

Valley Center Municipal Water District Valley Center, California



Annual Budget
Fiscal Year 2013-14



**VALLEY CENTER MUNICIPAL WATER DISTRICT
ANNUAL BUDGET
2013-14**

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**Gary T. Arant
General Manager**

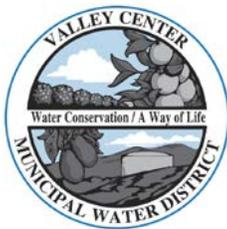
**Wally Grabbe
District Engineer/
Deputy General Manager**

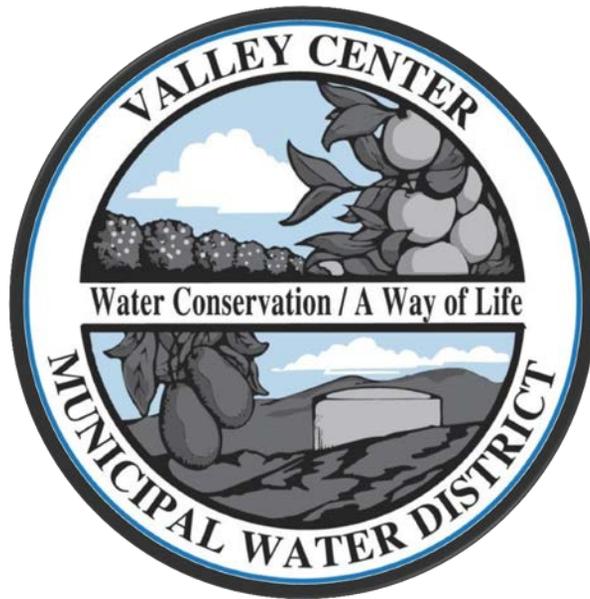
**A. Greg Hoyle
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Technology**

**Paula De Sousa
District Counsel**





2013-2014 Budget Overview

VALLEY CENTER MUNICIPAL WATER DISTRICT 2013-14 BUDGET OVERVIEW

The **total combined budget** shows a surplus of \$1,407,109, which is broken down as \$866,264 for Water, \$310,876 for Moosa, \$66,446 for Woods Valley Ranch, and \$163,523 for Woods Valley Ranch Expansion.

Total budgeted revenues for 2013-14 are \$48,226,839, which is 8.9% higher than the 2012-13 adopted budget of \$44,285,597.

For the current year ending June 30, 2013, **water sales** are projected at 24,352 acre feet of water. This is 1.5% over our budget of 24,000 acre feet. For 2013-14, staff is again budgeting water sales at 24,000 acre feet. Staff feels that this sales figure is reasonable given the continuing economic environment.

With the most recent information available, it is estimated that wholesale **water rates** from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) on January 1, 2014, will increase to \$1,489.97 per acre foot for full price and to \$1,138.70 for SAWR customers. Total estimated increases are 5.0% for full price and 2.9% for SAWR.

The District's local cost component of the water rate is budgeted at \$174.89 per acre foot, an increase of 5.0% over the current rate of \$166.53. This increase is necessary to continue restoring our capital funding and begin replacing our almost 60-year-old water systems. It will also reduce reliance of property taxes to fund operations, which more appropriately should be used for capital improvements. No increase to meter service charges is recommended.

We anticipate installing ten new **water meters** in 2013-14. Estimated **interest earnings** rate at 0.55% will yield \$90,750. Secured **property taxes** are budgeted at \$1,948,000, the same as our estimated for the current year. Water availability charges will again be \$582,000. This is \$9,000 less than the current year as approximately 900 acres previously assessed are now property of the state and are not subject to the water availability charge.

The **Moosa** wastewater monthly service charge remains unchanged at \$51.20. A low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is also collected. The budgeted fee is unchanged at \$42.25.

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.

The **Woods Valley Ranch Expansion** will begin collecting sewer standby fees for properties not yet connected to the sewer system. These fees in the coming year will be \$539.68 per Equivalent Dwelling Unit (EDU) and will be used to establish a replacement reserve.

Total budgeted expenses are \$46,819,730, which is 6.2%, or \$2,714,112, higher than the 2012-13 adopted budget of \$44,105,618. This is due to an increase in capital projects of \$904,000 and increased wholesale water rates.

The cost of water sold, which is the single greatest **water operating expense**, is 66.3% of the total budget. It is 5.8% higher than 2012-13 due to increased wholesale costs. General Administration costs are showing a decrease, \$150,972 from last year. This is due to lower labor costs as portions of the Human Resources (HR) division are being assumed by other departments with the retirement of the Manager of HR. Information Technology expenses are \$76,957 more than the current year as labor and maintenance costs are projected to be higher. Finance expenses are projected to be \$147,415 lower than the current budget due to lower labor expenses with the passing of the former Director of Finance. Engineering expenses are slightly higher, \$27,265, due to higher labor expenses, and Field Operation expenses are \$262,253 more than the current budget. This is a result of higher labor, outside service, and maintenance expenses.

Moosa proposed operating expenses are \$44,269 higher than the current 2012-13 budget. The increase is due to higher labor and outside service expenses, which are offset by reduced energy costs.

Woods Valley Ranch expenses are \$19,149 higher than the current 2012-13 budget. Decreased utility are offset by higher labor costs.

Capital projects budgeted in the Fiscal Year 2013-14 Budget total \$3,492,000. Water projects total, \$1,735,000, Moosa, \$127,000, and Woods Valley Ranch, \$15,000. Woods Valley Ranch Expansion is projected to have \$1,615,000 in capital expenses. These expenditures will be funded with monies received from the State Revolving Fund Loan, totaling \$13,497,000, being secured by the District.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
2013-14 BUDGET OVERVIEW**

	2012-13	2012-13	2013-14	Change from Prior	Percent Change
	Adopted Budget	Estimated Actual	Proposed Budget	Budget	from Prior Budget
REVENUES:					
Water Sales	24,000 A.F.	25,545 A.F.	24,000 A.F.	(1,260) A.F.	-5.0%
General Fund:					
Operating Revenues:					
Water Sales (including pumping)	34,177,000	33,206,000	36,002,000	1,825,000	5.3%
Meter Service Charges	4,633,000	4,177,000	4,934,000	301,000	6.5%
New Connection Sales	43,100	92,300	46,000	2,900	6.7%
Other Revenue	828,900	765,190	867,800	38,900	4.7%
Investment Income	101,500	107,000	90,750	(10,750)	-10.6%
Total Operating Revenue	39,783,500	38,347,490	41,940,550	2,157,050	5.4%
Debt Service Revenues - Water Availability Charges	55,000	111,693	0	(55,000)	-100.0%
Capital Project Revenues:					
Capacity Charges	14,000	20,868	29,000	15,000	107.1%
Property Taxes	1,979,000	1,993,300	1,948,000	(31,000)	-1.6%
Water Availability Charges	536,000	479,307	582,000	46,000	8.6%
Total Capital Project Revenue	2,529,000	2,493,475	2,559,000	30,000	1.2%
Total General Fund Revenues	42,367,500	40,952,658	44,499,550	2,132,050	5.0%
Moosa Wastewater Revenues	1,522,300	1,428,304	1,571,195	48,895	3.2%
Woods Valley Ranch Wastewater Revenues	395,797	391,979	377,571	(18,226)	-4.6%
Woods Valley Ranch Expansion	0	407,500	1,778,523	1,778,523	100.0%
 Total Budgeted Revenues	44,285,597	43,180,441	48,226,839	3,941,242	8.9%
EXPENDITURES:					
General Fund:					
Operating Expenses:					
General Administration	967,448	880,490	816,476	(150,972)	-15.6%
Information Technology	504,305	506,365	581,262	76,957	15.3%
Finance	1,430,179	1,840,871	1,282,764	(147,415)	-10.3%
Engineering	1,496,656	1,595,450	1,523,921	27,265	1.8%
Field Operation	6,027,703	5,624,232	6,289,956	262,253	4.4%
Source of Supply	29,670,301	29,092,130	31,403,907	1,733,606	5.8%
Total Operating Expenses	40,096,592	39,539,538	41,898,286	1,801,694	4.5%
Debt Service	55,000	111,693	0	(55,000)	-100.0%
Capital Projects Appropriations	2,195,000	1,216,432	1,735,000	(460,000)	-21.0%
Total General Fund Expenditures	42,346,592	40,867,663	43,633,286	1,286,694	3.0%
Moosa Wastewater:					
Operating Expenses	1,089,050	994,787	1,133,319	44,269	4.1%
Capital Project Appropriations	336,000	429,482	127,000	(209,000)	-62.2%
Total Moosa Expenditures	1,425,050	1,424,269	1,260,319	(164,731)	-11.6%
Woods Valley Ranch Wastewater:					
Operating Expenses	276,976	282,775	296,125	19,149	6.9%
Capital Project Appropriations	57,000	5,592	15,000	(42,000)	-73.7%
Total Woods Valley Ranch Expenditures	333,976	288,367	311,125	(22,851)	-6.8%
Woods Valley Ranch Expansion:					
Capital Project Appropriations	0	188,092	1,615,000	1,615,000	0.0%
Total Woods Valley Ranch Expenditures	0	188,092	1,615,000	1,615,000	0.0%
 Total Budgeted Expenditures	44,105,618	42,768,391	46,819,730	2,714,112	6.2%
NET REVENUES & EXPENDITURES	179,979	412,050	1,407,109	1,227,130	681.8%
FUNDING FROM RESERVES	(179,979)	(412,050)	(1,407,109)	(1,227,130)	-681.8%
	0	0	0	0	0.0%



VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2013-14

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*California Society of
Municipal Finance Officers*

Certificate of Award

*Operating Budget Excellence Award
Fiscal Year 2012-2013*

Presented to the

Valley Central Municipal Water District

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 6, 2013



Laura Nomura

*Laura Nomura
CSMFO President*

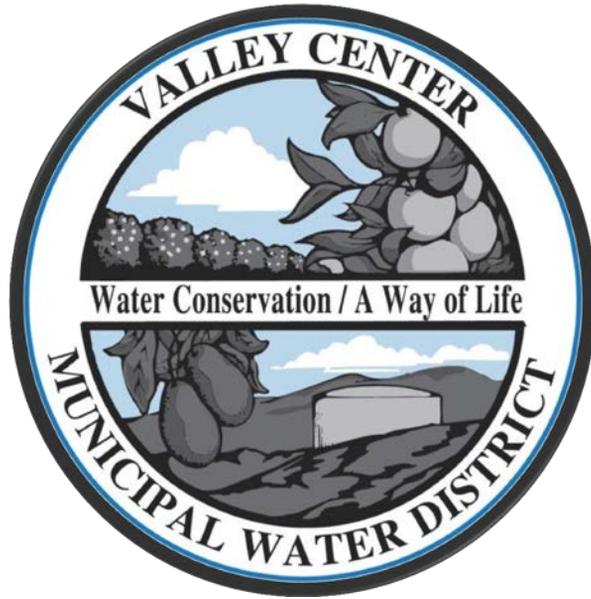
Scott Catlett

*Scott Catlett, Chair
Professional Standards and
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting

Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2012-2013 - Our fifteenth year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.





Budget Message



June 17, 2013



TO: Honorable President and Board of Directors
FROM: Gary T. Arant, General Manager
SUBJECT: PROPOSED BUDGET FOR 2013-2014

**As Adopted by the
Board of Directors on
June 17, 2013**

PURPOSE:

To present and seek adoption of the proposed budget for fiscal year 2013-2014.

SUMMARY:

Staff is pleased to present this report along with the proposed fiscal year 2013-2014 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2013.

DISTRICT DEMOGRAPHICS

Valley Center Municipal Water District (District) was founded on July 12, 1954, pursuant to the California Municipal Water District Law of 1911. Located in northern San Diego County, the District provides water and wastewater services to its domestic, agricultural, and commercial customers. As of January 1, 2013, approximately 25,472 people live within the District. The District covers 100 square miles of which approximately 71% receives water services. Historically, the largest demand on the system came from the District’s agricultural customers. This continues to be the case, however, mandatory water cutbacks from January 2008 to May 2011 along with rapidly increasing water rates has resulted in the gradual decline in the local agricultural community. What once accounted for 90% of the District’s water deliveries has dropped to a projected 68% at June 30, 2013.

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 9,726

Fiscal Year Ended June 30, 2013, 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					105
Total Pump Capacity					20,050 horsepower
	<u>Domestic</u>	<u>Ag</u>	<u>Commercial</u>	<u>Fire</u>	<u>Total</u>
Active Accounts	7,362	1,150	257	957	9,726
Water Sales in Acre Feet	7,100	16,478	774	-	24,352

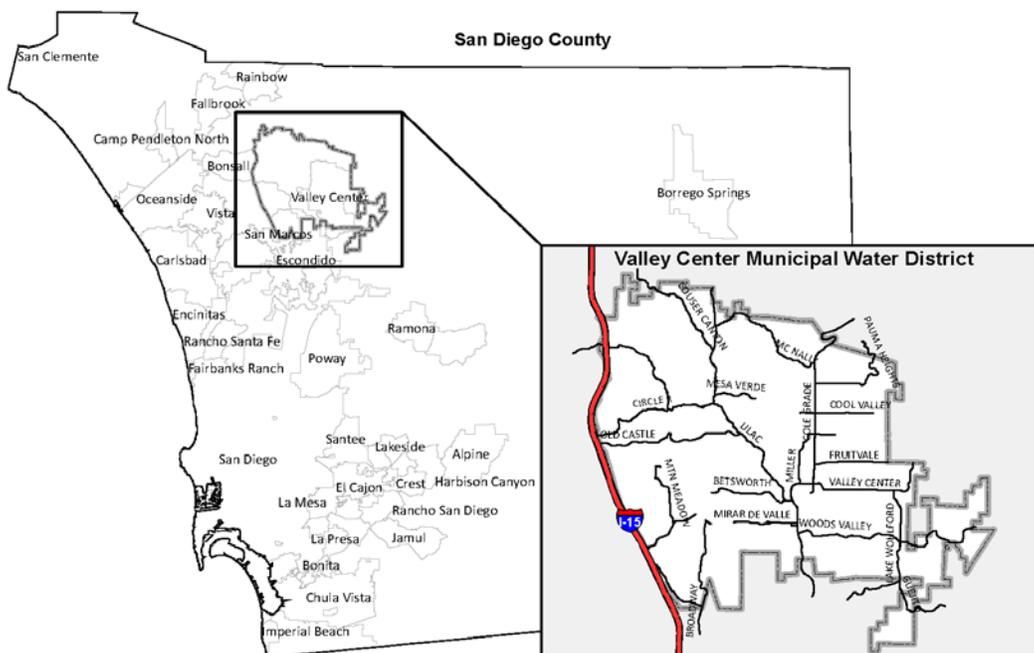
active water meters and as of June 30, 2012, was the third largest water retailer within the San Diego County Water Authority behind the City of San Diego and the Otay Water District.

In addition to water supply, the District provides wastewater collection, treatment, and recycled water disposal services for approximately 2,700 customers through 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 2013	General Manager and Department Heads start discussion of the Budget process.
March 2013	Departments submit Budget requests.
April 15, 2013	Budget policies approved by Board of Directors.
May 20, 2013	Overview of Budget reviewed by Board of Directors.
June 17, 2013	Budget submitted with overview to Board of Directors for possible adoption.

Budget Basis

The budget is prepared on an enterprise basis, as it is the intent of the District that the costs of providing water and wastewater service to the customers of the District are financed primarily through user charges. Revenues and expenses are recognized on the accrual basis in that they are recognized in the accounting period they are earned or incurred. The budget appropriates funds at the department level. Depreciation is not funded in the budget. Funds for the replacement of old pipelines are restricted at the end of each fiscal year as determined by the District's Administrative Code and are not provided in the budget process, as further discussed under "Capital Budget" on the following pages.

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

Seventy-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, 2013, is \$2,182,766 per project except that for water storage projects the limitation is \$3,274,159. Expenditures in excess of these limitations must be ratified by a District-wide election. This limitation does not apply to funds expended by property owners, developers, or others for capital projects that will be dedicated to the District or to funds from assessment or improvement districts formed in the manner provided by the laws of the State of California.

Appropriation Limit

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



Corporate Offices.

BUDGET POLICIES

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

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

1. Rate Stabilization Reserves have been established to level water rates and pumping rates during declining sales. The projected balances of these reserves on June 30, 2014, are:

	<u>Water Rate Stabilization</u>	<u>Pumping Rate Stabilization</u>
Projected balance, June 30 , 2013	\$ 324,011	\$1,178,395
Used to balance 2013-14 budget	<u>0</u>	<u>4,550</u>
Projected Balance 2013-14	<u>\$ 324,011</u>	<u>\$1,182,945</u>
Maximum reserve allowable by District Administrative Code	<u>\$3,772,710</u>	<u>\$1,344,500</u>

2. An Operating Reserve of \$3,740,234 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 projected combined balance is \$5,247,190 at June 30, 2014. The District shall endeavor to maintain these discretionary reserves at a minimum three and a maximum six months operations and maintenance budget. The proposed budget meets this goal.

Woods Valley Ranch Operating Reserve will be fully funded. The fund balance at Moosa is estimated to meet the goal of at a minimum three and a maximum six months operations and maintenance budget.

3. Restricted Reserves include the Replacement Reserves and the Benefit Plan Liability Reserve.

Replacement Reserves include Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Water Reclamation Facility.

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. It is estimated to have a remaining balance of \$174,827 at June 30, 2013. This remaining reserved balance will be utilized for 2013-14 as planned. The 2013-14 total post-retirement health expense is \$457,228 per actuarial calculations.

4. Capital Reserves provide funding for continuing projects, improvements funded from capacity charges, and future capital additions, including those as outlined in the Water Master Plan.

- B. **Fees and Charges** - Each water and wastewater system ultimately shall be self-sufficient. Administrative costs incurred by the District are allocated to each system in accordance with general practices and reimbursed to the general fund.
- C. **Debt** - Debt proceeds shall be used only for capital projects which cannot be funded while maintaining reserve goals. Long-term debt shall not be used to fund current operating costs. The Debt Policy can be found in Section 50.3 of the Administrative Code. No new debt issues are proposed in this budget.
- D. **One-time and Unpredictable Revenues** - One-time revenues are allocated to the source of the revenue or refunded expenditure and shall not be used to initiate new programs which result in ongoing expenditures. Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, are forecast conservatively in the budget.
- E. **Balanced Budget** - Current operating expenditures are funded with current revenues and with rate stabilization reserves as noted above.
- F. **Revenue Diversification** - At least 50% of the District's fixed operating expenditures are to be met with the monthly meter service charge and property taxes. For the 2013-14 budget year 56% of fixed costs are covered by these fixed charges.
- G. **Contingencies** - The General Manager has the authority to make certain expenditures from the operating reserve and take other actions necessary in case of a major disruption in the water distribution system.

OVERVIEW

Based on the current water and wastewater rates and charges and our estimates of water sales and connections, staff anticipates that projected revenues will cover all projected operating expenses and capital projects without utilizing reserves.

Details on each of these funds are discussed in further detail on the following pages.



Montanya Reservoir.

GENERAL FUND

For fiscal year 2013-14, the Water Fund operating revenue is proposed at \$41,940,550, which is an increase of 5.3% from the budget adopted for last year because of increased water rates and charges explained later in this budget. The Water Fund operating expenditures budget is proposed at \$41,898,286, which is an increase of 4.4% from the budget adopted for last year.

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

RECAP OF GENERAL FUND

	2012-13 Adopted Budget	Percent of Total	2013-14 Proposed Budget	Percent of Total	Change	Percent Change
OPERATING REVENUES:						
Water Sales	24,000 AF		24,000 AF		0 AF	0.0%
Water (includes Pumping)	\$34,177,000	85.8%	\$36,002,000	85.8%	\$1,825,000	5.3%
Service Charges	4,633,000	11.6%	4,934,000	11.8%	301,000	6.5%
New Connection Sales	43,100	0.1%	46,000	0.1%	2,900	6.7%
Other Revenue	828,900	2.1%	867,800	2.1%	38,900	4.7%
Investment Income	<u>101,500</u>	<u>0.3%</u>	<u>90,750</u>	<u>0.2%</u>	<u>(10,750)</u>	<u>-10.6%</u>
Operating Revenue	<u>39,783,500</u>	<u>99.9%</u>	<u>41,940,550</u>	<u>100.0%</u>	<u>2,157,050</u>	<u>5.4%</u>
Debt Service	<u>55,000</u>	<u>0.1%</u>	<u>0</u>	<u>0.0%</u>	<u>(55,000)</u>	<u>-100.0%</u>
TOTAL Operating Revenues	<u>\$39,838,500</u>	<u>100.0%</u>	<u>\$41,940,550</u>	<u>100.0%</u>	<u>\$2,102,050</u>	<u>5.3%</u>
OPERATING EXPENDITURES:						
Water Purchase	25,530 AF		25,530AF		0 AF	0.0%
Water	\$27,603,301	68.8%	\$29,524,907	70.5%	\$1,921,606	7.0%
Energy	2,067,000	5.2%	1,879,000	4.5%	(188,000)	-9.1%
Regulatory Permit	<u>60,650</u>	<u>0.2%</u>	<u>60,750</u>	<u>0.1%</u>	<u>100</u>	<u>0.2%</u>
Controlled by Others	<u>29,730,951</u>	<u>74.2%</u>	<u>31,464,657</u>	<u>75.1%</u>	<u>1,733,706</u>	<u>5.8%</u>
Debt Service	<u>55,000</u>	<u>0.1%</u>	<u>0</u>	<u>0.0%</u>	<u>(55,000)</u>	<u>-100.0%</u>
Personnel	8,006,200	19.9%	7,929,600	18.9%	(76,600)	-1.0%
Other	<u>2,359,441</u>	<u>5.9%</u>	<u>2,504,029</u>	<u>6.0%</u>	<u>144,588</u>	<u>6.1%</u>
Controlled by District *	<u>10,365,641</u>	<u>25.8%</u>	<u>10,433,629</u>	<u>24.9%</u>	<u>67,988</u>	<u>0.7%</u>
TOTAL Operating Expenditures	<u>\$40,151,592</u>	<u>100.0%</u>	<u>\$41,898,286</u>	<u>100.0%</u>	<u>\$1,746,694</u>	<u>4.4%</u>
NET Revenues and Expenditures	<u>(\$ 313,092)</u>		<u>\$ 42,264</u>		<u>\$355,356</u>	

*COSTS CONTROLLED BY DISTRICT

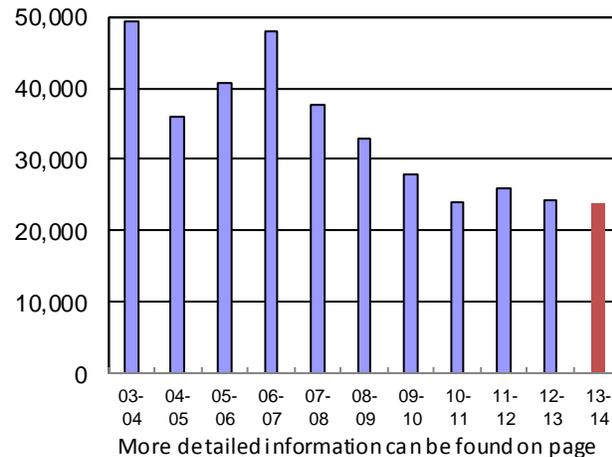
General Administration	\$967,448	2.4%	\$816,476	1.9%	(\$150,972)	-15.6%
Information Technology	504,305	1.2%	581,262	1.4%	76,957	15.3%
Finance	1,430,179	3.6%	1,282,764	3.1%	(147,415)	-10.3%
Engineering	1,496,656	3.7%	1,523,921	3.6%	27,265	1.8%
Field Operations	<u>5,967,053</u>	<u>14.9%</u>	<u>6,229,206</u>	<u>14.9%</u>	<u>262,153</u>	<u>4.4%</u>
Total Controlled by District	<u>\$10,365,641</u>	<u>25.8%</u>	<u>\$10,433,629</u>	<u>24.9%</u>	<u>\$ 67,988</u>	<u>0.7%</u>

REVENUE ESTIMATES

Sales in Acre Feet

Water Sales and Rate Increase

Water sales for the past eleven years have ranged from 49,336 acre feet in fiscal year 2003-04, to an estimated 24,352 for 2012-13. This is a decrease of 51%, or 24,984 acre feet. This reduced water sales volume is due to continued economic uncertainties, mandatory water cutbacks from January 2008 to May 2011, along with rapidly increasing water rates. With these issues, there has been a gradual decline in the local agricultural community and reduction of agricultural land in production.



Wholesale rates have not yet been adopted by the San Diego County Water Authority (SDCWA). As such, the most recent SDCWA estimates for the 2014 water rates were used during the preparation of the proposed budget. All rate changes from MWD and SDCWA are subject to change at any time and are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

The proposed wholesale water rates obtained from the SDCWA, see table on next page, are budgeted to increase 5.0% for domestic customers and 2.9% for certified agricultural over the current adopted rates. Emergency storage charges in particular will show a larger increase to cover 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 melded rate supply cost, not firm at this time, is projected to be \$148 in January 2014.

The budget, as presented, proposes an increase of 5.0% in the District's local share of the water rate on February 1, 2014. The current local rate of \$166.53 will increase to \$174.89 per acre foot. This increase is necessary to continue restoring our capital funding and begin replacing our over 60-year-old water systems. It will also reduce reliance of property taxes to fund operations, which more appropriately should be used for capital improvements. 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). Based on the proposed February 1, 2014, rate change, our share of the water rate will be 10.57% for M&I.

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 diminished each year, along with the water consumption reduction requirements. The program ended on December 31, 2012.

San Diego County Water Authority Special Agricultural Water Rate

An incremental melded rate cost of \$148 and a storage commodity charge of \$203 that is added to the water supply charge by the SDCWA is not charged to our agricultural customers. This credit amounts to \$351 per acre foot of savings for our agricultural customers. That is why the projected

increase is lower than that projected for our M&I customers. It is estimated that this discount will save our customers \$1,589,200 in 2012-13 and \$2,180,653 in 2013-14. The SDCWA Special Agricultural Water Rate (SAWR), in its current format, is available until December 31, 2014.

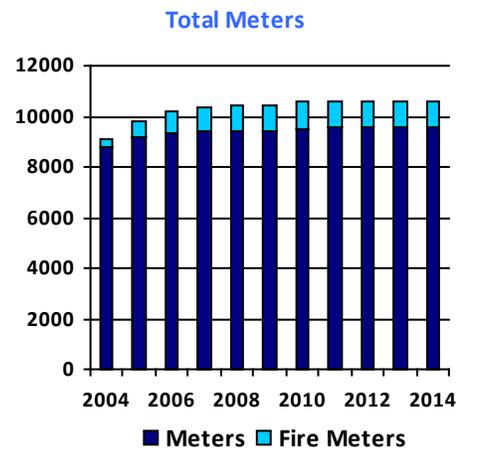
Proposed Water Rates

The following table shows the current and estimated rates that are used in preparing the Budget. Actual rates adopted for February 1, 2014, may be different.

Description	Domestic		SAWR	
	Current	Proposed	Current	Proposed
Imported Water Costs	\$1,418.88	\$1,489.97	\$1,106.60	\$1,138.70
VCMWD	\$166.53	\$174.89	\$166.53	\$174.89
Total	<u>\$1,585.41</u>	<u>\$1,664.86</u>	<u>\$1,273.13</u>	<u>\$1,313.59</u>
Proposed increase		\$79.45/AF		\$40.46/AF
		5.0%		3.2%
		18.24¢/hcf		9.29¢/hcf

Meter Service Charges

Service charges for 2013-14 are estimated at \$4,934,000 which is \$301,000 higher than the 2012-13 budget of \$4,633,000. This difference is due to the 12.6% increase that took effect on February 1, 2013 and covers 12 months of 2013-14 compared to 5 months in 2012-13. The budget does not include a service charge increase as our budget policy of 50% coverage of fixed domestic costs has been met. 56% of fixed costs are covered by these fixed charges. The current service charge for a ¾-inch meter is \$31.55 and for a 1-inch meter \$43.10. Ten new meters are forecasted to be sold in 2013-14.



Prior year's information taken from the 2011-12 Comprehensive Annual Financial Report

Interest Income

For 2013-14, the District projects to earn 0.55% on invested funds for the year for a return of approximately \$90,750 in interest earnings, which is the equivalent of \$3.78 per acre foot of budgeted water sales. Projected interest income is \$119,000 for 2012-13.

Property Taxes

Secured property taxes are budgeted at \$1,948,000 for 2013-14, the same as our estimated for the current year. We will receive \$582,000 in water availability (standby) charges. This is \$9,000 less than the current year as approximately 900 acres previously assessed are now property of the state and not subject to the water availability charge. These revenues are utilized for water system improvements and replacements.

Pump Charges

Pumping charges for 2013-14 are expected to be \$2,689,000 compared to \$2,730,000 budgeted in 2012-13. This difference is due to estimated water sales in the varying pump zones which are based on actuals at the time the budget is being compiled. 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.

EXPENDITURE ESTIMATES

Water

The District is budgeting to purchase 25,530 acre feet of water in 2013-14 and to sell 24,000 acre feet. We believe that our estimates for 2013-14 are reasonable given continued economic uncertainties and that the weather is forecasted to be slightly warmer than normal with average precipitation.

Energy

The budget expects that expenditures for energy to pump water to our customers will decrease next year. The estimated rate is \$74 per acre foot of water purchased, as compared with \$81 budgeted in 2012-13. Total energy costs are budgeted at \$1,879,000 versus \$2,067,000 in 2012-13. The decrease in energy costs is due to operational efficiencies and reducing the amount of pumping during off-peak rate periods. Energy cost savings are being re-invested in new and continued efficiency upgrades to the water pumping facilities and alternative energy sources, such as solar photo-voltaic. Energy supplies and costs will be of continuing concern, with major electric generation facilities off line and proposed higher rates from San Diego Gas and Electric, which may affect the 2013-14 budget.

