



# Valley Center Municipal Water District

## Annual Budget Fiscal Year 2016-2017



# Annual Budget

For The Fiscal Year Ended  
June 30, 2017

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## Valley Center Municipal Water District

Prepared by:

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

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

[www.valleycenterwater.org](http://www.valleycenterwater.org)

## District Officials

### Board of Directors:

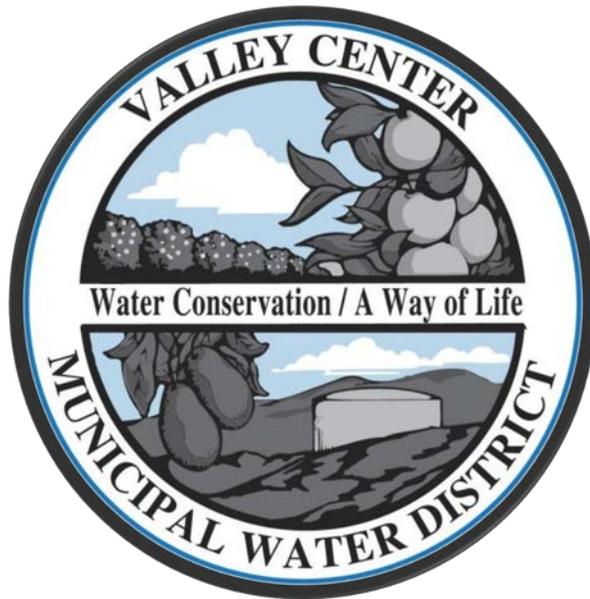
<u>Title</u>	<u>Name</u>	<u>Service</u>	<u>Term Expires</u>
President	Gary A. Broomell	46 years	January 2019
Vice-President	Robert A. Polito	27 years	January 2017
Director	Merle J. Aleshire	19 years	January 2019
Director	Randy D. Haskell	15 years	January 2019
Director	Enrico P. Ferro	6 months	January 2017

### Executive Management:

<u>Title</u>	<u>Name</u>	<u>Service</u>
General Manager	Gary T. Arant	27 years
District Engineer/Deputy GM	Wally T. Grabbe	24 years
Director of Operations/Facilities	Albert G. Hoyle	25 years
Director of Finance/Treasurer	James V. Pugh	13 years
Director of Information Technology	Ando Pilve	7 years
Executive Assistant/Board Secretary	Christine M. Johnson	25 years

### General Counsel:

Best, Best & Krieger, LLP	Paula De Sousa	5 years
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# 201 -201

## Budget Overview

## VALLEY CENTER MUNICIPAL WATER DISTRICT 2016-17 BUDGET OVERVIEW

The **total combined budget** shows a surplus of \$1,209,143 which is broken down as \$(985,193) for Water Operations, \$1,652,820 for Water Capital Projects, which as anticipated, will be funded with property taxes, by \$78,179 for Moosa, \$(146,890) for Woods Valley Ranch, and \$610,227 for Woods Valley Ranch Expansion.

**Total budgeted revenues** for 2016-17 are \$66,588,262, which is \$10,889,423 or 14.1% lower than the 2015-16 adopted budget of \$77,477,686. The decrease is due to a reduction in water sales as well as lower proceeds from the State Revolving Loan of for the Woods Valley Ranch Expansion Project.

For the current year ending June 30, 2016, **water sales** are projected at 19,700 acre feet of water. This is 14.3% lower than the budget of 23,000 acre feet. For 2016-17, staff is budgeting water sales at 20,000 acre feet. Budgeted sales are based on an anticipated upturn in water sales with the lifting of the mandated cutbacks required by the State Water Resources Control Board (SWRCB) and the Metropolitan Water District of Southern California (MWD) at the end of fiscal year 2015-16.

With the most recent information available, it is estimated that wholesale **water rates** from the San Diego County Water Authority (SDCWA) and MWD on January 1, 2017, will increase to \$2,048.01 per acre foot for full price and to \$1,497.93 for Transitional Special Agricultural Water Rate (TSAWR) customers. Total estimated increases are 6.9% for full price and 8.3% for TSAWR.

The District's local cost component of the water rate is budgeted at \$221.32 per acre foot, an increase of 10.0% over the current rate of \$201.20. This increase is necessary to continue restoring our capital funding and begin replacing our almost 60-year-old water systems. A meter service charge increase of 10.0% is also recommended.

Estimated **interest earnings** rate at 0.90% will yield \$225,000. Secured **property taxes** are budgeted at \$2,096,000, an increase of 3.0% more than our estimate for the current year. Water availability charges will be \$585,000 the same as the current year.

The **Moosa** wastewater monthly service charge is proposed to increase 5%, or \$2.56. The new rate would be \$53.76 compared to the current rate of \$51.20. A low pressure wastewater collection system maintenance fee for a small part of its wastewater service area is also collected. It is also proposed to increase 5% from \$42.25 to \$44.36.

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

The **Woods Valley Ranch Expansion** will be collecting sewer standby fees for properties not yet connected to the sewer system. The fees in the coming year remain the same as the current year at \$550.32 per Equivalent Dwelling Unit (EDU) and will be used to establish a replacement reserve.

**Total budgeted expenses**, including capital, are \$65,382,119, which is 18.5%, or \$14,837,953, lower than the 2015-16 adopted budget of \$80,220,072. The decrease is due to lower anticipated capital outlay for the Woods Valley Ranch Expansion Project, \$8,281,829, and water capital projects of \$4,479,424.

The cost of water sold, which is the single greatest **water operating expense**, is 66.9% of the total budgeted expenditures (excluding Woods Valley Ranch Expansion). It is lower than 2015-16, \$2,502,137 or 7.7%, due to increased wholesale costs offset by reduced volume. General Administration costs are up \$49,567 over last year. This is due to higher labor and benefits and higher public information expenses. Finance expenses are projected to be \$63,068 less than the current budget due lower outside services budgeted in the current year for the salary and benefits survey and lower legal fees. Information Technology expenses are \$18,198 more than the current year as slightly higher labor and benefits are offset by lower supplies and maintenance. Engineering expenses are lower by \$91,609 due to less special departmental expenses for Aerial Photo Imagery and mark-out location software. Field Operation expenses are \$102,155 higher than the current budget. This is a result of higher labor and benefits, maintenance, regulatory fees, and outside services partially offset by lower chemical expenses.

**Moosa** proposed operating expenses are \$134,503 higher than the current 2015-16 budget. The increase is due to an increased allocation of labor and benefits and higher power costs.

**Woods Valley Ranch** expenses are \$107,691 higher than the current year budget. Increases in the allocation of labor and benefits as well as increased power costs are the reasons for the increase.

**New Capital projects** budgeted in Fiscal Year 2016-17 total \$1,600,500. Water projects total, \$1,301,500, Moosa, \$224,000, and Woods Valley Ranch, \$75,000.

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
2016-17 BUDGET OVERVIEW**

	2015-2016 Adopted Budget	2015-2016 Estimated Actual	2016-2017 Proposed Budget	Change from Prior Budget	Percent Change from Prior Budget
<b>REVENUES:</b>					
Water Sales	23,000 A.F.	19,700 A.F.	20,000 A.F.	(3,000) A.F.	-13.0%
<b>General Fund:</b>					
Operating Revenues:					
Water Sales (including pumping)	36,446,000	31,851,000	32,985,000	(3,461,000)	-9.5%
Meter Service Charges	5,348,000	5,431,000	5,879,000	531,000	9.9%
New Connection Sales	152,600	269,900	169,900	17,300	11.3%
Other Revenue	927,200	844,540	888,630	(38,570)	-4.2%
Investment Income	133,000	190,000	225,000	92,000	69.2%
Total Operating Revenue	43,006,800	38,586,440	40,147,530	(2,859,270)	-6.6%
Debt Service Revenues - Water Availability Charges	0	0	0	0	0.0%
Capital Project Revenues:					
Capacity Charges	182,420	105,883	188,320	5,900	3.2%
Property Taxes	2,015,000	2,129,500	2,181,000	166,000	8.2%
Water Availability Charges	585,000	581,000	585,000	0	0.0%
Total Capital Project Revenue	2,782,420	2,816,383	2,954,320	171,900	6.2%
Total General Fund Revenues	45,789,220	41,402,823	43,101,850	(2,687,370)	-5.9%
<b>Moosa Wastewater Revenues</b>	1,585,123	1,589,683	1,633,016	47,893	3.0%
<b>Woods Valley Ranch Wastewater Revenues</b>	375,936	384,440	407,998	32,062	8.5%
<b>Woods Valley Ranch Expansion</b>	607,407	608,359	610,227	2,820	0.5%
State Revolving Fund Loan	29,120,000	8,226,394	20,838,171	(8,281,829)	100.0%
<b>Total Budgeted Revenues</b>	<b>77,477,686</b>	<b>52,211,699</b>	<b>66,591,262</b>	<b>(10,886,423)</b>	<b>-14.1%</b>
<b>EXPENDITURES:</b>					
<b>General Fund:</b>					
Operating Expenses:					
General Administration	761,566	732,826	811,133	49,567	6.5%
Information Technology	672,210	657,826	690,408	18,198	2.7%
Finance	1,647,264	1,602,099	1,584,196	(63,068)	-3.8%
Engineering	1,743,431	1,641,031	1,651,822	(91,609)	-5.3%
Field Operation	6,507,294	6,398,276	6,609,449	102,155	1.6%
Source of Supply	32,287,852	27,748,336	29,785,715	(2,502,137)	-7.7%
Total Operating Expenses	43,619,617	38,780,394	41,132,723	(2,486,894)	-5.7%
Debt Service	0	0	0	0	0.0%
Capital Projects Appropriations	5,780,924	2,459,514	1,301,500	(4,479,424)	-77.5%
Total General Fund Expenditures	49,400,541	41,239,908	42,434,223	(6,966,318)	-14.1%
<b>Moosa Wastewater:</b>					
Operating Expenses	1,196,334	1,256,698	1,330,837	134,503	11.2%
Capital Project Appropriations	137,000	216,471	224,000	87,000	63.5%
Total Moosa Expenditures	1,333,334	1,473,169	1,554,837	221,503	16.6%
<b>Woods Valley Ranch Wastewater:</b>					
Operating Expenses	372,197	362,105	479,888	107,691	28.9%
Capital Project Appropriations	0	62,682	75,000	75,000	0.0%
Total Woods Valley Ranch Expenditures	372,197	424,787	554,888	182,691	49.1%
<b>Woods Valley Ranch Expansion:</b>					
Capital Project Appropriations	29,120,000	8,226,394	20,838,171	(8,281,829)	-28.4%
Total Woods Valley Ranch Expenditures	29,120,000	8,226,394	20,838,171	(8,281,829)	-28.4%
<b>Total Budgeted Expenditures</b>	<b>80,226,072</b>	<b>51,364,258</b>	<b>65,382,119</b>	<b>(14,843,953)</b>	<b>-18.5%</b>
<b>NET REVENUES &amp; EXPENDITURES</b>	<b>(2,748,386)</b>	<b>847,442</b>	<b>1,209,143</b>	<b>3,957,530</b>	<b>-144.0%</b>
<b>FUNDING FROM (TO) RESERVES</b>	2,748,386	(847,442)	(1,209,143)	(3,957,530)	144.0%
	0	0	0	0	0.0%

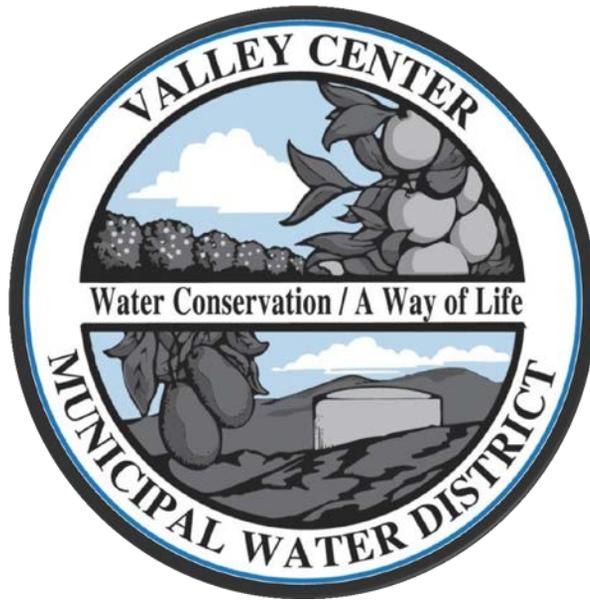
# Table of Contents

	<b>Page</b>
<b>BUDGET OVERVIEW</b>	i
CSMFO 2015-2016 Operating Budget Award	v
<b>BUDGET MESSAGE</b>	1-1
Organization Chart	1-23
<b>ADOPTING RESOLUTIONS</b>	
Resolution Adopting Budget	2-1
Appropriation Limit under Proposition 4	2-4
Ordinance Adopting Staffing and Memorandum of Understanding Changes	2-8
<b>GENERAL FUND</b>	
Recap of Budget and Source of Financing	3-1
Reserves and Fund Balances	3-2
Revenue Estimate	3-3
Expenditures Recap	3-6
History of Water Purchased and Sold	3-7
<b>General Administration Department</b>	4-1
General Administration	4-3
<b>Information Technology</b>	5-1
Information Technology	5-2
<b>Finance Department</b>	6-1
Administration	6-3
Consumer Services	6-4
Facilities Operation	6-5
Human Resources	6-6
Salary Clearing	6-7
Training	6-8
<b>Engineering Department</b>	7-1
Administration	7-3
Planning	7-4
GIS/Public Services	7-5
Encroachments and Locates	7-6
Design/Construction	7-7
<b>Field Operations Department</b>	8-1
Administration	8-3
Safety and Regulatory Compliance	8-4
Landscape and Paving Maintenance	8-5
District Security	8-6

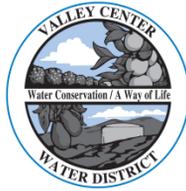
<b>Field Operations Department, continued</b>	
Systems Operation	8-7
Telemetry/SCADA	8-8
Treatment	8-9
Automatic Valves	8-10
Reservoir Maintenance	8-11
Pump Maintenance	8-12
Motor Maintenance/Electric Panels	8-13
Quality Control	8-14
Pipeline and Right of Way Maintenance	8-15
Corporate Facilities Maintenance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

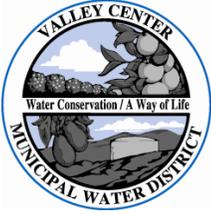


Valley Center Municipal Water District was recognized by the California Society of Municipal Finance Officers (CSMFO) for excellence in operational budgeting for Fiscal Year 2015-2016 - Our eighteenth year in a row. We believe our current budget continues to conform to the certificate program requirements, and we are submitting it to CSMFO.



# Budget Message





# VALLEY CENTER MUNICIPAL WATER DISTRICT

A Public Agency Organized July 12, 1954

Board of Directors  
Gary A. Broomell  
President  
Robert A. Polito  
Vice President  
Merle J. Aleshire  
Director  
Randy D. Haskell  
Director  
Enrico P. Ferro  
Director

June 20, 2016

Gary A. Broomell, President  
Members of the Board of Directors  
Valley Center Municipal Water District  
29300 Valley Center Road  
Valley Center, CA 92082

We are pleased to present this report along with the proposed fiscal year 2016-2017 operations, maintenance, and capital budget. We look forward to your review and analysis toward ultimate adoption prior to July 1, 2016. This document provides detailed information about the Valley Center Municipal Water District's (District) revenue and expenditure forecast in the coming year and addresses the main points and decisions made in compiling the budget.

With the overview and guidance from the Board of Directors the District annually reviews its strategic plan and goals (see pages 1-17 thru 1-21). The results of the strategic planning process help to guide District staff in its efforts to accomplish the mission of the District. Strategic goals and objectives are considered during the budget development to provide the basis for prioritizing efforts, activities, financial resources, and personnel needs.

Challenges from past years continue into this fiscal year. Some of these challenges include the continued increasing cost of goods and supplies, most significant of which is the dropping water sales, increasing cost of import water, and the local economic climate for agriculture.

The District is responsible for providing water and wastewater services to its customers while closely managing costs and managing the funds with which our customers have entrusted us. The District's budget demonstrates fiscal responsibility even with reduced water sales, continued replacement of its aging infrastructure to avoid disruption in services, and continuous improvement in business processes to increase efficiencies.

## **THE DISTRICT**

Valley Center Municipal Water District was founded on July 12, 1954, under the provisions of the California Municipal Water District Law of 1911 (California Water Code sections 71000 et seq.). The District provides water, wastewater, and water recycling services to its domestic, agricultural, and commercial customers in a service area which encompasses approximately 101 square miles, of which approximately 71% of the land use area receives water service. It includes the unincorporated area of Valley Center and unincorporated areas north of Escondido which are located in northern San Diego County. As of January 1, 2015, approximately 25,552 people lived within the District.



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

**DEMOGRAPHICS**

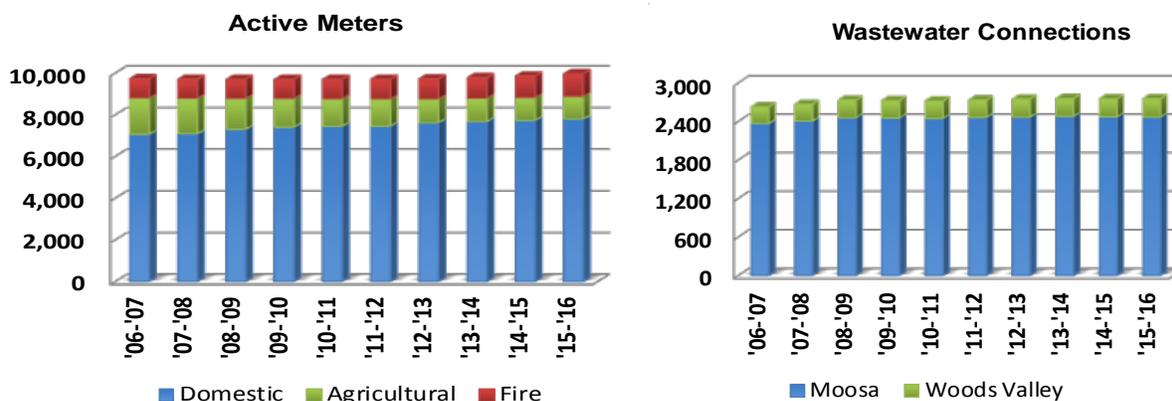
Valley Center is in transition from a largely agricultural-rural area to a more rural-suburban community. Traditionally, Valley Center and the surrounding areas have largely been dedicated to agricultural uses which included various commercial crops such as avocados, oranges, and lemons. Due to market forces, the rapidly increasing cost of water, and the recent drought conditions, many local farmers are abandoning their permanent tree crop operations or are taking up other lower water use crops, including nurseries, ornamental floral products such as lavender and proteas, and wine grapes. As a result, in the last decade, the District has seen a significant decrease in the volume of water deliveries to its customers. In fiscal year 2006-07 the District sold 48,085 acre feet of water compared to the current year estimate of 19,700. This represents a 59% decline in sales volume.

**WATER SOURCES**

The District relies on the San Diego County Water Authority (SDCWA or “Authority”) as its’ sole source provider for treated potable water. The Authority imports water through the Metropolitan Water District of Southern California (MWD) system and its own aqueduct storage and treatment system. MWD obtains its water from two sources: the Colorado River Aqueduct and the State Water Project under a water supply contract with the Department of Water Resources. This water has become increasingly unreliable in recent years as deteriorating ecological conditions have led to regulatory restrictions on pumping water supplies from the Bay-Delta. The Bay-Delta is an inland river delta and estuary formed at the confluence of the Sacramento and San Joaquin Rivers east of San Francisco. It is a key water supply source for California including the millions of residents in San Diego County. In addition, the Authority’s water supply portfolio also includes relatively new supplies from the Colorado River. These supplies include a water conservation and transfer agreement with the Imperial Irrigation District and water conserved by two projects, the All American Canal Lining Project and the Coachella Canal Lining Project. Additionally, the SDCWA added desalinated seawater to its water supply portfolio with the completion of the Carlsbad Desalination Plant in December 2015. This new supply reduces the region’s dependence on water from the Colorado River and the Bay-Delta that is vulnerable to droughts, natural disasters and regulatory restrictions.

## DISTRICT OPERATIONS

General operations account for all activity related to water operations as well as the general operations of the District. The District's water system includes 7 active aqueduct connections, 43 enclosed reservoirs and 1 open reservoir, Lake Turner, 29 pumping stations and 298 miles of water main. As of April 30, 2016, there were a total of 9,957 active meters of which 7,792 were domestic, 1,085 were agricultural, and 1,080 were fire meters (see historical graph below). The District also provides wastewater collection, treatment, water recycling, and disposal services for 2,751 customers through two wastewater treatment facilities, Lower Moosa and Woods Valley Ranch (see historical graph below). These two facilities serve separate and limited areas of the District. There are 57 miles of wastewater lines throughout the District.

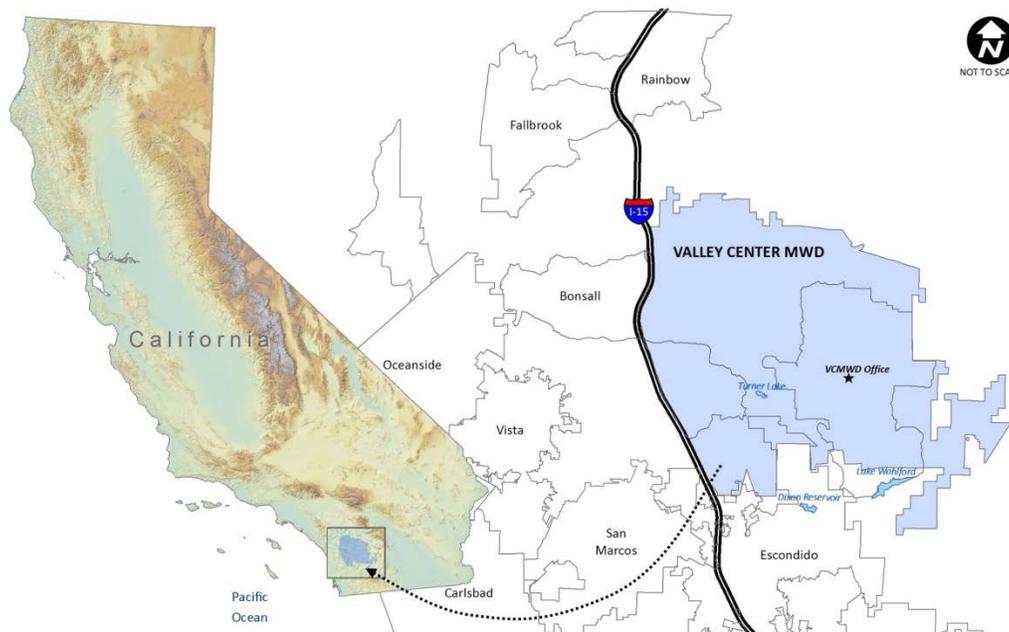


## BUDGET DOCUMENTS

The Budget consists of the following sections:

1. This Budget Message.
  2. The Adopting Resolutions beginning on page 2-1.
  3. A Recap of Budget and Source of Financing in Section 3. This includes a summary of all funds expenditures, revenues, and reserves; a revenue estimate for the General Fund; an Expenditures Recap for all funds; and a History of Water Purchased and Sold.
  4. Detailed budgets for each department. Each consists of:
    - a. A description of the department and a summary of its accomplishments and goals.
    - b. A Department Summary of expenditures by division within the department.
    - c. A budget for each division by account number.
    - d. Detail and justification for each account within the division.
- In addition, all funds other than the General Fund are preceded by a Recap of Budget and Source of Financing, Analysis of Cash Position, and Revenue Estimate. This information for the General Fund is included in Section 3.
5. An Appendix containing a Glossary and Budget Policies.

## DISTRICT SERVICE AREA



## BUDGET PROCESS

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

### **Budget Calendar**

January 2016	General Manager and Department Heads start discussion of the Budget process.
March 2016	Departments submit Budget requests.
June 6, 2016	Budget policies approved by Board of Directors.
June 6, 2016	Overview of Budget reviewed by Board of Directors.
June 20, 2016	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-three percent of the general fund budget, excluding capital projects, 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-seven 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, 2016, is \$2,298,155 per project except that for water storage projects the limitation is \$3,447,243. 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.

## **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 will be consumed during the budget year. The pumping rates will require additional increases over the next few years.
2. An Operating Reserve of \$5,673,504 has been established for emergencies and unforeseen circumstances. In an emergency, capital projects would be critically reviewed to release appropriated capital funds for other purposes.

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

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

3. Restricted Reserves include the Replacement Reserves for Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Water Reclamation Facility.
4. Capital Reserves provide funding for continuing projects, improvements funded from capacity charges, and future capital additions, including those as outlined in the Water Master Plan.

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

C. **Debt** - Debt proceeds shall be used only for capital projects which cannot be funded while maintaining reserve goals. Long-term debt shall not be used to fund current operating costs. The Debt Policy can be found in Section 50.3 of the Administrative Code. No new debt issues are proposed in this budget.

- D. **One-time and Unpredictable Revenues** - One-time revenues are allocated to the source of the revenue or refunded expenditure and shall not be used to initiate new programs which result in ongoing expenditures. Revenues which cannot be predicted, such as capacity fees, property taxes, and interest, are forecast conservatively in the budget.
- E. **Balanced Budget** - Current operating expenditures are funded with current revenues and with rate stabilization reserves as noted above.
- 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 2016-2017 budget year 64% 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.



*Betsworth Forebay Pump Station*

### [OVERALL BUDGET FOR FISCAL YEAR 2016-2017](#)

From an overall standpoint, the total proposed Fiscal Year 2016-17 Budget of \$65,382,119 is 18.5% less than the total approved budget for fiscal year 2015-16 of \$80,226,072. This overall budget decrease primarily reflects the lower capital outlay proposed for the Woods Valley Ranch Wastewater Reclamation Facility Expansion and the Cool Valley Ranch Reservoir Cover/Liner Replacement compared to the prior year as well as reduced water sales.

It is projected that for the Water General Fund in fiscal year 2016-17 operating expenses will exceed projected operating revenues by \$985,193 which will be offset with the use of general property tax revenues leaving \$1,110,807 for capital improvement projects. For Woods Valley Ranch Wastewater Reclamation Facility Fund and the Lower Moosa Canyon Wastewater Reclamation Facility Fund, all budgeted operations, maintenance, and capital expenditures will be funded by revenues anticipated and will not require an appropriation from reserves. As for the Woods Valley Ranch Water Reclamation Facility Expansion Project, the proposed capital improvements for Fiscal Year 2016-17 will be funded primarily with proceeds from a State Revolving Fund loan. Budget details for the various water and wastewater operating funds are explained on the following pages of the Budget Message.

## GENERAL FUND

For fiscal year 2016-17, the Water Fund operating revenue is proposed at \$40,147,530, which is a decrease of 6.6% from the budget adopted for last year. This is due to lower projected water sales partially offset by increased water rates and charges explained later in this budget. It is projected that for the Water General Fund in Fiscal Year 2016-17 operating expenses will exceed projected operating revenues by \$985,193. The deficit will require the use of secured property tax revenue to balance the budget. The Water Fund operating expenditures budget is proposed at \$41,132,723, which is a decrease of 5.7% from the budget adopted for last year. Changes in the major components of the budget are summarized as follows:

### RECAP OF GENERAL FUND

	2015-16 Adopted Budget	Percent of Total	2016-17 Proposed Budget	Percent of Budget	Change	Percent of Change
<b>OPERATING REVENUES</b>						
Water Sales (Acre Feet)	23,000 AF		20,000 AF		(3,000) AF	-13.0%
Water (including Pumping)	\$ 36,446,000	84.7%	\$ 32,985,000	82.2%	\$ (3,461,000)	-9.5%
Service Charges	5,348,000	12.4%	5,879,000	14.6%	531,000	9.9%
New Connection Sales	152,600	0.4%	169,900	0.4%	17,300	11.3%
Other Revenue	927,200	2.2%	888,630	2.2%	(38,570)	-4.2%
Investment Income	133,000	0.3%	225,000	0.6%	92,000	69.2%
Total Operating Revenue	<u>\$ 43,006,800</u>	<u>100.0%</u>	<u>\$ 40,147,530</u>	<u>100.0%</u>	<u>\$ (2,859,270)</u>	<u>-6.6%</u>
<b>OPERATING EXPENDITURES:</b>						
Water Purchase (Acre Feet)	24,470 AF		21,280 AF		(3,190) AF	-13.0%
Water	\$ 30,265,852	69.4%	\$ 27,674,715	67.3%	\$ (2,591,137)	-8.6%
Energy	2,022,000	4.6%	2,111,000	5.1%	89,000	4.4%
Regulatory Permits	59,650	0.1%	71,450	0.2%	11,800	19.8%
Controlled by Others	<u>32,347,502</u>	<u>74.2%</u>	<u>29,857,165</u>	<u>72.6%</u>	<u>(2,490,337)</u>	<u>-7.7%</u>
Personnel	8,465,500	19.4%	8,566,600	20.8%	101,100	1.2%
Other	2,806,615	6.4%	2,708,958	6.6%	(97,657)	-3.5%
Controlled by District*	<u>11,272,115</u>	<u>25.8%</u>	<u>11,275,558</u>	<u>27.4%</u>	<u>3,443</u>	<u>0.0%</u>
TOTAL Operating Expenditures	<u>\$ 43,619,617</u>	<u>100.0%</u>	<u>\$ 41,132,723</u>	<u>100.0%</u>	<u>\$ (2,486,894)</u>	<u>-5.7%</u>
NET Revenues and Expenditures	<u>\$ (612,817)</u>		<u>\$ (985,193)</u>		<u>\$ (372,376)</u>	

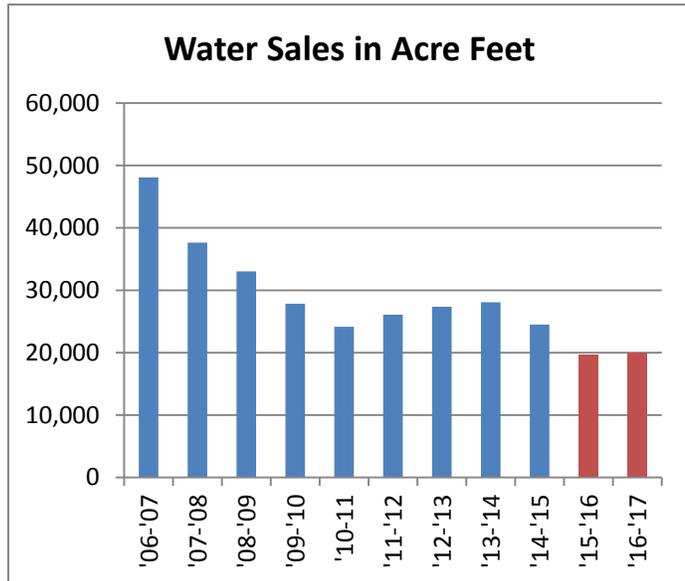
#### \* COSTS CONTROLLED BY DISTRICT

General Administration	\$ 761,566	6.8%	\$ 811,133	7.2%	\$ 49,567	6.5%
Information Technology	672,210	6.0%	690,408	6.1%	18,198	2.7%
Finance	1,647,264	14.6%	1,584,196	14.0%	(63,068)	-3.8%
Engineering	1,743,431	15.5%	1,651,822	14.6%	(91,609)	-5.3%
Field Operations	<u>6,447,644</u>	<u>57.2%</u>	<u>6,537,999</u>	<u>58.0%</u>	<u>90,355</u>	<u>1.4%</u>
Total Controlled by District	<u>\$ 11,272,115</u>	<u>100.0%</u>	<u>\$ 11,275,558</u>	<u>100.0%</u>	<u>\$ 3,443</u>	<u>0.0%</u>

## REVENUE ESTIMATES

### **Water Sales and Rate Increase**

Water sales for the past ten years have ranged from a high of 48,085 acre feet in fiscal year 2006-07, to an estimated low of 19,700 for 2015-16. This is a decrease of 59%, or 28,385 acre feet. This reduced water sales volume is due to the gradual decline in the local agricultural community and reduction of agricultural land in production. Agricultural sales are estimated at 71.0% of the total volume of water sold for 2016-17. In 2006-07 agricultural sales accounted for 79% of the volume. Rapidly increasing water rates along with continued economic uncertainties and the mandatory water cutbacks from January 2008 to May 2011 coupled with the mandatory water cutbacks effective July 2015 and mandatory use restrictions that went into effect June 2015 have resulted in the drastic overall reduction.



The San Diego County Water Authority (SDCWA) has not yet formally adopted wholesale rates but staff has been provided with information regarding the most recent SDCWA estimates for the 2017 water rates. Those estimates were used during the preparation of the proposed budget. All rate changes from MWD and SDCWA are subject to change at any time and are passed through to our customers in accordance with our Administrative Code Section 160.3(g), including any rate changes not yet known.

The proposed wholesale water rate information obtained from the SDCWA, see table on next page, are budgeted to increase 6.9% for domestic customers and 8.3% for certified agricultural over the current adopted rates. The SDCWA includes a melded rate supply cost for additional water supplies such as that received from the Imperial Irrigation District. The melded rate supply cost, not firm at this time, is projected to be \$201 in January 2017.

The budget, as presented, proposes an increase of 10.0% in the District's local share of the water rate on February 1, 2017. The current local rate of \$201.20 will increase to \$221.32 per acre foot. This increase is necessary to continue restoring our capital funding and begin the replacement of our over 60-year-old water systems. While the rate is to be held as low as possible, the strategic plan, see page 1-19, has set a goal to keep it less than 13% of the total water commodity cost for Municipal and Industrial (M&I) and less than 16% for the Transitional Special Agricultural Water Rate (TSAWR). Based on the proposed February 1, 2017, rate change, our share of the water rate will be 10.8% for M&I and 14.8% for TSAWR.

### **San Diego County Water Authority Transitional Special Agricultural Water Rate**

An incremental melded rate cost of \$201, the storage commodity charge of \$247, and the supply reliability charge of \$102 that are added to the water supply charge by the SDCWA are not charged to agricultural customers. The total credit amounts to \$550 per acre foot of savings

for the Districts agricultural customers. The SDCWA Transitional Special Agricultural Water Rate (TSAWR), in its current format, has been approved through December 31, 2020.

### Proposed Water Rates

The following table shows the current and estimated rates that were used in preparing the Budget. Actual rates adopted for February 1, 2017 may be different.

Component	Domestic		TSAWR	
	Current	Proposed	Current	Proposed
Imported Water Costs	\$ 1,714.00	\$ 1,826.69	\$ 1,182.13	\$ 1,276.61
VCMWD	201.20	221.32	201.20	221.32
Total	\$ 1,915.20	\$ 2,048.01	\$ 1,383.33	\$ 1,497.93
Proposed Increase	\$ 132.81 per AF		\$ 114.60 per AF	
	6.9%		8.3%	
	\$ 0.3049 per hcf		\$ 0.2631 per hcf	

In January 2015, the District adopted an ordinance to pass through increased costs in purchased wholesale water and energy, and for any reduction in or elimination of, the allocation of ad-valorem property taxes to the District's cost of operations, maintenance, and capital facilities. This was done under Proposition 218 which sunsets December 31, 2019.

### Meter Service Charge Revenue

Service charges for 2016-17 are estimated at \$5,879,000 which is \$531,000 higher than the 2015-16 budget of \$5,348,000. The budget includes a service charge increase of 10.0%. The proposed service charge for a ¾-inch meter would be \$39.93 and \$54.55 for a 1-inch meter.

### Pumping Charge Revenue

Pumping charge revenue for 2016-17 are expected to be \$2,375,000 compared to \$2,569,000 budgeted in 2015-16. The difference is due to the reduction in water sales volume. It's anticipated that the pumping rate stabilization reserve is to be consumed during the current budget year. Due to uncertainties surrounding the current economy and funds available in our pumping rate stabilization reserve the budget includes a pumping charge increase of 10%.

### Interest Income

For 2016-17, the District projects to earn 0.90% on funds invested for the year for a return of approximately \$225,000 in interest earnings. This is the equivalent of \$11.25 per acre foot of budgeted water sales. Projected interest income is \$190,000 for 2015-16.

### Property Taxes

Secured property taxes are budgeted at \$2,096,000 for 2016-17, \$61,200 or 3% higher than estimated actual for the current year. We will receive \$585,000 in water availability (standby) charges. These revenues are utilized for water system improvements and replacements. It is projected that a portion of the secured property tax revenue will be used to offset the general fund deficit.

## EXPENDITURE ESTIMATES

### Water

The District is budgeting to purchase 21,280 acre feet of water in 2016-17 and to sell 20,000 acre feet. Budgeted water sales and purchases for 2016-17 are based on actual sales estimates for 2015-16 which resulted from mandatory cutbacks imposed by MWD and the State Water Resources Control Board. Staff is uncertain how much, if any, water sales will recover from those mandates.

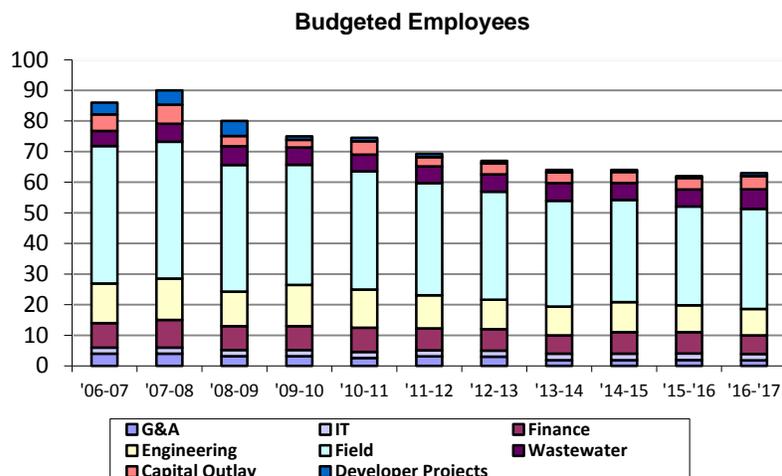
### Energy

The budget expects that expenditures for energy to pump water to our customers will increase next year. Total energy costs, including electricity and natural gas, pump and motor maintenance are budgeted at \$2,977,200 down \$190,395 from the 2015-2016 budget of \$3,167,595. The decrease in the cost for electricity is due primarily to lower volume of water purchases offset by increases in the SDG&E rate tariffs, including the agricultural rate schedules, which are now subject to time-of-use charges. These increases are reduced by operational efficiencies and reducing the amount of pumping during off-peak rate periods as well as the solar photo-voltaic facilities that the District has constructed. Energy supplies and costs will be of continuing concern, with major electric generation facilities off line and proposed higher rates from San Diego Gas and Electric.

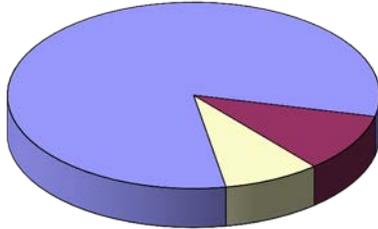
### Personnel

#### Staffing Levels

For 2016-17, the budget proposes to fund 63 full-time equivalent (FTE's) positions, up 1.0 position from the 2015-16 budgeted staffing level of 62 positions. By January 2017 staff expects the budgeted FTE's to return to 62 as a result of two planned retirements, one from the Engineering Department and another from the Field Department. Included in the budget is a Construction Inspector in the Engineering Department to replace the retiring Senior Construction Inspector, a Construction Maintenance Technician I in the Field Department to replace the retiring Construction Maintenance Technician II, and a new full-time position with the title of Administrative Assistant I, reporting to Engineering. The District is 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.



## Allocation of Labor



■ Water   
 ■ Wastewater   
 ■ Capital & Developer

### Budgeted Full-Time Equivalent Positions by Department

	<u>2015-16</u>	<u>2016-17</u>
General Administration	1.80	1.80
Information Technology	2.10	2.10
Finance	7.10	6.10
Engineering	8.80	8.60
Field Operations	<u>32.27</u>	<u>32.71</u>
Total General Fund	52.07	51.31
Lower Moosa Sewer Treatment	4.42	4.77
Woods Valley Ranch Sewer Treatment	<u>1.15</u>	<u>1.62</u>
Total Operating	57.64	57.70
Capital Outlay	3.71	4.32
Developer Projects	<u>.65</u>	<u>.98</u>
<b>TOTAL</b>	<u><b>62.00</b></u>	<u><b>63.00</b></u>

### Personnel Costs

General Fund personnel costs for 2016-17 are estimated at \$8,566,600. This represents an increase of \$101,100 or 1.2% from our 2015-16 budget of \$8,465,500. The increase is a result of a 2.00% cost of living (COLA) adjustment and within range merit increases.

