoming budget year.

MISSION STATEMENT

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

ORGANIZATIONAL VALUES

Customer Satisfaction

- Quality Service
- Safe Water
- Reliability
- Friendliness

Professionalism

- Ethics
- Integrity
- Leadership
- Teamwork

Efficient Use of Resources

- Conservation
- Environmental Sensitivity
- Cost Control

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 2009 was 5.8%. 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, 2009 represents approximately 5.6 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 9.4% of Municipal & Industrial and 12.2% 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 101.5% of design criteria.

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

Four projects were completed with cumulative costs 3.4% more than estimated.

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

Reliability was 99.952%.

8. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.

100%.

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

The District had one lost time accident in calendar 2009 representing 0.0007% of total hours worked.

10. RETURN ON INVESTMENTS - While seeking to preserve capital and maintain a level of liquidity necessary to meet cash flow requirements, our rate of return, on an annualized basis, shall 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 2009 was 1.97% as compared to the 12-month rolling average U.S. Treasury Bonds of 1.01%.

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.

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 2010-11 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation June 21, 2010.
- 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

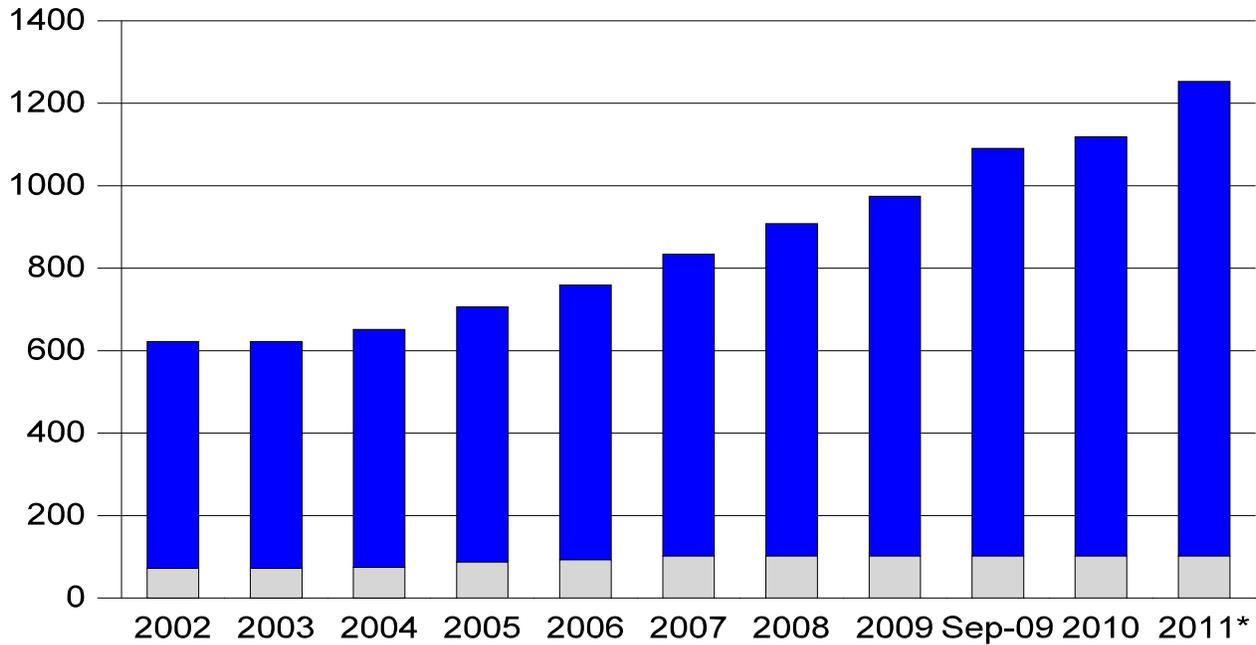
APPROVED BY:



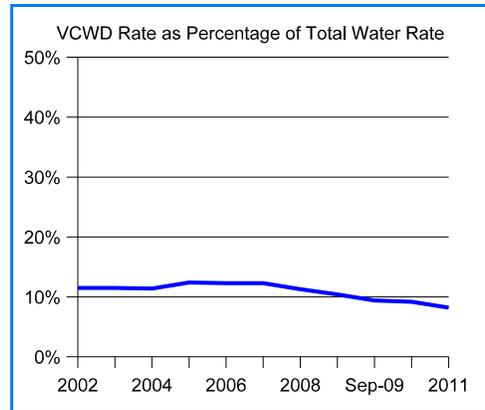
Gary T. Arant
General Manager

Water Rate Components

In Dollars per Acre Foot

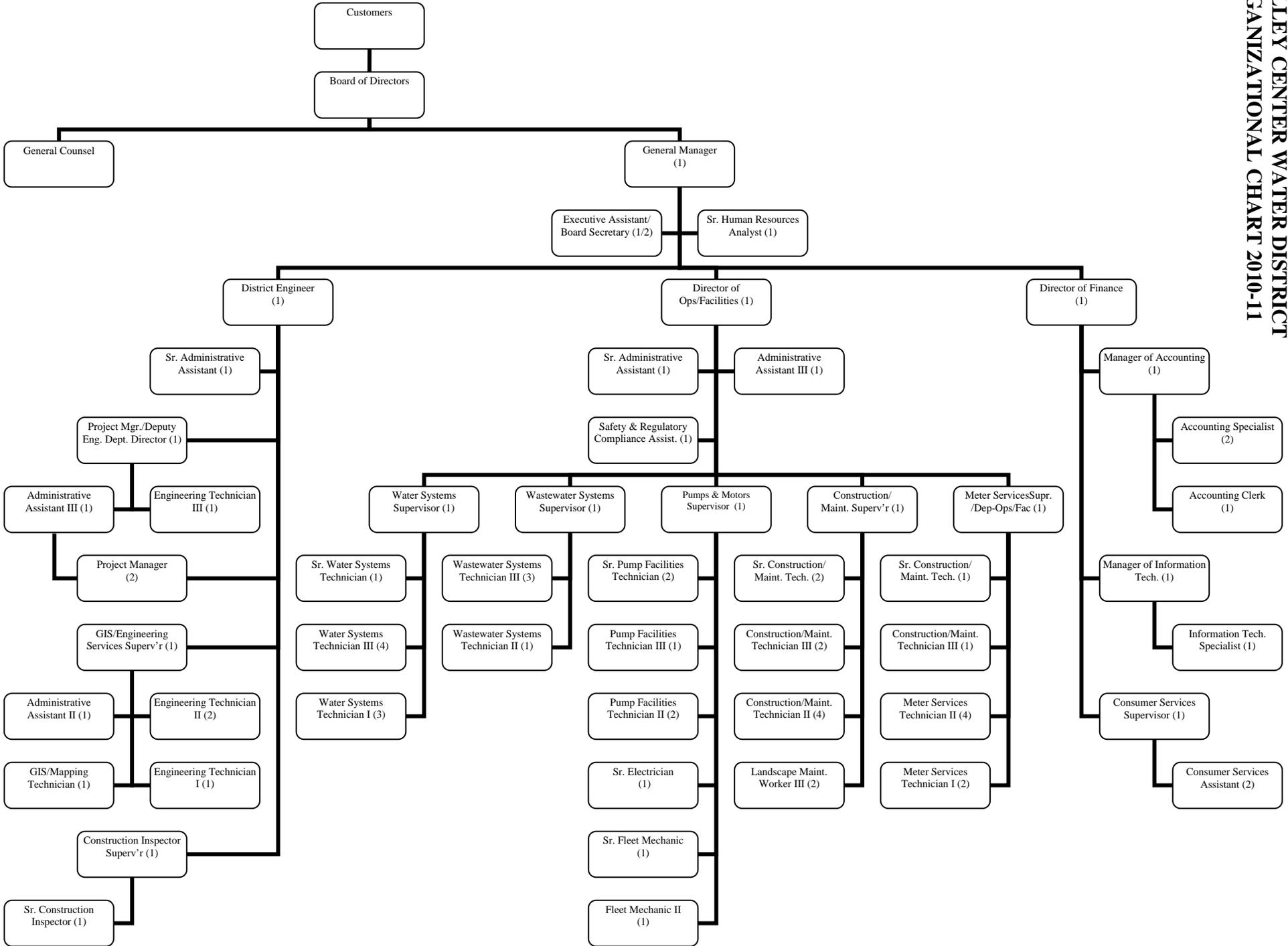


MWD & SDCWA Wholesale
 Valley Center Water District



<i>Rate in Dollars per Acre Foot</i>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Sept 2009</u>	<u>2010</u>	<u>2011*</u>
Valley Center Water District	\$ 72	\$ 74	\$ 87	\$ 93	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102	\$ 102
MWD/SDCWA wholesale	<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>	<u>1,151</u>
Total	<u>\$622</u>	<u>\$651</u>	<u>\$706</u>	<u>\$759</u>	<u>\$833</u>	<u>\$908</u>	<u>\$975</u>	<u>\$1,090</u>	<u>\$1,118</u>	<u>\$1,253</u>
Agricultural Use Discounts (IAWP)	<u>\$152</u>	<u>\$161</u>	<u>\$177</u>	<u>\$205</u>	<u>\$207</u>	<u>\$244</u>	<u>\$252</u>	<u>\$250</u>	<u>\$238</u>	<u>\$264</u>

* Proposed water rates



Resolutions





RESOLUTION NO. 2010-26

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2010-2011 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 2010-2011 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 2010-2011.
2. That the amounts designated in the final 2010-2011 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 21st day of June, 2010, by the following vote to wit:

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

VALLEY CENTER WATER DISTRICT

BUDGET
2010-2011

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, 2010	\$7,102,277	\$0	\$4,924,962	\$12,027,239	\$625,207	\$963,543	\$13,615,989

RECAP OF EXPENDITURES BY FUNCTION

General Administration	968,675			968,675			968,675
Finance	2,050,504	103,886		2,154,390			2,154,390
Engineering	1,752,919			1,752,919			1,752,919
Field Operation	5,842,275			5,842,275	1,063,112	287,900	7,193,287
Source of Supply	31,157,337			31,157,337			31,157,337
Capital Projects			1,694,000	1,694,000	478,030	382,600	2,554,630
Total Budgeted Expenditures	\$41,771,710	\$103,886	\$1,694,000	\$43,569,596	\$1,541,142	\$670,500	\$45,781,238

SOURCE OF FINANCING

Revenues:							
Water Sales	34,455,000			34,455,000			34,455,000
Meter Service Charges/Wastewater Charges	3,400,500			3,400,500	1,350,259	375,619	5,126,378
New Connection Sales	65,600		35,000	100,600			100,600
Other Revenue	692,500			692,500			692,500
Investment Income	187,500			187,500			187,500
Property Taxes	1,852,000			1,852,000			1,852,000
Water Availability Charges	0	103,886	487,114	591,000			591,000
Total Revenues	\$40,653,100	\$103,886	\$522,114	\$41,279,100	\$1,350,259	\$375,619	\$43,004,978

NET REVENUES & EXPENDITURES

NET REVENUES & EXPENDITURES	(\$1,118,610)	\$0	(\$1,171,886)	(\$2,290,496)	(\$190,883)	(\$294,881)	(\$2,776,260)
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TRANSFERS (See page 3-2)

TRANSFERS (See page 3-2)	\$633,427	\$0	(\$633,427)	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2011

ESTIMATED BALANCE, JUNE 30, 2011	\$6,617,094	\$0	\$3,119,650	\$9,736,743	\$434,324	\$668,662	\$10,839,729
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Excluded from this budget are the following debt service funds:

Assessment Districts 93-1, 96-1, and 96-2.



June 21, 2010

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2010-2011

PURPOSE:

Board adoption of Resolution No. 2010-25 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 2010-2011.

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 20, 2010, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2010-25 be adopted to establish the appropriation limit for 2010-2011 as \$4,772,772.

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 21, 2010, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2010-11 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2010-11 is to be set at \$4,772,772 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
2010-11	-0.37% (b)	1.52%	\$4,772,772

Posted May 20, 2010

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. 2010-25

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2010-2011 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 2009-10 fiscal year was \$4,718,976, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,057,500, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2010-2011, 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 2010-2011, 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 2010-2011 fiscal year is established at \$4,772,772.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 21st day of June, 2010, by the following vote, to wit;

AYES:

NOES:

ABSENT:

President

ATTEST:

Secretary

Recap of Revenues & Source



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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, 2010	\$7,102,277	\$0	\$4,924,962	\$12,027,239	\$625,207	\$963,543	\$13,615,989

RECAP OF EXPENDITURES BY FUNCTION

General Administration	968,675			968,675			968,675
Finance	2,050,504	103,886		2,154,390			2,154,390
Engineering	1,752,919			1,752,919			1,752,919
Field Operation	5,842,275			5,842,275	1,063,112	287,900	7,193,287
Source of Supply	31,157,337			31,157,337			31,157,337
Capital Projects			1,694,000	1,694,000	478,030	382,600	2,554,630
Total Budgeted Expenditures	\$41,771,710	\$103,886	\$1,694,000	\$43,569,596	\$1,541,142	\$670,500	\$45,781,238

SOURCE OF FINANCING

Revenues:							
Water Sales	34,455,000			34,455,000			34,455,000
Meter Service Charges/Wastewater Charges	3,400,500			3,400,500	1,350,259	375,619	5,126,378
New Connection Sales	65,600		35,000	100,600			100,600
Other Revenue	692,500			692,500			692,500
Investment Income	187,500			187,500			187,500
Property Taxes	1,852,000			1,852,000			1,852,000
Water Availability Charges	0	103,886	487,114	591,000			591,000
Total Revenues	\$40,653,100	\$103,886	\$522,114	\$41,279,100	\$1,350,259	\$375,619	\$43,004,978

NET REVENUES & EXPENDITURES

(\$1,118,610)	\$0	(\$1,171,886)	(\$2,290,496)	(\$190,883)	(\$294,881)	(\$2,776,260)
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TRANSFERS (See page 3-2)

\$633,427	\$0	(\$633,427)	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2011

\$6,617,094	\$0	\$3,119,649	\$9,736,743	\$434,324	\$668,662	\$10,839,729
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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
2010-2011**

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

	Projected Balance, June 30, 2010	Revenues	Expenses	Net Revenues /Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2011
General Fund						
Operating						
Discretionary Reserves						
- Pumping Rate Stabilization	\$1,336,492	\$3,470,000	(\$3,761,750)	(\$291,750)		\$1,044,742
- Operating Reserve	4,009,645			0	310,033	4,319,678
Restricted Reserves						
- Agricultural Rebate	235,672			0		235,672
- Benefit Plan Liability	1,520,468		(503,466)	(503,466)		1,017,002
Unappropriated Fund Balance	0	37,183,100	(37,506,494)	(323,394)	323,394	0
Total Operating	\$7,102,277	\$40,653,100	(\$41,771,710)	(\$1,118,610)	\$633,427	\$6,617,094
Debt Service Reserve	0	103,886	(103,886)	0		0
Capital Projects Reserves						
- Continuing Projects	2,895,616			0		2,895,616
- Capacity Charges	224,033	35,000	(35,000)	0		224,033
- Capital Improvements	1,805,313	487,114	(1,659,000)	(1,171,886)	(633,427)	0
- Master Plan Improvements	0			0		0
Total Capital	\$4,924,962	\$522,114	(\$1,694,000)	(\$1,171,886)	(\$633,427)	\$3,119,649
Total General Fund	\$12,027,239	\$41,279,100	(\$43,569,596)	(\$2,290,496)	\$0	\$9,736,743
Lower Moosa Wastewater Treatment	625,207	1,350,259	(1,541,142)	(190,883)		434,324
Woods Valley Wastewater Treatment	963,543	375,619	(670,500)	(294,881)		668,662
Total All Funds	\$13,615,989	\$43,004,978	(\$45,781,238)	(\$2,776,260)	\$0	\$10,839,729

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

REVENUE ESTIMATE

GENERAL FUND

Page 1 of 3

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 33,014 af	@ 33,130 af	@ 30,170 af	@ 30,000 af
4114	Municipal & Industrial	\$8,553,917	\$8,847,000	\$9,180,000	\$9,481,000
4115	Certified Agricultural - IAWP	6,816,144	5,201,000	4,519,000	\$5,258,000
4116	Certified Ag/Domestic - IAWP	6,190,549	4,646,000	4,345,000	5,056,000
4117	Certified Agricultural - SAWR	2,364,041	6,526,000	6,027,000	\$5,692,000
4118	Certified Ag/Domestic - SAWR	1,683,670	5,831,000	4,426,000	5,473,000
4135	Construction	56,350	72,000	22,000	25,000
4150	Pump Charge	3,838,476	3,905,000	3,489,000	3,470,000
	Total Water Sales	\$29,503,147	\$35,028,000	\$32,008,000	\$34,455,000
	METER SERVICE CHARGES				
4114	Municipal & Industrial	\$2,376,133	\$2,387,000	\$2,381,000	\$2,491,000
4115	Certified Agricultural - IAWP	240,128	202,000	155,000	162,000
4117	Certified Agricultural - SAWR	71,801	138,000	142,000	148,000
4110	Additional Living Charge	21,407	21,400	21,500	21,500
4116	Certified Ag/Domestic - IAWP	507,359	410,000	389,000	407,000
4118	Certified Ag/Domestic - SAWR	77,540	150,000	158,000	165,000
4135	Construction	28,395	25,000	6,000	6,000
	Total Meter Service Charges	\$3,322,763	\$3,333,400	\$3,252,500	\$3,400,500
	NEW CONNECTION SALES				
4210	Water Meters - New	\$115,264	\$40,800	\$5,100	\$38,500
4220	Water Meters - Relocate	0	0	0	0
4230	Pressure Reducers	1,080	1,400	300	1,400
4240	Double Check Valves	39,014	27,200	31,200	25,700
	Total New Connection Sales	\$155,358	\$69,400	\$36,600	\$65,600

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

REVENUE ESTIMATE

GENERAL FUND

Page 2 of 3

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
4310	Current Secured	\$2,083,005	\$2,113,000	\$1,963,300	\$1,767,000
4320	Current Unsecured	71,920	75,000	74,600	67,000
4340	Homeowners PTR	20,459	21,000	19,600	18,000
4350	Current Water Availability Charge	590,150	591,000	591,000	591,000
4382	Interest Allocation-Wtr Availability Chg	895	0	300	0
4370	Prior Unsecured	(1,369)	0	14,500	0
4380	Interest Allocation	3,285	0	1,100	0
Total Property Taxes-Other		\$2,768,345	\$2,800,000	\$2,664,400	\$2,443,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

REVENUE ESTIMATE

GENERAL FUND

Page 3 of 3

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
4410	Investment Income	\$406,278	\$270,000	\$290,000	\$187,500
4417	Delinquent Penalty	267,181	318,000	366,100	273,000
4418	Penalty	238,607	0	54,400	0
4419	Transfer Fee	8,950	9,000	9,300	9,000
4420	Turn On Charge	22,655	24,000	21,700	22,000
4421	R.P. Inspection/Svc Fee	135,230	128,000	110,250	128,000
4421	R.P. Repairs	16,950	19,000	9,550	19,000
4430	Sale of Maps/Copies	729	1,200	300	1,200
4433	Service Availability Charge	1,400	1,400	750	800
4435	Sale of Surplus	68,216	47,000	23,500	24,000
4440	Other	100,316	8,000	318,700	8,000
4440	Return Check Charge	2,740	2,000	3,800	2,000
4440	Lease of Facilities	192,882	186,800	209,700	201,000
4440	Reimbursement Fees	0	4,000	0	1,000
4440	Escondido Sewer Collection Fee	2,075	2,000	2,500	2,500
4440	Escondido Water Service in Lieu	702	4,000	350	1,000
	Total Other Revenue	\$1,464,911	\$1,024,400	\$1,420,900	\$880,000
	CAPITAL IMPROVEMENT CHARGES				
4810	Meter Capacity Charges	\$215,282	\$74,000	(\$56,526)	\$35,000
4820	Contributions In Kind	452,066	0	0	0
	Total Capital Improvement Charges	\$667,348	\$74,000	(\$56,526)	\$35,000
	TOTAL REVENUE	\$37,881,872	\$42,329,200	\$39,325,874	\$41,279,100