Debt Service

The General Fund had one bank obligation which was being met by water availability charges. The final payment of \$55,000 was made on July 3, 2012. The District has no new General Fund debt.



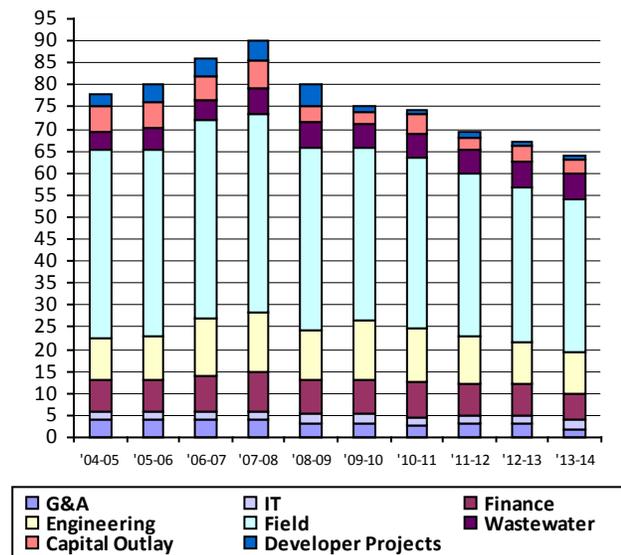
Newly reconstructed West Pump Station.

Personnel

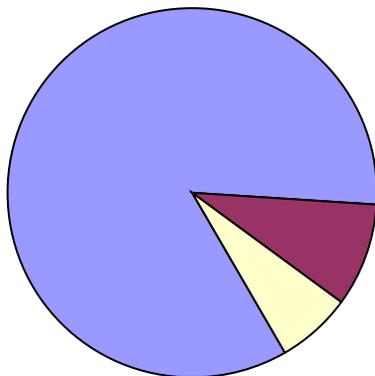
Staffing Levels

For 2013-14, the budget proposes to fund 64 positions, down 3 positions from the 2012-13 budgeted staffing level of 67 positions. The reduction of three positions represents the retirement of one staff member, the voluntary termination of one staff member, and the passing of one staff member. We are down from our high of 90 full-time funded positions in 2007-08 and from 83 actually employed in 2005-06. The District will continue to evaluate leaving vacancies due to retirements unfilled on a case by case basis. The current staff will continue to multi-task and take on new added responsibilities. We will endeavor to fill any open positions with internal transfers.

Budgeted Employees



Allocation of Labor



Water Wastewater Capital & Developer

Budgeted Full-Time Equivalent Positions by Department

Department	2012-13	2013-14
General Administration	3.00	1.90
Information Technology	2.00	2.10
Finance	7.00	6.00
Engineering	9.60	9.40
Field Operations	35.31	34.56
Total General Fund	56.91	53.96
Lower Moosa Sewer Treatment	4.84	4.80
Woods Valley Ranch Sewer	0.82	0.95
Total Operating	62.57	59.71
Capital Outlay	3.60	3.46
Developer Projects	.83	.83
TOTAL	67.00	64.00

Personnel Costs

General Fund personnel costs for 2013-14 are estimated at \$7,929,600. This represents a decrease of \$76,600 or 0.96% from our 2012-13 budget of \$8,006,200. The decrease is a result of the reduction in staff of 3 employees, reduced post-retirement health benefit costs, and lower accrued leave. This decrease is offset by an estimated cost of living adjustment of 2.0% and increases in retirement, medical, and other post-retirement benefits (OPEB).

Other Expenditures

Controlling the cost of operating the District continues to be an ongoing focus. Costs controlled by the District for 2013-14 are 0.7% higher than 2012-13, 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 costs are up due to higher outside professional services, legal fees, and maintenance costs.

CAPITAL BUDGET

Capital projects included in this budget consist of the following:

Pipelines and Pressure Reducing Valves	\$	220,000
Pump Stations		90,000
Reservoirs (Cover Replacement and Recoating)		905,000
Data Management Systems – SCADA		200,000
Facilities		170,000
Equipment		150,000
TOTAL New appropriations	\$	1,735,000
Project appropriations carried forward from prior budget		2,368,435
TOTAL Capital Budget	\$	<u>4,103,435</u>

Funding for the water capital projects comes from:

Property Taxes	\$	1,948,000
Water Availability Charges		582,000
Capital Reserves		1,573,435
TOTAL Capital Budget	\$	<u>4,103,435</u>

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

The Capital Outlay Budget for fiscal year 2013-14 continues to include only those major projects that are essential (Supervisory Control and Data Acquisition to replace an obsolete telemetry system) or produced rapid paybacks (pump upgrades and solar projects which lower energy use).

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 water replacement reserves with an amount equivalent to the value of facilities “retired” as a result of the

depreciation schedule. However, in the recent past, net revenues annually transferred to the capital reserves, and in turn reinvested in the capital 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 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 needs, a debt issuance is possible in the near future.

DEBT

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

	<u>Actual Balance</u> <u>June 30, 2012</u>	<u>Projected</u> <u>June 30, 2013</u>	<u>Projected</u> <u>June 30, 2014</u>
District-wide revenue bonds -			
Principal and interest at 62% of prime rate payable semiannually. Final maturity July 1, 2013. (Page 5-8)	\$ 55,000	\$ 0	\$ 0
 Clean Water State Revolving Fund			
Loan of \$13,497,000 with interest at 2.2% per annum, payable annually beginning in 2016. Final maturity March 31, 2035.	<u>0</u>	<u>0</u>	<u>1,615,000</u>
 Total long-term debt	 <u>\$ 55,000</u>	 <u>\$ 0</u>	 <u>\$1,615,000</u>

Long-term debt schedule:

	Final <u>Maturities</u>	Outstanding <u>June 30, 2012</u>	Retired <u>2012-13</u>	Outstanding <u>June 30, 2013</u>	Maturing <u>2013-14</u>	Outstanding <u>June 30, 2014</u>
Revenue Bonds	July 1, 2013	\$ 55,000	\$ 55,000	\$ 0	\$ 0	\$ 0
SRF Loan	March 31, 2035	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,615,000</u>
Total		<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,615,000</u>

The District recently obtained approval for a Clean Water State Revolving Fund Loan in the amount of \$13,497,000, with an interest rate of 2.2% per annum. The loan is payable on an annual basis, beginning in 2016, and with a final maturity of March 31, 2035. These funds will be utilized solely for the South Village Wastewater Expansion Project.

The service area is anticipated to have an ultimate wastewater demand of 325,000 gallons per day. Expansion will 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).

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, 2012, were \$720,000. 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 2,480 customers in a limited geographic area on the west side of the District, is up \$44,269 or 4.1% from the previous year budget. The major components of the budget are summarized as follows:

RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2012-13		2013-14			
	Adopted	Percent	Proposed	Percent	Change	Percent
	<u>Budget</u>		<u>Budget</u>			<u>Change</u>
Revenues	\$1,522,300	100.0%	\$1,571,195	100.0%	\$48,895	5.1%
Operating Expenses:						
Labor	\$627,400	41.2%	\$674,600	42.9%	\$47,200	7.5%
Electricity	75,500	5.0%	60,800	3.9%	(14,700)	-19.5%
Chemicals	20,000	1.3%	24,000	1.5%	4,000	20.0%
Administrative allocation	147,300	9.7%	146,068	9.3%	(1,232)	-0.8%
Maintenance	64,000	4.2%	67,000	4.3%	3,000	4.7%
Vehicle maintenance	12,000	0.8%	10,500	0.7%	(1,500)	-12.5%
Regulatory	18,000	1.2%	18,000	1.1%	0	0.0%
Outside services	89,000	5.8%	97,000	6.2%	8,000	9.0%
Other	35,850	2.3%	35,351	2.2%	(499)	-1.4%
Total Operating Expenses	<u>\$1,089,050</u>	<u>71.5%</u>	<u>\$1,133,319</u>	<u>72.1%</u>	<u>\$44,269</u>	<u>4.1%</u>
Net Operating Income	433,250	28.5%	437,876	27.9%	4,626	1.1%
Replacement Fund Contribution	<u>424,196</u>		<u>411,637</u>		<u>(12,559)</u>	<u>-3.0%</u>
Net Change	<u>\$ 9,054</u>		<u>\$26,239</u>		<u>\$17,185</u>	<u>189.8%</u>

The current wastewater service charge is \$51.20 per equivalent dwelling unit per month. No increase is recommended or included in the budget.

The District also collects a low pressure wastewater collection system maintenance fee for a small part of the service area. The fee is currently \$42.25. No increase is recommended or included in the budget.

At this level, we will recover 44% 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 from a preliminary funding commitment from the State for a Clean Water State Revolving Fund (SRF) Loan (See Debt on the preceding page for more detail). Costs incurred by the District for participation in this project are to be recovered by future capacity charges collected from property owners. The planning and design work for the project is scheduled to begin in 2013-14. Construction is slated to begin during 2014-15 with an estimated completion date of January 2016.

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. Once the water is treated it is used for irrigating the Woods Valley Ranch Golf Course, yielding the District approximately 45 acre feet of reclaimed water sales. Included in the budget is funding for both a replacement reserve and operating expenses. Revenues for the Woods Valley Ranch Wastewater budget are collected by a fixed charge special assessment on the development. A summary of the budget follows:

RECAP OF WOODS VALLEY RANCH WASTEWATER TREATMENT BUDGET

	2012-13 Adopted Budget	Percent to Total	2013-14 Proposed Budget	Percent to Total	Change	Percent Change
Revenues	<u>\$395,797</u>	<u>100.0%</u>	<u>\$406,231</u>	<u>100.0%</u>	<u>\$ 10,434</u>	<u>2.6%</u>
Operating Expenses:						
Labor	\$112,800	28.5%	\$136,500	33.6%	\$23,700	21.0%
Electricity	42,000	10.6%	34,000	8.4%	(8,000)	-19.0%
Administrative allocation	37,463	9.5%	39,388	9.7%	1,925	5.1%
Maintenance	6,500	1.6%	9,000	2.2%	2,500	38.5%
Vehicle maintenance	3,000	0.8%	3,000	0.7%	0	0.0%
Regulatory	15,000	3.8%	15,000	3.7%	0	0.0%
Outside Services (Laboratory and Waste Hauling)	36,000	9.1%	35,500	8.7%	(500)	-1.4%
Insurance	12,813	3.2%	11,337	2.8%	(1,476)	-11.5%
Other	<u>11,400</u>	<u>2.9%</u>	<u>12,400</u>	<u>3.1%</u>	<u>1,000</u>	<u>8.8%</u>
Total Operating Expenses	<u>\$276,976</u>	<u>70.0%</u>	<u>\$296,125</u>	<u>72.9%</u>	<u>\$19,149</u>	<u>6.9%</u>
Net Operating Income	118,821	30.0%	110,106	27.1%	(8,715)	-7.3%
Replacement Reserve Contribution	<u>102,620</u>		<u>102,620</u>		<u>0</u>	<u>0.0%</u>
Total funded from replacement reserves	<u>\$16,201</u>		<u>\$7,486</u>		<u>\$(8,715)</u>	<u>-53.8%</u>

The monthly sewer service charge is \$98.60 per equivalent dwelling unit (EDU) and is collected by an annual assessment on the property tax roll. It remains unchanged for fiscal year 2012-13.



Cobb Reservoir cover replacement.

STRATEGIC PLAN

On June 3, 2013, the Board of Directors approved the updated *Valley Center Municipal Water District Strategic Plan for Fiscal Years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018*. This plan sets forth the District’s organizational values, a set of standards to measure organizational performance, and specific goals and tasks to be accomplished. As adopted by the Board of Directors, the Strategic Plan serves as the core policy framework by which the District has established its values, performance standards, and improvement goals for critical aspects of its operations, such as Water Supply, Seawater Desalination, Local Water Resources, Water Recycling, Infrastructure, Finance, Technology, Energy, and Compensation and Benefits. All expenditures appearing in this document, whether routine and ongoing, programmatic, or project oriented, are based upon or justified by some aspect of the Board adopted Strategic Plan.

Below are the **Mission Statement, Organizational Values, Performance Measurements,** and **Strategic Plan Goals** contained in the current Strategic Plan. Performance Measurements also reflect the Performance Measurement outcomes for calendar year 2012.

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 Card” responses.

Responses show we met this standard 100.0% of the time.
- 2. WATER LOSS** – Report annually for the past 10 years of unknown water loss in terms of percent of water sold, acre feet, and value of water loss, as well as efforts to minimize and reduce unknown water loss wherever possible.

Unaccounted water loss for 2012 was 1,448.9 acre feet, 5.4% of total water sold, representing \$1.3 million dollars.
- 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, 2012 represents 8.6 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 10.5% of Municipal & Industrial and 12.5% 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 103% of design criteria.
- 6. PROJECT ACTUAL COST** - $\pm 10\%$ of Engineer’s cost estimate.

Three projects were completed in calendar 2012 at 3.0% less than estimated.
- 7. WATER SERVICE RELIABILITY GREATER THAN 99%** - We will strive to maintain water service to all customers at greater than a 99% reliability level. This will be measured based upon total hours of service interruption against all service hours in a given measurement period.

Reliability was 99.996%.
- 8. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.**

100%.
- 9. LOST-TIME ACCIDENTS LESS THAN 1% OF TOTAL HOURS WORKED.**

The District had no lost time accident in calendar 2012 in 123,107 regular 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 2012 was 0.79% as compared to the 12-month rolling average U.S. Treasury Bonds of 0.16%.

STRATEGIC PLAN GOALS

1. Water Supply

Support water resource policies at the federal, state, regional, and local level which sustain and enhance the District's overall water supply availability and reliability.

a. Water Stewardship - Support regional efforts and implement local programs which advocate, educate, and assist customers in the responsible use of precious and limited water resources. *Implementation Goal: Ongoing Effort.*

b. Imported Water Sources – Support and assist in securing statewide efforts to secure a State Water Project conveyance system around, through, or under the Sacramento-San Joaquin Delta, and expand in-state storage. Protect California's water rights on the Colorado River so as to ensure ample and reliable supplies for all uses, including agriculture. *Implementation Goal: Ongoing Effort.*

2. Seawater Desalination

Advocate for a fair and equitable cost of service for desalinated water from the Carlsbad-Poseidon Seawater Desalination Plant. Support the development and expansion of seawater desalination in the State of California. *Implementation Goal: Equitable Desal Cost Allocation by FY 2016-2017.*

3. Local Water Resources

Seek out and pursue opportunities to expand the use of local surface and groundwater resources. *Implementation Goal: Ongoing Effort.*

4. Water Recycling

Pursue the continued development of wastewater recycling to offset the District's imported water demand. *Implementation Goal: Ongoing Effort to Maximize Recycling Opportunities with New Development.*

5. Infrastructure

Pursue the master planning for publically and privately financed water and wastewater infrastructure to reliably meet long-term community development needs based on the county approved General Plan. Pursue federal and state funding sources to support the ongoing and orderly replacement of existing water and wastewater infrastructure. *Implementation Goal: Ongoing Effort*

6. Finance

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

- a. **Operational Cost Control** – Pursue policies, programs, alternative service sourcing, and technology implementation which reduce and control operational costs wherever possible without negatively impacting the operational effectiveness, safety, and service levels to our customers.
- b. **MWD and SDCWA Wholesale Pricing** – Advocate for cost and rate control at the wholesale level and seek to maintain appropriate pricing and support programs for agriculture within the MWD and SDCWA service areas.
- c. **Local Property Tax and Reserves**- Protect local property taxes and District reserves from appropriation by the State or County Governments.

Implementation Goals: Ongoing Efforts.

7. Technology

Evaluate and incorporate new technologies which increase organizational efficiency, reduce costs, and wherever possible, enhance customer satisfaction, including:

- a. **GIS** - Continue expansion, enhancement, and utility. *Implementation Goal: Ongoing Effort.*
- b. **SCADA** - Continue toward full implementation in the water and wastewater systems. *Implementation Goal: SCADA Fully Implemented in Water and Wastewater Systems by FY 2016-2017.*
- c. **Automatic Meter Reading and Information Technology** - Pursue implementation advancing automated meter reading and information technologies and integration of automatic meter reading and monitoring capability through the SCADA radio network. *Implementation Goal: Start Integration of AMI Technology with SCADA RF System in FY 2015-2016.*
- d. **Service Order Software** – Complete implementation and full integration with other related data bases. *Implementation Goal: Fully Developed and Implemented by end of FY 2013-2014.*
- e. **E-Business** – Expand and enhance on-line customer account access and bill paying. *Implementation Goal: Ongoing Effort to Update and Improve based on New Technology and Customer needs.*

8. Energy

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

- a. **Efficiency** - Maximize the operating efficiency of pumps, pump motors, motorized equipment, the District's service fleet practices, and procedures as well as implement more energy efficient methods and technologies of wastewater and bio-solids processing and disposal. *Implementation Goal: Ongoing Effort.*
- b. **Renewable and Alternative Energy Resource** – When economically feasible 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. *Implementation*

Goal: Complete Evaluation, Design, and Construction of Two Solar Photovoltaic Installations each Fiscal Year through 2018-2019.

- c. Utility Rates and Charges** – Monitor and when appropriate participate in regional energy utility rate making activity and advocate rate tariffs which are fair and equitable to the District. *Implementation Goal: Ongoing Effort*

9. Compensation and Benefits

Provide competitive but responsible and sustainable employee compensation and benefit programs to attract and retain committed and outstanding personnel. *Implementation Goal: Ongoing Effort*



District constructed Tyler Pump Station Solar Array.

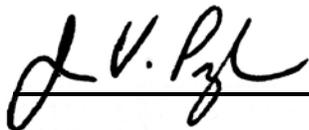
RECOMMENDATIONS

Recommendations to implement the 2013-14 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2013.
- In accordance with Administrative Code Section 160.3(g), implement rate changes from the Metropolitan Water District and the County Water Authority when incurred.

Implementation of the above recommendations will be by resolution or ordinance as appropriate.

PREPARED BY:



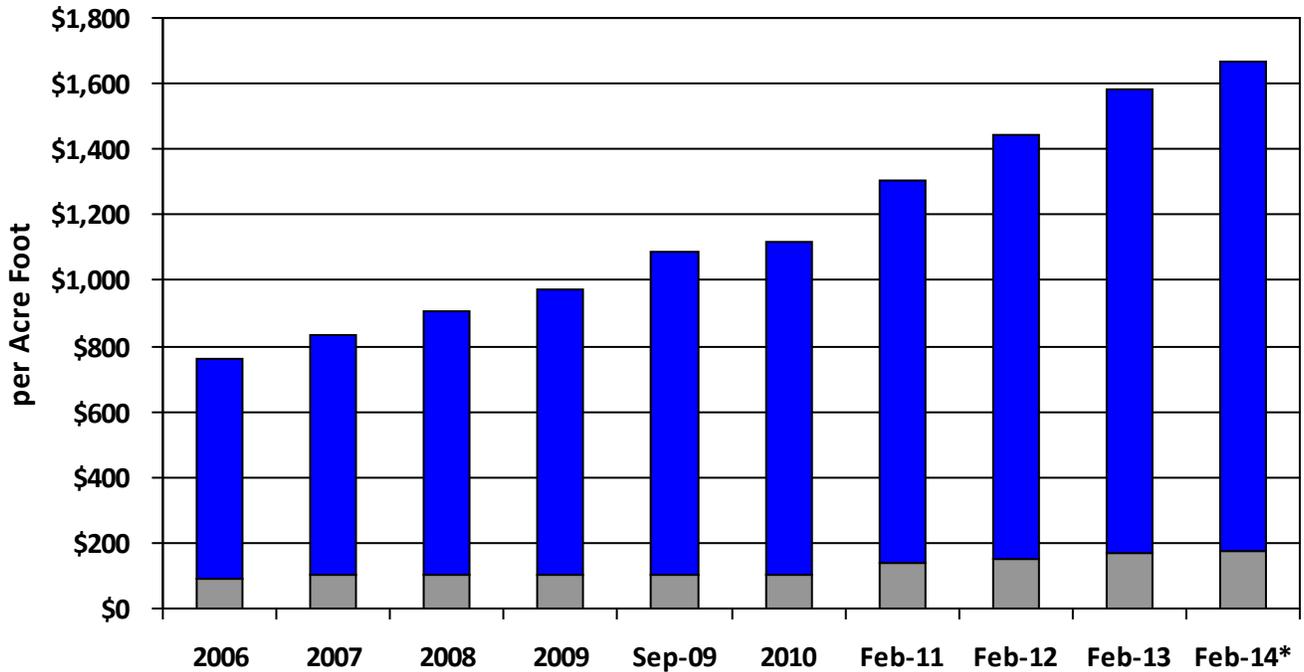
James V. Pugh
Director of Finance

APPROVED BY:

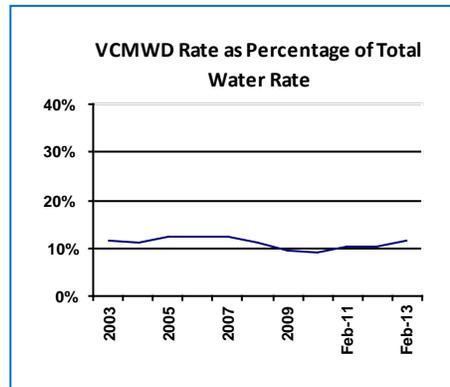


Gary T. Arant
General Manager

Water Rate Components



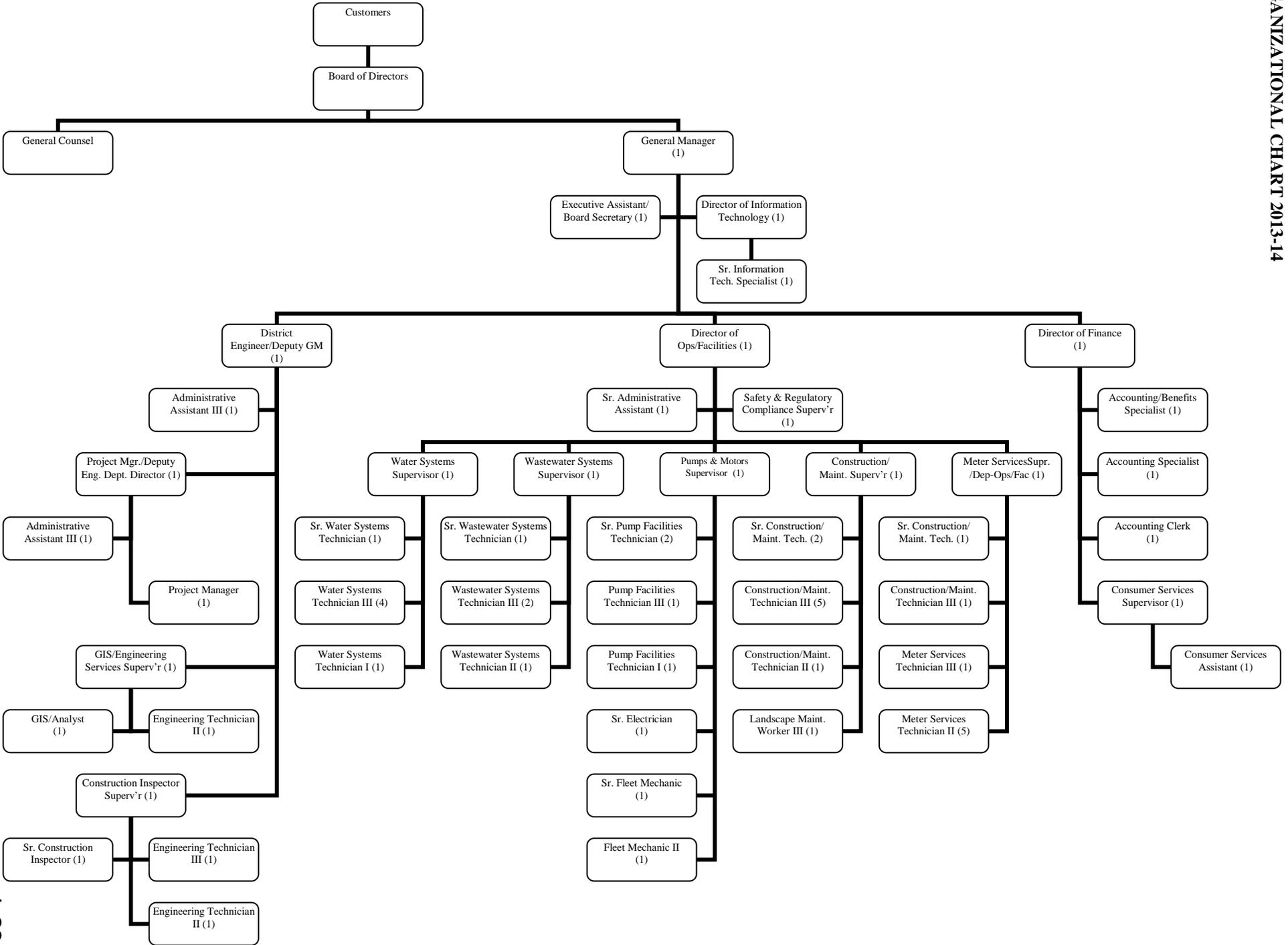
- MWD & SDCWA Wholesale
- Valley Center Municipal Water District



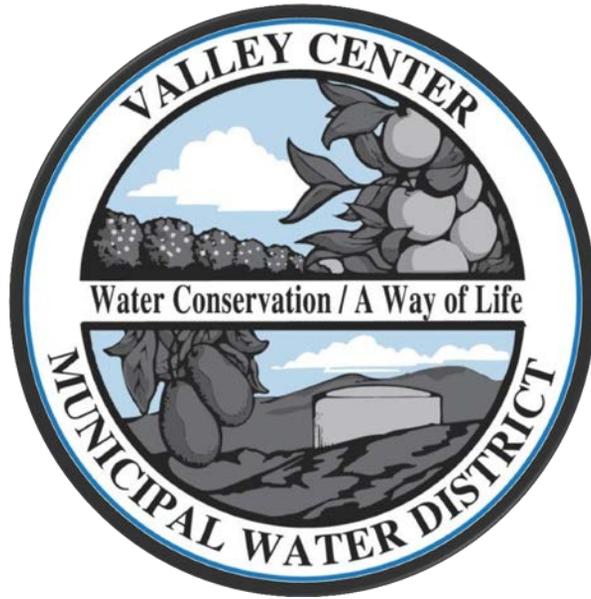
<i>Rate in Dollars per Acre Foot</i>	2006	2007	2008	2009	Sept 2009	2010	Feb 2011	Feb 2012	Feb 2013	Feb 2014*
Valley Center Municipal Water District	\$ 93	\$102	\$102	\$102	\$102	\$ 102	\$137	\$152	\$167	\$175
MWD/SDCWA wholesale	<u>666</u>	<u>731</u>	<u>806</u>	<u>873</u>	<u>988</u>	<u>1,016</u>	<u>1,165</u>	<u>1,292</u>	<u>1,418</u>	<u>1,490</u>
Total	<u>\$759</u>	<u>\$833</u>	<u>\$908</u>	<u>\$975</u>	<u>\$1,090</u>	<u>\$1,118</u>	<u>\$1,302</u>	<u>\$1,444</u>	<u>\$1,585</u>	<u>\$1,665</u>
Agricultural Use Discounts **	<u>\$205</u>	<u>\$207</u>	<u>\$244</u>	<u>\$252</u>	<u>\$250</u>	<u>\$238</u>	<u>\$267</u>	<u>\$274</u>	<u>\$312</u>	<u>\$351</u>

* Proposed water rates

** Maximum discount available.







Resolutions



RESOLUTION NO. 2013-27

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2013-2014 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 2013-2014 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 2013-2014.
2. That the amounts designated in the final 2013-2014 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 17th day of June, 2013, by the following vote to wit:

AYES: Directors Broomell, Polito, Aleshire, Stone and Haskell

NOES: None

ABSENT: None


PRESIDENT

ATTEST:


SECRETARY

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2013-2014

RECAP OF BUDGET AND
SOURCE OF FINANCING
ALL BUDGETED FUNDS

	Operating	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2013	\$5,116,377	\$7,333,498	\$12,449,875	\$1,380,922	\$1,221,630	\$532,500	\$15,584,927

RECAP OF EXPENDITURES BY FUNCTION

General Administration	816,476		816,476				816,476
Information Technology	581,262		581,262				581,262
Finance	1,282,764		1,282,764				1,282,764
Engineering	1,523,921		1,523,921				1,523,921
Field Operation	6,289,956		6,289,956	1,133,319	296,125		7,719,400
Source of Supply	31,403,907		31,403,907				31,403,907
Capital Projects		1,735,000	1,735,000	127,000	15,000	1,615,000	3,492,000
Total Budgeted Expenditures	\$41,898,286	\$1,735,000	\$43,633,286	\$1,260,319	\$311,125	\$1,615,000	\$46,819,730

SOURCE OF FINANCING

Revenues:							
Water Sales	36,002,000		36,002,000				36,002,000
Meter Service Charges/Wastewater Charges	4,934,000		4,934,000	1,571,195	377,571	163,523	7,046,289
New Connection Sales	46,000	29,000	75,000				75,000
Other Revenue	867,800		867,800				867,800
Investment Income	90,750		90,750				90,750
Property Taxes		1,948,000	1,948,000				1,948,000
Water Availability Charges		582,000	582,000				582,000
Clean Water SRF Loan						1,615,000	1,615,000
Total Revenues	\$41,940,550	\$2,559,000	\$44,499,550	\$1,571,195	\$377,571	\$1,778,523	\$48,226,839

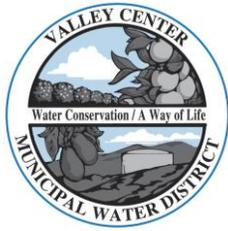
NET REVENUES & EXPENDITURES	\$42,264	\$824,000	\$866,264	\$310,876	\$66,446	\$163,523	\$1,407,109
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EXPENDITURES OF CONTINUING PROJECTS	\$0	(\$1,853,007)	(\$1,853,007)	(\$337,577)	(\$13,000)	(\$532,500)	(\$2,736,084)
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TRANSFERS (See page 3-2)	\$88,548	(\$88,548)	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2014	\$5,247,190	\$6,215,943	\$11,463,132	\$1,354,221	\$1,275,076	\$163,523	\$14,255,952
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.