### Other Expenditures

Controlling the cost of operating the District continues to be an ongoing focus. Costs controlled by the District of \$11,275,558 for 2016-17 are basically flat at only \$3,443 higher than 2015-16, including personnel costs discussed above. Each department continues to evaluate all aspects of their respective operations, establish goals for the budget year, and determine a budget which would allow them to meet those goals as efficiently as possible.

## WATER (GENERAL FUND) CAPITAL BUDGET

The Capital Outlay Budget for fiscal year 2016-17 continues to include only those major projects that are essential.

New or expanded facilities are funded by capacity fees collected by the District when new meter services are purchased and from interest earned on existing reserves. Capacity fees are set to fund system improvements identified in the Master Plan to support additional service connections. Replacement facilities are 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.

Capital projects included in this budget consist of the following:

Pipelines and Pressure Reducing Valves	\$ 305,000
Pump Stations	215,000
Reservoirs (Recoating)	320,000
Data Management Systems - SCADA	99,000
Facilities	115,000
Equipment	<u>247,500</u>
TOTAL New Appropriations	\$ 1,301,500
Project appropriations carried forward from prior budget	<u>6,162,082</u>
TOTAL Capital Budget	<u><u>\$ 7,463,582</u></u>

Funding for the water capital projects comes from:

Property Taxes	\$ 1,110,807
Water Availability Charges	190,693
Capital Reserves	<u>6,162,082</u>
TOTAL Capital Budget	<u><u>\$ 7,463,582</u></u>

Facilities which are identified and budgeted annually for replacement are not determined solely by the depreciation schedule, but are identified through a process which assesses a combination of factors, including age, condition (frequency of repairs), and the critical nature of the facility (for example, main transmission pipeline versus local distribution line). In addition, existing facilities are replaced when County of San Diego road improvements force relocation or private development projects provide the opportunity to replace an existing facility.

To date, this method of identifying facilities for replacement and pay-as-you-go financing of these types of projects has met the needs of the District without creating rate impacts or spikes. However, because of the District's financial projections and future capital improvement needs, a debt issuance is possible in the near future. At present, the District is pursuing a State Revolving Fund (SRF) Loan for the Cool Valley Reservoir Cover/Liner Replacement project.



*Cool Valley Reservoir 57 million gallon floating cover (storage facility).*

## MOOSA WASTEWATER TREATMENT FUND

The Moosa Wastewater Treatment operating budget, which serves approximately 2,484 customers in a limited geographic area on the west side of the District, is up \$134,503 or 8.0% from the previous year budget. The major components of the budget are summarized as follows:

### RECAP OF MOOSA WASTEWATER TREATMENT BUDGET

	2015-16		2016-17		Change	Percent Change
	Proposed Budget	Percent	Proposed Budget	Percent		
Revenues	\$ 1,585,123	100.0%	\$ 1,633,016	100.0%	\$ 47,893	3.0%
Operating Expenses:						
Labor	\$ 694,000	43.8%	\$ 789,000	48.3%	\$ 95,000	10.4%
Electricity	76,500	4.8%	86,800	5.3%	10,300	10.1%
Chemicals	18,000	1.1%	24,000	1.5%	6,000	29.4%
Administrative allocation	172,213	10.9%	194,456	11.9%	22,243	9.6%
Maintenance	72,500	4.6%	72,500	4.4%	-	-2.9%
Vehicle Maintenance	6,700	0.4%	5,500	0.3%	(1,200)	-20.3%
Regulatory	23,200	1.5%	23,500	1.4%	300	-1.7%
Outside Services	97,000	6.1%	97,500	6.0%	500	-2.4%
Other	36,221	2.3%	37,581	2.3%	1,360	0.7%
Total Operating Expenses	\$ 1,196,334	75.5%	\$ 1,330,837	81.5%	\$ 134,503	8.0%
Net Operating Income	388,789	24.5%	302,179	18.5%	(86,610)	-24.6%
Replacement Fund Contribution	251,789		78,179		(173,610)	
Net Change	\$ 137,000		\$ 224,000		\$ 87,000	

The current wastewater service charge is \$51.20 per equivalent dwelling unit per month. Included in the budget is 5% increase bringing the charge to \$53.76 per equivalent dwelling unit in order to cover operating expenses and capital replacements.

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 per month. A 5% increase to this charge is also included in the budget bringing that fee to \$44.36 month. At this level, the District will recover 42% of the budgeted low pressure wastewater collection system maintenance expenses.

## 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**

	2015-16		2016-17		Change	Percent Change
	Proposed Budget	Percent	Proposed Budget	Percent		
Revenues	\$ 375,936	100.0%	\$ 407,998	100.0%	\$ 32,062	8.5%
Operating Expenses:						
Labor	\$ 181,950	48.4%	\$ 275,650	67.6%	\$ 93,700	39.6%
Electricity	41,000	10.9%	46,000	11.3%	5,000	3.4%
Administrative allocation	53,578	14.3%	61,886	15.2%	8,308	6.4%
Maintenance	15,000	4.0%	15,000	3.7%	-	-7.9%
Vehicle Maintenance	2,000	0.5%	2,000	0.5%	-	-7.9%
Regulatory	18,750	5.0%	19,000	4.7%	250	-6.6%
Outside Services (Laboratory & Waste Hauling)	34,500	9.2%	34,500	8.5%	-	-7.9%
Insurance	12,819	3.4%	13,202	3.2%	383	-5.1%
Other	12,600	3.4%	12,650	3.1%	50	-7.5%
Total Operating Expenses	<u>\$ 372,197</u>	<u>99.0%</u>	<u>\$ 479,888</u>	<u>117.6%</u>	<u>\$ 107,691</u>	<u>18.8%</u>
Net Operating Income	3,739	1.0%	(71,890)	-17.6%	(75,629)	-1871.6%
Replacement Fund Contribution	102,620		102,620		-	
Net Change	<u>\$ (98,881)</u>		<u>\$ (174,510)</u>		<u>\$ (75,629)</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 2016-17.



*Woods Valley Ranch Golf Course irrigation with tertiary reclaimed water.*

## WOODS VALLEY RANCH EXPANSION FUND

This fund consists of one project, the planning and design of an expansion to the proposed Woods Valley Ranch Water Reclamation Facility. Funding for the project is provided by various property owners in the service area through the formation of an assessment district and from a funding commitment from the State for a Clean Water State Revolving Fund (SRF) Loan (See Debt on the following 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 began in the fiscal year 2013-14. Construction began in fiscal year 2015-16 with an estimated completion date of June 2017.

## DEBT

In 2016, the District received funding approval for a total of \$25,562,000 in three separate Clean Water State Revolving Fund (SRF) Loans; one each for the Collection System, Treatment Facilities, and Seasonal Storage Improvements. These funds are to be utilized solely for the Woods Valley Ranch Wastewater Expansion Project. Repayment of this debt is scheduled to begin in August 2017 for the Collection System October 2017 for the Seasonal Storage, and December 2017 for the Treatment Plan. There are three separate debt schedules, one for each component (see pages 12-1B and 12-1C under the Woods Valley Expansion tab for detailed schedules).

Other property owners in the Woods Valley Ranch Water Reclamation Facility (WVRWRF) service area expressed an interest in participating in the project and capacity requests increased from 350 equivalent dwelling units (EDU's) to 1,095 EDUs by the end of 2014. Facilities were planned for the higher participation level and design of the project facilities were delayed until the participation agreements for the increased capacity were completed. Estimated total project cost increased to \$32,075,000 with \$30,735,000 being the new portion eligible for the SRF Loans. A fourth loan was established for the added North Village Wastewater Collection Facilities.

The current service area is anticipated to have an ultimate wastewater demand of 600,000 gallons per day which would include providing service to both the South and North Village areas. The Expansion Project consists of constructing a low pressure wastewater collection system in the South Village Area, a seasonal storage facility on Charlan Road, the expansion of the WVRWRF, and wastewater collection system in the North Village Area.



*Construction progress Woods Valley Ranch Phase 2 Treatment Plant Expansion.*

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, 2015, were \$395,000. 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.



Rendering of Woods Valley Ranch Wastewater Reclamation Facility looking southwest.

## **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 2015.

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.

Survey responses show the District met or exceeded the standard 100.0% of the time.

**2. WATER LOSS** – Report annually for the past 10 years of unknown water loss in terms of percent of water sold, acre feet, and value of water loss, as well as efforts to minimize and reduce unknown water loss wherever possible.

Unaccounted water loss for 2015 totaled 1,076 acre feet, 5.1% of total water sold, representing \$1.1 million dollars.

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

Our Discretionary Reserves as of December 31, 2015 represents 5.0 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 13.7% 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 103.7% of design criteria.

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

One project was completed in calendar 2015 at 7.4% under the Engineer’s estimate.

**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 99.999%.

**8. COMPLIANCE WITH ALL STATE & FEDERAL REGULATIONS.**

100%.

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

The District had one lost time accident in calendar 2015 representing 0.0023% of total hours worked.

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

Our weighted average return on all investments for calendar 2015 was 0.876% as compared to the 12-month rolling average U.S. Treasury Bonds of 0.328%.

## 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.*
- c. **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.*
- d. **Local Water Resources** – Seek out and pursue opportunities to expand the use of local surface and groundwater resources. *Implementation Goal: Ongoing Effort.*
- e. **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.*

### 2. 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*

### 3. 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.*

#### **4. 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.*

#### **5. 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*

**6. 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*

**RECOMMENDATIONS**

Recommendations to implement the 2016-17 budget are summarized for your action as follows:

- Adopt the budget as presented (or modified by your Board) for implementation July 1, 2016.
- In accordance with Administrative Code Section 160.3(g), implement rate changes from the Metropolitan Water District and the County Water Authority when incurred.

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

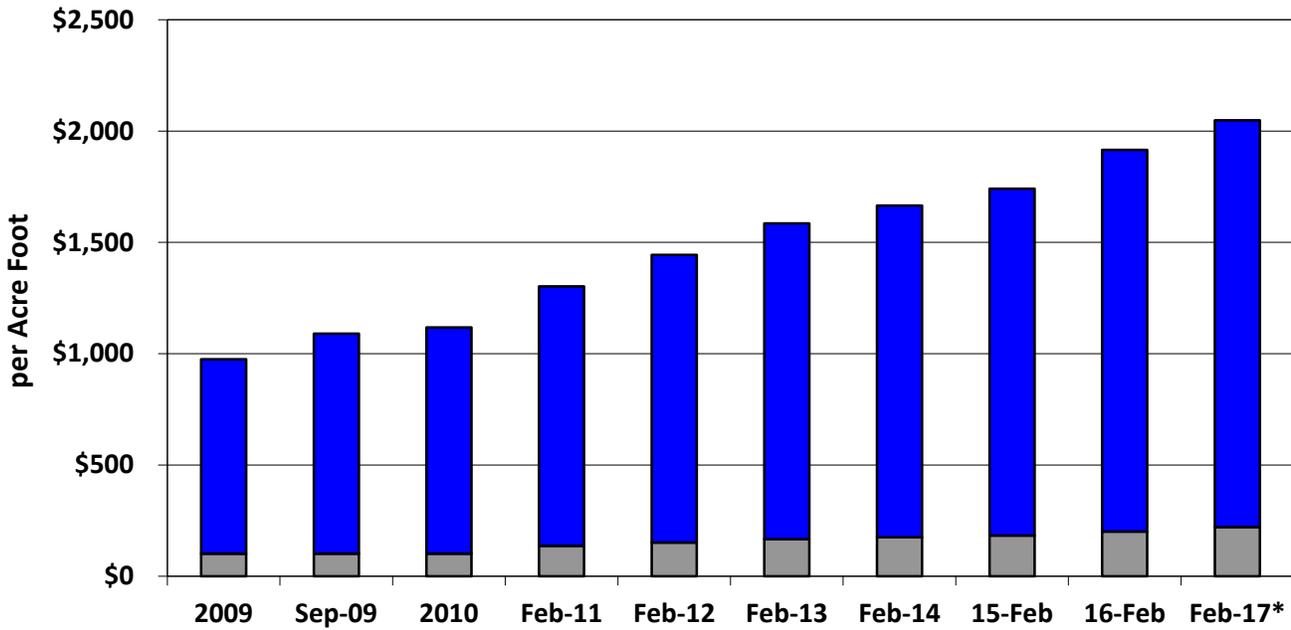
**PREPARED BY:**

  
\_\_\_\_\_  
James V. Pugh  
Director of Finance

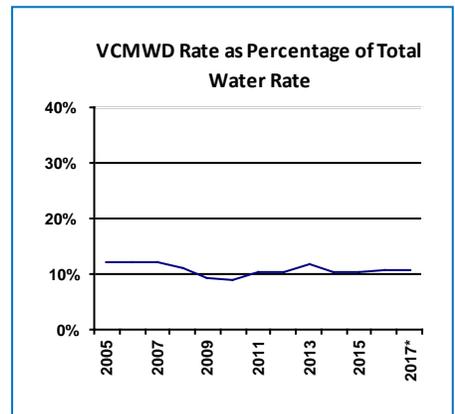
**APPROVED BY:**

  
\_\_\_\_\_  
Gary T. Arant  
General Manager

# Water Rate Components



Valley Center Municipal Water District  
 MWD & SDCWA Wholesale

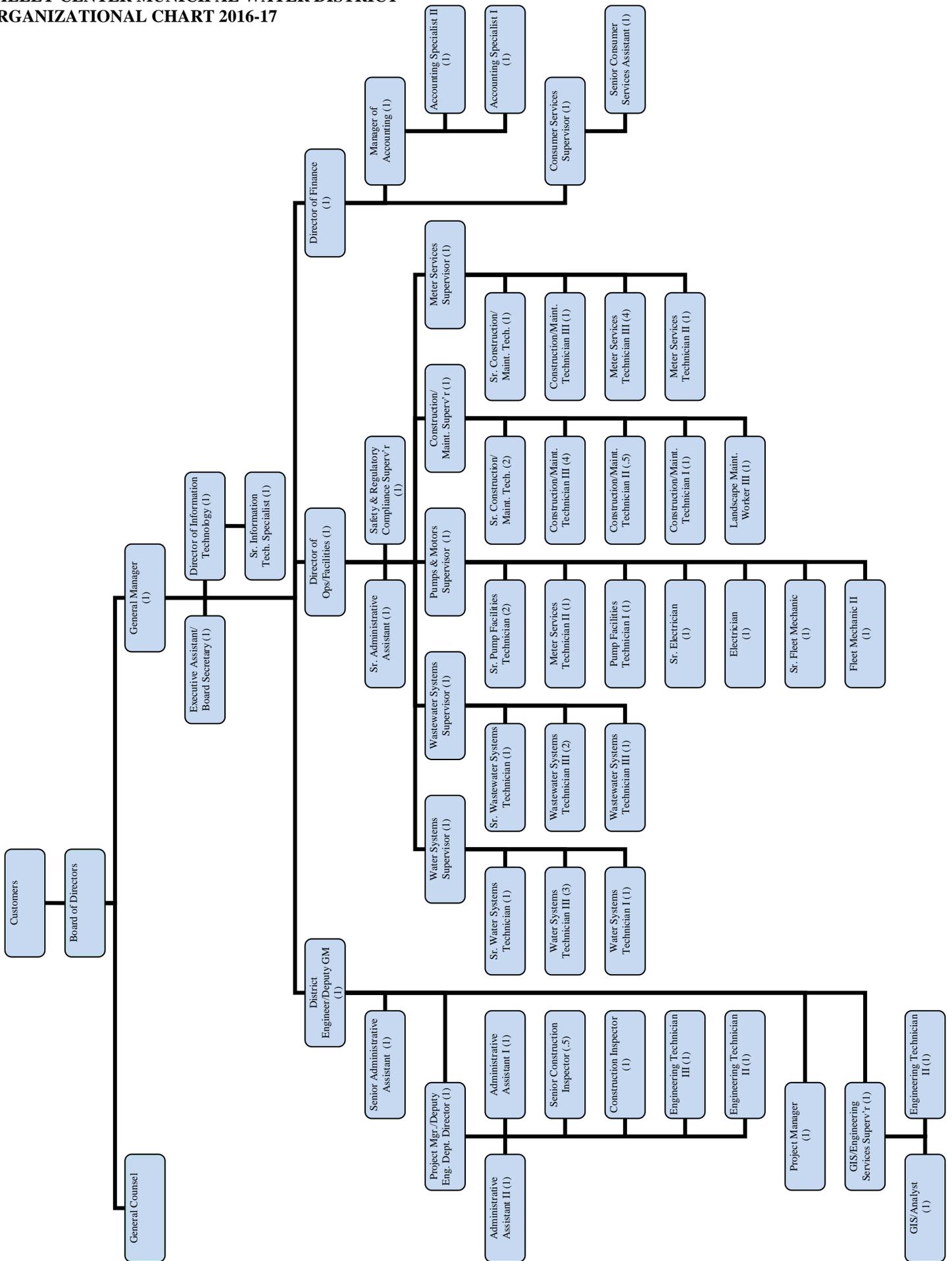


<i>Rate in Dollars per Acre Foot</i>	<u>2009</u>	<u>Sept 2009</u>	<u>2010</u>	<u>Feb 2011</u>	<u>Feb 2012</u>	<u>Feb 2013</u>	<u>Feb 2014</u>	<u>Feb 2015</u>	<u>Feb 2016</u>	<u>Feb 2017*</u>
Valley Center Municipal Water District	\$102	\$102	\$102	\$ 137	\$152	\$167	\$175	\$183	\$201	\$221
MWD/SDCWA wholesale	<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>	<u>1,558</u>	<u>1,714</u>	<u>1,827</u>
Total	<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>	<u>\$1,741</u>	<u>\$1,915</u>	<u>\$2,048</u>
Agricultural Use Discounts **	<u>\$252</u>	<u>\$250</u>	<u>\$238</u>	<u>\$267</u>	<u>\$274</u>	<u>\$312</u>	<u>\$351</u>	<u>\$407</u>	<u>\$533</u>	<u>\$550</u>

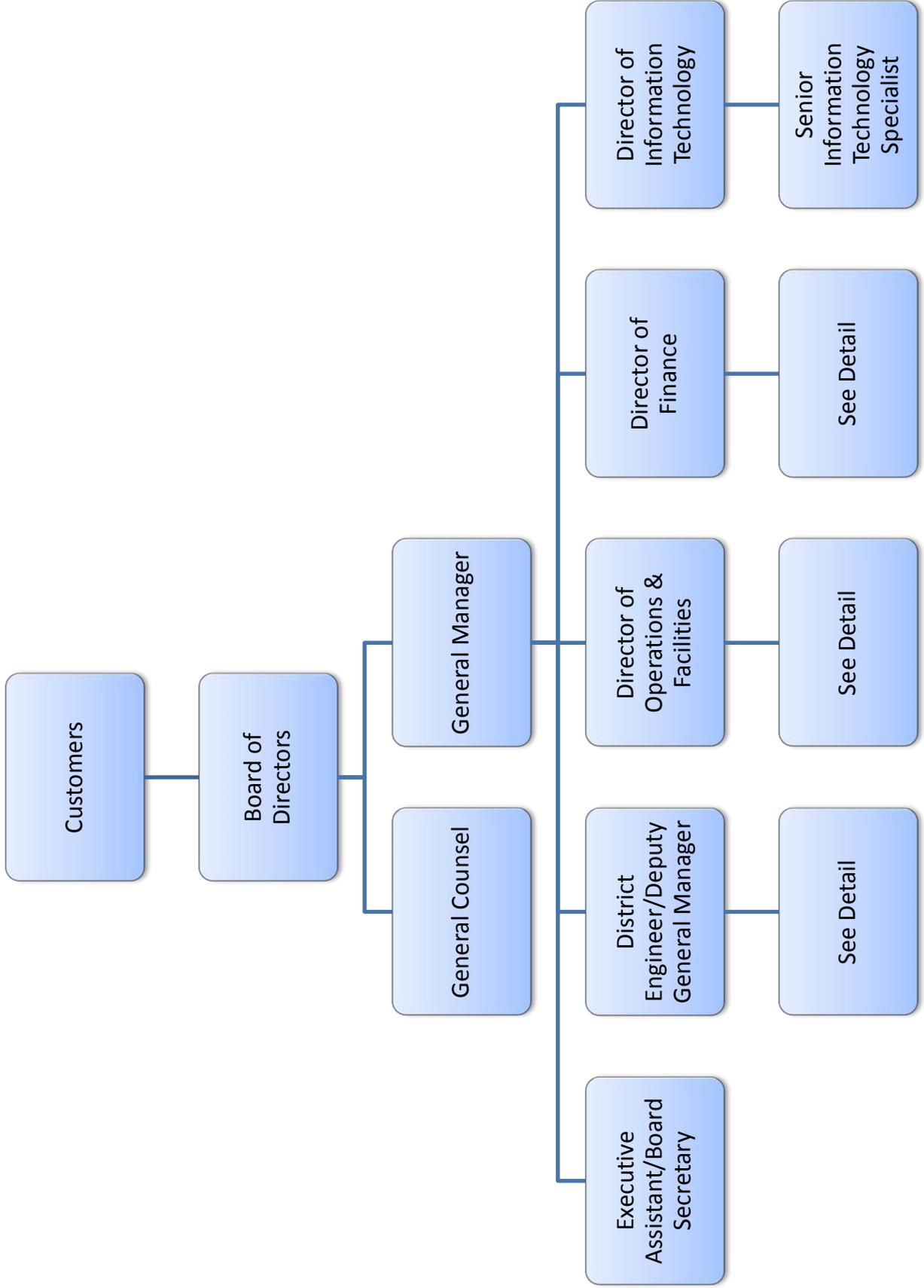
\* Proposed water rates

\*\* Maximum discount available.

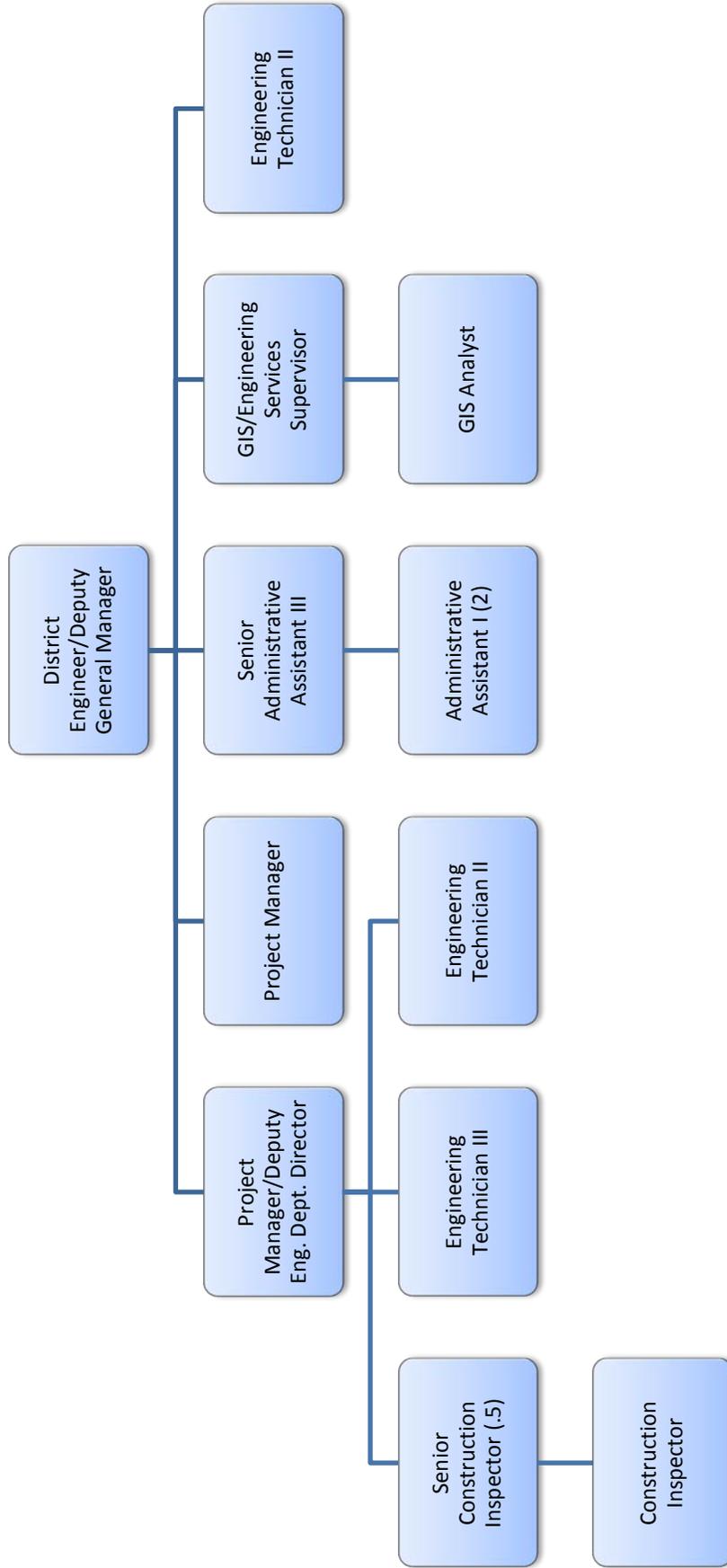
**VALLEY CENTER MUNICIPAL WATER DISTRICT  
ORGANIZATIONAL CHART 2016-17**



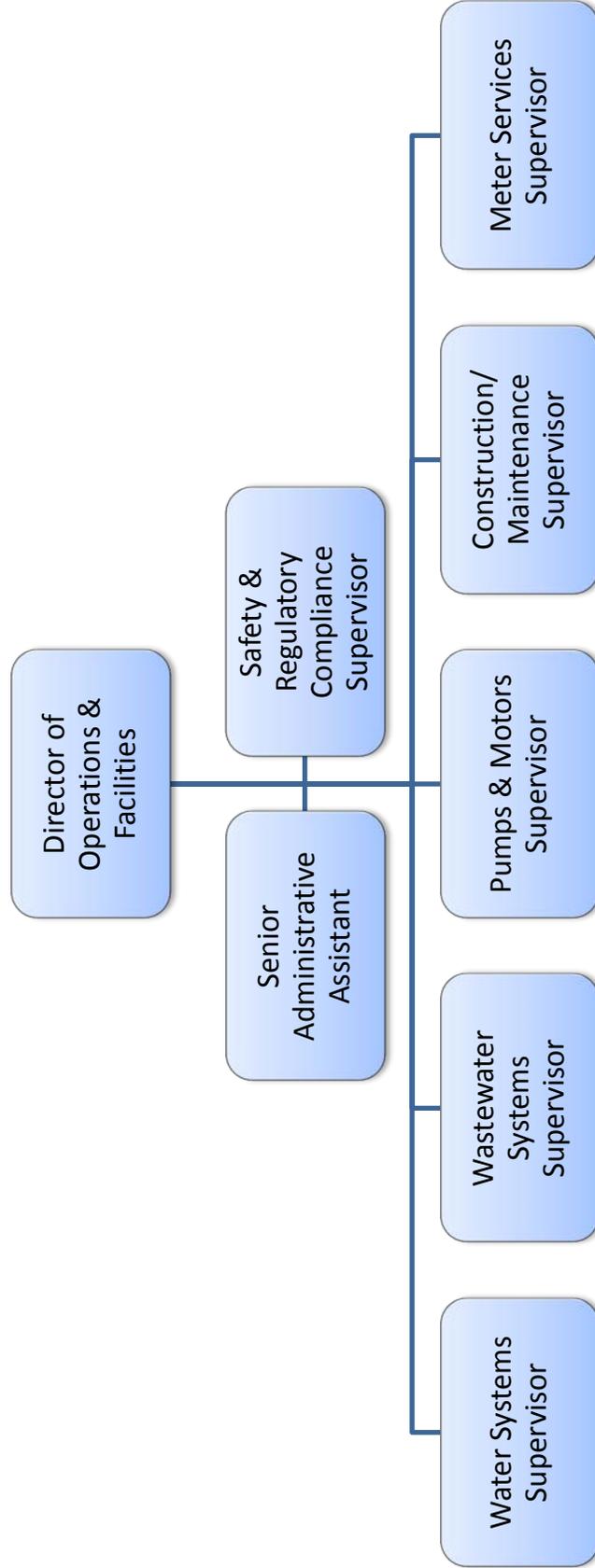
# General Administrative & Information Technology



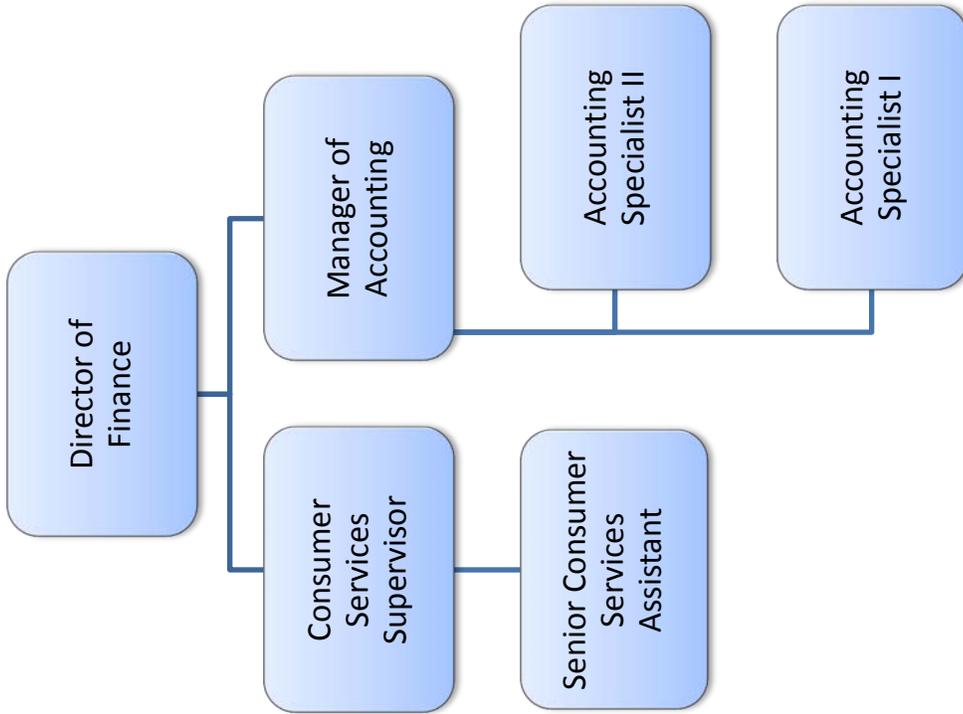
# Engineering Department



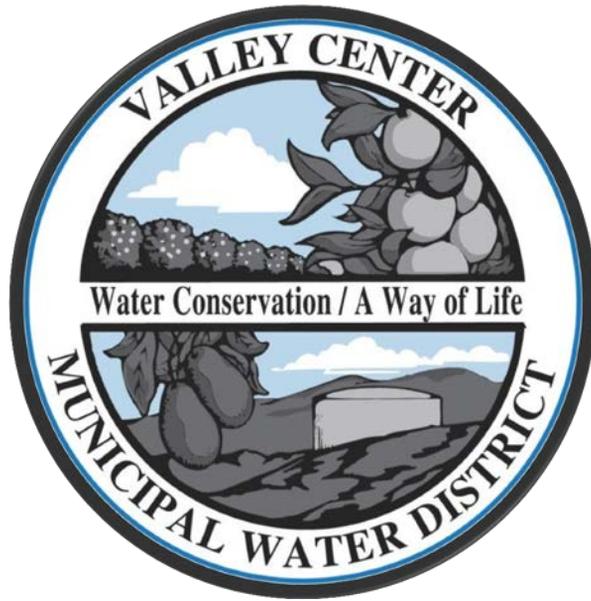
# Field Department



# Finance Department







# Resolutions

RESOLUTION NO. 2016-19

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2016-2017 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 2016-2017 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 2016-2017.
2. That the amounts designated in the final 2016-2017 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 20th day of June, 2016, by the following vote to wit:

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

NOES: None

ABSENT: None

  
PRESIDENT

ATTEST:

  
SECRETARY

ALL BUDGETED FUNDS

	Operating	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
<b>ESTIMATED BALANCE, JUNE 30, 2016</b>	<b>\$5,673,504</b>	<b>\$11,026,456</b>	<b>\$16,699,960</b>	<b>\$2,425,163</b>	<b>\$1,309,816</b>	<b>\$546,091</b>	<b>\$20,981,030</b>

RECAP OF EXPENDITURES BY FUNCTION

General Administration	811,133		811,133				811,133
Information Technology	690,408		690,408				690,408
Finance	1,584,196		1,584,196				1,584,196
Engineering	1,651,822		1,651,822				1,651,822
Field Operation	6,609,449		6,609,449	1,330,837	479,888		8,420,174
Source of Supply	29,785,715		29,785,715				29,785,715
Capital Projects		1,301,500	1,301,500	224,000	75,000	20,838,171	22,438,671
<b>Total Budgeted Expenditures</b>	<b>\$41,132,723</b>	<b>\$1,301,500</b>	<b>\$42,434,223</b>	<b>\$1,554,837</b>	<b>\$554,888</b>	<b>\$20,838,171</b>	<b>\$65,382,119</b>

SOURCE OF FINANCING

Revenues:							
Water Sales	32,985,000		32,985,000				32,985,000
Meter Service Charges/Wastewater Charges	5,879,000		5,879,000	1,633,016	407,998	610,227	8,530,241
New Connection Sales	169,900	188,320	358,220				358,220
Other Revenue	888,630		888,630				888,630
Investment Income	225,000		225,000				225,000
Property Taxes		2,181,000	2,181,000				2,181,000
Water Availability Charges		585,000	585,000				585,000
Clean Water SRF Loan						20,838,171	20,838,171
<b>Total Revenues</b>	<b>\$40,147,530</b>	<b>\$2,954,320</b>	<b>\$43,101,850</b>	<b>\$1,633,016</b>	<b>\$407,998</b>	<b>\$21,448,398</b>	<b>\$66,591,262</b>

NET REVENUES & EXPENDITURES

<b>NET REVENUES &amp; EXPENDITURES</b>	<b>(\$985,193)</b>	<b>\$1,652,820</b>	<b>\$667,627</b>	<b>\$78,179</b>	<b>(\$146,890)</b>	<b>\$610,227</b>	<b>\$1,209,143</b>
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EXPENDITURES OF CONTINUING PROJECTS

EXPENDITURES OF CONTINUING PROJECTS	\$0	(\$6,162,082)	(\$6,162,082)	(\$291,347)	(\$700,683)	\$0	(\$7,154,112)
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TRANSFERS (See page 3-2)

TRANSFERS (See page 3-2)	\$985,193	(\$985,193)	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2017

<b>ESTIMATED BALANCE, JUNE 30, 2017</b>	<b>\$5,673,504</b>	<b>\$5,532,002</b>	<b>\$11,205,506</b>	<b>\$2,211,995</b>	<b>\$462,243</b>	<b>\$1,156,318</b>	<b>\$15,036,063</b>
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Excluded from this budget are the following debt service funds:  
Assessment Districts 93-1, 96-1, and 96-2.

June 20, 2016

TO: Honorable President and Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: RESOLUTION TO ESTABLISH APPROPRIATION LIMIT FOR 2016-2017

**PURPOSE:**

Board adoption of Resolution No. 2016-20 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 2016-2017.

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 June 2, 2016, in compliance with this requirement.

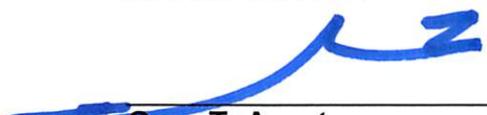
**RECOMMENDATION:**

That Resolution No. 2016-20 be adopted to establish the appropriation limit for 2016-2017 as \$6,178,926.

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 20, 2016, at 2:00 P.M. at 29300 Valley Center Road, the Board of Directors will, by resolution, establish the District's 2016-17 appropriation limit pursuant to Article XIII B of the State Constitution as amended by Proposition 111 effective July 1, 1990. The appropriation limit for 2016-17 is to be set at \$6,178,926 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>
<b>Proceeds of Taxes Base Year</b>			
1986-87			\$855,392
<b>Annual adjustment factors:</b>			
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
2014-15	-0.23% (b)	1.23%	\$5,522,728
2015-16	3.82% (a)	1.48%	\$5,818,746
2016-17	5.37% (a)	0.78%	\$6,178,926

Posted June 2, 2016



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. 2016-20

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY  
CENTER MUNICIPAL WATER DISTRICT TO ESTABLISH THE  
APPROPRIATION LIMIT FOR THE 2016-2017 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:

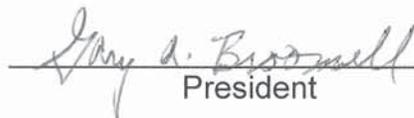
1. That the foregoing facts are true and correct.
2. That the appropriation limit for the 2015-16 fiscal year was \$5,818,746, and that the proceeds of taxes to be received in that year, in the amount of approximately \$2,035,000, did not exceed that appropriation limit.
3. That in determining the appropriation limit for 2016-2017, 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 2016-2017, 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 2016-2017 fiscal year is established at \$6,178,926.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held the 20th day of June, 2016, by the following vote, to wit;

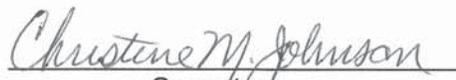
AYES: Directors Broomell, Polito, Aleshire, Haskell and Ferro

NOES: None

ABSENT: None

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ORDINANCE NO. 2016-09

ORDINANCE OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
AMENDING THE ADMINISTRATIVE  
CODE TO INCORPORATE PROVISIONS PER THE  
APPROVED MEMORANDUM OF UNDERSTANDING  
BETWEEN THE VALLEY CENTER MUNICIPAL WATER DISTRICT AND  
THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
EMPLOYEES' ASSOCIATION AS WELL AS OTHER ASSOCIATED  
CHANGES TO ARTICLE 8, "COMPENSATION"

BE IT ORDAINED by the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT as follows:

Section 1. The VALLEY CENTER MUNICIPAL WATER DISTRICT Administrative Code be and it is amended to provide for changes in the Standby Pay, Shift Differential Pay, and the District's Classification and Compensation Plan by modification of Article 8, Sections 8.6, 8.7 and 8.9(c), and the new classifications in 8.9(c) and Safety Shoe Reimbursement in Section 8.14, as set forth in "Exhibit A" to this Ordinance.

Section 2. That Ordinance No. 2016-09 is an urgency ordinance with compensation related changes taking effect mid-shift June 24, 2016.

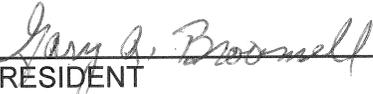
PASSED AND ADOPTED at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held on this 20<sup>th</sup> day of June, 2016 by the following vote, to wit:

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

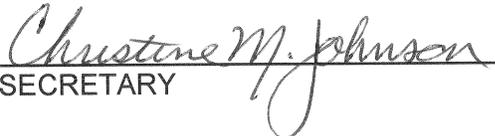
NOES: None

ABSTAIN: None

ABSENT: None

  
PRESIDENT

ATTEST:

  
SECRETARY

**Article 8 Changes Implemented With the Adoption of Ordinance 2016-09**

Sec. 8.6      Standby Pay

- (a) Standby Duty Pay. The employee assigned to the overnight standby duty shall receive ~~\$31.39~~ **\$32.02** for the overnight standby shift plus a minimum of two (2) hours pay at applicable overtime rates for the first call back in each overnight standby shift. Any successive call backs in the same overnight standby shift will be paid for actual time worked at applicable overtime rates.

Exempt employees are not eligible to receive standby pay.

- (b) Weekend/Holiday Standby Pay. The employees assigned overnight standby duty on Fridays shall receive the standby pay as set forth in Section 8.6(a) for the overnight standby shift. The employees assigned to twenty four (24) hour standby duty on Saturdays, Sundays and holidays shall receive ~~\$60.08~~ **\$61.28** per twenty four (24) hour standby shift. The employees shall receive a minimum of two (2) hours pay at applicable overtime rates for the first call back in each shift. Any successive call backs in the same shift will be paid for actual time worked at applicable overtime rates.