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2010-2011**

EXPENDITURES RECAP

ALL BUDGETED FUNDS

	2008-2009	2009-2010		2010-2011
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$888,226	\$969,563	\$889,988	\$968,675
Finance	2,012,794	2,181,077	1,884,261	2,154,390
Engineering	1,580,009	1,812,505	1,663,810	1,752,919
Field Operation	5,890,054	6,171,226	5,904,376	5,842,275
Source of Supply	24,955,406	31,480,921	28,661,244	31,157,337
Total Operating	\$35,326,489	\$42,615,292	\$39,003,679	\$41,875,596
Capital Projects	3,943,304	3,000,250	2,581,361	1,694,000
Total General Fund	\$39,269,793	\$45,615,542	\$41,585,040	\$43,569,596
Lower Moosa Wastewater Treatment	2,223,647	1,162,561	1,461,211	1,541,142
Woods Valley Wastewater Expansion	25,676	0	0	320,000
Woods Valley Wastewater Treatment	297,384	347,980	278,300	350,500
Total	\$41,816,500	\$47,126,083	\$43,324,551	\$45,781,238

RECAP BY FUNCTION

Operating	\$35,227,019	\$42,514,363	\$38,902,748	\$41,771,710
Debt Service	99,470	100,929	100,931	103,886
Capital Projects	3,943,304	3,000,250	2,581,361	1,694,000
Total General Fund	\$39,269,793	\$45,615,542	\$41,585,040	\$43,569,596
Lower Moosa Sewer - Operating	2,223,647	1,162,561	1,461,211	1,541,142
Woods Valley Expansion - Capital Proj.	25,676	0	0	320,000
Woods Valley Wastewater - Operating	297,384	347,980	278,300	350,500
Total	\$41,816,500	\$47,126,083	\$43,324,551	\$45,781,238

VALLEY CENTER WATER DISTRICT

2010-2011

HISTORY OF WATER PURCHASED AND SOLD
1977-1978 THROUGH 2010-2011

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	827.3	2387.7	2863.2	3542.7	3041.3	34781.0
09-10	4133.6	4234.1	4257.0	3334.0	2853.2	833.2	927.4	289.8	997.0 *	2047.0 *	2784.0 *	3605.0 *	30295.3 *
10-11	2991.0 *	3236.0 *	2948.0 *	2746.0 *	2448.0 *	2427.0 *	2480.0 *	2587.0 *	2225.0 *	2395.0 *	2544.0 *	2873.0 *	31900.0 *
	AVERAGE FIRST 6 MONTHS					24867.9	AVERAGE LAST 6 MONTHS					14986.2	39854.1
						62.397%						37.603%	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	3956.4	3871.8	3878.8	3322.6	1944.4	1012.1	1461.0	1165.6	2392.0	3205.4	2919.7	33014.1
09-10	3358.6	4022.6	4170.3	3545.3	2920.4	1782.5	1172.9	331.0	937.0 *	1924.5 *	2616.5 *	3388.4 *	30170.0 *
10-11	2812.5 *	3042.5 *	2772.5 *	2582.5 *	2302.5 *	2282.5 *	2332.5 *	2432.5 *	2092.5 *	2252.5 *	2392.5 *	2702.5 *	30000.0 *
	AVERAGE FIRST 6 MONTHS					24701.2	AVERAGE LAST 6 MONTHS					12529.2	37230.4
						66.347%						33.653%	100.000%

*ESTIMATED

General Administration



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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 2009-2010

Performance Measurement Standards – Compliance with the following Standard was as follows as of December 31, 2009:

- **Customer Satisfaction (Standard 1)** – For calendar year 2009, 100% of the ratings were “Meets” or “Exceeds” expectations.

Strategic Plan Goals –

- **Carlsbad/Poseidon Seawater Desalination Project (Water Supply – Goal 1)** - Progress continued on the implementation of the Carlsbad Poseidon Desal Plant. To facilitate the project, Valley Center Municipal Water District and the eight other members of the San Diego Desal Partners continued to lend support to the project as well as develop delivery options and operational scenarios for the distribution of the desalted seawater. During 2009 -2010 all regulatory permits from the State Lands Commission, California Coastal Commission, and the San Diego Regional Water Quality Control Board were secured. All regulatory appeals and legal challenges were successfully thwarted, funding from the MWD Seawater Desal Program was approved, and \$530,000,000 in Tax Exempt Private Activity Bond Certificates was approved by the California Debt Limit Advisory Commission. 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 late-2012.
- **SDCWA Special Agricultural Water Rate Extension (SAWR) (Financial – Goal 4)** – SDCWA SAWR was extended two more years in its current form until December 31, 2010, and then beyond in a modified form, removing pricing consideration for and allowing SAWR access to supplemental supplies developed by the SDCWA.

CHALLENGES FOR 2010-2011

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 and phase out by December 31, 2012.
- Managing the financial implications of reduced water deliveries and rapidly increasing wholesale prices, while maintaining effective staffing, service, and major maintenance levels.
- Assisting the Association of California Water Agencies (ACWA) and other statewide organizations to inform the public on the issues concerning the November 2010 State Water Bond.

- 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.
- Assist all other departments in pursuing and meeting adopted Performance Measurements and Strategic Plan Goals in 2010-2011.

GOALS FOR 2010-2011

Performance Measurement Standards –

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

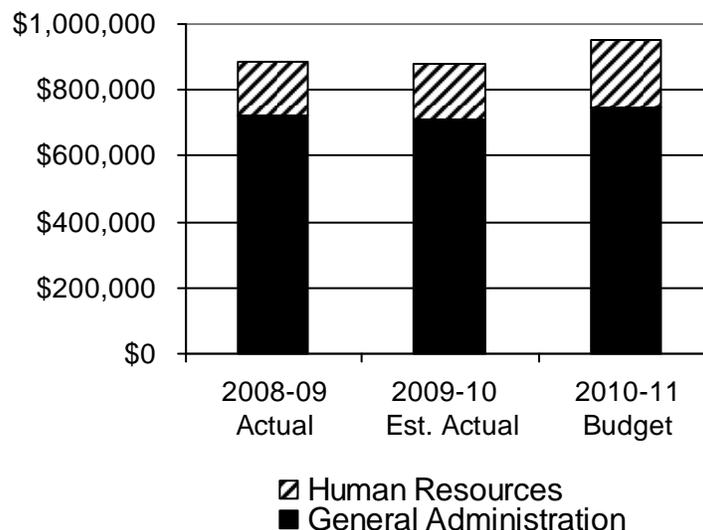
Strategic Plan Goals –

- **The Carlsbad/Poseidon Sea Water Desal Plant (Goal 1)** – The plant is under construction and all policy and distribution issues are resolved.
- **CalPERS Funding Issues (Goal 4)** – Reaching successful conclusion on the CalPERS prior funding issue.
- **Photo-voltaic Solar Power (Goal 6)** – Continue to explore and identify solar generation opportunities at District facilities.

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,” and at all times, “Exceeding Customer Expectations” in all aspects of service.

General Administration



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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	0.50		0.50
Sr. Human Resources Analyst		1.00	1.00
Accounting Clerk		0.10	0.10
Total Full-Time Equivalents	<u>1.50</u>	<u>1.10</u>	<u>2.60</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

DEPARTMENT SUMMARY

GENERAL ADMINISTRATION

Div. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
1	General Administration	720,049	762,865	722,340	765,343
15	Human Resources	168,177	206,698	167,648	203,332
18	Training	0	0	0	0
TOTAL GENERAL ADMINISTRATION		888,226	969,563	889,988	968,675

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	498,113	494,100	494,100	426,700
03	Overtime	4,418	1,000	500	1,000
10	Training & Education	25	500	250	500
11	Uniform/Clothing/Shoes	672	1,000	1,000	1,000
25	Outside Professional Services	266	250	200	2,500
26	Legal Services	104,646	74,650	74,000	74,800
28	Printing	2,998	6,850	5,000	4,000
29	Books & Subscriptions	847	2,100	1,500	850
30	Special Department Expenses	17,660	22,600	22,600	17,650
33	Postage	15,130	16,025	16,025	17,425
34	Membership Fees & Dues	19,229	19,950	21,000	25,300
35	Directors' Fees	12,100	16,000	14,000	16,000
36	Directors' Travel & Expenses	7,337	11,000	11,000	10,000
37	Transportation, Meals & Travel	8,426	9,000	9,000	8,000
39	Public Information and Notices	13,823	28,550	16,000	30,250
54	Maintenance of Equipment	1,466	600	700	750
83	Unclassified - Contingency Fund	600	10,000	10,000	10,000
84	Water Conservation Program	13,494	43,225	20,000	23,350
89	LAFCO Budget Assessment	23,995	27,200	27,200	24,000
90	Federal and State Government Relations	0	0	0	100,000
91	Expense Credit	(25,196)	(21,735)	(21,735)	(28,732)
	Total	720,049	762,865	722,340	765,343

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
39	Public Information and Notices Newsletter and Brochures 11,500 Fact Sheet 1,000 Customer Information Material 3,500 National Geographic Water Magazine 12,000 Legal/Public Notices 1,000 Display Boards - Upkeep/revisions 750 Miscellaneous 500	30,250
54	Maintenance of Equipment Adding Machines, Typewriter, Transcriber Board Room Recorder and Assistive Listening Device	750
83	Unclassified - Contingency Fund	10,000
84	Water Conservation Program Urban Water Conservation, Compliance with Best Management Practices/MOU Program: Water Conservation Materials 5,000 Ultra Low Flush Toilet Rebate Program 500 Residential Customer Service Irrigation Surveys 2,500 Water Education School Program 1,500 High Efficiency Washer Rebate Program 2,000 Smart Landscape Weather-Based Irrigation Controller Rebates 1,400 High Efficiency Nozzels 500 Landscape Irrigation classes, Design, Sprinklers, and Plants 2,500 Water Awareness Calendars 1,500 Customer Information Pamphlets 2,500 Splash Science School Mobile Lab 2,250 Green Machine Agricultural Education 1,200	23,350

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	136,153	155,900	138,200	149,600
03	Overtime	3,892	4,900	3,000	4,500
10	Training & Education	520	3,700	2,500	2,000
25	Outside Professional Services	10,862	13,000	10,100	16,000
26	Legal Services	13,164	22,500	15,000	30,000
28	Printing	46	0	0	0
29	Books & Subscriptions	24	450	400	450
30	Special Department Expenses	3,166	4,000	2,500	4,350
34	Membership Fees & Dues	305	600	300	360
37	Transportation, Meals & Travel	1,735	2,500	1,500	3,000
39	Advertising	5,472	5,000	0	0
91	Expense Credit	(7,162)	(5,852)	(5,852)	(6,928)
	Total	168,177	206,698	167,648	203,332

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
31	Field Administration Customer Service 250 Backflow/Cross Connection 350 Cla-valve 200 Heavy Equipment 500 Trenching/Shoring 300 Water Quality 250 Electric 800 Pump Training 500 Computer 200 Continuing Education 9,275 Technology Classes 3,000 Supervisor Certification 400 Energy Management/Preparedness 400 Wastewater Technical Classes 575 Collection Systems 1,000 Safety 3,000	21,000
91	Expense Credit	(38,700)



Finance



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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 2009-10

Awards - Our 2009-10 budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2009 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 as of December 31, 2009:

- **Discretionary Reserves:** (Standard 3) The District's standard is to maintain unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year at a minimum of three and a maximum six month's operations and maintenance budget, excluding wholesale water and power purchases. The unrestricted reserve balance was 5.6 months, meeting 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, were 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) For the calendar year 2009 our weighted average yield was 1.97%, exceeding the benchmark of 1.01% by 96 basis points. The District estimates our yield for the 2010-11 fiscal year to be 1.25%.

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

- **Service Order Software – Goal 5d:** Work continued to develop the foundations necessary for our new Service Order Software. An upgraded job cost program was installed to integrate service orders with our labor and inventory programs.
- **E-Business – Goal 5e:** Customer account information was scheduled to be available on the District's website by June 30, 2010. This allows customers the ability to have on-line access to their account information. The programming gives our customers the functionality to create user accounts, view their bill information, and pay their bills over the internet.

Information and Business Systems:

- The financial database server was replaced for greater performance and reliability.
- The existing computer servers and infrastructure equipment were relocated from a portable building to the main administration building to increase access control, cooling capacity, and fire prevention.

CHALLENGES FOR 2010-2011

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 agricultural water reductions 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 2010-2011

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

- **Service Order Software – Goal 5d:** New Service Order Software will be programmed 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. The system is expected to be in use in late 2011.

Information and Business Systems:

- A new miscellaneous accounts receivable program will be put in service, providing easier tracking of employee and retiree health insurance premiums. Staff will begin work on a new purchase order system to automate the purchasing approval process.
- A number of separate computer servers will be consolidated using server virtualization where practical, which uses software to emulate multiple server operating systems inside one or a cluster of several physical servers. This provides power savings and facilitates business continuity and disaster recovery. The number of physical servers will decrease by 30% while increasing redundancy. This project will replace several servers that have reached the functional end of life. It will also include a Storage Area Network to provide increased storage capacity.
- The Intermediate Distribution Facility in the main administration building, currently located in a restroom, will be relocated to the new server room. The relocation of the financial database server will also be evaluated for feasibility.
- A new VoIP (Voice over Internet Protocol) telephone system will be installed, replacing the existing analog system which is obsolete and has support only available from third parties. The new system will be more flexible, using the District's existing computer network, and can be extended to remote sites, which also reduces disaster recovery efforts. Customer service will be improved by providing direct-dial numbers for department service counters and caller ID to link incoming calls to customer account information.

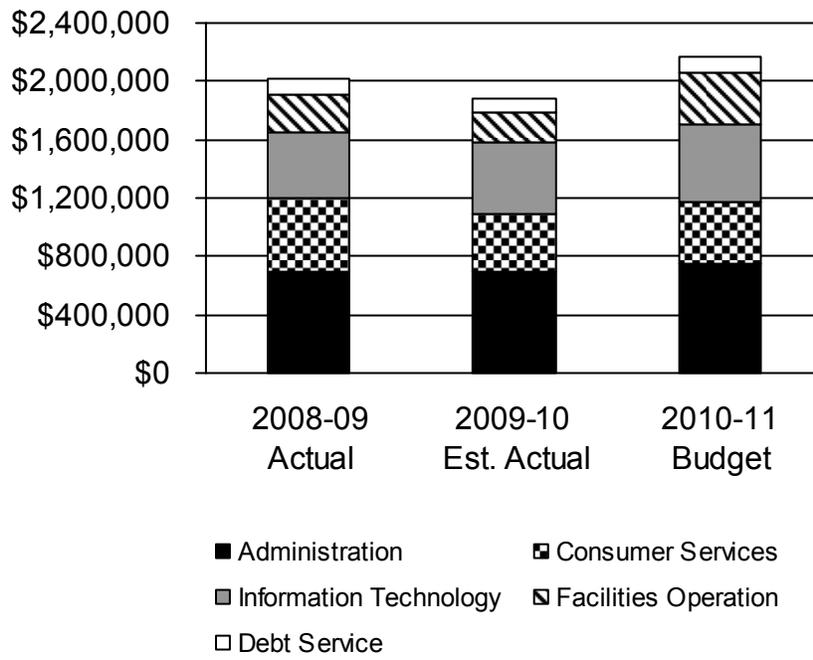
LONG-TERM GOALS

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 <u>June 30, 2009</u>	Retired <u>2009-10</u>	Outstanding <u>June 30, 2010</u>	Maturing <u>2010-11</u>	Outstanding <u>June 30, 2011</u>
Revenue Bonds	2.015%	July 1, 2013	360,000	95,000	265,000	100,000	165,000

Finance



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**Finance
Full-Time Equivalents**

	<u>01-5211.</u>	<u>01-5212.</u>	<u>01-5213.</u>	<u>Total</u>
Accounting Clerk	0.83	0.07		0.90
Accounting Specialist	1.93	0.07		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	4.76	3.14	2.00	9.90

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

DEPARTMENT SUMMARY

FINANCE

Div. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
11	Administration	696,721	758,174	699,224	747,818
12	Consumer Service	506,914	410,728	387,678	425,792
13	Information Systems	445,879	557,254	494,654	531,683
14	Facilities Operation	263,810	353,992	201,774	345,211
16	Salary Clearing	0	0	0	0
19	Debt Service	99,470	100,929	100,931	103,886
TOTAL FINANCE		2,012,794	2,181,077	1,884,261	2,154,390

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	659,850	695,000	665,300	696,100
03	Overtime	260	7,500	900	7,500
10	Training & Education	574	2,500	900	3,500
11	Uniform Allowance	3,401	3,500	3,700	3,400
25	Outside Professional Services	36,309	43,300	36,400	42,800
28	Printing	583	4,250	2,400	4,200
29	Subscriptions and Publications	420	800	300	800
30	Special Department Expenses	5,684	7,700	6,200	8,000
33	Postage	7,276	9,600	600	700
34	Membership Fees & Dues	920	1,400	1,400	1,100
37	Transportation, Meals & Travel	4,840	5,000	3,500	5,200
91	Expense Credit	(23,396)	(22,376)	(22,376)	(25,482)
	Total	696,721	758,174	699,224	747,818

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
33	Postage	700
	Availability Charge Notices	300
	FedEx & Miscellaneous Mailings	400
34	Memberships, Fees and Dues	1,100
	American Institute of CPA's	380
	Calif. Society of Municipal Finance Officers	120
	California Municipal Treasurers' Association	150
	Government Finance Officers Association	340
	Other	110
37	Transportation, Meals & Travel	5,200
	ACWA Fall & Spring Conference	4,100
	Transportation to Training and Seminars	550
	Other	550
91	Expense Credit	(25,482)
	Reimbursement from Sewer Funds for Administrative Overhead	

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	316,007	299,100	290,800	322,600
03	Overtime	502	3,500	100	1,800
10	Training & Education	0	500	0	0
25	Outside Professional Services	16,514	21,900	19,000	19,900
28	Printing	11,371	12,650	10,700	12,700
30	Special Department Expenses	356	300	600	400
32	Telephone	0	800	0	800
33	Postage	40,350	49,000	43,500	47,000
37	Transportation, Meals & Travel	88	100	100	100
87	Write Off of Uncollectible Accounts	135,665	35,000	35,000	35,000
91	Expense Credit	(13,939)	(12,122)	(12,122)	(14,508)
	Total	506,914	410,728	387,678	425,792

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.14	322,600
03	Overtime	1,800
25	Outside Professional Services	19,900
	Bill and Notice Preparation	18,000
	Collections Fees	1,500
	Other	400
28	Printing	12,700
	Bill Payment Stubs	100
	Business Cards	100
	Computer Generated Forms:	
	Billing & Delinquency Stock & Envelopes	12,000
	Other	500
30	Special Department Expenses	400
	Office Supplies	250
	Lien Releases & Recording Fees	150
32	Telephone	800
	Automated Telephone Dialing Service	800
33	Postage	47,000
	130,000 Water Bills & Final Notices	47,000
37	Transportation, Meals & Travel	100
	Transportation to Training and Seminars	100
87	Write Off of Uncollectible Accounts	35,000
91	Expense Credit	(14,508)
	Reimbursement from Sewer Funds for Administrative Overhead	

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	278,365	334,200	323,300	310,100
03	Overtime	551	2,000	1,300	2,000
10	Training & Education	100	3,500	3,600	7,000
25	Outside Professional Services	7,882	11,600	9,500	11,600
29	Subscriptions and Publications	895	1,000	100	1,000
30	Special Department Expenses	15,902	28,000	15,600	53,000
32	Telephone/Answering Service	10,100	10,300	10,100	10,300
37	Transportation, Meals & Travel	335	600	400	600
40	Rents and Leases	10,176	11,400	9,700	11,100
41	Hazardous Waste Disposal Cost	0	500	500	500
54	Maintenance of Equipment	30,151	50,000	44,000	50,000
59	Maintenance of Software	73,682	88,100	67,700	58,500
	Total Network and Workstations	428,139	541,200	485,800	515,700
61	Outside Professional Services - HP	29,182	22,900	20,200	26,500
62	Maintenance of Equipment - HP	5,088	7,800	4,000	5,800
63	Special Department Expenses - HP	969	1,800	1,100	1,800
	Total Hewlett Packard	35,239	32,500	25,300	34,100
91	Expense Credit	(17,499)	(16,446)	(16,446)	(18,117)
	Total Credits	(17,499)	(16,446)	(16,446)	(18,117)
	Total	445,879	557,254	494,654	531,683