June 17, 2013

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2013-2014

PURPOSE:

Board adoption of Resolution No. 2013-26 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 most felt by cities and agencies that exist almost entirely on proceeds of taxes of one sort or another. The District's revenues consist primarily of water and wastewater charges, with less than 5% from general property taxes. We do have to comply with the legislation by establishing an appropriations limit for the amount we do receive from property taxes. Our estimated property tax collections are less than half the appropriation limit, and if actual tax collections ever exceeded this limit, refund of the excess would have to be made.

Under Proposition 111, the method of calculating the annual appropriation limit was revised, effective July 1, 1990. The California Constitution specifies that the appropriation limit may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment role due to local nonresidential construction. The appropriation limit method recommended for adoption uses the highest of the options available to maximize our limit for 2013-2014.

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 3, 2013, in compliance with this requirement.

RECOMMENDATION:

That Resolution No. 2013-26 be adopted to establish the appropriation limit for 2013-2014 as \$5,468,048,

PREPARED BY:



James V. Pugh
Director of Finance

APPROVED BY:



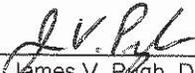
Gary T. Arant
General Manager

PUBLIC NOTICE

In accordance with Government Code Section 7910, notice is hereby given that on June 17, 2013, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2013-14 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2013-14 is to be set at \$5,468,048 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
2011-12	2.51% (a)	0.72%	\$4,927,887
2012-13	3.77% (a)	0.92%	\$5,160,483
2013-14	5.12% (a)	0.80%	\$5,468,048

Posted June 3, 2013



 James V. Pugh, Director of Finance
 Valley Center Municipal Water District

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

RESOLUTION NO. 2013-26

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE
APPROPRIATION LIMIT FOR THE 2013-2014 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:

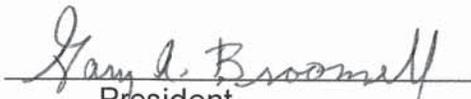
1. That the foregoing facts are true and correct.
2. That the appropriation limit for the 2012-13 fiscal year was \$5,160,483, and that the proceeds of taxes to be received in that year, in the amount of approximately \$1,947,500, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2013-2014, 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 2013-2014, 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 2013-2014 fiscal year is established at \$5,468,048.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 17th day of June, 2013, by the following vote, to wit;

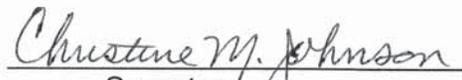
AYES: Directors Broomell, Polito, Aleshire, Stone and Haskell

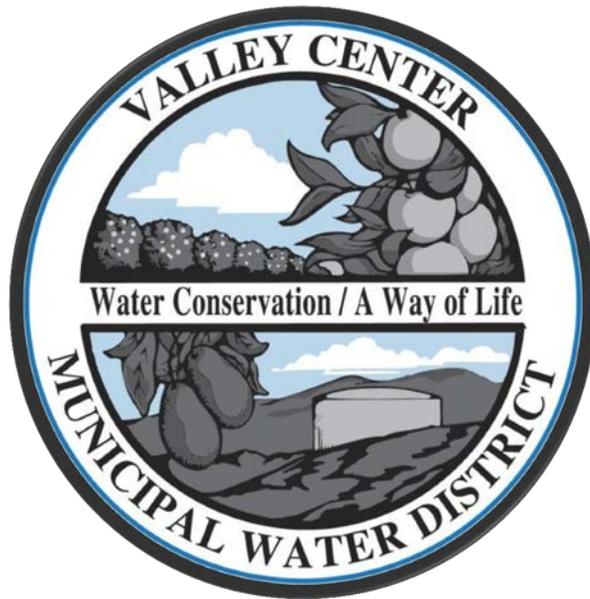
NOES: None

ABSENT: None


President

ATTEST:


Secretary



Recap of Revenues & Source

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

	Operating	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
ESTIMATED BALANCE, JUNE 30, 2013	\$5,116,377	\$7,333,498	\$12,449,875	\$1,380,922	\$1,221,630	\$532,500	\$15,584,927

RECAP OF EXPENDITURES BY FUNCTION

General Administration	816,476		816,476				816,476
Information Technology	581,262		581,262				581,262
Finance	1,282,764		1,282,764				1,282,764
Engineering	1,523,921		1,523,921				1,523,921
Field Operation	6,289,956		6,289,956	1,133,319	296,125		7,719,400
Source of Supply	31,403,907		31,403,907				31,403,907
Capital Projects		1,735,000	1,735,000	127,000	15,000	1,615,000	3,492,000
Total Budgeted Expenditures	\$41,898,286	\$1,735,000	\$43,633,286	\$1,260,319	\$311,125	\$1,615,000	\$46,819,730

SOURCE OF FINANCING

Revenues:							
Water Sales	36,002,000		36,002,000				36,002,000
Meter Service Charges/Wastewater Charges	4,934,000		4,934,000	1,571,195	377,571	163,523	7,046,289
New Connection Sales	46,000	29,000	75,000				75,000
Other Revenue	867,800		867,800				867,800
Investment Income	90,750		90,750				90,750
Property Taxes		1,948,000	1,948,000				1,948,000
Water Availability Charges		582,000	582,000				582,000
Clean Water SRF Loan						1,615,000	1,615,000
Total Revenues	\$41,940,550	\$2,559,000	\$44,499,550	\$1,571,195	\$377,571	\$1,778,523	\$48,226,839

NET REVENUES & EXPENDITURES	\$42,264	\$824,000	\$866,264	\$310,876	\$66,446	\$163,523	\$1,407,109
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EXPENDITURES OF CONTINUING PROJECTS	\$0	(\$1,853,007)	(\$1,853,007)	(\$337,577)	(\$13,000)	(\$532,500)	(\$2,736,084)
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TRANSFERS (See page 3-2)	\$88,548	(\$88,548)	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2014	\$5,247,190	\$6,215,943	\$11,463,132	\$1,354,221	\$1,275,076	\$163,523	\$14,255,952
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Excluded from this budget are the following debt service funds:
Assessment Districts 93-1, 96-1, and 96-2.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

	Projected Balance, June 30, 2013	Revenues	Expenses	Net Revenues -Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2014
General Fund						
Operating						
Discretionary Reserves						
- Rate Stabilization	324,011			0		324,011
- Pumping Rate Stabilization	\$1,178,395	\$2,689,000	(\$2,684,450)	\$4,550		\$1,182,945
- Operating Reserve	3,438,815			0	301,419	3,740,234
Restricted Reserves						
- Benefit Plan Liability	175,157		(457,228)	(457,228)	282,071	0
Unappropriated Fund Balance	0	39,251,550	(38,756,608)	494,942	(494,942)	0
Total Operating	\$5,116,377	\$41,940,550	(\$41,898,286)	\$42,264	\$88,548	\$5,247,190
Debt Service Reserve	0	0	0	0		0
Capital Projects Reserves						
- Continuing Projects	2,368,435		(1,853,007)	(1,853,007)		515,428
- Capacity Charges	262,840		0	0		262,840
- Capital Improvements	4,702,223	2,559,000	(1,735,000)	824,000	(88,548)	5,437,675
Total Capital	\$7,333,498	\$2,559,000	(\$3,588,007)	(\$1,029,007)	(\$88,548)	\$6,215,943
Total General Fund	\$12,449,875	\$44,499,550	(\$45,486,293)	(\$986,743)	\$0	\$11,463,132
Lower Moosa Wastewater Treatment	1,380,922	1,571,195	(1,597,896)	(26,701)		1,354,221
Woods Valley Expansion	532,500	1,778,523	(2,147,500)	(368,977)		163,523
Woods Valley Wastewater Treatment	1,221,630	377,571	(324,125)	53,446		1,275,076
Total All Funds	\$15,584,927	\$48,226,839	(\$49,555,814)	(\$1,328,975)	\$0	\$14,255,952

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

REVENUE ESTIMATE

GENERAL FUND

Page 1 of 3

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
	WATER SALES	@ 26,090 af	@ 24,000 af	@ 24,352 af	@ 24,000 af
4114	Municipal & Industrial	\$11,223,428	\$11,273,000	\$11,619,000	\$12,404,000
4115	Certified Agricultural - IAWP	4,765,083	2,914,000	3,257,000	\$0
4116	Certified Ag/Domestic - IAWP	4,324,849	2,713,000	3,090,000	0
4117	Certified Agricultural - SAWR	6,157,217	7,520,000	7,618,000	\$10,717,000
4118	Certified Ag/Domestic - SAWR	4,809,837	7,002,000	5,345,000	10,167,000
4135	Construction	30,386	25,000	13,000	25,000
4150	Pump Charge	2,940,227	2,730,000	2,728,000	2,689,000
	Total Water Sales	\$34,251,027	\$34,177,000	\$33,670,000	\$36,002,000
	METER SERVICE CHARGES				
4110	Additional Living Charge	21,465	22,000	21,000	22,000
4114	Municipal & Industrial	\$3,137,782	\$3,503,000	\$3,552,000	\$3,753,000
4115	Certified Agricultural - IAWP	175,805	198,000	92,000	0
4116	Certified Ag/Domestic - IAWP	430,287	480,000	231,000	0
4117	Certified Agricultural - SAWR	171,460	193,000	292,000	406,000
4118	Certified Ag/Domestic - SAWR	201,764	225,000	467,000	738,000
4135	Construction	8,404	12,000	15,000	15,000
	Total Meter Service Charges	\$4,146,967	\$4,633,000	\$4,670,000	\$4,934,000
	NEW CONNECTION SALES				
4210	Water Meters - New	\$39,191	\$26,600	\$69,200	\$28,900
4220	Water Meters - Relocate	5,499	0	0	0
4230	Pressure Reducers	180	1,400	100	700
4240	Double Check Valves	43,964	15,100	25,100	16,400
	Total New Connection Sales	\$88,834	\$43,100	\$94,400	\$46,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

REVENUE ESTIMATE

GENERAL FUND

Page 2 of 3

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
4310	Current Secured	\$1,827,988	\$1,894,000	\$1,865,500	\$1,866,000
4320	Current Unsecured	63,826	66,000	64,300	64,000
4340	Homeowners PTR	18,459	19,000	17,700	18,000
4350	Current Water Availability Charge	589,210	591,000	582,000	582,000
4382	Interest Allocation-Wtr Availability Chg	142	0	100	0
4370	Prior Unsecured	392	0	14,400	0
4380	Interest Allocation	476	0	300	0
	Total Property Taxes-Other	\$2,500,493	\$2,570,000	\$2,544,300	\$2,530,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

REVENUE ESTIMATE

GENERAL FUND

Page 3 of 3

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Adopted Budget	Estimated Actual	Budget
	OTHER REVENUE				
4410	Investment Income	\$106,984	\$101,500	\$119,000	\$90,750
4417	Delinquent Penalty	288,139	266,000	306,700	306,700
4419	Transfer Fee	8,690	9,000	8,700	9,000
4420	Turn On Charge	28,315	32,000	26,500	27,000
4421	R.P. Inspection/Svc Fee	149,299	158,000	143,000	158,000
4421	R.P. Repairs	10,012	19,000	11,100	19,000
4430	Sale of Maps/Copies	167	300	50	100
4433	Service Availability Charge	350	300	675	700
4435	Sale of Surplus	17,013	25,000	15,000	25,000
4440	Other	19,511	8,000	28,600	8,000
4440	Return Check Charge	1,400	2,000	1,700	2,000
4440	Lease of Facilities	271,598	305,700	299,076	308,700
4440	Escondido Sewer Collection Fee	2,637	2,600	2,600	2,600
4440	Escondido Water Service in Lieu	1,170	1,000	1,000	1,000
4444	FEMA Reimbursement	771	0	0	0
	Total Other Revenue	\$906,056	\$930,400	\$963,701	\$958,550
	CAPITAL IMPROVEMENT CHARGES				
4810	Meter Capacity Charges	\$24,136	\$14,000	\$68,553	\$29,000
4820	Contributions In Kind	5,474	0	0	0
	Total Capital Improvement Charges	\$29,610	\$14,000	\$68,553	\$29,000
	TOTAL REVENUE	\$41,922,987	\$42,367,500	\$42,010,954	\$44,499,550

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

EXPENDITURES RECAP

ALL BUDGETED FUNDS

	2011-2012	2012-2013		2013-2014
	Actual	Budget	Estimated Actual	Budget
RECAP BY DEPARTMENT				
General Administration	\$854,339	\$967,448	\$923,028	\$816,476
Finance	1,481,072	1,485,179	1,167,047	1,282,764
Information Technology	446,502	504,305	506,365	581,262
Engineering	1,661,797	1,496,656	1,509,751	1,523,921
Field Operation	5,731,093	6,027,703	5,718,046	6,289,956
Source of Supply	29,297,580	29,670,301	29,635,315	31,403,907
Total Operating	\$39,472,383	\$40,151,592	\$39,459,552	\$41,898,286
Capital Projects	760,413	2,195,000	2,443,084	1,735,000
Total General Fund	\$40,232,796	\$42,346,592	\$41,902,636	\$43,633,286
Lower Moosa Wastewater Treatment	1,546,665	1,425,050	1,314,166	1,260,319
Woods Valley Wastewater Expansion	0	0	188,092	1,615,000
Woods Valley Wastewater Treatment	318,998	333,976	310,280	311,125
Total Wastewater	\$1,865,663	\$1,759,026	\$1,812,538	\$3,186,444
Grand Total	\$42,098,459	\$44,105,618	\$43,715,174	\$46,819,730

RECAP BY FUNCTION

Operating	\$39,360,674	\$40,096,592	\$39,404,537	\$41,898,286
Debt Service	111,709	55,000	55,015	0
Capital Projects	760,413	2,195,000	2,443,084	1,735,000
Total General Fund	\$40,232,796	\$42,346,592	\$41,902,636	\$43,633,286
Lower Moosa Wastewater - Operating	1,546,665	1,425,050	1,314,166	1,260,319
Woods Valley Expansion - Capital Proj.	0	0	188,092	1,615,000
Woods Valley Wastewater - Operating	318,998	333,976	310,280	311,125
Total Wastewater	\$1,865,663	\$1,759,026	\$1,812,538	\$3,186,444
Grand Total	\$42,098,459	\$44,105,618	\$43,715,174	\$46,819,730

VALLEY CENTER MUNICIPAL WATER DISTRICT

2013-2014

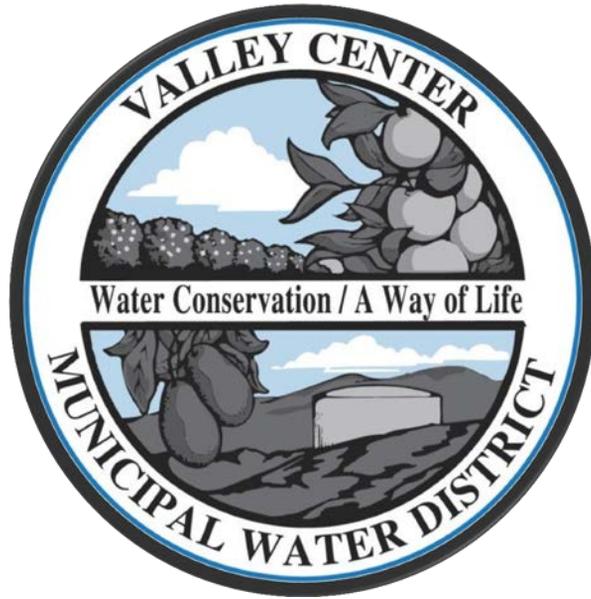
**HISTORY OF WATER PURCHASED AND SOLD
1978-1979 THROUGH 2013-2014**

WATER PURCHASED - Acre Feet

<u>YEAR</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
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	50554.2
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	3090.6	978.0	1386.0	2227.3	4383.2	5156.3	44597.5
01-02	5533.3	5998.9	5298.0	5070.1	2910.0	1441.5	3044.3	3216.4	3204.0	3657.5	4747.0	5403.1	49524.1
02-03	5995.0	6024.9	5877.3	4586.9	3014.9	1713.3	3207.5	1489.0	1277.3	2547.1	3783.6	4158.0	43674.8
03-04	6061.1	6467.7	5766.5	5517.0	2922.9	2742.6	3178.0	1282.9	3201.1	3978.4	5740.7	5322.7	52181.6
04-05	6222.8	5973.1	6053.1	2872.2	1183.1	1812.0	478.4	659.4	894.3	3288.1	4018.9	4649.2	38104.6
05-06	5837.3	5835.5	5302.0	3708.3	3950.8	3642.9	2744.7	2464.8	624.6	1512.7	3804.0	5339.3	44766.9
06-07	6593.1	5778.2	5751.0	4292.3	4387.2	2021.6	3654.3	1247.2	3348.2	3449.4	4822.0	5166.9	50511.4
07-08	5805.6	5975.0	5176.6	4768.7	3707.3	880.7	596.8	464.4	2139.8	3134.1	2895.5	3955.3	39499.8
08-09	4226.7	4204.1	3923.1	4106.1	2800.9	1035.2	1822.3	827.7	2387.7	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	1442.2	1249.6	2772.4	3195.9	29522.4
10-11	3631.9	3860.2	3696.5	1833.6	1597.5	1122.0	1057.6	991.0	695.9	1830.7	2424.4	2932.9	25674.2
11-12	3716.7	3731.7	3379.6	2694.2	1050.4	1490.1	1847.9	1557.1	1170.6	1419.9	2518.5	3145.9	27722.6
12-13	3528.0	3966.9	3621.2	2857.9	2217.7	874.7	1177.6	961.7	870.0	1507.0	2012.0	2312.0	25906.7
13-14	3166.0	3729.0	3828.0	3357.0	2588.0	1733.0	714.0	1099.0	675.0	1192.0	1603.0	1846.0	25530.0
	AVERAGE FIRST 6 MONTHS					24215.8	AVERAGE LAST 6 MONTHS					14357.2	38573.0
						62.779%						37.221%	100.000%

WATER SOLD - Acre Feet

<u>YEAR</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
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	2569.6	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	371.0	1747.8	1595.8	2819.1	27837.3
10-11	3213.1	3337.8	3857.1	3205.7	1337.5	1319.3	517.3	1405.7	529.8	1017.3	2091.4	2310.2	24142.2
11-12	3388.5	3221.0	3732.9	2705.0	1896.2	1128.4	1809.4	1412.2	1390.1	1019.2	1500.6	2887.0	26090.5
12-13	3005.0	3534.6	3628.8	3185.0	2462.3	1658.4	700.8	1062.1	663.9	1150.2	1536.1	1764.8	24352.0
13-14	2975.7	3505.3	3599.5	3155.7	2432.9	1629.1	671.4	1032.7	634.5	1120.9	1506.8	1735.5	24000.0
	AVERAGE FIRST 6 MONTHS					24085.4	AVERAGE LAST 6 MONTHS					11916.9	36002.3
						66.900%						33.100%	100.000%



General Administration

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**DEPARTMENT SUMMARY
General Administration**

FUNCTION OVERVIEW

Provide overall District Board policy implementation, agency 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 2012-2013

Performance Measurement Standards – Compliance with the following Standard was as follows as of December 31, 2012:

- **Customer Satisfaction (Standard 1)** – For calendar year 2012, 100.0% of the customer ratings were "Meets" or "Exceeds" expectations, exceeding our goal of 95%.

Strategic Plan Goals –

- **Carlsbad/Poseidon Seawater Desalination Project (Seawater Desalination – Goal 2)** – The Water Purchase Agreement between the San Diego County Water Authority and Poseidon Resources was successfully negotiated, approved, and the 56,000 acre feet per year Seawater Desalination Plant was under construction.

CHALLENGES FOR 2013-2014

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:

- Advocate for and secure continuation of the SDCWA Special Agricultural Water Rate (SAWR) agricultural pricing programs, which is scheduled to be modified at the end of calendar 2014.
- Continue to manage the financial implications of reduced water deliveries and rapidly increasing wholesale prices, while maintaining effective staffing, service, and major maintenance levels through maximizing internal efficiencies.
- Assisting the Association of California Water Agencies (ACWA) in informing the public on the issues concerning the November 2014 State Water Bond.
- Informing District customers about water cost and the "Value of Water" and the public health and public safety services and benefits provided by the District.
- Overseeing and assisting all other departments in pursuing and meeting adopted Performance Measurements and Strategic Plan Goals in 2013-2014.
- Oversee the successful distribution and implementation of the various human resources functions to the General Administration and Finance Departments staff.
- Incorporate the supervision of the newly created Information Technology Department under direct supervision of the General Manager.

- Monitor, oversee, and guide the progress toward completion of the South Village Wastewater Expansion Project, Meadowood Annexation, and the Northern/Western Boundary Sphere of Influence Amendment.
- Implement changes in departmental space organization and allocation to more efficiently use existing office space to increase customer convenience and reduce staff coverage issues.

GOALS FOR 2013-2014

Performance Measurement Standards –

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

Strategic Plan Goals –

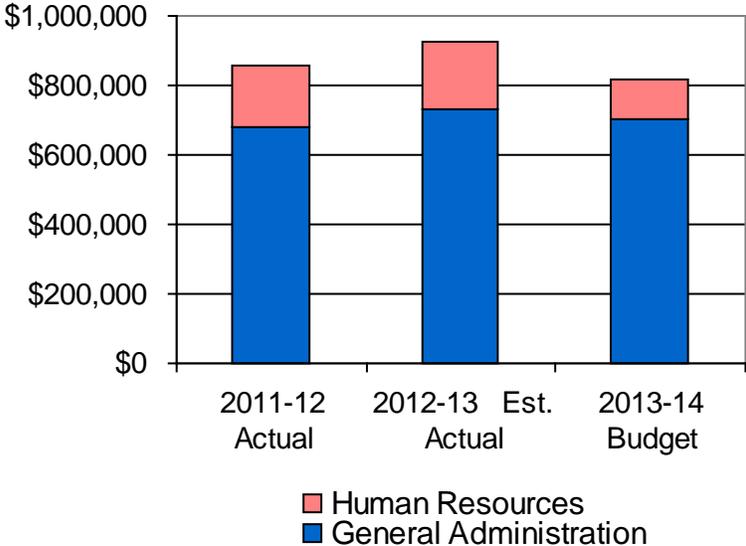
- **The Carlsbad/Poseidon Sea Water Desal Plant (Goal 2, Seawater Desalination)** – As the District’s representative to the San Diego County Water Authority Board of Directors, continue to oversee and monitor progress on the project construction and be actively involved in the Cost of Service Study to ensure a fair and equitable allocation of cost associated with the Carlsbad Desalinated Seawater supply.
- **Operating Cost Reductions (Goal 7, Technology)** – Continue to control and reduce local costs through technology and knowledge assisted increases in effectiveness and efficiency, and outsourcing as appropriate.
- **Photo-voltaic Solar Power (Goal 8, Energy)** – Continue to expand investments in cost effective small scale photo-voltaic installations for various District facilities.
- **Sustainable Employee Benefits (Goal 9, Compensation and Benefits)** – As a result of the meet and confer process, implement additional employee financial participation in ongoing benefit costs to ensure long-term sustainability..

LONG-TERM GOALS

As always, it is 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, resume implementation of the Capital Replacement and Improvement Program, preserve local financial resources for local purposes, advocate and protect appropriate wholesale revenue and 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, “Meets” or “Exceeds” customer expectations.

Also, in this era of declining agricultural activity and related water sales revenues, the General Administration Department will lead the ongoing efforts to more cost effectively operate the water and wastewater systems serving the Valley Center Community through implementing internal efficiencies and external functional consolidations with nearby water agencies.

General Administration



VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2013-2014

General Administration
Full-Time Equivalents

	<u>01-5101.</u>	<u>01-5115.</u>	<u>01-5513.</u>	<u>Total</u>
General Manager	0.80	0.10	0.10	1.00
Executive Assistant/Secretary to Board	0.75	0.25		1.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Full-Time Equivalents	1.55	0.35	0.10	2.00

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

GENERAL ADMINISTRATION

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
1	General Administration	680,991	761,001	732,586	701,352
15	Human Resources	173,348	206,447	190,442	115,124
18	Training	0	0	0	0
TOTAL GENERAL ADMINISTRATION		854,339	967,448	923,028	816,476

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

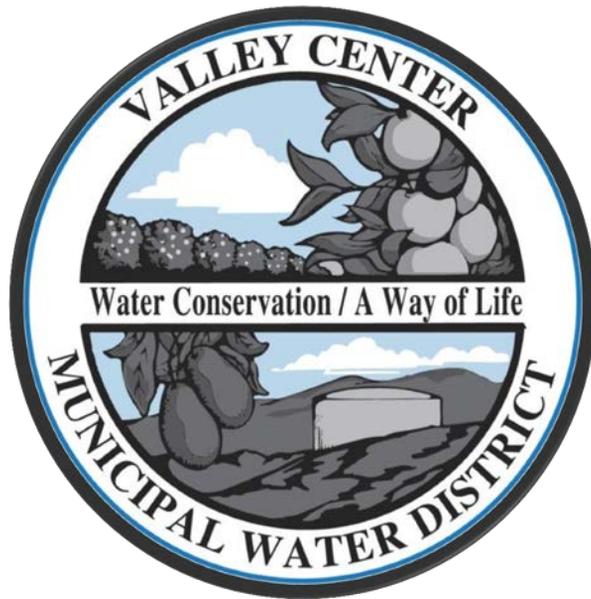
Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	488,821	494,200	494,200	413,900
03	Overtime	28	1,000	250	750
10	Training & Education	15	250	75	250
25	Outside Professional Services	657	0	0	0
26	Legal Services	51,403	74,000	82,000	85,000
28	Printing	673	2,000	650	2,000
29	Books & Subscriptions	510	750	510	750
30	Special Department Expenses	2,261	2,500	2,400	2,500
33	Postage	917	15,500	10,000	13,000
34	Membership Fees & Dues	20,903	25,500	22,600	25,500
35	Directors' Fees	10,550	10,500	10,000	10,500
36	Directors' Travel & Expenses	6,689	7,500	6,500	7,500
37	Transportation, Meals & Travel	9,407	8,000	12,000	12,000
39	Public Information and Notices	2,292	7,500	2,500	6,000
54	Maintenance of Equipment	319	750	350	750
83	Unclassified - Contingency Fund	1,138	10,000	2,500	20,000
89	LAFCO Budget Assessment	22,313	25,500	25,500	27,000
90	Federal and State Government Relations	89,218	100,000	85,000	100,000
91	Expense Credit	(27,123)	(24,449)	(24,449)	(26,048)
	Total	680,991	761,001	732,586	701,352

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	General and Administration	15	250	75	250
11	Finance Administration	735	3,500	990	3,500
13	Information Technology	0	7,000	7,000	7,000
15	Human Resources	95	200	345	200
17	Benefits	0	0	0	1,500
21	Engineering Administration	489	1,200	1,000	1,200
22	Planning	1,100	1,000	1,100	1,000
23	GIS/Public Services	140	500	300	500
24	Encroachments and Locates	0	500	0	500
28	Design/Construction	2,122	1,000	2,200	1,000
31	Field Administration	16,261	17,500	17,000	17,500
91	Expense Credit	(20,957)	(32,650)	(30,010)	(34,150)
	Total	0	0	0	0



Information Technology

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**DEPARTMENT SUMMARY
Information Technology**

FUNCTION OVERVIEW

The Information Technology Department provides comprehensive technology planning, development, integration, operation, and support to all areas of the District to maximize efficiency. This includes network communications infrastructure throughout the District, servers and workstations, mobile devices, database systems, data storage, telecommunications, and video surveillance security systems.

ACCOMPLISHMENTS FOR 2012-13

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

- **Service Order Software – Goal 7d:** Development continues for major software modules of the Service Order Software. Portions of the system are already in service with integration to customer and vendor records. Full integration of the system will be completed by the end of the 2013-14 fiscal year.
- **E-Business – Goal 7e:** Paperless electronic billing was made available to our customers, saving time and money. Our customers can view their bill information and pay their bills over the internet. As of May 17, 2013, there are approximately 2,660 customer accounts registered and utilizing the system, of which 454 have elected to no longer receive paper bills in the mail.
- New purchase order system to create and manage purchase orders was completed. This added efficiency to purchase order generation process by using a central database where the orders can be tracked by management personnel. All files related to vendors and purchase orders can now be electronically attached to each purchase order record where they are easily accessible while minimizing paper and printing supplies.
- The Information Technology Department designed the architecture and programming for a modern, high-performance wireless data communications network to connect all District facilities. This enables secure communications between SCADA devices, video surveillance, video conferencing, voice over IP telecommunications, data replication, and seamless access using mobile devices throughout the District. The network has been designed with added redundancy to minimize downtime and extra capacity to allow any foreseeable future growth, while remaining very cost-effective to deploy and operate. More than 40 sites have now been integrated with the District-wide communications network.
- Staff continues to deploy new SCADA network communications equipment that has cut the cost of radios and switches by more than 95%, while providing faster connection speeds, better range, and reduced installation costs. The low cost of the radios enables us to increase redundancy by providing multiple connections to most sites and minimizes the impact of technology obsolescence.
- The staff researched and tested a new IP network-based high definition video surveillance technology. The system consists of high definition megapixel cameras that include full night vision, continuous local and remote recording capabilities, and allow remote monitoring by operations personnel 24 hours a day. The system's cost is lower than the existing analog video surveillance system while providing much better capabilities, and deployment has started to convert sites to the new technology.