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

- Sec. 8.7      Shift Differential Pay. Employees assigned to work a different shift from the District's regular work period of Monday through Thursday from 7:00 a.m. to 4:30 p.m., and on Friday from 7:00 a.m. to 3:30 p.m. for Field personnel and 7:30 a.m. to 4:00 p.m. for Office and Field Administrative personnel shall receive ~~\$1.41~~ **\$1.44** per hour shift differential pay in addition to his/her regular pay for those hours worked other than the District's regular work period.

- Sec. 8.9      Compensation Policy - Position Classifications and Salary Ranges. This section sets forth the basic policies of the District. However, notwithstanding any policy set forth herein, the Board of Directors reserves the right and power to determine salary schedules and compensation of all employees after meeting and conferring with recognized employee associations and employee representatives.

The present District salary ranges are show on the immediately following pages.

Sec. 8.9

Compensation Policy - Position Classifications and Salary Ranges

<u>Classifications</u>	<u>Salary Range Number</u>
<b>General Manager</b>	<b>As set by Board</b>
<b>Administrative/Clerical Series</b>	
Administrative Assistant I	14 <sup>(1)</sup>
Administrative Assistant II	16
Administrative Assistant III	18
Sr. Administrative Assistant	21
Executive Assistant/Secretary to the Board	25
<b>Engineering Series</b>	
District Engineer/Deputy General Manager	37.6
Project Coordinator	27
Project Manager	30.5
Project Manager/Deputy Engineering Department Director	31
Engineering Technician I	19 <sup>(1)</sup>
Engineering Technician II	21
Engineering Technician III	23
Senior Engineering Technician	25
GIS/Mapping Technician	21
GIS Analyst	23
GIS/Engineering Services Supervisor	25
Construction Inspector	22.5
Sr. Construction Inspector	24.5
Construction Inspector Supervisor	27
<b>Finance, Accounting and Consumer Services Series</b>	
Director of Finance and Administration	36.6
Accounting Clerk	16
Accounting Specialist I	18
Accounting Specialist II	21
Accounting (Benefits) Specialist III	23
Accountant	26.5
Manager of Accounting	31

Consumer Services Assistant	16
Sr. Consumer Services Assistant	18
Consumer Services Supervisor	25
<b>Information Technology Series</b>	
Director of Information Technology	36.6
Information Technology Specialist	23 <sup>(1) (2)</sup>
Sr. Information Technology Specialist	27
<b>Operations and Facility Maintenance Administration and Operating Divisions Series</b>	
Director of Operations/Facilities	36.5
Safety & Regulatory Compliance Supervisor	<del>25</del> -27
<b>Construction-Maintenance, Landscape Division</b>	
Construction/Maintenance Technician I	17 <sup>(1) (2)</sup>
Construction/Maintenance Technician II	19.5
Construction/Maintenance Technician III	21.5
Sr. Construction/Maintenance Technician	23.5
Construction/Maintenance Supervisor	27
Landscape Maintenance Worker I	13 <sup>(1) (2)</sup>
Landscape Maintenance Worker II	15
Landscape Maintenance Worker III	17
<b>Meter Services Division</b>	
Meter Services Technician I	17 <sup>(1) (2)</sup>
Meter Services Technician II	19.5
Meter Services Technician III	21.5
Sr. Meter Services Technician	23.5
Meter Services Supervisor	27
<b>Pumps-Motors, Electrical, Fleet Maintenance Division</b>	
Pump Facilities Technician I	17 <sup>(1) (2)</sup>
Pump Facilities Technician II	19.5
Pump Facilities Technician III	21.5
Sr. Pump Facilities Technician	23.5
Pumps and Motors Supervisor	27

Electrical Technician I	17 <sup>(1)</sup> <sup>(2)</sup>
Electrical Technician II	19.5
Electrician	21.5
Sr. Electrician	23.5
Fleet Mechanic I	17 <sup>(1)</sup> <sup>(2)</sup>
Fleet Mechanic II	19.5
Fleet Mechanic III	21.5
Sr. Fleet Mechanic	23.5
<b>Wastewater Operations Division</b>	
Wastewater Systems Technician I	17 <sup>(1)</sup> <sup>(2)</sup>
Wastewater Systems Technician II	19.5
Wastewater Systems Technician III	21.5
Sr. Wastewater Systems Technician	23.5
Wastewater Systems Supervisor	27
<b>Water Operations Division</b>	
Water Systems Technician I	17 <sup>(1)</sup> <sup>(2)</sup>
Water Systems Technician II	19.5
Water Systems Technician III	21.5
Sr. Water Systems Technician	23.5
Water Systems Supervisor	27

Notes: <sup>(1)</sup>Employees may be hired in the “Training Range”, as defined by Section 5.3(e), hired at 15% below classification level.

<sup>(2)</sup>Employees may be hired as “Provisional Employees” and, as such, have two (2) years to obtain the licenses and certifications required to perform their specified duties or be subject to actions as described in Section 5.3(f)

Sec. 8.9(c) Classification and Compensation Plan (Cont'd)

RANGE NO.	BIWEEKLY SALARY RANGE		MONTHLY SALARY RANGE		YEARLY SALARY RANGE		HOURLY SALARY RANGE	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
Gen Mgr	\$8,319.23	\$8,319.23	\$18,025.00	\$18,025.00	\$216,300.00	\$216,300.00	\$103.990	\$103.990
37.6	\$5,359.68	\$7,151.04	\$11,612.64	\$15,493.92	\$139,351.68	\$185,927.04	\$66.996	\$89.388
37.5	\$5,267.36	\$7,058.72	\$11,412.61	\$15,293.89	\$136,951.36	\$183,526.72	\$65.842	\$88.234
37.0	\$5,140.40	\$6,888.56	\$11,137.53	\$14,925.21	\$133,650.40	\$179,102.56	\$64.255	\$86.107
36.6	\$5,108.80	\$6,814.88	\$11,069.07	\$14,765.57	\$132,828.80	\$177,186.88	\$63.860	\$85.186
36.5	\$5,016.48	\$6,722.56	\$10,869.04	\$14,565.55	\$130,428.48	\$174,786.56	\$62.706	\$84.032
36.0	\$4,895.60	\$6,560.56	\$10,607.13	\$14,214.55	\$127,285.60	\$170,574.56	\$61.195	\$82.007
35.5	\$4,777.60	\$6,402.48	\$10,351.47	\$13,872.04	\$124,217.60	\$166,464.48	\$59.720	\$80.031
35.0	\$4,662.48	\$6,248.16	\$10,102.04	\$13,537.68	\$121,224.48	\$162,452.16	\$58.281	\$78.102
34.5	\$4,550.16	\$6,097.60	\$9,858.68	\$13,211.47	\$118,304.16	\$158,537.60	\$56.877	\$76.220
34.0	\$4,440.48	\$5,950.64	\$9,621.04	\$12,893.05	\$115,452.48	\$154,716.64	\$55.506	\$74.383
33.5	\$4,333.44	\$5,807.20	\$9,389.12	\$12,582.27	\$112,669.44	\$150,987.20	\$54.168	\$72.590
33.0	\$4,229.04	\$5,667.28	\$9,162.92	\$12,279.11	\$109,955.04	\$147,349.28	\$52.863	\$70.841
32.5	\$4,127.12	\$5,530.72	\$8,942.09	\$11,983.23	\$107,305.12	\$143,798.72	\$51.589	\$69.134
32.0	\$4,027.60	\$5,397.44	\$8,726.47	\$11,694.45	\$104,717.60	\$140,333.44	\$50.345	\$67.468
31.5	\$3,930.56	\$5,267.36	\$8,516.21	\$11,412.61	\$102,194.56	\$136,951.36	\$49.132	\$65.842
31.0	\$3,835.84	\$5,140.40	\$8,310.99	\$11,137.53	\$99,731.84	\$133,650.40	\$47.948	\$64.255
30.5	\$3,743.44	\$5,016.48	\$8,110.79	\$10,869.04	\$97,329.44	\$130,428.48	\$46.793	\$62.706
30.0	\$3,653.20	\$4,895.60	\$7,915.27	\$10,607.13	\$94,983.20	\$127,285.60	\$45.665	\$61.195
29.5	\$3,565.12	\$4,777.60	\$7,724.43	\$10,351.47	\$92,693.12	\$124,217.60	\$44.564	\$59.720
29.0	\$3,479.20	\$4,662.48	\$7,538.27	\$10,102.04	\$90,459.20	\$121,224.48	\$43.490	\$58.281
28.5	\$3,395.36	\$4,550.16	\$7,356.61	\$9,858.68	\$88,279.36	\$118,304.16	\$42.442	\$56.877
28.0	\$3,313.52	\$4,440.48	\$7,179.29	\$9,621.04	\$86,151.52	\$115,452.48	\$41.419	\$55.506
27.5	\$3,233.68	\$4,333.44	\$7,006.31	\$9,389.12	\$84,075.68	\$112,669.44	\$40.421	\$54.168
27.0	\$3,155.76	\$4,229.04	\$6,837.48	\$9,162.92	\$82,049.76	\$109,955.04	\$39.447	\$52.863
26.5	\$3,079.68	\$4,127.12	\$6,672.64	\$8,942.09	\$80,071.68	\$107,305.12	\$38.496	\$51.589
26.0	\$3,005.52	\$4,027.60	\$6,511.96	\$8,726.47	\$78,143.52	\$104,717.60	\$37.569	\$50.345
25.5	\$2,933.04	\$3,930.56	\$6,354.92	\$8,516.21	\$76,259.04	\$102,194.56	\$36.663	\$49.132
25.0	\$2,862.40	\$3,835.84	\$6,201.87	\$8,310.99	\$74,422.40	\$99,731.84	\$35.780	\$47.948
24.5	\$2,793.36	\$3,743.44	\$6,052.28	\$8,110.79	\$72,627.36	\$97,329.44	\$34.917	\$46.793
24.0	\$2,726.08	\$3,653.20	\$5,906.51	\$7,915.27	\$70,878.08	\$94,983.20	\$34.076	\$45.665
23.5	\$2,660.40	\$3,565.12	\$5,764.20	\$7,724.43	\$69,170.40	\$92,693.12	\$33.255	\$44.564
23.0	\$2,596.24	\$3,479.20	\$5,625.19	\$7,538.27	\$67,502.24	\$90,459.20	\$32.453	\$43.490
22.5	\$2,533.68	\$3,395.36	\$5,489.64	\$7,356.61	\$65,875.68	\$88,279.36	\$31.671	\$42.442
22.0	\$2,472.64	\$3,313.52	\$5,357.39	\$7,179.29	\$64,288.64	\$86,151.52	\$30.908	\$41.419
21.5	\$2,413.04	\$3,233.68	\$5,228.25	\$7,006.31	\$62,739.04	\$84,075.68	\$30.163	\$40.421
21.0	\$2,354.88	\$3,155.76	\$5,102.24	\$6,837.48	\$61,226.88	\$82,049.76	\$29.436	\$39.447
20.5	\$2,298.16	\$3,079.68	\$4,979.35	\$6,672.64	\$59,752.16	\$80,071.68	\$28.727	\$38.496
20.0	\$2,242.72	\$3,005.52	\$4,859.23	\$6,511.96	\$58,310.72	\$78,143.52	\$28.034	\$37.569
19.5	\$2,188.72	\$2,933.04	\$4,742.23	\$6,354.92	\$56,906.72	\$76,259.04	\$27.359	\$36.663
19.0	\$2,136.00	\$2,862.40	\$4,628.00	\$6,201.87	\$55,536.00	\$74,422.40	\$26.700	\$35.780
18.5	\$2,084.48	\$2,793.36	\$4,516.37	\$6,052.28	\$54,196.48	\$72,627.36	\$26.056	\$34.917
18.0	\$2,034.24	\$2,726.08	\$4,407.52	\$5,906.51	\$52,890.24	\$70,878.08	\$25.428	\$34.076
17.5	\$1,985.20	\$2,660.40	\$4,301.27	\$5,764.20	\$51,615.20	\$69,170.40	\$24.815	\$33.255
17.0	\$1,937.36	\$2,596.24	\$4,197.61	\$5,625.19	\$50,371.36	\$67,502.24	\$24.217	\$32.453
16.5	\$1,890.72	\$2,533.68	\$4,096.56	\$5,489.64	\$49,158.72	\$65,875.68	\$23.634	\$31.671
16.0	\$1,845.12	\$2,472.64	\$3,997.76	\$5,357.39	\$47,973.12	\$64,288.64	\$23.064	\$30.908
15.5	\$1,800.64	\$2,413.04	\$3,901.39	\$5,228.25	\$46,816.64	\$62,739.04	\$22.508	\$30.163
15.0	\$1,757.28	\$2,354.88	\$3,807.44	\$5,102.24	\$45,689.28	\$61,226.88	\$21.966	\$29.436
14.5	\$1,714.88	\$2,298.16	\$3,715.57	\$4,979.35	\$44,586.88	\$59,752.16	\$21.436	\$28.727
14.0	\$1,673.60	\$2,242.72	\$3,626.13	\$4,859.23	\$43,513.60	\$58,310.72	\$20.920	\$28.034
13.5	\$1,633.28	\$2,188.72	\$3,538.77	\$4,742.23	\$42,465.28	\$56,906.72	\$20.416	\$27.359
13.0	\$1,593.92	\$2,136.00	\$3,453.49	\$4,628.00	\$41,441.92	\$55,536.00	\$19.924	\$26.700
12.5	\$1,555.52	\$2,084.48	\$3,370.29	\$4,516.37	\$40,443.52	\$54,196.48	\$19.444	\$26.056
12.0	\$1,518.00	\$2,034.24	\$3,289.00	\$4,407.52	\$39,468.00	\$52,890.24	\$18.975	\$25.428
11.5	\$1,481.44	\$1,985.20	\$3,209.79	\$4,301.27	\$38,517.44	\$51,615.20	\$18.518	\$24.815
11.0	\$1,445.68	\$1,937.36	\$3,132.31	\$4,197.61	\$37,587.68	\$50,371.36	\$18.071	\$24.217
10.5	\$1,410.88	\$1,890.72	\$3,056.91	\$4,096.56	\$36,682.88	\$49,158.72	\$17.636	\$23.634
10.0	\$1,376.88	\$1,845.12	\$2,983.24	\$3,997.76	\$35,798.88	\$47,973.12	\$17.211	\$23.064

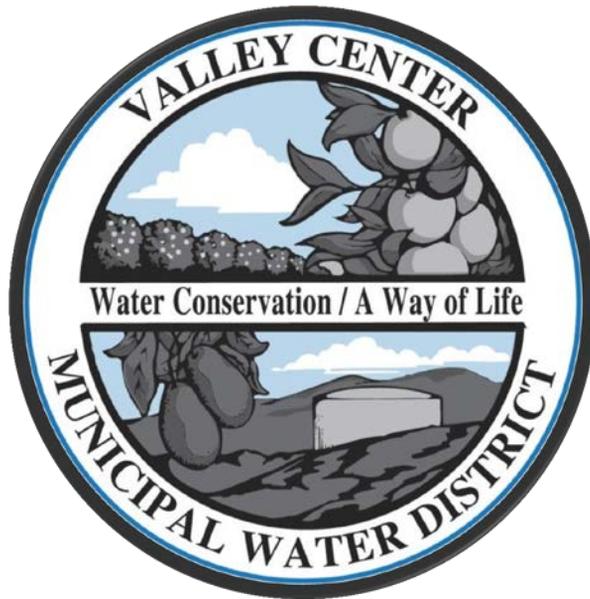
Sec. 8.14 ~~Safety Shoes. Annually, at the option of the employee, the District contributes toward the purchase of safety shoes for field employees in the following manner:~~

~~\_\_\_\_\_ (a) Option 1: The District shall reimburse eligible employees for two (2) pairs of safety shoes; the first at 100% not to exceed \$140.00, and the second at fifty percent (50%) of actual cost, or~~

~~\_\_\_\_\_ (b) Option 2: The District shall reimburse eligible employees for one (1) pair of safety shoes not to exceed \$190.00.~~

Sec. 8.14 **Safety Shoes. Annually, based upon a reasonably demonstrated need (excessive wear and/or loss of protective function) and with the approval of the General Manager or his designee, the District shall reimburse employees for the purchase of up to two (2) pairs of safety shoes at a cost not to exceed \$200.00, including applicable taxes, per pair. Such approval shall not be unreasonably withheld.**





# Recap of Revenues & Source

All Budgeted Funds

	Operating	Capital Projects	Total General	Moosa Wastewater	Woods Valley	WVR Expansion	Total All Funds
<b>ESTIMATED BALANCE, JUNE 30, 2016</b>	<b>\$5,673,504</b>	<b>\$11,026,456</b>	<b>\$16,699,960</b>	<b>\$2,425,163</b>	<b>\$1,309,816</b>	<b>\$546,091</b>	<b>\$20,981,030</b>

RECAP OF EXPENDITURES BY FUNCTION

General Administration	811,133		811,133				811,133
Information Technology	690,408		690,408				690,408
Finance	1,584,196		1,584,196				1,584,196
Engineering	1,651,822		1,651,822				1,651,822
Field Operation	6,609,449		6,609,449	1,330,837	479,888		8,420,174
Source of Supply	29,785,715		29,785,715				29,785,715
Capital Projects		1,301,500	1,301,500	224,000	75,000	20,838,171	22,438,671
<b>Total Budgeted Expenditures</b>	<b>\$41,132,723</b>	<b>\$1,301,500</b>	<b>\$42,434,223</b>	<b>\$1,554,837</b>	<b>\$554,888</b>	<b>\$20,838,171</b>	<b>\$65,382,119</b>

SOURCE OF FINANCING

Revenues:							
Water Sales	32,985,000		32,985,000				32,985,000
Meter Service Charges/Wastewater Charges	5,879,000		5,879,000	1,633,016	407,998	610,227	8,530,241
New Connection Sales	169,900	188,320	358,220				358,220
Other Revenue	888,630		888,630				888,630
Investment Income	225,000		225,000				225,000
Property Taxes		2,181,000	2,181,000				2,181,000
Water Availability Charges	0	585,000	585,000				585,000
Clean Water SRF Loan						20,838,171	20,838,171
<b>Total Revenues</b>	<b>\$40,147,530</b>	<b>\$2,954,320</b>	<b>\$43,101,850</b>	<b>\$1,633,016</b>	<b>\$407,998</b>	<b>\$21,448,398</b>	<b>\$66,591,262</b>

NET REVENUES & EXPENDITURES

	<b>(\$985,193)</b>	<b>\$1,652,820</b>	<b>\$667,627</b>	<b>\$78,179</b>	<b>(\$146,890)</b>	<b>\$610,227</b>	<b>\$1,209,143</b>
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EXPENDITURES OF CONTINUING PROJECTS

	\$0	(\$6,162,082)	(\$6,162,082)	(\$291,347)	(\$700,683)	\$0	(\$7,154,112)
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TRANSFERS (See page 3-2)

	\$985,193	(\$985,193)	\$0	\$0	\$0	\$0	\$0
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ESTIMATED BALANCE, JUNE 30, 2017

	<b>\$5,673,504</b>	<b>\$5,532,002</b>	<b>\$11,205,506</b>	<b>\$2,211,995</b>	<b>\$462,243</b>	<b>\$1,156,318</b>	<b>\$15,036,063</b>
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Excluded from this budget are the following debt service funds:  
Assessment Districts 93-1, 96-1, and 96-2.

(Excludes Utility Plant)

	Projected Balance, June 30, 2016	Revenues	Expenses	Net Revenues Expenses	Transfers and Budgeted Additions	Projected Balance, June 30, 2017
<b>General Fund</b>						
<b>Operating</b>						
Discretionary Reserves						
- Rate Stabilization	\$0			\$0		\$0
- Pumping Rate Stabilization	245,083	2,375,000	(2,977,200)	(602,200)	357,117	0
- Operating Reserve	5,428,421			0	245,083	5,673,504
Unappropriated Fund Balance	0	37,772,530	(38,155,523)	(382,993)	382,993	0
<b>Total Operating</b>	<b>\$5,673,504</b>	<b>\$40,147,530</b>	<b>(\$41,132,723)</b>	<b>(\$985,193)</b>	<b>\$985,193</b>	<b>\$5,673,504</b>
<b>Debt Service Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Capital Projects Reserves</b>						
- Continuing Projects	\$6,162,082		(\$6,162,082)	(\$6,162,082)		0
- Capacity Charges	662,017		0	0		662,017
- Capital Improvements	4,202,357	2,954,320	(1,301,500)	1,652,820	(985,193)	4,869,984
<b>Total Capital</b>	<b>\$11,026,456</b>	<b>\$2,954,320</b>	<b>(\$7,463,582)</b>	<b>(\$4,509,262)</b>	<b>(\$985,193)</b>	<b>\$5,532,002</b>
<b>Total General Fund</b>	<b>\$16,699,960</b>	<b>\$43,101,850</b>	<b>(\$48,596,304)</b>	<b>(\$5,494,454)</b>	<b>\$0</b>	<b>\$11,205,506</b>
<b>Lower Moosa Wastewater</b>	<b>\$2,425,163</b>	<b>\$1,633,016</b>	<b>(\$1,846,184)</b>	<b>(\$213,168)</b>		<b>\$2,211,995</b>
<b>Woods Valley Expansion</b>	<b>\$546,091</b>	<b>\$21,448,398</b>	<b>(\$20,838,171)</b>	<b>\$610,227</b>		<b>\$1,156,318</b>
<b>Woods Valley Wastewater</b>	<b>\$1,309,816</b>	<b>\$407,998</b>	<b>(\$1,255,571)</b>	<b>(\$847,573)</b>		<b>\$462,243</b>
<b>Total All Funds</b>	<b>\$20,981,030</b>	<b>\$66,591,263</b>	<b>(\$72,536,230)</b>	<b>(\$5,944,967)</b>	<b>\$0</b>	<b>\$15,036,063</b>

## General Fund

Page 1 of 3

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
	<b>WATER SALES</b>	@ 28,082 af	@ 23,000 af	@ 19,700 af	@ 20,000 af
4114	Municipal & Industrial	\$11,825,752	\$11,313,000	\$11,195,000	\$10,720,000
4117	Certified Agricultural - SAWR	13,027,277	12,834,000	10,515,000	11,293,000
4118	Certified Ag/Domestic - SAWR	9,863,483	9,700,000	7,977,000	8,560,000
4135	Construction	40,106	30,000	37,000	37,000
4150	Pump Charge	2,702,605	2,569,000	2,127,000	2,375,000
<b>Total Water Sales</b>		<b>\$37,459,223</b>	<b>\$36,446,000</b>	<b>\$31,851,000</b>	<b>\$32,985,000</b>
	<b>METER SERVICE CHARGES</b>				
4110	Additional Living Charge	\$21,883	\$22,000	\$22,000	\$22,000
4114	Municipal & Industrial	3,970,588	4,208,000	4,293,000	4,639,000
4117	Certified Agricultural - SAWR	386,100	411,000	397,000	437,000
4118	Certified Ag/Domestic - SAWR	641,144	681,000	687,000	749,000
4135	Construction	26,408	26,000	32,000	32,000
<b>Total Meter Service Charges</b>		<b>\$5,046,123</b>	<b>\$5,348,000</b>	<b>\$5,431,000</b>	<b>\$5,879,000</b>
	<b>NEW CONNECTION SALES</b>				
4210	Water Meters - New	\$161,306	\$81,400	\$198,700	\$91,500
4220	Water Meters - Relocate	0	0	0	0
4230	Pressure Reducers	90	0	0	0
4240	Double Check Valves	72,543	71,200	71,200	78,400
<b>Total New Connection Sales</b>		<b>\$233,939</b>	<b>\$152,600</b>	<b>\$269,900</b>	<b>\$169,900</b>

General Fund

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Adopted Budget	Estimated Actual	Budget
	PROPERTY TAXES-OTHER				
4310	Current Secured	\$1,899,177	\$1,933,000	\$2,034,800	\$2,096,000
4320	Current Unsecured	64,434	66,000	66,800	69,000
4340	Homeowners PTR	16,252	16,000	15,900	16,000
4350	Current Water Availability Charge	579,969	585,000	581,000	585,000
4382	Interest Allocation-Wtr Availability Chg	152	0	200	0
4370	Prior Unsecured	(1,389)	0	11,300	0
4380	Interest Allocation	512	0	500	0
Total Property Taxes-Other		\$2,559,107	\$2,600,000	\$2,710,500	\$2,766,000

## General Fund

Page 3 of 3

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Adopted Budget	Estimated Actual	Budget
<b>OTHER REVENUE</b>					
4410	Investment Income	\$117,809	\$133,000	\$190,000	\$225,000
4417	Delinquent Penalty	346,320	353,300	301,400	301,400
4419	Transfer Fee	7,510	7,000	7,870	8,000
4420	Turn On Charge	30,550	31,000	30,980	31,000
4421	R.P. Inspection/Svc Fee	99,818	158,000	143,490	143,000
4421	R.P. Repairs	12,898	19,000	15,710	16,000
4430	Sale of Maps/Copies	86	100	60	100
4433	Service Availability Charge	1,150	800	1,400	1,400
4435	Sale of Surplus	7,134	25,000	15,670	20,000
4440	Other	23,989	8,000	1,250	8,000
4440	Return Check Charge	925	2,000	450	1,500
4440	Lease of Facilities	313,680	319,400	322,000	353,800
4440	Escondido Sewer Collection Fee	2,591	2,600	2,600	2,600
4440	Escondido Water Service in Lieu	1,569	1,000	1,660	1,830
4440	Renewable Energy Credits	27,848	0	0	0
4446	State Mandated Cost Reimbursement	20,980	0	0	0
<b>Total Other Revenue</b>		<b>\$1,014,857</b>	<b>\$1,060,200</b>	<b>\$1,034,540</b>	<b>\$1,113,630</b>
<b>CAPITAL IMPROVEMENT CHARGES</b>					
4810	Meter Capacity Charges	\$210,528	\$182,420	\$105,883	\$188,320
4820	Contributions In Kind	215,305	0	0	0
4842	Annex Capital Fees	56,907	0	0	0
<b>Total Capital Improvement Charges</b>		<b>\$482,740</b>	<b>\$182,420</b>	<b>\$105,883</b>	<b>\$188,320</b>
<b>TOTAL REVENUE</b>		<b>\$46,795,989</b>	<b>\$45,789,220</b>	<b>\$41,402,823</b>	<b>\$43,101,850</b>

## All Budgeted Funds

	2014-2015	2015-2016		2016-2017
	Actual	Budget	Estimated Actual	Budget
<b>RECAP BY DEPARTMENT</b>				
General Administration	\$787,169	\$761,566	\$732,826	\$811,133
Finance	1,401,591	1,647,264	1,602,099	1,584,196
Information Technology	615,355	672,210	657,826	690,408
Engineering	1,313,336	1,743,431	1,641,031	1,651,822
Field Operation	5,837,301	6,507,294	6,398,276	6,609,449
Source of Supply	32,949,913	32,287,852	27,748,336	29,785,715
<b>Total Operating</b>	<b>\$42,904,665</b>	<b>\$43,619,617</b>	<b>\$38,780,394</b>	<b>\$41,132,723</b>
Capital Projects	4,303,138	5,780,924	2,459,514	1,301,500
<b>Total General Fund</b>	<b>\$47,207,803</b>	<b>\$49,400,541</b>	<b>\$41,239,908</b>	<b>\$42,434,223</b>
Lower Moosa Wastewater Treatment	1,204,292	1,333,334	1,473,169	1,554,837
Woods Valley Wastewater Expansion	1,204,059	29,120,000	8,226,394	20,838,171
Woods Valley Wastewater Treatment	500,257	372,197	424,787	554,888
<b>Total Wastewater</b>	<b>\$2,908,608</b>	<b>\$30,825,531</b>	<b>\$10,124,350</b>	<b>\$22,947,896</b>
<b>Grand Total</b>	<b>\$50,116,411</b>	<b>\$80,226,072</b>	<b>\$51,364,258</b>	<b>\$65,382,119</b>

## RECAP BY FUNCTION

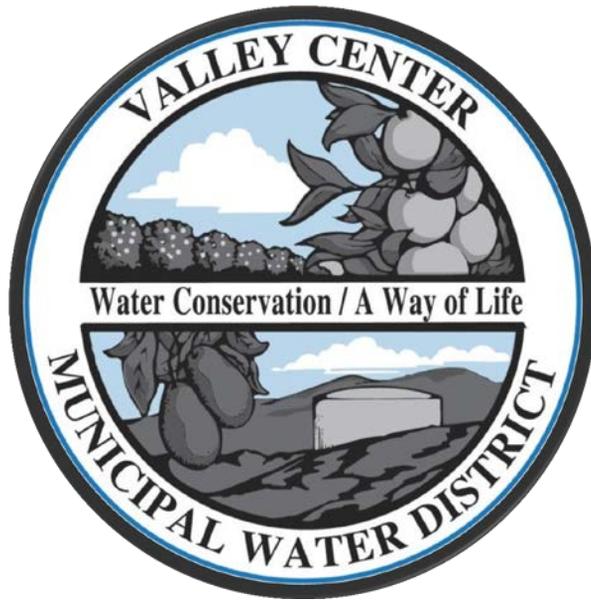
Operating	\$42,904,665	\$43,619,617	\$38,780,394	\$41,132,723
Capital Projects	4,303,138	5,780,924	2,459,514	1,301,500
<b>Total General Fund</b>	<b>\$47,207,803</b>	<b>\$49,400,541</b>	<b>\$41,239,908</b>	<b>\$42,434,223</b>
Lower Moosa Wastewater - Operating	1,204,292	1,333,334	1,473,169	1,554,837
Woods Valley Expansion - Capital Proj.	1,204,059	29,120,000	8,226,394	20,838,171
Woods Valley Wastewater - Operating	500,257	372,197	424,787	554,888
<b>Total Wastewater</b>	<b>\$2,908,608</b>	<b>\$30,825,531</b>	<b>\$10,124,350</b>	<b>\$22,947,896</b>
<b>Grand Total</b>	<b>\$50,116,411</b>	<b>\$80,226,072</b>	<b>\$51,364,258</b>	<b>\$65,382,119</b>

**WATER PURCHASED - Acre Feet**

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	
80-81	6,103.3	6,239.8	4,807.9	4,586.2	3,676.1	2,586.6	2,803.0	918.5	398.6	2,407.0	4,124.3	5,394.9	44,046.2	
81-82	6,781.8	6,200.0	6,068.7	4,019.9	3,235.9	1,985.8	192.1	527.2	1,027.1	1,690.3	2,823.8	3,538.6	38,091.2	
82-83	5,592.7	6,190.5	4,847.6	4,512.1	1,645.2	461.9	1,317.0	458.7	87.2	904.9	2,531.3	4,034.3	32,583.4	
83-84	5,737.0	4,625.2	5,473.0	3,054.9	1,628.3	341.4	1,080.1	2,766.0	3,756.7	3,488.5	5,287.9	5,008.3	42,247.3	
84-85	6,035.9	5,691.6	6,308.7	4,415.4	1,664.2	180.1	657.5	504.5	1,571.3	2,718.2	4,143.1	5,062.7	38,953.2	
85-86	6,433.5	6,287.9	4,800.6	4,404.2	1,628.4	849.8	2,719.2	359.3	1,139.6	2,489.4	4,799.4	5,143.3	41,054.6	
86-87	6,167.6	6,991.1	4,801.2	3,148.4	3,051.3	1,490.4	1,742.0	2,027.3	615.4	4,034.4	4,411.0	5,031.1	43,511.2	
87-88	5,324.3	6,078.5	5,678.1	2,798.1	947.0	1,188.0	901.8	2,078.9	3,235.9	2,445.2	4,226.2	5,035.2	39,937.2	
88-89	5,988.1	5,974.0	5,903.9	4,879.6	2,460.7	1,944.7	1,379.7	1,243.7	2,704.2	4,290.2	4,589.6	5,747.0	47,105.4	
89-90	7,076.1	6,686.1	6,255.6	4,890.2	4,777.0	4,419.5	1,513.3	1,022.5	2,823.6	2,914.4	5,126.0	5,030.5	52,534.8	
90-91	7,407.1	6,803.4	6,949.6	6,123.1	4,273.9	3,740.2	2,299.9	3,266.8	348.5	1,680.7	3,646.1	3,814.9	50,354.2	
91-92	4,479.1	4,623.0	4,713.1	4,888.7	3,789.4	1,930.6	1,368.9	1,091.8	388.6	2,260.8	3,954.0	4,799.5	38,287.5	
92-93	5,922.2	6,130.2	5,936.6	4,648.7	3,432.6	979.0	516.5	132.2	1,056.5	2,710.5	4,080.8	3,968.5	39,514.3	
93-94	4,588.9	4,934.7	4,582.2	3,899.8	2,132.8	1,571.9	2,406.0	385.0	877.1	1,873.0	2,171.8	4,375.4	33,798.6	
94-95	4,829.2	5,447.0	4,745.3	3,869.4	2,104.8	1,921.0	181.1	737.6	393.0	1,522.1	1,915.2	3,060.5	30,726.2	
95-96	4,615.4	5,329.8	5,214.9	3,891.6	2,899.9	1,982.8	1,876.6	524.4	1,091.5	3,113.5	3,964.4	4,317.2	38,220.0	
96-97	5,286.9	5,563.8	4,729.4	4,121.5	1,862.7	693.3	237.7	1,142.5	2,994.2	3,334.2	4,490.8	4,286.9	38,743.9	
97-98	4,992.9	5,537.3	4,321.1	3,838.6	2,068.6	896.8	641.6	207.2	871.0	1,027.3	1,470.5	3,327.7	29,200.6	
98-99	5,054.0	5,587.1	4,666.7	4,102.4	2,375.3	1,568.2	2,220.3	1,459.1	2,200.5	2,182.5	3,755.1	4,023.9	39,195.1	
99-00	5,304.4	5,524.4	4,833.7	5,544.3	3,993.3	3,888.1	2,911.9	1,374.0	1,899.2	3,341.9	4,615.7	5,290.8	48,549.9	
00-01	5,888.9	6,364.2	5,683.8	3,911.5	3,090.6	3,846.9	1,680.8	978.0	1,386.0	2,227.3	4,383.2	5,156.3	44,597.5	
01-02	5,533.3	5,998.9	5,298.0	5,070.1	2,910.0	1,441.5	3,044.3	3,216.4	3,204.0	3,657.5	4,747.0	5,403.1	49,524.1	
02-03	5,995.0	6,024.9	5,877.3	4,586.9	3,014.9	1,713.3	3,207.5	1,489.0	1,277.3	2,547.1	3,783.6	4,158.0	43,674.8	
03-04	6,061.1	6,467.7	5,766.5	5,517.0	2,922.9	2,742.6	3,178.0	1,282.9	3,201.1	3,978.4	5,740.7	5,322.7	52,181.6	
04-05	6,222.8	5,973.1	6,053.1	2,872.2	1,183.1	1,812.0	478.4	659.4	894.3	3,288.1	4,018.9	4,649.2	38,104.6	
05-06	5,837.3	5,835.5	5,302.0	3,708.3	3,950.8	3,642.9	2,744.7	2,464.8	624.6	1,512.7	3,804.0	5,339.3	44,766.9	
06-07	6,593.1	5,778.2	5,751.0	4,292.3	4,387.2	2,021.6	3,654.3	1,247.2	3,348.2	3,449.4	4,822.0	5,166.9	50,511.4	
07-08	5,805.6	5,975.0	5,176.6	4,768.7	3,707.3	880.7	596.8	464.4	2,139.8	3,134.1	2,895.5	3,955.3	39,499.8	
08-09	4,226.7	4,204.1	3,923.1	4,106.1	2,800.9	1,035.2	1,822.3	827.7	2,387.7	2,863.2	3,542.7	3,041.3	34,781.0	
09-10	4,133.6	4,234.1	4,257.0	3,334.0	853.2	833.2	927.4	289.8	1,442.2	1,249.6	2,772.4	3,195.9	29,522.4	
10-11	3,631.9	3,860.2	3,696.5	1,833.6	1,597.5	1,122.0	1,057.6	991.0	695.9	1,830.7	2,424.4	2,932.9	25,674.2	
11-12	3,716.7	3,371.7	3,379.6	2,694.2	1,050.4	1,490.1	1,847.9	1,557.1	1,170.6	1,419.9	2,518.5	3,145.9	27,722.6	
12-13	3,528.0	3,966.9	3,621.2	2,857.9	2,217.7	874.7	1,177.6	960.7	1,726.5	2,420.3	2,716.1	3,170.2	29,237.8	
13-14	3,301.1	3,333.3	3,299.3	2,223.1	1,717.7	1,776.9	2,369.7	1,719.5	1,418.0	2,270.1	3,197.4	2,980.5	29,606.6	
14-15	3,246.9	3,125.7	3,303.5	2,968.0	2,004.6	569.0	1,124.1	1,541.4	1,845.7	2,214.3	1,401.2	2,253.7	25,598.1	
15-16	1,903.3	2,491.5	1,956.2	1,869.2	1,508.4	993.7	620.7	1,387.2	1,205.0	1,519.0	2,235.0	2,650.8	20,340.0	
16-17	2,450.4	2,361.9	2,595.0	2,174.1	1,694.0	1,114.4	972.6	1,203.5	1,041.9	1,767.1	1,911.5	1,993.6	21,280.0	
AVERAGE FIRST 6 MONTHS						23,289.1	AVERAGE LAST 6 MONTHS						14,256.6	37,545.7
						62.03%							37.97%	100.00%

**WATER SOLD - Acre Feet**

YEAR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
80-81	5,230.2	5,362.8	5,282.5	4,068.7	3,573.2	2,526.4	2,965.5	1,355.0	871.5	1,279.3	2,753.1	3,897.6	39,165.8
81-82	6,160.5	4,835.6	6,805.9	3,975.9	3,900.3	1,752.8	1,348.9	236.3	967.9	477.2	2,463.4	3,070.1	35,994.8
82-83	3,839.0	5,790.1	5,767.0	3,526.2	3,165.6	322.2	1,185.1	414.1	346.3	554.7	1,032.9	3,451.4	29,394.6
83-84	4,407.9	5,616.5	4,819.2	2,601.9	3,175.5	282.7	544.7	2,008.3	2,994.5	3,158.9	3,876.5	4,688.6	38,175.2
84-85	5,540.3	5,168.6	6,216.7	4,849.7	2,923.6	482.9	259.7	474.6	951.9	2,136.0	2,989.7	4,253.0	36,246.7
85-86	6,025.1	5,371.5	5,573.7	3,429.1	3,306.4	370.3	1,633.0	1,453.4	644.3	1,155.6	3,528.0	4,848.4	37,338.8
86-87	5,256.7	6,099.2	6,220.0	2,746.6	3,292.5	2,017.3	1,274.7	2,154.4	911.0	1,648.2	4,034.9	4,480.3	40,135.8
87-88	5,075.2	5,496.0	5,770.9	4,559.4	485.3	1,225.0	885.4	970.2	2,114.0	3,877.4	2,111.3	4,166.3	36,736.4
88-89	5,541.8	5,738.1	6,129.3	4,617.5	3,508.7	2,308.5	726.9	1,266.4	1,880.6	3,188.3	3,920.8	4,661.9	43,488.8
89-90	6,311.7	6,279.5	6,257.1	5,351.0	4,596.1	3,906.8	2,255.1	1,326.8	1,439.2	2,924.5	3,886.8	4,002.6	48,537.2
90-91	6,273.1	6,243.0	6,415.6	6,045.7	4,939.7	3,333.2	2,262.9	3,139.4	1,257.4	655.9	2,588.9	3,513.9	46,668.7
91-92	3,822.2	3,846.7	4,740.0	4,562.5	3,654.4	2,866.6	903.4	1,506.6	520.4	767.3	3,430.0	3,767.7	34,387.8
92-93	5,311.0	5,527.2	5,529.9	5,729.0	3,298.1	2,094.3	431.0	205.4	542.8	1,535.3	3,510.5	3,410.2	37,124.7
93-94	4,614.4	4,227.5	4,591.6	3,928.3	3,023.5	1,496.8	2,430.7	867.6	748.7	1,267.2	1,451.7	3,156.4	31,804.4
94-95	4,800.7	4,564.8	5,130.8	3,947.2	2,779.1	2,094.3	695.8	395.4	486.5	1,040.1	1,321.5	2,507.6	29,763.8
95-96	3,908.3	4,394.7	5,697.9	3,850.9	3,126.2	2,459.2	2,078.4	694.7	541.8	2,060.1	3,680.3	3,802.5	36,295.0
96-97	4,607.2	5,026.2	5,376.3	3,826.9	3,022.0	800.9	397.7	578.3	1,970.9	2,985.4	3,855.3	4,209.7	36,656.8
97-98	4,566.5	4,809.3	5,163.0	3,338.3	3,304.4	802.0	973.2	355.9	438.1	618.9	1,375.8	2,261.1	28,006.5
98-99	4,137.4	4,973.8	5,283.6	4,042.6	2,970.1	1,545.2	2,462.3	956.0	2,061.6	1,668.0	3,039.8	3,541.7	36,682.1
99-00	4,654.8	4,919.7	5,376.5	4,827.9	4,508.1	3,480.2	3,424.3	2,413.0	809.4	3,105.6	3,574.2	4,922.9	46,016.6
00-01	5,008.6	6,061.1	5,868.0	4,349.5	2,985.2	3,428.2	2,969.7	1,191.4	483.0	1,754.6	3,348.5	4,554.9	42,002.7
01-02	4,893.5	5,664.6	5,568.1	4,774.4	4,237.6	1,675.2	2,075.0	3,069.6	3,309.7	2,917.2	3,909.2	5,053.2	47,147.3
02-03	5,110.0	6,081.5	5,590.0	5,187.1	3,374.5	2,681.1	1,915.4	2,787.0	508.3	2,292.3	2,483.5	4,059.9	42,070.6
03-04	4,858.7	6,156.9	5,823.1	5,130.8	4,085.7	2,947.0	2,484.3	2,428.3	1,715.0	3,488.0	4,821.4	5,396.8	49,336.0
04-05	5,156.8	5,801.5	6,036.9	4,961.1	1,018.2	1,434.1	1,013.1	690.3	563.6	2,114.7	2,785.1	4,514.3	36,089.7
05-06	4,910.9	5,389.9	5,646.3	4,597.6	2,952.1	3,787.6	2,412.1	2,157.4	1,245.5	765.4	2,615.6	4,247.7	40,728.1
06-07	5,550.1	6,036.5	5,807.0	4,504.7	4,066.5	3,266.8	2,569.9	2,664.1	1,876.4	3,252.9	3,744.2	4,746.0	48,085.1
07-08	4,994.6	5,759.9	5,684.4	4,293.7	4,234.4	2,140.2	986.1	277.6	913.4	2,480.1	3,236.7	2,635.1	37,636.2
08-09	3,884.3	3,956.4	3,871.8	3,878.8	3,322.6	1,944.4	1,012.1	1,461.0	1,165.6	2,392.0	3,205.4	2,919.7	33,014.1
09-10	3,358.6	4,022.6	4,170.3	3,545.3	2,920.4	1,782.5	1,172.9	331.0	371.0	1,747.8	1,595.8	2,819.1	27,837.3
10-11	3,213.1	3,337.8	3,857.1	3,205.7	1,337.5	1,319.3	517.3	1,405.7	529.8	1,017.3	2,091.4	2,310.2	24,142.2
11-12	3,388.5	3,221.0	3,732.9	2,705.0	1,896.2	1,128.4	1,809.4	1,412.2	1,390.1	1,019.2	1,500.6	2,887.0	26,090.5
12-13	3,005.0	3,534.6	3,628.8	3,185.0	2,462.3	1,658.4							



# General Administration

## **FUNCTION OVERVIEW**

Provide long-term agency visioning and planning as well overall District Board policy implementation, agency administration, and specific management of the Board of Director's business, legal services, election processes, human resources, employee recognition, district memberships, public information, and water conservation programs.