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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 1,600 Document Management 5,000 Firewall 12,000 Intrusion Detection 8,000 Network Management and Security 25,000 Web Security 3,000 Backup 3,900	58,500
61	Outside Professional Services - HP Datastream Software Maintenance Agreement 5,200 Water Billing and Service Order Programming 11,100 Programming Changes and Enhancements 8,400 USPS - Class Certification 1,000 Emulator and Plug-In Licenses 800	26,500
62	Maintenance of Equipment - HP 3 Printers 2,600 Hewlett Packard Mainframe 2,200 Miscellaneous 1,000	5,800

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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	(18,117)

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
25	Outside Professional Services	2,611	3,000	1,900	2,200
27	Office Supplies	8,202	9,900	9,900	10,200
28	Printing	4,430	4,700	4,700	4,900
30	Special Department Expenses	681	900	1,400	900
32	Telephone/Answering Service	37,835	47,600	38,500	42,700
40	Rents & Leases	1,911	2,900	1,900	2,900
42	Insurance	158,786	231,118	97,800	233,710
45	Electricity	49,896	53,700	46,600	48,500
54	Maintenance of Equipment	4,685	3,800	2,700	3,000
91	Expense Credit	(5,227)	(3,626)	(3,626)	(3,799)
	Total	263,810	353,992	201,774	345,211

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
25	Outside Professional Services	2,200
	Record Destruction Services	1,700
	Solar Energy Registration	300
	Miscellaneous	200
27	Office Supplies-District	10,200
	Various Office Supplies, Copier Paper	10,200
28	Printing	4,900
	Letterhead, Business Cards, Labels, Envelopes	4,900
30	Special Department Expenses	900
	Property Taxes for Facilities Outside the District	200
	County Vector Control Assessment	700
32	Telephone/Answering Service	42,700
	Telephone	9,000
	Cellular Service	28,900
	Answering Service	4,800
40	Rents & Leases	2,900
	Postage Machine Print Head	1,350
	Storage of Application Files	1,550
42	Insurance	233,710
	General Liability	207,500
	Property Damage and Fidelity Coverage	49,100
	Other Self Insured Retention	5,000
	Less Amount Charged to Sewer Funds	(27,890)
45	Utilities-Electricity	48,500
	Electricity for Administration, Board Room Multipurpose Room, and Engineering Annex I & II	

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor	5,649,234	5,508,651	5,523,200	5,632,007
02	Interns and Temporary Labor	45,444	41,200	34,700	0
03	Overtime	244,496	287,450	224,850	267,300
04	Unemployment Insurance	14,846	14,300	15,750	15,800
05	Retirement	1,523,081	1,552,500	1,506,600	1,595,600
06	Medicare	78,871	80,400	82,500	82,400
07	Medical	930,930	1,059,375	977,500	1,138,375
08	Worker's Compensation	120,794	123,000	120,800	125,000
09	Life and Disability Insurance	123,551	127,300	125,600	132,800
10	Social Security	3,745	2,600	900	0
12	Vacation/Sick/Holiday Leave	889,360	862,800	1,020,850	909,100
13	Increase in Value Of Accrued Leave	70,020	59,800	59,800	15,600
15	Dental	76,482	66,000	69,300	76,300
16	Vision	12,700	13,000	13,950	13,200
18	Post Retirement Health Benefit	481,522	489,426	489,426	503,466
19	Deferred Compensation	36,658	38,400	36,500	38,400
20	Retirement Health Deferred Cont.	1,085	0	2,100	2,400
91	Expense Credit	(10,302,819)	(10,326,202)	(10,304,326)	(10,547,748)
	Total	0	0	0	0

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
70	Principal	90,000	95,000	95,000	100,000
71	Interest on Debt	9,470	5,929	5,931	3,886
	Total	99,470	100,929	100,931	103,886

SOURCE OF FINANCING

Water Availability Charge/Other	99,470	100,929	100,931	103,886
Total	99,470	100,929	100,931	103,886



Engineering



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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. These services are accomplished 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. In 2010-2011, the Engineering Department will assume the responsibilities of administering the District's Water Conservation Program. 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 2009-2010

Performance Measurement Standards

- **Project Actual Cost (Standard No. 6):** Maintain project actual cost to $\pm 10\%$ of the engineer's estimate. The Circle R Wastewater Line Replacement and Valley Center Road projects were accepted in the previous budget period and the Meadows High Line Replacement project is scheduled to be completed by the end of 2009-10.
 - Actual costs for the Valley Center Road project were maintained within $\pm 10\%$ of the engineer's estimate.
 - Exceptionally low bids were received for the Circle R Wastewater Line Replacement project and this project was completed approximately 23% under the original project estimate.
 - Exceptionally low bids were also received for the Meadows Highline Replacement. The final contract amount is expected to be 46% below the engineers estimate for the project.

With the exception of the Valley Center Road Project, all of these projects were completed, or are anticipated to be completed, within the initial project allocation. The Valley Center Road Project was established in 1991 and went through several iterations of design due to County modifications. When final bids were received in 2005-06, total authorization for the project was approximately \$6M. During 2008-09 approximately 7.7% additional authorization was needed for change orders and staff time for construction management.

The Engineering Department strives to limit the total cumulative change order amounts to less than 5% of the original contract amount. The Circle R project change orders totalled 8% of the original contract amount and were due, in part, to increasing the scope of the work to include increased golf course restoration efforts. The Valley Center Road project change orders totalled 8% of the District's funding agreement. The scope was changed during construction to replace an additional 250 linear feet of 24 inch waterline found to be in poor condition. Without this change, total change orders would have been less than 5%. A minor change order is anticipated for the Meadows Highline Replacement project to relocate the connection point to include the replacement of additional pipe that was found to be damaged. The change order scope and amount is being negotiated with the contractor at the time of this writing, but has the potential to exceed the 5% goal due to the relatively low contract amount.

Strategic Plan Implementation -

- **Water Supply - Goal 1:** Investigated two private agricultural wells in the Paradise Mountain area for possible equipping and connection to the District's system to supplement the District's domestic water supply.

- **Wastewater Treatment and Reclamation - Goal 2:**

- 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 imported potable water currently used to supplement the golf course irrigation.
- Updated Moosa Concept Report to reflect completed projects and better define potential reclamation uses and costs.
- Submitted application for \$13.8M State Revolving Fund loan for the Woods Valley Ranch Water Reclamation Facility Expansion project. A preliminary funding commitment is currently scheduled for September 2010.
- Continued progress on development of a Sewer System Management Plan (SSMP) for both treatment facilities.
- Continued to provide project management and inspection services to complete the Phase 1 Woods Valley Ranch Wastewater Reclamation Facility being constructed by Newland Communities. Final acceptance is anticipated by June 30, 2010 pending completion of all punch list items and performance per specifications.
- Completed the Circle R Wastewater Line Replacement at an approximate value of \$130,000.
- Meadows Highline Project, at an approximate value of \$145,000, is scheduled for completion by June 30, 2010.

- **Infrastructure - Goal 3**

- Provided technical engineering services associated with private development including ten projects for concept approval; completed plan review and approval for two projects with a total of 20 lots; completed three fire hydrant special projects, and accepted facilities for two private developments into the system.
- Provided design, engineering, and inspection services for the Jesmond Dene Pump Station and Pfau Pump Station projects which were constructed by the Field Department.
- Completed the Reidy Canyon Area Reservoir site purchase; a 20 acre parcel for future construction of two 1.5 million gallon reservoirs. Purchase price was \$429,000.
- Completed design of Rodriguez Road; an 18 inch and 20 inch water main replacement project. Construction is on hold pending funding.
- The Country Club Reservoir Improvements and Cover Replacement design is scheduled for completion prior to June 30, 2010. Construction is scheduled for 2010-11.
- The High Mountain Waterline to provide a looped system in the Meadows is scheduled for completion by June 30, 2010. The District participated in the cost of the project and will establish a reimbursement area to recoup the cost allocated to new development.

- **Technology - Goal 5: Geographical Information System (GIS)** - Continued to upgrade the GIS with additional data and features. A customized GIS map application was placed in use District-wide and is being utilized on a daily basis by staff. Easement scanning is underway and the product output format has been modified to PDF to allow for better accessibility across the network and for external deliverables. As easement documents are scanned, the data is digitized and added to the GIS for improved efficiency and document storage.

- **Energy – Goal 5b: Energy Efficiency:** Assisted in design and procurement of pump units for the Pfau Pump Station.

- **Energy – Goal 6b: Renewable and Alternative Energy Resource:** Worked with energy providers to design and construct a solar power generating system at the District's office complex. Although the project was terminated, staff continued to identify potential sites for solar development.

Other Projects and Services:

- Processed applications and released for installation 10 meter services, 11 fire service meters, and 12 construction meter permits.
- Marked out and processed over 1,000 underground service alert requests.
- Identified 9 new right-of-way violations and resolved 7; processed 17 new encroachments and issued 12 encroachment permits.

CHALLENGES FOR 2010-2011

The Engineering Department is tasked with and responsible for the planning, design, project management and inspection of water, wastewater and reclamation facility infrastructure improvements for both capital and developer projects. In implementing this responsibility, it is anticipated that a number of challenges will be faced, including:

- Establishment of appropriate policies, procedures and guidelines for the provision and expansion of water service in an environment of ever diminishing water availability.
- Development of local water supply sources.
- Development of financially feasible wastewater infrastructure projects for fragmented property owner participation within the service area of existing treatment facilities.
- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply, reclamation, and solar power generation projects.
- Development of District wide facility requirements due to conversion from predominately agricultural uses to urban uses, changing water conservation practices, and County modification of land use entitlements through the General Plan Update process.

GOALS FOR 2010-2011

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.

Water Supply – Goal 1:

- Complete the Paradise Mountain area well evaluation and implement this additional water supply source if feasible.
- Complete the updated Urban Water Management Plan by the July 1, 2011 due date.
- Assist with planning of infrastructure needed to provide a reliable means of delivering the Poseidon Desalination project water to the District in lieu of wheeling charges to the SDCWA.
- Assume responsibilities of the Water Conservation Program beginning January 1, 2011. For the 2011-12 budget year, establish a separate Division to track cost associated with the program. Develop and plan staff training requirements for administering the District's Water Conservation Program.

Wastewater Treatment and Reclamation – Goal 2:

- Obtain financial assistance for needed infrastructure improvements at the Lower Moosa Canyon Wastewater Reclamation Facility and assist with the design, construction, inspection and acceptance of the facilities.
- Administer development and modification of the Sewer System Management Plan (SSMP) as required by the Regional Water Quality Control Board.
- Provide project management of the Woods Valley Ranch Water Reclamation Facility Expansion Project.

Infrastructure - Goal 3:

- Complete Integrated Water Resources Management Plan for use in identifying future infrastructure requirements for future capacity and replacement needs, and use in obtaining funding assistance.
- Complete Country Club Reservoir Cover replacement project.
- Assist with replacement of the Lilac Reservoir Cover; design, procurement, and record drawings, as needed.

Technology - Geographical Information System (GIS) - 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. Develop customized GIS web map applications for accessing Developer and Capital Improvement Project information and status through a map interface. Generate database containing San Diego County developer project status for Project Facility Availability, Commitment, and other County required letters. Finalize scanning of District easement documents, generate GIS easement layer and provide link to scanned documents for easy retrieval. Coordinate with Information Technology Division the integration of the GIS with other District applications, and the development of a service order software system.

Technology - SCADA - Goal 5b: Assist with the implementation and advancement of the SCADA system through providing drafting support for preparation of record drawings, technical support in areas of instrumentation, controls, control strategy, asset management implementation, interpretation of data and interface with the District's water modeling software.

Technology - Service Order Software - Goal 5d: Assist with the integration of the new Service Order System with GIS.

Energy - Efficiency - Goal 6a: Engineering staff will continue to assist in the design, review, and installation of energy efficient pump assemblies.

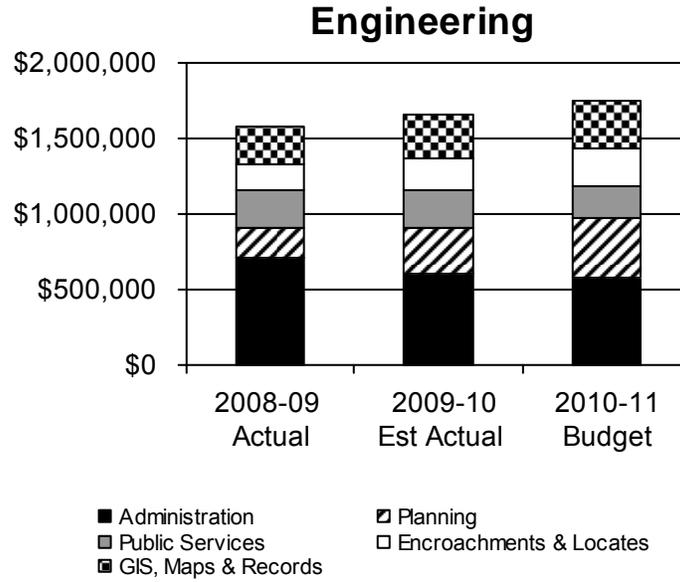
Energy - Renewable and Alternative Energy Resources - Goal 6b: Analyze potential sites for suitability of solar power generation to reduce the use of electric energy. Move forward in developing power generating systems wholly owned and operated by the District or through outside firms via Power Purchase Agreements.

Other Goals:

- Update the District's Standard Specifications and Drawings to include wastewater facilities, update the District's Water and Wastewater Facility Design Guidelines, and develop Computer Aided Drafting Standards to be used for preparation of water and wastewater construction documents.
- Continue to assist staff in use of digital District maps and record drawings. Keep the District's record drawings as up to date as possible.
- Reduce processing time and paperwork required for water and wastewater service requests by utilizing computer resources.
- Complete scanning of all District easement documents and provide access to documents via GIS.
- Develop Electronic Document Management System library for project files and integrate with GIS where applicable, possibly as part of the new Service Order System.

LONG-TERM GOALS

- Seek out funding sources and financial assistance programs to fund required capital improvements.
- Maximize the use of the District's computers to incorporate the Integrated Water Resource Management Plan, SCADA, GIS, and record drawings.
- Develop pump strategies and procedures to maximize pumping efficiencies utilizing water system modeling.



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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	0.50		0.20	0.20	0.10			1.00
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	0.55		0.20		0.30	0.55	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			0.50		0.10	0.30	1.00
Total Full-Time Equivalents	<u>3.95</u>	<u>2.25</u>	<u>1.97</u>	<u>1.72</u>	<u>2.57</u>	<u>0.91</u>	<u>1.63</u>	<u>15.00</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

DEPARTMENT SUMMARY

ENGINEERING

Div. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
21	Administration	706,542	615,303	600,753	580,713
22	Planning and Design	202,467	402,808	312,608	387,061
23	Public Services	247,196	229,456	248,731	216,473
24	Encroachments & Locates	175,968	244,657	201,957	244,953
28	GIS, Maps & Records	247,836	320,281	299,761	323,719
TOTAL ENGINEERING		1,580,009	1,812,505	1,663,810	1,752,919

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	705,164	608,600	600,000	580,800
03	Overtime	1,673	2,000	750	1,000
10	Training & Education	2,684	2,500	1,500	1,500
11	Uniforms/Clothing/Shoes	5,588	6,000	6,000	6,000
26	Legal Services	5,015	5,000	4,000	5,000
28	Printing	181	250	250	250
29	Books & Subscriptions	223	350	350	350
30	Special Department Expenses	2,675	4,000	2,750	3,000
34	Membership Fees & Dues	1,580	1,800	1,600	1,600
37	Transportation, Meals & Travel	1,537	2,000	750	1,000
91	Expense Credit	(19,778)	(17,197)	(17,197)	(19,787)
	Total	706,542	615,303	600,753	580,713

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	201,936	378,300	300,000	370,300
03	Overtime	852	500	250	250
10	Training & Education	154	2,000	500	1,000
25	Outside Professional Services	0	25,000	20,000	25,000
28	Printing	40	100	100	100
29	Books & Subscriptions	658	1,000	400	800
34	Membership Fees & Dues	5,761	7,000	2,500	2,600
37	Transportation, Meals & Travel	115	200	150	200
91	Expense Credit	(7,049)	(11,292)	(11,292)	(13,189)
	Total	202,467	402,808	312,608	387,061

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	248,908	229,500	250,000	219,100
03	Overtime	1,212	800	250	250
10	Training & Education	470	1,025	500	500
28	Printing	40	90	540	100
29	Books & Subscriptions	141	150	150	150
30	Special Department Expenses	3,022	3,900	3,500	3,500
34	Membership Fees & Dues	410	200	100	100
37	Transportation, Meals & Travel	112	200	100	150
91	Expense Credit	(7,119)	(6,409)	(6,409)	(7,377)
	Total	247,196	229,456	248,731	216,473

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	177,162	239,800	200,000	241,200
03	Overtime	412	500	1,000	1,000
10	Training & Education	368	500	500	500
25	Outside Professional Services	50	5,000	2,500	5,000
26	Legal Services	1,579	2,500	2,000	2,500
30	Special Department Expenses	618	1,000	1,000	1,000
34	Membership, Fees & Dues	1,372	2,200	1,800	2,100
91	Expense Credit	(5,593)	(6,843)	(6,843)	(8,347)
	Total	175,968	244,657	201,957	244,953

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	228,279	293,100	275,000	298,500
03	Overtime	437	750	200	250
10	Training & Education	307	1,500	1,200	1,200
25	Outside Professional Services	1,260	5,000	5,000	5,000
28	Printing	90	120	50	50
29	Books & Subscriptions	0	250	100	100
30	Special Department Expenses	5,800	2,200	1,250	2,000
34	Membership, Fees & Dues	205	250	250	250
37	Transportation, Meals & Travel	163	300	400	400
54	Maintenance of Equipment	1,540	2,500	2,000	2,500
59	Software Technical Support	20,020	23,300	23,300	24,500
91	Expense Credit	(10,265)	(8,989)	(8,989)	(11,031)
	Total	247,836	320,281	299,761	323,719



Field Operations



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**DEPARTMENT SUMMARY
Field Operations**

FUNCTION OVERVIEW

The Field Operations Department is the largest within Valley Center Water District. It is divided into six Divisions with a staff of 46 regular employees, including five in wastewater operations. The department is responsible for the operation and maintenance of all District facilities, water and wastewater, and the District's security, code enforcement, and safety programs. It also performs a number of in-house construction and improvement projects and works in conjunction with the Engineering Department in providing in-house planning and construction knowledge.

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 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 for incorporation throughout the District's facilities.

Operations - Water - The Water Operations Division estimates usage demand, purchases water, and regulates flow throughout the distribution system. It also analyzes pump efficiency data and monitors and tracks solar generation. That information is used to develop pumping strategies that improve resources and help reduce overall pumping costs. The Division is also responsible for 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, lift stations and low pressure 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 96 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 51 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 297 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 February 2010, there were 9,659 active meters, of which 910 are fire meters, and 3,582 backflow devices that are tested annually. It oversees the Cross Connection/Backflow program and responds to the majority of the customer service requests which are received by the District. It also enforces the District's Water Conservation measures and mandates.

ACCOMPLISHMENTS FOR 2009-2010

Performance Measurement Standard:

- **Water Loss** (Standard 2): Water loss for the calendar year 2009 was 5.8%. The average water lost for the last four calendar years was 5.0%. The unaccounted water loss for the calendar year was slightly lower than 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 and reconditioning pumps systems that dropped below the acceptable range. This included rebuilding 8 pump and motor combinations and the rebuild and construction of two complete pump stations; Jesmond Dene and Pfau Pump Stations. The pumping efficiency for the calendar year 2009 was 101.4% of design criteria.
- **Water Service Reliability** (Standard 7) was 99.952% for calendar year 2009.
- **Compliance with Regulations** (Standard 8): The District was compliant with all state and federal regulations.
- **Lost-time Accidents** (Standard 9): The District had one lost time accident in the calendar year 2009, 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.

SCADA facilities completed during 2009-10 included VC #3 aqueduct connection and the following reservoir sites: Betsworth, McNally, Lake Turner, Circle R, Old Country Club, and Oak Glen. In addition, Circle R, Pfau, Jesmond Dene, and Lilac Pump Stations were also upgraded.