CHALLENGES FOR 2013-2014

The 2002 Water Master Plan identifies over \$50 million of capital projects. Many of these projects require the integration of technology with existing systems while minimizing downtime during deployment and conversion process. IT has invested in training of in-house personnel to program and integrate the deployment of SCADA components. This provides extensive in-house knowledge base for District's process control systems that are continuously being improved. The challenge is to implement the changes quickly and cost effectively while providing reliable and continuous system operation.

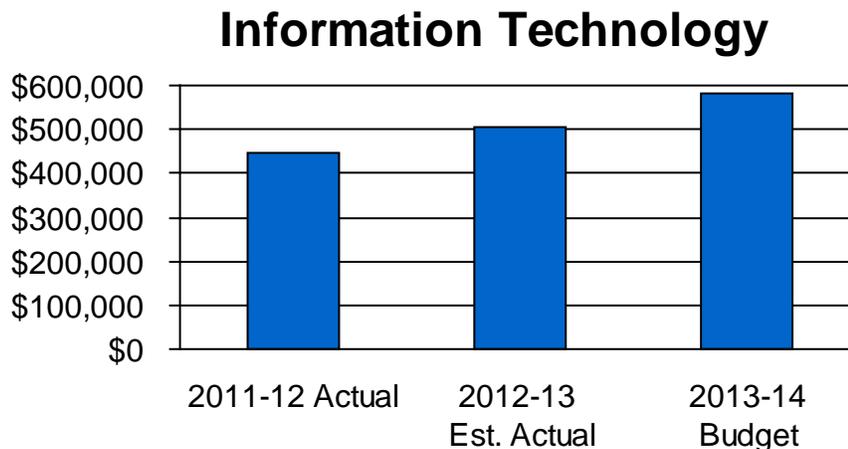
GOALS FOR 2013-2014

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

- **Service Order Software – Goal 7d:** The new Service Order Software will be programmed to track customer service order requests and produce work orders. This will be integrated with our financial software system and Geographical Information System (GIS). It will improve customer service and automatically schedule routine maintenance. The system is expected to be complete with full integration with other systems by the end the 2013-2014 fiscal year.
- Network servers will be enhanced at remote sites to add redundancy and provide continued operations in case of a service outage at the main data center.
- The current website content management system (CMS) will be replaced with an improved system that is easier and faster to use. The new system will provide the staff the means to publish public documents more effectively and allow emergency notifications to be published on the website without involving IT staff.

LONG-TERM GOALS

Provide ongoing technology services to maximize operating efficiency at all areas of the District. Deploy and manage comprehensive District-wide communications network to enable seamless and secure connectivity at all sites. Enhance SCADA software functionality to enable better control and monitoring of industrial control equipment at all sites. Develop integrated database systems that allow better and faster access to all District data.



VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2013-2014

General Administration
Full-Time Equivalents

	<u>01-5513.</u>	<u>Total</u>
Director of Information Technology	1.00	1.00
Senor Information Technology Specialist	1.00	1.00
	<hr/>	<hr/>
Total Full-Time Equivalents	2.00	2.00

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

INFORMATION TECHNOLOGY

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
13	Information Systems	446,502	504,305	506,365	581,262
TOTAL FINANCE		446,502	504,305	506,365	581,262

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

FUND: **General** **01**
 DEPT: **Information Technology** **55**
 DIV: **Information Technology** **13**

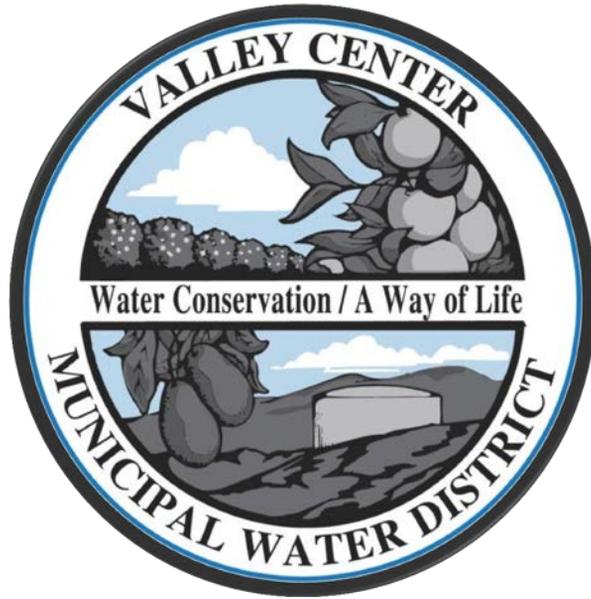
Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	354,108	364,100	399,600	433,800
03	Overtime	1,509	2,100	2,000	2,200
10	Training & Education	0	7,000	7,000	7,000
25	Outside Professional Services	18,545	30,600	17,050	32,600
29	Subscriptions and Publications	0	200	200	250
30	Special Department Expenses	39,926	49,700	41,680	51,200
32	Telephone/Answering Service	8,975	8,800	8,830	9,000
37	Transportation, Meals & Travel	0	400	150	400
40	Rents and Leases	10,736	11,100	10,990	11,500
41	Hazardous Waste Disposal Cost	0	500	250	500
54	Maintenance of Equipment	17,548	30,200	20,000	30,400
59	Maintenance of Software	13,047	18,300	17,310	24,000
91	Expense Credit	(17,892)	(18,695)	(18,695)	(21,588)
	Total	446,502	504,305	506,365	581,262

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

FUND: **General** **01**
 DEPT. **Information Technology** **55**
 DIV: **Information Technology** **13**

Acct. No.	Detail and Justification	Department Request
54	Maintenance of Equipment Server Repair 4,000 Workstation and Laptop Repair 6,000 Printer Repair 2,000 Network Infrastructure Repair 4,000 Telephone Equipment and Programming 2,000 Copier Machines 2,000 Facsimile Machines 1,000 SCADA Servers and Radios 4,000 Fire Suppression System 600 HP Printers (3) 2,300 Hewlett Packard Mainframe 1,500 Miscellaneous 1,000	30,400
59	Maintenance of Software Antivirus 3,200 Firewall 2,900 Network Management and Security 5,300 Web Security 2,500 Backup and Data Storage 5,400 Phone System 4,700	24,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(21,588)



Finance

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**DEPARTMENT SUMMARY
Finance**

FUNCTION OVERVIEW

The Finance Department provides professional financial planning to the District for the funding of operational costs and capital improvement projects needed to sustain water and wastewater service to its customers. Accounting and auditing services are provided to show clearly and accurately at all times the financial status of the District. The Department invests available assets and manages the District's debt including assessment districts. In the coming year, the Finance Department is also tasked with the responsibility of the Benefits Division, which provides administration of current employee and retiree benefits programs.

Costs incurred by the Salary Clearing Division are transferred to other divisions and funds at 206% of actual productive salary expended to cover the combined expense of salary and fringe benefits, including leave. The labor shown in the balance of the budget includes fringe benefits. Salary charged to outside projects and wastewater funds is at 221% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.

ACCOMPLISHMENTS FOR 2012-13

Awards - Our 2012-13 budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2012 Comprehensive Annual Financial Report has been submitted for consideration to receive 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, 2012:

- **Discretionary Reserves (Standard 3):** The District's standard is to maintain unrestricted or uncommitted reserves not anticipated to be used in the current fiscal year at a minimum of three and a maximum six month's operations and maintenance budget, excluding wholesale water and power purchases. The unrestricted reserve balance met our performance standard.
- **Local Share of Total Water Commodity Costs (Standard 4):** Our share of the total water commodity rate, as budgeted as of February 1, 2012, were 10.5% of the total commodity cost for domestic customers and 12.5% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments (Standard 10):** For the calendar year 2012 our weighted average yield was 0.79%, exceeding the benchmark of 0.16% by 63 basis points. The District estimates our yield for the 2013-14 fiscal year to be 0.55%.

Other –

- Installed a credit/debit card kiosk, with the assistance of the Information Technology Department, allowing District customers to pay monthly invoices by credit/debit cards in the Finance offices. The payment program was also updated giving customers the ability to purchase new meters or make construction deposits with credit/debit cards for a nominal third-party convenience fee.

CHALLENGES FOR 2013-2014

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. Continuing low water sales directly impact the District's financial results, requiring diligence in budgeting and operations.

GOALS FOR 2013-2014

Performance Measurement Standards –

- **Discretionary Reserves (Standard 3):** Continue to maintain discretionary reserves at the maximum six months' operations and maintenance budget.
- **Local Share of Total Water Commodity Costs (Standard 4):** Our share of the total water commodity rate, as budgeted as of February 1, 2013, shall be no more than 13% of the total commodity cost for domestic customers and 16% for certified agricultural.
- **Return on Investments (Standard 10):** Meet or exceed the District's investment benchmark of return on investments greater than the 12-month rolling average return on U.S. Treasury bonds.

Other –

- Submit the 2013-14 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2013 Comprehensive Annual Financial Report for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

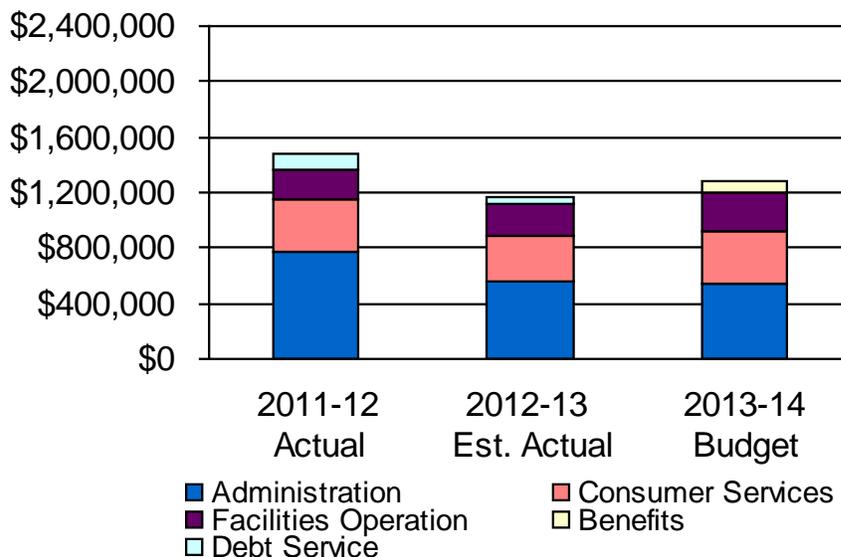
LONG-TERM GOALS

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

LONG-TERM DEBT SCHEDULE

	Interest rate	Final maturities	Outstanding June 30, 2012	Retired 2012-13	Outstanding June 30, 2013	Maturing 2013-14	Outstanding June 30, 2014
Revenue Bonds	2.015%	July 1, 2013	55,000	55,000	0	0	0

Finance



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**Finance
Full-Time Equivalents**

	<u>01-5211.</u>	<u>01-5212.</u>	<u>01-5217.</u>	<u>Total</u>
Accounting Clerk	0.80	0.20		1.00
Accounting Specialist	0.90		0.10	1.00
Accounting/Benefits Specialist	0.65		0.35	1.00
Consumer Services Assistant		1.00		1.00
Consumer Services Supervisor		1.00		1.00
Director of Finance	0.90		0.10	1.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Full-Time Equivalents	3.25	2.20	0.55	6.00

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

FINANCE

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
11	Administration	773,881	783,263	565,353	541,827
12	Consumer Service	379,064	363,055	330,205	375,360
14	Facilities Operation	216,418	283,861	216,474	281,485
16	Salary Clearing	0	0	0	0
17	Benefits	0	0	0	84,092
19	Debt Service	111,709	55,000	55,015	0
TOTAL FINANCE		1,481,072	1,485,179	1,167,047	1,282,764

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	754,696	749,000	540,000	485,400
03	Overtime	28	1,000	1,500	1,500
10	Training & Education	735	3,500	990	3,500
25	Outside Professional Services	37,671	41,600	38,100	55,000
28	Printing	230	3,300	2,300	3,300
29	Subscriptions and Publications	288	700	600	700
30	Special Department Expenses	3,240	6,200	5,600	6,300
33	Postage	415	600	500	600
34	Membership Fees & Dues	1,594	1,100	700	650
37	Transportation, Meals & Travel	3,893	5,300	4,100	5,000
91	Expense Credit	(28,909)	(29,037)	(29,037)	(20,123)
	Total	773,881	783,263	565,353	541,827

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
25	Outside Professional Services	850	1,700	1,100	1,500
27	Office Supplies	5,132	9,500	7,500	8,500
28	Printing	2,252	4,300	3,300	3,800
30	Special Department Expenses	694	800	850	900
32	Telephone/Answering Service	42,992	49,700	45,300	47,700
40	Rents & Leases	1,937	2,100	2,500	2,500
42	Insurance	118,697	171,237	114,600	170,700
45	Electricity	46,259	45,600	42,700	46,900
54	Maintenance of Equipment	1,490	3,100	2,800	3,100
91	Expense Credit	(3,885)	(4,176)	(4,176)	(4,115)
	Total	216,418	283,861	216,474	281,485

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
25	Outside Professional Services	1,500
	Record Destruction Services	1,200
	Solar Energy Registration	300
27	Office Supplies-District	8,500
	Various Office Supplies, Copier Paper	
28	Printing	3,800
	Letterhead, Business Cards, Labels, Envelopes	
30	Special Department Expenses	900
	Property Taxes for Facilities Outside the District	300
	County Vector Control Assessment	600
	Check Signer/Endorsing Machine	
32	Telephone/Answering Service	47,700
	Telephone	15,100
	Cellular Service	27,600
	Answering Service	5,000
40	Rents & Leases	2,500
	Postage Machine Print Head	1,600
	Storage of Application Files	900
42	Insurance	170,700
	General Liability	138,088
	Property Damage and Fidelity Coverage	54,000
	Other Self Insured Retention	5,000
	Less Amount Charged to Sewer Funds	(26,388)
45	Utilities-Electricity	46,900
	Electricity for Administration, Board Room	
	Multipurpose Room, and Engineering Annex I & II	

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Benefits** **17**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular				83,800
03	Overtime				1,000
10	Training & Education				1,500
34	Membership, Fees and Dues				915
91	Expense Credit				(3,123)
	Total	0	0	0	84,092

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
15	Dental Insurance District paid for employee and dependents.	93,600
16	Vision Insurance District paid for employee and dependents.	12,000
18	Post Retirement Health Annual required contribution to defined benefit plan.	457,228
20	Retirement Health, Defined Contribution Plan	2,900
91	Expense Credit - Leave	(882,900)
91	Expense Credit	(9,613,724)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

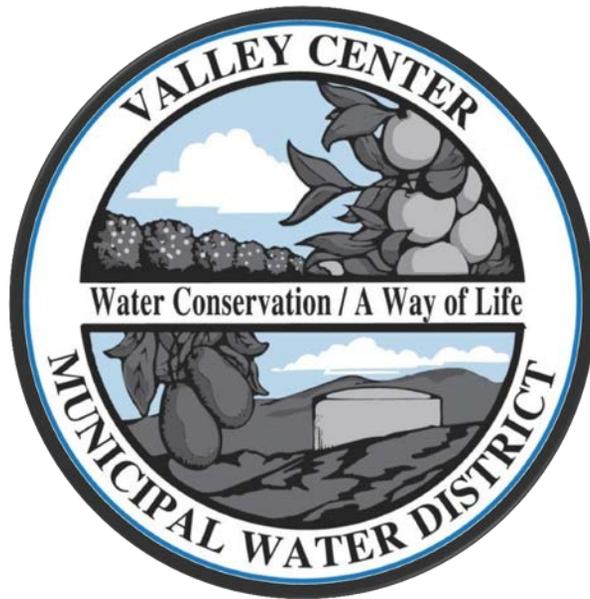
FUND: **General** **01**
 DEPT: **Finance** **52**
 DIV: **Debt Service** **19**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Adopted Budget	Estimated Actual	Adopted Budget
70	Principal	110,000	55,000	55,000	0
71	Interest on Debt	1,709	0	15	0
	Total	111,709	55,000	55,015	0

SOURCE OF FINANCING

Water Availability Charge/Other	111,709	55,000	55,015	0
Total	111,709	55,000	55,015	0





Engineering

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2013-2014

DEPARTMENT SUMMARY
Engineering

FUNCTION OVERVIEW

The Engineering Department provides professional and technical expertise 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 funded 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. The Engineering Department also oversees the District’s Water Conservation Program. To accomplish these functions, the Department is split into the following five divisions: Administration, Planning, GIS/Public Services, Encroachments & Locates, and Design/Construction.

ACCOMPLISHMENTS FOR 2012-2013

Performance Measurement Standards:

• Project Actual Cost (Standard No. 6):

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

- The District bid three projects during FY2012/13 and project costs are as follows;

Project	Eng. Est.	Bid Amt	Change Orders	Total Const Cost	% of Eng Estimate
Red Iron Bark Pipeline	\$400,000	\$248,845	\$18,300	\$267,145	-33%
Turner Culverts	\$35,000	\$29,750	\$0	\$29,750	-15%
Cobb Floating Cover*	\$550,000	\$569,635	\$16,101	\$585,736	6%
Totals		\$848,230	\$34,401	\$882,631	-14%

* Total as of May 2013. Credit Change Order for Paving Repair is pending.

Strategic Plan Implementation:

• Water Supply - Goal 1:

- Continued study of a cost sharing agreement with local well owner in the Paradise Mountain area for possible equipping and connection to the District’s water distribution system to either supplement the District’s domestic water supply or off-set the owner’s water-use costs in another location within the District.

• Infrastructure - Goal 5:

- Completed formation of Assessment District 2012-1, completing the conditions needed finalize the \$13.5M Clean Water State Revolving Fund Loan for the South Village Wastewater Expansion Project.
- Continued to evaluate performance of MBR Unit at Woods Valley Ranch Water Reclamation Facility. Coordinated upgrading the MBR Unit under warranty with Siemens. Final plant acceptance expected by the end of 2012-13.

- Provided technical engineering services associated with minor private development projects including reissuing concept approval for one (1) project; completed plan review and approval for four projects with a total of 19 lots; completed two private fire protection system special projects, and project acceptance is pending for two projects totaling six lots at this time.
- Continued work on the Integrated Water Resources Management Plan for use in identifying future infrastructure requirements for future capacity and replacement needs, and for use in obtaining funding assistance. Completion is scheduled in 2013-2014.
- Continued annexation proceedings for the Meadowood Subdivision, an 844 lot subdivision located one mile northeast of the I-15 and SR-76 interchange. Obtained initial approvals from both the San Diego County Water Authority and the Metropolitan Water District for concurrent annexation. As this development is not contiguous with the District, a new water and wastewater infrastructure system would be required to provide services.
- Entered into a Pre-Development Agreement for the Lilac Hills Ranch Master Planned Community and is currently processing concept approval for the project which consists of a 1,749 unit mixed use development including commercial, residential, civic, and institutional uses within a 600 acre area. Improvements to include water distribution system, on-site wastewater treatment plant, collection system, off-site transmission system, treatment upgrades at the Lower Moosa Wastewater Treatment Plant, and recycled water transmission and distribution system.
- Processed concept approval and authorization to enter into pre-development agreements for the Weston/View North Village project, an 850 EDU, mixed use, multi-phase development.

- **Technology - Goal 7:**

Geographical Information System (GIS) - Continued to upgrade the GIS with additional data and features.

- Continued conversion of project map and facility information from the AutoCAD environment to the GIS database environment, so both datasets are current. This provides the most current data to the enterprise GIS application allowing user access to additional information.
- Continued easement scanning project, completed scanning of easement documents, next phase of project will be to integrate the scanned documents into GIS format and include in the GIS database.
- Pipeline projects completed and minor changes continue to be updated in the GIS database to ensure the data is current. Electronic drawings of the valve details have been delivered to staff for use via their computers and laptops and hardcopies have been distributed to Field staff.
- Upgraded the current GIS Editor licenses to ArcGIS for Desktop Advanced version. This allows for advanced analysis, geoprocessing and powerful editing tools.

Computer Aided Drafting (CAD) Document Management (DM) System – installation of the document management system geared specifically towards the AutoCAD environment was completed and configured. Staff continues to work on final implementation for distribution to the CAD editors. The new system will allow for improved management of CAD map documents and provide enhanced workflow of drawings throughout the mapping process. This replaces the existing outdated system at lower annual costs and allows better integration with the sales order program that is under development.

- **Energy – Goal 6b: Renewable and Alternative Energy Resource:** Staff continued to identify potential sites for solar development and assisted the Field Staff in the design and material procurement of Tyler Pump Station and Country Club Reservoir Solar projects.

Other Projects and Services: Services provided through May 17, 2013 include:

- Processed applications and released for installation 8 domestic water meters; 21 fire service meters; 7 meter applications; 6 meter relocations; 2 meter resizes; and 25 construction meters.
- Managed and administrated 28 Agency Clearance letters; 9 Project Availability and Commitment letters; 2 Special Projects; and 1 wastewater system Special Project.
- Researched and provided over 35 water and wastewater service quotes.
- Marked out and processed over 600 underground service alert requests.
- Identified 23 new right-of-way violations and resolved 16; processed 22 new encroachments and issued 11 encroachment permits.

CHALLENGES FOR 2013-2014

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 on a voluntary basis 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 rural residential and urban uses, changing water conservation practices.

GOALS FOR 2013-2014

Strategic Plan Implementation:

Water Supply – Goal 1:

- Should the project be feasible, enter into an agreement to utilize the Paradise Mountain area wells to supplement current water supply.
- Administer the District's Water Conservation Program to effectively meet all regulatory and Urban Conservation Council Memorandum of Understanding requirements.

Infrastructure – Goal 5:

- Pursue 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.
- Provide project management of the South Village Expansion Project.

- Prepare engineering drawings and bid documents, and perform construction management including inspection and record drawings for the replacement of the Lilac Reservoir Cover.
- Prepare bid documents and provide construction management for the recoating and painting of identified above ground welded steel reservoirs
- Provide construction management including inspection and record drawings for the VC-1B pipeline replacement.
- Prepare engineering drawings and bid documents, and perform construction management including inspection and record drawings for the Wilkes Road Pipeline.
- Pursue funding opportunities for infrastructure replacement and local water supply projects.

Technology - Geographical Information System (GIS) - Goal 7a: Continue to assist staff with development of database information and integration of data and other District computer applications 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 custom map applications for staff use. Generate database containing San Diego County developer project status for Project Facility Availability, Commitment, and other County required letters. Generate GIS easement layer and provide link to scanned documents for ease in search and retrieval. Implement plan to access record as-built drawings directly from the GIS interface. Coordinate with the Information Technology Division the integration of the GIS with other District applications and the development of a service order software system.

Computer Aided Drafting (CAD) Document Management (DM) System – Goal 7a: Finalize implementation of the mapping document management system for the accessibility and organization of the District’s map drawings.

Technology - SCADA - Goal 7b: 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 7d: Assist with the integration of the Service Order System with GIS.

Energy - Efficiency - Goal 8a: Engineering staff will continue to assist in the design, review, and installation of energy efficient pump assemblies.

Energy - Renewable and Alternative Energy Resources - Goal 8b: 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.

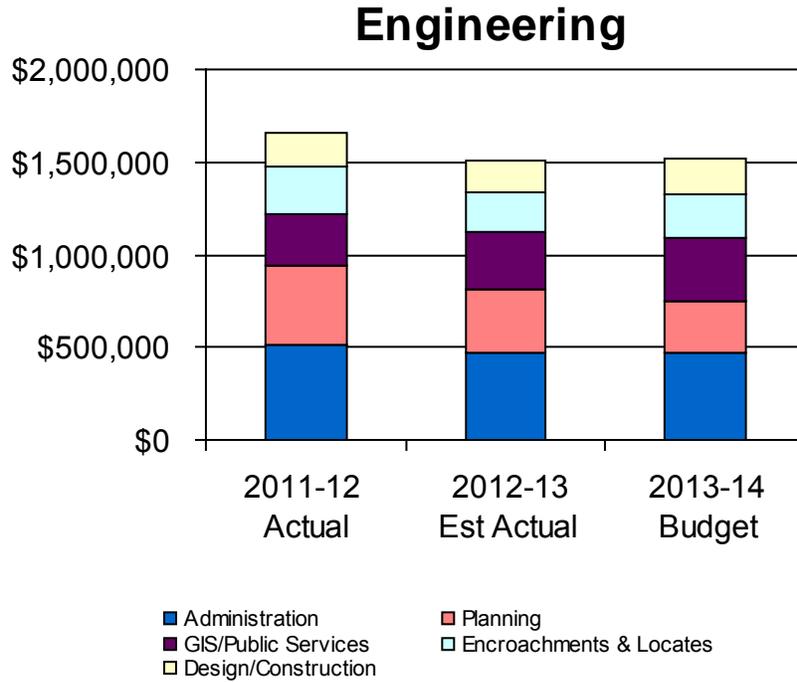
Other Goals:

- Update of the District’s Standard Specifications and Drawings to include wastewater facilities, update the District’s Water and Wastewater Facility Design Guidelines, and develop Computer Aided Drafting Standards to be used for preparation of water and wastewater construction documents.
- Continue to assist staff in use of digital District maps and record drawings, update the valve detail drawings, maintain updated hardcopy of the Valve Books for Field staff.
- Reduce processing time and paperwork required for water and wastewater service requests by utilizing computer resources.
- Provide opportunities for cross training in the areas of GIS, AutoCAD, and Water Use Efficiency.

- Continue to update electric gates within the District with District gate receivers.

LONG-TERM GOALS

- Seek out funding sources and financial assistance programs to fund required capital improvements.
- Maximize the use of the District's computers to 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 MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**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 III	0.95	0.45	0.05	0.05	0.05	0.15	0.30	2.00
Construction Inspector Supervisor	0.20	0.10	0.00	0.25	0.20	0.10	0.15	1.00
District Engineer/Deputy GM	0.60	0.30	0.00	0.00	0.00	0.05	0.05	1.00
Engineering Tech II	0.20	0.05	0.45	0.45	0.75	0.00	0.10	2.00
Engineering Tech III	0.10	0.05	0.05	0.20	0.35	0.10	0.15	1.00
GIS Analyst	0.10	0.05	0.80	0.00	0.00	0.00	0.05	1.00
GIS/Engineering Services Supervisor	0.15	0.05	0.75	0.00	0.05	0.00	0.00	1.00
Project Manager	0.10	0.25	0.00	0.00	0.00	0.15	0.50	1.00
Project Manager/Deputy Eng Dept Dir.	0.20	0.25	0.00	0.05	0.00	0.15	0.35	1.00
Senior Construction Inspector	0.10	0.00	0.00	0.60	0.05	0.10	0.15	1.00
Total Full-Time Equivalents	2.70	1.55	2.10	1.60	1.45	0.80	1.80	12.00

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

ENGINEERING

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
21	Administration	517,464	453,990	471,910	465,241
22	Planning	418,524	272,450	343,600	282,315
23	GIS/Public Services	287,364	312,948	311,573	339,443
24	Encroachments & Locates	250,709	250,146	209,996	240,083
28	Design/Construction	187,736	207,122	172,672	196,839
TOTAL ENGINEERING		1,661,797	1,496,656	1,509,751	1,523,921

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	518,411	456,400	456,400	467,300
03	Overtime	691	1,000	1,000	1,000
10	Training & Education	489	1,200	700	1,200
11	Uniforms/Shoes	627	670	760	770
26	Legal Services	9,592	5,000	26,000	6,500
28	Printing	0	150	50	50
29	Books & Subscriptions	544	1,200	750	1,000
30	Special Department Expenses	1,820	1,200	1,280	1,200
34	Membership Fees & Dues	1,128	3,000	1,300	3,000
37	Transportation, Meals & Travel	619	1,000	500	500
88	Capital Planning	2,774	0	0	0
91	Expense Credit	(19,231)	(16,830)	(16,830)	(17,279)
	Total	517,464	453,990	471,910	465,241

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
37	Transportation, Meals & Travel	500
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(17,279)

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	426,929	275,000	350,000	285,000
03	Overtime	740	250	500	500
10	Training & Education	1,100	1,000	500	1,000
25	Outside Professional Services	366	5,000	0	5,000
28	Printing	0	100	0	100
29	Books & Subscriptions	191	0	0	0
30	Special Department Expenses	63	0	200	0
34	Membership Fees & Dues	0	0	1,700	0
37	Transportation, Meals & Travel	818	1,200	800	1,200
91	Expense Credit	(11,683)	(10,100)	(10,100)	(10,485)
	Total	418,524	272,450	343,600	282,315

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	280,794	273,000	273,000	296,400
03	Overtime	466	250	1,200	1,500
10	Training & Education	140	500	850	500
25	Outside Professional Service	0	2,500	0	2,500
28	Printing	0	100	0	100
29	Books & Subscriptions	0	150	75	150
30	Special Department Expenses	2,603	12,700	12,700	10,000
34	Membership Fees & Dues	651	400	400	400
37	Transportation, Meals & Travel	191	500	500	500
54	Maintenance of Equipment	1,639	2,500	2,500	2,000
59	Software Technical Support	7,503	21,700	21,700	24,000
84	Water Conservation Program	6,226	10,250	10,250	14,000
91	Expense Credit	(12,849)	(11,602)	(11,602)	(12,607)
	Total	287,364	312,948	311,573	339,443

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

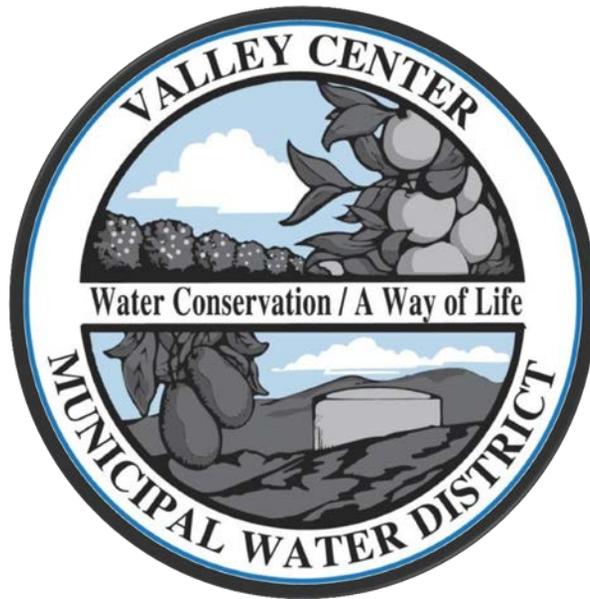
Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.10	296,400
03	Overtime	1,500
10	Training & Education Allocation from General Administration Training 5118 Page 4-5A	500
25	Outside Professional Service	2,500
28	Printing Board Displays, Presentations, Reports Standard Specifications, Rules, Regulations, Etc.	100
29	Books & Subscriptions Technical Journals and Magazines	150
30	Special Department Expenses	10,000
	Drafting and Office Supplies	500
	First American Real Estate On-Line Service	2,500
	First American Corelogic License Fee	400
	District Imagery	6,300
	San Diego County Assessors Maps	200
	Miscellaneous	100
34	Membership, Fees & Dues	400
	Geospatial Information and Technology Assn.	200
	California Geographic Information Association	100
	Urban & Regional Information Systems Assn.	100
37	Transportation, Meals & Travel	500
54	Maintenance of Equipment	2,000
	Large Format Copier	2,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

FUND: **General** **01**
 DEPT: **Engineering** **53**
 DIV: **Design/Construction** **28**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	178,114	208,200	175,000	197,100
03	Overtime	251	250	250	250
10	Training & Education	2,122	1,000	500	1,000
25	Outside Professional Services	0	2,000	0	2,000
28	Printing	0	550	3,500	1,000
29	Books & Subscriptions	0	100	0	100
30	Special Department Expenses	842	1,800	900	1,800
37	Transportation, Meals & Travel	76	400	200	400
54	Maintenance of Equipment	0	500	0	500
59	Software Technical Support	14,066	0	0	0
91	Expense Credit	(7,735)	(7,678)	(7,678)	(7,311)
	Total	187,736	207,122	172,672	196,839



Field Operations

FUNCTION OVERVIEW

The Field Operations Department is the largest within Valley Center Municipal Water District. It is divided into six Divisions with a staff of 42 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 and safety programs. It also performs a number of in-house construction and improvement projects and works in conjunction with the Engineering Department in providing in-house planning, construction knowledge, and the completion of smaller capital projects.