## **ACCOMPLISHMENTS FOR 2015-2016**

**Performance Measurement Standards** – Compliance with the following standard was as follows as of December 31, 2015:

- **Customer Satisfaction (Standard 1)** – For calendar year 2015, 100.0% of the customer ratings were “Meets” or “Exceeds” expectations, exceeding our goal of 95%.

### **Strategic Plan Goals –**

- **Water Supply, Imported Water Sources** – The Poseidon - Carlsbad Claud Lewis Seawater Desalination Plant came on line supplying 8% of the District's water supply.

Engaged with the State Water Resources Control Board in the process to promulgate fair, equitable and reasonable Drought Emergency Regulations as per the Governors Executive Order B-29-15 and B-36-15 which provided an exemption from State Board regulation for commercial agriculture and a reduction in the mandatory conservation requirement from 36% to 28%.

- **Energy, Utility Rates and Charges** – Participated in various CPUC rate, including Net Energy Metering 2, General Rate Case and Time of Use Rates and proceedings to protect the District's investments in solar and interests in off-peak pumping capabilities.

## **CHALLENGES FOR 2016-2017**

The General Administrative Department is charged with and is responsible for the long-term visioning and planning for the agency as well as overall management of all District activities and programs in compliance with Board direction and policy. Beyond meeting these general responsibilities, the General Administration Department will face a number of challenges over the next fiscal year, including:

- **Communicating** to District customers the reality of complying with continuing drought emergency and the importance of meeting the water conservation mandates as well as potential long-term water use efficiency regulations from the SWRCB and DWR;
- **Managing** the financial implications of the current drought emergency which has and will result in reduced revenues, while maintaining effective staffing, service, capital investment and major maintenance levels through maximizing internal efficiencies;
- **Securing** capital improvement funds from state and federal sources sufficient to support the construction of several large Capital Improvement Projects, including the Cool Valley Reservoir Liner and Cover Replacement as well as water line replacements in Cole Grade Road and Valley Center Road necessitated by scheduled County of San Diego road improvement projects, while preserving the District's capital funds during times of economic and water supply uncertainty;
- **Monitoring**, overseeing, and guiding the progress toward completion for the South/North Village Wastewater Expansion Project and resulting development, the Lilac Hills, Meadowwood, Orchard Run and other development Projects;

- **Overseeing**, monitoring and assisting all other departments in pursuing and meeting adopted Performance Measurements and Strategic Plan Goals in 2016-17.

### **GOALS FOR 2016-2017**

#### **Performance Measurement Standards:**

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

#### **Strategic Plan Goals:**

- **Water Supply, Imported Water Sources (Water Supply)** – Advocate for reasonable, equitable and condition-appropriate Drought Emergency Regulation by the SWRCB including ramping down or cessation of mandatory conservation requirements as appropriate and work with regional (SDCWA) and statewide stakeholders (ACWA) to positively impact upcoming efforts by the State Board to develop and implement long-term water use efficiency standards;
- **Finance, MWD and SDCWA Wholesale Pricing (Finance)** – Seek federal and state funding in the forms of grants and low interest rate loans to finance capital projects while preserving local capital funds.
- **Energy, Utility Rates and Charges (Energy)** – Participate in CPUC Energy Storage, Water Energy Nexus, Matinee Rates, Time of Use Rates, Net Energy Metering (NEM 3) policies and SDG&E Rate Design and Rate Case proceedings to control the District pumping costs and preserve the long-term financial viability of the District’s renewable energy investments.
- **Operating Cost Reductions (Technology)** – Continue to control and reduce local costs through technology and knowledge assisted increases in effectiveness and efficiency through features and projects from the Energy Service Agreement with ABM-ZNE Alliance and outsourcing as appropriate.
- **Photo-voltaic Solar Power (Energy)** – Continue to expand investments in cost effective small scale photo-voltaic installations at the District Corporate Facility and Miller Pump Station.

### **LONG-TERM GOALS**

As always, it is the long-term goal of the General Administration Department to effectively:

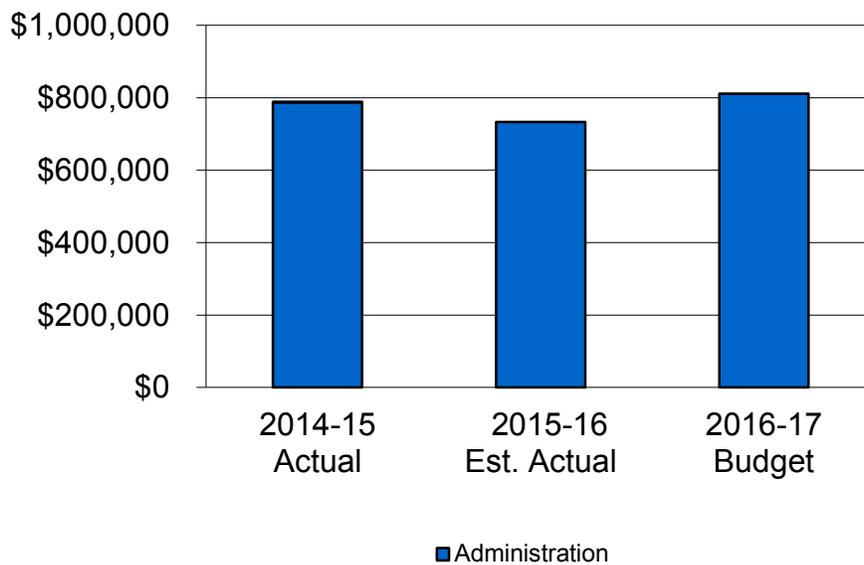
- Vision and plan for the overall future and direction of the agency;
- Implement the policies of the Board of Directors;
- Maintain an efficient and cost effective organization;
- Seek out and implement technology and methods to operate and maintain the water and wastewater systems as cost effective and efficient as possible while maintaining safe, reliable and responsive service at all times;
- Implement 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.

All the efforts listed above are of course aimed toward fulfilling the District’s mission to **“Ensure Customer Satisfaction Through Quality Service at the Lowest Possible Cost,”** and at all times, **“Meets”** or **“Exceeds”** customer expectations.

Personnel Requirements (FTE's)

	<i>Actual FY 2015-16</i>	<i>Budget FY 2015-16</i>	<i>Proposed FY 2016-17</i>
General Manager	1.0	1.0	1.0
Executive Assistant/Board Secretary	1.0	1.0	1.0
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

Division Expenses



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	General Administration	787,169	761,566	732,826	811,133
<b>TOTAL GENERAL ADMINISTRATION</b>		<b>787,169</b>	<b>761,566</b>	<b>732,826</b>	<b>811,133</b>

## General Administration 01-5101.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	461,708	447,200	447,200	498,900
03	Overtime	889	500	0	500
10	Training & Education	286	250	0	250
11	Uniform Allowance	336	340	340	340
25	Outside Professional Services	0	500	0	500
26	Legal Services	156,113	85,000	80,000	85,000
28	Printing	121	2,500	500	2,000
29	Books & Subscriptions	316	750	500	500
30	Special Department Expenses	16,237	20,200	19,700	19,700
33	Postage	9,918	12,200	10,000	12,000
34	Membership Fees & Dues	26,719	30,000	31,450	31,500
35	Directors' Fees	9,500	12,000	9,000	12,000
36	Directors' Travel & Expenses	5,322	7,500	5,000	7,500
37	Transportation, Meals & Travel	13,583	15,500	15,500	15,500
39	Public Information and Notices	8,997	7,000	15,000	14,000
54	Maintenance of Equipment	0	1,190	0	500
83	Unclassified - Contingency Fund	8,995	20,000	10,000	20,000
89	LAFCO Budget Assessment	0	28,000	27,700	28,000
90	Government Relations/Staff Augmentation	90,099	100,000	90,000	100,000
91	Expense Credit	(21,970)	(29,064)	(29,064)	(37,557)
	Total	787,169	761,566	732,826	811,133

General Administration 01-5101.

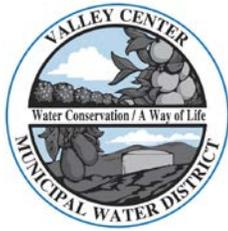
Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents 1.80	498,900
03	Overtime	500
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	250
11	Uniform/Clothing/Shoes Uniform Allowance	340
25	Outside Professional Services Miscellaneous 500	500
26	Legal Services General Counsel's Services 85,000	85,000
28	Printing Business Cards - Master 500 Forms and Business Cards 500 New Customer Folders 250 Miscellaneous 750	2,000
29	Books & Subscriptions Books, newspapers, periodicals and pamphlets 500	500
30	Special Department Expenses Staff Meeting Supplies 1,750 Notary Supplies 100 Miscellaneous & Office Supplies 700 District Contribution - VCEA Events 2,500 Manager's Employee of the Year Award/Plaque 900 Suggestion Awards 3,000 Employees Retirement and Appreciation Awards 3,000 Awards Presentation Luncheon 3,000 Employee of the Quarter Awards 750 Service Recognition Awards and Pins 3,000 Wellness Program 1,000	19,700

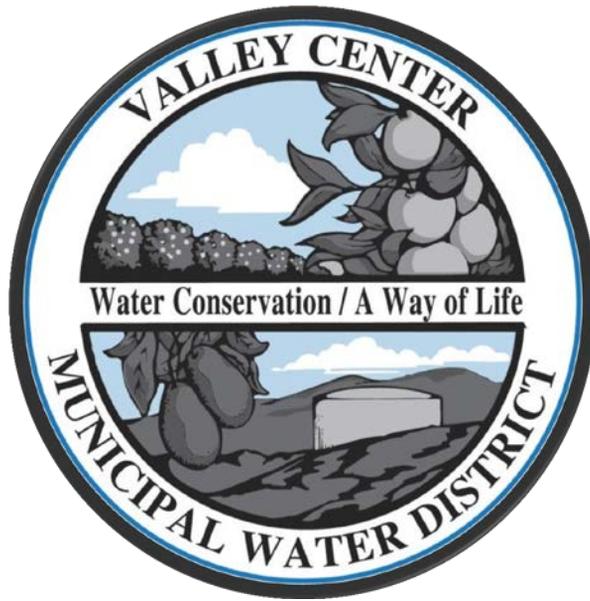
## General Administration 01-5101.

Acct. No.	Detail and Justification	Department Request
33	Postage	12,000
	General Correspondence	10,000
	Bill Insert Postage	775
	Business Reply - Customer Comment Cards	125
	Permit #2 Business Reply	150
	Postage Chip Update	250
	Post Office Box Fees	200
	Postage Machine Supplies	500
34	Membership Fees & Dues	31,500
	Association of California Water Agencies	21,500
	American Water Works Association	3,500
	Farm Bureau, San Diego County	100
	National Notary Association	100
	Valley Center Chamber of Commerce	150
	California Special Districts Association	150
	So Cal Water Committee	850
	Cal Urban Water Conservation Council	1,800
	California Municipal Utilities Association	3,100
	California Farm Water Coalition	250
35	Directors' Fees	12,000
36	Directors' Travel & Expense	7,500
	Conferences/Seminars/JPIA Mtgs/ACWA Region 10	
37	Transportation, Meals & Travel	15,500
	Conferences and Meetings	15,500
39	Public Information and Notices	14,000
	Customer Information Material	3,000
	Legal/Public Notices	1,750
	Display Boards - Upkeep/revisions	1,750
	Miscellaneous	500
	Drought Communications	7,000

## General Administration 01-5101.

Acct. No.	Detail and Justification	Department Request
54	Maintenance of Equipment Adding Machines, Transcriber, Postage Machine, Board Room Recorder and Assistive Listening Device	500
83	Unclassified - Contingency Fund	20,000
89	Local Agency Formation Commission (LAFCO) Budget Assessment	28,000
90	Government Relations/Staff Augmentation	100,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(37,557)





# 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 2015-2016**

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

- **Service Order Software (Goal 4d):** The service order, work order, asset management, and fleet maintenance functionalities will be part of the Enterprise Resource Planning (ERP) financial system software upgrade. Core modules are implemented by the end of Fiscal Year 2015/16 with additional module implementation continuing into Fiscal Year 2016/17.
- **E-Business (Goal 4e):** Paperless electronic billing was made available to customers, saving time and money. Customers can view their bill information and pay their bills over the internet. As of April 27, 2016, there are approximately 3,830 customer accounts registered and utilizing the system, of which 702 have elected to no longer receive paper bills in the mail.
- **SCADA (Goal 4b):** Staff continues to deploy new wireless network communications infrastructure, extending network coverage to 51 remote sites. The network employs low-cost Ethernet radios in combination with advanced TCP/IP routing technology as a comprehensive, high performance and highly redundant communications system, providing multiple network services at remote sites, such as SCADA telemetry, video surveillance, advanced metering infrastructure, WiFi access points, and remote office connectivity.
- IT staff has updated the SCADA control software to the latest available version and deployed the system in virtual server hardware, adding flexibility to system recovery and reducing hardware costs. In conjunction with the upgrade, staff implemented a new SCADA alarm and notification system to all SCADA systems throughout the District. The system provides better stability and more advanced functionality to remote operators.
- Staff is continuing to deploy new IP network-based high definition video surveillance technology to local and remote facilities. The technology has been deployed at corporate offices as well as 34 remote sites. It will be further expanded to replace the existing analog surveillance technology at all sites. The system consists of high definition multi-megapixel cameras that include full night vision and continuous local and remote recording capabilities, and allows remote site monitoring by operations personnel 24 hours a day.
- Staff is continuing to evaluate and test new Advanced Metering Infrastructure (AMI) systems to test the feasibility of automatic, continuous water meter reading. The system provides the means to measure, collect, and analyze real-time data from customers' water meters. The system uses the existing District-wide wireless communication infrastructure to transfer the data from the AMI collector systems that are deployed at remote facilities.
- IT staff developed and implemented a tracking database for water conservation incidents by collecting and managing water waste reports from the field. The system allows comprehensive tracking of reports, correspondence, and images, and provides an automated method to generate notification letters.

## **CHALLENGES FOR 2016-2017**

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.

The planned Enterprise Resource Planning (ERP) software system change and implementation will provide challenges to staff time allocation and may require some procedural changes throughout the District. It is a major upgrade that will affect all areas of the District. The implementation started at the end of FY 2015/16 and continues into FY 2016/17.

## **GOALS FOR 2016-2017**

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

- Staff will continue with the implementation of the District's new ERP software system, which will provide a modern user interface in combination with more integrated functionality for all financial applications, utility billing, human resources, payroll, and integrated job costing. In addition, work orders, service requests, fleet maintenance, purchase orders, and other functionality will be provided in the software upgrade as a comprehensive, integrated database system.
- Staff is continuing to upgrade SCADA industrial control system (ICS) software. The current ICS software has been in operation for more than 6 years and has reached a point in its development that the manufacturer of the software has developed a new platform that has rendered the current technology obsolete. Staff has started to upgrade the SCADA control system software at the water reclamation facilities, which will continue throughout the fiscal year.
- Network computing and data storage infrastructure will continue to be enhanced at corporate facilities and remote sites as new technology becomes available to add increased redundancy and provide continued operations in case of a service outage at the main data center.

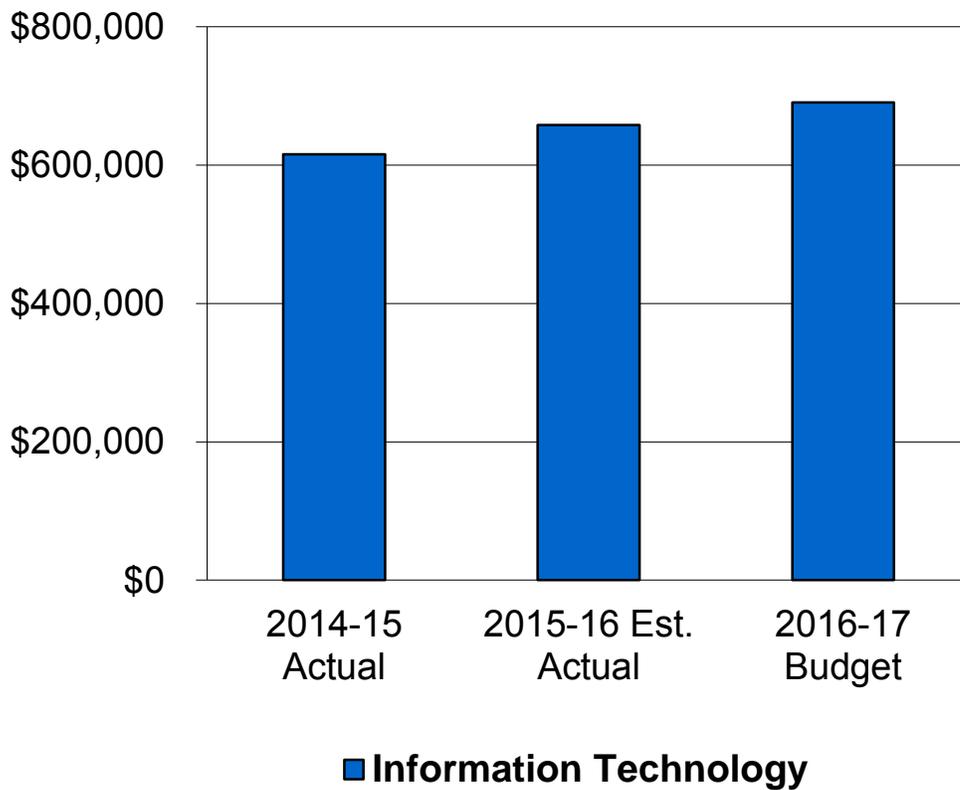
## **LONG-TERM GOALS**

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 for better and faster access to all District data.

Personnel Requirements (FTE's)

	<i>Actual FY 2015-16</i>	<i>Budget FY 2015-16</i>	<i>Proposed FY 2016-17</i>
Director of Information Technology	1.0	1.0	1.0
Senior IT Specialist	1.0	1.0	1.0
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

### Division Expenses



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
13	Information Systems	615,355	672,210	657,826	690,408
<b>TOTAL FINANCE</b>		<b>615,355</b>	<b>672,210</b>	<b>657,826</b>	<b>690,408</b>

## Information Systems 01-5513.

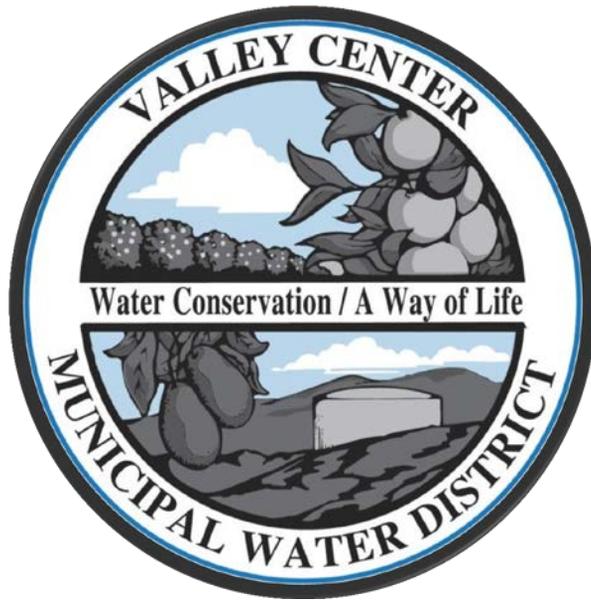
Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	512,445	507,400	507,400	529,400
03	Overtime	2,945	2,500	3,500	3,500
10	Training & Education	3,348	7,000	6,500	7,000
11	Uniform Allowance	672	675	675	675
25	Outside Professional Services	9,010	25,000	25,000	26,000
28	Printing	0	0	0	16,000
29	Memberships & Subscriptions	200	300	250	300
30	Special Department Expenses	53,883	47,200	46,000	28,500
32	Telephone and Communications	8,684	9,500	13,000	16,000
37	Transportation, Meals & Travel	30	400	1,750	1,000
40	Rents and Leases	11,349	12,000	11,616	12,000
41	Hazardous Waste Disposal Cost	0	500	400	500
54	Maintenance of Equipment	4,884	16,000	14,000	16,000
59	Maintenance Agreements & Contracts	26,650	70,000	54,000	65,500
91	Expense Credit	(18,746)	(26,265)	(26,265)	(31,967)
	<b>Total</b>	<b>615,355</b>	<b>672,210</b>	<b>657,826</b>	<b>690,408</b>

## Information Systems 01-5513.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.10	529,400
03	Overtime	3,500
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	7,000
11	Uniform Allowance	675
25	Outside Professional Services Network System Programming 1,000 ERP Programming Changes, Enhancements 20,000 SCADA Programming 2,000 Website Programming 1,000 Telephone Equipment Programing 2,000	26,000
28	Printing	16,000
29	Memberships & Subscriptions	300
30	Special Department Expenses Computer Workstation Replacements 6,000 Software and Hardware 11,000 Backup Tapes (HP) 500 Infrastructure Upgrades 11,000	28,500
32	Telephone and Communications	16,000
37	Transportation, Meals & Travel	1,000
40	Rents and Leases Backup Tape Archive Storage 2,500 Repeater Site 9,500	12,000

Information Systems 01-5513.

Acct. No.	Detail and Justification	Department Request
41	Hazardeous Waste Disposal Costs	500
54	Maintenance of Equipment Server Repair 2,000 Workstation and Laptop Repair 1,500 Printer Repair 2,000 Network Infrastructure Repair 1,000 Telephone Equipment Repair 1,000 Copier Machines 1,000 Facsimile Machines 500 SCADA Servers and Radios 2,000 Fire Suppression System 500 HP Printers (3) 1,000 Video Surveillance Repair 1,500 Miscellaneous 1,000 Radio Repeaters 1,000	16,000
59	Maintenance Agreements and Contracts ERP System 37,000 Antivirus 3,500 Firewall and VPN 4,000 Network Management Systems 3,500 Content Filtering 2,500 Backup and Data Storage 4,000 Phone System 5,000 HP Client Software 1,000 HP Printers 1,000 HP Server 2,000 Website Content Management 2,000	65,500
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(31,967)



# Finance

## **FUNCTION OVERVIEW**

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

Costs incurred by the Salary Clearing Division are transferred to other divisions and funds at 209% 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 224% to cover other overhead expenses including administration support labor for payroll and accounting, building maintenance, utilities, and general liability and property insurance.

## **ACCOMPLISHMENTS FOR 2015-16**

**Awards** - Our 2015-16 annual budget received the Award for Excellence in Operational Budgeting by the California Society of Municipal Finance Officers. Our 2015 Comprehensive Annual Financial Report has been sent in for consideration to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Notification is pending.

**Performance Measurement Standards** – Compliance with these Standards was as follows as of December 31, 2015:

- **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, 2015, were 10.5% of the total commodity cost for domestic customers and 13.7% for certified agricultural use, both below the standard of 13% and 16%, respectively.
- **Return on Investments (Standard 10):** For the calendar year 2015 our weighted average yield was 0.876%, exceeding the benchmark of 0.328% by 55 basis points. The District estimates our yield for the 2016-17 fiscal year to be 0.90%.

## **CHALLENGES FOR 2015-2016**

The 2002 Water Master Plan identified over \$50 million of capital projects. Funding these projects with the lowest possible impact on our water rates continues to be the District's greatest challenge. Low water sales directly impact the District's financial results, requiring diligence in budgeting and operations.

## **GOALS FOR 2016-2017**

**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, 2016, 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.

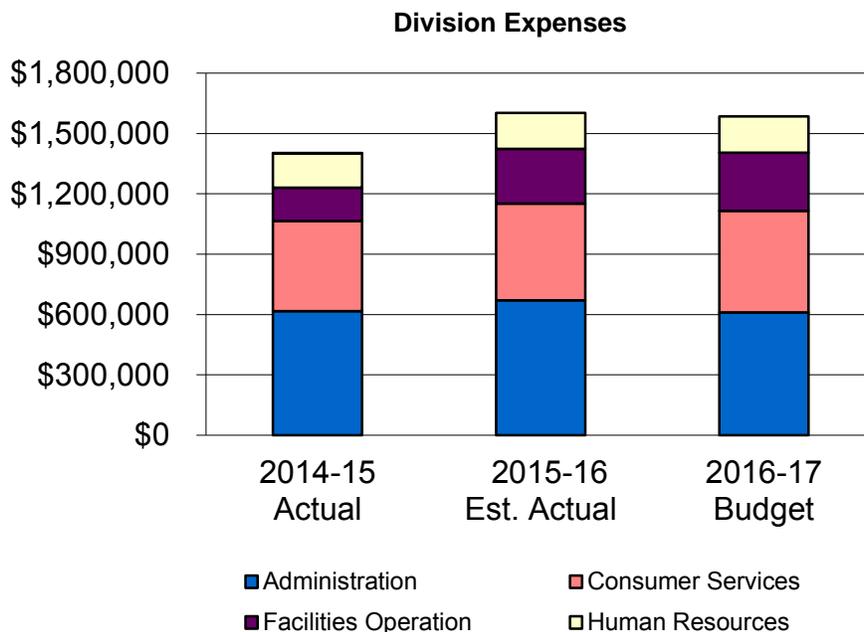
**Other –**

- Submit the 2016-17 Operating Budget for consideration to receive the Award for Excellence in Operational Budgeting from the California Society of Municipal Finance Officers (CSMFO).
- Submit the 2016 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.

Personnel Requirements (FTE's)			
	<i>Actual</i>	<i>Budget</i>	<i>Proposed</i>
	<i>FY 2015-16</i>	<i>FY 2015-16</i>	<i>FY 2016-17</i>
Director of Finance/Treasurer	1.0	1.0	1.0
Accounting/Benefits Specialist	1.0	1.0	0.0
Accounting Specialist II	1.0	1.0	1.0
Accounting Specialist I	0.0	0.0	1.0
Accounting Clerk	1.0	1.0	0.0
Consumer Services Supervisor	1.0	1.0	1.0
Manager of Accounting	1.0	1.0	1.0
Senior Consumer Services Assistant	1.0	1.0	1.0
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>6.0</b>



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
11	Administration	616,617	712,624	670,729	610,866
12	Consumer Service	448,323	398,865	480,205	503,822
14	Facilities Operation	165,302	274,139	272,889	289,732
15	Human Resources	171,349	261,636	178,276	179,776
16	Salary Clearing	0	0	0	0
18	Training	0	0	0	0
<b>TOTAL FINANCE</b>		<b>1,401,591</b>	<b>1,647,264</b>	<b>1,602,099</b>	<b>1,584,196</b>

## Administration 01-5211.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	562,704	626,300	630,500	543,100
03	Overtime	3,296	2,500	3,100	5,000
10	Training & Education	1,395	3,500	1,000	2,500
11	Uniform Allowance	2,095	2,100	2,050	2,100
25	Outside Professional Services	51,260	87,700	48,700	56,500
28	Printing	1,471	2,050	350	2,000
29	Subscriptions and Publications	753	1,000	400	1,000
30	Special Department Expenses	1,762	5,700	2,800	3,000
33	Postage	7,317	600	500	13,800
34	Membership Fees & Dues	425	650	455	650
37	Transportation, Meals & Travel	4,698	7,000	7,350	9,500
91	Expense Credit	(20,559)	(26,476)	(26,476)	(28,284)
	Total	616,617	712,624	670,729	610,866

## Administration 01-5211.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalent 2.70	543,100
03	Overtime	5,000
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	2,500
11	Uniform Allowance	2,100
25	Outside Professional Services	56,500
	Annual District Audit	24,000
	Single Audit	3,000
	Availability Charges, Computer Svcs, Notices, & Liens	1,000
	Proposition 218 Notification	6,500
	Bank Service Charges	22,000
28	Printing	2,000
	Business Cards	200
	Checks	1,500
	Other	300
29	Subscriptions and Publications	1,000
	Trade Journals and Newspapers	400
	Government Accounting Standards Board	600
30	Special Department Expenses	3,000
	CAFR Applications and Debt Statistics	1,000
	Budget Application	200
	Office Supplies, including line printer paper	1,800
33	Postage	13,800
	Proposition 218 Notices	13,200
	Availability Charge Notices	300
	FedEx & Miscellaneous Mailings	300



## Consumer Services 01-5212.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	321,182	296,500	368,900	395,900
03	Overtime	727	1,500	6,000	9,000
25	Outside Professional Services	14,479	17,000	19,570	20,000
28	Printing	11,954	14,000	15,380	15,800
30	Special Department Expenses	75	350	140	350
33	Postage	48,522	50,000	50,800	51,000
37	Transportation, Meals & Travel	75	100	0	100
87	Write Off of Uncollectible Accounts	63,518	35,000	35,000	35,000
91	Expense Credit	(12,209)	(15,585)	(15,585)	(23,328)
	Total	448,323	398,865	480,205	503,822

## Consumer Services 01-5212.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      2.70	395,900
03	Overtime	9,000
25	Outside Professional Services Bill and Notice Preparation                      20,000	20,000
28	Printing Computer Generated Forms: Billing & Delinquency Stock & Envelopes                      15,600 Bill Payment Stubs    100 Business Cards    100	15,800
30	Special Department Expenses Office Supplies    200 Lien Releases & Recording Fees                      150	350
33	Postage 120,000 Water Bills & Final Notices	51,000
37	Transportation, Meals & Travel Transportation to Training and Seminars	100
87	Write Off of Uncollectible Accounts	35,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(23,328)

## Facilities Operation 01-5214.

No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Actual	Budget
25	Outside Professional Services	700	1,050	1,150	1,500
27	Office Supplies	8,226	9,500	8,200	9,500
28	Printing	5,000	3,000	3,000	3,000
30	Special Department Expenses	1,014	1,100	1,150	1,400
32	Telephone/Answering Service	56,510	52,000	63,500	63,000
40	Rents & Leases	2,315	2,400	2,000	2,400
42	Insurance	44,212	166,100	157,300	165,437
45	Electricity	48,807	47,000	45,500	47,000
54	Maintenance of Equipment	1,713	2,700	1,800	2,250
91	Expense Credit	(3,196)	(10,711)	(10,711)	(5,755)
	Total	165,302	274,139	272,889	289,732

## Facilities Operation 01-5214.

Acct. No.	Detail and Justification	Department Request
25	Outside Professional Services Record Destruction Services 1,200 Solar Energy Registration 300	1,500
27	Office Supplies-District Various Office Supplies, Copier Paper	9,500
28	Printing Letterhead, Business Cards, Labels, Envelopes	3,000
30	Special Department Expenses Property Taxes for Facilities Outside the District 800 County Vector Control Assessment 600	1,400
32	Telephone/Answering Service Telephone 20,000 Cellular Service 32,000 Answering Service 11,000	63,000
40	Rents & Leases Postage Machine Print Head 1,200 Storage of Application Files 1,200	2,400
42	Insurance General Liability 129,690 Property Damage and Fidelity Coverage 59,730 Other Self Insured Retention 5,000 Less Amount Charged to Sewer Funds (28,983)	165,437
45	Utilities-Electricity Electricity for Administration, Board Room Multipurpose Room, and Engineering Annex I & II	47,000



## Human Resources 01-5215.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor and Benefits - Regular	172,949	189,800	151,400	167,200
03	Overtime	322	1,000	550	800
10	Training & Education	0	1,200	0	1,000
25	Outside Professional Services	2,329	52,750	34,700	3,500
26	Legal Services	0	20,000	0	10,000
30	Special Department Expenses	660	1,700	640	1,000
34	Membership Fees & Dues	350	600	400	600
37	Transportation, Meals & Travel	750	5,500	1,500	4,000
91	Expense Credit	(6,011)	(10,914)	(10,914)	(8,324)
	Total	171,349	261,636	178,276	179,776

## Human Resources 01-5215.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.70	167,200
03	Overtime	800
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	1,000
25	Outside Professional Services Employee Assistance Program 1,750 State Mandated Sexual Harassment Training 750 Other 1,000	3,500
26	Legal Services Personnel, Benefits, and Retirees' Health Plan	10,000
30	Special Department Expenses Flu-Shots 700 Other 300	1,000
34	Membership Fees and Dues California Public Employees Labor Relations Association (CALPELRA) 350 International Public Management Association for Human Resources 150 San Diego International Public Management Association for Human Resources (SD IPMA-HR) 100	600
37	Transportation, Meals & Travel Training, Seminars, Meetings 500 CalPELRA Conference 1,000 CalPers Conference 2,000 Other 500	4,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(8,324)

## Salary Clearing 01-5216.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor	5,801,347	5,735,121	5,727,459	5,988,502
02	Interns and Temporary Labor	0	0	0	10,000
03	Overtime	234,261	256,100	270,002	287,100
04	Unemployment Insurance	15,799	17,700	14,100	14,600
05	Retirement	1,764,663	1,886,100	1,805,300	1,932,100
06	Medicare	84,450	85,600	85,600	89,800
07	Medical	1,205,652	1,462,575	1,283,926	1,374,539
08	Worker's Compensation	107,660	120,000	123,800	127,000
09	Life and Disability Insurance	117,614	130,000	124,300	124,800
10	Social Security	589	700	600	1,400
12	Vacation/Sick/Holiday Leave	889,684	947,400	947,400	997,800
13	Increase in Value Of Accrued Leave	99,070	82,800	62,100	85,100
15	Dental	80,387	87,200	82,000	72,000
16	Vision	11,247	12,200	11,400	12,100
18	Post Retirement Health Benefit	411,034	424,201	410,824	618,467
20	Retirement Health Deferred Cont.	3,378	6,200	3,300	9,400
91	Expense Credit - Leave	(108,216)	(947,400)	(947,400)	(997,800)
91	Expense Credit	(10,718,618)	(10,306,497)	(10,004,711)	(10,746,908)
	Total	0	0	0	0

Salary Clearing 01-5216.

Acct. No.	Detail and Justification	Department Request
01	Labor Salary for all District employees Full Time Equivalentents           64.00	5,988,502
03	Overtime	287,100
04	Unemployment Insurance Federal mandated program - 4.8% of first \$7,000.	14,600
05	Retirement District Contribution to CalPERS.	1,932,100
06	Medicare 1.45% of base pay plus overtime on all employees hired after April 1, 1986.	89,800
07	Medical Preferred Provider or Health Maintenance Organization	1,374,539
08	Workers Compensation Required program to provide compensation and medical costs in the event of injury on the job.	127,000
09	Life and Disability Insurance Life and Accidental Death and Dismemberment           90,300 Long-Term Disability   34,500	124,800
10	Social Security	1,400
12	Vacation / Sick / Holiday Leave	997,800
13	Increase in Value of Accrued Leave Generally Accepted Accounting Principles requires the District to fund accrued leave at current value at year end.	85,100

## Salary Clearing 01-5216.

Acct. No.	Detail and Justification	Department Request
15	Dental Insurance District paid for employee and dependents.	72,000
16	Vision Insurance District paid for employee and dependents.	12,100
18	Post Retirement Health Annual required contribution to defined benefit plan.	618,467
20	Retirement Health, Defined Contribution Plan	9,400
91	Expense Credit - Leave	(997,800)
91	Expense Credit	(10,746,908)

## Training 01-5218.

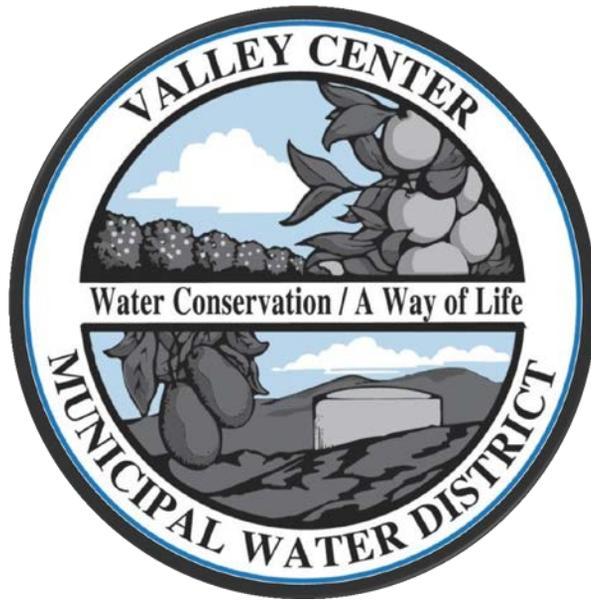
Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	General and Administration	286	250	0	250
11	Finance Administration	1,395	3,500	1,000	2,500
13	Information Technology	3,348	7,000	6,500	7,000
15	Human Resources	0	200	0	1,000
17	Benefits	0	1,000	0	0
21	Engineering Administration	1,216	1,200	1,200	1,600
22	Planning	0	1,000	1,000	1,000
23	GIS/Public Services	0	500	650	500
24	Encroachments and Locates	15	500	500	500
28	Design/Construction	0	500	250	500
31	Field Administration	29,330	26,000	27,500	30,000
91	Expense Credit	(35,590)	(41,650)	(38,600)	(44,850)
	Total	0	0	0	0

## Training 01-5218.

Acct. No.	Detail and Justification	Department Request
01	General Administration Seminars & Workshops	250
11	Finance Administration Accounting Education Accounting Updates	2,500
13	Information Technology Software Training Tuition Reimbursement	7,000
15	Finance - Human Resources Miscellaneous Training	1,000
21	Engineering Administration Management Training JPIA Supervisory Training Continuing Education	1,600
22	Engineering - Planning Technical Training Safety Training Construction Methods	1,000
23	Engineering - GIS/Public Services Customer Service Seminars Software Training-AutoCAD, GIS, Access, etc.	500
24	Engineering - Encroachments and Locates Miscellaneous Training	500
28	Engineering - Design/Construction Safety Training Construction Methods	500

Training 01-5218.