Other Projects:

- Completed the contracted Valley Center Fire Protection District (VCFPD) fire hydrant testing and maintenance program.
- Rebuilt and constructed the Vista Aleta PRV Station.
- Recoated the interior and exterior of West #1 and #2 reservoirs.
- Extended the employee locker room and constructed meter crew and Construction Maintenance offices.
- Installed two stationary emergency generators at Circle R and Red Mountain Pump Stations.
- Installed solar tube skylights on the construction and meter buildings to reduce energy costs.
- Demolished and removed the old San Gabriel and Pala Loma Pump Stations.
- Developed a Facility Maintenance program and schedule for all pump and reservoir stations.
- Constructed a new Information Technology (IT) Server Room.
- Satin sealed 7 reservoir and pump station sites.
- Installed 5 new inline valves and replaced 7 broken valves throughout the District's service area.
- Constructed a new vehicle recyclable washing system for improved water conservation.
- Cleared the reeds at Lake Turner per the Division of Safety of Dams request.
- Repaired Cool Valley Reservoir concrete panels and sealed suspect joints.

- Completed the exchange and upgrade of the gas heat exchangers at all of our natural gas pump sites.
- Replaced 5 catalytic elements on the natural gas pump engines.
- Cleaned, washed down and inspected 12 steel reservoir tanks.

CHALLENGES FOR 2010-2011

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.

Continue with the in-house construction and implementation of the new SCADA Program and continue to move the project forward.

Research the feasibility of in-house construction of a number of small scale solar projects throughout the District to further reduce energy costs.

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

GOALS FOR 2010-2011

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 and rebuild the complete West Pump Station.
- **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 Phases III through VII.

Facilities scheduled to be completed include MJM, Reid Hill I, West #1 and #2, Pau ma Heights, Rincon, and Montanya reservoirs and the V C #7 aqueduct connection. Also to be completed are, pump stations at West, Tyler and Montanya as well as establishing a radio link at the Moosa Wastewater facility.

- **Vulnerability Assessment** - Complete the recommended measures. Phases three and four have been postponed, but we will slowly implement the necessary security upgrades and improvements within the construction of SCADA Phases III through VII.

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.
- Recoat the interior and exterior of Oat Hill.
- Replace the floating cover on Lilac Reservoir.
- Satin seal 9 facilities throughout the District.
- Continue to install solar tubes at various locations to reduce energy consumption.
- Install a number of small scale solar sites at various locations to reduce energy consumption and cost.
- Construct a new PRV work station and inventory area.
- Improve security and handicap access in the front administration area.
- Deconstruct the old Ridge Ranch Pump House.

- Upgrade the below ground air/vac assemblies in the Treasures Development per current Department of Health Services standards.
- Replace 4 catalytic elements on 2 natural gas pump engines.

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.

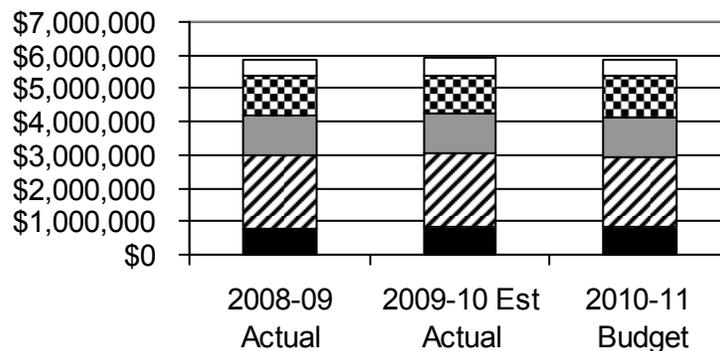
Re-establish easement maintenance and meter maintenance programs throughout the districts distribution system.

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.

Continue to research and implement strategies or new technologies to improve efficiencies and maximize costs savings in all aspects of our operational procedures.

Field Operations



- Vehicle & Equipment Maintenance
- ▣ Meters
- ▤ Construction & Maintenance
- ▥ Operations
- Administration

VALLEY CENTER WATER DISTRICT

BUDGET
2010-2011

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	
Acting Sr. Administrative Assistant	0.90	0.10																					1.00	
Construction Maintenance Supervisor			0.05						0.02	0.01			0.80		0.05			0.01				0.04	0.98	
Construction Maintenance Tech II			0.03						0.08	0.04		0.01	1.59		1.72			0.08			0.03	0.32	3.90	
Construction Maintenance Tech III			0.03						0.04	0.02		0.01	0.13		1.62	0.04	0.05	0.95			0.03	0.04	2.96	
Director of Operations/Facilities	0.82	0.05		0.02																			0.89	
Fleet Mechanic II											0.10									0.83		0.04	0.97	
Interim Sr. Fleet Mechanic																				0.96		0.01	0.97	
Interim Water Systems Tech I					0.94	0.01	0.02	0.02				0.01											1.00	
Interim Water Systems Tech III					0.90	0.01	0.03	0.04				0.02											1.00	
Landscape Maintenance Wkr III			1.74										0.16		0.04								1.94	
Meter Services Supervisor/Dep-Ops/Fac													0.01	0.02		0.01		0.76	0.18		0.01	0.01	1.00	
Meter Services Tech I													0.02			0.02	0.16	1.15	0.60			0.05	2.00	
Meter Services Tech II													0.03			0.02	0.21	2.41	1.28			0.05	4.00	
Pump Facilities Tech II									0.30	0.64	0.80												1.91	
Pump Facilities Tech III									0.20	0.34	0.40												0.99	
Pumps & Motors Supervisor									0.15	0.30	0.30											0.05	1.00	
Safety & Reg Compliance Asst.	0.12	0.80		0.05																0.20		0.05	0.97	
Sr. Administrative Assistant	0.93	0.05																					0.98	
Sr. Construction Maintenance Tech			0.02						0.04	0.02			0.79		0.84	0.04	0.05	0.88			0.01	0.26	2.95	
Sr. Electrician						0.25					0.10											0.60	0.95	
Sr. Pump Facilities Tech									0.30	0.74	0.74											0.16	1.94	
Sr. Water Systems Tech				0.02	0.70	0.03	0.05	0.10				0.08		0.02									1.00	
Water Systems Supervisor				0.01	0.83	0.01	0.04	0.04				0.02		0.02									0.03	1.00
Water Systems Tech I					1.63	0.03	0.05	0.13				0.04						0.02					0.10	2.00
Water Systems Tech III				0.10	1.47	0.40	0.13	0.13				0.12											0.65	3.00
Wastewater Systems Supervisor																					0.03	0.02	0.05	
Wastewater Systems Tech II																					0.01	0.02	0.03	
Wastewater Systems Tech III																					0.11	0.04	0.15	
Total Full-Time Equivalents	2.77	1.00	1.87	0.20	6.47	0.74	0.32	0.46	1.13	2.11	2.44	0.31	3.53	0.06	4.27	0.13	0.47	6.26	2.06	1.99	0.23	2.73	41.55	

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

DEPARTMENT SUMMARY

FIELD OPERATIONS

Div. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
ADMINISTRATION					
31	Field Administration	436,449	441,730	475,680	450,742
32	Safety & Regulatory Compliance	125,133	151,023	144,573	161,836
33	Landscape & Paving Maintenance	207,839	206,321	193,421	191,573
34	District Security	13,128	29,814	12,964	26,933
	Total Administration:	782,549	828,888	826,638	831,084
OPERATIONS					
42	System Operation	789,526	771,300	863,500	855,400
43	Telemetry	207,620	126,600	220,000	153,600
44	Treatment	46,549	71,500	46,000	66,100
45	Automatic Valves	59,545	68,000	54,000	72,700
46	Reservoir Maintenance	198,898	196,500	204,500	157,100
47	Pump Maintenance	328,689	369,300	327,700	287,950
48	Motor Maintenance & Electric Panels	466,196	409,200	399,100	426,800
49	Quality Control	88,491	106,300	87,800	86,900
	Total Operations:	2,185,514	2,118,700	2,202,600	2,106,550
CONSTRUCTION & MAINTENANCE					
53	Pipeline and Right-of-Way Maint.	551,913	653,000	555,400	548,100
54	Corporate Facilities Maintenance	134,108	153,888	132,488	102,991
55	Valve Maintenance & Location	561,996	527,600	519,000	546,100
	Total Construction & Maintenance:	1,248,017	1,334,488	1,206,888	1,197,191
METERS					
61	Meter Installation	100,428	69,400	45,300	65,600
62	Meter Reading	38,713	58,550	38,450	48,900
63	Service Connection Maintenance	896,610	789,200	817,050	837,750
65	Backflow Maintenance	156,330	249,000	244,850	273,800
	Total Meters:	1,192,081	1,166,150	1,145,650	1,226,050
71	Vehicle & Equipment Maintenance	481,893	723,000	522,600	481,400
TOTAL FIELD OPERATIONS		5,890,054	6,171,226	5,904,376	5,842,275

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	363,793	358,100	419,100	396,000
03	Overtime	309	2,000	1,000	1,500
10	Training & Education	32,144	30,000	17,000	21,000
11	Uniform/Clothing/Shoes	36,372	40,000	36,000	30,000
28	Printing	2,606	2,500	2,100	1,500
30	Special Department Expenses	3,548	4,000	3,000	3,000
32	Automated Telephone Dial Service	597	2,000	2,100	2,000
33	Postage	66	150	100	150
34	Memberships, Fees and Dues	451	500	750	500
37	Transportation, Meals & Travel	9,579	12,500	5,000	8,000
38	Regulatory Permits & Fees	1,452	2,000	1,800	2,000
54	Maintenance of Equipment	370	450	200	450
91	Expense Credit	(14,838)	(12,470)	(12,470)	(15,358)
	Total	436,449	441,730	475,680	450,742

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.77	396,000
03	Overtime	1,500
10	Training & Education Allocation from General Administration Training 5118 Page 4-5B	21,000
11	Uniform/Clothing/Shoes	30,000
	Uniforms for Field Personnel 20,000	
	Safety Shoes 8,000	
	Uniform Allowance for Office Personnel 500	
	Hats 1,000	
	Sweatshirts 250	
	Jackets 250	
28	Printing	1,500
30	Special Department Expenses	3,000
	Office Supplies 2,500	
	Miscellaneous Equipment 500	
32	Automated Telephone Dial Service	2,000
33	Postage	150
34	Memberships, Fees and Dues	500
	Miscellaneous 500	
37	Transportation, Meals & Travel	8,000
	San Diego County Water Works Group Meetings 1,000	
	After Hour Meals 6,000	
	Joint Power Insurance Authority Meetings 1,000	
38	Regulatory Permits & Fees	2,000
	State Water Resources Control Board 2,000	

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	197,396	194,600	186,300	184,300
03	Overtime	205	500	350	500
25	Outside Professional Services	685	5,000	4,500	5,000
30	Special Department Expenses	1,099	1,000	550	800
52	Maintenance of Facilities	15,261	11,000	7,500	7,500
91	Expense Credit	(6,807)	(5,779)	(5,779)	(6,527)
	Total	207,839	206,321	193,421	191,573

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	11,344	27,700	12,000	26,200
03	Overtime	123	750	250	250
28	Printing	943	500	250	250
30	Special Department Expenses	1,231	1,300	750	750
33	Postage	0	150	150	150
34	Memberships, Fees and Dues	450	250	400	250
91	Expense Credit	(963)	(836)	(836)	(917)
	Total	13,128	29,814	12,964	26,933

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	674,905	649,800	750,000	731,400
03	Overtime	108,562	115,000	105,000	115,000
30	Special Department Expenses	768	1,000	1,000	1,000
52	Maintenance of Facilities	5,291	5,500	7,500	8,000
	Total	789,526	771,300	863,500	855,400

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	123,456	38,500	158,000	85,200
03	Overtime	4,089	4,000	5,000	5,000
30	Special Department Expenses	0	600	0	400
32	Telephone	36,678	35,000	33,000	33,000
52	Maintenance of Facilities	43,397	35,000	10,000	15,000
59	Software Technical Support	0	13,500	14,000	15,000
	Total	207,620	126,600	220,000	153,600

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	24,666	43,000	20,000	37,000
03	Overtime	332	500	500	500
23	Chlorine	18,836	22,500	22,500	25,000
25	Outside Professional Services	0	500	500	500
30	Special Department Expenses	45	200	200	200
38	Regulatory Permits & Fees	0	300	300	400
52	Maintenance of Facilities	2,670	4,500	2,000	2,500
	Total	46,549	71,500	46,000	66,100

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	35,530	50,000	28,000	51,700
03	Overtime	211	500	500	500
30	Special Department Expenses	33	500	500	500
52	Maintenance of Valves	23,771	17,000	25,000	20,000
	Total	59,545	68,000	54,000	72,700

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	157,279	169,200	175,200	128,800
03	Overtime	41	500	500	500
30	Special Department Expenses	753	800	800	800
38	Regulatory Permits & Fees	14,931	14,000	15,000	15,000
52	Maintenance of Facilities	25,894	12,000	13,000	12,000
	Total	198,898	196,500	204,500	157,100

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	269,979	309,400	265,300	242,700
03	Overtime	807	2,000	2,000	2,000
30	Special Department Expenses	3,068	1,000	3,500	750
38	Regulatory Permits & Fees	0	500	500	500
52	Maintenance of Pumps	54,835	56,400	56,400	42,000
	Total	328,689	369,300	327,700	287,950

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	246,432	230,700	216,600	272,300
03	Overtime	5,531	2,500	2,500	2,500
30	Special Department Expenses	2,510	1,000	5,000	3,000
38	Regulatory Permits & Fees	20,215	22,000	22,000	22,000
52	Maintenance of Electrical Facilities	31,846	35,000	35,000	33,000
55	Maintenance of Engines	31,785	26,000	26,000	24,000
56	Maintenance of Electric Motors	127,877	92,000	92,000	70,000
	Total	466,196	409,200	399,100	426,800

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	45,786	51,300	42,000	35,400
03	Overtime	0	500	300	500
25	Outside Professional Services	27,372	26,000	21,000	25,000
28	Printing	4,406	6,000	6,000	5,500
30	Special Department Expenses	393	500	500	500
33	Postage	1,050	2,000	2,000	2,000
38	Regulatory Permits & Fees	5,878	15,000	10,000	13,000
52	Maintenance of Facilities	3,606	5,000	6,000	5,000
	Total	88,491	106,300	87,800	86,900

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	398,235	431,000	419,400	402,600
03	Overtime	27,972	42,000	28,000	35,000
25	Outside Professional Services	36,738	85,000	28,500	30,000
30	Special Department Expenses	3,257	3,000	3,000	1,500
40	Rents & Leases	2,514	2,000	2,500	2,000
52	Maintenance of Facilities	83,197	90,000	74,000	77,000
	Total	551,913	653,000	555,400	548,100

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	19,718	19,400	13,500	8,500
03	Overtime	765	1,500	500	500
25	Outside Professional Services	85,523	107,500	78,000	60,500
30	Special Department Expenses	5,905	7,000	6,000	5,000
52	Maintenance of Facilities	26,110	23,000	39,000	32,000
91	Expense Credit	(3,913)	(4,512)	(4,512)	(3,509)
	Total	134,108	153,888	132,488	102,991

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Valve Maint./Location** **55**

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	465,517	450,400	439,500	467,900
03	Overtime	8,387	17,500	7,500	10,000
30	Special Department Expenses	3,007	3,000	3,000	1,500
40	Rents & Leases	509	1,200	1,500	1,200
52	Maintenance of Facilities	84,576	55,500	67,500	65,500
	Total	561,996	527,600	519,000	546,100

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	28,374	18,500	13,200	14,700
03	Overtime	1,291	2,000	1,000	2,000
30	Special Department Expenses	517	1,000	500	1,000
38	Regulatory Permits & Fees	0	250	0	250
40	Rents & Leases	0	150	0	150
51	Maintenance of Vehicles	13,202	10,000	8,000	10,000
52	Installation Material-Meters	37,197	22,500	13,600	22,500
57	Installation Material-Backflows	19,847	15,000	9,000	15,000
	Total	100,428	69,400	45,300	65,600

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	36,535	55,300	34,200	45,400
03	Overtime	639	750	250	1,000
30	Special Department Expenses	1,539	500	4,000	500
59	Software Technical Support	0	2,000	0	2,000
	Total	38,713	58,550	38,450	48,900

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	747,975	650,800	650,000	676,900
03	Overtime	36,334	25,000	19,500	23,000
30	Special Department Expenses	3,817	3,000	2,500	2,500
38	Regulatory Permits & Fees	0	150	50	100
40	Rents & Leases	0	250	0	250
52	Maintenance of Facilities	108,484	110,000	145,000	135,000
	Total	896,610	789,200	817,050	837,750

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

FUND: **General** **01**
 DEPT: **Field Operation** **54**
 DIV: **Service Connection Main** **63**

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 6.26	676,900
03	Overtime	23,000
30	Special Department Expenses	2,500
	Pressure Recorder Transducers 1,000	
	Meter Security Locks 1,000	
	Miscellaneous Tools & Equipment 500	
38	Regulatory Permits & Fees	100
	Excavation Permits	
40	Rents & Leases	250
52	Maintenance of Facilities	135,000
	Replace Deteriorated Services 38,000	
	Maintenance Parts and Materials 55,000	
	Meter Repairs and Usage Exchanges 6,000	
	Asphalt Repairs 16,500	
	Repair/Replace Pressure Reducing Valves 4,000	
	Repair/Replace Clay Valves 3,000	
	Adapter Fittings for Auxiliary Hose 2,000	
	Shoring Repair Kits and Pump 1,500	
	Traffic Control Equipment 3,000	
	Security Measures (Meters) 6,000	

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.06	204,300
03	Overtime	2,000
25	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water	1,500
30	Special Department Expenses New Testing Supply Requirements 500 Repair Tools and Fixtures 300 Test Equipment for Reclaimed Water 200	1,000
52	Maintenance of Facilities Reduced Pressure (RP) Repair Parts 25,000 Double Check (DC) Repair Parts 29,500 Retro Refit Devices 10,500	65,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	219,527	248,400	272,500	235,300
03	Overtime	4,916	8,000	8,000	6,000
30	Special Department Expenses	8,827	3,000	3,500	2,000
38	Regulatory Permits & Fees	8,058	6,500	6,500	6,500
40	Rents & Leases	3,075	3,000	3,000	1,000
41	Hazardous Waste Disposal Costs	9,768	8,000	8,000	6,500
50	Maintenance - Gas, Oil & Grease	152,295	190,000	150,000	156,000
51	Maintenance of Vehicles	72,265	71,000	71,000	71,000
53	Maintenance of Radios	12,859	15,000	15,000	12,000
54	Maintenance of Equipment	22,843	20,600	20,600	20,600
75	Contrib. to Replacement Reserve	234,050	185,000	0	0
91	Expense Credit	(266,590)	(35,500)	(35,500)	(35,500)
	Total	481,893	723,000	522,600	481,400

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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	12,000
	Service Contract & New Installations	2,000
	Vehicle Tracking	10,000
54	Maintenance of Equipment	20,600
	Grader/Dozer/Backhoe	11,000
	Miscellaneous Equipment	9,600
91	Expense Credit	(35,500)
	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



Source of Supply



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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 \$238 per acre foot as of July 1, 2010, 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 2009-2010

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 Special Agricultural Water Rate (SAWR) has been extended to December 31, 2012, at which time the SAWR calculation will be revised.

While electricity costs were budgeted at 12.8¢ per kilowatt hour last year, costs are currently running slightly below that at a weighted average cost of 12.4¢ per kilowatt hour.

The Lake Turner Photovoltaic Solar Project, that was completed and operational at the end of December 2008, is providing the District clean, green solar energy at 9.06¢ per kilowatt hour. During calendar year 2009, District solar power savings were \$72,600.

CHALLENGES FOR 2010-2011

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 reductions in Interim Agricultural Water Program (IAWP) and Special Agricultural Water Rate (SAWR) deliveries, voluntary reductions in Domestic deliveries, and continued economic uncertainties.

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

Continue the implementation of the IAWP supply reductions and phase out of the program by December 31, 2012.

Continue the implementation of the policies and programs to maintain mandatory use restrictions to domestic and SAWR customers.

GOALS FOR 2010-2011

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.