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

- The Safety and Regulatory Compliance Division encompasses the District's safety and compliance program for all departments to ensure the preservation of our low worker's compensation ratings through our ACWA/JPIA insurance provider.
- The District Security Division administers the implementation of the recommended measures from our vulnerability assessment for incorporation throughout the District's facilities, via our SCADA project.

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, altitude valve maintenance, the District's Water Quality Report, monthly facility and reservoir inspections, all DHS reporting, and the operation and maintenance of the SCADA and telemetry system.

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. Recently, the Division applied for and received its laboratory certification for our Moosa facility. The Moosa staff now performs in-house daily samples, potable bacteriological testing (Bac-T), and general physicals. 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 43 reservoirs and 105 potable pumps at 26 pump stations, and 51 wastewater pumps. In addition, it oversees and maintains all of the District's 29 emergency power generators and 8 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 48 vehicles, 44 pieces of large equipment, and 84 pieces of miscellaneous equipment. The Division is also responsible for the in-house planning and implementation of the District SCADA Project, potential solar sites, and security systems as well as its maintenance, upgrades, and improvements.

Construction and Maintenance - This Division maintains, inspects, repairs, upgrades, and locates as necessary the more than 297 miles of pipelines and easements 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. This Division also performs bi-annual maintenance to over 1,000 fire hydrants under contract with the Valley Center Fire Protection District (VCFPD) and is responsible for the flushing of our dead-end water lines to maintain our water quality. It assists the Wastewater Division with in-house construction work and all the major repairs of sewer lines and manholes within the wastewater system. This Division is also responsible for landscaping needs and requirements of all District facilities and easements.

Meter Services - The Meter Services Division is responsible for the installation, relocation and repair of all water meters and service laterals. This includes responsibility for warehousing, meter installation, backflow and service repair inventories. This Division reads, monitors, and tests water meters. As of April, 2013, there were 9,716 active meters, of which 955 are fire meters, and 3,761 backflow devices that are tested annually. It oversees the Cross Connection/Backflow program and responds to the majority of the customer service requests which are received by the District. It also enforces the District's Water Conservation measures and mandates and assists with the corporate facilities maintenance and repairs. In addition, it oversees the Corporate Facilities Division which repairs and maintains the District's corporate facility.

ACCOMPLISHMENTS FOR 2012-13

Performance Measurement Standard:

- **Water Loss (Standard 2):** Unknown water loss is to be reported for the past ten years in terms of percent of water sold, acre feet, and value of water lost, as well as efforts to minimize and reduce the loss. Unaccounted water loss for 2012 was 1,448.9 acre feet, 5.4% of total water sold, which represents \$1.3 million dollars. With our service agreement with CALFire, the District cleared 24 remote easements to improve our leak detection and system surveillance measures. A number of appurtenances were upgraded or removed from low lying creek areas. Meter testing, exchange, and inspections were increased to assist in reducing our known water loss. All locked-off and unused service laterals were surveyed and staff field checked 23 meter routes, which represents 7,673 meters, for security, tampering, and proper meter function. We continue to work on strategies and procedures to 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. The District annually tests the efficiency of all the distribution pumps and reconditions pump systems that dropped below the acceptable range. This year includes replacement of 4 pump and motor combinations at West, Cool Valley, Ridge Ranch Pump Stations and at the Cobb Reservoir, the recirculating pump was replaced with a high efficient motor and pump. Hauck Mesa #1 pump was rebuilt and modified with mechanical seals to reduce maintenance. The pumping efficiency for the calendar year 2012 was 103% of design criteria, which is one percentage point better than last year's efficiency.
- **Water Service Reliability (Standard 7):** was 99.996% for calendar year 2012.
- **Compliance with Regulations (Standard 8):** The District was compliant with all state and federal regulations.
- **Lost-time Accidents (Standard 9):** The District had zero lost time accidents in the calendar year 2012.

Strategic Plan Implementation:

- **SCADA (Goal 7b):** 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 by in-house staff during 2012-13 were Weaver, Tyler, Pauma Heights, West Bear Ridge, and Old Castle 1 & 2 reservoirs. In addition, Tyler Pump Station, the Lake Turner upper weir gauging station, and VC 7 Aqueduct Facility were completed. A new stationary generator set was installed at the Couser Canyon Pump Station and an Automatic Transfer Switch was installed at the Miller Pump Station for improved response times and redundancies during an emergency power outage event.

Other Projects:

- Installed a new 50kW solar field for the Tyler Pump Station reduce our San Diego Gas & Electric consumption and costs.
- Performed site preparations and inline valving construction work for the new Red Ironbark Pump Station.
- Upgraded the existing below grade air vacs to current Department of Health and Safety specifications in the Hidden Meadows area.
- Constructed a new containment basin and awning cover to store our emergency portable generator sets.
- Installed a new floating cover for our Cobb Reservoir.
- Recoated the interior and exterior of the Betsworth Reservoir.
- Satin sealed paving at 12 reservoir, pressure reducing stations, and pump station sites.
- Cleaned, pressure washed, and inspected 12 steel reservoir tanks.
- Installed 9 new inline valves and replaced 7 valves throughout the District's service area.
- Installed a new Chlorine Analyzer at our VC 1 A & B connection facility.
- Installed a new internal mixing unit in the Tyler Reservoir for improved water quality and longevity.
- Installed a 1kW off-grid solar power system with battery back-up at Weaver Reservoir.

CHALLENGES FOR 2013-2014

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.

Maintain our water quality standards by researching and implementing internal water circulation devices and/or constructing separate inlet/outlet structures on the older steel tank reservoirs to improve cross-movement and mixing throughout the reservoir.

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

Continue to research the feasibility of in-house construction of a small scale solar project at various sites to reduce our energy consumption and improve our carbon footprint.

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

GOALS FOR 2013-2014

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. We will also, continue to evaluate and survey high demand areas of the District and increase our leak detection measures in high risk areas. Maintain our security and tamper proof measures in remote easements and perform weekend and after-hours field and meter inspections.
- **Pump Efficiency (Standard 5):** Maintain the efficiency requirements through repair, reconditioning and replacing sub-par pumping equipment. Rebuild the Betsworth Forebay pumps 9 thru 14 for improved pumping and energy efficiencies. Evaluate the Oat Hills Pump Station to improve overall efficiencies using rebate or free financing programs offered through San Diego Gas & Electric.
- **Water Service Reliability (Standard 7):** Continue to maintain 99% or better water service reliability, compliance with all regulations, and no lost-time accidents (Standards 7, 8, and 9).

Strategic Plan Implementation:

- **SCADA System (Goal 7b)** - Continue construction and implementation of SCADA development Phases III through VII.

Facilities scheduled to be completed include; Jesmond Dene, Kornblum, and MacTan reservoirs, along with Lilac Pala and Rincon pump stations. Radio communications will be installed at the Vallecitos Water District's Deer Springs Reservoir and the Rincon Del Diablo Municipal Water District's Hubbard Hill facility. With assistance from Information Technology in managing all of the Wonderware and radio responsibilities of the SCADA project, the project has significantly moved forward. Staff anticipates the SCADA project completion timeframe will be the end of 2014-15.

- **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. Additional security measures will be implemented at both of the solar field sites and the District's entrance area in the Administration building will be evaluated for improved efficiencies and security.
- **Solar Projects (Goal 8b)** - Install two solar arrays at small scale pumping stations to off-set energy consumption and costs. A 58kW solar array will be constructed at Country Club Reservoir to augment the Circle R pump station. A second 36kW solar field will be constructed at the Cobb Reservoir to off-set the energy consumption of the re-chlorination and mixing pump.

Other Goals:

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- Continue to evaluate our energy consumption and determine cost saving measures to off-set electric expenses through improved maintenance or alternative generation throughout our pumping and reservoir facilities.
- Continue to identify and install new in-line valves and repair existing in-line and reservoir valves at designated points throughout the District's service area.
- Continue to clean, inspect, and repair reservoirs throughout our service area, to reduce or eliminate water quality issues throughout our distribution area.
- Satin seal paving at 10 facilities throughout the District.
- Continue to build and install our internal mixing units at troublesome reservoir sites.
- Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures.

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 of the District's pump and corporate facilities to improve energy efficiencies (Standard 5).

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

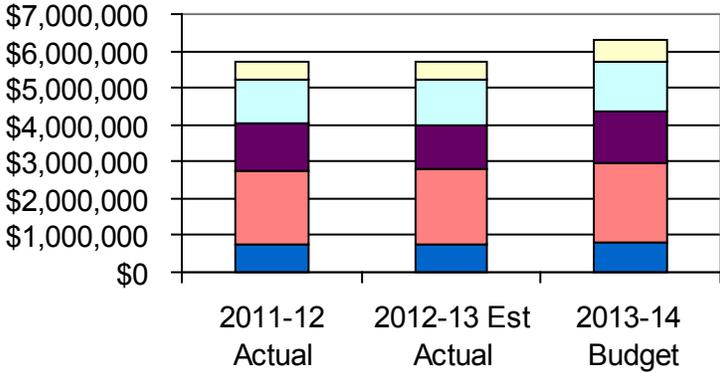
Re-establish easement maintenance and meter maintenance programs throughout the districts distribution system to improve system evaluations and leak detection measures.

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

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

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

Field Operations



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

VALLEY CENTER MUNICIPAL WATER DISTRICT

BUDGET
2013-2014

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
Construction Maintenance Supervisor			0.02						0.01	0.01			0.87		0.04			0.01				0.02	0.98
Construction Maintenance Tech II			0.47		0.02								0.02		0.46			0.01				0.02	1.00
Construction Maintenance Tech III			0.03		0.10				0.07	0.05			1.70		2.54	0.03	0.02	0.84	0.04		0.02	0.43	5.87
Director of Operations/Facilities	0.72	0.05		0.05																			0.82
Fleet Mechanic II		0.01									0.02			0.03							0.87		0.96
Landscape Maintenance Worker III			0.97										0.02		0.01								1.00
Meter Services Supervisor/Dep-Ops/Fac													0.02	0.05		0.01		0.82	0.10				1.00
Meter Services Tech II					0.17								0.06	0.16		0.04	0.21	3.86	0.50				5.00
Meter Services Tech III					0.02									0.01			0.05	0.47	0.45				1.00
Pump Facilities Tech I				0.04		0.02			0.20	0.13	0.20				0.01						0.30	0.10	1.00
Pump Facilities Tech III				0.03		0.02			0.27	0.26	0.30			0.01									0.89
Pumps & Motors Supervisor		0.01		0.01		0.10			0.22	0.20	0.24										0.15		0.98
Safety & Reg Compliance Supervisor	0.15	0.79		0.03																			0.97
Senior Administrative Assistant	0.93	0.05																					0.98
Senior Construction Maintenance Tech									0.03	0.02					0.78	0.02	0.01	0.95	0.02		0.01	0.23	2.93
Senior Electrician						0.20			0.03		0.32				0.01							0.40	0.96
Senior Fleet Mechanic		0.01				0.02					0.25				0.03						0.66		0.97
Senior Pump Facilities Tech				0.03		0.06	0.01		0.25	0.60	0.56				0.02							0.30	1.83
Senior Water Systems Tech				0.05	0.49		0.10	0.25					0.10		0.01								1.00
Water Systems Supervisor				0.01	0.98										0.01								1.00
Water Systems Tech I					0.83		0.08	0.05	0.02						0.01								1.00
Water Systems Tech III				0.02	2.67	0.20	0.24	0.45	0.05				0.34		0.03								4.00
Total Full-Time Equivalents	1.80	0.92	1.49	0.27	5.28	0.65	0.43	0.75	1.15	1.27	1.89	0.46	3.55	0.38	3.83	0.10	0.29	6.96	1.11	1.98	0.03	1.55	36.14

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

FIELD OPERATIONS

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
ADMINISTRATION					
31	Field Administration	410,433	393,416	385,384	385,098
32	Safety & Regulatory Compliance	145,000	163,586	162,136	180,641
33	Landscape & Paving Maintenance	202,861	130,196	171,946	170,179
34	District Security	16,485	40,836	36,436	50,957
	Total Administration:	774,779	728,034	755,902	786,875
OPERATIONS					
42	System Operation	867,927	829,000	880,500	817,800
43	Telemetry	184,899	209,400	135,925	166,500
44	Treatment	57,555	89,200	50,850	98,450
45	Automatic Valves	62,044	75,600	59,500	119,300
46	Reservoir Maintenance	230,942	235,800	230,610	203,500
47	Pump Maintenance	216,327	230,050	235,050	239,650
48	Motor Maintenance & Electric Panels	283,738	420,300	377,600	435,800
49	Quality Control	79,070	95,300	67,850	111,500
	Total Operations:	1,982,502	2,184,650	2,037,885	2,192,500
CONSTRUCTION & MAINTENANCE					
53	Pipeline and Right-of-Way Maint.	558,901	588,500	510,595	618,400
54	Corporate Facilities Maintenance	158,083	128,969	109,669	172,831
55	Valve Maintenance & Location	586,123	600,800	559,485	590,300
	Total Construction & Maintenance:	1,303,107	1,318,269	1,179,749	1,381,531
METERS					
61	Meter Installation	34,054	43,100	34,450	46,100
62	Meter Reading	30,019	32,900	36,500	38,800
63	Service Connection Maintenance	962,183	1,041,950	983,910	1,076,350
65	Backflow Maintenance	140,269	143,600	168,300	192,000
	Total Meters:	1,166,525	1,261,550	1,223,160	1,353,250
71	Vehicle & Equipment Maintenance	504,180	535,200	521,350	575,800
TOTAL FIELD OPERATIONS		5,731,093	6,027,703	5,718,046	6,289,956

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	368,561	345,700	342,000	336,900
03	Overtime	188	550	400	550
10	Training & Education	16,260	17,500	17,000	17,500
11	Uniform/Clothing/Shoes	28,383	30,000	27,000	28,500
25	Outside Professional Service	150	0	0	0
28	Printing	591	1,500	750	1,500
30	Special Department Expenses	1,945	3,000	3,000	3,000
32	Automated Telephone Dial Service	2,721	2,500	1,000	2,500
33	Postage	0	150	75	150
34	Memberships, Fees and Dues	238	600	300	300
37	Transportation, Meals & Travel	3,289	4,500	6,500	6,500
38	Regulatory Permits & Fees	1,943	2,000	1,943	2,000
91	Expense Credit	(13,836)	(14,584)	(14,584)	(14,302)
	Total	410,433	393,416	385,384	385,098

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	14,842	38,900	35,000	43,900
03	Overtime	54	250	100	250
28	Printing	32	200	50	200
30	Special Department Expenses	1,991	2,500	2,500	8,000
33	Postage	0	100	0	100
34	Memberships, Fees and Dues	400	400	300	400
91	Expense Credit	(834)	(1,514)	(1,514)	(1,893)
	Total	16,485	40,836	36,436	50,957

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

FUND: **General** **01**
 DEPT: **Field Operations** **54**
 DIV: **System Operation** **42**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	788,577	710,500	788,500	709,300
03	Overtime	75,101	110,000	85,000	100,000
30	Special Department Expenses	619	1,000	1,000	1,000
52	Maintenance of Facilities	3,630	7,500	6,000	7,500
	Total	867,927	829,000	880,500	817,800

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	32,107	41,100	15,000	55,100
03	Overtime	103	500	0	500
23	Chlorine	24,987	45,000	33,000	40,000
25	Outside Professional Services	199	500	500	500
30	Special Department Expenses	52	200	350	350
38	Regulatory Permits & Fees	0	400	500	500
52	Maintenance of Facilities	107	1,500	1,500	1,500
	Total	57,555	89,200	50,850	98,450

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.43	55,100
03	Overtime	500
23	Chlorine Chlorine Tablets 31,400 HTH to Increase Residual in Reservoirs 8,600	40,000
25	Outside Professional Services Chlorinator Maintenance 500	500
30	Special Department Expenses Tools and Replacement	350
38	Regulatory Permits & Fees	500
52	Maintenance of Facilities Repair or Rebuild Tablet Chlorinators 1,000 Rebuild Chlorine Detectors 500	1,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	41,690	57,100	40,000	99,300
03	Overtime	902	1,500	1,000	1,000
30	Special Department Expenses	0	500	500	500
52	Maintenance of Valves	19,452	16,500	18,000	18,500
	Total	62,044	75,600	59,500	119,300

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	174,990	194,000	187,400	156,700
03	Overtime	590	1,000	1,000	1,000
25	Outside Professional Service	21,664	10,000	12,000	15,000
30	Special Department Expenses	1,845	800	800	800
38	Regulatory Permits & Fees	14,769	15,000	14,410	15,000
52	Maintenance of Facilities	17,084	15,000	15,000	15,000
	Total	230,942	235,800	230,610	203,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.15	156,700
03	Overtime	1,000
25	Outside Professional Service Diver - Cleaning and Inspection 6,000 Floating Cover - Cleaning and Repair 9,000	15,000
30	Special Department Expenses Hose & Pump Equipment	800
38	Regulatory Permits & Fees Turner Dam 14,500 Diesel Pump 500	15,000
52	Maintenance of Structures & Improvements Site Improvements - Construction Maintenance 5,000 Reservoir cleaning and inspection 5,000 Floating Reservoir Covers Repair and Patching 5,000	15,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	170,566	168,800	173,800	178,400
03	Overtime	692	2,000	2,000	2,000
25	Outside Professional Services	0	0	0	25,000
30	Special Department Expenses	167	750	750	750
38	Regulatory Permits & Fees	400	500	500	500
52	Maintenance of Pumps	44,502	58,000	58,000	28,000
54	Maintenance of Equipment	0	0	0	5,000
	Total	216,327	230,050	235,050	239,650

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	186,901	270,300	227,600	266,300
03	Overtime	3,663	3,500	3,500	3,500
25	Outside Professional Services	0	2,500	2,500	26,000
30	Special Department Expenses	2,469	3,000	3,000	3,000
38	Regulatory Permits & Fees	21,888	22,000	22,000	22,000
52	Maintenance of Electrical Facilities	15,783	31,000	29,000	31,000
55	Maintenance of Engines	25,467	24,000	35,000	34,000
56	Maintenance of Electric Motors	27,567	64,000	55,000	50,000
	Total	283,738	420,300	377,600	435,800

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	35,089	49,000	37,000	61,200
03	Overtime	58	500	50	500
25	Outside Professional Services	20,422	16,000	5,000	19,000
28	Printing	4,383	5,500	5,500	5,500
30	Special Department Expenses	0	500	500	500
33	Postage	0	2,300	2,300	2,300
38	Regulatory Permits & Fees	12,993	15,000	10,000	15,000
52	Maintenance of Facilities	6,125	6,500	7,500	7,500
	Total	79,070	95,300	67,850	111,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	452,825	456,500	385,000	485,900
03	Overtime	10,476	27,500	27,500	27,500
25	Outside Professional Services	20,596	25,000	28,000	25,000
30	Special Department Expenses	1,770	1,500	2,395	2,000
40	Rents & Leases	989	1,000	700	1,000
52	Maintenance of Facilities	72,245	77,000	67,000	77,000
	Total	558,901	588,500	510,595	618,400

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular <div style="margin-left: 150px;">Full-Time Equivalents 3.83</div>	489,800
03	Overtime	10,000
25	Oustide Professional Services Asphalt Paving	8,000
30	Special Department Expenses	1,500
	Tools 300	
	Welding Supplies 700	
	Markout Materials/Calibration 250	
	Cones 250	
40	Rents & Leases Heavy Equipment and Asphalt Breaker	1,000
52	Maintenance of Facilities	80,000
	Air Vacs and Covers 12,000	
	Air Vac Screens 5,500	
	Blow Offs 4,500	
	Fire Hydrants 8,500	
	Valve Replacement/Repairs 15,000	
	Appurtenance Repair & Replacement Parts 15,500	
	Valve Post Materials 5,500	
	Valve Can Materials 3,500	
	Cement 2,750	
	Tagging Material 2,000	
	Paint 1,750	
	Spools and Bury Ells 2,000	
	Erosion Control Material 1,500	

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	10,040	10,200	10,200	13,200
03	Overtime	0	2,000	500	2,000
30	Special Department Expenses	0	1,000	0	1,000
38	Regulatory Permits & Fees	0	250	0	250
40	Rents & Leases	0	150	0	150
51	Maintenance of Vehicles	7,396	6,000	6,000	6,000
52	Installation Material-Meters	10,035	15,000	12,000	15,000
57	Installation Material-Backflows	6,583	8,500	5,750	8,500
	Total	34,054	43,100	34,450	46,100

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	28,251	28,900	34,000	34,800
03	Overtime	260	500	400	500
30	Special Department Expenses	0	1,000	500	1,000
59	Software Technical Support	1,508	2,500	1,600	2,500
	Total	30,019	32,900	36,500	38,800

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

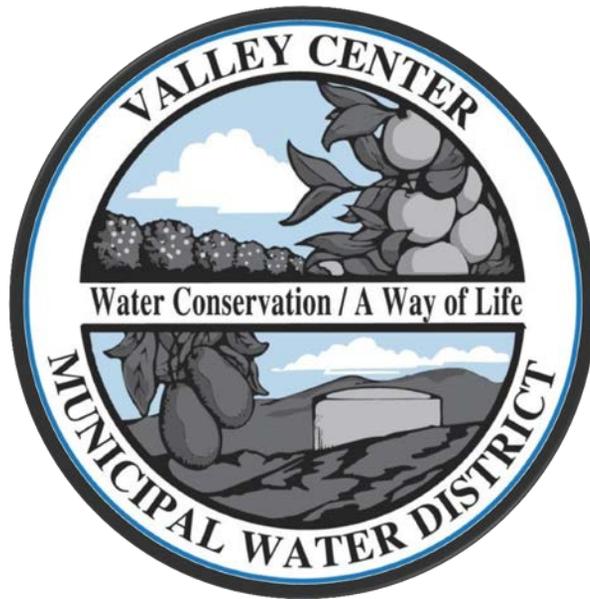
Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	98,453	94,100	130,000	142,500
03	Overtime	138	1,000	0	1,000
25	Outside Professional Services	929	2,000	1,000	2,000
30	Special Department Expenses	91	1,500	0	1,500
52	Maintenance of Facilities	40,658	45,000	37,300	45,000
	Total	140,269	143,600	168,300	192,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	254,261	233,600	245,000	257,000
03	Overtime	5,466	7,000	7,000	7,000
25	Outside Professional Services	0	4,500	4,500	14,500
30	Special Department Expenses	1,969	2,000	2,200	4,300
38	Regulatory Permits & Fees	3,156	5,500	5,500	5,500
40	Rents & Leases	120	1,000	0	1,000
41	Hazardous Waste Disposal Costs	7,375	8,000	8,000	8,000
50	Maintenance - Gas, Oil & Grease	161,898	190,000	147,000	185,000
51	Maintenance of Vehicles	62,616	71,000	81,550	76,000
53	Maintenance of Radios	13,381	13,000	14,500	15,000
54	Maintenance of Equipment	20,336	20,600	27,100	22,000
91	Expense Credit	(26,398)	(21,000)	(21,000)	(19,500)
	Total	504,180	535,200	521,350	575,800



Source of Supply

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**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 for the SDCWA's emergency storage program and markup in the melded rate supply cost used to pay for additional water supplies such as transfers from the Imperial Irrigation District. These rebates, approximately \$312 per acre foot as of July 1, 2013, 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 2012-2013

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 agricultural discounts.

Electricity costs were budgeted at 11.9¢ per kilowatt hour last year, costs are currently running below that at a weighted average cost of 9.7¢ per kilowatt hour. This reduction is mostly due to reduced electricity demand charges because of lower water flows and energy management strategies.

CHALLENGES FOR 2013-2014

The use of fixed charges by MWD and SDCWA leaves the District exposed if water sales drop below historical levels, as we continue to see, because of continued economic uncertainties and double digit wholesale rate increases.

Energy supplies and costs will be of continuing concern, with major electric generation facilities off line and proposed higher rates from SDG&E. Efforts to keep water supply costs at the lowest level possible will continue through work with MWD and SDCWA.

GOALS FOR 2013-2014

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 formally adopted by the San Diego County Water Authority. As such, we have estimated 2014 water rates using the preliminary information that we have available during the preparation of the proposed budget. All rate changes from MWD and SDCWA are subject to change at any time and are

passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

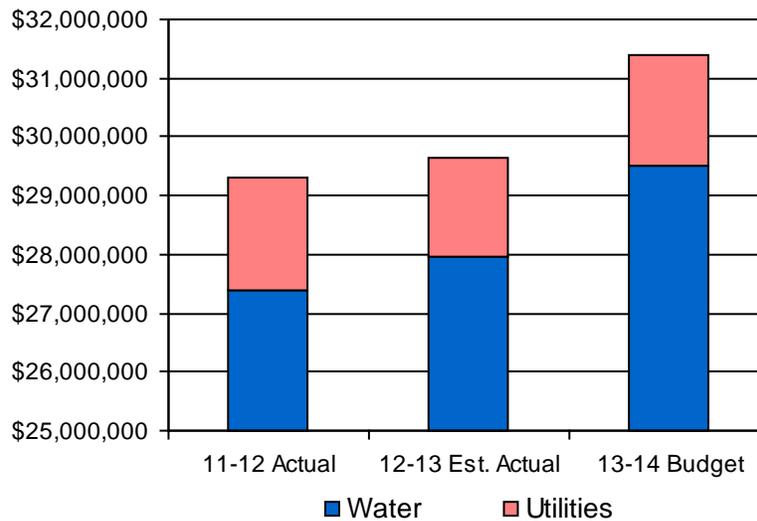
The proposed water rates are budgeted to increase 5.0% for domestic and 3.2% for the SAWR over the current adopted rates. Emergency storage charges in particular will show a larger increase to cover SDCWA debt service costs for the San Vicente Dam expansion. In addition, SDCWA includes a melded rate 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 \$139 in January 2014.

Based on our best estimate at this time, electricity will average 11.1¢ per kilowatt hour and natural gas 66¢ per therm, for an aggregate cost of \$74 per acre foot of water purchased for 2013-14. This includes a 15% increase in electric rates due to possible increases in SDG&E rate tariffs. The aggregate cost for 2012-13 is estimated at \$65 per acre foot.

LONG-TERM GOALS

The costs of water, ready-to-serve, customer service, capacity reservation, emergency storage, and infrastructure access charges, along with agricultural water discounts will continue to require the District to adapt, as will the ongoing uncertainty in the energy markets, and continued economic uncertainties.