Acct. No.	Detail and Justification	Department Request
31	Field Administration Customer Service 500 Backflow/Cross Connection 600 Cla-valve 550 Heavy Equipment 700 Trenching/Shoring 550 Water Quality 500 Electric 3,000 Pump Training 550 Computer 550 Continuing Education 14,000 Technology Classes 2,700 Supervisor Certification 550 Energy Management/Preparedness 550 Wastewater Technical Classes 800 Collection Systems 1,200 Safety 2,700	30,000
91	Expense Credit	(44,850)



# 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 customers and 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 2015-2016****Performance Measurement Standards:**

- **Project Actual Cost (Standard No. 6):**

Our goal is to have actual project costs within  $\pm 10\%$  of the engineer's estimate.

- The District completed six construction contracts in FY 2015/16 and the project costs are as follows:

Project	Engr. Est.	Bid Amount	Change Orders	Total Const Cost	% of Engr. Estimate
Betsworth Reservoir Repainting/Coating <sup>1</sup>	\$195,000	\$239,426	\$210,677	\$450,103	131%
Corporate Facility Paving	\$80,000	\$84,126	\$3,753	\$87,879	10%
Tyler Reservoir AC Pavement <sup>2</sup>	\$35,000	\$19,938	(\$3,026)	\$16,912	(52%)
Cool Valley Reservoir Cover Demo	\$70,000	\$54,457	\$0	\$54,457	(22%)
Cool Valley Reservoir Landscape	\$80,000	\$77,500	\$1,800	\$79,300	(1%)
Country Club Reservoir Paving <sup>3</sup>	\$242,000	\$259,396	\$43,262	\$302,658	25%
<b>Totals</b>	<b>\$702,000</b>	<b>\$734,843</b>	<b>\$256,466</b>	<b>\$991,309</b>	<b>41%</b>

<sup>1</sup> Pending Resolution of Contractor Claim – Amount shown represents full amount claimed by contractor which is being contested.

<sup>2</sup> Contractor awarded the project abandoned project and project was completed by different contractor at overall project savings.

<sup>3</sup> Scope of work was modified to include upgrading the paving option of private road. This work was funded by adjacent property owners and added \$48,800 to the contract amount. Deducting this amount would have resulted in a contract amount of \$253,858 resulting in a final contract amount 4.9% of the Engineer's estimate.

- The District will have four projects under construction by the close of June 30, 2016 that are scheduled to be completed in FY2016-17. The project contract amounts are as follows:

Project	Engr. Est.	Bid Amount	% of Engr. Estimate	Comments
Woods Valley Ranch WRF Phase 2 Expansion	\$10,371,000	\$10,472,000	1%	NTP issued 6/4/15
Charlan Road Seasonal Storage Project	\$4,300,000	\$3,161,189	(26%)	NTP issued 1/14/16
South Village Wastewater Collection System	\$1,850,000	\$1,621,000	(12%)	NTP issued 2/17/16
Cool Valley Reservoir Cover/Liner Replacement	\$3,000,000			Bids 5/24/16
<b>Totals</b>	<b>\$16,521,000</b>	<b>\$15,254,189</b>	<b>(8%)</b>	

**Strategic Plan Implementation:****▪ Water Supply - Goal 1a:**

- Water Stewardship – Administered the District’s Water Conservation Program to effectively meet all regulatory and Urban Water Conservation Council Memorandum of Understanding requirements, and supporting and attending numerous water conservation educational events. Staff is on schedule to complete the 2015 update to the Urban Water Management Plan by the July 1, 2016 due date.

**▪ Infrastructure - Goal 2:**

- Obtained Final Budget Approval of the Clean Water State Revolving Fund (SRF) Loan for funding construction of the Woods Valley Ranch Water Reclamation Facility Phase 2 Expansion, the Charlan Road Seasonal Storage Facility and South Village Wastewater Collection System.
- Prepared plans and Specifications for replacement of the cover and liner at the Cool Valley Reservoir and submitted an application for State Revolving Fund financing assistance.
- Completed the Aerie Road Crossover project providing redundant water supply to the Sierra Road area in the event of an outage on the 42 inch transmission main.
- Completed repainting and coating of two of the District’s 38 steel water storage reservoirs, in keeping with annual maintenance recommendations to recoat the reservoirs every 15 – 20 years.
- Provided engineering plan review and inspection services associated with multiple private development projects resulting in the orderly expansion of the water infrastructure system.
- 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.

**▪ Technology - Goal 4:**

**Geographical Information System (GIS – 4a)** - Continued to maintain current GIS data and completion of the updated high resolution orthoimagery project.

**▪ Other Projects and Services:** Services provided in FY 2015-16 through April 2016 include:

- Processed applications and released for installation 19 domestic water meters; 31 fire service meters; 2 meter resizes; and 31 construction meters.
- Managed and administrated 40 Agency Clearance letters; 16 Project Availability and Commitment letters; 3 Special Projects; and 1 wastewater system connection.
- Marked out and processed 675 underground service alert requests.
- Identified 8 new right-of-way violations and resolved 5; processed 12 new encroachments and issued 10 encroachment permits.
- Processed 12 communication company lease site installations and upgrades.

**CHALLENGES FOR 2016-2017**

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 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.
- React to County Road widening projects, specifically Cole Grade Road, to implement capital projects as necessary to relocate District facilities as required. Funding for design of Cole Grade Pipeline Replacement Project is requested in this FY 2016-17 Annual Budget. The County is scheduled to begin construction of the road widening project in January 2018.
- Update the District's Standard Specifications for Construction of District Facilities including the Standard Drawings and Facility Design Manuals for Water and Wastewater facilities.

**GOALS FOR 2016-2017****Strategic Plan Implementation:****Water Supply – Goal 1:**

- Coordinate with Rainbow Municipal Water District for the provision of water supply to the Meadowood Development.
- Administer the District's Water Conservation Program to effectively meet all regulatory and Urban Water Conservation Council Memorandum of Understanding requirements.

**Infrastructure – Goal 2:**

- Complete the Master Plan Update and 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 Woods Valley Ranch Wastewater Expansion Project.
- Coordinate with Rainbow Municipal Water District for the provision of wastewater service to the Meadowood Development and developers engineer on the planning of the "in-tract" water and wastewater facilities.

- Complete the Cool Valley Reservoir Liner/Cover Replacement Project and obtain funding for the project through a Drinking Water State Revolving Fund Loan.
- Complete the Wilkes Road Pipeline Extension Project.
- Prepare drawings and bid documents, and perform construction management including inspection and preparation of record drawings for the Miller Pump Station Bypass, Keys Creeks Pipeline Crossing Replacement and evaluation of the 24, 30 and 39 inch Concrete Cylinder Pipe from the Betsworth Forebay to the Valley Center Pump Station and the CCP downstream of the Miller Pump and Valley Center Pump Stations.
- Pursue funding opportunities for infrastructure replacement and local water supply projects; specifically for the Cole Grade Road Pipeline Replacement Project and AMR to AMI Conversion projects.

**Technology - Geographical Information System (GIS) - Goal 4a:** Assist staff with development and maintenance of database information and integration of data and other District computer applications with GIS. Develop customized GIS web map applications for accessing custom map applications for staff use. Generate GIS easement layer and provide link to scanned documents for ease in search and retrieval. Generate database containing San Diego County developer project status for Project Facility Availability, Commitment, and Agency Clearance letters.

**Computer Aided Drafting (CAD) Document Management (DM) System – Goal 4a:** Finalize implementation of the Synergis Adept document management system for the accessibility and organization of the District's map drawings and project documents.

**Technology - SCADA - Goal 4b:** 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 – AMR and AMI - Goal 4c:** Assist with the conversion from AMR to AMI through securing funding sources.

**Energy - Efficiency - Goal 5a:** Assist in the design, review, and installation of energy efficient pump assemblies.

**Energy - Renewable and Alternative Energy Resources - Goal 5b:** Analyze potential sites for suitability of solar power generation to reduce the use of electric energy.

#### **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 the use of digital District maps and record drawings, update the valve detail drawings, and maintain updated hardcopies of the Valve Books for the District staff.
- Reduce processing time and paperwork required for water and wastewater service requests by utilizing computer resources.
- Provide opportunities for cross training in the areas of GIS, AutoCAD, and Customer Service.
- Continue to update electric gates within the District with District gate receivers.

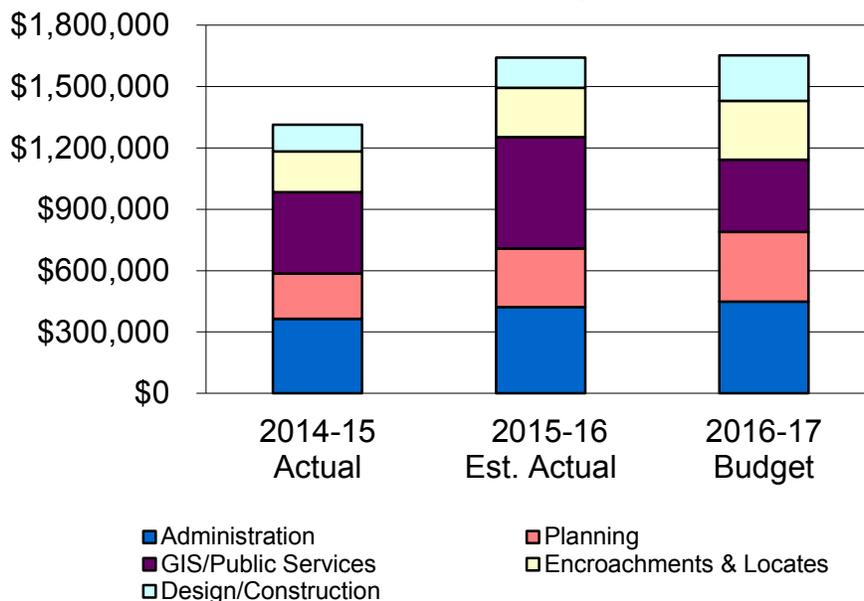
**LONG-TERM GOALS**

- 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.
- Assist with the development pump strategies and procedures to maximize pumping efficiencies utilizing water system modeling.

Personnel Requirements (FTE's)

	<i>Actual FY 2015-16</i>	<i>Budget FY 2015-16</i>	<i>Proposed FY 2016-17</i>
District Engineer/Deputy General Manager	1.0	1.0	1.0
Project Manager/Deputy Engineering Dept. Director	1.0	1.0	1.0
Project Manager	1.0	1.0	1.0
GIS/Engineering Services Supervisor	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0
Administrative Assistant II	0.0	0.0	1.0
Administrative Assistant I	1.0	1.0	1.0
Engineering Technician III	1.0	1.0	1.0
Engineering Technician II	2.0	2.0	2.0
GIS Mapping Tech	1.0	1.0	1.0
Senior Construction Inspector	1.0	1.0	0.5
Construction Inspector	0.0	0.0	1.0
<b>Total</b>	<b>11.0</b>	<b>11.0</b>	<b>12.5</b>

**Division Expenses**



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
21	Administration	364,754	425,717	421,817	448,675
22	Planning	219,983	337,561	285,911	341,160
23	GIS/Public Services	398,894	505,787	544,287	352,718
24	Encroachments & Locates	199,224	258,307	241,207	286,772
28	Design/Construction	130,481	216,059	147,809	222,497
<b>TOTAL ENGINEERING</b>		<b>1,313,336</b>	<b>1,743,431</b>	<b>1,641,031</b>	<b>1,651,822</b>

## Administration 01-5321.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	358,860	423,700	420,000	445,200
03	Overtime	3,163	1,500	1,000	1,500
10	Training & Education	1,216	1,200	1,200	1,600
11	Uniforms/Shoes	3,952	4,200	4,200	4,800
26	Legal Services	3,818	6,500	6,500	6,500
28	Printing	143	250	50	150
29	Books & Subscriptions	521	1,000	500	1,000
30	Special Department Expenses	2,883	500	1,500	1,000
34	Membership Fees & Dues	1,631	3,000	3,000	3,000
37	Transportation, Meals & Travel	453	500	500	4,700
88	Capital Planning	0	0	0	0
91	Expense Credit	(11,887)	(16,633)	(16,633)	(20,775)
	Total	364,754	425,717	421,817	448,675



## Administration 01-5321.

Acct. No.	Detail and Justification	Department Request
37	Transportation, Meals & Travel	4,700
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(20,775)

## Planning 01-5322.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	228,795	290,500	240,000	281,800
03	Overtime	206	500	300	500
10	Training & Education	0	1,000	1,000	1,000
25	Outside Professional Services	0	50,000	50,000	65,000
28	Printing	0	500	150	500
37	Transportation, Meals & Travel	630	1,200	600	1,200
59	Software Technical Support	0	7,050	7,050	7,050
91	Expense Credit	(9,649)	(13,189)	(13,189)	(15,890)
	Total	219,983	337,561	285,911	341,160

Planning 01-5322.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      1.35	281,800
03	Overtime	500
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	1,000
25	Outside Professional Services	65,000
28	Printing Reports, Business Cards, Mass Mailings	500
37	Transportation, Meals & Travel	1,200
59	Software Technical Support ID Modeling    3,600 H2OMap Water    2,150 H2OMap Wastewater    1,300	7,050
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(15,890)

## GIS/Public Services 01-5323.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	370,780	371,200	425,000	295,700
03	Overtime	10,025	2,700	10,000	2,700
10	Training & Education	0	500	650	500
25	Outside Professional Service	0	18,000	0	18,000
28	Printing	0	100	100	100
29	Books & Subscriptions	0	150	150	150
30	Special Department Expenses	3,786	89,300	89,300	9,800
34	Membership Fees & Dues	119	400	400	400
37	Transportation, Meals & Travel	326	750	250	750
54	Maintenance of Equipment	0	750	500	750
59	Software Technical Support	22,289	20,500	16,500	16,500
84	Water Conservation Program	7,091	21,200	21,200	23,700
91	Expense Credit	(15,521)	(19,763)	(19,763)	(16,332)
	Total	398,894	505,787	544,287	352,718





## Encroachments &amp; Locates 01-5324.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	196,840	229,500	220,000	279,900
03	Overtime	1,648	1,350	1,000	4,050
10	Training & Education	15	500	500	500
25	Outside Professional Services	2,870	3,000	3,000	4,500
26	Legal Services	0	2,500	500	2,500
30	Special Department Expenses	885	23,200	22,300	3,500
34	Membership, Fees & Dues	861	0	0	0
37	Transportation, Meals & Travel	0	500	500	500
52	Maintenance of Facilities	2,553	6,850	2,500	1,600
54	Maintenance of Equipment	0	1,000	1,000	1,000
84	Water Conservation Program	0	0	0	2,000
91	Expense Credit	(6,448)	(10,093)	(10,093)	(13,278)
	Total	199,224	258,307	241,207	286,772

## Encroachments &amp; Locates 01-5324.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      2.05	279,900
03	Overtime	4,050
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	500
25	Outside Professional Services	4,500
26	Legal Services	2,500
30	Special Department Expenses Drafting and Office Supplies                      200 Markout Supplies                                      500 Inspection Supplies                                  500 Markout Device (Locator)                          500 Dig Alert    1,200 Miscellaneous    600	3,500
37	Transportation, Meals & Travel	500
52	Maintenance of Facilities Retrofit 2 Electric Gate Controllers: Controllers 2 @ \$150 each                      300 Installation 2 @ \$150 each                      300 Miscellaneous                                      1,000	1,600
54	Maintenance of Equipment (Locators)	1,000
84	Water Conservation Program	2,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(13,278)

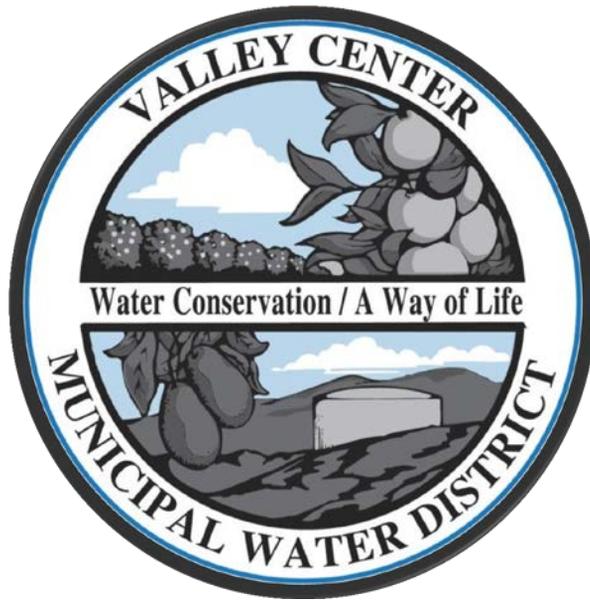
## Design/Construction 01-5328.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	137,876	150,500	140,000	154,800
03	Overtime	224	2,700	500	2,700
10	Training & Education	0	500	250	500
25	Outside Professional Services	0	67,000	10,000	67,000
28	Printing	921	1,000	0	1,000
29	Books & Subscriptions	0	100	0	100
30	Special Department Expenses	127	1,800	1,000	1,800
37	Transportation, Meals & Travel	0	400	0	400
54	Maintenance of Equipment	0	500	500	500
59	Software Technical Support	0	0	4,000	4,000
91	Expense Credit	(8,667)	(8,441)	(8,441)	(10,303)
	Total	130,481	216,059	147,809	222,497

## Design/Construction 01-5328.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      0.95	154,800
03	Overtime	2,700
10	Training & Education Allocation from General Administration Training 5218 Page 6-7A	500
25	Outside Professional Services Outsource Mapping Updates                      65,000 Contract Drafting Assistance                      2,000	67,000
28	Printing	1,000
29	Books & Subscriptions	100
30	Special Department Expenses Drafting Office Supplies                      1,250 Mylar Film    250 Miscellaneous                                        300	1,800
37	Transportation, Meals & Travel	400
54	Maintenance of Equipment	500
59	Software Technical Support	4,000
91	Expense Credit Reimbursement from Sewer Funds	(10,303)





# 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 40 full time employees, including 5 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 programs for all departments to ensure the preservation of the District's low worker's compensation ratings through ACWA/JPIA, the insurance provider.

For the past seven years the District has been presented with a refund check from the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). The cumulative amount of the refunds is \$513,023. The refunds represent a partial return of prior years' insurance premiums due to the District's successful efforts to control and reduce property, liability, and workers' compensation losses. Due to the District's low e-modification rating, the District also receives a 30% discounted rate in premiums for our Workers Compensation and Liability Insurance Programs which has resulted in additional savings of over \$513,000 over the past five years. Combined, the District has received refunds and lower insurance premiums of over \$1,026,129 over the past five and seven year period.

- The District Security Division administers the implementation of the recommended measures from the vulnerability assessment for incorporation throughout the District's facilities, via the SCADA network.

**Operations - Water** - The Water Operations Division estimates usage demand, purchases water, and regulates flow throughout the distribution system. It also analyzes pump efficiency data and monitors and tracks solar generation. That information is used to develop pumping strategies that improve resources and help reduce overall pumping costs. The Division is also responsible for pressure reducing stations, altitude valve maintenance, monthly facility and reservoir inspections as well as the operations of the SCADA and telemetry system. Additionally, the Water Operations Division is responsible for water quality, sampling, testing and all DHS reporting including the District's Water Quality Report. This year over 3,700 chlorine residual samples, 520 coliform and general physical samples and 32 disinfection by-product samples were taken to ensure a safe and compliant water quality program.

**Operations - Wastewater** - The Wastewater Division is responsible for the operation and maintenance of the Lower Moosa Canyon Water Reclamation Facility and Woods Valley Ranch Wastewater Treatment Plant. This includes performing tests and making the necessary adjustments to meet Regional Water Quality Control Board effluent standards. The Moosa laboratory performs daily wastewater sampling, potable bacteriological testing (Bac-T), and general physicals samples. The Division is also responsible for the maintenance of the sewer collection systems, lift stations and low pressure systems, which includes locating, inspecting and repairing all sewer lines and manholes within the wastewater system. The Woods Valley Plant processes the District's first tertiary water and includes the District's reclaimed water program. *Wastewater operations are presented in separate sections of this budget.*

**Pumps and Motors** - The Pump & Motor Division maintains, repairs, and replaces the electrical and mechanical equipment at the District's 58 different water and wastewater facilities. The Division maintains the District's equipment at a high level of efficiency, reliability, and safety through proactive maintenance and replacement programs. The water facilities are comprised of 53 locations consisting of 44 reservoirs, 113

electric motor driven pumps, 25 emergency power generators, 11 air compressors, 8 natural gas engine driven pumps, and 5 solar power systems. The wastewater facilities are comprised of 5 locations consisting of 56 electric motor driven pieces of equipment, and 4 emergency power generators. The Division is also responsible for the in-house planning and implementation of the District SCADA Project, potential solar sites, and security systems, as well as their maintenance, upgrades, and improvements. In addition, it is responsible for the Fleet Division, which repairs and maintains District vehicles, tractors, and equipment. The District fleet consists of 49 vehicles, 44 pieces of large equipment, and 84 pieces of miscellaneous equipment.

**Construction and Maintenance** – The C&M Division maintains, inspects, repairs, upgrades, and locates as necessary the more than 297 miles of pipelines and easements that run throughout the District's service area. It detects and repairs leaks and performs maintenance, upgrades and repairs to all mainline valves and appurtenances. The C&M Division performs most of the District's in-house construction projects and is responsible for the flushing of dead-end water lines to maintain water quality. It assists the Wastewater Division with in-house construction work and all the major repairs of sewer lines and manholes within the wastewater system. The Division is also responsible for landscaping needs and requirements of all District facilities and easements.

**Meter Services** - The Meter Services Division is responsible for the installation, relocation and repair of all water meters and service laterals. This includes responsibility for warehousing, meter installation, backflow and service repair inventories. This Division reads, monitors, and tests water meters. As of April 30, 2016, there were 9,972 active meters, of which 1,080 are fire meters, and 4,534 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 2015-16**

### **Performance Measurement Standard:**

- **Water Loss (Standard 2):** Unknown water loss is to be reported for the past ten years in terms of percent of water sold, acre feet, and value of water lost, as well as efforts to minimize and reduce the loss. Unaccounted water loss for calendar year 2015 was 1,075.6 acre feet, 5.1% of total water sold, which was the lowest volume ever recorded since 1981 and represents \$1.09 million dollars. Through a service agreement with CAL Fire, the District cleared 75 remote easements to improve leak detection and system surveillance measures. Meter testing, exchange, and inspections were increased to assist in reducing the District's known water loss. All locked-off and unused service laterals were surveyed and field staff checked roughly 2 meter routes, which represents 810 meters, for security, tampering, and proper meter function. Crews have also installed additional security measures involving magnetic interruption or tampering influence on 600 meter accounts, representing 4 meter routes and will continue this magnetic detection procedure into the 2016-17 fiscal year. The District will 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. To meet the District's Pump Efficiency Standard 5, 6 pumps were reconditioned to restore their overall efficiency. Currently, during the District's pump rebuilding process, the reconditioned pumps are fitted with mechanical seals to eliminate water loss from the old design pump packing system. For this Fiscal Year, the Rincon Pump Station was relocated to the Cool Valley Reservoir site so the new 91kW solar array will off-set the new Rincon pumps energy demand.

- **Water Service Reliability (Standard 7):** was 99.999% for calendar year 2015.
- **Compliance with Regulations (Standard 8):** The District was compliant with all state and federal regulations.
- **Lost-time Accidents (Standard 9):** The District had one lost-time accident in calendar year 2015. The one lost-time accident did not exceed our performance standard of less than 1% of total hours worked.
- **Strategic Plan Implementation:**
  - **SCADA (Goal 4b):** Continued to monitor the SCADA system program. Progressively removed old telemetry signal units that were not SCADA compatible and replaced them with new SCADA compatible transducer units. In 2016-17, SCADA phases I through VII will be completed with additional SCADA work completed on the natural gas engines and automation of key bypass valves.  
  
SCADA facilities completed by in-house staff during 2015-16 were; Montanya Reservoir & Pump Station, Via Cantamar Reservoir & Pump Station and Hauck Mesa, Ridge Ranch, Cantrell Corners Pump Stations, along with the installation or replacement of multiple security cameras and communication radios at various sites throughout the District.
  - **Solar Projects (Goal 5b):** One solar array was constructed to reduce electrical consumption and power costs from San Diego Gas & Electric. A 91kW solar array was installed at the Cool Valley Reservoir facility that will be used to offset the electrical usage from the circulation and chlorination pumping that maintains the reservoir's water quality and a new Rincon Pump station, which is scheduled to be completed at the end of Fiscal Year 2015-16.

#### **Other Projects:**

- Retrofitted 12 existing fire hydrants on Valley Center Road with automated shut-off valves to reduce water loss and potential property damage.
- Developed and implemented drought and water conservation measures to comply with the new State Water Resource Control Board mandatory water use restrictions.
- Assisted in the 42" and 39" transmission pipeline analysis.
- Purchased and outfitted two half ton replacement trucks.
- Rebuilt the top end on 4 natural gas engines at the Betsworth Forebay Pump Station.
- Completed smog testing on 16 vehicles, opacity testing on 11 trucks and APCD emission testing on all 8 natural gas engines.
- Load tested 14 Emergency Back-up Generators.
- Satin sealed paving at 12 reservoir, pressure reducing station, and pump station sites.
- Cleaned, pressure washed, and inspected 10 steel tank reservoirs.
- Completed Valve Maintenance through Quads A, B and C, to include upgrades of 16 below grade air/vac assemblies.

#### **CHALLENGES FOR 2016-2017**

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

Continue to meet the mandatory water use reductions implemented by the State Water Resource Control Board.

Continue to implement operational pumping strategies to minimize the financial impacts of SDG&E's continuously changing rate schedule tariffs.

Develop policies and procedures that comply with the changing drought regulations and mandates to ensure compliance with enforcement and monitoring requirements.

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

Continue with the in-house construction and implementation of the new SCADA Program that will 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 energy consumption and improve the District's carbon footprint.

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

### **GOALS FOR 2016-2017**

#### **Performance Measurement Standards:**

- **Water Loss (Standard 2):** To further improve the District's water loss percentage, continue replacing high usage 3-inch, 2-inch, and 1½-inch meters. Continue to evaluate and survey high demand areas of the District and increase leak detection measures in high risk areas. Maintain security and tamper proof measures in remote easements and perform weekend and after-hours field and meter inspections. Staff will also implement an Advanced Metering Infrastructure System (AMI) study in preparation of the Central Valley development that will provide the ability to remotely monitor a meters usage and provide customers with real-time usage and leak detection capabilities.
- **Pump Efficiency (Standard 5):** Maintain the efficiency requirements through repair, reconditioning and replacing sub-par pumping equipment. Evaluate low performing pump stations for pump and motor replacement upgrades. Utilize the rebate and efficiency programs available through SDG&E to offset District costs in the improvement of sub-standard pump stations. For Fiscal Year 2016-17, recondition upgrades are planned for the pumps at Rainbow Pump Station and Oat Hill Pump Station to restore their overall efficiency and to modernize the pumps to accommodate mechanical seals.
- **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 4b)** - Continue construction and implementation of SCADA development Phases III through VII. It is anticipated the SCADA projects, phase VII sites, will be completed this fiscal year.

Facilities scheduled to be completed include; VC 1A & B Aqueduct Connection, Bingham Mesa Pump Station, McNally Booster Station and the Pala Loma Hydro Station. With assistance from the Information Technology Department in managing all of the Wonderware and radio responsibilities of the SCADA project, the project continues to move forward significantly and is scheduled for completion this fiscal year.

- **Vulnerability Assessment** - Complete the recommended measures. Phases three and four have been postponed. However, staff will 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. The District's entrance area of the Administration building has been upgraded for improved security measures and customer efficiencies and functionality.

**Solar Projects (Goal 5b)** – Continue to install solar arrays at small scale pumping stations to offset energy consumption and costs. A 70kW solar array will be constructed at the District's Miller Pump Station facility to off-set a portion of the pumping demands for the stations electric meter, which run #7 and #8 electric pumps. In addition, the District is in discussions with ABM Building Solutions to research the potential for grant or low interest-rate funding to implement additional solar at our Betsworth Forebay Pump Station, Miller Pump Station, Corporate Facilities and the Lower Moosa Canyon Reclamation Facility.

**Other Goals:**

- Continue in-house security upgrades at reservoir and pumping facilities through SCADA implementation.
- Continue to retrofit a number of fire hydrants along Valley Center Road with the new auto shut-off AVK check valve.
- Continue to be vigilant and responsive to the changing water quality regulations with new Federal or State mandates and guidelines.
- Continue to evaluate the District's energy consumption and determine cost saving measures to offset power costs through improved maintenance or alternative generation at pumping facilities.
- Continue to identify and install new in-line valves and repair existing in-line and reservoir valves at designated points throughout the District's service area.
- Continue to retrofit fire hydrants, as needed, with automated shutoff valves to reduce water loss and property damage.
- Complete valve maintenance through Quads D & E and upgrade associated appurtenances.
- Continue to clean, inspect, and repair reservoirs throughout the District's service area, to reduce or eliminate water quality issues throughout the distribution area.
- Satin seal paving at 10 facilities throughout the District.
- Continue to build and install internal mixing units at troublesome reservoir sites.
- Continue to appraise, examine, and improve the District's infrastructure and facilities throughout the District's service area to prevent major system failures.
- Continue installing security measures on large meters, checking for tampering and working with CAL Fire to clear easements to prevent water loss.

**LONG TERM GOALS**

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 District's future succession planning demands.

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

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

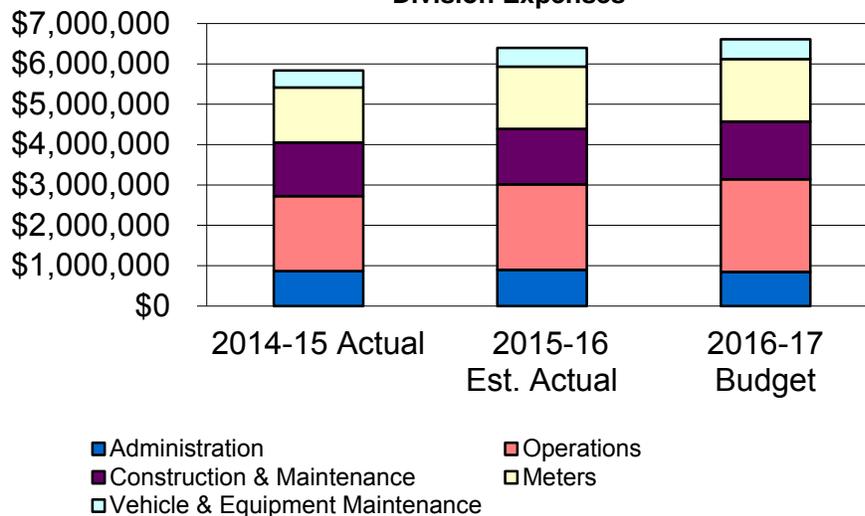
Implement and develop pumping strategies and procedures to maximize pumping efficiencies and incorporate solar or alternative generation into that approach.

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

Personnel Requirements (FTE's)

	<i>Actual</i> FY 2015-16	<i>Budget</i> FY 2015-16	<i>Proposed</i> FY 2016-17
Director of Operations	1.0	1.0	1.0
Safety & Regulatory Compliance Supervisor	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0
Construction Maintenance Supervisor	1.0	1.0	1.0
Meter Services Supervisor/Deputy OPS/Fac	1.0	1.0	1.0
Pumps & Motors Supervisor	1.0	1.0	1.0
Water Systems Supervisor	1.0	1.0	1.0
Wastewater Systems Supervisor	1.0	1.0	1.0
Senior Construction Maintenance Tech	3.0	3.0	3.0
Construction Maintenance Technician III	5.0	5.0	5.0
Construction Maintenance Technician II	1.0	1.0	0.5
Construction Maintenance Tech I	0.0	0.0	1.0
Landscape Maintenance Worker III	1.0	1.0	1.0
Meter Services Technician III	2.0	2.0	4.0
Meter Services Technician II	4.0	4.0	2.0
Senior Pump Facilities Technician	2.0	2.0	2.0
Senior Electrician	1.0	1.0	1.0
Electrician	1.0	1.0	1.0
Senior Fleet Mechanic	1.0	1.0	1.0
Fleet Mechanic II	1.0	1.0	1.0
Pump Facilities Technician I	1.0	1.0	1.0
Senior Water Systems Technician	1.0	1.0	1.0
Water Systems Technician III	3.0	3.0	3.0
Water Systems Technician I	1.0	1.0	1.0
Senior Wastewater System Technician	1.0	1.0	1.0
Wastewater Systems Technician III	3.0	3.0	2.0
Wastewater Systems Technician II	0.0	0.0	1.0
<b>Total</b>	<b>40.0</b>	<b>40.0</b>	<b>40.5</b>

Division Expenses



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
<b>ADMINISTRATION</b>					
31	Field Administration	445,121	433,079	451,979	410,397
32	Safety & Regulatory Compliance	201,658	190,266	216,456	200,707
33	Landscape & Paving Maintenance	152,680	160,624	150,924	151,200
34	District Security	65,579	87,819	79,568	83,676
	Total Administration:	865,038	871,788	898,927	845,980
<b>OPERATIONS</b>					
42	System Operation	744,855	755,700	739,500	747,600
43	Telemetry	158,140	182,400	194,583	190,200
44	Treatment	71,626	88,150	59,342	74,550
45	Automatic Valves	89,688	113,000	58,500	113,300
46	Reservoir Maintenance	201,004	218,600	219,400	212,600
47	Pump Maintenance	189,807	245,750	224,786	308,900
48	Motor Maintenance & Electric Panels	334,609	511,300	544,186	557,300
49	Quality Control	69,686	83,100	75,800	91,900
	Total Operations:	1,859,414	2,198,000	2,116,097	2,296,350
<b>CONSTRUCTION &amp; MAINTENANCE</b>					
53	Pipeline and Right-of-Way Maint.	677,432	691,700	751,700	718,800
54	Corporate Facilities Maintenance	74,349	117,556	98,556	116,219
55	Valve Maintenance & Location	573,600	621,300	523,100	592,900
	Total Construction & Maintenance:	1,325,381	1,430,556	1,373,356	1,427,919
<b>METERS</b>					
61	Meter Installation	156,837	158,100	141,783	169,900
62	Meter Reading	34,414	57,400	47,450	44,200
63	Service Connection Maintenance	1,010,708	1,084,150	1,166,410	1,105,100
65	Backflow Maintenance	162,365	185,000	189,340	232,700
	Total Meters:	1,364,324	1,484,650	1,544,983	1,551,900
71	Vehicle & Equipment Maintenance	423,143	522,300	464,913	487,300
<b>TOTAL FIELD OPERATIONS</b>		<b>5,837,301</b>	<b>6,507,294</b>	<b>6,398,276</b>	<b>6,609,449</b>

Field Administration 01-5431.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	383,075	376,900	393,000	345,800
03	Overtime	724	1,000	500	1,000
10	Training & Education	29,330	26,000	27,500	30,000
11	Uniform/Clothing/Shoes	29,917	31,600	33,000	35,400
25	Outside Professional Service	653	0	0	0
28	Printing	1,761	500	500	1,500
30	Special Department Expenses	2,904	2,500	2,500	2,500
32	Automated Telephone Dial Service	2,360	2,000	2,000	2,500
33	Postage	0	100	0	600
34	Memberships, Fees and Dues	0	400	300	300
37	Transportation, Meals & Travel	4,752	6,500	7,000	7,000
38	Regulatory Permits & Fees	1,996	2,500	2,600	2,800
91	Expense Credit	(12,352)	(16,921)	(16,921)	(19,003)
	Total	445,121	433,079	451,979	410,397

Field Administration 01-5431.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      1.65	345,800
03	Overtime	1,000
10	Training & Education Allocation from General Administration Training 5218 Page 6-7B	30,000
11	Uniform/Clothing/Shoes Uniforms for Field Personnel                      25,900 Safety Shoes    7,700 Hats    800 Sweatshirts    500 Jackets    500	35,400
28	Printing General Printing                                        500 Drought Enforcement                                1,000	1,500
30	Special Department Expenses Office Supplies                                        2,000 Miscellaneous Equipment                         500	2,500
32	Automated Telephone Dial Service for scheduled SDCWA shutdowns	2,500
33	Postage General Postage                                        100 Drought Enforcement                                500	600
34	Memberships, Fees and Dues Miscellaneous                                         300	300
37	Transportation, Meals & Travel San Diego County Water Works Group Meetings                      1,000 After Hour Meals                                       4,750 Joint Power Insurance Authority Meetings                      1,250	7,000

Field Administration 01-5431.

Acct. No.	Detail and Justification	Department Request
38	Regulatory Permits & Fees State Water Resources Control Board 2,800	2,800
91	Expense Credit	(19,003)

Safety & Regulatory Compliance 01-5432.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	168,927	160,900	184,800	171,000
03	Overtime	3,081	1,500	4,000	1,500
07	Employee Physicals	10,478	9,600	9,600	9,600
25	Outside Professional Service	4,391	5,800	6,690	8,000
30	Special Department Expenses	19,088	18,500	17,500	18,500
34	Memberships, Fees and Dues	1,265	1,400	1,300	1,400
91	Expense Credit	(5,573)	(7,434)	(7,434)	(9,293)
	<b>Total</b>	<b>201,658</b>	<b>190,266</b>	<b>216,456</b>	<b>200,707</b>

Safety & Regulatory Compliance 01-5432.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.90	171,000
03	Overtime	1,500
07	Employee Physicals As required by the Department of Health Services, Department of Motor Vehicles, Department of Transportation, and OSHA, including hearing tests, drug testing, and respirator physicals.	9,600
25	Outside Professional Service Fire Extinguisher Testing 2,800 Material Safety Data Sheets On-line 1,300 Automated External Defibrillator Compliance Program 300 DOT Administration Fee 800 Electrical Personal Protective Equipment Testing 800 Industrial Hygiene Services 2,000	8,000
30	Special Department Expenses First Aid Equipment 2,000 Safety Protection Equipment 5,500 Safety Materials 1,500 Respirator Replacements 800 Safety Signs 800 Rain Gear & Safety Vests 2,000 Fall Protection Harness Replacement 500 Emergency/First Aid Supplies 3,000 Fire Extinguisher Replacement 500 Fall Protection Rescue Equipment 500 Miscellaneous 1,400	18,500
34	Memberships, Fees and Dues National Safety Compliance 400 National Fire Protection Association 200 Pacific Safety Council 300 Cal OSHA Reports 500	1,400

Safety & Regulatory Compliance 01-5432.