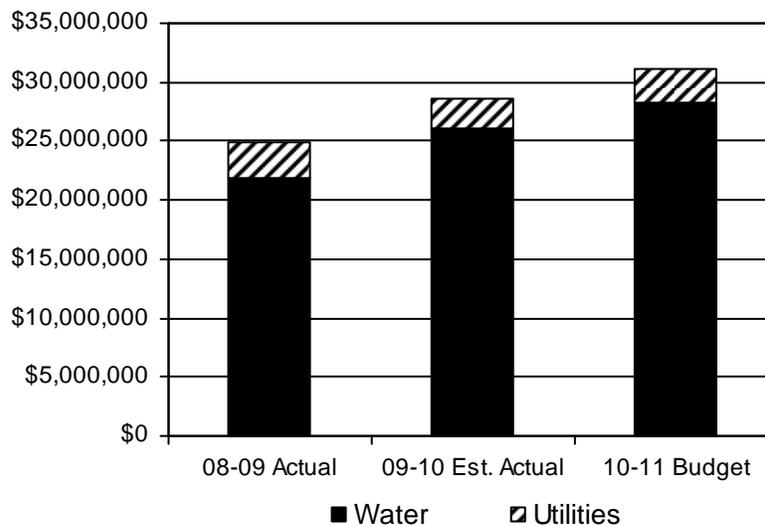
Wholesale rates have not yet been adopted by the San Diego County Water Authority. As such, we have estimated, with the most recent information available, that the treated water supply charge is estimated to increase 8.7% from \$747 to \$812 per acre foot on January 1, 2011. Also, the water delivery charge is increasing 11.9% from \$67 to \$75 per acre foot. The Capacity Reservation Charge for 2011 is estimated to increase 3.4%. The SDCWA is projecting that their Customer Service Charge will increase 21% and the Emergency Storage Charge is expected to increase 41.1% in calendar year 2011. The latter including SDCWA debt service 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 \$68 in January 2010. 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 13.0¢ per kilowatt hour and natural gas 65¢ per therm, for an aggregate cost of \$83 per acre foot of water purchased for 2010-11. The aggregate cost for 2009-10 is \$89 per acre foot, a decrease of 6.7%.

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

Source of Supply



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

DEPARTMENT SUMMARY

SOURCE OF SUPPLY

Div. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	24,955,406	31,480,921	28,661,244	31,157,337
TOTAL SOURCE OF SUPPLY		24,955,406	31,480,921	28,661,244	31,157,337

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
		@ 34,781 af	@ 35,245 af	@ 32,095 af	@ 31,900 af
21	Water Supply Charge - MWD & CWA	20,420,640	25,322,513	23,004,500	24,811,060
22	Water Delivery Charge - CWA	2,144,800	2,335,506	2,125,300	2,258,132
23	Agricultural Rebate - MWD	(2,136,588)	(1,302,606)	(1,076,600)	(794,083)
24	Agricultural Rebate - CWA	(1,168,329)	(1,248,580)	(880,700)	(1,331,308)
25	Ready to Serve Charge	(237,040)	(118,872)	(169,608)	(73,364)
26	Infrastructure Access Charge	327,970	357,582	357,582	408,400
27	Water Delivery Charge - MWD Tier II	700	0	0	0
30	Capacity Reservation Charge - MWD	840,016	845,778	845,778	829,100
35	Customer Service Charge - CWA	1,171,236	1,246,300	1,246,278	1,442,100
36	Emergency Storage Charge - CWA	457,193	547,300	547,314	777,300
	Total Water	21,820,598	27,984,921	25,999,844	28,327,337
45	Utilities - Electricity	2,998,302	3,405,000	2,332,300	2,480,100
47	Utilities - Natural Gas	136,506	91,000	329,100	349,900
	Total Utilities	3,134,808	3,496,000	2,661,400	2,830,000
	Total	24,955,406	31,480,921	28,661,244	31,157,337

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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

Acct. No.	Detail and Justification	Jul to Dec	Jan to Jun	Department Request
21	Water Supply Charge			24,811,060
	To MWD & CWA -	747.00	812.00	
	Expected purchases in AF	16,796	15,104	
	Expected purchases in \$	<u>12,546,612</u>	<u>12,264,448</u>	
22	Water Delivery Charge			2,258,132
	To MWD & CWA -	67.00	75.00	
	Expected purchases in AF	16,796	15,104	
	Expected purchases in \$	<u>1,125,332</u>	<u>1,132,800</u>	
23	Agricultural Rebate - MWD			(794,083)
	Ag Discount Rate	(86.00)	(57.00)	
	Estimated Ag purchases in AF	4,592	7,003	
		<u>(394,912)</u>	<u>(399,171)</u>	
24	Agricultural Rebate - CWA			(1,331,308)
	Ag Discount Rate	(46.00)	(68.00)	
	Estimated Ag purchases in AF	11,498	11,800	
		<u>(528,908)</u>	<u>(802,400)</u>	
25	Ready to Serve Charge			(73,364)
26	Infrastructure Access Charge			408,400

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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.	829,100															
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.	1,442,100															
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.	777,300															
45	Utilities - Electrical	2,480,100															
47	Utilities - Natural Gas	349,900															
	Utilities are based on sale of 30,000 A.F. and purchase of 31,913 A.F. @ \$89 per A.F.																
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="width: 10%; text-align: right;">Electric</td> <td style="width: 10%; text-align: right;">88%</td> <td style="width: 10%; text-align: right;">2,480,100</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Natural Gas</td> <td style="text-align: right;">12%</td> <td style="text-align: right;"><u>349,900</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td></td> <td style="text-align: right;"><u><u>2,830,000</u></u></td> <td></td> </tr> </table>		Electric	88%	2,480,100			Natural Gas	12%	<u>349,900</u>			Total		<u><u>2,830,000</u></u>		
	Electric	88%	2,480,100														
	Natural Gas	12%	<u>349,900</u>														
	Total		<u><u>2,830,000</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.

ACCOMPLISHMENTS FOR 2009-2010**Strategic Plan Implementation:**

- **Infrastructure:** (Goal 3) Completed the Reidy Canyon Area Reservoir site purchase, a 20 acre parcel for future construction of two 1.5 million gallon reservoirs. Also, completed the following projects: the rebuild and construction of two complete pump stations, Jesmond Dene and Pfau Pump Stations, reconstructed the Vista Aleta PRV Station, and demolished and removed the old San Gabriel and Pala Loma Pump Stations.
- **Full Development of GIS:** (Goal 5a) Continued to upgrade the GIS with additional data and features. A customized GIS map application was placed in service and is being utilized on a daily basis by staff.
- **SCADA System:** (Goal 5b) Continued to make progress on expanding the SCADA system program. Progressively removed old telemetry signal units that were not SCADA compatible and replaced them with new SCADA compatible transducer units.

SCADA facilities completed during 2009-10 included VC #3 aqueduct connection and the following reservoir sites: Betsworth, McNally, Lake Turner, Circle R, Old Country Club, and Oak Glen. In addition, Circle R, Pfau, Jesmond Dene, and Lilac Pump Stations were also upgraded

- **Service Order Software:** (Goal 5d) Work continued to develop the foundations necessary for our new Service Order Software. An upgraded job cost program was installed to integrate service orders with our labor and inventory programs.
- **E-Business:** (Goal 5e) Customer account information was scheduled to be available on the District's website by June 30, 2010. This allows customers the ability to have on-line access to their account information. The programming gives our customers the functionality to create user accounts, view their bill information, and pay their bills over the internet.

Other Major Projects:

- Constructed the new Information Technology (IT) server room, and various smaller projects.

CHALLENGES FOR 2010-2011

- Acquisition of suitable funding opportunities for capital improvement projects, including local water supply, reclamation, and solar power generation projects.

- Development of District-wide facility requirements due to conversion from predominately agricultural uses to urban uses, changing water conservation practices, and County modification of land use entitlements through the General Plan Update process.

GOALS FOR 2010-2011

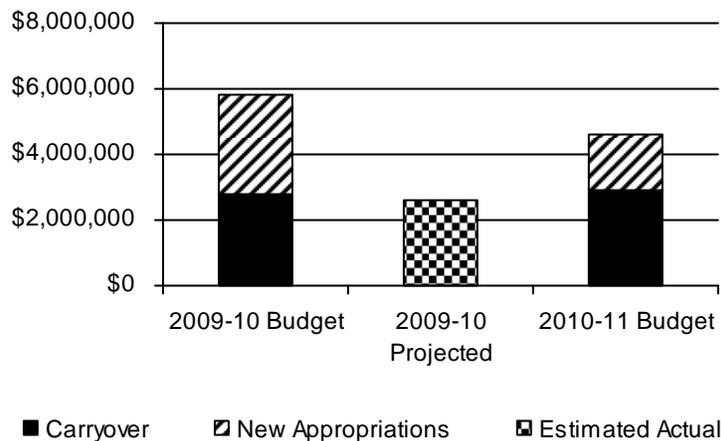
Strategic Plan Implementation:

- **Infrastructure:** (Goal 3) Update the Integrated Water Resources Management Plan, which guides major infrastructure project planning. Replace the Lilac Reservoir floating cover and repair the existing liner. Replace the cover and liner at the Country Club Reservoir. Complete the design and construction of the West Pump Station upgrades.
- **Full Development of GIS:** (Goal 5a) Continue with development and maintenance of database information and integration with GIS.
- **SCADA System:** (Goal 5b) Integrate District facility sites as needed into the SCADA system as opportunities arise and additional funding is made available.

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

Capital Outlay



VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2010-2011

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2010						2011						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Pipelines & PRV's															
Participation & Unspecified Replacement Projects	02		As Required												
New Valve Installations and Appurtenances	06		Construction												
Cole Grade Road Pipeline Replacement	09		Project Close Out												
High Mountain Water Line	10	Completed													
Gordon Hill Road Pipeline	22	Design	Deferred pending construction funding												
Valley Center Road Main	33	Completed													
Rodriguez Road Pipeline Replacement	48	Design	Deferred pending construction funding												
Urban Water Management Plan Update	61														
Integrated Water Resources Management Plan	62														
Pump Stations															
Pfau Pump Station Upgrade	04	Completed													
Portable Power and Transfer Switching	05	Completed													
Pump & Motor Replacements	16	Planning	Design			Construction									
Gas Engine Heat Exchangers	26	Completed													
Emergency Stationary Generators	32	Completed													
Catalytic Elements	36	Planning	Design			Construction									
Lilac Pump Station Upgrades	82	Completed													
Reservoirs															
Lake Turner Gauging Station	07	Completed													
Reservoir Coating - Interior & Exterior	34	Planning	Design			Construction									
Reidy Canyon Area Reservoir	38	Land Purchased	Deferred pending construction												
Lilac Reservoir Cover Replacement	63	Planning	Design			Construction									
Country Club Reservoir Upgrade	90	Design			Bid/Award			Construction							
Data Management Systems															
VoIP Phone System	08	Design	Construction												
Server Virtualization, Storage Area Network, Disaster Recovery	24	Planning	Design			Construction									
Document Management Integration with GIS	27														
Customer On-Line Access	37	Completed													
Service Order Software	47		Planning			Design			Construction						
Accounting Sytem Upgrade	55	Completed													
SCADA System Improvements and Security	71		Construction												
GIS Phase II Implementation	89	Planning													
Enterprise Computer Programming Improvements	96		Construction												

VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2010-2011

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2010						2011						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Facilities															
Solar Power Carport - Miller PPA	03	PPA	Design/Construction												
IT Server Room Relocation	31		Construction												
Administration Facility Improvements	60	Planning/Design	Construction												
Solar Power Development	64		Planning		Design		Construction								
Equipment															
Diesel Particulate Filters	01		Construction												
Replacement Trucks	15	Planning	Design		Construction										
Mini Excavator	65	Planning	Purchase												
Vehicle Alignment Machine	66	Planning	Purchase												

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2009-10	Estimated Actual Expenditures 2009-10	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11
<u>Pipelines & PRV's</u>							
Participation, Upsizing, & Unspecified Repl Projects	02	9-5	400,000	250,028	149,972	65,000	214,972
New Valve Installations and Appurtenances	06	9-6	30,000	15,000	15,000	21,000	36,000
Cole Grade Road Pipeline Replacement	09	9-7	14,619	10,000	4,619	46,000	50,619
High Mountain Water Line	10		30,000	30,000	0		0
Gordon Hill Road Pipeline	22		3,457	1,457	2,000		2,000
Valley Center Road Main	33		38,945	38,945	0		0
Rodriguez Rd PL Replacement	48		16,823	16,823	0		0
Urban Water Management Plan Update	61	9-8	15,000	10,000	5,000	50,000	55,000
Integrated Water Resources Management Plan	62	9-9	30,000	25,000	5,000	195,000	200,000
<u>Pump Stations</u>							
PFAU Pump Station Upgrade	04		232,577	232,577	0		0
Portable Power and Transfer Switching	05		362	362	0		0
Pump & Motor Replacements	16	9-10	166,063	166,063	0	195,000	195,000
Gas Engine Heat Exchangers	26		33,991	34,328	0		0
Emergency Stationary Generators	32		221,000	175,000	46,000		46,000
Catalytic Elements	36	9-11	25,148	25,148	0	22,000	22,000
Lilac Pump Station Upgrades	82		937	937	0		0
<u>Reservoirs</u>							
Lake Turner Gauging Station	07		10,413	10,413	0		0
Reservoir Coating - Interior & Exterior	34	9-12	354,991	354,991	0	133,000	133,000
Reidy Canyon Area Reservoir	38		810,841	474,841	0		0
Lilac Reservoir Cover Replacement	63	9-13				485,000	485,000
Country Club Reservoir Upgrade	90		1,941,787	40,000	1,901,787		1,901,787
<u>Data Management Systems</u>							
VoIP Telephone System	08		100,000	10,000	90,000		90,000
Server Virtualization, Storage, Disaster Recovery	24		138,155	30,000	108,155		108,155
Document Management Integration with GIS	27		26,000	26,000	26,000		26,000
Customer On-Line Access	37		40,000	37,000	3,000		3,000
Service Order Software	47		193,407	10,000	183,407		183,407
Accounting System Upgrade	55		47,925	47,925	0		0
SCADA System Improvements & Security	71	9-14	505,211	300,000	205,211	300,000	505,211
GIS Phase II Implementation	89		54,240	5,000	49,240		49,240
Enterprise Computer Programming Improvements	96		55,725	7,000	48,725		48,725
<u>Facilities</u>							
Solar Power Carport - Miller Purchase Power Agreement	03		12,885	1,885	11,000		11,000
IT Server Room Relocation	31		68,545	62,000	6,545		6,545
Administration Facility Improvements	60	9-15	30,084	17,000	13,084	40,000	53,084
Solar Power Development	64	9-16				50,000	50,000
<u>Equipment</u>							
Diesel Particulate Filters	01		21,871		21,871		21,871
Replacement Vehicles	15	9-17	142,000	142,000	0	26,000	26,000
Mini Excavator	65	9-18				46,000	46,000
Vehicle Alignment Machine	66	9-19				20,000	20,000
Total Capital Projects			5,813,002	2,581,361	2,895,616	1,694,000	4,589,616

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

Estimated Expenditures by Year

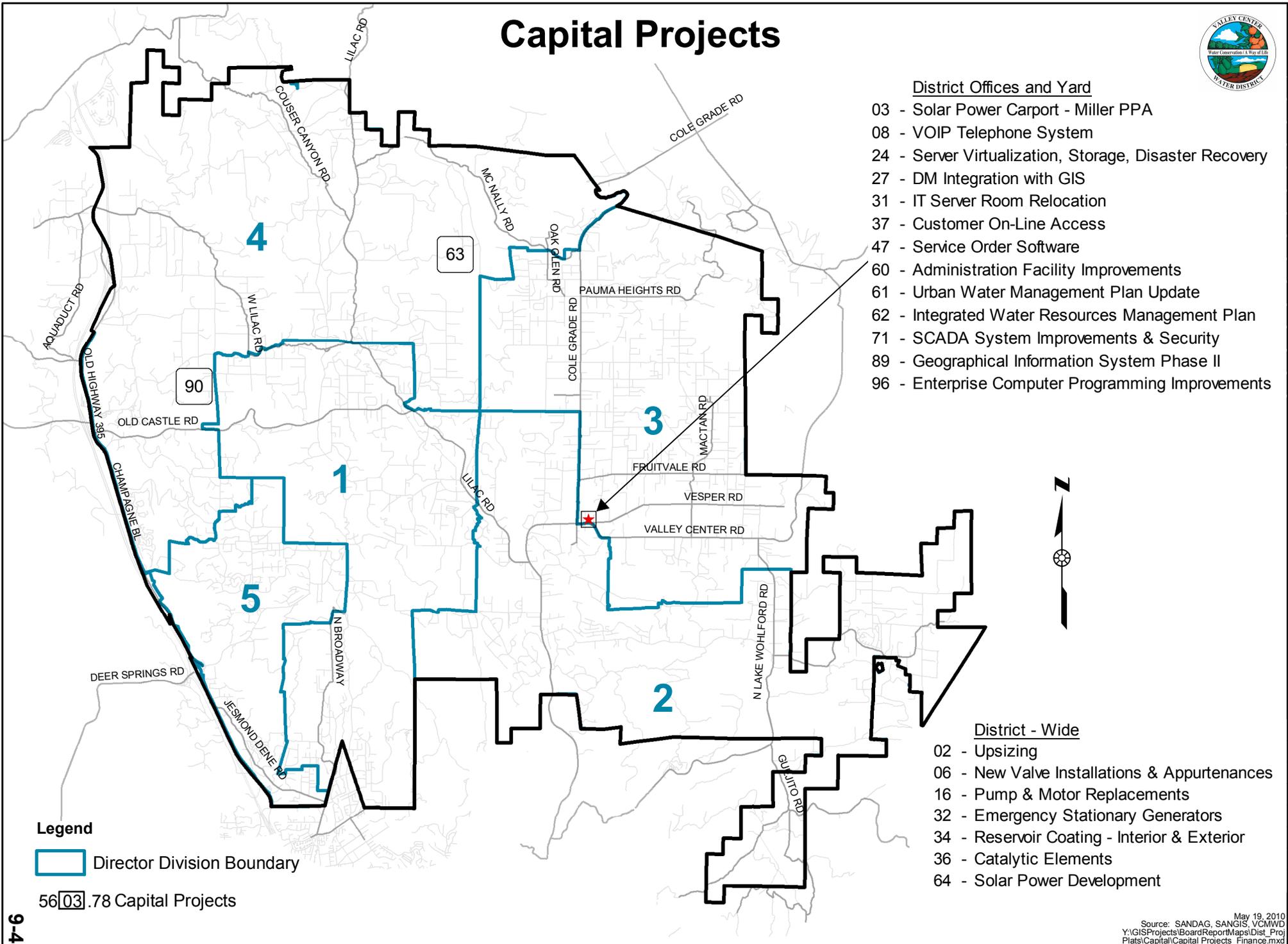
**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11	Estimated Actual Expenditures 2010-11	Estimated Actual Expenditures 2011-12	Estimated Project Balance after 2 years
<u>Pipelines & PRV's</u>								
Participation, Upsizing, & Unspecified Repl Projects	02	9-5	149,972	65,000	214,972	214,972		
New Valve Installations and Appurtenances	06	9-6	15,000	21,000	36,000	36,000		
Cole Grade Road Pipeline Replacement	09	9-7	4,619	46,000	50,619	50,619		
High Mountain Water Line	10		0		0			
Gordon Hill Road Pipeline	22		2,000		2,000	2,000		
Valley Center Road Main	33		0		0			
Rodriguez Rd PL Replacement	48		0		0			
Urban Water Management Plan Update	61	9-8	5,000	50,000	55,000	55,000		
Integrated Water Resources Management Plan	62	9-9	5,000	195,000	200,000	200,000		
<u>Pump Stations</u>								
PFAU Pump Station Upgrade	04		0		0			
Portable Power and Transfer Switching	05		0		0			
Pump & Motor Replacements	16	9-10	0	195,000	195,000	195,000		
Gas Engine Heat Exchangers	26		0		0			
Emergency Stationary Generators	32		46,000		46,000	46,000		
Catalytic Elements	36	9-11	0	22,000	22,000	22,000	22,000	
Lilac Pump Station Upgrades	82		0		0			
<u>Reservoirs</u>								
Lake Turner Gauging Station	07		0		0			
Reservoir Coating - Interior & Exterior	34	9-12	0	133,000	133,000	133,000		
Reidy Canyon Area Reservoir	38		0		0			3,400,000
Lilac Reservoir Cover Replacement	63	9-13		485,000	485,000	485,000		
Country Club Reservoir Upgrade	90		1,901,787		1,901,787	1,901,787		
<u>Data Management Systems</u>								
VoIP Telephone System	08		90,000		90,000	90,000		
Server Virtualization, Storage, Disaster Recovery	24		108,155		108,155	108,155		
Document Management Integration with GIS	27		26,000		26,000	13,000	13,000	
Customer On-Line Access	37		3,000		3,000	3,000		
Service Order Software	47		183,407		183,407	110,000	73,407	
Accounting System Upgrade	55		0		0			
SCADA System Improvements & Security	71	9-14	205,211	300,000	505,211	252,606	252,605	3,602,211
GIS Phase II Implementation	89		49,240		49,240	49,240		
Enterprise Computer Programming Improvements	96		48,725		48,725	38,000	10,725	
<u>Facilities</u>								
Solar Power Carport - Miller Purchase Power Agreement	03		11,000		11,000	11,000		
IT Server Room Relocation	31		6,545		6,545	6,545		
Administration Facility Improvements	60	9-15	13,084	40,000	53,084	53,084		
Solar Power Development	64	9-16		50,000	50,000	50,000	750,000	1,250,000
<u>Equipment</u>								
Diesel Particulate Filters	01		21,871		21,871	21,871		
Replacement Vehicles	15	9-17	0	26,000	26,000	26,000		
Mini Excavator	65	9-18		46,000	46,000	46,000		
Vehicle Alignment Machine	66	9-19		20,000	20,000	20,000		
Total Capital Projects			2,895,616	1,694,000	4,589,616	4,239,879	1,121,737	8,252,211

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
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 - Miller PPA
- 08 - VOIP Telephone System
- 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
- 61 - Urban Water Management Plan Update
- 62 - Integrated Water Resources Management Plan
- 71 - SCADA System Improvements & Security
- 89 - Geographical Information System Phase II
- 96 - Enterprise Computer Programming Improvements



Legend

Director Division Boundary

56 03 .78 Capital Projects

District - Wide

- 02 - Upsizing
- 06 - New Valve Installations & Appurtenances
- 16 - Pump & Motor Replacements
- 32 - Emergency Stationary Generators
- 34 - Reservoir Coating - Interior & Exterior
- 36 - Catalytic Elements
- 64 - Solar Power Development

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5602.78
DEPARTMENT:	Engineering

PROJECT NAME:

Participation, Upsizing And Unspecified Replacement Projects

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

PROJECT DESCRIPTION:

Funds for two types of projects are allocated to this project account: 1) Participation Projects and 2) Replacement Projects.