Source of Supply



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

DEPARTMENT SUMMARY

SOURCE OF SUPPLY

Div. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	29,297,580	29,670,301	29,635,315	31,403,907
TOTAL SOURCE OF SUPPLY		29,297,580	29,670,301	29,635,315	31,403,907

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request																				
21	<table border="0" style="width: 100%;"> <tr> <td></td> <td align="center"><u>Jul to Dec</u></td> <td align="center"><u>Jan to Jun</u></td> <td></td> </tr> <tr> <td>Water Supply Charge</td> <td></td> <td></td> <td align="right">25,020,744</td> </tr> <tr> <td> To MWD & CWA -</td> <td align="right">970.00</td> <td align="right">1,006.00</td> <td></td> </tr> <tr> <td> Expected purchases in AF</td> <td align="right"><u>18,401</u></td> <td align="right"><u>7,129</u></td> <td></td> </tr> <tr> <td> Expected purchases in \$</td> <td align="right">17,848,970</td> <td align="right">7,171,774</td> <td></td> </tr> </table>		<u>Jul to Dec</u>	<u>Jan to Jun</u>		Water Supply Charge			25,020,744	To MWD & CWA -	970.00	1,006.00		Expected purchases in AF	<u>18,401</u>	<u>7,129</u>		Expected purchases in \$	17,848,970	7,171,774		
	<u>Jul to Dec</u>	<u>Jan to Jun</u>																				
Water Supply Charge			25,020,744																			
To MWD & CWA -	970.00	1,006.00																				
Expected purchases in AF	<u>18,401</u>	<u>7,129</u>																				
Expected purchases in \$	17,848,970	7,171,774																				
22	<table border="0" style="width: 100%;"> <tr> <td></td> <td align="center"><u>Jul to Dec</u></td> <td align="center"><u>Jan to Jun</u></td> <td></td> </tr> <tr> <td>Water Delivery Charge</td> <td></td> <td></td> <td align="right">2,402,806</td> </tr> <tr> <td> To MWD & CWA -</td> <td align="right">93.00</td> <td align="right">97.00</td> <td></td> </tr> <tr> <td> Expected purchases in AF</td> <td align="right"><u>18,401</u></td> <td align="right"><u>7,129</u></td> <td></td> </tr> <tr> <td> Expected purchases in \$</td> <td align="right">1,711,293</td> <td align="right">691,513</td> <td></td> </tr> </table>		<u>Jul to Dec</u>	<u>Jan to Jun</u>		Water Delivery Charge			2,402,806	To MWD & CWA -	93.00	97.00		Expected purchases in AF	<u>18,401</u>	<u>7,129</u>		Expected purchases in \$	1,711,293	691,513		
	<u>Jul to Dec</u>	<u>Jan to Jun</u>																				
Water Delivery Charge			2,402,806																			
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24	<table border="0" style="width: 100%;"> <tr> <td></td> <td align="center"><u>Jul to Dec</u></td> <td align="center"><u>Jan to Jun</u></td> <td></td> </tr> <tr> <td>Agricultural Rebate - CWA</td> <td></td> <td></td> <td align="right">(2,180,653)</td> </tr> <tr> <td> Ag Discount Rate</td> <td align="right">(121.00)</td> <td align="right">(139.00)</td> <td></td> </tr> <tr> <td> Estimated Ag purchases in AF</td> <td align="right"><u>12,532</u></td> <td align="right"><u>4,779</u></td> <td></td> </tr> <tr> <td></td> <td align="right">(1,516,372)</td> <td align="right">(664,281)</td> <td></td> </tr> </table>		<u>Jul to Dec</u>	<u>Jan to Jun</u>		Agricultural Rebate - CWA			(2,180,653)	Ag Discount Rate	(121.00)	(139.00)		Estimated Ag purchases in AF	<u>12,532</u>	<u>4,779</u>			(1,516,372)	(664,281)		
	<u>Jul to Dec</u>	<u>Jan to Jun</u>																				
Agricultural Rebate - CWA			(2,180,653)																			
Ag Discount Rate	(121.00)	(139.00)																				
Estimated Ag purchases in AF	<u>12,532</u>	<u>4,779</u>																				
	(1,516,372)	(664,281)																				
25	Ready to Serve Charge	308,410																				
26	Infrastructure Access Charge	472,700																				
30	<p>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.</p>	557,100																				

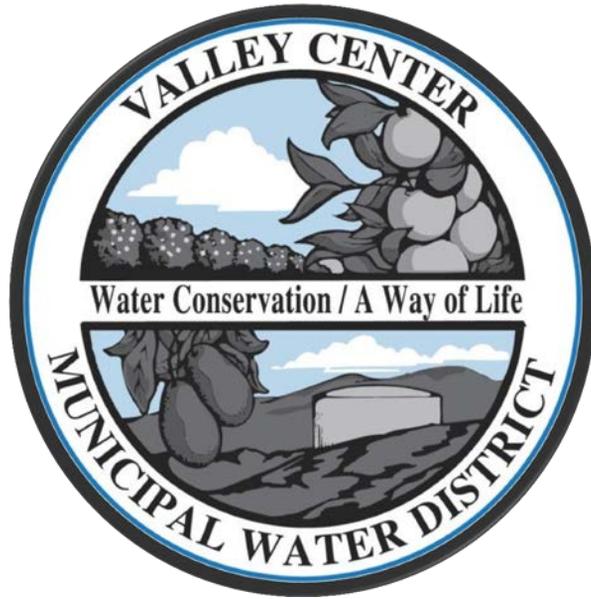
VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request									
35	<p>Customer Service Charge - CWA This charge is based on a three-year rolling average of all deliveries. It is levied to recover estimated costs necessary to support the functioning of the Authority, to develop policies and implement programs that benefit the region.</p>	1,615,400									
36	<p>Emergency Storage Charge - CWA This charge is based on a three-year rolling average of non-agricultural deliveries. It is levied to recover costs associated with the Emergency Storage Program.</p>	1,328,400									
45	Utilities - Electrical	1,688,600									
47	Utilities - Natural Gas	190,400									
	<p>Utilities are based on sale of 24,000 A.F. and purchase of 25,530 A.F. @ \$74 per A.F.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Electric</td> <td style="padding-right: 20px;">90%</td> <td align="right">1,688,600</td> </tr> <tr> <td>Natural Gas</td> <td>10%</td> <td align="right"><u>190,400</u></td> </tr> <tr> <td>Total</td> <td></td> <td align="right"><u><u>1,879,000</u></u></td> </tr> </table>	Electric	90%	1,688,600	Natural Gas	10%	<u>190,400</u>	Total		<u><u>1,879,000</u></u>	
Electric	90%	1,688,600									
Natural Gas	10%	<u>190,400</u>									
Total		<u><u>1,879,000</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 2012-2013**Strategic Plan Implementation:**

- **Full Development of GIS (Goal 7a):** Continued conversion of project map and facility information from the AutoCAD environment to the GIS database environment, so both datasets are current. This provides the most current data to the enterprise GIS application allowing user access to additional information.
- **SCADA System (Goal 7b):** 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 by in-house staff during 2012-13 were Weaver, Tyler, Pauma Heights, West Bear Ridge, and Old Castle 1 & 2 reservoirs. In addition, Tyler Pump Station, the Lake Turner upper weir gauging station, and VC 7 Aqueduct Facility were completed. A new stationary generator set was installed at the Couser Canyon Pump Station and an Automatic Transfer Switch was installed at the Miller Pump Station for improved response times and redundancies during an emergency power outage event.

- **Service Order Software (Goal 7d):** Development continues for major software modules of the Service Order Software. Portions of the system are already in service with integration to customer and vendor records. Full integration of the system will be completed by the end of the 2013-14 fiscal year.
- **E-Business (Goal 7e):** Paperless electronic billing was made available to our customers, saving time and money. Our customers can view their bill information and pay their bills over the internet. As of May 17, 2013, there are approximately 2,660 customer accounts registered and utilizing the system, of which 454 have elected to no longer receive paper bills in the mail.

Information and Business Systems:

- Staff continues to deploy new SCADA network communications equipment that has cut the cost of radios and switches by more than 95%, while providing faster connection speeds, better range, and reduced installation costs. The low cost of the radios enables us to increase redundancy by providing multiple connections to most sites and minimizes the impact of technology obsolescence.
- New network management system was deployed allowing all SCADA network devices to be monitored at all times. This provides the staff the visibility needed to troubleshoot the system and proactively respond to service degradation before an actual failure occurs.
- New purchase order system to create and manage purchase orders was completed. This added efficiency to purchase order generation process by using a central database where the orders can be

tracked by management personnel. All files related to vendors and purchase orders can now be electronically attached to each purchase order record where they are easily accessible while minimizing paper and printing supplies.

Other Major Projects:

- Installed a new 50kW solar field for the Tyler Pump Station to reduce our San Diego Gas & Electric consumption and costs.
- Installed a 1kW off-grid solar power system with battery back-up at Weaver Reservoir.

CHALLENGES FOR 2013-2014

- 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 2013-2014

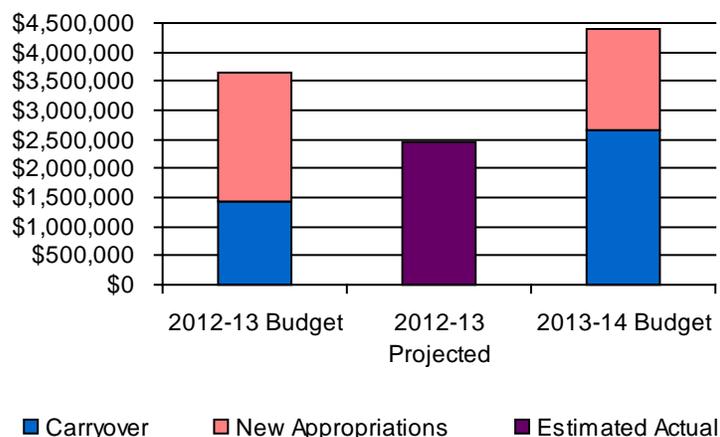
Strategic Plan Implementation:

- **Infrastructure (Goal 5):** Continue to appraise, examine, and improve the District’s infrastructure and facilities throughout our service area to prevent major system failures.
- **Full Development of GIS (Goal 7a):** Continue to assist staff with development of database information and integration of data and other District computer applications with GIS.
- **SCADA System (Goal 7b):** Integrate District facility sites as needed into the SCADA system as opportunities arise and additional funding is made available. There are three reservoirs and two pump stations scheduled for completion during the year. Additionally, two radio communication sites will be installed on neighboring district facilities to enhance the District’s radio coverage.

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 of San Diego on future road projects.

Capital Outlay



VALLEY CENTER MUNICIPAL WATER DISTRICT CAPITAL PROJECTS TIMETABLE

**BUDGET
2013-2014**

General 01
Capital Outlay 56

Description	Acct. No.	Prior	2013						2014						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<u>Pipelines & PRV's</u>															
Wilkes Road Pipeline Replacement	01	Planning		Design			Bid	Construction							
Participation, Upsizing, & Unspecified Repl Projects	02		As Required												
New Valve Installations and Appurtenances	06		Construction												
High Mountain Service	10	Complete													
Integrated Water Resources Management Plan	62		Design												
VC-1B Pipeline	23	Planning/Design	Bid	Construction											
<u>Pump Stations</u>															
Red Ironbark Pump Station	03	Complete													
Pump & Motor Replacements	16		Construction												
Emergency Power Generation and Equipment	32		Construction												
Valley Center Pump Station Surge Tank Replacement	25		Planing	Design	Construction										
<u>Reservoirs</u>															
Lake Turner Gauging Station	07	Complete													
Reservoir Mixing System	13		Construction												
Betsworth Reservoir Repainting/Coating	34	Planning			Bid	Construction									
Reidy Canyon Area Reservoir	38	Complete													
Cobb Reservoir Cover Replacement	63	Complete													
Country Club Roof Repair	90	Complete													
Tyler Reservoir Repainting/Coating	26						Design	Bid	Construction						
Lilac Reservoir Cover Replacement	27				Design		Bid	Construction							
<u>Data Management Systems</u>															
Water Loss Reduction Measures Audit	18		Construction												
Server Virtualization, Storage Area Network, Disaster Recovery	24		Construction												
Service Order Software	47		Construction												
SCADA System Improvements and Security	71		Construction												
GIS Phase II Implementation	89	Complete													
Enterprise Computer Programming Improvements	96		Construction												
<u>Facilities</u>															
Administration Facility Improvements	60		Planning			Design			Construction						
Solar Power Development	64		Planning	Design	Purchase	Construction									
<u>Equipment</u>															
Twelve Yard Dump Truck	28		Planning	Design											

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2012-13	Estimated Actual Expenditures 2012-13	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14
<u>Pipelines & PRV's</u>							
Wilkes Road Pipeline Replacement	01		500,000	4,000	496,000		496,000
Participation, Upsizing, & Unspecified Repl Projects	02	10-5	61,216		61,216	200,000	261,216
New Valve Installations and Appurtenances	06	10-6	20,875	20,195	680	20,000	20,680
High Mountain Service	10		21,535		21,535		21,535
Turner Culvert Repair	22		33,961	33,961	0		0
Integrated Water Resources Management Plan	62		30,406	322	30,084		30,084
VC-1B Pipeline	23		295,000	10,000	285,000		285,000
<u>Pump Stations</u>							
Red Ironbark Pump Station	03		665,000	635,000	30,000		30,000
Pump & Motor Replacements	16		321,344	250,000	71,344		71,344
Emergency Power Generation and Equipment	32		195,642	80,000	115,642		115,642
Valley Center Pump Station Surge Tank Replacement	25	10-7				90,000	90,000
<u>Reservoirs</u>							
Lake Turner Gauging Station	07		6,445	5,000	1,445		1,445
Reservoir Mixing System	13		58,261		58,261		58,261
Betsworth Reservoir Repainting/Coating	34	10-8	194,660	5,000	189,660	55,000	244,660
Reidy Canyon Area Reservoir	38		11,911	6,500	5,411		5,411
Cobb Reservoir Cover Replacement	63		778,486	625,000	153,486		153,486
Country Club Roof Repair	90		79,000		79,000		79,000
Tyler Reservoir Repainting/Coating	26	10-9				250,000	250,000
Lilac Reservoir Cover Replacement	27	10-10				600,000	600,000
<u>Data Management Systems</u>							
Water Loss Reduction Measures	18		58,053	5,000	53,053		53,053
Server Virtualization, Storage, Disaster Recovery	24		85,424	25,000	60,424		60,424
Service Order Software	47		210,067	8,000	202,067		202,067
SCADA System Improvements & Security	71	10-11	627,749	423,106	204,643	200,000	404,643
GIS Phase II Implementation	89		49,936	20,000	29,936		29,936
Enterprise Computer Programming Improvements	96		44,499	2,000	42,499		42,499
<u>Facilities</u>							
Administration Facility Improvements	60	10-12	35,603		35,603	40,000	75,603
Solar Power Development	64	10-13	401,446	260,000	141,446	130,000	271,446
<u>Equipment</u>							
Low Boy Trailer	05		25,000	25,000	0		0
Twelve Yard Dump Truck	28	10-14				150,000	150,000
Total Capital Projects			4,811,519	2,443,084	2,368,435	1,735,000	4,103,435

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

Estimated Expenditures by Year

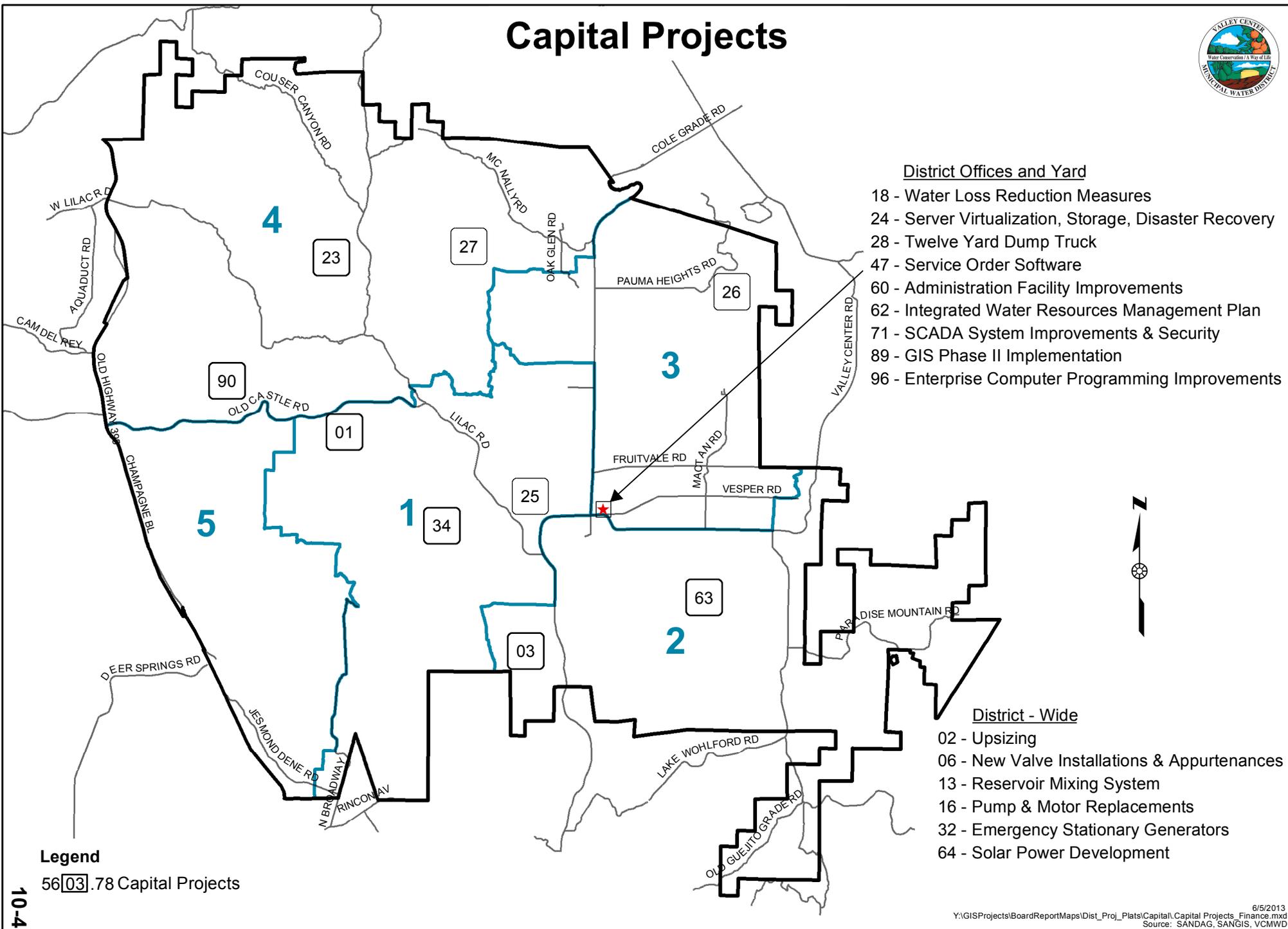
**General
Capital Outlay**

**01
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14	Estimated Actual Expenditures 2013-14	Estimated Actual Expenditures 2014-15	Estimated Project Balance after 2 years
<u>Pipelines & PRV's</u>								
Wilkes Road Pipeline Replacement	01		496,000		496,000	496,000		
Participation, Upsizing, & Unspecified Repl Projects	02	10-5	61,216	200,000	261,216	130,608	130,608	
New Valve Installations and Appurtenances	06	10-6	680	20,000	20,680	20,680		
High Mountain Service	10		21,535		21,535	21,535		
Turner Culvert Repair	22		0		0			
Integrated Water Resources Management Plan	62		30,084		30,084	30,084		
VC-1B Pipeline	23		285,000		285,000	285,000		
<u>Pump Stations</u>								
Red Ironbark Pump Station	03		30,000		30,000	30,000		
Pump & Motor Replacements	16		71,344		71,344	71,344		
Emergency Power Generation and Equipment	32		115,642		115,642	115,642		
Valley Center Pump Station Surge Tank Replacement	25	10-7		90,000	90,000	90,000		
<u>Reservoirs</u>								
Lake Turner Gauging Station	07		1,445		1,445	1,445		
Reservoir Mixing System	13		58,261		58,261	58,261		
Betsworth Reservoir Repainting/Coating	34	10-8	189,660	55,000	244,660	244,660		
Reidy Canyon Area Reservoir	38		5,411		5,411	5,411		
Cobb Reservoir Cover Replacement	63		53,486		53,486	53,486		
Country Club Roof Repair	90		79,000		79,000	79,000		
Tyler Reservoir Repainting/Coating	26	10-9	0	250,000	250,000	250,000		
Lilac Reservoir Cover Replacement	27	10-10	0	600,000	600,000	600,000		
<u>Data Management Systems</u>								
Water Loss Reduction Measures	18		53,053		53,053	53,053		
Server Virtualization, Storage, Disaster Recovery	24		60,424		60,424	60,424		
Service Order Software	47		202,067		202,067	127,067	75,000	
SCADA System Improvements & Security	71	10-11	204,643	200,000	404,643	202,322	202,321	
GIS Phase II Implementation	89		29,936		29,936	29,936		
Enterprise Computer Programming Improvements	96		42,499		42,499	35,000	7,499	
<u>Facilities</u>								
Administration Facility Improvements	60	10-12	35,603	40,000	75,603	75,603		
Solar Power Development	64	10-13	141,446	130,000	271,446	271,446		
<u>Equipment</u>								
Twelve Yard Dump Truck	28	10-14		150,000	150,000	150,000		
Total Capital Projects			2,268,435	1,735,000	4,003,435	3,588,007	415,428	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

Capital Projects



District Offices and Yard

- 18 - Water Loss Reduction Measures
- 24 - Server Virtualization, Storage, Disaster Recovery
- 28 - Twelve Yard Dump Truck
- 47 - Service Order Software
- 60 - Administration Facility Improvements
- 62 - Integrated Water Resources Management Plan
- 71 - SCADA System Improvements & Security
- 89 - GIS Phase II Implementation
- 96 - Enterprise Computer Programming Improvements

District - Wide

- 02 - Upsizing
- 06 - New Valve Installations & Appurtenances
- 13 - Reservoir Mixing System
- 16 - Pump & Motor Replacements
- 32 - Emergency Stationary Generators
- 64 - Solar Power Development

Legend
56 [03].78 Capital Projects

10-4

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5602.78
DEPARTMENT:	Engineering

Participation, Upsizing and Unspecified Replacement Projects

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

PROJECT DESCRIPTION:

Funds for four types of projects are allocated to this project account: 1) Participation Projects, 2) Replacement Projects, 3) Transfers to Other Projects, and 4) Unspecified 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.

Transfers to Other Project Accounts are to provide funding for larger Replacement Projects deemed necessary by staff and approved by the Board. These projects typically involve public works contracts and are tracked under a separate project account.

Funds allocated to *Unspecified Projects* are available for Participation or Replacement Projects that occur during the budget year.

The District has, as part of concept approval, committed to participate in the developer project listed below and would be funded from this account when completed by the Developer. Funds are currently allocated to Replacement Projects or Transfers to Other Projects, as indicated below. Minor funds remain available from prior allocations for Unspecified Projects. The proposed budget allocation for Fiscal Year 2013-14 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 Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future	Estimated
		Estimated Actual Expense					Total Project Budget	Total Project Cost
Participation Projects								
Mustafa Line Ext.	55,000		55,000		55,000		55,000	55,000
Replacement Projects			0		0		0	0
Transfer to Other Projects			0		0		0	0
Lilac Bdrge Pipeline Retro.	35,000	33,560	1,440		1,440		1,440	35,000
Beck Wells	20,000	16,305	3,695		3,695		3,695	20,000
Unspecified Projects	1,081		1,081	200,000	201,081		201,081	201,081
Total Project	111,081	49,865	61,216	200,000	261,216	0	261,216	311,081

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5606.78
DEPARTMENT:	Field

PROJECT NAME:

New Valve Installations, Appurtenances and Air/Vac Enclosures

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

PROJECT DESCRIPTION:

Continued installation of new mainline valves and appurtenances throughout the District's service area is required. Project is expected to carry over into budget year 2013-14.

Breakdown and locations are listed below:

Completed in 2012-2013

- Air/Vac enclosures for Quad H

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
- Pauma Heights Road at Tyler Pump Station – 12 inch valve
- Spearhead Trail – 12 inch valve
- Various appurtenances – air/vac and blow-offs for new valves

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installation and Appurtenances	51,000	50,320	680	20,000	20,680		20,680	71,000
Total Project	51,000	50,320	680	20,000	20,680	0	20,680	71,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5625.78
DEPARTMENT:	Field

Valley Center Pump Station Surge Tank Replacement

Replacement	<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>
				7,8	5

PROJECT DESCRIPTION:

Replacement of the Valley Center Pump Station suction side surge tank is required. The 12,000 gallon tank with a rated operating pressure of 169 pounds per square inch (psi) was installed in 1969. Two ultrasonic tests of the tank walls indicate metal thinning in various locations throughout the tank. One end of the tank has a 34% loss of wall thickness and the other end has a 17% loss. The thinning areas are below the minimum required metal thickness for the system operating pressure and no longer meet the American Society of Mechanical Engineers (ASME) standards. Failure of the tank due to wear and tear may not be covered by our insurance carrier should the surge tank fail.

Project Budget	<u>Prior Budget</u>	<u>Prior Estimated Actual Expense</u>	<u>Estimated Budget Remaining</u>	Proposed Budget Allocation 2013-14	<u>Total Budget 2013-2014</u>	<u>Future Budget Allocation</u>	<u>Future Total Project Budget</u>	<u>Estimated Total Project Cost</u>
New Tank				85,000	85,000		85,000	85,000
Staff				5,000	5,000		5,000	5,000
Total Project	0	0	0	90,000	90,000	0	90,000	90,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5634.78
DEPARTMENT:	Engineering

Betsworth Reservoir Repainting and Coating

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>
				8	5

PROJECT DESCRIPTION:

This is a continuing project that was approved in the 2012-13 budget. It has been designed and was initially bid in February 2013. However, the contractor withdrew their bid due to an error in their bid amount. Due to the time constraints on this project, it was deferred to fiscal year 2013-14, after the summer months.

The project includes soliciting new bids and the application of exterior paint and interior coating, along with remedial structural repair of the reservoir rafters. The new paint and coating will have a service life expectancy of 20 years.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	15,000	5,000	10,000		10,000		10,000	15,000
Construction	155,000	0	155,000	55,000	210,000		210,000	210,000
Miscellaneous	15,000	0	15,000		15,000		15,000	15,000
Contingency	9,660	0	9,660		9,660		9,660	9,660
Total Project	194,660	5,000	189,660	55,000	244,660	0	244,660	249,660

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5626.78
DEPARTMENT:	Engineering

Tyler Reservoir Repaint and Coat

	<u>Type</u>	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
Replacement	Replacement			7, 8	5

PROJECT DESCRIPTION:

Tyler Reservoir is a 1.0 million gallon reservoir above ground welded steel reservoir which is the single storage reservoir serving the surrounding general rural residential and agricultural area. The paint and interior coating was installed in 1982 and is experiencing significant deterioration.

The project includes the design and application of exterior paint and interior coating. The new paint and coating will have a service life expectancy of 20 years.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	30,000	30,000		30,000	30,000
Engineering			0	5,000	5,000		5,000	5,000
Construction			0	185,000	185,000		185,000	185,000
Miscellaneous			0	20,000	20,000		20,000	20,000
Contingency			0	10,000	10,000		10,000	10,000
Total Project	0	0	0	250,000	250,000	0	250,000	250,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5627.78
DEPARTMENT:	Engineering

Lilac Reservoir Cover Replacement

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	
	Replacement	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
				3, 7, 8	5

PROJECT DESCRIPTION:

The Lilac Reservoir is a 4.7 million gallon reservoir consisting of an 80 mil high density polyethylene liner over an asphalt concrete liner with a 45 mil Hypalon floating cover. The reservoir serves the surrounding agricultural area and also provides water to the 1520 and 1840 service zones via the Lilac Pump Station. The existing cover was installed in 1990 and is approaching the end of its service life.

The project includes the design and installation of a floating cover, liner inspection, and liner repair as necessary. The new liner will be made of chlorosulfonated polyethylene (CSPE) and have a service life expectancy of 30 years.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	40,000	40,000		40,000	40,000
Engineering			0	10,000	10,000		10,000	10,000
Construction			0	450,000	450,000		450,000	450,000
Miscellaneous			0	50,000	50,000		50,000	50,000
Contingency			0	50,000	50,000		50,000	50,000
Total Project	0	0	0	600,000	600,000	0	600,000	600,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5671.78
DEPARTMENT:	Field

SCADA System Improvements and Security

	Type	Master Plan Priority	Project ID	Strategic Plan	
	Existing Service	A		Standard	Goal
Continuing Project				2,5,7	5, 7b

PROJECT DESCRIPTION:

Continue with the installation of the SCADA system at the following sites. All construction will be completed by District personnel.

Reservoirs and Aqueduct Connections:

- Jesmond Dene
- Kornblum
- MacTan

Pump Stations:

- Lilac Pala
- Rincon

Radio Communication Relay Sites:

- Vallecitos Water District's Deer Springs Reservoir
- Rincon Del Diablo Municipal Water District's Hubbard Hill

The following have been completed:

- 30 of 36 reservoir sites
- 15 of 25 pump stations
- 3 of 5 aqueduct connections
- 10 of 10 backup generators

Project Budget	Prior			Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
	Prior Budget	Estimated Actual Expense	Estimated Budget Remaining					
Staff	1,222,290	1,178,290	44,000	65,000	109,000	285,000	394,000	1,572,290
Planning	57,500	57,500	0		0		0	57,500
Design	1,513,566	1,513,566	0		0		0	1,513,566
Operation Improvements	176,635	176,635	0		0		0	176,635
Construction	2,081,643	2,041,000	40,643	135,000	175,643	270,000	445,643	2,486,643
System Integration	260,000	160,000	100,000		100,000	100,000	200,000	360,000
Tech Support	132,214	132,214	0		0		0	132,214
Miscellaneous	120,478	120,478	0		0		0	120,478
Contingency	108,408	88,408	20,000		20,000	150,000	170,000	258,408
Total Project	5,672,734	5,468,091	204,643	200,000	404,643	805,000	1,209,643	6,677,734

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5660.78
DEPARTMENT:	Field

Administration Facility Improvements

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

PROJECT DESCRIPTION:

To plan, design, and construct an improved front administration layout providing improved functionality and office security controls.