Acct. No.	Detail and Justification	Department Request
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(9,293)

Landscape & Paving Maintenance 01-5433.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	140,646	155,700	147,500	146,000
03	Overtime	53	500	0	500
25	Outside Professional Services	8,480	4,000	4,500	5,000
30	Special Department Expenses	14	700	500	700
52	Maintenance of Facilities	7,805	6,000	4,700	6,000
91	Expense Credit	(4,318)	(6,276)	(6,276)	(7,000)
Total		152,680	160,624	150,924	151,200

Landscape & Paving Maintenance 01-5433.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.40	146,000
03	Overtime	500
25	Outside Professional Services Tree Trimming and Turner Dam Cattail Control Pre-Emergent spray of station/facilities	5,000
30	Special Department Expenses	700
52	Maintenance of Facilities Irrigation and Plants 3,500 Landscape Materials 1,500 Fence Repair - Barb wire replacement 500 Gravel 500	6,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(7,000)

District Security 01-5434.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	68,199	86,800	79,500	79,000
03	Overtime	0	250	0	0
28	Printing	0	100	0	0
30	Special Department Expenses	557	3,500	3,000	1,500
33	Postage	0	100	0	0
34	Memberships, Fees and Dues	499	500	499	550
52	Maintenance of Facilities	0	0	0	6,500
91	Expense Credit	(3,675)	(3,431)	(3,431)	(3,874)
Total		65,579	87,819	79,568	83,676

District Security 01-5434.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.43	79,000
30	Special Department Expenses Office Supplies 300 Security Supplies 350 Emergency Satellite Television Fees 350 EOC Supplies 500	1,500
34	Memberships, Fees and Dues Water Information Sharing and Analysis Center	550
52	Maintenance of Facilities Cameras (Stationary and PTZ) 5,000 Security Gate Maintenance 1,500	6,500
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(3,874)

System Operation 01-5442.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	646,375	644,200	630,000	631,100
03	Overtime	96,857	105,000	103,000	110,000
30	Special Department Expenses	0	1,000	1,000	1,000
52	Maintenance of Facilities	1,622	5,500	5,500	5,500
Total		744,855	755,700	739,500	747,600

System Operation 01-5442.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 4.42	631,100
03	Overtime Stand-By Pay, Operation Call Out, Shift Pay	110,000
30	Special Department Expenses	1,000
52	Maintenance of Facilities Equipment 2,500 General Maintenance 3,000	5,500

Telemetry/SCADA 01-5443.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	94,379	113,500	126,000	118,300
03	Overtime	1,727	2,500	2,363	2,500
25	Outside Professional Services	0	5,000	4,520	5,000
30	Special Department Expenses	0	400	300	400
32	Telephone	23,015	25,000	25,000	25,000
52	Maintenance of Facilities	5,076	5,000	3,800	4,000
54	SCADA Repairs	13,513	10,000	9,600	10,000
59	Software Technical Support	20,430	21,000	23,000	25,000
	Total	158,140	182,400	194,583	190,200

Telemetry/SCADA 01-5443.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.83	118,300
03	Overtime As Needed for Repairs	2,500
25	Outside Professional Services SCADA Programming	5,000
30	Special Department Expenses	400
32	Telephone Leased Telemetry Lines and Alarm Monitor	25,000
52	Maintenance of Facilities Repairs To: Transmitters and Receivers 1,000 Power Supplies 1,000 Telemetry 2,000	4,000
54	SCADA Repairs Pressure Level Transducers 5,000 SCADA Miscellaneous 5,000	10,000
59	Software Technical Support	25,000

Treatment 01-5444.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	59,249	54,800	46,000	61,700
03	Overtime	58	500	200	500
23	Chlorine	11,762	30,000	11,000	10,000
25	Outside Professional Services	0	500	500	500
30	Special Department Expenses	0	350	350	350
38	Regulatory Permits & Fees	292	500	292	500
52	Maintenance of Facilities	266	1,500	1,000	1,000
Total		71,626	88,150	59,342	74,550

Treatment 01-5444.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.40	61,700
03	Overtime	500
23	Chlorine Chlorine Tablets 5,000 HTH to Increase Residual in Reservoirs 5,000	10,000
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 500 Rebuild Chlorine Detectors 500	1,000

Automatic Valves 01-5445.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	73,638	87,000	42,000	91,800
03	Overtime	1,150	1,500	1,000	1,000
30	Special Department Expenses	0	500	500	500
52	Maintenance of Valves	14,900	24,000	15,000	20,000
Total		89,688	113,000	58,500	113,300

Automatic Valves 01-5445.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents                      0.60	91,800
03	Overtime	1,000
30	Special Department Expenses Tools and Replacement	500
52	Maintenance of Valves Rebuild, Repair & Maintenance of Pressure Reducing, Pressure Relief, Altitude, Pump Control, and Isolation Valves	20,000

Reservoir Maintenance 01-5446.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	154,436	159,800	158,000	152,800
03	Overtime	35	1,000	1,000	1,000
25	Outside Professional Service	7,054	25,000	24,000	24,000
30	Special Department Expenses	818	800	800	800
38	Regulatory Permits & Fees	17,513	17,000	17,500	19,000
52	Maintenance of Facilities	21,148	15,000	18,100	15,000
Total		201,004	218,600	219,400	212,600

Reservoir Maintenance 01-5446.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.01	152,800
03	Overtime	1,000
25	Outside Professional Service Diver - Cleaning and Inspection 9,000 Floating Cover - Cleaning and Repair 4,200 Turner Dam - Inspection and Repairs 10,800	24,000
30	Special Department Expenses Hose & Pump Equipment	800
38	Regulatory Permits & Fees Turner Dam 18,500 Environmental Health Permits 500	19,000
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

Pump Maintenance 01-5447.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	154,897	185,000	173,200	248,400
03	Overtime	1,845	2,000	2,100	3,000
25	Outside Professional Services	(7,328)	25,000	18,800	24,000
30	Special Department Expenses	366	750	1,197	1,500
52	Maintenance of Pumps	35,567	28,000	23,000	25,000
54	Maintenance of Equipment	4,460	5,000	6,489	7,000
Total		189,807	245,750	224,786	308,900

Pump Maintenance 01-5447.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.56	248,400
03	Overtime	3,000
25	Outside Professional Services Machine Work 19,000 Epoxy Coating 5,000	24,000
30	Special Department Expenses Tool Replacement 1,000 Miscellaneous Items 500	1,500
52	Maintenance of Pumps Pump Repair Parts 15,000 Bearings 5,000 Packing/Mechanical Seals 5,000	25,000
54	Maintenance of Equipment (Surge Tanks) Controls 2,000 Relief Valves 3,000 Air Compressors 2,000	7,000

Motor Maintenance/Electrical Panels 01-5448.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	235,408	341,800	398,000	387,800
03	Overtime	5,380	3,500	4,000	4,000
25	Outside Professional Services	4,068	26,000	26,000	26,000
30	Special Department Expenses	3,086	3,000	4,386	3,000
38	Regulatory Permits & Fees	23,627	25,200	24,000	25,200
52	Maintenance of Electrical Facilities	16,368	31,000	24,800	31,000
55	Maintenance of Engines	37,710	34,000	47,000	40,000
56	Maintenance of Electric Motors	8,961	46,800	16,000	40,300
Total		334,609	511,300	544,186	557,300

## Motor Maintenance/Electrical Panels 01-5448.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 2.64	387,800
03	Overtime	4,000
25	Outside Professional Services Building Pest Control and Repair 15,000 Generator Load Testing 2,500 Emission Source Testing 3,500 Circuit Breaker Testing 5,000	26,000
30	Special Department Expenses Test and Diagnostic Equipment 500 Electrical Safety Equipment and Testing 2,500	3,000
38	Regulatory Permits & Fees Environmental Health 3,200 Natural Gas Engines 20,000 Emergency Generators 2,000	25,200
52	Maintenance of Electrical Facilities Electrical Panels 16,000 Electrical Equipment 4,000 Lights, Electrical Tool Repair 1,500 Circuit Breakers 4,500 Softstarter Repair/Replacement 5,000	31,000
55	Maintenance of Engines Miscellaneous Breakdowns/Services/Oil 40,000	40,000
56	Maintenance of Electric Motors Parts and Repairs 30,300 Bearings, Oil & Grease 10,000	40,300

Quality Control 01-5449.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	48,039	53,100	48,000	54,400
03	Overtime	1	500	500	500
25	Outside Professional Services	7,873	8,000	4,000	8,500
28	Printing	0	1,000	1,000	1,000
30	Special Department Expenses	1,958	4,000	4,000	4,000
33	Postage	0	1,000	1,000	1,000
38	Regulatory Permits & Fees	9,653	8,000	13,800	16,000
52	Maintenance of Facilities	2,163	7,500	3,500	6,500
Total		69,686	83,100	75,800	91,900

Quality Control 01-5449.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalentents                      0.35	54,400
03	Overtime	500
25	Outside Professional Services Lab Analysis For: Trihalomethane (THM) Stage 2                      3,000 Haloacetic acids (HAA)                              3,000 Lead/Copper Testing                                  1,500 Coliform, General Physical Testing                1,000	8,500
28	Printing Consumer Confidence Reports, Annual Notifications, Regulations	1,000
30	Special Department Expenses Lab Supplies    2,500 Glassware Replacement                              1,500	4,000
33	Postage Notifications for major shutdowns                500 Consumer confidence reports                        500	1,000
38	Regulatory Permits & Fees AB 2995 Water Systems Fees, Inspection and Services	16,000
52	Maintenance of Facilities Chlorine Residual Comparators                      2,000 Chlorine Residual Reagent                            2,000 Rebuild/Repair Chlorine Residual Analyzers    2,500	6,500

Pipeline & R.O.W. Maintenance 01-5453.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	552,656	565,700	635,700	590,800
03	Overtime	31,467	30,000	27,000	30,000
25	Outside Professional Services	20,949	23,000	28,200	25,000
30	Special Department Expenses	1,935	2,000	2,000	2,000
40	Rents & Leases	1,223	1,000	1,400	1,000
52	Maintenance of Facilities	69,202	70,000	57,400	70,000
Total		677,432	691,700	751,700	718,800

Pipeline & R.O.W. Maintenance 01-5453.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.96	590,800
03	Overtime Emergency Leak Repair	30,000
25	Outside Professional Services Asphalt Paving 12,000 Asphalt Satin Sealing 10,000 Mowing of Corporate Facilities 3,000	25,000
30	Special Department Expenses Fire Hose and Fittings 250 Cones and Barricades 250 Tools 500 Welding Supplies 1,000	2,000
40	Rents & Leases	1,000
52	Maintenance of Facilities Asphalt, Hot and Cold Mix 16,500 Decomposed Granite, Road Base and Rock 21,000 Culverts 2,000 Cement 2,000 Clamps and Couplings 9,000 Welding Materials 2,500 Asphalt-Cement Disposal 2,500 Pipe - Repair 6,500 AC Pipe Disposal 5,000 Erosion Control Material 3,000	70,000

## Corporate Facilities Maintenance 01-5454.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	23,724	40,400	28,500	42,300
03	Overtime	327	250	250	300
25	Outside Professional Services	38,464	54,500	48,500	51,500
30	Special Department Expenses	2,893	3,500	3,100	3,500
38	Regulatory Permit & Fees	3,232	2,500	3,800	4,000
52	Maintenance of Facilities	11,463	21,000	19,000	20,000
91	Expense Credit	(5,754)	(4,594)	(4,594)	(5,381)
	Total	74,349	117,556	98,556	116,219

Corporate Facilities Maintenance 01-5454.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.28	42,300
03	Overtime	300
25	Outside Professional Services Asphalt Seal 8,000 Janitorial Service 11,000 Air Conditioner Repairs/Service 9,500 Trash Pickup 7,000 Bug and Termite Treatment 2,500 Carpet Cleaning 3,000 Internal Window, Floor Cleaning 4,000 Miscellaneous 4,000 Generator Load Testing 2,500	51,500
30	Special Department Expenses Breakroom Supplies 2,500 Miscellaneous Supplies 1,000	3,500
38	Regulatory Permit & Fees Environmental Health Permit 2,000 Emergency Stationary Gen-sets 2,000	4,000
52	Maintenance of Facilities Floor Mats/Lighting 2,500 Janitor Supplies 3,000 Building Maintenance 3,500 Special Cleaning of Building 4,000 Miscellaneous 5,000 Roof and Painting Repairs 2,000	20,000
91	Expense Credit Reimbursement from Sewer Funds for Administrative Overhead	(5,381)

Valve Maintenance/Locations 01-5455.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	500,527	520,800	447,200	492,400
03	Overtime	6,056	12,000	7,500	12,000
25	Outside Professional Services	0	6,000	4,500	6,000
30	Special Department Expenses	783	1,500	1,500	1,500
40	Rents & Leases	743	1,000	400	1,000
52	Maintenance of Facilities	65,491	80,000	62,000	80,000
Total		573,600	621,300	523,100	592,900

Valve Maintenance/Locations 01-5455.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 3.59	492,400
03	Overtime	12,000
25	Outside Professional Services Asphalt Paving	6,000
30	Special Department Expenses Tools 300 Welding Supplies 700 Markout Materials/Calibration 250 Cones 250	1,500
40	Rents & Leases Heavy Equipment and Asphalt Breaker	1,000
52	Maintenance of Facilities 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	80,000

Meter Installation 01-5461.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	43,523	49,700	54,414	72,300
03	Overtime	531	2,000	1,041	1,200
30	Special Department Expenses	255	1,000	1,000	1,000
38	Regulatory Permits & Fees	0	250	250	250
40	Rents & Leases	0	150	150	150
51	Maintenance of Vehicles	30,914	30,000	30,000	30,000
52	Installation Material-Meters	40,351	40,000	30,602	35,000
57	Installation Material-Backflows	41,263	35,000	24,326	30,000
	<b>Total</b>	<b>156,837</b>	<b>158,100</b>	<b>141,783</b>	<b>169,900</b>

Meter Installation 01-5461.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 0.47	72,300
03	Overtime	1,200
30	Special Department Expenses	1,000
38	Regulatory Permits & Fees Excavation Permits	250
40	Rents & Leases	150
51	Vehicle Maintenance	30,000
52	Installation Material-Meters	35,000
57	Installation Material - Backflows Including Approved Double Check Valves, RP Devices and Fire Protection	30,000

Meter Reading 01-5462.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	34,296	50,400	45,000	40,200
03	Overtime	(15)	1,000	250	500
30	Special Department Expenses	133	1,000	500	1,000
59	Software Technical Support	0	5,000	1,700	2,500
Total		34,414	57,400	47,450	44,200



Service Connection Maintenance 01-5463.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	862,250	906,900	955,000	888,100
03	Overtime	19,103	30,000	34,000	35,000
25	Outside Professional Services	17,750	25,000	46,410	50,000
30	Special Department Expenses	787	2,000	500	1,500
40	Rents & Leases	0	250	500	500
52	Maintenance of Facilities	110,818	120,000	130,000	130,000
Total		1,010,708	1,084,150	1,166,410	1,105,100

Service Connection Maintenance 01-5463.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 5.98	888,100
03	Overtime	35,000
25	Outside Professional Services Cal-Fire Clearing 15,000 Asphalt Paving 10,000 Flagging Assistance 25,000	50,000
30	Special Department Expenses Pressure Recorder Transducers 500 Meter Security Locks 500 Miscellaneous Tools & Equipment 500	1,500
40	Rents & Leases	500
52	Maintenance of Facilities Replace Deteriorated Services 30,000 Maintenance Parts and Materials 45,000 Meter Repairs and Usage Exchanges 24,500 Asphalt Repairs 7,000 Repair/Replace Pressure Reducing Valves 4,000 Repair/Replace Clay Valves 3,000 Adapter Fittings for Auxiliary Hose 2,000 Shoring Repair Kits and Pump 1,500 Traffic Control Equipment 3,000 Security Measures (Meters) 10,000	130,000

Backflow Maintenance 01-5465.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	108,574	134,500	110,000	151,700
03	Overtime	2,480	2,000	2,400	2,500
25	Outside Professional Services	1,465	2,000	640	2,000
30	Special Department Expenses	3	1,500	300	1,500
52	Maintenance of Facilities	49,844	45,000	76,000	75,000
Total		162,365	185,000	189,340	232,700

Backflow Maintenance 01-5465.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.04	151,700
03	Overtime	2,500
25	Outside Professional Services Repair and Calibration of Test Equipment: Potable Water 2,000	2,000
30	Special Department Expenses New Testing Supply Requirements 1,000 Repair Tools and Fixtures 300 Test Equipment for Reclaimed Water 200	1,500
52	Maintenance of Facilities Reduced Pressure (RP) Repair Parts 10,000 Double Check (DC) Repair Parts 10,000 Replacement Devices 55,000	75,000

Vehicle & Equipment Maintenance 01-5471.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	243,158	245,000	244,730	208,800
03	Overtime	6,675	7,000	7,000	7,000
25	Outside Professional Services	39,754	25,000	44,400	45,000
30	Special Department Expenses	2,915	4,300	4,300	4,300
38	Regulatory Permits & Fees	2,986	3,700	3,100	3,700
41	Hazardous Waste Disposal Costs	4,274	8,000	5,000	6,000
50	Maintenance - Gas, Oil & Grease	102,113	170,000	105,000	159,000
51	Maintenance of Vehicles	42,747	65,000	46,651	60,000
53	Maintenance of Radios	6,595	12,000	7,732	11,000
54	Maintenance of Equipment	13,915	21,000	18,000	20,000
91	Expense Credit	(41,989)	(38,700)	(21,000)	(37,500)
	Total	423,143	522,300	464,913	487,300

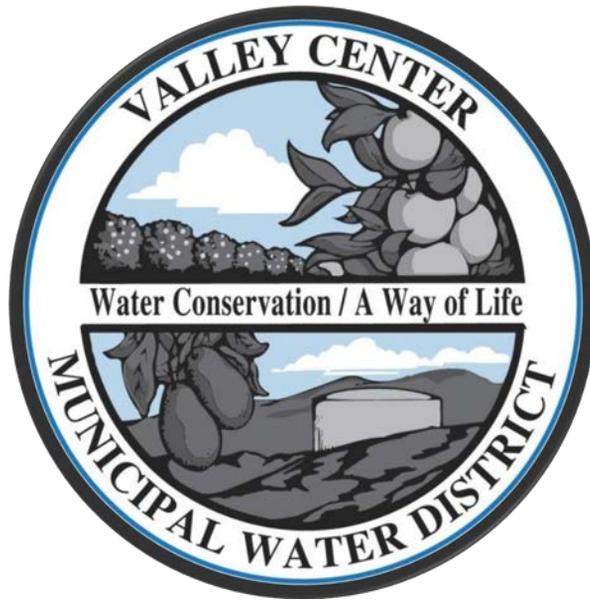
Vehicle & Equipment Maintenance 01-5471.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full-Time Equivalents 1.42	208,800
03	Overtime	7,000
25	Outside Professional Services Generator Load Testing 5,000 Fuel Tank Testing 2,000 Vehicle and Equipment Repairs 38,000	45,000
30	Special Department Expenses Replacement Tools 300 Specialty Tools 500 Tools for Service Truck 200 Software Repair Manuals 3,300	4,300
38	Regulatory Permits & Fees Boom Truck 500 Portable Equipment 1,400 Emergency Generators 1,800	3,700
41	Hazardous Waste Disposal Costs Recycling Oil, Filters & Solvents 1,500 Recycling Tires & Miscellaneous 1,000 Cleanup Material 600 Compliance Guides 400 Disposal of Aerosols 1,000 Asbestos Pipe 1,500	6,000
50	Fuel, Oil, and Chemicals Fuel 147,000 Oil and Coolant 10,000 Fuel Tank Parts 2,000	159,000

Vehicle & Equipment Maintenance 01-5471.

Acct. No.	Detail and Justification	Department Request
51	Maintenance of Vehicles Parts for Fleet	60,000
53	Maintenance of Radios/Vehicle Tracking Radio Parts Vehicle Tracking Service Contract	11,000
54	Maintenance of Equipment Grader/Dozer/Backhoe Miscellaneous Equipment	20,000
91	Expense Credit Rental Value of Vehicles and Equipment Used for: Installation of Meters 01-5461.51 Moosa Treatment Plant 13-5326.51 Moosa Collection 13-5327.51 Moosa STEP Maintenance 13-5329.51 Woods Valley Ranch Treatment Plant 17-5331.51	(37,500)





# 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 \$533 per acre foot as of July 1, 2016, 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 2015-2016**

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 diligently to continue agricultural discounts.

Electricity costs were budgeted at 15.5¢ per kilowatt hour last year. Costs are currently running at a weighted average cost of 16.8¢ per kilowatt hour. This increase is due to San Diego Gas & Electric's change in their rate schedule tariffs, time-of-use rate changes, and net energy metering.

## **CHALLENGES FOR 2016-2017**

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 wholesale water rate increases.

Energy supplies and costs will be of continuing concern, with major electric generation facilities off line and higher rates from SDG&E. Efforts to keep water supply costs at the lowest level possible will continue through work with MWD and SDCWA and with the District investing in photo-voltaic installations at District facilities. In the next few fiscal year budgets, the District will need to re-evaluate our pumping rates due to continual increases in the SDG&E rate tariffs, including the agricultural rate schedules, which are now subject to time-of-use charges.

## **GOALS FOR 2016-2017**

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 2017 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 wholesale water rates are budgeted to increase 6.9% for domestic and 8.3% for the TSAWR over the current adopted rates. 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 \$201 in January 2017. A new fixed cost component, Supply Reliability, for water received from the Carlsbad Desal Plant, is included in the rate structure. This component, also not firm at this time, is \$102 per acre foot.

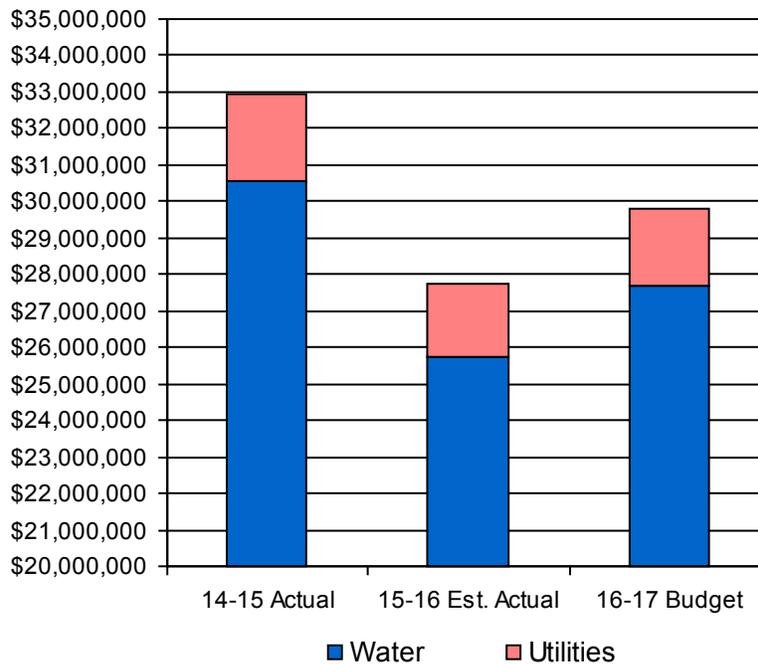
The TSAWR program was successfully extended until December 31, 2020, and has the associated cost of the Carlsbad Desal Plant supply included in the pricing differential. The total TSAWR price differential for 2017 is projected at \$550 per acre foot.

Based on our best estimate at this time, electricity will average 16.3¢ per kilowatt hour and natural gas 61¢ per therm, for an aggregate cost of \$99 per acre foot of water purchased for 2016-17. The aggregate cost for 2015-16 is estimated at \$98 per acre foot.

**LONG-TERM GOALS**

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

**Source of Supply**



Div. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
41	Source of Supply	32,949,913	32,287,852	27,748,336	29,785,715
<b>TOTAL SOURCE OF SUPPLY</b>		<b>32,949,913</b>	<b>32,287,852</b>	<b>27,748,336</b>	<b>29,785,715</b>

Source of Supply 01-5441.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
		@ 25,598 af	@ 24,470 af	@ 20,340 af	@ 21,280 af
21	Water Supply Charge - MWD & CWA	26,140,632	25,689,642	21,367,600	23,312,466
22	Water Delivery Charge - CWA	2,524,537	2,514,081	2,092,900	2,278,851
24	Agricultural Rebate - CWA	(2,729,757)	(3,266,468)	(2,481,564)	(2,829,667)
25	Ready to Serve Charge	450,436	485,371	485,400	485,672
26	Infrastructure Access Charge	481,494	488,800	489,700	500,100
30	Capacity Reservation Charge - MWD	687,305	821,600	821,600	588,370
35	Customer Service Charge - CWA	1,617,864	1,599,100	1,599,100	1,531,700
36	Emergency Storage Charge - CWA	1,410,899	1,374,700	1,374,700	1,294,000
37	Supply Reliability Charge - CWA	0	559,026	0	513,223
	<b>Total Water</b>	<b>30,583,410</b>	<b>30,265,852</b>	<b>25,749,436</b>	<b>27,674,715</b>
45	Utilities - Electricity	2,201,872	1,914,400	1,701,900	1,815,500
47	Utilities - Natural Gas	164,631	107,600	297,000	295,500
	<b>Total Utilities</b>	<b>2,366,503</b>	<b>2,022,000</b>	<b>1,998,900</b>	<b>2,111,000</b>
	<b>Total</b>	<b>32,949,913</b>	<b>32,287,852</b>	<b>27,748,336</b>	<b>29,785,715</b>

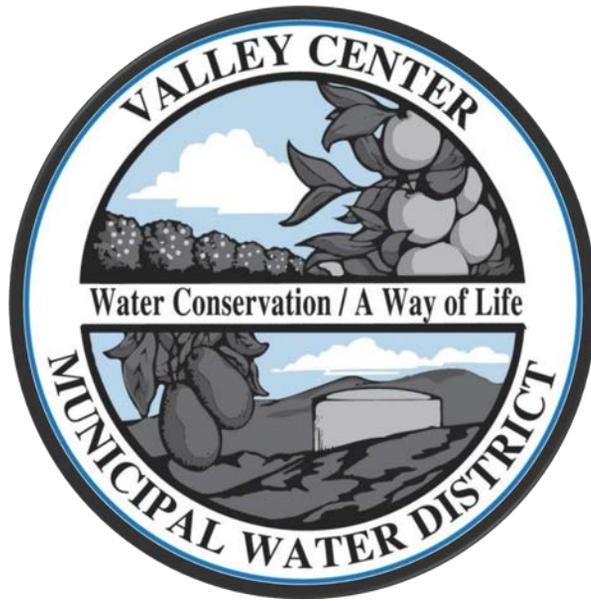
Source of Supply 01-5441.

Acct. No.	Detail and Justification		Department Request												
21	Water Supply Charge	<table style="width:100%; border:none;"> <tr> <td></td> <td style="text-align:center"><u>Jul to Dec</u></td> <td style="text-align:center"><u>Jan to Jun</u></td> </tr> <tr> <td>To MWD &amp; CWA -</td> <td style="text-align:right">1,060.00</td> <td style="text-align:right">1,145.00</td> </tr> <tr> <td>Expected purchases in AF</td> <td style="text-align:right">12,390</td> <td style="text-align:right">8,890</td> </tr> <tr> <td>Expected purchases in \$</td> <td style="text-align:right"><u>13,133,138</u></td> <td style="text-align:right"><u>10,179,328</u></td> </tr> </table>		<u>Jul to Dec</u>	<u>Jan to Jun</u>	To MWD & CWA -	1,060.00	1,145.00	Expected purchases in AF	12,390	8,890	Expected purchases in \$	<u>13,133,138</u>	<u>10,179,328</u>	23,312,466
	<u>Jul to Dec</u>	<u>Jan to Jun</u>													
To MWD & CWA -	1,060.00	1,145.00													
Expected purchases in AF	12,390	8,890													
Expected purchases in \$	<u>13,133,138</u>	<u>10,179,328</u>													
22	Water Delivery Charge	<table style="width:100%; border:none;"> <tr> <td>To MWD &amp; CWA -</td> <td style="text-align:right">105.00</td> <td style="text-align:right">110.00</td> </tr> <tr> <td>Expected purchases in AF</td> <td style="text-align:right">12,390</td> <td style="text-align:right">8,890</td> </tr> <tr> <td>Expected purchases in \$</td> <td style="text-align:right"><u>1,300,924</u></td> <td style="text-align:right"><u>977,927</u></td> </tr> </table>	To MWD & CWA -	105.00	110.00	Expected purchases in AF	12,390	8,890	Expected purchases in \$	<u>1,300,924</u>	<u>977,927</u>	2,278,851			
To MWD & CWA -	105.00	110.00													
Expected purchases in AF	12,390	8,890													
Expected purchases in \$	<u>1,300,924</u>	<u>977,927</u>													
24	Agricultural Rebate - CWA	<table style="width:100%; border:none;"> <tr> <td>Ag Discount Rate</td> <td style="text-align:right">(186.00)</td> <td style="text-align:right">(189.00)</td> </tr> <tr> <td>Estimated Ag purchases in AF</td> <td style="text-align:right">8,606</td> <td style="text-align:right">6,503</td> </tr> <tr> <td></td> <td style="text-align:right"><u>(1,600,653)</u></td> <td style="text-align:right"><u>(1,229,015)</u></td> </tr> </table>	Ag Discount Rate	(186.00)	(189.00)	Estimated Ag purchases in AF	8,606	6,503		<u>(1,600,653)</u>	<u>(1,229,015)</u>	(2,829,667)			
Ag Discount Rate	(186.00)	(189.00)													
Estimated Ag purchases in AF	8,606	6,503													
	<u>(1,600,653)</u>	<u>(1,229,015)</u>													
25	Ready to Serve Charge	485,672													
26	Infrastructure Access Charge	500,100													
30	Capacity Reservation Charge - MWD This charge is levied to recover the cost of providing peak capacity within the distribution system. It is based on a five-year rolling average of member agency flows during coincident peak weeks.	588,370													

Source of Supply 01-5441.

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>	1,531,700															
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>	1,294,000															
37	Supply Reliability Charge - CWA	513,223															
45	Utilities - Electrical	1,815,500															
47	Utilities - Natural Gas	295,500															
<p>Utilities are based on sale of 20,000 A.F. and purchase of 21,280 A.F. @ \$99 per A.F.</p>																	
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: right;">Electric</td> <td style="width: 10%; text-align: right;">86%</td> <td style="width: 10%; text-align: right;">1,815,500</td> <td style="width: 30%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Natural Gas</td> <td style="text-align: right;">14%</td> <td style="text-align: right;"><u>295,500</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td></td> <td style="text-align: right;"><u><u>2,111,000</u></u></td> <td></td> </tr> </table>				Electric	86%	1,815,500			Natural Gas	14%	<u>295,500</u>			Total		<u><u>2,111,000</u></u>	
	Electric	86%	1,815,500														
	Natural Gas	14%	<u>295,500</u>														
	Total		<u><u>2,111,000</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 10-3.**

## **ACCOMPLISHMENTS FOR 2015-2016**

### **Strategic Plan Implementation:**

- **Solar Projects (Goal 8b):** One solar array was installed to reduce electrical consumption and power costs from San Diego Gas & Electric. A 91kW solar array installed at Cool Valley Reservoir to offset the electrical usage from the circulation and chlorination pumping that maintains the reservoirs water quality.
- **SCADA System (Goal 7b):** Continued to monitor the SCADA system program. Progressively removed old telemetry signal units that were not SCADA compatible and replaced them with new SCADA compatible transducer units.

SCADA facilities completed by in-house staff during 2015-16 were; Montanya Reservoir and Pump Station, Via Cantamar Reservoir and Pump Station, and pump stations at Hauck Mesa, Ridge Ranch, and Cantrell Corners. There was also the installation or replacement of multiple security cameras and communication radios at various sites throughout the District.

- **Service Order Software (Goal 4d):** The service order, work order, asset management, and fleet maintenance functionalities will be part of the Enterprise Resource Planning (ERP) financial system software upgrade. Core modules have been implemented by the end of fiscal year 2015-16 with additional module implementation continuing into 2016-17.
- **E-Business (Goal 4e):** Paperless electronic billing was made available to customers, saving time and money. Customers can view their bill information and pay their bills over the internet. As of April 27, 2016, there are approximately 3,830 customer accounts registered and utilizing the system, of which 702 have elected to no longer receive paper bills in the mail.

### **Information and Business Systems:**

- IT staff developed and deployed a new SCADA alarm and notification system at the Woods Valley Water Reclamation Facility that provides better stability and more advanced functionality to remote operators.
- Staff is continuing to evaluate and test new Advanced Metering Infrastructure (AMI) systems to test the feasibility of automatic, continuous water meter reading. The system provides the means to measure, collect, and analyze real-time data from customers' water meters. The system uses the existing District-wide wireless communication infrastructure to transfer the data from the AMI collector systems that are deployed at remote facilities.
- A new tracking database for water conservation incidents was developed and implemented by collecting and managing water waste reports from the field. The system allows comprehensive tracking of reports, correspondence, and images and provides an automated method to generate customer notification letters.

## **CHALLENGES FOR 2016-2017**

- Securing capital improvement funds sufficient to support the construction of several large Capital Improvement Projects, including the Cool Valley Reservoir Liner and Cover Replacement as well as water line replacements in Cole Grade Road and Valley Center Road necessitated by scheduled County of San Diego road improvement 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.
- Managing the financial implications of the current drought emergency which has and will result in reduced revenues, while maintaining effective staffing, service, capital investment and major maintenance levels through maximizing internal efficiencies.

## **GOALS FOR 2016-2017**

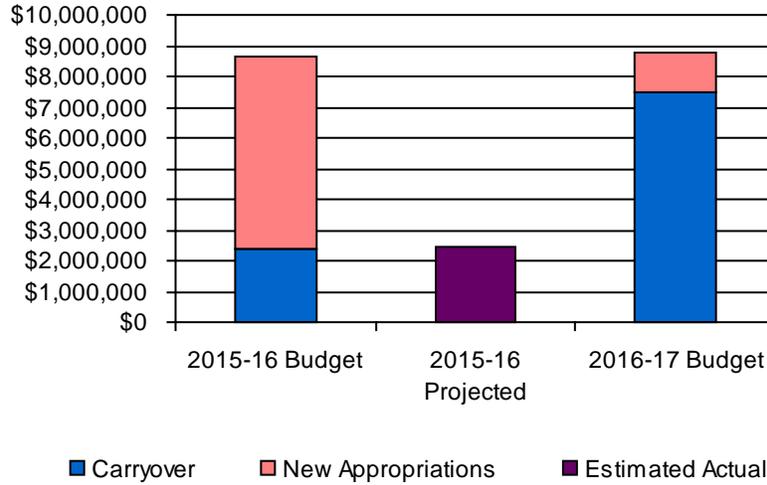
### **Strategic Plan Implementation:**

- **Infrastructure (Goal 2):** Continue to appraise, examine, and improve the District's infrastructure and facilities throughout our service area to prevent major system failures.
- **Technology:** Staff will continue with the implementation of the District's new ERP software system, which will provide a modern user interface in combination with more integrated functionality for all financial applications, utility billing, human resources, payroll, and integrated job costing. In addition, work orders, service requests, fleet maintenance, purchase orders, and other functionality will be provided in the software upgrade as a comprehensive, integrated database system.
- **Energy - Renewable and Alternative Energy Resources (Goal 5b):** Continue to analyze potential sites for suitability of solar power generation to reduce the use of electric energy.
- **SCADA System (Goal 4b):** Staff is continuing to upgrade SCADA industrial control system (ICS) software. The current ICS software has been in operation for more than 6 years and has reached a point in its development that the manufacturer of the software has developed a new platform that has rendered the current version obsolete. Staff has started to upgrade the SCADA control system software at the water reclamation facilities, which will continue throughout the fiscal year

## **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



General 01-56XX-78

Description	Acct. No.	Prior	2016							2017					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Future
<b>Pipelines &amp; PRV's</b>															
Wilkes Road Pipeline Replacement	01	Planning/Design	Bid/Award						Construction						
Participation, Upsizing, & Unspecified Repl Projects	02								As Required						
New Valve Installations and Appurtenances	06								Construction						
High Mountain Service	10	Complete													
Water System Upgrade Projects	51	Planning/Design							Bid/Award					Construction	
Integrated Water Resources Management Plan	62		Planning												
Cole Grade Road Pipeline Project	69		Planning										Design		Const.
<b>Pump Stations</b>															
Pump & Motor Replacements	16								Construction						
Valley Center Pump Station Surge Tank Replacement	25		Design						Construction						
Emergency Power Generation and Equipment	32	Complete													
Rincon Pump Station Relocation & Replacement	36		Complete												
Natural Gas Engine Controls Upgrade & Automation	05		Planning							Design				Construction	
Automation of Bypass Valve Controls	43		Design										Construction		Complete
<b>Reservoirs</b>															
Reservoir Mixing System	13								Construction						
Tyler Reservoir Repainting/Coating	26	Complete													
Lilac Reservoir Cover Replacement	27	Complete													
Betsworth Reservoir Repainting/Coating	34	Complete													
Reidy Canyon Area Reservoir	38	Complete													
Cool Valley Reservoir Cover/Liner Replacement	52	Design							Bid/Award					Construction	
Country Club Reservoir Upgrades	90		Construction												
Rincon Reservoir Recoating	19		Design						Bid Award				Construction		
<b>Data Management Systems</b>															
Server Virtualization, Storage, Disaster Recovery	24								Construction						
ERP Software Upgrade	47								Construction						
Corporate Facility	58	Complete													
AMI Evaluations	68								Construction						
SCADA System Improvements & Security	71								Construction						Complete
Boardroom A/V Technology Upgrade	04								Construction						
<b>Facilities</b>															
Administration Facility Improvements	60		Construction						Ongoing						
Solar Power Development	64	Complete													
Urban Water Management Plan 2015 Update	61	Complete													
Corporate Facility Needs Assessment	17		Planning												
<b>Equipment</b>															
Vehicles	37		Planning												
Yard Forklift	65	Complete													
Postage Machine	14		Purchase												
AMI Pilot Program	15		Planning/Design										Construction		
Portable Generator Replacement	33		Design						Purchase				Complete		

## General 01-56XX-78

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2015-16	Estimated Actual Expenditures 2015-16	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17
<b>Pipelines &amp; PRV's</b>							
Wilkes Road Pipeline Replacement	01		550,384	60,000	490,384		490,384
Participation, Upsizing, & Unspecified Repl Projects	02		190,856		190,856		190,856
New Valve Installations and Appurtenances	06	10-5	25,340	25,340	0	15,000	15,000
High Mountain Service	10		22,681		22,681		22,681
Water System Upgrade Projects	51	10-6	1,171,552	502,552	669,000	140,000	809,000
Integrated Water Resources Management Plan	62		58,409		58,409		58,409
Cole Grade Road Pipeline Replacement	69	10-7	15,000	7,500	7,500	150,000	157,500
<b>Pump Stations</b>							
Pump & Motor Replacements	16		96,993	15,000	81,993		81,993
Valley Center Pump Station Surge Tank Replacement	25		100,000		100,000		100,000
Emergency Power Generation and Equipment	32		89,244		89,244		89,244
Rincon Pump Station Relocation and Replacement	36		87,004	86,000	1,004		1,004
Natural Gas Engine Controls Upgrade & Automation	05	10-8				190,000	190,000
Automation of Bypass Valve Controls	43	10-9				25,000	25,000
<b>Reservoirs</b>							
Reservoir Mixing System	13		58,261	6,708	51,553		51,553
Tyler Reservoir Repainting/Coating	26		21,186	21,186	0		0
Lilac Reservoir Cover Replacement	27		8,641	2,483	6,158		6,158
Betsworth Reservoir Repainting/Coating	34		17,922		17,922		17,922
Reidy Canyon Area Reservoir	38		11,011		11,011		11,011
Cool Valley Reservoir Cover/Liner Replacement	52		4,231,895	285,000	3,946,895		3,946,895
Country Club Roof Repair	90		470,520	340,000	130,520		130,520
Rincon Reservoir Recoating	19	10-10				320,000	320,000
<b>Data Management Systems</b>							
Server Virtualization, Storage, Disaster Recovery	24		72,098		72,098		72,098
ERP Software Upgrade	47		170,937		170,937		170,937
Corporate Facility	58		91,500	91,500			
AMI Evaluations	68		30,000	13,000	17,000		17,000
SCADA System Improvements & Security	71	10-11	348,917	332,572	16,345	65,000	81,345
Boardroom A/V Technology Upgrade	04	10-12				34,000	34,000
<b>Facilities</b>							
Administration Facility Improvements	60	10-13	150,260	148,000	2,260	100,000	102,260
Solar Power Development	64		349,673	349,673	0		0
Urban Water Management Plan 2015 Update	61		75,000	71,000	4,000		4,000
Corporate Facility Needs Assessment	17	10-14				15,000	15,000
<b>Equipment</b>							
Vehicles	37	10-15	88,311	84,000	4,311	78,000	82,311
Yard Forklift	65		18,000	18,000	0		0
Postage Machine	14	10-16				6,500	6,500
AMI Pilot Program	15	10-17				35,000	35,000
Portable Generator Replacement	33	10-18				128,000	128,000
<b>Total Capital Projects</b>			<b>8,621,595</b>	<b>2,459,514</b>	<b>6,162,082</b>	<b>1,301,500</b>	<b>7,463,582</b>