Participation Projects occur when it is desirable for the District to participate with a Developer in either upsizing a proposed facility (pipeline, etc.) or adding a minor facility extension to the developer project that benefits the District. Funding for participation projects is either reallocated from available funds or newly appropriated with concept approval.

Replacement Projects are minor projects, typically by District forces, to 1) repair or replace existing facilities that have failed, may soon fail or were damaged, 2) to relocate (due to superior easement rights) existing appurtenances or pipelines in conflict with proposed county improvements, or 3) improve facility installation to reduce maintenance costs or improve safety.

The District has, as part of concept approval, committed to participate in the developer projects listed below and would be funded from this account when completed by the Developer. The following table also summarizes the funds allocated to Replacement Projects, transferred to other accounts, and available for new projects. The proposed budget allocation for 2010-11 includes a request for additional funding to maintain approximately \$200,000 for unspecified projects in the upcoming year.

Project Budget	Prior Budget	Prior	Estimated Budget Remaining	Proposed	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense		Budget Allocation 2010-11				
Participation Projects								
Steinbeck - High Vista Water	230,000	230,000	0		0	0	0	230,000
Farmer Line Extension	14,500	0	14,500		14,500	0	14,500	14,500
Replacement Projects								
Circle R Meter Interconnection	10,000	10,028	-28	28	0	0	0	10,028
Beck Wells Evaluation	10,000	10,000	0		0	0	0	10,000
Unspecified Projects	135,500	0	135,500	64,972	200,472	0	200,472	200,472
Total Project	400,000	250,028	149,972	65,000	214,972	0	214,972	465,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5606.78
DEPARTMENT:	Field

PROJECT NAME:

New Valve Installations, Appurtenances & Air/Vac Enclosures

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

PROJECT DESCRIPTION:

The installation of new mainline valves and appurtenances throughout the District's service area. Project to carry over into budget year 2010-11 with the addition of Air/Vac upgrades/ enclosures for Quad H.

Breakdown and locations are listed below:

Completed in 2009-10 -

- Oat Hill Pump Station – 24 inch valve (complete)
- Cobb Lane – 16 inch valve (complete)

Remaining Projects -

- Old Castle Road and Cedar Trails – 12 inch valve
- Manzanita Crest (2) – 16 and 6 inch valves
- West Lilac Road and La Bah – 10 inch valve
- Spearhead Trail – 12 inch valve
- Various appurtenances – air/vac and blow-offs for new valves
- Air/Vac enclosures for Quad H

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installation and Appurtenances	30,000	10,500	19,500	21,000	40,500		40,500	51,000
Total Project	30,000	10,500	19,500	21,000	40,500	0	40,500	51,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5609.78
DEPARTMENT:	Engineering

Cole Grade Road Pipeline Replacement

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

PROJECT DESCRIPTION:

This is a continuing project that has been designed, constructed and was placed in service November 2008. The remaining work includes resolving a contractor claim and closing out the construction contract. Additional funds are requested for staff time and legal consultants to resolve the claim and a contingency amount should the liquidated damages not exceed the additional costs claimed by the contractor. Settlement schedule is dependent upon contractor action. It is anticipated that the claim will be settled within 2010-11.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	43,960	55,881	(11,921)	15,000	3,079		3,079	58,960
Soils/Survey	6,570	6,570	0	0	0		0	6,570
Construction	171,892	141,304	30,588	0	30,588		30,588	171,892
Misc.	2,578	2,707	(129)	129	0		0	2,707
Contingency			0	15,871	15,871		15,871	15,871
Legal		8,089	(8,089)	15,000	6,911		6,911	15,000
Total Project	225,000	214,551	10,449	46,000	56,449	0	56,449	271,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5661.78
DEPARTMENT:	Engineering

Urban Water Management Plan 2010 Update

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, 8

PROJECT DESCRIPTION:

The Urban Water Management Planning (UWMP) Act requires urban water suppliers prepare a report every five years to describe and evaluate sources of water supply, efficient uses of water, demand management measures, implementation strategy and schedule, and other relevant information and programs. The 2010 update will include new methodologies for determining compliance with current water conservation regulations laws for reducing per capita urban water use by 20 percent by 2020.

The 2010 UWMP update must be submitted to the Department of Water Resources by July 1, 2011.

Funds were transferred from other projects to this project in March 2010 to select a consultant and prepare information needed to start the UWMP process in July 2010.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	15,000	10,000	5,000	15,000	20,000		20,000	30,000
Consultant			0	35,000	35,000		35,000	35,000
Total Project	15,000	10,000	5,000	50,000	55,000	0	55,000	65,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5662.78
DEPARTMENT:	Engineering

Integrated Water Resources Master Plan

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	
		<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
				5, 7	1, 6

PROJECT DESCRIPTION:

Funding is requested to prepare an Integrated Water Resources Master Plan ("Plan") in 2010-11 to replace the current Water Master Plan (adopted April 2002) and include planning information for the various existing and proposed Wastewater Service Areas, Water Reclamation Facilities, and proposed Local Water Supply Projects. The Plan will include a zone-based update to current Water Master Plan, discuss local water supply development, water-use conservation efforts, and wastewater facility needs within the District. The plan would be based on the County's General Plan Update which is scheduled for adoption in November 2010.

The document would be prepared by in-house Engineering staff. Information from the IWRMP would be used in acquisition of State and Federal funding. Consultant support may be utilized in development of reclamation facility cost estimates, technical review, and funding consultant/lobbyist review and presentation assistance.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	30,000	25,000	5,000	120,000	125,000		125,000	150,000
Outside Consultants			0	50,000	50,000		50,000	50,000
Contingency			0	25,000	25,000		25,000	25,000
Total Project	30,000	25,000	5,000	195,000	200,000	0	200,000	225,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5616.78
DEPARTMENT:	Field

Pump And Motor Replacemets

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>	<u>Goal</u>
				5	3, 6a

PROJECT DESCRIPTION:

The replacement of older pump systems improves the District's pumping efficiency and reduces power consumption. West Pump Station has an efficiency of 52%. Additional funds are requested to replace the pump system at West Pump Station. This will include replacement of the suction and discharge piping and installing two new vertical turbine pumps and electric motors. The West Pump Station installation will be completed by in-house staff.

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 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Jesmond Dene	166,063	166,063	0		0		0	166,063
West			0	135,000	135,000		135,000	135,000
Staff			0	20,000	20,000		20,000	20,000
Replacements			0	40,000	40,000		40,000	40,000
Total Project	166,063	166,063	0	195,000	195,000	0	195,000	361,063

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5636.78
DEPARTMENT:	Field

PROJECT NAME:

4 Replacement Catalytic Elements

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
	Existing Service	Priority		<u>Standard</u>
				2, 5, 7

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. Staff anticipates replacement of 4 additional catalytic elements in budget year 2011-12 to complete the project.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Catalytic Elements	30,000	30,000	0	22,000	22,000	22,000	44,000	74,000
Total Project	30,000	30,000	0	22,000	22,000	22,000	44,000	74,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5634.78
DEPARTMENT:	Field

Reservoir Recoating - Interior And 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	
				8	3

PROJECT DESCRIPTION:

Recoat the interior and exterior of Oat Hill Reservoir. The interior coal tar enamel coating is failing. Oat Hill Reservoir was constructed in 1973 and has capacity of 0.45 MG.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Recoating			0	88,000	88,000		88,000	88,000
Staff			0	10,000	10,000		10,000	10,000
Contingency			0	35,000	35,000		35,000	35,000
Total Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,000</u>	<u>133,000</u>	<u>0</u>	<u>133,000</u>	<u>133,000</u>

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5663.78
DEPARTMENT:	Field

PROJECT NAME:

Lilac Reservoir Cover Replacement

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>
		<u>Priority</u>		<u>Standard</u> 7, 8

PROJECT DESCRIPTION:

Replace the floating cover on Lilac Reservoir, a 4.7 million gallon reservoir, and repair the existing liner. The condition of the current floating cover is rapidly deteriorating. The cover was installed in 1989 with a life expectancy of 20 years. The new chlorosulfonated polyethylene (CSPE) cover has a life expectancy of 30 years.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	10,000	10,000		10,000	10,000
Repairs			0	30,000	30,000		30,000	30,000
Construction			0	410,000	410,000		410,000	410,000
Contingency			0	35,000	35,000		35,000	35,000
Total Project	0	0	0	485,000	485,000	0	485,000	485,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5671.78
DEPARTMENT:	Field

PROJECT NAME:

SCADA System Installation

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>	<u>Goal</u>
		A		2, 5, 7	3, 5b

PROJECT DESCRIPTION:

Continuing with installation of the SCADA (Supervisory Control and Data Acquisition) system at 10 sites. All of the construction will be preformed by in-house staff.

VC #7 Aqueduct Connection

Reservoirs -

- MGM
- Reid Hill
- West #1 & #2
- Pauma Heights
- Rincon
- Montanya

Pump Stations -

- West
- Tyler
- Montanya

The following have been completed -

- 18 of the 36 Reservoir sites
- 11 of the 25 Pump Stations sites
- 3 of the 6 Aqueduct Connections

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	742,290	642,079	100,211	100,000	200,211	400,000	600,211	1,242,290
Planning	57,500	57,500	0		0		0	57,500
Design	1,513,566	1,513,566	0		0		0	1,513,566
Operations								
Improvemtns	176,635	176,635	0		0		0	176,635
Construction	1,381,643	1,381,643	0	200,000	200,000	900,000	1,100,000	2,481,643
System								
Integration	90,000	65,000	25,000		25,000	225,000	250,000	315,000
Tech Support	132,214	132,214	0		0	23,500	23,500	155,714
Miscellaneous	120,478	120,478	0		0		0	120,478
Contingency	108,408	28,408	80,000		80,000		80,000	108,408
Total Project	4,322,734	4,117,523	205,211	300,000	505,211	1,548,500	2,053,711	6,171,234

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

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:

To design and construct a new front entry area to allow for improved handicap access and mobility through the main office area. This will also include some minor remodel additions to the front counter space to increase the areas functionality and conveyance.

Monies will also be budgeted for the continued evaluation and implementation of installing solar tubes at various locations to reduce our energy consumption and carbon footprint.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Improvements	111,314	98,230	13,084	40,000	53,084		53,084	151,314
Total Project	111,314	98,230	13,084	40,000	53,084	0	53,084	151,314

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5664.78
DEPARTMENT:	Engineering

Solar Project Development

New Item	Type	Master Plan	Project ID	Strategic Plan	
		Priority		Standard	Goal
				4, 8	6b

PROJECT DESCRIPTION:

This is a new project that will allow staff to review District owned property for possible solar energy production. The project includes the review of existing District facilities served by SDG&E to determine current power demands and site suitability for placement of on-site solar power generating facilities. It is anticipated that this evaluation will lead to an initial project consisting of one or multiple sites for a total power capacity in the order of magnitude of 300kW. Future costs for such a project are estimated assuming a construction cost of \$5 per watt plus reasonable costs for design consultants, District staff time, and contingencies. Funding for the construction phase is anticipated from outside financial assistance programs such as Clean Renewable Energy Bonds (CREBs) and California Solar Initiatives (CSI) rebates. Repayment of the financing programs would be from the avoided cost of power. It is intended that the funding programs would include and reimburse the initial planning and feasibility evaluation costs and those funds would be used to establish other power generation projects.

Project Budget	Prior Budget	Prior	Estimated Budget Remaining	Proposed Budget Allocation	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense		2010-11				
Staff			0	10,000	10,000	100,000	110,000	110,000
Consultants			0	30,000	30,000	180,000	210,000	210,000
Construction			0		0	1,500,000	1,500,000	1,500,000
Miscellaneous			0	5,000	5,000	20,000	25,000	25,000
Contingency			0	5,000	5,000	200,000	205,000	205,000
Total Project	0	0	0	50,000	50,000	2,000,000	2,050,000	2,050,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5615.78
DEPARTMENT:	Field

PROJECT NAME:

Replacement Vehicle

Replacement	Type	Master Plan	Project ID	Strategic Plan
		Priority		Standard

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 #61. A Chevrolet Colorado, 4-Wheel Drive Pick-up with approximately 110,000 miles.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Vehicle #61			0	26,000	26,000		26,000	26,000
Total Project	0	0	0	26,000	26,000	0	26,000	26,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5665.78
DEPARTMENT:	Field

PROJECT NAME:

Mini Excavator With Trailer

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:

Mini Excavator with tandem axle equipment trailer. The District spent approximately \$7,000 on renting Mini Excavators in 2009-10 for several different projects. Some of these projects have included an emergency main line leak in a creek bed, the remodel of Jesmond Dene and Pfau Pump Stations, and the construction of various SCADA sites. The addition of a Mini Excavator will give the District more flexibility to conduct multiple projects at the same time and at smaller sites where pace is limited. A Mini Excavator can be towed behind a 1 ton service truck saving on fuel cost and allowing staff to use the dump trucks to transport larger equipment to other projects.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Excavator			0	42,000	42,000		42,000	42,000
Trailer			0	4,000	4,000		4,000	4,000
Total Project	0	0	0	46,000	46,000	0	46,000	46,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5666.78
DEPARTMENT:	Field

Vehicle Wheel Alignment Analyzer

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:

Vehicle Wheel Alignment Analyzer. Current vehicle suspensions are more sensitive, to provide a better ride, compared to the vehicles of the past. These suspensions do not hold up as well to the off road driving conditions within the District's service area and are more prone to being knocked out of alignment. The District currently uses outside vendors to perform all of our vehicle alignment needs. The Vehicle Wheel Alignment Analyzer would decrease the amount of time vehicles are out of service and would increase the productivity of the Fleet Maintenance Division by allowing staff to perform the vehicle alignments, compared to transporting vehicles to and from outside vendors.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Alignment Anaylzer			0	20,000	20,000		20,000	20,000
Total Project	0	0	0	20,000	20,000	0	20,000	20,000



Lower Moosa



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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 2009-2010

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 went out for public bid and were completed in this budget year.

Treatment Plant:

- Implemented operational changes that reduced equipment run times, significantly reducing our energy consumption and energy costs.
- Applied for laboratory certification through the State of California.
- Rebuilt the auger and screening unit to improve the influent quality to the facility.
- Constructed a new and redundant fueling station to increase storage and improve efficiencies.

Meadows Lift Station Refurbishment: Made significant landscaping improvements to better fit with the surrounding area and reduce water usage.

Laboratory: Submitted application for laboratory certification through State of California. Final approval is anticipated for mid June 2010.

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

Fats, Oils, and Grease (FOG) Program: Continued implementation and enforcement of the FOG program at local commercial properties. Developed maintenance and tracking log to annually inspect facilities that are recorded and approved with the District.

New Wastewater Connections: Developer projects in the High Vista area were completed and the wastewater system improvements were conditionally accepted and approved.

Planning Studies:

- Completed Welk Skimming Plant feasibility study to identify the proposed improvements and costs to intercept wastewater flows at the Welk Golf Course, treat the influent to full Title 22 (tertiary standards) and apply effluent to the golf course to offset imported potable water demands.
- Updated the Lower Moosa Canyon Water Reclamation Facility Concept Study to include completed projects and discuss effects the Welk Skimming Plant would have on the future facilities proposed for Moosa.

Additional Projects Completed:

- Improved process control and monitoring for greater plant efficiency and quality.
- Expanded production and improve quality of sludge processing facilities.
- Inspected and cleaned 80% of collection system piping.
- Improved and repaired 35 out of 39 STEP pumps for system reliability and to eliminate odors and damage to the pump systems.
- Continued to maintain and clean the Moosa and Woods Valley influent line and grit channel for improved influent quality and overflow prevention measures.

CHALLENGES AND GOALS FOR 2010-2011

Replacement Projects:

- Replace 30+ year old clarifier mechanical equipment.
- Replace the old Aeration blowers to improve versatility and efficiencies.
- Replace damaged and worn grating and hand rails to improve safety and security at the Moosa facility.
- Replace the centrifuge with new dewatering equipment for improved quality and production of the Moosa Plant's bio-sludge.
- Continue collection system evaluations and work through documented repair list.
- Finish repairing and upgrading the remaining STEP pump systems in the Rimrock area.

Planning Projects:

- Explore tertiary level treatment and water reuse possibilities.
- Work with the Regional Water Quality Control Board to update the Wastewater 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,
- Seek out funding opportunities to develop funding sources for proposed projects.

LONG-TERM GOALS

Plan for future upgrades to meet increasing demands for service.

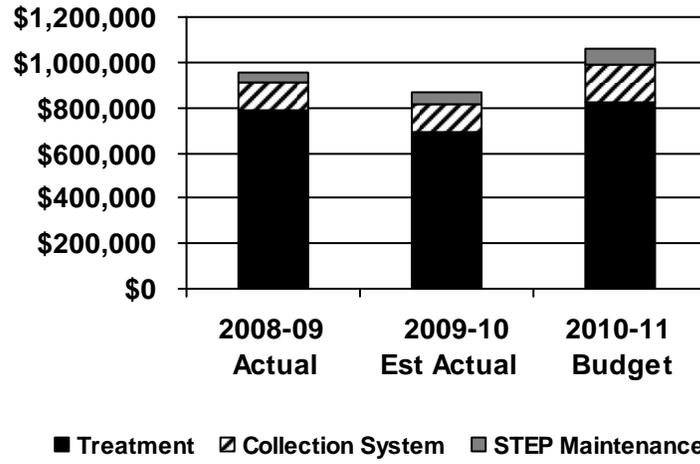
Explore potential for tertiary treatment and water reuse to augment potable water supplies for use in irrigation in existing and future developments. This includes the potential for a water reclamation facility in the Welk Development for use on their golf course and open space areas.

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

Expand the capacity of the entire treatment plant as required to meet the wastewater capacity needs of the service area.