Staff will continue to evaluate future remodel modifications to the corporate facilities to meet the effective and manageable operation of a concentrated and more efficient workforce that may allow the decommissioning of some existing facilities.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Improvements	151,314	115,711	35,603	40,000	75,603		75,603	191,314
Total Project	151,314	115,711	35,603	40,000	75,603	0	75,603	191,314

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	01-5664.78
DEPARTMENT:	Field

Solar Power Evaluation And Installation

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

PROJECT DESCRIPTION:

Evaluate District facilities for the best locations for small scale solar projects based on available space and electrical usage. Facilities to be evaluated are the District's Administration Building, Cobb Reservoir, and Lilac Pala Pump Station.

The cost of solar panels, inverters, and support structures has continued to drop. The California Public Utilities Commission continues to have rebates for solar projects making the investment in solar by municipalities viable. The installation of the solar arrays will lower the District's carbon footprint, increase the District's Renewable Energy Credits (REC's), and reduce the overall impact of future San Diego Gas and Electric rate and demand charge increases.

Due to the substantial reduction in solar panels and the associated equipment, staff anticipates an investment payback of five to six years on the twenty-five year solar panel warranty. All of the construction for small scale solar projects will be completed by District personnel.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff				15,000	15,000		15,000	15,000
Construction and Materials				110,000	110,000		110,000	110,000
Contingency				5,000	5,000		5,000	5,000
Total Project	0	0	0	130,000	130,000	0	130,000	130,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

ACCOUNT NO.:	01-5628.78
DEPARTMENT:	Field

PROJECT NAME:

12-Yard Dump Truck

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

PROJECT DESCRIPTION:

12-Yard Dump Truck, diesel fueled, with two-way radio, and accessories. The dump truck will be used to transport large equipment and materials to and from job sites.

Our current dump truck fleet consists of a 2004 Ford 5-yard dump and a 1995 Ford 5-yard dump. The 5-yard dumps are heavily used for mainline leak repairs, routine District maintenance, pump station upgrades, and the construction of CIP projects. The additional truck will serve to relieve some of the stress on the District's current dump fleet. Due to the age of the District's dump truck fleet and the addition of California Air Resource Board required Diesel Particulate Filters the trucks require more maintenance than in years past. When one of the 5-yard dumps is out of service for routine maintenance or repairs the progress of current repairs and projects is hampered and delayed.

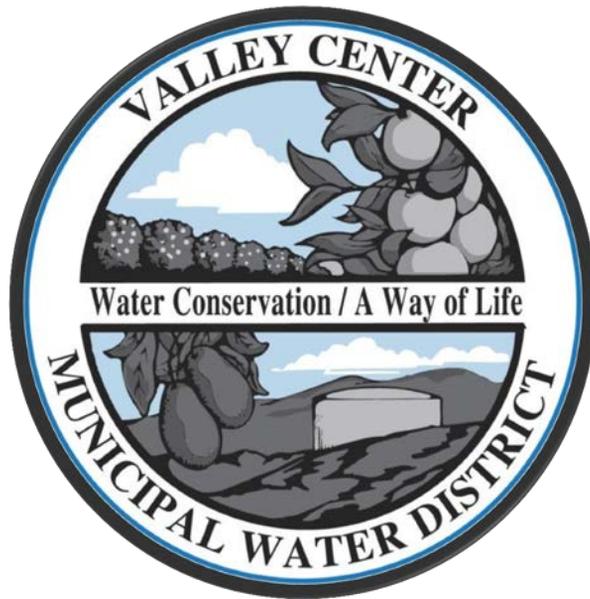
The new dump truck will double the capacity of our fleet. This increased capacity will allow one operator to complete the same work that currently takes two operators and two trucks. Mainline leak repairs routinely require two dump trucks operating continuously throughout the repair to transport materials to and from a leak site. The larger truck will increase the productivity and efficiency of projects and repairs. In a time where we are determined to do "more with less", having a single operator and only one truck in operation will improve personnel efficiencies and reduce fuel cost.

District staff is routinely required to haul large rocks, old concrete, and pavement chunks from mainline leaks and construction projects. The new dump truck will be equipped with a demolition dump body that is built to handle the abuse of this type of hauling. The District's current trucks are not equipped with demolition bodies and this type of haul has taken a toll on the bodies. The 5-yard dump bodies have been repaired several times over the years from pavement and rock damage.

This project was approved in the fiscal 2007-08 budget for \$120,000. The project was put on hold in 2007 due to budget changes caused by water use restrictions.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Dump Truck				150,000	150,000		150,000	150,000
Total Project	0	0	0	150,000	150,000	0	150,000	150,000





Lower Moosa

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**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 2012-2013

Wastewater Collection System: Continued inspection, cleaning, and repairs of the collection system wastewater mains. This past year, the District purchased a new sewer video inspection camera, which has allowed District staff to survey and evaluate the conditions of much of the sewer collection lines. By purchasing this camera it has reduced outside contractor costs, increased monitoring of troublesome areas within the system and has helped to keep the collection system in compliance per the State of California.

Treatment Plant:

- Continued to implement operational changes that reduced equipment run times, significantly reducing energy consumption and energy costs by 22%.
- Installed a Sludge Thickening Processor to reduce equipment run time, chemical usage and Bio solids hauling.
- Replaced 38 year old coarse air bubble diffusers with new more efficient fine air bubble diffuser in the small digester. The new diffusers have reduced energy consumption by 75% of the original diffusers, have allowed for better operational and process control.
- Installed new sound panels in blower room to reduce operating equipment noise.

Laboratory: Continued in-house sampling and testing of the wastewater constituents and sampling for the potable bacteriological testing and general physical samples to help reduce our overall sampling costs.

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

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

Planning Studies:

- Processing preliminary concept approval recommendation for the Accretive Development 1750 unit project (Lilac Hills Ranch) regarding potential use of the Lower Moosa Canyon facility to provide initial wastewater services followed by construction of a satellite facility within the development. The project will lead into planning studies for delivery of recycled water to the Lilac Hills Project and other potential customers in the area.

Additional Projects Completed:

- Ongoing process control and monitoring for greater plant efficiency and effluent quality.
- Inspected and videoed 25% of Moosa's Collections System. Repaired 10 STEP pumps for system reliability, to eliminate odors, and damage to the pump system.
- Continued to maintain and clean the influent line and grit channel for improved influent quality, overflow prevention measures, and wear and tear on the systems operational equipment.

- Resurfaced and coated inside of Meadows lift station, forced main manhole to protect and prevent manhole from deteriorating.
- Continued to maintain and clean meadows and Islands lift station of grit, grease and debris, helping to prolong life of equipment, improve effluent quality, which prevents unnecessary over flows and cleanings within the sewer collection system.
- Continued to install locking manhole covers where there is a potential of vandalism or tampering within the collection system.

CHALLENGES AND GOALS FOR 2013-2014

Replacement Projects:

- Replace a 15 year old sludge transfer pump with a newer and more efficient pump to reduce electrical consumption and improve system operations.
- Upgrade the large Digester with more efficient fine air bubble diffuser for better process control and reduce energy consumption.
- Rebuild the upper gear drive, motor and seals on Clarifier #2 to extend the life and improve its functionality.
- Perform repairs and install clean-out locations in the Rimrock S.T.E.P. system.
- Evaluate solar options to further reduce our energy consumption and cost.
- Perform more in-house videoing of the collection system to reduce outside service expenditures, location of sewer laterals, and improve system monitoring.
- Continue collection system evaluations and work through documented repair list.
- Continue 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 Waste Discharge Permit and develop an expansion plan to meet future demands of the service area. This includes solutions to the limited groundwater basin capacity and influence on Moosa Creek for disposal of projected ultimate discharge capacity.
- Obtain Bureau of Reclamation approval of feasibility studies prepared in conjunction with the Lilac Hills Ranch project for potential Title XVI funding for expansion of the Moosa Facility and development of a recycled water distribution system to meet wastewater needs of the existing service area.

LONG-TERM GOALS

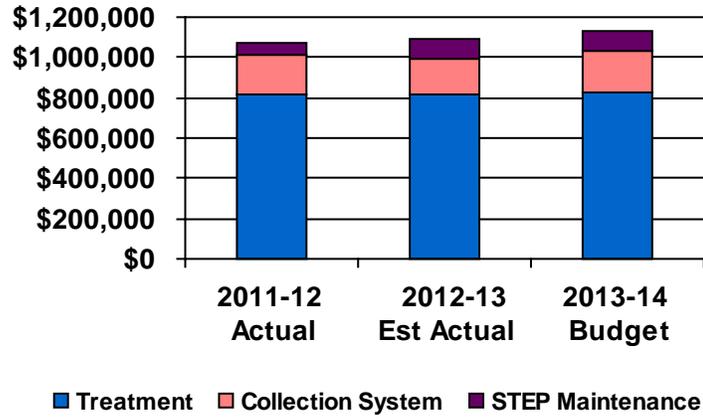
Plan for future upgrades to meet increasing wastewater capacity needs of the service area while maintaining our required effluent quality standards.

Explore potential for tertiary treatment and water reuse to augment potable water supplies for use in irrigation of existing and future developments, including 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 and collection system operation.

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 MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**Lower Moosa
Full-Time Equivalents**

	<u>13-5326.</u>	<u>13-5327.</u>	<u>13-5329.</u>	<u>01-5600.</u>	<u>Total</u>
Construction Maintenance Supervisor	0.01	0.01			0.02
Construction Maintenance Tech III	0.05	0.05			0.10
Director of Operations/Facilities	0.12				0.12
Fleet Mechanic II	0.01	0.02			0.03
Pump Facilities Tech III	0.06	0.02			0.08
Pumps & Motors Supervisor	0.01				0.01
Safety & Reg Compliance Supervisor	0.02				0.02
Senior Administrative Assistant	0.01				0.01
Senior Construction Maintenance Tech	0.03	0.02			0.05
Senior Electrician	0.02	0.01			0.03
Senior Fleet Mechanic	0.01	0.01			0.02
Senior Pump Facilities Tech	0.08	0.03			0.11
Senior Wastewater Systems Tech	0.25	0.14	0.20	0.01	0.60
Wastewater Systems Supervisor	0.50	0.30	0.12	0.06	0.98
Wastewater Systems Tech I	0.35	0.45	0.09	0.01	0.90
Wastewater Systems Tech III	<u>1.52</u>	<u>0.13</u>	<u>0.15</u>	<u>0.03</u>	<u>1.83</u>
 Total Full-Time Equivalents	 3.05	 1.19	 0.56	 0.11	 4.91

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**MOOSA WASTEWATER TREATMENT FUND
RECAP OF BUDGET AND SOURCE OF FINANCING
JULY 1, 2012, TO JUNE 30, 2014**

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2012	877,257	110,518	197,029	0	1,184,804
ADD: Revenue 2012-2013					
Wastewater Service Charges	405,437			1,048,563	1,454,000
Wastewater Lateral & Inspection Fees				2,225	2,225
Interest	7,800			4,559	12,359
Wastewater STEP Charges				41,700	41,700
Wastewater STEP Repair Charges				0	0
Capacity Charges		0			0
Total Revenue					1,510,284
LESS: Estimated Expenditures 2012-2013	0	0	(225,100)	(1,089,066)	(1,314,166)
Transfers	(365,648)		365,648	0	0
Net Change	47,589	0	140,548	7,981	196,118
ESTIMATED BALANCE JUNE 30, 2013	924,846	110,518	337,577	7,981	1,380,922
ADD: Revenue 2013-2014					
Wastewater Service Charges	405,437			1,107,263	1,512,700
Interest	6,200			9,200	15,400
Wastewater STEP Charges				43,095	43,095
Capacity Charges		0			0
Total Revenue					1,571,195
LESS: Proposed Expenditures 2013-2014	0		(127,000)	(1,133,319)	(1,260,319)
Expenditures of Continuing Projects			(337,577)		(337,577)
Transfers	(127,000)		127,000	0	0
Net Change	284,637	0	(337,577)	26,239	(26,701)
ESTIMATED BALANCE JUNE 30, 2014	1,209,483	110,518	0	34,220	1,354,221

GENERAL INFORMATION:

Average Wastewater Connections:
Monthly Rates:
 Effective July 1
 Effective February 1

2011-2012	2012-2013		2013-2014
Actual	Budget	Estimated Actual	Budget
2,453	2,454	2,462	2,462
46.50	48.75	48.75	51.20
48.75	51.20	51.20	51.20

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**REVENUE ESTIMATE
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	1,385,270	1,465,700	1,452,000	1,512,700
4110.02	Wastewater Capacity Reservation Fee	0	0	2,000	0
4110.04	Wastewater Lateral Fee	675	0	675	0
4110.05	Wastewater Inspection Fee	0	0	750	0
4110.06	STEP Wastewater Inspection Fee	2,400	0	800	0
4410.00	Interest - Operating & Replace. Res.	11,618	18,200	12,359	15,400
4429.00	Wastewater STEP Charges	37,568	38,400	41,700	43,095
	Total	1,437,531	1,522,300	1,510,284	1,571,195

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**DEPARTMENT SUMMARY
LOWER MOOSA
WASTEWATER TREATMENT FUND**

Description	2011-2012	2012-2013		2013-2014
	Actual	Budget	Estimated Actual	Budget
Treatment	818,101	822,345	814,130	827,714
Collection System/West	199,440	181,805	179,536	206,905
STEP Maintenance	58,564	84,900	95,400	98,700
Capital Projects	470,560	336,000	225,100	127,000
TOTAL MOOSA TREATMENT	1,546,665	1,425,050	1,314,166	1,260,319

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	410,072	408,900	410,000	423,800
03	Overtime	21,014	20,000	21,900	20,000
23	Chemicals	20,058	20,000	19,900	24,000
25	Outside Professional Services	71,357	64,000	72,550	70,000
30	Special Department Expenses	4,687	4,500	3,300	4,000
32	Telephone	4,129	4,000	1,800	2,500
38	Regulatory Permits & Fees	14,317	16,000	14,500	16,000
40	Rents & Leases	0	500	500	500
41	Hazardous Waste Disposal Costs	0	300	0	300
42	Insurance	12,489	15,345	15,345	13,546
45	Electricity	66,108	70,000	54,000	55,000
48	Diesel	0	500	500	500
49	Water	2,603	3,000	5,535	5,000
51	Maintenance of Vehicles	3,597	6,000	3,500	4,500
52	Maintenance of Facilities	39,212	40,000	40,000	40,000
82	Administrative Overhead	148,124	147,300	147,300	146,068
87	Bad Debt Expense	334	2,000	3,500	2,000
88	Capital Planning	0	0	0	0
	Total	818,101	822,345	814,130	827,714

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 3.05	423,800
03	Overtime	20,000
23	Chemicals	24,000
	Polymer 8,500	
	Sodium Hypochlorite 3,000	
	Sodium Hydroxide 500	
	Laboratory Chemicals 12,000	
25	Outside Professional Services	70,000
	Pumper Trucks - for Grit Removal 8,000	
	Lab Analysis 18,000	
	Sludge Removal 15,000	
	SCADA System Maintenance 6,000	
	Muffin Monster Service/Screening Auger 11,500	
	Odor Scrubber Maintenance 1,000	
	Mowing of Spray Fields/Weed Control 3,000	
	Flow Meter Calibration and Repair 3,000	
	Lab Equipment Service & Calibration 2,000	
	Generator Load Testing & Fuel Tank Inspections 2,500	
30	Special Department Expenses	4,000
	Lab Supplies 2,500	
	Tools 500	
	Equipment 1,000	
32	Telephone	2,500
	Leased Lines and Alarm Monitoring 1,500	
	T-1 Network Line 1,000	
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 MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
41	Hazardous Waste Disposal Costs Recycling Oil, Filters, Solvents	300
42	Insurance	13,546
45	Electricity	55,000
48	Diesel Generator Set and Tractor	500
49	Water	5,000
51	Maintenance of Vehicles	4,500
52	Maintenance of Facilities SCADA Computer Equipment Maintenance 3,000 Building and Grounds Maintenance Equipment 3,000 Electrical Equipment 4,000 Electric Motor Maintenance 7,000 Filter Replacement 4,000 Tractor Maintenance 2,000 Hardware 4,000 Pipe and Fittings 3,000 Mechanical Plugs 2,000 Building and Yard Maintenance 8,000	40,000
82	Administrative Overhead	146,068
87	Bad Debt Expense	2,000

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	133,919	130,600	131,100	151,100
03	Overtime	3,876	2,500	2,500	2,500
25	Outside Professional Services	32,965	21,000	19,750	24,000
30	Special Department Expenses	2,511	2,000	875	3,000
38	Regulatory Permits and Fees	671	2,000	1,000	2,000
40	Rents & Leases	0	0	0	0
42	Insurance	1,388	1,705	1,511	1,505
45	Electricity	5,495	5,500	5,500	5,800
49	Water	1,138	1,000	1,000	1,500
51	Maintenance of Vehicles	2,575	3,500	2,800	3,500
52	Maintenance of Facilities	14,902	12,000	13,500	12,000
	Total	199,440	181,805	179,536	206,905

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 1.19	151,100
03	Overtime	2,500
25	Outside Professional Services Sewer Cleaning/Repair 13,000 Manhole Sensors 7,000 Pumping 3,000 Generator Load Testing 1,000	24,000
30	Special Department Expenses	3,000
38	Regulatory Permits and Fees	2,000
42	Insurance	1,505
45	Electricity	5,800
49	Water	1,500
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 MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	36,748	61,900	64,400	72,200
03	Overtime	553	3,500	9,000	5,000
25	Outside Professional Services	1,167	4,000	4,000	3,000
30	Special Department Expenses	140	1,000	1,000	1,000
51	Maintenance of Vehicles	1,723	2,500	2,000	2,500
52	Maintenance of Facilities	18,233	12,000	15,000	15,000
	Total	58,564	84,900	95,400	98,700

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 0.56	72,200
03	Overtime	5,000
25	Outside Professional Services Pumping of Tanks 2,000 Special Repairs 1,000	3,000
30	Special Department Expenses	1,000
51	Maintenance of Vehicles	2,500
52	Maintenance of Facilities Pump Rebuild Kits 2,500 Replacement Pumps 4,500 Retrofit STEP System Pumps 8,000	15,000

VALLEY CENTER MUNICIPAL WATER DISTRICT CAPITAL PROJECTS TIMETABLE

**BUDGET
2013-2014**

**Lower Moosa 13
Capital Outlay 56**

Description	Acct. No.	Prior	2013						2014						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lower Moosa															
Digester Aeration and Mixing System	08		Construction												
Skip Loader	09	Complete													
Welk Skimming Plant	11	Complete													
Aeration System Upgrade	12		Construction												
Camera System	14	Complete													
Blower Room Acoustical Panels	15	Complete													
Rimrock STEP System Modification	41		Construction												
Waste Discharge Report	53		Planning												
Master Plan - Sewer Line Replacement	54		Planning												
Sludge Thickening Processor	55	Complete													
SCADA System	73		Construction												
Centrifuge Upgrade	74	Complete													
Meadows Lift Station Motor Control Center Repl.	29		Planning		Design			Construction							
Sludge Transfer Pump Replacement	30	Planning	Design		Construction										
Clarifier #2 Upper Gear Drive Rebuild	32	Planning	Design		Construction										

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2012-13	Estimated Actual Expenditures 2012-13	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14
Digester Aeration and Mixing System	08		75,000	25,000	50,000		50,000
Skip Loader	09		65,000	64,000	0		0
Welk Skimming Plant	11		14,251		14,251		14,251
Aeration System Upgrade	12		54,706		54,706		54,706
Camera System	14		27,500	27,500	0		0
Blower Room Acoustical Panels	15		18,500	18,500	0		0
Rimrock STEP System Modification	41	11-10	19,179	6,000	13,179	20,000	33,179
Waste Discharge Report	53		31,011		31,011		31,011
Master Plan - Sewer Line Replacement	54		6,233		6,233		6,233
Sludge Thickening Processor	55		30,000	29,800	0		0
SCADA System	73		168,197		168,197		168,197
Centrifuge Upgrade	74		54,347	54,300	0		0
Meadows Lift Station Motor Control Center Repl.	29	11-11				50,000	50,000
Sludge Transfer Pump Replacement	30	11-12				45,000	45,000
Clarifier #2 Upper Gear Drive Rebuild	32	11-13				12,000	12,000
Total Capital Projects			563,924	225,100	337,577	127,000	464,577

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

Estimated Expenditures by Year

**Lower Moosa
Capital Outlay**

**13
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14	Estimated Actual Expenditures 2013-14	Estimated Actual Expenditures 2014-15	Estimated Project Balance after 2 years
Digester Aeration and Mixing System	08		50,000		50,000	50,000		
Skip Loader	09		0		0			
Welk Skimming Plant	11		14,251		14,251	14,251		
Aeration System Upgrade	12		54,706		54,706	54,706		
Camera System	14		0		0			
Blower Room Acoustical Panels	15		0		0			
Rimrock STEP System Modification	41	11-10	13,179	20,000	33,179	33,179		
Waste Discharge Report	53		31,011		31,011	31,011		
Master Plan - Sewer Line Replacement	54		6,233		6,233	6,233		
Sludge Thickening Processor	55		0		0			
SCADA System	73		168,197		168,197	168,197		
Centrifuge Upgrade	74		0		0			
Meadows Lift Station Motor Control Center Repl.	29	11-11		50,000	50,000	50,000		
Sludge Transfer Pump Replacement	30	11-12		45,000	45,000	45,000		
Clarifier #2 Upper Gear Drive Rebuild	32	11-13		12,000	12,000	12,000		
Total Capital Projects			337,577	127,000	464,577	464,577	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

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

Rimrock STEP System Modification

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

PROJECT DESCRIPTION:

To fund the installation of clean-out access points and the removal of deteriorating gate valves throughout the Rimrock Septic Tank Effluent Pump (STEP) system. Currently, there are no access points available to clean or clear the STEP lines when service or maintenance is required. The new access points will allow for a more efficient and effective way to service and maintain the low pressure lines. In the past, excavation was required to expose the low pressure line, the line was then cut open to gain access and servicing. This process was very costly and inefficient. The clean-out access stations will be installed in place of gate valves previously installed in the STEP system. Over time, these gate valves have deteriorated from the corrosive conditions within the wastewater system and are no longer operable.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Clean-out Access Stations	75,000	61,821	13,179	20,000	33,179		33,179	95,000
Total Project	75,000	61,821	13,179	20,000	33,179	0	33,179	95,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5629.78
DEPARTMENT:	Lower Moosa WRF

Meadows Lift Station Motor Control Center Replacement

Replacement	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	<u>Goal</u>
	Existing Service	Priority		Standard	3, 5b, 6a

PROJECT DESCRIPTION:

Replace the existing electric meter main, motor control center, and electric motor starters. The current motor control center and starters were installed in 1974. The equipment has exceeded its life and is becoming unreliable without investing in major repairs.

Staff recommends the motor control center upgrades due to the critical nature of the Meadows Lift Station and is needed as a preventative measure rather than an emergency response and repair at a later date.

The new motor starters will be integrated into the Wastewater SCADA system.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Motor Control Center			0	40,000	40,000		40,000	40,000
Staff				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
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5630.78
DEPARTMENT:	Lower Moosa WRF

Sludge Transfer Pump Replacement

Replacement	Type	Master Plan	Project ID	Strategic Plan
	Existing Service	Priority		Standard

PROJECT DESCRIPTION:

Replacement of the existing sludge transfer pump is requested. The existing sludge transfer pump was installed in 1998 and has exceeded its lifecycle. Replacement parts are costly and difficult to purchase. The sludge pump will soon require a complete and major rebuild which would be very costly and a poor investment as it is old and inefficient when compared to the new efficiency standards of today. The sludge pump is a significant piece of equipment in the process and control measures of the Moosa facility that requires it to be reliable and ready to operate at all times.

The new sludge transfer pump will be more efficient, less labor intensive, and will help reduce associated equipment runtimes.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Sludge Transfer Pump			0	35,000	35,000		35,000	35,000
Staff				10,000	10,000		10,000	10,000
Total Project	0	0	0	45,000	45,000	0	45,000	45,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	13-5632.78
DEPARTMENT:	Lower Moosa WRF

Clarifier #2 Upper Gear Drive Rebuild

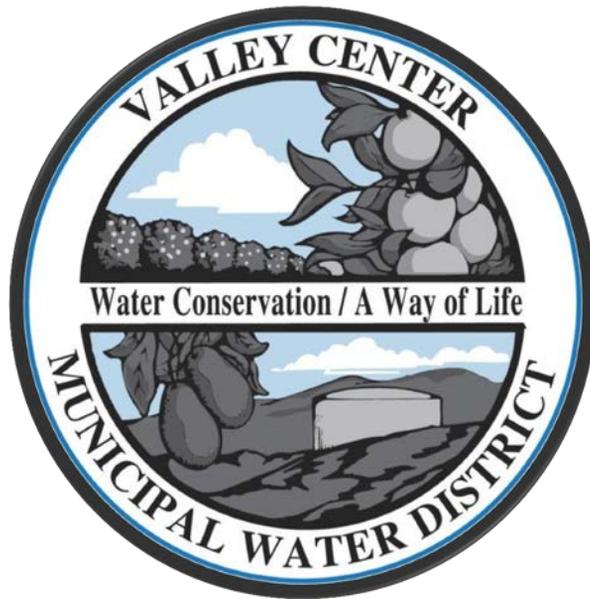
Replacement	Type	Master Plan	Project ID	Strategic Plan
	Existing Service	Priority		Standard

PROJECT DESCRIPTION:

Rebuild Clarifier #2, upper gear drive. The gear drives on the clarifiers at the Moosa facility were placed into operation in 1974. Over that period of time, the gears, seals, and bearings have become worn and are in need of replacement and detail maintenance. The rebuild will extend the life and functionality of the clarifiers with this small investment. District personnel will perform the dismantling and reassembling of the upper gear drive to reduce the project expense.

The clarifiers are an important function of the process and control at the Lower Moosa Canyon Reclamation Facility.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Upper Gear Drive			0	12,000	12,000		12,000	12,000
Total Project	0	0	0	12,000	12,000	0	12,000	12,000



Woods Valley Expansion

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**DEPARTMENT SUMMARY
Woods Valley Ranch Water Reclamation Facility 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 and 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 325,000 gallons per day. 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 70,000 gallons per day membrane bioreactor treatment facility and extension of a gravity collection system to serve the 270 lot Woods Valley Ranch subdivision and golf course facilities.

The Phase 2 expansion project would extend wastewater service to the 71 lot Butterfield Trails subdivision owned by Butterfield Trails LLC, 85 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 project proponents (Butterfield Trails, Bell Enterprises, and the District) with participation from the various other property owners in the service area through formation of an assessment district and acquisition of a Clean Water State Revolving Fund (CWSRF) Loan.

ACCOMPLISHMENTS FOR 2012-2013

Following the State Water Resources Control Board (SWQCB) approval a Preliminary Funding Commitment in May 2012, staff obtained the required property owner participation for the project and completed formation of Assessment District 2012-1. Formation of the assessment district completed the main condition of the Preliminary Funding Commitment needed to complete the CWSRF Loan documents by May 30, 2013. During the assessment district formation process, staff developed planning and environmental documents to include the North Village Area within the Woods Valley Ranch WRF service area, allowing north Village property owners to participate in the South Village project. To date, minimal participation from North Village has occurred, but several property owners, both in the North and South Village areas, have expressed an interest in increasing their Capacity Reservation Request, possibly by as much as 300 EDUs. This magnitude of capacity reservation increase would greatly reduce the average cost per EDU for the project.

CHALLENGES AND GOALS FOR 2013-2014

With the CWSRF funding in place, staff can proceed with design and construction of the South Village Wastewater Expansion Project. Parallel to that activity, staff will follow through on an annexation/modification effort to the assessment district. Challenges for the up-coming fiscal year for the South Village Wastewater Expansion Project, include the following:

- Coordination and completion of an annexation/modification effort to the existing assessment district to increase participation making the project more affordable and viable.

- 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.
- Enter into design consultant agreements and develop construction plans and specifications for the water reclamation facility expansion, collection system, and seasonal storage facilities, bid and award construction contracts within the time frames specified in the loan documents.
- Negotiate property acquisition contracts for the seasonal storage pond expansion site, along with easements for proposed pipelines.

LONG-TERM GOALS

Complete construction of the South Village Wastewater Expansion Project within the time frames specified in the CWSRF Loan documents.

Development of a reclamation plan that provides for the perpetual beneficial reuse of the treated effluent generated by the wastewater customers.

Work with the developers of the Orchard Run, Konyon property and North Village projects to prepare planning documents and agreements necessary for the implementation of future expansion projects needed for their developments.

Coordination and preparation of planning documents necessary to have wastewater capacity available when needed without requiring extensive District financial commitments and resources. The wastewater expansion project phases will be developed with funding provided only from the property owners that receive a direct benefit from the wastewater improvements.