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

All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

Estimated Expenditures by Year

General 01-56XX-78

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
<b>Pipelines &amp; PRV's</b>								
Wilkes Road Pipeline Replacement	01		490,384		490,384	490,384		
Participation, Upsizing, & Unspecified Repl Projects	02		190,856		190,856	190,856		
New Valve Installations and Appurtenances	06	10-5		15,000	15,000	15,000		
High Mountain Service	10		22,681		22,681	22,681		
Water System Upgrade Projects	51	10-6	669,000	140,000	809,000	809,000		
Integrated Water Resources Management Plan	62		58,409		58,409	58,409		
Cole Grade Road Pipeline Replacement	69	10-7	7,500	150,000	157,500	157,500		
<b>Pump Stations</b>								
Pump & Motor Replacements	16		81,993		81,993	81,993		
Valley Center Pump Station Surge Tank Replacement	25		100,000		100,000	100,000		
Emergency Power Generation and Equipment	32		89,244		89,244	89,244		
Rincon Pump Station Relocation and Replacement	36		1,004		1,004	1,004		
Natural Gas Engine Controls Upgrade & Automation	05	10-8		190,000	190,000	190,000		
Automation of Bypass Valve Controls	43	10-9		25,000	25,000	25,000		
<b>Reservoirs</b>								
Reservoir Mixing System	13		51,553		51,553	51,553		
Tyler Reservoir Repainting/Coating	26		0		0	0		
Lilac Reservoir Cover Replacement	27		6,158		6,158	6,158		
Betsworth Reservoir Repainting/Coating	34		17,922		17,922	17,922		
Reidy Canyon Area Reservoir	38		11,011		11,011	11,011		
Cool Valley Reservoir Cover/Liner Replacement	52		3,946,895		3,946,895	3,946,895		
Country Club Roof Repair	90		130,520		130,520	130,520		
Rincon Reservoir Recoating	19	10-10		320,000	320,000	320,000		
<b>Data Management Systems</b>								
Server Virtualization, Storage, Disaster Recovery	24		72,098		72,098	72,098		
ERP Software Upgrade	47		170,937		170,937	170,937		
Corporate Facility	58		0		0	0		
AMI Evaluations	68		17,000		17,000	17,000		
SCADA System Improvements & Security	71	10-11	16,345	65,000	81,345	81,345		
Boardroom A/V Technology Upgrade	04	10-12		34,000	34,000	34,000		
<b>Facilities</b>								
Administration Facility Improvements	60	10-13	2,260	100,000	102,260	102,260		
Solar Power Development	64		0		0	0		
Urban Water Management Plan 2015 Update	61		4,000		4,000	4,000		
Corporate Facility Needs Assessment	17	10-14		15,000	15,000	15,000		
<b>Equipment</b>								
Vehicles	37	10-15		78,000	78,000	78,000		
Yard Forklift	65			0	0	0		
Postage Machine	14	10-16		6,500	6,500	6,500		
AMI Pilot Program	15	10-17	4,311	35,000	39,311	39,311		
Portable Generator Replacement	33	10-18		128,000	128,000	128,000		
<b>Total Capital Projects</b>			<b>6,162,082</b>	<b>1,301,500</b>	<b>7,463,581</b>	<b>7,463,581</b>	<b>0</b>	<b>0</b>

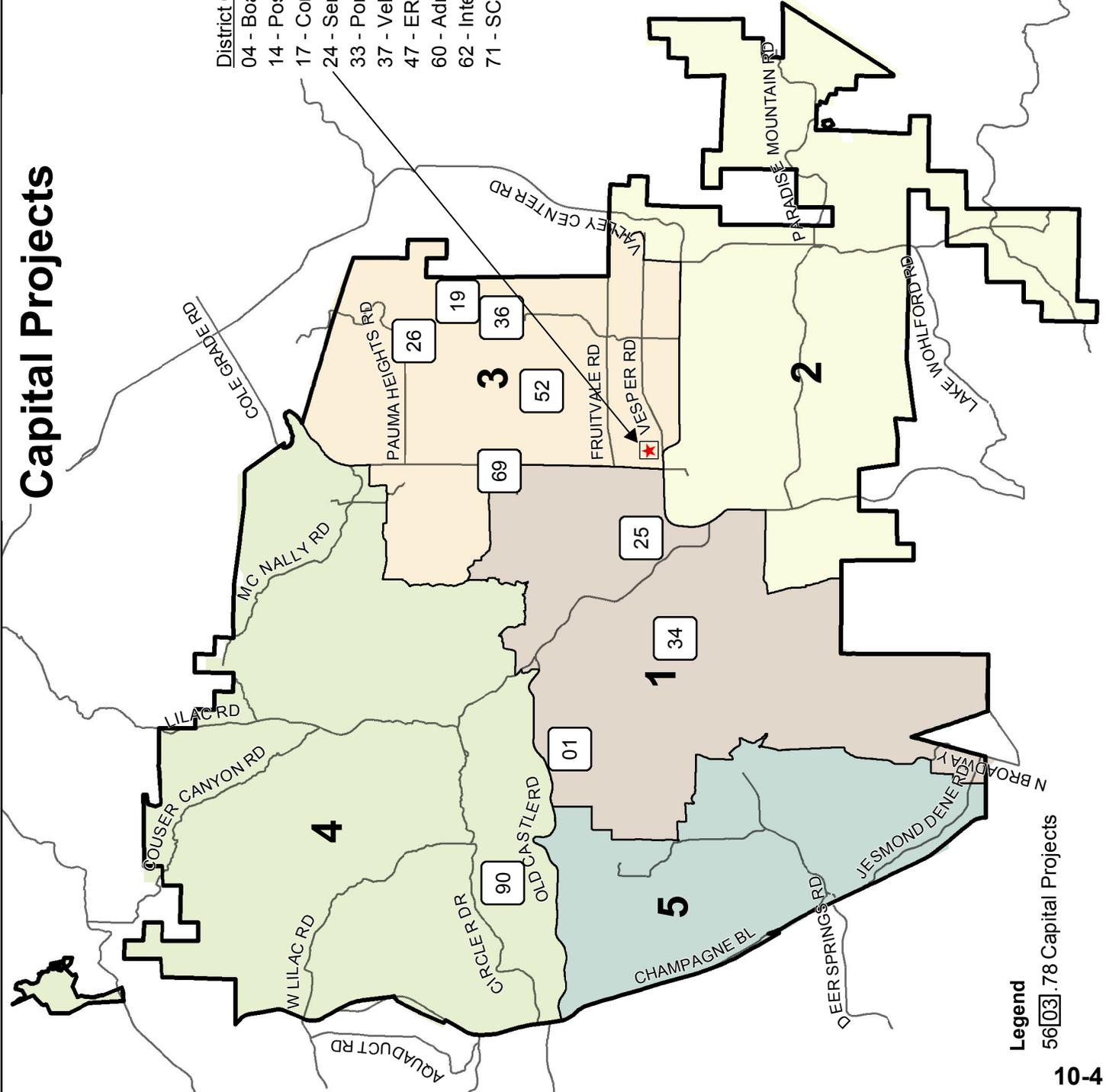
Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to .  
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

# Capital Projects



- District Offices and Yard**
- 04 - Boardroom AV Technology Upgrade
  - 14 - Postage Machine
  - 17 - Corporate Facility Needs Assessment
  - 24 - Server Virtualization, Storage, Disaster Recovery
  - 33 - Portable Generator Replacement
  - 37 - Vehicles
  - 47 - ERP Software Upgrade
  - 60 - Administration Facility Improvements
  - 62 - Integrated Water Resources Management Plan
  - 71 - SCADA System Improvements & Security

- District - Wide**
- 02 - Upsizing
  - 05 - Natural Gas Engine Control Upgrade
  - 06 - New Valve Installations & Appurtenances
  - 13 - Reservoir Mixing System
  - 15 - AMI Pilot Program
  - 16 - Pump & Motor Replacements
  - 32 - Emergency Stationary Generators
  - 43 - Automation of Bypass Valve Controls
  - 51 - Water System Upgrade Projects
  - 64 - Solar Power Development



**Legend**  
56[03].78 Capital Projects

**VALLEY CENTER WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

<b>ACCOUNT NO.:</b>	01-5606.78
<b>DEPARTMENT:</b>	<b>Field</b>

**PROJECT NAME:**

New Valve Installations & Appurtenances

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

**PROJECT DESCRIPTION:**

The installation of new mainline valves and appurtenances throughout the District's service area. Retrofit fire hydrants with AVK check valve. Project to carry over into budget year 2016-17.

Breakdown and locations are listed below:

Completed in 2015-16

- 16 Air/Vac upgrades/enclosures Rimrock
- Retrofit 12 hydrants with AVK check valve along Valley Center Road

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
- Hilldale Rd – 6 inch valve
- Various appurtenances – air/vac and blow-offs for new valves

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
New Valve Installation and Appurtenances	24,663	24,663	0	<b>15,000</b>	15,000		15,000	39,663
<b>Total Project</b>	<b>24,663</b>	<b>24,663</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>39,663</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5651.78
<b>DEPARTMENT:</b>	<b>Engineering</b>

Water System Upgrade Projects - CCP (Concrete Cylinder Pipe) Evaluation

Continuing Project	<u>Type</u>	<u>Master Plan</u>	<u>Project ID</u>	<u>Strategic Plan</u>	
	Existing Service	<u>Priority</u>		<u>Standard</u>	<u>Goal</u>
				7	2, 4

**PROJECT DESCRIPTION:**

This Capital Project Request is for the allocation of additional funding to continue the assessment, initiated in FY 2014-15, on the balance of the Bar Wrapped Concrete Cylinder Pipe (CCP) in the District. There are five (5) major Bar Wrapped Concrete Cylinder Pipe (CCP) sections of pipeline within the District’s water distribution system. These CCP pipelines form the major backbone for the District’s distribution system and range in size from 24-inch to 42-inch as shown on the attached map. These pipelines were installed between 1966 and 1976 and are of similar material and construction techniques. Assessment of the pipelines shown in green on the attached map was completed in FY 2015-16. Assessment of the CCP pipelines shown in red is proposed for FY 2016-17.

As a result of a failure of a section of 42 inch CCP in 2014, the District funded (mid-year FY 2014-15) multiple distribution system improvement projects to minimize the number of customers that would be affected by taking the 42 inch CCP transmission main out service to 1) conduct a pipeline condition assessment of the pipeline from the VC 5&6 aqueduct connection to the Miller Pump Station (CCP Phase 1 Evaluation) and 2) make any necessary repairs or replacements. Additional funding was requested, as part of FY 2015-16 annual budget, to perform the pipeline assessment of that portion of the CCP transmission main from the VC5/6 connection to the Miller Pump Station. The pipeline assessment was performed by Pure Technologies utilizing their “Pipe Diver” technology which allowed for the pipeline to be evaluated without taking the line out of service, as originally contemplated. The Pipe Diver technology provides a wide range of assessment capabilities including identifying bar breaks, steel cylinder thickness, determining if pipe is out of round, and calculating lining thickness.

This additional funding request (CCP Phase 2 Evaluation) is for performing pipeline condition assessments on the balance of the Bar Wrapped CCP pipe, consisting of the Betsworth to Valley Center Pump Station (14,200 LF of 30 inch), Valley Center Pump Station Discharge (6,500 LF of 24 inch), and Miller Pump Station Discharge (3,800 LF of 39 inch) totaling approximately 24,500 linear feet (4.65 miles) of transmission main. Pre-Evaluation construction will be required to provide access and retrieval points for the Pipe Diver equipment.

Analysis results will allow District staff to determine if further action including remedial repairs, replacement, or further monitoring is needed. The following table is a summary of the estimated CCP Phase 2 Evaluation expenses.

CCP Phase 2 Evaluataion Project Budget	
Description	Propsoed Budget
Staff	75,000
Program Management (Stine Solutions, Gary Stine)	35,000
Pre-Inspection Construction	35,000
Pipeline Evaluation	300,000
Soil Testing	5,000
Contingency	50,000
<b>Total Project</b>	<b>500,000</b>

Funding for the second phase evaluation would be provided from the balance of the previously allocated funds and an additional appropriation. The original authorization for the water distribution system improvements included design and installation of a pipeline extension project from the existing 12 inch line in Aerie Road to the Betsworth Reservoir for an estimated cost of \$310,000. After further review, it was determined that this improvement when considered in conjunction with the completion of the Wilkes Road loop could be eliminated without a significant loss in operational flexibility, thus making this improvement a lower priority than originally thought. By reallocating these funds and the balance remaining from the initial evaluation, only an additional \$140,000 is needed for the Phase 2 Evaluation.

The following table summarizes the previous project allocations and expenses, the proposed reallocations, and the project funding requirements for FY 2016-17.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2016-17	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget
0.78 CCP Evaluation Phase 1	530,000	430,000	100,000	(50,000)	50,000		50,000
0.61 Aerie Road Connection	120,000	101,000	19,000		19,000		19,000
0.62 Betsworth Pipeline Loop	310,000		310,000	(310,000)	0		0
0.63 Keys Creek Crossing	170,000		170,000		170,000		170,000
0.64 Miller Pump Station By-Pass	70,000		70,000		70,000		70,000
0.65 CCP Evaluation Phase 2			0	500,000	500,000		500,000
<b>Total Project</b>	1,200,000	531,000	669,000	140,000	809,000	0	809,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5669.78
<b>DEPARTMENT:</b>	<b>Engineering</b>

Cole Grade Road Pipeline Replacement Project

Continuing Project	<u>Type</u> Replacement	<u>Master Plan</u> <u>Priority</u> A	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u> 2, 7	<u>Goal</u> 2
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**PROJECT DESCRIPTION:**

The County of San Diego (County) has funded the design and construction of the Cole Grade Road Widening between Horse Creek Trail and Pauma Heights Road. At this time, their plans and specifications are 70% complete and the County anticipates construction to begin in January 2018.

Approximately 12,500 linear feet of ductile iron pipe of various sizes are within the limits of the County project. Approximately 7,600 linear feet of have been identified in the District's Facility Master Plan for replacement. These pipes were installed in the 1950's and are approaching the end of their life cycle. Approximately 4,500 linear feet of pipe within the road project was replaced in the 1990's and will remain in place. However, several short sections of this pipe will be relocated to avoid conflicts with County proposed storm drain crossings.

The Cole Grade Road Pipeline Replacement Project includes the design of 7,600 linear feet of 14-inch diameter buried distribution/transmission piping, two bridge crossings, and ancillary appurtenances to correspond to the County road design. The District will utilize the County's base drawings to ensure that District design meets the final road design and minimize design costs. Anticipated savings in engineering design are reflected in the estimate below.

The District will evaluate available options to coordinate construction with the County either as a separate contract (before or during road construction) or as a single contract managed by the County. A recommended course of action will be defined prior to the request for construction funding.

Funds for the design of the facilities are being requested at this time only. Future construction costs are currently estimated at close to \$3M. The cost estimate will be refined upon completion of the design. Based on the County's current schedule, a request for construction funding would be included as part of the District's FY2017-2018 Annual Budget.

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

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff	15,000	7,500	7,500	<b>30,000</b>	37,500	150,000	187,500	195,000
Engineering			0	<b>100,000</b>	100,000	50,000	150,000	150,000
Construction			0	<b>0</b>	0	2,500,000	2,500,000	2,500,000
Contingency			0	<b>20,000</b>	20,000	285,000	305,000	305,000
<b>Total Project</b>	<b>15,000</b>	<b>7,500</b>	<b>7,500</b>	<b>150,000</b>	<b>157,500</b>	<b>2,985,000</b>	<b>3,142,500</b>	<b>3,150,000</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5605.78
<b>DEPARTMENT:</b>	<b>Field</b>

Natural Gas Engine Controls Upgrade and Automation

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>
				5, 7	4a, 5a

**PROJECT DESCRIPTION:**

Replacement of the existing engine controls for the Natural Gas Engines at Betsworth Forebay and Valley Center Pump Station. The reliability and operation of the natural gas engines at Betsworth Forebay and Valley Center Pump Station are critical to maintaining adequate water supplies during SDG&E power outages. The use of natural gas engines are also key components in staffs efforts to achieve the lowest possible pumping cost. The existing engine controllers are outdated and have limited available engine data and troubleshooting capabilities.

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

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	<b>54,000</b>	54,000		54,000	54,000
Equipment			0	<b>116,500</b>	116,500		116,500	116,500
APCD Permits			0	<b>12,000</b>	12,000		12,000	12,000
Contingency			0	<b>7,500</b>	7,500		7,500	7,500
			0		0		0	0
<b>Total Project</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>190,000</b>	<b>190,000</b>	<b>0</b>	<b>190,000</b>	<b>190,000</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5643.78
<b>DEPARTMENT:</b>	<b>Field</b>

Automation of Bypass Valve Controls

New Item	Type	Master Plan	Project ID	Strategic Plan	Goal
	Existing Service	Priority		Standard	4b

**PROJECT DESCRIPTION:**

Automate the bypass valves at Oathill Pump Station, Valley Center Pump Station, and Couser Pump Station. Staff currently has to manually adjust the bypass valves at the pump stations to move water from a higher elevation to a lower zone. The automation of the bypass valves will allow staff to remotely adjust the valves through the SCADA system. The automation of bypass valves will grant staff greater flexibility in moving water throughout the District to maintain water quality.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2016-17	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	5,000	5,000		5,000	5,000
Engineering			0		0		0	0
Construction			0	18,000	18,000		18,000	18,000
Miscellaneous			0		0		0	0
Contingency			0	2,000	2,000		2,000	2,000
<b>Total Project</b>	0	0	0	<b>25,000</b>	25,000	0	25,000	25,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5619.78
<b>DEPARTMENT:</b>	<b>Engineering</b>

Rincon Reservoir Recoating Project

New Item	Type Replacement	Master Plan	Project ID	Strategic Plan	
		Priority A		Standard 7, 8	Goal 2

**PROJECT DESCRIPTION:**

Rincon Reservoir is a 1.0 million gallon above ground welded steel water reservoir constructed in 1968. The reservoir is the only storage reservoir in the Rincon Zone serving the surrounding rural residential and agricultural areas. Last repainted and coated in 1985, the paint and interior coatings are experiencing significant deterioration contributing to increased corrosion within the reservoir.

The proposed project includes the design and application of exterior paint and interior coating. The new paint will have a life service expectancy of 20 years and the interior coating 15 years. District staff will prepare the plans and specifications and supervise the bid and award of the project. Contract inspection services are anticipated to be utilized for construction inspection.

Rincon pump station will need to be reconfigured to pump continuously while the reservoir is off line to maintain service pressure to the Rincon Zone, resulting in increased energy costs for the duration of the work. Additional energy cost to run one pump 24/7 may be as much as \$4,000 per month. Assuming the reservoir may be off line for 3 to 4 months, an additional \$15,000 is included to account for this additional expense.

The following table summarizes the project funding requirements and expense allocations:

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2016-17	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	15,000	15,000		15,000	15,000
Engineering			0	0	0		0	0
Construction Inspection			0	35,000	35,000		35,000	35,000
Painting/Coating Contract			0	225,000	225,000		225,000	225,000
Excess Energy Costs			0	15,000	15,000		15,000	15,000
Contingency			0	30,000	30,000		30,000	30,000
<b>Total Project</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>320,000</b>	<b>0</b>	<b>320,000</b>	<b>320,000</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5671.78
<b>DEPARTMENT:</b>	<b>Field</b>

SCADA System Improvements and Security

Continuing Project	<u>Type</u> Replacement	<u>Master Plan</u> <u>Priority</u> A	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u> 2,5,7	<u>Goal</u> 2,4b,5a
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**PROJECT DESCRIPTION:**

Continue with the installation of the SCADA system at the following sites. All of the construction will be completed by in-house staff.

Reservoirs & Aqueduct Connections:

- Hauk Mesa
- VC 1A and 1B

Pump Stations:

- Bingham Mesa
- McNally Booster
- Pala Loma Hydro

The following sites have been completed:

- 32 of 33 Reservoir sites
- 23 of 26 Pump Station sites
- 4 of 5 Aqueduct Connections
- 10 of 10 Communication Backup Generators
- 2 of 2 Radio Communication Relay sites

<b>Project Budget</b>	<b>Prior Budget</b>	<b>Prior Estimated Actual Expense</b>	<b>Estimated Budget Remaining</b>	<b>Proposed Budget Allocation 2016-17</b>	<b>Total Budget 2016-2017</b>	<b>Future Budget Allocation</b>	<b>Future Total Project Budget</b>	<b>Estimated Total Project Cost</b>
Staff	1,782,290	1,775,945	6,345	<b>20,000</b>	26,345		26,345	1,802,290
Planning	57,500	57,500	0		0		0	57,500
Design	1,513,566	1,513,566	0		0		0	1,513,566
Operation	176,635	176,635	0		0		0	176,635
Construction	2,706,643	2,703,643	3,000	<b>40,000</b>	43,000		43,000	2,746,643
System Intergration	420,000	420,000	0	<b>5,000</b>	5,000		5,000	425,000
Tech Support	132,214	132,214	0		0		0	132,214
Miscellaneous	120,478	120,478	0		0		0	120,478
Contingency	258,408	251,408	7,000		7,000		7,000	258,408
<b>Total Project</b>	<b>7,167,734</b>	<b>7,151,389</b>	<b>16,345</b>	<b>65,000</b>	<b>81,345</b>	<b>0</b>	<b>81,345</b>	<b>7,232,734</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5604.78
<b>DEPARTMENT:</b>	<b>Information Technology</b>

Boardroom A/V Technology Upgrade

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

**PROJECT DESCRIPTION:**

Upgrade of the Audio/Visual technology to the Boardroom presentation system. The current system has served the District for more than 10 years and is based on the older analog technology. Individual components are starting to fail, and replacement components are difficult to obtain due to obsolescence.

The new system will upgrade the presentation system to current digital technology. This will allow better audio and video quality, enhanced control for the operator, and better overall experience for the Board members and the audience.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Miscellaneous			0	<b>32,000</b>	32,000		32,000	32,000
Contingency			0	<b>2,000</b>	2,000		2,000	2,000
<b>Total Project</b>	0	0	0	<b>34,000</b>	34,000	0	34,000	34,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5660.78
<b>DEPARTMENT:</b>	<b>Field</b>

Administration Facility Improvements

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

With the design and construction completed on the Front Lobby area, which improved administration functionality, customer service and office security control, additional design and minor construction will be needed in the existing mailroom and old finance area to construct one office and modify three existing offices. Included in the office design modification, is relocating of the Information Technology Department to a vacated section of the old finance area for enhanced functionality and proximity to the District's main server room.

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.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Improvements	150,260	148,000	2,260	<b>100,000</b>	102,260		102,260	250,260
<b>Total Project</b>	<b>150,260</b>	<b>148,000</b>	<b>2,260</b>	<b>100,000</b>	<b>102,260</b>	<b>0</b>	<b>102,260</b>	<b>250,260</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5617.78
<b>DEPARTMENT:</b>	<b>General Administration</b>

Corporate Facility Needs Assessment

New Item	Type	Master Plan		Project ID	Strategic Plan	
		Priority			Standard 1	Goal 2, 3a

**PROJECT DESCRIPTION:**

Staff has been directed by the Board of Directors to update the District's Corporate Facility Needs Assessment, originally done, in house, in February, 2001. This original assessment ultimately led to the purchase of 32 acres of land on Lilac Road, near Lilac and Valley Center Rd, across from the intersection of Betsworth Rd and Lilac Rd. However, a sufficient number of conditions and circumstances have changed to warrant a re-examination of the District's long-term Corporate Facility needs.

This project proposes to use the services of a professional architect and planner, with assistance of District staff, to update the review of existing Corporate Facility structures, ultimate employee census projections, and develop a master schematic plan for potential development to meet ultimate Corporate Facility needs on the current site. Development of this information will assist the District Board and staff in determining the feasibility, if any, of doing the ultimate Corporate Facility development on the existing site and options for use of or disposition of the Lilac Road Property.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Consultant			0	<b>15,000</b>	15,000		15,000	15,000
<b>Total Project</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5637.78
<b>DEPARTMENT:</b>	<b>Field</b>

Vehicles

Replacement	<u>Type</u> Replacement	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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**PROJECT DESCRIPTION:**

- 1) New Extra Cab ½ ton truck with 4-wheel drive, LED lightbar, two-way radio, tool boxes and accessories. This vehicle will replace truck #7, a 2006 Chevrolet, Colorado, extra cab truck with 4-Wheel Drive and approximately 150,000 miles.
- 2) New Extra Cab ½ ton truck with 4-wheel drive, LED lightbar, two-way radio, tool boxes and accessories. This vehicle will replace truck #60, a 2006 Chevrolet, Colorado, extra cab truck with 4-Wheel Drive and approximately 141,000 miles.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Vehicle 1			0	<b>35,500</b>	35,500		35,500	35,500
Vehicle 2			0	<b>35,500</b>	35,500		35,500	35,500
Contingency			0	<b>7,000</b>	7,000		7,000	7,000
<b>Total Project</b>	0	0	0	<b>78,000</b>	78,000	0	78,000	78,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5614.78
<b>DEPARTMENT:</b>	<b>Finance</b>

Postage Machine

Replacement	<u>Type</u> Replacement	<u>Master Plan</u> <u>Priority</u>	<u>Project ID</u>	<u>Strategic Plan</u> <u>Standard</u>	<u>Goal</u>
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**PROJECT DESCRIPTION:**

The current postage machine was purchased in fiscal year 2004-05 and utilizes dial-up for the replenishment of the postage. The current machine will no longer be maintained by the manufacturer and new technology requires that the postage replenishment be accomplished over the internet.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Postage Machine			0	<b>6,500</b>	6,500		6,500	6,500
			0		0		0	0
<b>Total Project</b>	0	0	0	<b>6,500</b>	6,500	0	6,500	6,500

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5615.78
<b>DEPARTMENT:</b>	<b>Field</b>

Evaluation of an Advanced Metering Infrastructure System (AMI)

New Item	Type Existing Service	Master Plan		Project ID	Strategic Plan	
		Priority			Standard 2	Goal 4a

**PROJECT DESCRIPTION:**

In preparation for increased development in the Central Valley, due to the Woods Valley Ranch Water Reclamation Facility expansion and larger development projects within our service area, the District will perform an Advanced Metering Infrastructure (AMI) evaluation. The AMI assessments will determine the suitable technology or combination of systems that works within our service area and with our new data management system.

The new AMI technology will improve the District response times in identifying stuck meters, which will reduce our unknown water loss measurements. In addition, with the direct reporting component of the AMI system, labor and vehicle and fuel usage will also be significantly reduced.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Staff			0	<b>10,000</b>	10,000		10,000	10,000
Materials			0	<b>25,000</b>	25,000		25,000	25,000
<b>Total Project</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	01-5633.78
<b>DEPARTMENT:</b>	<b>Field</b>

Portable Generator Replacement

Replacement	Type Replacement	Master Plan Priority	Project ID	Strategic Plan Standard 7, 8	Goal
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**PROJECT DESCRIPTION:**

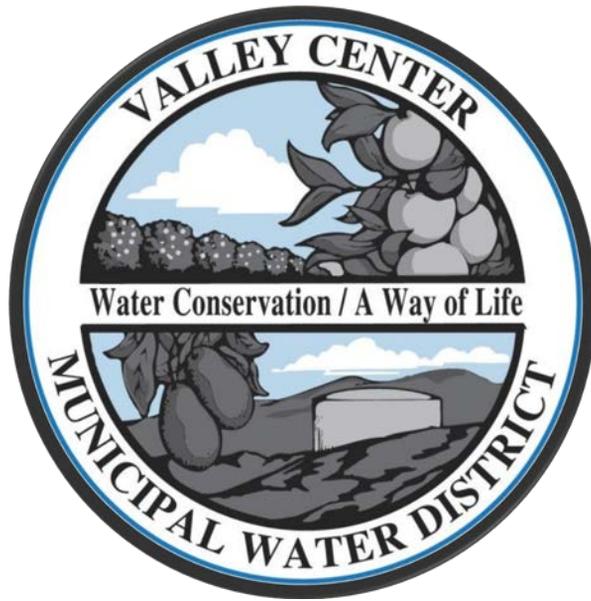
Our current 70kW Multiquip portable generator is a model year 2000 and it is powered by a diesel engine. The replacement will be a new 200kW portable generator with a diesel engine. The current generator is used during SDG&E power outages to supply power to one of four possible pump station locations. The four different pump station locations supply water to four different standalone reservoirs.

The Replacement portable generator will be capable of supplying power to one of eight possible pump station locations. The increased generator size will give staff greater flexibility in responding to multi-site power outages and maintaining adequate water supplies during these events. The new engine will have a U.S. Environmental Protection Agency Tier IV Final emission rating.

The U.S. Environmental Protection Agency has six emission level ratings for diesel engines Tier 0, Tier 1, Tier 2, Tier 3, Tier 4 Interim and Tier 4 Final, with Tier 4 Final having the lowest allowable emissions level. The current 70kW generator has a Tier 0 diesel engine and per the California Air Resources Board the engine will no longer be permitted to operate in the state of California after January 1, 2017.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-2017	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Generator			0	<b>118,000</b>	118,000		118,000	118,000
Contingency			0	<b>10,000</b>	10,000		10,000	10,000
<b>Total Project</b>	0	0	0	<b>128,000</b>	128,000	0	128,000	128,000





Moosa

## **FUNCTION OVERVIEW**

Wastewater collection, treatment and disposal services are provided to the communities of Hidden Meadows, Lawrence Welk Village, Castle Creek, Champagne Village, the Treasures, Islands, 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 2015-2016**

**Wastewater Collection System:** Continued inspection, cleaning, videoing and repairs of the collection system wastewater mains. Continued evaluation and repairs of manholes and wet wells that have deteriorated throughout the 40 year old collection system.

### **Treatment Plant:**

- Continued to implement operational changes that reduced equipment run times and energy consumption and improved effluent quality.
- Installed new process control sensors for better operational control of the facility and help to reduce operational labor and energy usage.
- Performed in-house videoing of the collection system to reduce outside service expenditures, located sewer laterals, and improved system monitoring.
- Continued making repairs and installed clean-out locations in the Rimrock S.T.E.P. system.
- Installed new smart sensors in collection system to help locate infiltration during rain events.
- Installed new storage/shop building, to store and secure equipment from the elements. The building will also house a workshop for making repairs on equipment as needed.

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

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

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

### **Planning Studies:**

- Preliminary conceptual approval (issued in FY 2015-16) for the 1,750 unit Lilac Hills Ranch Project provided for the potential use of the Lower Moosa Canyon facility to provide initial wastewater services followed by construction of a satellite facility within the development. As planned, the project would provide recycled water to the Lilac Hills Ranch 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 13 STEP pumps for system reliability to eliminate odors and damage to the pump system.
- Continued to maintain and clean the effluent line and grit channel for improved effluent quality, overflow prevention measures, and wear and tear on the systems operational equipment.
- 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 2016-2017****Replacement Projects:**

- 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:**

- Update the Master Plan for the full build out of the existing Lower Moosa Canyon site to 1.0 mgd.
- Explore tertiary level treatment and water reuse possibilities.
- Explore the feasibility of an improved bio solids process that would allow the solids to be applied on local golf courses or farms for agriculture.
- Examine the benefits of solar power at the treatment facilities to reduce electrical related operational costs.
- 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 a feasibility study 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.

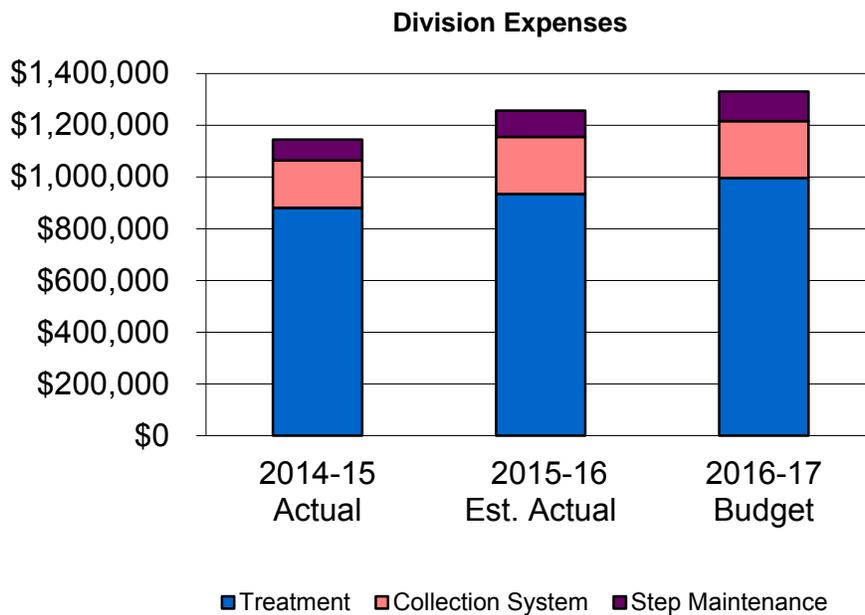
**LONG-TERM GOALS**

Plan for future upgrades to meet increasing wastewater capacity needs of the service area while maintaining 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 the District’s wastewater procedures.



Recap of Budget and Source of Financing

	Replacement Fund	Expansion Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2015	1,541,302	396,529	370,818	0	2,308,649
ADD: Revenue 2015-2016					
Wastewater Service Charges	334,105			1,183,598	1,517,703
Wastewater Lateral & Inspection Fees				4,550	4,550
Interest	14,400			7,497	21,897
Wastewater STEP Charges				45,533	45,533
Wastewater STEP Repair Charges				0	0
Capacity Charges		0			0
Total Revenue					1,589,683
LESS: Estimated Expenditures 2015-2016	0	0	(216,471)	(1,256,698)	(1,473,169)
Transfers	(152,520)		137,000	15,520	0
Net Change	195,985	0	(79,471)	0	116,514
ESTIMATED BALANCE JUNE 30, 2016	1,737,287	396,529	291,347	0	2,425,163
ADD: Revenue 2016-2017					
Wastewater Service Charges	334,105			1,224,895	1,559,000
Interest	17,100			9,300	26,400
Wastewater STEP Charges				47,616	47,616
Capacity Charges		0			0
Total Revenue					1,633,016
LESS: Proposed Expenditures 2016-2017			(224,000)	(1,330,837)	(1,554,837)
Expenditures of Continuing Projects			(291,347)		(291,347)
Transfers	(273,026)		224,000	49,026	0
Net Change	78,179	0	(291,347)	0	(213,168)
ESTIMATED BALANCE JUNE 30, 2017	1,815,466	396,529	0	0	2,211,995

**GENERAL INFORMATION:**

**Average Wastewater Connections:**

**Monthly Rates:**

**Effective July 1**

**Effective February 1**

	2014-2015	2015-2016		2016-2017
	Actual	Budget	Estimated Actual	Budget
Average Wastewater Connections:	2,474	2,470	2,484	2,484
Monthly Rates:				
Effective July 1	51.20	51.20	51.20	51.20
Effective February 1	51.20	51.20	51.20	53.76

Revenue Estimate

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	1,504,982	1,517,600	1,516,703	1,558,000
4110.02	Wastewater Capacity Reservation Fee	1,000	1,000	1,000	1,000
4110.04	Wastewater Lateral Fee	0	0	0	0
4110.05	Wastewater Inspection Fee	1,650	0	1,850	0
4110.06	STEP Wastewater Inspection Fee	150	0	2,700	0
4410.00	Interest - Operating & Replace. Res.	14,764	21,400	21,897	26,400
4429.00	Wastewater STEP Charges	43,884	45,123	45,533	47,616
	<b>Total</b>	<b>1,566,430</b>	<b>1,585,123</b>	<b>1,589,683</b>	<b>1,633,016</b>

Description	2014-2015	2015-2016		2016-2017
	Actual	Budget	Estimated Actual	Budget
Treatment	880,639	859,262	934,562	996,659
Collection System/West	183,867	235,472	220,836	219,678
STEP Maintenance	80,254	101,600	101,300	114,500
Capital Projects	59,532	137,000	216,471	224,000
<b>TOTAL MOOSA TREATMENT</b>	<b>1,204,292</b>	<b>1,333,334</b>	<b>1,473,169</b>	<b>1,554,837</b>

Treatment 13-5326.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	473,564	410,600	465,000	504,100
03	Overtime	18,549	20,000	27,000	25,000
23	Chemicals	17,570	18,000	22,500	24,000
25	Outside Professional Services	75,322	70,000	71,000	70,000
30	Special Department Expenses	4,467	4,000	4,000	4,000
32	Telephone	2,151	2,500	1,900	2,500
38	Regulatory Permits & Fees	20,023	20,000	20,000	20,100
40	Rents & Leases	1,396	500	0	500
41	Hazardous Waste Disposal Costs	0	300	300	300
42	Insurance	12,245	14,149	14,149	14,203
45	Electricity	78,462	70,000	78,000	80,000
48	Diesel	500	500	500	500
49	Water	3,448	5,000	7,500	6,000
51	Maintenance of Vehicles	1,457	2,500	1,500	2,000
52	Maintenance of Facilities	47,840	47,000	47,000	47,000
82	Administrative Overhead	123,514	172,213	172,213	194,456
87	Bad Debt Expense	131	2,000	2,000	2,000
	Total	880,639	859,262	934,562	996,659

Treatment 13-5326.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 3.12	504,100
03	Overtime	25,000
23	Chemicals Polymer 7,000 Sodium Hypochlorite 2,000 Sodium Hydroxide 500 Laboratory Chemicals 14,500	24,000
25	Outside Professional Services Pumper Trucks - for Grit Removal 12,000 Lab Analysis 18,000 Sludge Removal 15,000 SCADA System Maintenance 6,000 Muffin Monster Service/Screening Auger 9,500 Flow Meter Calibration and Repair 2,000 Lab Equipment Service & Calibration 4,000 Generator Load Testing & Fuel Tank Inspections 3,500	70,000
30	Special Department Expenses Lab Supplies 2,500 Tools 500 Equipment 1,000	4,000
32	Telephone Leased Lines and Alarm Monitoring 1,500 T-1 Network Line 1,000	2,500
38	Regulatory Permits & Fees State Water Resources Control Board 17,500 HazMat Permit 1,850 Air Pollution Control District fees 750	20,100
40	Rents & Leases	500

Treatment 13-5326.

Acct. No.	Detail and Justification	Department Request
41	Hazardous Waste Disposal Costs Recycling Oil, Filters, Solvents	300
42	Insurance	14,203
45	Electricity	80,000
48	Diesel Generator Set and Tractor	500
49	Water	6,000
51	Maintenance of Vehicles	2,000
52	Maintenance of Facilities SCADA Computer Equipment Maintenance 3,000 Building and Grounds Maintenance Equipment 6,000 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 12,000	47,000
82	Administrative Overhead	194,456
87	Bad Debt Expense	2,000

Collection System/West 13-5327.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	128,085	182,800	172,000	166,400
03	Overtime	4,220	3,000	3,600	3,500
25	Outside Professional Services	24,550	23,000	19,000	23,000
30	Special Department Expenses	2,993	2,500	2,500	2,500
38	Regulatory Permits and Fees	3,320	3,200	3,400	3,400
42	Insurance	1,361	1,572	1,572	1,578
45	Electricity	6,397	6,500	6,514	6,800
49	Water	1,344	1,200	1,400	1,500
51	Maintenance of Vehicles	1,286	2,200	1,350	1,500
52	Maintenance of Facilities	10,312	9,500	9,500	9,500
	Total	183,867	235,472	220,836	219,678

Collection System/West 13-5327.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 1.10	166,400
03	Overtime	3,500
25	Outside Professional Services Sewer Cleaning/Repair 12,000 Manhole Sensors 7,000 Pumping 3,000 Generator Load Testing 1,000	23,000
30	Special Department Expenses	2,500
38	Regulatory Permits and Fees	3,400
42	Insurance	1,578
45	Electricity	6,800
49	Water	1,500
51	Maintenance of Vehicles	1,500
52	Maintenance of Facilities Motors Dip and Bake 1,500 Pump Repair 2,000 Replacement Pump 2,500 SCADA 1,000 Air Conditioner Repair 1,000 Valves and Solenoids, Grinder Servicing 1,500	9,500

Step Maintenance 13-5329.