Continue to research and implement strategies or new technologies to improve efficiencies and maximize cost savings in all aspects of our wastewater procedures.

Lower Moosa Wastewater



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**Lower Moosa
Full-Time Equivalents**

	13-5326.	13-5327.	13-5329.	Total
Construction Maintenance Supervisor	0.01	0.01		0.02
Construction Maintenance Tech II	0.04	0.06		0.10
Construction Maintenance Tech III	0.02	0.02		0.04
Director of Operations/Facilities	0.08			0.08
Fleet Mechanic II	0.01	0.01		0.02
Interim Sr. Fleet Mechanic	0.01	0.01		0.02
Landscape Maintenance Wkr III	0.04	0.02		0.06
Pump Facilities Tech II	0.05			0.05
Pump Facilities Tech III		0.01		0.01
Safety & Reg Compliance Asst.	0.02			0.02
Sr. Administrative Assistant	0.02			0.02
Sr. Construction Maintenance Tech	0.02	0.03		0.05
Sr. Electrician	0.05			0.05
Sr. Pump Facilities Tech	0.05			0.05
Wastewater Systems Supervisor	0.60	0.23	0.07	0.90
Wastewater Systems Tech II	0.78	0.08	0.04	0.90
Water Systems Tech III	1.41	0.52	0.24	2.17
Total Full-Time Equivalents	3.21	1.00	0.35	4.56

VALLEY CENTER WATER DISTRICT

BUDGET
2010-2011

MOOSA WASTEWATER TREATMENT FUND
RECAP OF BUDGET AND
SOURCE OF FINANCING

BUDGET REQUIREMENT

Operating/Treatment	819,058
Collection System/West	174,854
STEP Maintenance	69,200
Capital Projects	478,030
	<hr/>
	1,541,142
	<hr/> <hr/>

SOURCE OF FINANCING

Revenue	1,350,259
Operating Reserves	8,625
Decrease in Capital Replacement Reserves	182,258
	<hr/>
	1,541,142
	<hr/> <hr/>

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**MOOSA WASTEWATER TREATMENT FUND
ANALYSIS OF CASH POSITION
JULY 1, 2009, TO JUNE 30, 2011**

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2009	222,166	(21,313)	797,775	131,831	1,130,459
ADD: Revenue 2009-2010					
Wastewater Service Charges	284,516			981,584	1,266,100
Wastewater Lateral & Inspection Fees				0	0
Interest	2,100			4,074	6,174
Wastewater STEP Charges				33,600	33,600
Wastewater STEP Repair Charges				0	0
Capacity Charges		0			0
LESS: Estimated Expenditures 2009-2010	0	0	(597,860)	(863,351)	(1,461,211)
Transfers	(150,000)		150,000	0	0
Net Change	136,616	0	(447,860)	155,907	(155,337)
ESTIMATED BALANCE JUNE 30, 2010	358,782	(21,313)	349,915	287,738	975,122
ADD: Revenue 2010-2011					
Wastewater Service Charges	294,472			1,015,928	1,310,400
Interest	1,300			3,259	4,559
Wastewater STEP Charges				35,300	35,300
Capacity Charges		0			0
LESS: Proposed Expenditures 2010-2011	0		(478,030)	(1,063,112)	(1,541,142)
Expenditures of Continuing Projects			(349,915)		(349,915)
Transfers	(478,030)		478,030	0	0
Net Change	(182,258)	0	(349,915)	(8,625)	(540,798)
ESTIMATED BALANCE JUNE 30, 2011	176,524	(21,313)	0	279,113	434,324

GENERAL INFORMATION:

Average Wastewater Connections:

Monthly Rates:

Effective July 1

Effective September 1

2008-2009	2009-2010		2010-2011
Actual	Budget	Estimated Actual	Budget
2,445	2,459	2,454	2,454
40.50	40.50	40.50	44.50
40.50	44.50	44.50	44.50

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**REVENUE ESTIMATE
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	1,172,925	1,293,400	1,266,100	1,310,400
4110.05	Wastewater Inspection Fee	150	0	0	0
4110.06	STEP Wastewater Inspection Fee	8,000	0	0	0
4410.00	Interest - Operating & Replace. Res.	45,925	5,934	6,174	4,559
4429.00	Wastewater STEP Charges	30,488	36,600	33,600	35,300
4810.00	Capacity Charges	1,079	0	0	0
	Total	1,258,567	1,335,934	1,305,874	1,350,259

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**DEPARTMENT SUMMARY
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Description	2008-2009	2009-2010		2010-2011
	Actual	Budget	Estimated Actual	Budget
Treatment	788,331	745,843	689,243	819,058
Collection System/West	122,776	176,418	123,818	174,854
STEP Maintenance	44,498	90,300	50,290	69,200
Capital Projects	1,268,042	150,000	597,860	478,030
TOTAL MOOSA TREATMENT	2,223,647	1,162,561	1,461,211	1,541,142

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	362,175	330,100	299,500	369,200
03	Overtime	17,314	15,000	18,000	18,000
23	Chemicals	14,412	12,000	13,500	15,500
25	Outside Professional Services	66,938	60,800	66,000	66,800
30	Special Department Expenses	6,341	5,000	4,500	5,000
32	Telephone	4,111	4,200	4,000	4,200
38	Regulatory Permits & Fees	14,128	15,500	15,900	16,000
40	Rents & Leases	526	500	500	500
41	Hazardous Waste Disposal Costs	0	300	300	300
42	Insurance	11,665	13,214	13,214	14,438
45	Electricity	95,579	95,000	70,500	95,000
48	Diesel	0	300	300	300
49	Water	2,447	3,000	3,800	3,000
51	Maintenance of Vehicles	9,828	15,000	6,000	15,000
52	Maintenance of Facilities	46,191	45,000	42,800	45,000
82	Administrative Overhead	135,163	128,929	128,929	148,820
87	Bad Debt Expense	1,513	2,000	1,500	2,000
	Total	788,331	745,843	689,243	819,058

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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 3.21	369,200
03	Overtime	18,000
23	Chemicals	15,500
	Polymer 8,000	
	Sodium Hypochlorite 3,500	
	Sodium Hydroxide 500	
	Laboratory Chemicals 3,500	
25	Outside Professional Services	66,800
	Pumper Trucks - for Grit Removal 6,000	
	Lab Analysis 25,000	
	Sludge Removal 15,000	
	SCADA System Maintenance 2,000	
	Muffin Monster Service/Screening Auger 11,000	
	Oder Scrubber Maintenance 2,000	
	Mowing of Spray Fields/Weed Control 5,000	
	Flow Meter Calibration and Repair 500	
	Lab Equipment Service & Calibration 300	
30	Special Department Expenses	5,000
	Lab Supplies 2,000	
	Tools 1,000	
	Equipment 2,000	
32	Telephone	4,200
	Leased Lines and Alarm Monitoring 2,000	
	T-1 Network Line 2,200	
38	Regulatory Permits & Fees	16,000
	State Water Resources Control Board 13,500	
	HazMat Permit 1,750	
	Air Pollution Control District fees 750	
40	Rents & Leases	500

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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	14,438
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	148,820
87	Bad Debt Expense	2,000

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	75,099	114,000	77,300	111,300
03	Overtime	1,286	2,000	2,900	3,000
25	Outside Professional Services	20,876	30,000	14,000	30,000
30	Special Department Expenses	2,220	2,000	1,900	2,000
38	Regulatory Permits and Fees	799	5,000	550	5,000
40	Rents & Leases	0	250	250	250
42	Insurance	1,296	1,468	1,468	1,604
45	Electricity	5,534	5,000	4,750	5,000
49	Water	1,809	1,200	1,700	1,200
51	Maintenance of Vehicles	2,475	3,500	2,000	3,500
52	Maintenance of Facilities	11,382	12,000	17,000	12,000
	Total	122,776	176,418	123,818	174,854

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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 1.00	111,300
03	Overtime	3,000
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	1,604
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
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	29,565	60,000	42,200	38,900
03	Overtime	2,905	3,000	2,850	3,000
25	Outside Professional Services	3,502	6,000	0	6,000
30	Special Department Expenses	797	300	0	300
51	Maintenance of Vehicles	2,778	2,000	3,140	2,000
52	Maintenance of Facilities	4,951	19,000	2,100	19,000
	Total	44,498	90,300	50,290	69,200

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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 0.35	38,900
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
2010-2011

Lower Moosa 13
Capital Outlay 56

Description	Acct. No.	Prior	2010						2011						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lower Moosa															
Aeration System Upgrade	12	Completed													
Rimrock STEP System Modification	41		Construction												
Combination Sewer Cleaning Truck	43		Deferred												
Waste Discharge Report	53	Planning						Process Permit Application							
Main Sewer Line Ductile Iron Pipe Replacement	77	Completed													
Transmission Line Replacement	78	Completed													
SCADA System	73	Planning	Construction												
Centrifuge Upgrade	74	Planning													
Aeration Blowers	75	Planning	Design	Construction											
Walkway Grating	80	Planning	Construction												
Lab Incubator	81	Planning	Construction												

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2009-10	Estimated Actual Expenditures 2009-10	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11
Aeration System Upgrade	12		132,240	59,000	73,240		73,240
Waste Discharge Report	53		31,011		31,011		31,011
Master Plan - Sewer Line Replacement	54		23,420	23,420	0		0
Main Sewer Line Ductile Iron Pipe Replacement	77		181,601	174,000	7,601		7,601
Transmission Line Replacement	78		356,063	220,000	136,063		136,063
Lower Moosa - Equipment	79		2,934	2,934	0		0
Welk Skimming Plant	11		70,506	70,506	0		0
Rimrock STEP System Modification	41		75,000	48,000	27,000		27,000
Combination Sewer Cleaning Truck (1/2)	43		75,000		75,000		75,000
SCADA System	73	10-11				50,000	50,000
Centrifuge Upgrade	74	10-12				350,000	350,000
Aeration Blowers	75	10-13				65,000	65,000
Walkway Grating	80	10-14				7,600	7,600
Laboratory Incubator	81	10-15				5,430	5,430
Total Capital Projects			947,775	597,860	349,915	478,030	827,945

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

Estimated Expenditures by Year

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11	Estimated Actual Expenditures 2010-11	Estimated Actual Expenditures 2011-12	Estimated Project Balance after 2 years
Aeration System Upgrade	12		73,240		73,240	73,240		
Waste Discharge Report	53		31,011		31,011	31,011		
Master Plan - Sewer Line Replacement	54		0		0			
Main Sewer Line Ductile Iron Pipe Replacement	77		7,601		7,601	7,601		
Transmission Line Replacement	78		136,063		136,063	136,063		
Lower Moosa - Equipment	79		0		0			
Welk Skimming Plant	11		0		0			
Rimrock STEP System Modification	41		27,000		27,000	27,000		
Combination Sewer Cleaning Truck (1/2)	43		75,000		75,000		75,000	
SCADA System	73	10-11		50,000	50,000	50,000		
Centrifuge Upgrade	74	10-12		350,000	350,000	350,000		
Aeration Blowers	75	10-13		65,000	65,000	65,000	32,500	
Walkway Grating	80	10-14		7,600	7,600	7,600	7,600	
Laboratory Incubator	81	10-15		5,430	5,430	5,430		
Total Capital Projects			349,915	478,030	827,945	752,945	115,100	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011. All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

Wastewater SCADA System

ACCOUNT NO.:	13-5673.78
DEPARTMENT:	Lower Moosa WRF

New Item	Type	Master Plan	Project ID	Strategic Plan	
		Priority		Standard	Goal
				5	3, 5b

PROJECT DESCRIPTION:

Integration of the Wastewater facilities into the SCADA communication network. Establish a radio link between the Lower Moosa Canyon Water Reclamation Facility and the SCADA network for future communication to Islands Lift Station and Meadows Lift Station.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Construction			0	40,000	40,000		40,000	40,000
Staff			0	10,000	10,000		10,000	10,000
Total Project	0	0	0	50,000	50,000	0	50,000	50,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

Centrifuge Upgrade

ACCOUNT NO.:	13-5674.78
DEPARTMENT:	Lower Moosa WRF

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

PROJECT DESCRIPTION:

Increased sludge processing capacity is necessary to fulfill the needs of the treatment facilities for the district. The operational range of the existing centrifuge is at the limit to process the current load plus the addition of sludge from the Woods Valley Plant. The centrifuge has been in operation for 12 years and the life expectancy for the centrifuge is 12 to 14 years. The current design is no longer in production and the parts are getting more difficult to acquire. The new dewatering equipment will provide more dewatering capability, redundancy and greater energy savings of up to 20%.

Additionally, the existing centrifuge could be configured in a way that would allow it to serve as a backup unit while the primary unit is undergoing service.

Project Budget	Prior Budget	Prior	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
		Estimated Actual Expense						
Centrifuge			0	350,000	350,000		350,000	350,000
Total Project	0	0	0	350,000	350,000	0	350,000	350,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5675.78
DEPARTMENT:	Lower Moosa WRF

Aeration Blowers

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

PROJECT DESCRIPTION:

The recent upgrades to the Moosa WRF have greatly increased our ability to aerate the basins. The existing aeration blowers are over 36 years old and actually provide too much air to the system creating an unstable environment for the bacteria used in the process. These units are unable to be adjusted and use more energy than other equipment at the facility. Replacing the existing blowers with newer, more efficient units that can be adjusted to meet our demands would not only improve the quality of treatment, but save a significant amount on energy consumption and cost. We propose changing out 2 of the 3 existing blowers this year, with final completion of the 3rd blower next year.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Construction			0	65,000	65,000	32,500	97,500	97,500
Total Project	0	0	0	65,000	65,000	32,500	97,500	97,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5680.78
DEPARTMENT:	Lower Moosa WRF

Walkway Grating

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:

The 34 year old walkway grating over the wet well channels at the Moosa Treatment Facility is in need of replacement. The existing grating is becoming unstable, which has caused lifting in some areas and gaps that may cause a trip or fall hazard. The capital request is for 50% replacement of the walkway grating this year.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Grating			0	7,600	7,600	7,600	15,200	15,200
Total Project	0	0	0	7,600	7,600	7,600	15,200	15,200

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5681.78
DEPARTMENT:	Lower Moosa WRF

Laboratory Incubator

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:

The incubator currently used at the Moosa Treatment Facility is of limited size for the work load and would be insufficient if sampling increases or if emergency sampling is required. The Larger incubator would help the District increase its revenue by soliciting laboratory services from other agencies in the future.

Project Budget	<u>Prior Budget</u>	<u>Prior Estimated Actual Expense</u>	<u>Estimated Budget Remaining</u>	Proposed Budget Allocation 2010-11	<u>Total Budget 2010-2011</u>	<u>Future Budget Allocation</u>	<u>Future Total Project Budget</u>	<u>Estimated Total Project Cost</u>
Incubator			0	5,430	5,430		5,430	5,430
Total Project	0	0	0	5,430	5,430	0	5,430	5,430

Woods Valley Expansion



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**DEPARTMENT SUMMARY
Woods Valley Ranch Wastewater Expansion**

FUNCTION OVERVIEW

Projects associated with the expansion of the Woods Valley Ranch Water Reclamation Facility (Fund 16) are segregated from the main facility (Fund 17) to better identify and account for funds expended for expansion and capital improvements as opposed to funds expended for operation and maintenance costs and facility replacement projects.

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, and expansion of the Woods Valley Ranch Water Reclamation Facility (WVRWRF). Recycled water generated by the facility would be sold for beneficial use, (primarily for irrigation of the Woods Valley Ranch Golf Course). The project's first phase was constructed by Newland Communities and included the initial 0.070 million gallons per day (mgd) membrane bioreactor treatment facility and extension of a gravity collection system to serve the Woods Valley Ranch 270 lot subdivision and golf course facilities. The Phase 2 expansion project would extend wastewater service to the 67 lot subdivision owned by Butterfield Trails LLC (formerly the Alti Corporation), 80 equivalent dwelling units (EDUs) to property owned by Bell Enterprises, and to other property owners in the South Village area electing to participate in the project, for a total anticipated additional capacity of 350 EDUs. 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 the acquisition of a State Revolving Fund Loan.

ACCOMPLISHMENTS FOR 2009-2010

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

- Obtained conceptual approval for the project with the District agreeing to provide a seasonal storage site for future expansion phases and to modify the waste discharge permit to include the proposed expansion capacity.
- Prepared preliminary financial assistance application for the project and were added to the Priority List for the Clean Water State Revolving Fund (SRF) Program.
- With funding from the project proponents, staff prepared and submitted the Financial Assistance Application for a Clean Water State Revolving Fund Loan and received a favorable response from the State Water Quality Control Board staff.

CHALLENGES AND GOALS FOR 2010-2011

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

- Obtain preliminary funding commitment for the SRF Loan for the Expansion Project.

- Execute the Wastewater Service Agreements with the Phase 2 project participants, establishing financial security for funds needed for the Design phase of the project and formation of an assessment district.
- 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.
- 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.
- Finalize SRF loan documents and 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
2010-2011**

**WOODS VALLEY EXPANSION
RECAP OF BUDGET AND
SOURCE OF FINANCING**

BUDGET REQUIREMENT	
Expansion and Reclamation Projects	<u>320,000</u>
SOURCE OF FINANCING	
Transfer from Woods Valley Ranch Replacement Reserve	320,000
	<u>320,000</u>

ANALYSIS OF CASH POSITION

ACTUAL BALANCE JULY 1, 2009	(1,831)
ADD: Revenue 2009-2010	0
Transfer from Woods Valley Ranch Replacement Reserve	0
LESS: Estimated Expenditures 2009-2010	<u>0</u>
ESTIMATED BALANCE JUNE 30, 2010	(1,831)
ADD: Revenue 2010-2011	
Transfer from Woods Valley Ranch Replacement Reserve	320,000
LESS: Estimated Expenditures 2010-2011	<u>(318,169)</u>
ESTIMATED BALANCE JUNE 30, 2011	<u>0</u>

REVENUE ESTIMATE

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Adopted Budget	Estimated Actual	Budget
4410	Interest-Design Phase	0	0	0	0
2529	Wastewater Connection Fees	0	0	0	0
	Total	0	0	0	0

VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2010-2011

Woods Valley Ranch Expansion 16
Capital Outlay 56

Description	Acct. No.	Prior	2010						2011						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<u>Woods Valley Ranch Expansion</u>															
Woods Valley Ranch WRF Phase 2 Expansion	56		Waste Discharge Report (WDR) Processing				Land Purchase	WDR Processing, cont'd							

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**WVR Expansion
Capital Outlay**

**16
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2009-10	Estimated Actual Expenditures 2009-10	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11
WVR WRF Planning	56	11-5	(1,831)		(1,831)	320,000	318,169
Total Capital Projects			(1,831)	0	(1,831)	320,000	318,169

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

Estimated Expenditures by Year

**WVR Expansion
Capital Outlay**

**16
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11	Estimated Actual Expenditures 2010-11	Estimated Actual Expenditures 2011-12	Estimated Project Balance after 2 years
WVR WRF Planning	56	11-5	(1,831)	320,000	318,169	318,169	4,311,500	8,623,000
Total Capital Projects			(1,831)	320,000	318,169	318,169	4,311,500	8,623,000

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	16-5656.78
DEPARTMENT:	Engineering

Woods Valley Ranch WRF Phase 2 Expansion

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

PROJECT DESCRIPTION:

With approval of the planning documents for the South Village Wastewater project, the District agreed to provide the additional seasonal storage property needed for future expansion and to prepare and process a modification to the existing waste discharge permit. Funds requested for 2010-11 include staff and consultant costs to acquire the property adjacent to the seasonal storage site property being acquired by the project proponents and to process the modification to the Woods Valley Ranch WRF waste discharge permit. Preparation of the waste discharge permit modifications would include a water balance evaluation to determine the future seasonal storage needs for the project.

Funding for this request would be from the Replacement Reserve Account for the Woods Valley Ranch Water Reclamation Facility. District funds appropriated for this project would be credited toward a wastewater capacity allocation in the expanded facility. This capacity would be placed in a capacity pool and made available for purchase by property owners in the service area. Proceeds from the sale of this capacity would be used to reimburse the General Fund for prior expenditures and the WVR WRF Reserve account for expenditures associated with this budget allocation. If the capacity is ultimately allocated to the District's future corporate facilities at Lilac and Valley Center Roads, a reimbursement of the applicable capacity cost to the General Fund and the WVR WRF Reserve Account would be required from the Corporate Facilities project account.