Pursue Federal funding opportunities to assist with the expansion of the facility to develop recycled water supplies to offset imported potable water irrigation demands, improve ground water quality, and help reduce costs to provide wastewater service to new and existing customers within the designated service area.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

BUDGET REQUIREMENT		
Expansion and Reclamation Projects		<u>2,147,500</u>
SOURCE OF FINANCING		
Proceeds from SRF Loan		1,615,000
Participant Deposits		407,500
Sewer Standby Fees		163,523
District Funds		125,000
		<u>2,311,023</u>

ANALYSIS OF CASH POSITION

ACTUAL BALANCE JULY 1, 2012	313,092
ADD: Revenue 2012-2013	407,500
LESS: Estimated Expenditures 2012-2013	<u>(188,092)</u>
ESTIMATED BALANCE JUNE 30, 2013	532,500
ADD: Revenue 2013-2014	1,778,523
LESS: Estimated Expenditures 2013-2014	<u>(2,147,500)</u>
ESTIMATED BALANCE JUNE 30, 2014	<u>163,523</u>

REVENUE ESTIMATE

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Adopted Budget	Estimated Actual	Budget
4110	Sewer Standby Fees	0	0	0	163,523
2529	Wastewater Connection Fees	0	0	0	0
	Total	0	0	0	163,523

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

**BUDGET
2013-2014**

**Woods Valley Ranch Expansion 16
Capital Outlay 56**

Description	Acct. No.	Prior	2013						2014						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Woods Valley Ranch Expansion															
Woods Valley Ranch WRF Phase 2 Expansion	56		Construction												

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**WVR Expansion 16
Capital Outlay 56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2012-13	Estimated Actual Expenditures 2012-13	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14
WVR WRF Planning	56	12-5	720,592	188,092	532,500	1,615,000	2,147,500
Total Capital Projects			720,592	188,092	532,500	1,615,000	2,147,500

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

Estimated Expenditures by Year

**WVR Expansion
Capital Outlay**

**16
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2013-14	New Appropriation 2013-14	Total Approved Budget 2013-14	Estimated Actual Expenditures 2013-14	Estimated Actual Expenditures 2014-15	Estimated Project Balance after 2 years
WVR WRF Planning	56	12-5	532,500	1,615,000	2,147,500	2,147,500	9,158,040	2,000,000
Total Capital Projects			532,500	1,615,000	2,147,500	2,147,500	9,158,040	2,000,000

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

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 Priority</u>	<u>Project ID</u>	<u>Strategic Plan Standard</u>	<u>Goal</u>
Continuing Project	Ultimate Service				1,4,5

PROJECT DESCRIPTION:

In FY 2012/13, preliminary planning phases and formation of the assessment district have been completed for the project. As of April 2013, the participation level in the project was 350 EDUs with a total project cost estimated in the range of \$33,000 to \$36,000 per EDU, depending on the property's Assessment Group designation, as identified in the Assessment Engineer's Report. With formation of the assessment district, the Clean Water State Revolving Fund (SRF) loan has been signed with the State Water Resources Control Board (SWRCB) with a total approval amount of \$13,497,000 and initial funding authorization of \$1,615,000 for reimbursement of planning expenses and payment of design expenses.

To date, the District has authorized a total of \$915,500 toward the project from the following sources:

- Project Proponents (Bell Enterprises & Butterfield Trails, LLC) - \$99,000
- District Appropriation (FY 98/99) - \$99,000
- District Appropriation (FY 2010/11) - \$320,000
- Participant Initial Deposit (\$2,500 per EDU) – (FY 2010/11) – \$397,500

Additional contributions (totaling \$951,460) to the project have been made from the following sources:

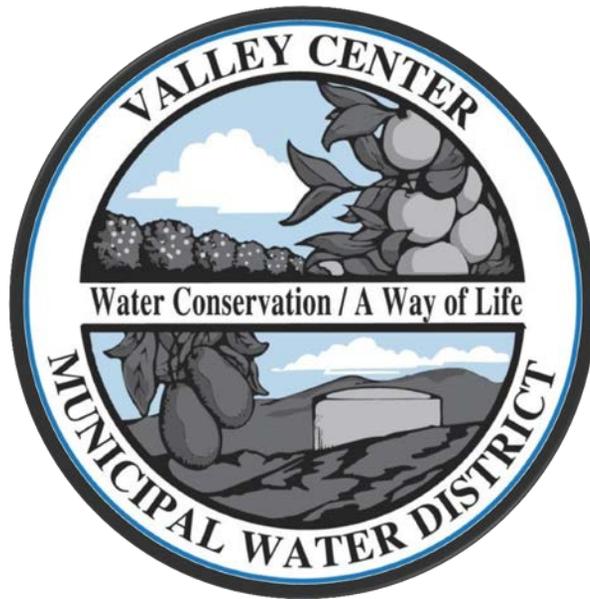
- The proponents have contributed additional funding toward the project, through direct payment of certain eligible project expenses (estimated at approximately \$425,000),
- The District contributed an additional \$29,360 in staff time to complete the planning phase in FY 2010/11(Account No 01-5322.01-128).
- The proponents have made additional deposits to the District (Account No. 01-1510.67) for processing the SRF Loan application (approximately \$139,600).
- A second \$2,500 per EDU deposit was requested and received from the participants to precede with formation of the assessment district and design of the required wastewater expansion facilities (totaling approximately \$357,500).

Source of funds to date total approximately \$1,867,000. Project expenditures to date total approximately \$1,384,500, leaving a cash balance of approximately \$482,500 available for the remaining project expenses.

Adding the \$1,615,000 in SRF loan proceeds for the planning and design phases of the project provides a total of \$2,097,500 for FY 2013-14 project expenses. These funds will be used for land acquisition, design costs and contingencies as shown in the following Project Budget Summary. The amount allocated to contingencies will carry over into the construction phase. The balance of these funds will be reimbursed to the participants at the close of the project.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-14	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Source of Funds								
Total Funding								
Source of Funds (Proponent Project Expenses)								
Project Proponents	425,000	425,000	0	0	0	0	0	425,000
Source of Funds (District Project Expenses)								
Project Proponents (01-1510.67 & 16-2529.	238,600	238,600	0	0	0	(252,241)	(252,241)	(13,641)
Participants (16-2529.04 & 16-2529.10)	805,000	397,500	407,500	0	407,500	(417,373)	(9,873)	387,627
SRF Loan	0	0	0	1,615,000	1,615,000	11,882,000	13,497,000	13,497,000
Total District Funds	1,491,960	959,460	532,500	1,615,000	2,147,500	11,158,040	13,305,540	14,265,000
Total Source of Funds	1,916,960	1,384,460	532,500	1,615,000	2,147,500	11,158,040	13,305,540	14,690,000
Project Costs								
Proponent Project Expenses (SRF Ineligible)	425,000	425,000	0	0	0	0	0	425,000
District Project Expenses (SRF Ineligible)	273,000	20,500	252,500	495,000	747,500	0	747,500	768,000
Land and Right of Way	273,000	20,500	252,500	495,000	747,500	0	747,500	768,000
District Project Expenses (SRF Eligible)	1,218,960	938,960	280,000	1,120,000	1,400,000	11,158,040	12,558,040	13,497,000
Facilities Construction	0	0	0	0	0	7,427,000	7,427,000	7,427,000
Facilities Planning	705,000	705,000	0	705,000	705,000	0	705,000	1,410,000
Facilities Design	0	0	0	910,000	910,000	0	910,000	910,000
Admin & Legal (Design)	387,500	233,960	153,540	0	153,540	0	153,540	387,500
Admin & Legal (Construction)	0	0	0	0	0	452,500	452,500	452,500
Prime Engineering	0	0	0	0	0	0	0	0
Contingency	126,460	0	126,460	210,000	336,460	778,540	1,115,000	1,115,000
Engineering Services During Construction	0	0	0	0	0	400,000	400,000	400,000
Phase 1 Reimbursement	0	0	0	0	0	2,100,000	2,100,000	2,100,000
Total District Project Expenses	1,491,960	959,460	532,500	1,615,000	2,147,500	11,158,040	13,305,540	14,265,000
Total Project Cost	1,916,960	1,384,460	532,500	1,615,000	2,147,500	11,158,040	13,305,540	14,690,000





Woods Valley Ranch

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**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 (gpd) 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 2012-2013

Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction: The 70,000 gpd permanent treatment facility had previously completed start-up testing and was conditionally accepted for operation and maintenance in 2009. Effluent from the permanent facility is being discharged to the golf course storage ponds where it is used for irrigation of the golf course. Record drawings are being prepared by the Developer's engineering design firm. The Membrane BioReactor (MBR) unit was upgraded to Siemens' Mem-Pulse system under warranty. Remaining tasks for final acceptance include completion of a Warranty Agreement with Siemens, a project Close-out and Reimbursement Agreement with Newland Communities. Final acceptance is anticipated by the end of the Fiscal Year.

Woods Valley Ranch Water Reclamation Facility:

- Continued to implement operational changes that reduced equipment runtimes, significantly reducing energy consumption and energy cost.
- Constructed a new sludge thickener system to reduce energy consumption by 30% and hauling cost by 85%.
- Installed variable frequency drives on the plant's aeration blowers to reduce energy cost.
- Installed a more efficient plant wash down water system to improve plant cleaning operations and reduce electrical costs.
- Received the prestigious AWWA Energy Management Award for reducing the electrical usage at the Woods Valley Reclamation Facility.
- Installed a new Pressure Surge Tank to reduce maintenance ongoing repairs due to chlorine concentrations.

Wastewater Collection System: Continued inspection, cleaning, and repairs of the collection system wastewater mains. Continued to install locking manholes in areas of concern where intrusion or vandalism may occur.

CHALLENGES AND GOALS FOR 2013-2014

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).
- Install SCADA radio and cameras for improved operational control and improve facility security.

- Develop and implement improved operational strategies to reduce equipment run times and labor cost.
- Smoke test Collection System lines, to locate areas of infiltration and possible repair sites.
- Continue inspection of the Woods Valley Golf Course reclamation water usage and operations to insure that the course complies with all the Department of Health and Water Quality Control Boards Rules and Regulations.

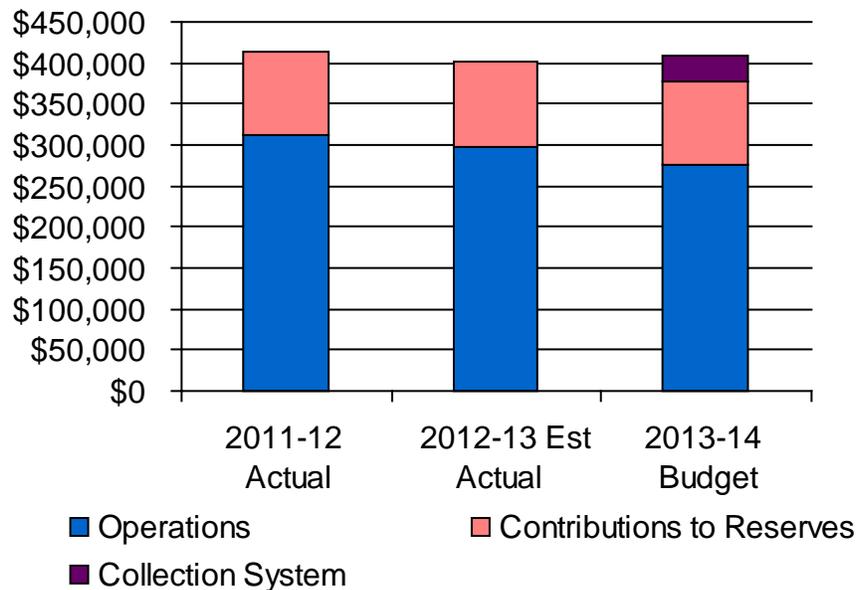
LONG-TERM GOALS

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

South Village Wastewater Expansion Project: The South Village Wastewater Expansion Project will extend the service area of the Woods Valley Ranch Water Reclamation Facility to include the property currently zoned for commercial and other higher density land uses along Valley Center Road from Woods Valley Road north to Lilac Road (the South Village Area) and to similarly zoned property within the North Village Area. 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. Water distribution, wastewater collection and recycled water distribution facility plans for Units 1 (58 lots) and 2 (70 Lots) of the Orchard Run Subdivision have been previously approved. The developer is currently processing plans for Unit 3 (172 lots).

Woods Valley Ranch Wastewater



VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**Woods Valley Ranch
Full-Time Equivalents**

	<u>17-5327.</u>	<u>17-5331.</u>	<u>Total</u>
Director of Operations/Facilities		0.06	0.06
Construction Maintenance Tech III		0.03	0.03
Fleet Mechanic II		0.01	0.01
Pump Facilities Tech III		0.03	0.03
Pumps & Motors Supervisor		0.01	0.01
Safety & Reg Compliance Supervisor		0.01	0.01
Senior Administrative Assistant		0.01	0.01
Senior Construction Maintenance Tech		0.02	0.02
Senior Electrician		0.01	0.01
Senior Fleet Mechanic		0.01	0.01
Senior Pump Facilities Tech		0.06	0.06
Senior Wastewater Systems Tech	0.10	0.30	0.40
Wastewater Systems Supervisor	0.01	0.01	0.02
Wastewater Systems Tech I	0.06	0.04	0.10
Wastewater Systems Tech III	<u>0.02</u>	<u>0.15</u>	<u>0.17</u>
 Total Full-Time Equivalents	 0.19	 0.76	 0.95

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**WOODS VALLEY RANCH WASTEWATER TREATMENT
RECAP OF BUDGET AND SOURCE OF FINANCING
JULY 1, 2012, TO JUNE 30, 2014**

	Replacement Reserve Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2012	994,568	138,488	(743)	0	1,132,313
ADD: Revenue 2012-2013					
Wastewater Service Charge	102,620	0		228,676	331,296
Reclaimed Water & Meter Charge				60,195	60,195
Interest	7,572			534	8,106
Total Revenue					399,597
LESS: Estimated Expenditures 2012-2013	0	0	(43,257)	(267,023)	(310,280)
Transfers	(76,562)	10,652	57,000	8,910	0
Net Change	33,630	10,652	13,743	31,292	89,317
ESTIMATED BALANCE JUNE 30, 2013	1,028,198	149,140	13,000	31,292	1,221,630
ADD: Revenue 2013-2014					
Wastewater Service Charge	102,620	0		228,676	331,296
Reclaimed Water & Meter Charge				37,390	37,390
Interest	5,937			2,948	8,885
Total Revenue					377,571
LESS: Proposed Expenditures 2013-2014		0	(15,000)	(296,125)	(311,125)
Expenditures of Continuing Projects			(13,000)		(13,000)
Transfers	(26,845)	3,605	15,000	8,240	0
Net Change	81,712	3,605	(13,000)	(18,871)	53,446
ESTIMATED BALANCE JUNE 30, 2014	1,109,910	152,745	0	12,421	1,275,076

GENERAL INFORMATION:

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

2011-2012	2012-2013		2013-2014
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 MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	311,156	311,182	311,182	311,182
4110.02	Wastewater Capacity Reservation Fee	20,113	20,114	20,114	20,114
4140.00	Reclaimed Water	52,938	53,800	58,750	35,840
4140.01	Reclaimed Water Meter Charge	1,277	1,380	1,445	1,550
4382.00	Interest Allocation	80	0	0	0
4410.00	Interest - Operating & Replace. Res.	9,514	9,321	8,106	8,885
	Total	395,078	395,797	399,597	377,571

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Description	2011-2012	2012-2013		2013-2014
	Actual	Budget	Estimated Actual	Budget
Collection System	0	0	0	30,800
Treatment	414,848	379,596	400,900	367,945
Capital Projects	6,770	57,000	12,000	15,000
TOTAL WOODS VALLEY RANCH	421,618	436,596	412,900	413,745

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

FUND: **Woods Valley Ranch** **17**
 DEPT: **Field Operations** **53**
 DIV: **Collection System** **30**

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	0	0	0	21,800
03	Overtime	0	0	0	500
25	Outside Professional Services	0	0	0	5,000
30	Special Department Expenses	0	0	0	1,000
52	Maintenance of Facilities	0	0	0	2,500
	Total	0	0	0	30,800

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

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

Acct. No.	Description	2011-2012	2012-2013		2013-2014
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	113,999	102,800	130,000	104,200
03	Overtime	10,441	10,000	8,800	10,000
23	Chemicals	7,656	8,000	7,100	8,000
25	Outside Professional Services	61,547	36,000	37,400	30,500
30	Special Department Expenses	3,248	2,000	1,300	2,000
32	Telephone	417	500	400	500
38	Regulatory Permits & Fees	11,904	15,000	12,000	15,000
40	Rents & Leases	0	250	250	250
42	Insurance	11,920	12,813	12,067	11,337
45	Electricity	38,986	42,000	31,000	34,000
48	Diesel	0	300	0	300
49	Water	0	350	0	350
51	Maintenance of Vehicles	2,672	3,000	2,500	3,000
52	Maintenance of Facilities	7,180	6,500	18,000	6,500
82	Administrative Overhead	42,258	37,463	37,463	39,388
	Total Treatment Operations	312,228	276,976	298,280	265,325
78	Contribution to Replacement Reserve	102,620	102,620	102,620	102,620
	Total	414,848	379,596	400,900	367,945

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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 0.76	104,200
03	Overtime	10,000
23	Chemicals	8,000
25	Outside Professional Services	30,500
	Pumper Trucks - Haul waste	8,000
	Laboratory Testing Services	8,000
	Courier Service	3,000
		5,000
	SCADA Maintenance	2,500
	Generator Load Testing	2,000
	Wonderware Service Support	2,000
30	Special Department Expenses	2,000
	Tools	1,000
	Equipment	1,000
32	Telephone	500
38	Regulatory Permits & Fees	15,000
40	Rents & Leases	250
42	Insurance	11,337
45	Electricity	34,000
48	Diesel	300
49	Water	350
51	Maintenance of Vehicles	3,000
52	Maintenance of Facilities including collection system	6,500

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET DETAIL & JUSTIFICATION
2013-2014**

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

Acct. No.	Detail and Justification	Department Request
78	Contribution to Capital Replacement Reserve	102,620
82	Administrative Overhead	39,388

VALLEY CENTER MUNICIPAL WATER DISTRICT CAPITAL PROJECTS TIMETABLE

BUDGET
2013-2014

Woods Valley Ranch 17
Capital Outlay 56

Description	Acct. No.	Prior	2013						2014						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Woods Valley Ranch															
SCADA and Security	20		Construction												
Programmable Logic Controller	35				Purchase/Install										

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

**Woods Valley Ranch
Capital Outlay**

**17
56**

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2012-2013	Estimated Actual Expenditures 2012-2013	Budget Carried Forward to 2013-2014	New Appropriation 2013-2014	Total Approved Budget 2013-2014
SCADA and Security	20		25,000	12,000	13,000		13,000
Camera System	21		27,500	27,500	0		0
Installation of Variable Frequency Drives	59		3,757	3,757	0		0
Programmable Logic Controller	35	13-9				15,000	15,000
Total Capital Projects			56,257	43,257	13,000	15,000	28,000

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

VALLEY CENTER MUNICIPAL WATER DISTRICT

**BUDGET
2013-2014**

Estimated Expenditures by Year

**Woods Valley Ranch
Capital Outlay**

**17
56**

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2013-2014	New Appropriation 2013-2014	Total Approved Budget 2013-2014	Estimated Actual Expenditures 2013-14	Estimated Actual Expenditures 2014-15	Estimated Project Balance after 2 years
SCADA and Security Programmable Logic Controller	20 35	13-9	13,000	15,000	13,000 15,000	13,000 15,000		
Total Capital Projects			13,000	15,000	28,000	28,000	0	0

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2013-2014.
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

**VALLEY CENTER MUNICIPAL WATER DISTRICT
BUDGET
2013-2014**

CAPITAL PROJECT REQUEST

PROJECT NAME:

ACCOUNT NO.:	17-5635.78
DEPARTMENT:	Woods Valley Ranch WRF

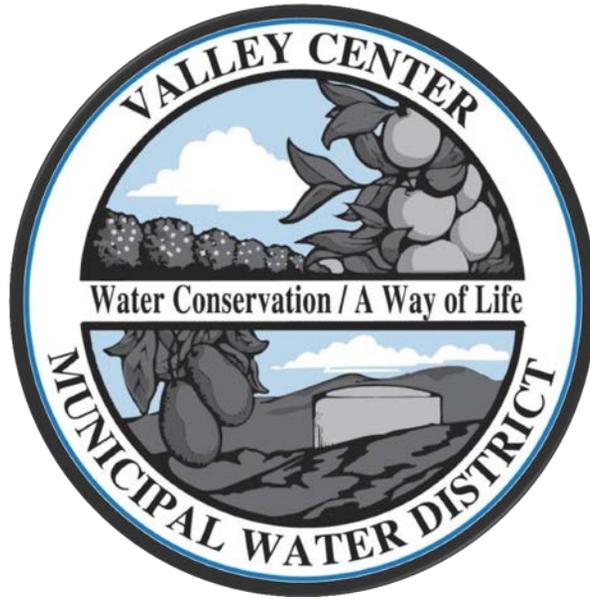
Programmable Logic Controller

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

PROJECT DESCRIPTION:

Purchase and install a Programmable Logical Controller (PLC) at the Woods Valley Ranch Wastewater Treatment Facility. Currently, the Woods Valley Ranch Facility has only one PLC, which provides full automation and control of the plants operational program that runs the membrane trains. If the existing PLC were to fail, the Plant would shut down and stop treating the influent flows and all of the influent would have to be stored and hauled around the clock until a new PLC was acquired, programmed, and installed. Having a redundant PLC would save on overtime, hauling costs and reduce a potential spillage condition.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2013-14	Total Budget 2013-2014	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Programmable Logic Controller			0	15,000	15,000		15,000	15,000
Total Project	0	0	0	15,000	15,000	0	15,000	15,000



Appendix

VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2013-14

GLOSSARY

Accrual Basis of Accounting - The method of recording financial transactions in the period in which those transactions take place, rather than only after cash is received or paid.

Acre Foot - 325,829 gallons or 435.6 hundred cubic feet of water.

Actuarial Valuation - An estimate of the current cost of future obligations of the considering inflation and growth factors.

ACWA - Association of California Water Agencies.

Administrative Code - Document which compiles all ordinances adopted by the Board of Directors.

Advanced Metering Infrastructure (AMI) - an architecture for automated, two-way communication between a smart utility meter with and a utility company.

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

Assessment District – a financing vehicle used by public agencies to fund the construction of public improvements or maintenance of public improvements that will directly benefit the parcels within the boundary of the district.

Budget – A financial plan showing authorized expenditures and their funding sources.

CAFR - See Comprehensive Annual Financial Report.

CalPERS - See PERS.

Capital Outlay - Expenditures for the purchase of fixed assets.

Comprehensive Annual Financial Report (CAFR) - The official annual report, including financial statements, statistical information, and extensive narration.

Consumer Price Index - The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Depreciation - A portion of the cost of a fixed asset which is charged as an expense during a year, representing an estimate of the value of the asset used up during that year.

Debt Service - The current year portion of interest costs and current year principal payments incurred on long-term debt.

Disbursements - Payments made on obligations.

Effluent – Liquid waste from sewage treatment or industrial processes, water mixed with waste matter.

Enterprise Fund - A fund which accounts for operations financed and operated similar to a private business where costs are recovered primarily through user charges.

Equivalent Dwelling Unit (EDU) - A single-family residential household. It is the unit of measure by which the user is charged for sewer services provided by the District.

Expenditure - An amount paid for an obligation, including operating expenses, debt service, and capital outlay.

Expense Credit - The portion of expenses which have been reimbursed by or allocated to another fund.

Fiscal Year - The 12 month period used for accounting and budgeting purposes, in this case from July 1 to June 30.

Fixed Asset - A tangible item which provides benefit over more than one year, such as property, plant, and equipment. The District further limits fixed assets to those items with an initial value of at least \$2,000.

Fund - A set of accounts used to account for a specific activity, such as a water system or sewer treatment plant.

Fund Balance – The difference between total fund assets and liabilities.

Generally Accepted Accounting Principles (GAAP)

– The uniform minimum standards for the presentation of financial reports. For local governments GAAP is set by the Government Accounting Standards Board.

General Fund – For the District, the fund used to account for water system operations. It also includes general expenses, a portion of which are allocated to other funds.

Geographical Information System (GIS) – An information system integrating maps with electronic data.

IAWP - See Interim Agricultural Water Program.

Interim Agricultural Water Program (IAWP) - A program by MWD which reduces the cost of water to certified agricultural customers in exchange for reduced access to water supplies in the event of an emergency or drought.

JPIA - Joint Powers Insurance Authority of the Association of California Water Agencies.

Memorandum of Understanding (MOU) - a legal document describing an agreement between parties.

Metropolitan Water District of Southern California (MWD) - Imports water from the Colorado River and Northern California and sells it at wholesale to its 27 member agencies, which include the San Diego County Water Authority.

MOU - See Memorandum of Understanding

MWD - Metropolitan Water District of Southern California.

Performance Measurement Standard - A standard of service efforts and accomplishments used to determine operating effectiveness and efficiency.

PERS - Public Employees' Retirement System. Also known as CalPERS. Provides retirement benefits to the District's employees, along with the employees of many other state and local California agencies.

Reserve - A portion of fund balance that is held for a specific future use.

SanDAG - San Diego Association of Governments.

San Diego County Water Authority (SDCWA or CWA) - Transports water from MWD pipelines to its 23 member agencies, including the District.

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.

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.

VALLEY CENTER MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2013-14

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:

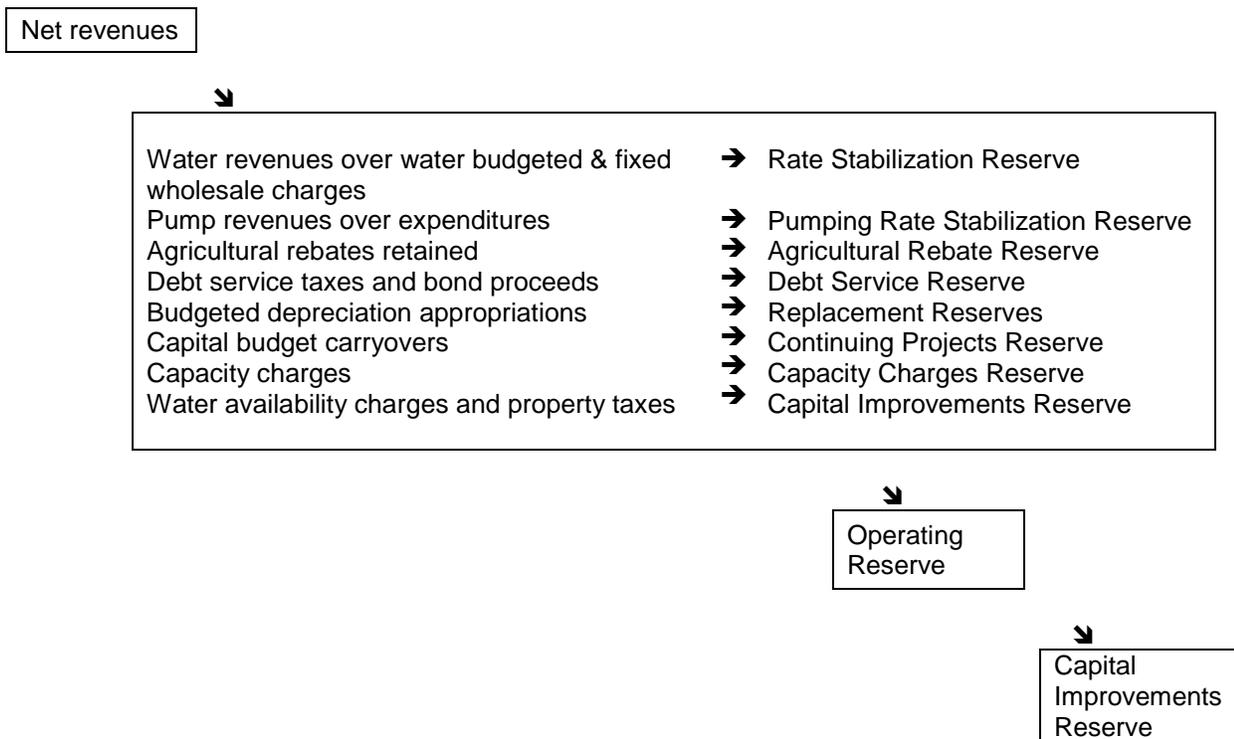
- A. Continuing Projects Reserves: Unexpected appropriations for capital projects which are not completed in a fiscal year will be carried forward to the following fiscal year.
- B. Capacity Charges: Capacity charges shall be credited to the capacity charges reserve in accordance with state statute to 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.

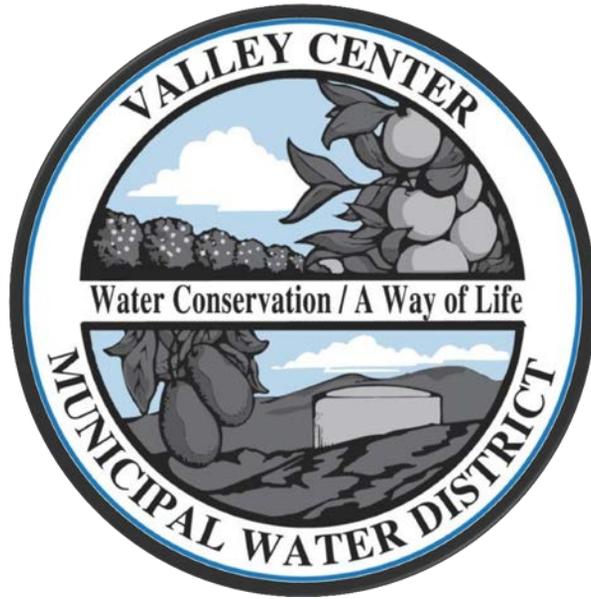
Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, should be forecast conservatively in the budget.

- (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 MUNICIPAL WATER DISTRICT ANNUAL BUDGET 2013-14

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