Future budget allocations are based on estimates included in the Clean Water State Revolving Fund (SRF) Loan application for the project. SRF Loan proceeds would be funded to the District and used to reimburse prior expenditures for Planning, CEQA, and Assessment District Formation, and fund new expenditures for Design and Construction. No additional District appropriations are anticipated in excess of the Proposed Budget Allocation for 2010-11 shown in the following table.

Funding sources for prior and future expenditures are also indicated below. Funding requirements for the Proponents and participants include any SRF ineligible costs (land costs are the only ineligible costs identified at this time) and a 2 year debt service reserve. The debt service reserve would initially be for financial security and cash flow requirements and would ultimately be applied to the final loan payments.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	226,437	228,268	-1,831	10,000	8,169	717,740	725,909	954,177
Engineering	164,659	164,659	0	30,000	30,000	1,310,000	1,340,000	1,504,659
CEQA	190,890	190,890	0		0	50,000	50,000	240,890
AD Formation	1,640	1,640	0		0	168,360	168,360	170,000
Legal	7,031	7,031	0		0		0	7,031
Land	1,600	1,600	0	250,000	250,000	438,400	688,400	690,000
Appraisal			0	5,500	5,500		5,500	5,500
Property Agent			0	6,000	6,000		6,000	6,000
Construction			0		0	7,113,000	7,113,000	7,113,000
Ph 1 Reimburs.			0		0	2,100,000	2,100,000	2,100,000
Miscellaneous	3,243	3,243	0		0		0	3,243
Contingency			0	18,500	18,500	1,037,000	1,055,500	1,055,500
Total Project	595,500	597,331	-1,831	320,000	318,169	12,934,500	13,252,669	13,850,000

Source of Funds								
Proponets (147 EDUs)	99,000	99,000	0		0	866,000	866,000	965,000
Participants (190 EDUs)	397,500	397,500	0		0	849,000	849,000	1,246,500
District (13 EDUs)	99,000	100,831	-1,831	320,000	318,169		318,169	419,000
SRF Loan			0		0	11,219,500	11,219,500	11,219,500
	595,500	597,331	-1,831	320,000	318,169	12,934,500	13,252,669	13,850,000



Woods Valley Ranch



VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**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 2009-2010

Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction: The new 70,000 gpd permanent treatment facility had previously completed start-up testing and was conditionally accepted for operation and maintenance. 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. 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 June 2010, at which time it will be dedicated to the District for ownership.

Woods Valley Ranch Water Reclamation Facility:

- Installed awning cover over the entire contact basin to reduce chemical cost.
- Sealed leaky manholes to alleviate seasonal infiltration.
- Made operations improvements to reduce sludge hauling and handling costs.
- Installed new awning cover over membrane control center to reduce premature wearing.
- Improved energy efficiency of aeration and digester blowers by installing Variable Frequency Drives (VFD's).

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

CHALLENGES AND GOALS FOR 2010-2011

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:

- Continue to reduce energy consumption and cost by implementing operational improvements.
- Inspect and clean collection system sewer lines per District's Sanitary Sewer Management Plan (SSMP).
- Continue to look for strategies and measures to reduce our sludge hauling and handling costs.
- Install a redundant influent screening unit to eliminate severe damage to the membranes filtration units.
- Continue to upgrade and improve the facilities chlorination system to reduce overall chemical costs.

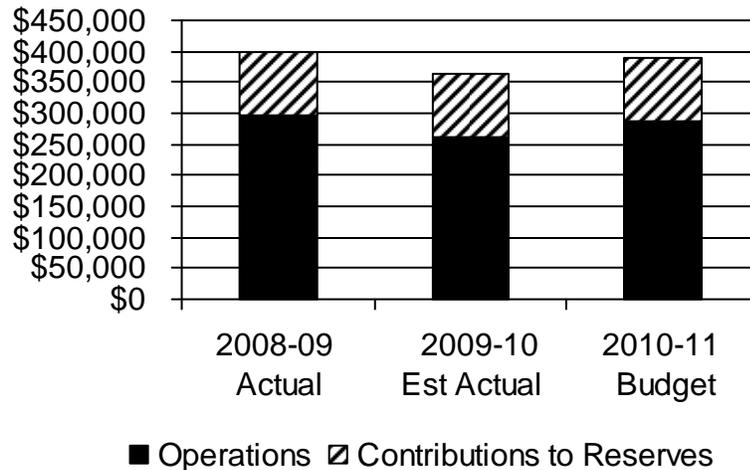
LONG-TERM GOALS

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. This expansion project is included in Fund 16 on page 11-1.

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 (58 lots). Unit 2 (70 lots) 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
2010-2011

Woods Valley Ranch
Full-Time Equivalents

	<u>17-5331.</u>	<u>Total</u>
Director of Operations/Facilities	0.03	0.03
Fleet Mechanic II	0.01	0.01
Interim Sr. Fleet Mechanic	0.01	0.01
Pump Facilities Tech II	0.02	0.02
Safety & Reg Compliance Asst.	0.01	0.01
Sr. Pump Facilities Tech	0.01	0.01
Wastewater Systems Supr	0.05	0.05
Wastewater Systems Tech II	0.07	0.07
Wastewater Systems Tech III	<u>0.68</u>	<u>0.68</u>
	0.89	0.89

VALLEY CENTER WATER DISTRICT

BUDGET
2010-2011

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

BUDGET REQUIREMENT

Operating/Treatment	287,900
Operating Reserves	13,449
Capital Projects	62,600
Transfer to Woods Valley Expansion	320,000
	<hr/>
	<u>683,949</u>

SOURCE OF FINANCING

Revenue	375,619
Capital Replacement Reserves	278,110
Decrease in Operating Fund Cash	30,220
	<hr/>
	<u>683,949</u>

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**WOODS VALLEY RANCH WASTEWATER TREATMENT
ANALYSIS OF CASH POSITION
JULY 1, 2009, TO JUNE 30, 2011**

	Replacement Reserve Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2009	688,008	124,990	0	133,579	946,577
ADD: Revenue 2009-2010					
Wastewater Service Charge	102,620	0		228,676	331,296
Reclaimed Water & Meter Charge				38,308	38,308
Interest	4,061	1,601			5,662
LESS: Estimated Expenditures 2009-2010	(18,000)	0	0	(260,300)	(278,300)
Transfers	(80,000)	3,559	80,000	(3,559)	0
Net Change	8,681	5,160	80,000	3,125	96,966
ESTIMATED BALANCE JUNE 30, 2010	696,689	130,150	80,000	136,704	1,043,543
ADD: Revenue 2010-2011					
Wastewater Service Charge	102,620	0		228,676	331,296
Reclaimed Water & Meter Charge				41,500	41,500
Interest	1,870	953			2,823
LESS: Proposed Expenditures 2010-2011		0	(62,600)	(287,900)	(350,500)
Expenditures of Continuing Projects			(80,000)		(80,000)
Transfers	(62,600)	12,496	62,600	(12,496)	0
Transfer to WVR Expansion Fund	(320,000)				(320,000)
Net Change	(278,110)	13,449	(80,000)	(30,220)	(374,881)
ESTIMATED BALANCE JUNE 30, 2011	418,579	143,599	0	106,484	668,662

GENERAL INFORMATION:

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

2008-2009	2009-2010		2010-2011
Actual	Adopted Budget	Estimated Actual	Budget
280	280	280	280
98.60	98.60	98.60	98.60
98.60	98.60	98.60	98.60

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	299,324	311,182	311,182	311,182
4110.02	Wastewater Capacity Reservation Fee	31,945	20,114	20,114	20,114
4140.00	Reclaimed Water	31,732	33,000	37,300	40,500
4140.01	Reclaimed Water Meter Charge	1,287	1,300	1,008	1,000
4382.00	Interest Allocation	501	0	0	0
4410.00	Interest - Operating & Replace. Res.	22,051	19,298	5,662	2,823
4440.00	Other Income	586	0	0	0
	Total	387,426	384,894	375,266	375,619

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Description	2008-2009	2009-2010		2010-2011
	Actual	Budget	Estimated Actual	Budget
Treatment	400,004	352,600	362,920	390,520
Capital Projects	0	98,000	18,000	62,600
TOTAL WOODS VALLEY RANCH	400,004	450,600	380,920	453,120

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

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

Acct. No.	Description	2008-2009	2009-2010		2010-2011
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	111,225	91,400	96,900	96,000
03	Overtime	6,719	15,000	6,400	15,000
23	Chemicals	5,119	6,000	5,500	6,000
25	Outside Professional Services	60,005	38,500	39,700	40,000
30	Special Department Expenses	5,646	3,000	4,250	3,000
32	Telephone	775	350	420	500
38	Regulatory Permits & Fees	10,679	15,000	14,800	15,000
40	Rents & Leases	160	250	0	250
42	Insurance	2,079	3,000	3,000	11,848
45	Electricity	51,462	35,000	47,000	49,350
48	Diesel	0	300	0	300
49	Water	0	350	0	350
51	Maintenance of Vehicles	2,970	5,000	2,200	5,000
52	Maintenance of Facilities	4,156	5,000	8,300	5,000
82	Administrative Overhead	36,389	31,830	31,830	40,302
	Total Treatment Operations	297,384	249,980	260,300	287,900
78	Contribution to Replacement Reserve	102,620	102,620	102,620	102,620
79	Contribution to Operating Reserve	0	0	0	0
	Total Contributions to Reserves	102,620	102,620	102,620	102,620
	Total	400,004	352,600	362,920	390,520

VALLEY CENTER WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2010-2011**

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 0.89	96,000
03	Overtime	15,000
23	Chemicals	6,000
25	Outside Professional Services	40,000
	Pumper Trucks - Haul waste	5,500
	Laboratory Testing Services	18,300
	Courier Service	6,400
	Sewer Cleaning	8,300
	SCADA Maintenance	1,500
30	Special Department Expenses	3,000
	Tools	2,000
	Equipment	1,000
32	Telephone	500
38	Regulatory Permits & Fees	15,000
40	Rents & Leases	250
42	Insurance	11,848
45	Electricity	49,350
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	40,302

VALLEY CENTER WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2010-2011

Woods Valley Ranch 17
Capital Outlay 56

Description	Acct. No.	Prior	2010						2011						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Woods Valley Ranch															
Combination Sewer Cleaning Truck	45		Deferred												
Installation of Variable Frequency Drives	59	Planning	Design		Construction										
Screening Unit	85	Planning	Design		Construction										
Chlorine Contact Basin Mixers	86	Planning	Construction												
Chlorine Analyzer	87	Planning	Construction												

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

**Woods Valley Ranch
Capital Outlay**

**17
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2009-2010	Estimated Actual Expenditures 2009-2010	Budget Carried Forward to 2010-2011	New Appropriation 2010-2011	Total Approved Budget 2010-2011
Combination Sewer Cleaning Truck (1/2)	45		75,000		75,000		75,000
Chlorine Contact Basin Cover (WVRWRF)	57		18,000	18,000	0		0
Installation of Variable Frequency Drives	59		5,000		5,000		5,000
Screening Unit	85	12-9				51,000	51,000
Chlorine Contact Basin Mixers	86	12-10				6,800	6,800
Chlorine Analyzer	87	12-11				4,800	4,800
Total Capital Projects			98,000	18,000	80,000	62,600	142,600

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011. All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER WATER DISTRICT

**BUDGET
2010-2011**

Estimated Expenditures by Year

**Woods Valley Ranch
Capital Outlay**

**17
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2010-11	New Appropriation 2010-11	Total Approved Budget 2010-11	Estimated Actual Expenditures 2010-11	Estimated Actual Expenditures 2011-12	Estimated Project Balance after 2 years
Combination Sewer Cleaning Truck (1/2)	45		75,000		75,000		75,000	
Chlorine Contact Basin Cover (WVRWRF)	57		0		0			
Installation of Variable Frequency Drives	59		5,000		5,000	5,000		
Screening Unit	85	12-9		51,000	51,000	51,000		
Chlorine Contact Basin Mixers	86	12-10		6,800	6,800	6,800		
Chlorine Analyzer	87	12-11		4,800	4,800	4,800		
Total Capital Projects			80,000	62,600	142,600	67,600	75,000	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2010-2011.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-5685.78
DEPARTMENT:	Woods Valley Ranch WRF

Screening Unit

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:

The Woods Valley Treatment Plant currently has only one influent screening unit that removes unwanted debris from entering the plant. The existing screening unit protects the equipment and membranes from damage that can occur and have occurred from the debris getting entangled within the equipment or the membranes. If the existing screening unit were to fail the wastewater entering the facility would have to be stored or hauled away, increasing the Districts hauling cost. All repairs must be made within 24 hours due to limited storage.

The new screening unit will allow for redundancy and better control of any unwanted debris within the facilities wet wells.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Screening Unit			0	51,000	51,000		51,000	51,000
Total Project	0	0	0	51,000	51,000	0	51,000	51,000

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	17-5686.78
DEPARTMENT:	Woods Valley Ranch WRF

PROJECT NAME:

Chlorine Contact Basin Mixers

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

PROJECT DESCRIPTION:

Install a static mixer in the piping entering each contact basin. The current facility injects the chlorine to disinfect the water, but does not mix it into the water. This creates a real pocket of highly chlorinated water and areas of un-chlorinated water. The disinfection system is designed to work automatically based on the analyzer in place where this inconsistent mixture is introduced to the basin. Installing these static mixers will properly blend the product creating a steady chlorine reading that will reduce chlorine dosing and save the district money for chemicals at the facility.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Mixers			0	6,800	6,800		6,800	6,800
Total Project	0	0	0	6,800	6,800	0	6,800	6,800

**VALLEY CENTER WATER DISTRICT
BUDGET
2010-2011**

CAPITAL PROJECT REQUEST

PROJECT NAME:

Woods Valey Chlorine Analyzer

ACCOUNT NO.:	17-5687.78
DEPARTMENT:	Woods Valley Ranch WRF

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

PROJECT DESCRIPTION:

The Woods Valley Treatment Facility currently has only one chlorine analyzer at the influent line to the chlorine contact basin. The chlorine analyzer controls the chlorine dosage to the contact tank in order to meet Title 22 requirements by the State. If the existing analyzer was to fail there would not be control of the chlorine dosage to the contact tank, which may cause a violation of our Discharge Permit. This will allow for redundancy when one of the analyzers is down for servicing and maintenance.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2010-11	Total Budget 2010-2011	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Analyzer			0	4,800	4,800		4,800	4,800
Total Project	0	0	0	4,800	4,800	0	4,800	4,800

Appendix



VALLEY CENTER WATER DISTRICT ANNUAL BUDGET 2010-11

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.

Power Purchase Agreement - a financial arrangement in which a third-party developer owns, operates, and

maintains the photovoltaic (PV) system, and a host customer agrees to site the system on its property and purchases the system's electric output from the solar services provider for a predetermined period.

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.

State Revolving Fund (SRF) - Program provides low-cost financing to public agencies for a wide variety of infrastructure projects.

STEP - Septic Tank Effluent Pump. Includes a holding tank and pump at the customer's property to pump effluent into a pressurized wastewater collection system.

Strategic Plan - A document which states the major goals and performance measurement standards for the District.

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 2010-11

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, the cost of the operation and maintenance of all pumping facilities, and the cost of pumping facility capital projects shall be placed in this reserve to defer future increases in the pumping charge rates. The reserve shall be limited to no more than 50% of budgeted pump charge revenues.

2. Operating Reserve:

- A. A reserve shall be established to provide funding for emergencies and natural disasters, such as fire, earthquake, flooding, etc. This reserve need not be funded in the budget.

The Operating Reserve combined with the Rate Stabilization Reserves together are considered to be discretionary reserves, unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget (excluding wholesale water and power purchases).

3. Restricted Reserves:

- A. 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) Lower Moosa Canyon Water Reclamation Facility
 - (2) 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:

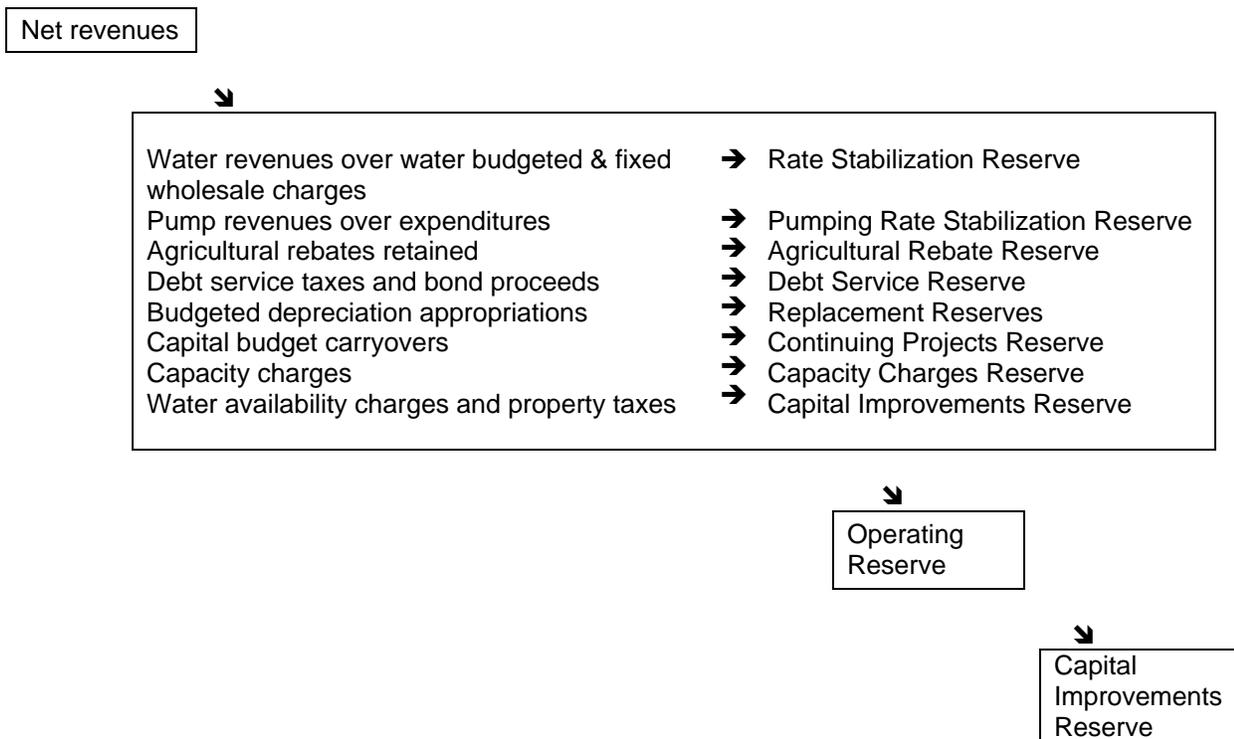
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to 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. In addition, retained earnings not reserved for other purposes shall be transferred to this reserve. The reserve shall not exceed the current estimated cost of all projects outlined in the Water Master Plan which are (1) not allocable to future demand, (2) not previously appropriated, (3) and not contingent on outside factors.

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

Reserve	Source	Use	Minimum	Maximum	Index
<u>Rate Stabilization Reserves:</u>					
Rate Stabilization	Water revenues over water budgeted and fixed wholesale charges	Deficits resulting from sales volume below budget projections and to moderate future rate increases	None	50% of budgeted District component of water sales and fixed wholesale charges	No
Pumping Rate Stabilization	Pumping revenues over costs	Defer future pumping rate increases; construction of pump facilities	None	50% of budgeted pump charge revenue	No
<u>Operating Reserve:</u>					
Operating Reserve	Earnings not reserved for other purposes	Emergencies or natural disasters	Operating and Rate Stabilization Reserves at three months operating budget (excluding water & power)	Operating and Rate Stabilization Reserves at six months operating budget (excluding water & power)	No
<u>Restricted Reserves:</u>					
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: - Lower Moosa Canyon WRF - Woods Valley Ranch WRF	Budget appropriation equal to depreciation on related assets, plus proceeds from sales of those assets	Replacement of assets	None	Replacement cost of assets	Interest

Reserve	Source	Use	Minimum	Maximum	Index
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, plus earnings not reserved for other purposes	Future capital projects	None	Projects outlined in Master Plan	No

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



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

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

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

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

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

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

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

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

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

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

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VALLEY CENTER WATER DISTRICT ANNUAL BUDGET 2010-11

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