No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Actual	Budget
01	Labor & Benefits - Regular	56,339	74,600	71,000	85,000
03	Overtime	2,322	3,000	7,000	5,000
25	Outside Professional Services	4,801	4,000	4,000	4,500
30	Special Department Expenses	2,268	2,000	2,000	2,000
51	Maintenance of Vehicles	1,308	2,000	1,300	2,000
52	Maintenance of Facilities	13,216	16,000	16,000	16,000
Total		80,254	101,600	101,300	114,500

Step Maintenance 13-5329.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents                      0.55	85,000
03	Overtime	5,000
25	Outside Professional Services Pumping of Tanks                                      3,000 Special Repairs    1,500	4,500
30	Special Department Expenses	2,000
51	Maintenance of Vehicles	2,000
52	Maintenance of Facilities Pump Rebuild Kits                                      3,500 Replacement Pumps                                      4,500 Retrofit STEP System Pumps                              8,000	16,000

Moosa 13-56XX-78

Description	Acct. No.	Prior	2016							2017						Future	
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
<b>Lower Moosa</b>																	
Digester Aeration and Mixing System	08	Complete															
Meadows Lift Station Motor Control Center Repl.	29		Design														
Sludge Transfer Pump Replacement	30	Complete															
Rimrock STEP System Modification	41	Complete															
Master Plan	54				Planning												
SCADA System	73																
Islands Lift Station Pump	40	Complete															
Air Compressor	44	Complete															
RAS Pumps	66	Complete															
Storage Building/Workshop	67	Complete															
Digester Blower	72		Design		Purchase												
Evaluation of Reclamation System	74																
Influent Flow Meter	75				Purchase												
Metal Awning	76		Design														
Rimrock STEP System Improvements	77		Planning/Design														
Screening Unit	78		Complete														

## Moosa 13-56XX-78

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2015-16	Estimated Actual Expenditures 2015-16	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17
Digester Aeration and Mixing System	08		10,507	10,507	0		0
Meadows Lift Station Motor Control Center Repl.	29		50,000		50,000		50,000
Sludge Transfer Pump Replacement	30		15,183	15,183	0		0
Rimrock STEP System Modification	41		28,331	28,331	0		0
Master Plan	54		80,274		80,274		80,274
SCADA System	73		160,523		160,523		160,523
Islands Lift Station Pump	40		20,000	19,450	550		550
Air Compressor	44		6,000	6,000	0		0
RAS Pump Replacement	66		30,000	30,000	0		0
Storage Building/Shop	67		107,000	107,000	0		0
Digester Blower	72	11-10				25,000	25,000
Evaluation of Reclamation System	74	11-11				45,000	45,000
Influent Flow Meter	75	11-12				16,000	16,000
Metal Awning	76	11-13				20,000	20,000
Rimrock S.T.E.P. System Improvements	77	11-14				80,000	80,000
Screening Unit	78	11-15				38,000	38,000
<b>Total Capital Projects</b>			<b>507,818</b>	<b>216,471</b>	<b>291,347</b>	<b>224,000</b>	<b>515,347</b>

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

## Estimated Expenditures by Year

Fiscal Year 2016-2017

## Moosa 13-56XX-78

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
Digester Aeration and Mixing System	08							
Meadows Lift Station Motor Control Center Repl.	29		50,000		50,000	50,000		
Sludge Transfer Pump Replacement	30							
Rimrock STEP System Modification	41							
Master Plan	54		80,274		80,274	80,274		
SCADA System	73		160,523		160,523	160,523		
Islands Lift Station Pump	40		550		550	550		
Air Compressor	44							
RAS Pump Replacement	66							
Storage Building/Shop	67							
Digester Blower	72	11-10		25,000	25,000	25,000		
Evaluation of Reclamation System	74	11-11		45,000	45,000	45,000		
Influent Flow Meter	75	11-12		16,000	16,000	16,000		
Metal Awning	76	11-13		20,000	20,000	20,000		
Rimrock S.T.E.P. System Improvements	77	11-14		80,000	80,000	80,000		
Screening Unit	78	11-15		38,000	38,000	38,000		
<b>Total Capital Projects</b>			<b>291,347</b>	<b>224,000</b>	<b>515,347</b>	<b>515,347</b>	<b>0</b>	<b>0</b>

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

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	13-5672.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

Lower Moosa Canyon WRF Digester Blower

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

**PROJECT DESCRIPTION:**

To purchase and install a new digester blower at the Lower Moosa Canyon Wastewater Reclamation Facility. The new blower will act as a redundant blower for the digester operation and provide a rotation system to lessen the hours and usage on the existing blower. Currently there is only one blower in place for the digester operations, if the blower was to fail or need any major servicing the digester may be down for an extended period of time, this may cause process control and odor issues.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Digester Blower				<b>25,000</b>	25,000		25,000	25,000
<b>Total Project</b>	0	0	0	<b>25,000</b>	25,000	0	25,000	25,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

<b>ACCOUNT NO.:</b>	13-5674.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

**PROJECT NAME:**

Lower Moosa Canyon WRF Evaluation of a Reclamation System

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

**PROJECT DESCRIPTION:**

Currently 300,000 gallons of secondary effluent from Lower Moosa Treatment Facility is being discharged to the percolation ponds off Camino Del Rey in Escondido. This effluent could be treated to State approved levels and be reused for agriculture or irrigation purposes for the adjacent properties. Upgrades to the existing equipment and exploration of new technologies would help to reduce costs for the treatment of the effluent to meet Title 22 levels. Upgrades would include; baffles installed in the chlorine contact tank, installation of MBR membranes, new pumps and new technologies that would include ultraviolet light for disinfection to reduce chemical and construction costs.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Evaluation of System				<b>45,000</b>	45,000		45,000	45,000
<b>Total Project</b>	0	0	0	<b>45,000</b>	45,000	0	45,000	45,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	13-5675.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

Lower Moosa Canyon WRF Influent Flow Meter

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

**PROJECT DESCRIPTION:**

Replacement of the influent flow meter at the Lower Moosa Canyon Wastewater Reclamation Facility with a new and more accurate flow meter. The current flow meter in operation was installed over 20 years ago and the accuracy of the meter has become less accurate over the years. The new meter will be used for enhanced and more precise operational control of the equipment needed to process the sewage coming into the facility.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Influent Flow Meter				<b>16,000</b>	16,000		16,000	16,000
<b>Total Project</b>	0	0	0	<b>16,000</b>	16,000	0	16,000	16,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	13-5676.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

Lower Moosa Canyon WRF Metal Awning

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

**PROJECT DESCRIPTION:**

To construct and install a new metal awning cover at the Lower Moosa Canyon Wastewater Reclamation Facility. The new awning would be installed over a wash/equipment bay, which will be used to pre-wash various pieces of wastewater equipment prior to refurbishing and would keep rain water from infiltrating the treatment facility via the pre-wash drain.

Project Budget	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	Proposed Budget Allocation 2016-17	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Metal Awning				20,000	20,000		20,000	20,000
<b>Total Project</b>	0	0	0	<b>20,000</b>	20,000	0	20,000	20,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	13-5677.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

Rimrock S.T.E.P. System Improvements

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 (S.T.E.P.) system. Currently, there are only a few points available to clean or clear the S.T.E.P. 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 for servicing. This process is very costly and inefficient. The clean-out access stations will be installed in place of gate valves previously installed in the S.T.E.P. system. Over time, these gate valves have deteriorated from the corrosive conditions within the wastewater system and are no longer operable.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
System Improvements				<b>80,000</b>	80,000		80,000	80,000
<b>Total Project</b>	0	0	0	<b>80,000</b>	80,000	0	80,000	80,000

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
BUDGET  
2016-2017**

**CAPITAL PROJECT REQUEST**

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	13-5678.78
<b>DEPARTMENT:</b>	<b>Lower Moosa Canyon WRF</b>

Lower Moosa Canyon WRF Screening Unit

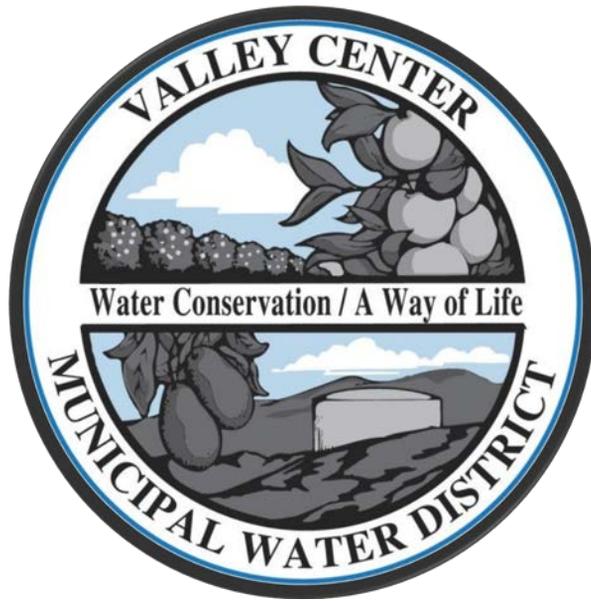
New Item	Type	Master Plan		Project ID	Strategic Plan	
		Priority			Standard	Goal

**PROJECT DESCRIPTION:**

Construct and install a new screening unit at the Lower Moosa Canyon Wastewater Reclamation Facility. The current screening unit has been in operation for the past 15 years and is coming near the end of its operational expectancy. The screening process at the facility is very important of the entire treatment process, as the screens protect all of the major equipment from debris and trash, which is critical in treating the wastewater at the facility to meet the State’s discharge requirements.

<b>Project Budget</b>	Prior Budget	Prior Estimated Actual Expense	Estimated Budget Remaining	<b>Proposed Budget Allocation 2016-17</b>	Total Budget 2016-17	Future Budget Allocation	Future Total Project Budget	Estimated Total Project Cost
Screening Unit				<b>38,000</b>	38,000		38,000	38,000
<b>Total Project</b>	0	0	0	<b>38,000</b>	38,000	0	38,000	38,000





# Woods Valley Expansion

## **FUNCTION OVERVIEW**

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

The Woods Valley Ranch Wastewater Expansion Project (Expansion Project) is a joint Property Owner/Developer/District project to extend wastewater service to parcels owned by participating developers and property owners in the South and North Village areas of Valley Center. These areas are identified on the County General Plan as the higher density areas generally along Valley Center Road from Woods Valley Road north through Cole Grade Road. The service area is anticipated to have an ultimate average day wastewater demand of up to 600,000 gallons per day. The extension of wastewater service to the area would be accomplished through voluntary property owner participation in multiple expansion phases as required to meet the requested wastewater capacity timing and demands.

Property owners representing 350 EDUs (Equivalent Dwelling Units) of capacity participated in the initial project offering and approved the formation of an assessment district to fund the repayment of a State Water Resources Control Board Clean Water (SWRCB) State Revolving Fund (SRF) Loan to finance the project. With approval of the project funding in place several other property owners expressed interest in participating. A second participation offering was conducted and participation level increased to 1,095 EDUs.

Facilities were planned for the higher participation level and design of the project facilities were delayed until the participation agreements for the increased capacity were completed. Estimated total project cost increased to \$32.075M with \$30.735M being the portion eligible for the SRF Loan.

The Expansion Project consists of the following project components, each with a separate SRF financing agreement with the SWRCB; 1) South Village Collection System, 2), Woods Valley Ranch Water Reclamation Facility (WVRWRF) Phase 2 Expansion, 3) Charlan Road Seasonal Storage Facility, and 4) North Village Collection System.

## **ACCOMPLISHMENTS FOR 2015-2016**

- Construction plans were completed and approved, bids received and construction contracts awarded for the following Expansion Project facilities components:
  - Woods Valley Ranch WRF Phase 2 Expansion,
  - Charlan Road Seasonal Storage Facility, and
  - South Village Wastewater Collection System.
- Final Budget Approval of the SRF Loans for the three projects under construction was received.
- A Report of Waste Discharge was approved to the Regional Water Quality Control Board for modification of the WVRWRF Waste Discharge Permit to provide for the increased capacity requirements and establishment of a master reclamation permit to allow for the beneficial use of recycled water within the Valley Center Hydrologic Area.

**CHALLENGES AND GOALS FOR 2016-2017**

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

- Complete the design of the North Village Wastewater Collection Facilities,
- Obtain SRF approval of the North Village Collection System project component, and
- Completion of the Expansion Project construction and successful start-up of the facilities.

**LONG-TERM GOALS**

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

- Work with the major developers in the Woods Valley Ranch WRF Service Area to prepare planning documents and agreements necessary for the implementation of future expansion projects as needed for their developments.
- Development of a reclamation plan that provides for the perpetual beneficial reuse of the treated effluent generated by the wastewater customers.
- Coordination and preparation of planning documents necessary to have wastewater capacity available when needed without requiring extensive District financial commitments and resources. The wastewater expansion project phases shall be developed with funding provided only from the property owners that receive a direct benefit from the wastewater improvements.
- 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.

**DEBT SCHEDULES FOR SECURED SRF LOANS TOTALING \$25,561,958.22**

Debt Schedule for the Collection System:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
8/15/2017	1	\$ 2,852,436.13	\$ 115,077.03	2.20%	\$ 62,753.59	\$ 177,830.62	\$ 2,737,359.10
8/15/2018	2	\$ 2,737,359.10	\$ 117,608.72	2.20%	\$ 60,221.90	\$ 177,830.62	\$ 2,619,750.38
8/15/2019	3	\$ 2,619,750.38	\$ 120,196.11	2.20%	\$ 57,634.51	\$ 177,830.62	\$ 2,499,554.27
8/15/2020	4	\$ 2,499,554.27	\$ 122,840.43	2.20%	\$ 54,990.19	\$ 177,830.62	\$ 2,376,713.84
8/15/2021	5	\$ 2,376,713.84	\$ 125,542.92	2.20%	\$ 52,287.70	\$ 177,830.62	\$ 2,251,170.92
8/15/2022	6	\$ 2,251,170.92	\$ 128,304.86	2.20%	\$ 49,525.76	\$ 177,830.62	\$ 2,122,866.06
8/15/2023	7	\$ 2,122,866.06	\$ 131,127.57	2.20%	\$ 46,703.05	\$ 177,830.62	\$ 1,991,738.49
8/15/2024	8	\$ 1,991,738.49	\$ 134,012.37	2.20%	\$ 43,818.25	\$ 177,830.62	\$ 1,857,726.12
8/15/2025	9	\$ 1,857,726.12	\$ 136,960.65	2.20%	\$ 40,869.97	\$ 177,830.62	\$ 1,720,765.47
8/15/2026	10	\$ 1,720,765.47	\$ 139,973.78	2.20%	\$ 37,856.84	\$ 177,830.62	\$ 1,580,791.69
8/15/2027	11	\$ 1,580,791.69	\$ 143,053.20	2.20%	\$ 34,777.42	\$ 177,830.62	\$ 1,437,738.49
8/15/2028	12	\$ 1,437,738.49	\$ 146,200.37	2.20%	\$ 31,630.25	\$ 177,830.62	\$ 1,291,538.12
8/15/2029	13	\$ 1,291,538.12	\$ 149,416.78	2.20%	\$ 28,413.84	\$ 177,830.62	\$ 1,142,121.34
8/15/2030	14	\$ 1,142,121.34	\$ 152,703.95	2.20%	\$ 25,126.67	\$ 177,830.62	\$ 989,417.39
8/15/2031	15	\$ 989,417.39	\$ 156,063.44	2.20%	\$ 21,767.18	\$ 177,830.62	\$ 833,353.95
8/15/2032	16	\$ 833,353.95	\$ 159,496.83	2.20%	\$ 18,333.79	\$ 177,830.62	\$ 673,857.12
8/15/2033	17	\$ 673,857.12	\$ 163,005.76	2.20%	\$ 14,824.86	\$ 177,830.62	\$ 510,851.36
8/15/2034	18	\$ 510,851.36	\$ 166,591.89	2.20%	\$ 11,238.73	\$ 177,830.62	\$ 344,259.47
8/15/2035	19	\$ 344,259.47	\$ 170,256.91	2.20%	\$ 7,573.71	\$ 177,830.62	\$ 174,002.56
8/15/2036	20	\$ 174,002.56	\$ 174,002.56	2.20%	\$ 3,828.06	\$ 177,830.62	\$ -
<b>Total</b>			<b>\$ 2,852,436.13</b>		<b>\$ 704,176.27</b>	<b>\$ 3,556,612.40</b>	

Debt Schedule for the Treatment Plant:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
12/15/2017	1	\$ 17,254,600.67	\$ 701,189.77	2.20%	\$ 374,190.99	\$ 1,075,380.76	\$ 16,553,410.90
12/15/2018	2	\$ 16,553,410.90	\$ 711,205.72	2.20%	\$ 364,175.04	\$ 1,075,380.76	\$ 15,842,205.18
12/15/2019	3	\$ 15,842,205.18	\$ 726,852.25	2.20%	\$ 348,528.51	\$ 1,075,380.76	\$ 15,115,352.93
12/15/2020	4	\$ 15,115,352.93	\$ 742,843.00	2.20%	\$ 332,537.76	\$ 1,075,380.76	\$ 14,372,509.93
12/15/2021	5	\$ 14,372,509.93	\$ 759,185.54	2.20%	\$ 316,195.22	\$ 1,075,380.76	\$ 13,613,324.39
12/15/2022	6	\$ 13,613,324.39	\$ 775,887.62	2.20%	\$ 299,493.14	\$ 1,075,380.76	\$ 12,837,436.77
12/15/2023	7	\$ 12,837,436.77	\$ 792,957.15	2.20%	\$ 282,423.61	\$ 1,075,380.76	\$ 12,044,479.62
12/15/2024	8	\$ 12,044,479.62	\$ 810,402.21	2.20%	\$ 264,978.55	\$ 1,075,380.76	\$ 11,234,077.41
12/15/2025	9	\$ 11,234,077.41	\$ 828,231.06	2.20%	\$ 247,149.70	\$ 1,075,380.76	\$ 10,405,846.35
12/15/2026	10	\$ 10,405,846.35	\$ 846,452.14	2.20%	\$ 228,928.62	\$ 1,075,380.76	\$ 9,559,394.21
12/15/2027	11	\$ 9,559,394.21	\$ 865,074.09	2.20%	\$ 210,306.67	\$ 1,075,380.76	\$ 8,694,320.12
12/15/2028	12	\$ 8,694,320.12	\$ 884,105.72	2.20%	\$ 191,275.04	\$ 1,075,380.76	\$ 7,810,214.40
12/15/2029	13	\$ 7,810,214.40	\$ 903,556.04	2.20%	\$ 171,824.72	\$ 1,075,380.76	\$ 6,906,658.36
12/15/2030	14	\$ 6,906,658.36	\$ 923,434.28	2.20%	\$ 151,946.48	\$ 1,075,380.76	\$ 5,983,224.08
12/15/2031	15	\$ 5,983,224.08	\$ 943,749.83	2.20%	\$ 131,630.93	\$ 1,075,380.76	\$ 5,039,474.25
12/15/2032	16	\$ 5,039,474.25	\$ 964,512.33	2.20%	\$ 110,868.43	\$ 1,075,380.76	\$ 4,074,961.92
12/15/2033	17	\$ 4,074,961.92	\$ 985,731.60	2.20%	\$ 89,649.16	\$ 1,075,380.76	\$ 3,089,230.32
12/15/2034	18	\$ 3,089,230.32	\$ 1,007,417.69	2.20%	\$ 67,963.07	\$ 1,075,380.76	\$ 2,081,812.63
12/15/2035	19	\$ 2,081,812.63	\$ 1,029,580.88	2.20%	\$ 45,799.88	\$ 1,075,380.76	\$ 1,052,231.75
12/15/2036	20	\$ 1,052,231.75	\$ 1,052,231.75	2.20%	\$ 23,149.10	\$ 1,075,380.85	\$ -
<b>Total</b>			<b>\$ 17,254,600.67</b>		<b>\$ 4,253,014.62</b>	<b>\$ 21,507,615.29</b>	

Debt Schedule for the Treatment Plant:

Due Date	Ref Num	Beginning Balance	Principal Payment	Interest Rate %	Interest Payment	Total Payment	Ending Balance
10/20/2017	1	\$ 5,454,921.42	\$ 220,070.18	2.20%	\$ 120,008.27	\$ 340,078.45	\$ 5,234,851.24
10/20/2018	2	\$ 5,234,851.24	\$ 224,911.72	2.20%	\$ 115,166.73	\$ 340,078.45	\$ 5,009,939.52
10/20/2019	3	\$ 5,009,939.52	\$ 229,859.78	2.20%	\$ 110,218.67	\$ 340,078.45	\$ 4,780,079.74
10/20/2020	4	\$ 4,780,079.74	\$ 234,916.70	2.20%	\$ 105,161.75	\$ 340,078.45	\$ 4,545,163.04
10/20/2021	5	\$ 4,545,163.04	\$ 240,084.86	2.20%	\$ 99,993.59	\$ 340,078.45	\$ 4,305,078.18
10/20/2022	6	\$ 4,305,078.18	\$ 245,366.73	2.20%	\$ 94,711.72	\$ 340,078.45	\$ 4,059,711.45
10/20/2023	7	\$ 4,059,711.45	\$ 250,764.80	2.20%	\$ 89,313.65	\$ 340,078.45	\$ 3,808,946.65
10/20/2024	8	\$ 3,808,946.65	\$ 256,281.62	2.20%	\$ 83,796.83	\$ 340,078.45	\$ 3,552,665.03
10/20/2025	9	\$ 3,552,665.03	\$ 261,919.82	2.20%	\$ 78,158.63	\$ 340,078.45	\$ 3,290,745.21
10/20/2026	10	\$ 3,290,745.21	\$ 267,682.06	2.20%	\$ 72,396.39	\$ 340,078.45	\$ 3,023,063.15
10/20/2027	11	\$ 3,023,063.15	\$ 273,571.06	2.20%	\$ 66,507.39	\$ 340,078.45	\$ 2,749,492.09
10/20/2028	12	\$ 2,749,492.09	\$ 279,589.62	2.20%	\$ 60,488.83	\$ 340,078.45	\$ 2,469,902.47
10/20/2029	13	\$ 2,469,902.47	\$ 285,740.60	2.20%	\$ 54,337.85	\$ 340,078.45	\$ 2,184,161.87
10/20/2030	14	\$ 2,184,161.87	\$ 292,026.89	2.20%	\$ 48,051.56	\$ 340,078.45	\$ 1,892,134.98
10/20/2031	15	\$ 1,892,134.98	\$ 298,451.48	2.20%	\$ 41,626.97	\$ 340,078.45	\$ 1,593,683.50
10/20/2032	16	\$ 1,593,683.50	\$ 305,017.41	2.20%	\$ 35,061.04	\$ 340,078.45	\$ 1,288,666.09
10/20/2033	17	\$ 1,288,666.09	\$ 311,727.80	2.20%	\$ 28,350.65	\$ 340,078.45	\$ 976,938.29
10/20/2034	18	\$ 976,938.29	\$ 318,585.81	2.20%	\$ 21,492.64	\$ 340,078.45	\$ 658,352.48
10/20/2035	19	\$ 658,352.48	\$ 325,594.70	2.20%	\$ 14,483.75	\$ 340,078.45	\$ 332,757.78
10/20/2036	20	\$ 332,757.78	\$ 332,757.78	2.20%	\$ 7,320.67	\$ 340,078.45	-
<b>Total</b>			<b>\$ 5,454,921.42</b>		<b>\$ 1,346,647.58</b>	<b>\$ 6,801,569.00</b>	

## Recap of Budget and Source of Financing

	Replacement Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2015	383,425	(55,435)	(445,693)	(117,703)
ADD: Revenue 2015-2016				
Wastewater Stand-By Charge	602,600			602,600
Interest	5,759			5,759
Total Revenue				608,359
Proceeds from SRF Loan		8,281,829		8,281,829
LESS: Estimated Expenditures 2015-2016	0	(8,226,394)		(8,226,394)
Transfers	(445,693)		445,693	0
Net Change	162,666	55,435	445,693	663,794
ESTIMATED BALANCE JUNE 30, 2016	546,091	0	0	546,091
ADD: Revenue 2016-2017				
Wastewater Stand-By Charge	602,600			602,600
Interest	7,627			7,627
Total Revenue				610,227
Proceeds from SRF Loan		20,838,171		20,838,171
LESS: Proposed Expenditures 2016-2017		(20,838,171)		(20,838,171)
Expenditures of Continuing Projects		0		0
Transfers	0	0		0
Net Change	610,227	0	0	610,227
ESTIMATED BALANCE JUNE 30, 2017	1,156,318	0	0	1,156,318

Revenue Estimate

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
4110.02	Wastewater Stand-By Charge (SA-2)	168,413	602,600	602,600	602,600
4410.00	Interest Allocation	0	4,807	5,759	7,627
Total		168,413	607,407	608,359	610,227

Description	2013-2014	2014-2015		2015-2016
	Actual	Budget	Estimated Actual	Budget
Capital Projects	1,204,059	29,120,000	8,226,394	20,838,171
TOTAL WOODS VALLEY RANCH	1,204,059	29,120,000	8,226,394	20,838,171

Woods Valley Ranch Expansion 16-56XX-78

Description	Acct. No.	Prior	2016							2017					Future		
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
<u>Woods Valley Ranch Expansion</u>																	
Woods Valley Ranch WRF Phase 2 Expansion	56		Construction														

Woods Valley Ranch Expansion 16-56XX-78

Description	Acct. No.	Total Approved Budget 2015-16	Estimated Actual Expenditures 2015-16	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17
WVR WRF Planning	56	29,064,565	8,226,394	20,838,171		20,838,171
<b>Total Capital Projects</b>		<b>29,064,565</b>	<b>8,226,394</b>	<b>20,838,171</b>	<b>0</b>	<b>20,838,171</b>

Unexpended appropriations from projects identified as 'Continuing Projects' will be carried forward to 2014-2015.  
All budgeted subaccounts are .78 unless otherwise noted. Additional subaccounts may be authorized by Finance.

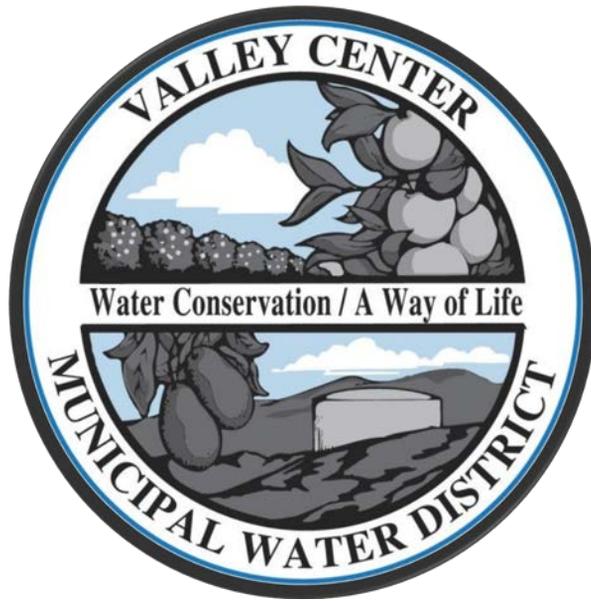
Estimated Expenditures by Year

Woods Valley Ranch Expansion 16-56XX-78

Description	Acct. No.	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
WVR WRF Planning	56	20,838,171		20,838,171	20,838,171		
<b>Total Capital Projects</b>		<b>20,838,171</b>	<b>0</b>	<b>20,838,171</b>	<b>20,838,171</b>	<b>0</b>	<b>0</b>

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.





# Woods Valley Ranch

## **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 2015-2016**

**Woods Valley Ranch Water Reclamation Facility, Phase 1 Construction:** Final acceptance of the 70,000 gpd permanent treatment facility was issued in June 2013. Effluent from the facility is being discharged to the golf course storage ponds where it is used for irrigation of the golf course. Record drawings of the facility were completed and are available for District staff use. The waste discharge permit for the facility was modified to provide for the additional capacity needed for the Phase 2 Expansion Project.

**Woods Valley Ranch Wastewater Expansion Project:** With Clean Water State Revolving Fund financing approval from the State Water Resources Control Board the Woods Valley Ranch Wastewater Expansion Project was initiated expanding the service area of the WVRWRF to include the North and South Village Areas of the District, increasing the required plant capacity to 275,000 gpd.

### **Woods Valley Ranch Water Reclamation Facility:**

- Continued to implement operational changes that reduced equipment runtimes, significantly reducing energy consumption and energy cost.
- Replaced submersible pump in digester, with an air lift pump to improve reliability and lower maintenance cost.
- Installed new process control sensors for better operational control of the facility, will help to reduce operational labor and energy usage.

**Wastewater Collection System:** Continued inspection, cleaning, and repairs of the collection system wastewater mains.

- Installed new smart sensors in collection system to help locate infiltration during rain events.

## **CHALLENGES AND GOALS FOR 2016-2017**

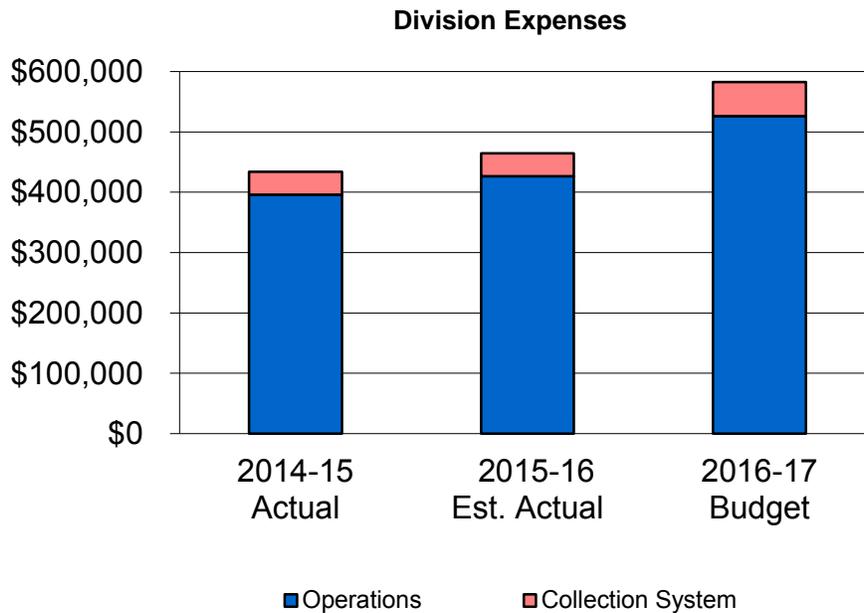
Following final acceptance of the Phase 2 Expansion Project, the 275,000 gpd permanent treatment plant, the District will continue to operate and maintain the permanent wastewater treatment facility and produce an effluent that will meet California Title 22 Water Quality Requirements for irrigation of 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).
- Ongoing development and implementation of improved operational strategies to reduce equipment run times and labor cost.

- Continued inspection of the Woods Valley Golf Course reclamation water usage and operations to ensure that the course complies with all the Department of Health and Water Quality Control Boards Rules and Regulations.
- Continue coordination with the Phase 2 Expansion Project contractor as construction progresses through completion, start-up and final acceptance.

**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 Phase 3 expansion project in accordance with the approved Master Plan to meet the wastewater treatment needs of property in the South and North Village Areas.



Recap of Budget and Source of Financing

	Replacement Reserve Fund	Operating Reserve Fund	Continuing Projects Fund	Operating Fund	Total
ACTUAL BALANCE JULY 1, 2015	408,202	186,099	755,862	0	1,350,163
ADD: Revenue 2015-2016					
Wastewater Service Charge	102,620	0		228,676	331,296
Reclaimed Water & Meter Charge				42,397	42,397
Interest	3,864			6,883	10,747
Total Revenue					384,440
LESS: Estimated Expenditures 2015-2016	0	0	(62,682)	(362,105)	(424,787)
Transfers	(86,605)	(5,047)	7,503	84,149	0
Net Change	19,879	(5,047)	(55,179)	0	(40,347)
ESTIMATED BALANCE JUNE 30, 2016	428,081	181,052	700,683	0	1,309,816
ADD: Revenue 2016-2017					
Wastewater Service Charge	102,620	0		228,676	331,296
Wastewater Service Charge (SA-2)				17,748	17,748
Grinder Maintenance Charge (SA-2)	7,245			0	7,245
Reclaimed Water & Meter Charge				44,440	44,440
Interest	4,315			2,954	7,269
Total Revenue					407,998
LESS: Proposed Expenditures 2016-2017		0	(75,000)	(479,888)	(554,888)
Expenditures of Continuing Projects			(700,683)		(700,683)
Transfers	(266,117)	5,047	75,000	186,070	0
Net Change	(151,937)	5,047	(700,683)	0	(847,573)
ESTIMATED BALANCE JUNE 30, 2017	276,144	186,099	0	0	462,243

**GENERAL INFORMATION:**

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

2014-2015	2015-2016		2016-2017
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

## Revenue Estimate

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
4110.01	Wastewater Service Charge	311,156	323,014	323,014	330,113
4110.02	Wastewater Capacity Reservation Fee	20,113	8,282	8,282	1,183
4110.03	Wastewater Service Charge (SA-2)	0	0	0	17,748
4110.04	Grinder Pump Maintenance (SA-2)	0	0	0	7,245
4140.00	Reclaimed Water	23,961	36,960	40,717	42,580
4140.01	Reclaimed Water Meter Charge	1,559	1,580	1,680	1,860
4410.00	Interest - Operating & Replace. Res.	13,266	6,100	10,747	7,269
	Total	370,055	375,936	384,440	407,998

Description	2014-2015	2015-2016		2016-2017
	Actual	Budget	Estimated Actual	Budget
Collection System	38,209	55,950	37,938	56,350
Treatment	395,923	418,867	426,787	526,158
Capital Projects	66,125	0	62,682	75,000
<b>TOTAL WOODS VALLEY RANCH</b>	<b>500,257</b>	<b>474,817</b>	<b>527,407</b>	<b>657,508</b>

Collection System 17-5330.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	27,737	46,100	28,500	46,500
03	Overtime	177	350	350	350
25	Outside Professional Services	4,843	4,000	4,000	4,000
30	Special Department Expenses	954	1,000	1,000	1,000
38	Regulatory Permit & Fee	2,088	2,500	2,088	2,500
52	Maintenance of Facilities	2,410	2,000	2,000	2,000
Total		38,209	55,950	37,938	56,350



## Treatment 17-5331.

Acct. No.	Description	2014-2015	2015-2016		2016-2017
		Actual	Budget	Estimated Actual	Budget
01	Labor & Benefits - Regular	122,938	126,500	138,000	219,800
03	Overtime	8,011	9,000	8,000	9,000
23	Chemicals	8,094	8,500	8,100	8,500
25	Outside Professional Services	25,713	30,500	28,000	30,500
30	Special Department Expenses	1,747	1,600	1,600	1,600
32	Telephone	276	400	400	400
38	Regulatory Permits & Fees	15,861	16,250	16,000	16,500
40	Rents & Leases	0	250	0	250
42	Insurance	10,252	12,819	12,819	13,202
45	Electricity	42,739	41,000	45,600	46,000
48	Diesel	0	300	300	300
49	Water	549	550	570	600
51	Maintenance of Vehicles	1,376	2,000	1,200	2,000
52	Maintenance of Facilities	12,726	13,000	10,000	13,000
82	Administrative Overhead	43,021	53,578	53,578	61,886
	Total Treatment Operations	293,303	316,247	324,167	423,538
78	Contribution to Replacement Reserve	102,620	102,620	102,620	102,620
				0	0
				102,620	102,620
	Total	395,923	418,867	426,787	526,158

## Treatment 17-5331.

Acct. No.	Detail and Justification	Department Request
01	Labor & Benefits - Regular Full Time Equivalents 1.31	219,800
03	Overtime	9,000
23	Chemicals	8,500
25	Outside Professional Services	30,500
	Pumper Trucks - Haul waste	6,500
	Laboratory Testing Services	8,000
	Courier Service	3,000
	Sewer Cleaning	7,000
	SCADA Maintenance	2,000
	Generator Load Testing	2,000
	Wonderware Service Support	2,000
30	Special Department Expenses	1,600
	Tools	800
	Equipment	800
32	Telephone	400
38	Regulatory Permits & Fees	16,500
40	Rents & Leases	250
42	Insurance	13,202
45	Electricity	46,000
48	Diesel	300
49	Water	600
51	Maintenance of Vehicles	2,000



Woods Valley Ranch 17-56XX-78

Description	Acct. No.	Prior	2016							2017						Future
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
<b>Woods Valley Ranch</b>																
SCADA and Security	20	COMPLETE														
Programmable Logic Controller	35	COMPLETE														
Phase 2 Expansion Replacement Component	46		REIMBURSEMENT TO 16-5656 AT PROJECT COMPLETION													
SCADA/HMI Replacement Project	48	PLANNING	RFP/AWARD													
Process Control Sensors	49	COMPLETE	CONSTRUCTION													
Mix Liquor Return Pumps	50	COMPLETE														
Installation of Variable Frequency Drives	59	COMPLETE														
Wastewater Permit Requirements	88		PLANNING													

Woods Valley Ranch 17-56XX-78

Description	Acct. No.	Capital Project Request See Page	Total Approved Budget 2015-2016	Estimated Actual Expenditures 2015-2016	Budget Carried Forward to 2016-2017	New Appropriation 2016-2017	Total Approved Budget 2016-2017
SCADA and Security	20		2,242	2,242			
Programmable Logic Controller	35		14,180	11,481			
Phase 2 Expansion Project (Replacement Component)	46		525,000		525,000		525,000
SCADA/HMI Replacement Project	48		160,683		160,683		160,683
Process Control Sensors	49		30,000	26,065			
Mix Liquor Return Pumps	50		20,000	19,137			
Installation of Variable Frequency Drives	59		3,757	3,757			
Wastewater Permit Requirements	88	13-9	15,000		15,000	75,000	90,000
<b>Total Capital Projects</b>			<b>770,862</b>	<b>62,682</b>	<b>700,683</b>	<b>75,000</b>	<b>775,683</b>

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

Estimated Expenditures by Year

Fiscal Year 2016-2017

Woods Valley Ranch 17-56XX-78

Description	Acct. No.	Capital Project Request See Page	Budget Carried Forward to 2016-17	New Appropriation 2016-17	Total Approved Budget 2016-17	Estimated Actual Expenditures 2016-17	Estimated Actual Expenditures 2017-18	Estimated Project Balance after 2 years
SCADA and Security	20							
Programmable Logic Controller	35							
Phase 2 Expansion Project (Replacement Component)	46		525,000		525,000	525,000		
SCADA/HMI Replacement Project	48		160,683		160,683	160,683		
Process Control Sensors	49							
Mix Liquor Return Pumps	50							
Installation of Variable Frequency Drives	59							
Wastewater Permit Requirements	88	13-9	15,000	75,000	90,000	90,000		
<b>Total Capital Projects</b>			<b>700,683</b>	<b>75,000</b>	<b>775,683</b>	<b>775,683</b>	<b>0</b>	<b>0</b>

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

**PROJECT NAME:**

<b>ACCOUNT NO.:</b>	17-5688.78
<b>DEPARTMENT:</b>	<b>Engineering</b>

Wastewater Permit Requirements

Continuing Project	Type	Master Plan	Project ID	Strategic Plan
	Permit Requirement	Priority		Standard
		N/A		

**PROJECT DESCRIPTION:**

The District wastewater permits issued by the San Diego Regional Water Quality Control Board (Regional Board) require certain reports and management plans be prepared to develop procedures and monitoring requirements to maintain and verify compliance with the permit requirements. The following plans and reports are required as part of the current wastewater permits.

**Salt/Nutrient Management Plan (SNMP)** - Per the Regional Board Order No. R9-2015-0104 for the Woods Valley Ranch WRF, the District is required to submit a Work Plan for developing a Salt and Nutrient Management (SNMP) for the Valley Center HSA groundwater basins within 180 days of the issuance of the order, June 20, 2016. The tasks and measures required for the SNMP will be identified in this Work Plan and will be based on the "Guidelines for Salinity/Nutrient Management Planning in the San Diego Region". The SNMP, itself, must be submitted by December 31, 2018. Funding was transferred from the WVR Replacement Reserves in FY 2015-16 to prepare the work plan. Additional funding is requested to move forward with the plan development and for ultimate submittal to the Regional Board prior to the due date.

**Sanitary Sewer Management Plan (SSMP) Update** - As part of the State Water Resources Control Board Waste Discharge Requirements, all publicly owned sanitary sewer collection systems in California with more than one mile of sewer pipe must develop a Sewer System Management Plan (SSMP). The plan must include at least the eleven mandatory elements, and be approved by the collection system's governing body. The District prepared and the Board approved the SSMP in May 2010. The Waste Discharge Requirements stipulate that the SSMP be updated every 5 years and approved by the governing body if there were significant changes. The proposed update to the SSMP will address the expansion of the collection system with Woods Valley Ranch Wastewater Expansion Project, updated Fats, Oils and Grease requirements, collection system computer modeling and the revised SSMP requirements since the last update. Funding was transferred from the WVR Replacement Reserves in FY 2015-16 to initiate the preparation of the SSMP and review with the Regional Board staff, the plan and schedule to update the SSMP. Additional funding is requested to move forward with the update and for ultimate submittal to the Regional Board.

**Applied Nitrogen Work Plan and Nitrogen Loading Study** - Per the Regional Board Order No. R9-2015-0104 for the Woods Valley Ranch WRF, the District is required to submit a Work Plan to conduct a study for identifying the total applied nitrogen loading over a 12 month period at the largest recycled water re-use site. The tasks and schedule required to conduct the study will be identified in this Work Plan. The final technical report for the nitrogen loading study must be submitted by June 20, 2017. Funding was transferred from the WVR Replacement Reserves in FY 2015-16 to prepare the work plan. Additional funding is requested to move forward with the plan development and for ultimate submittal to the Regional Board prior to the due date.

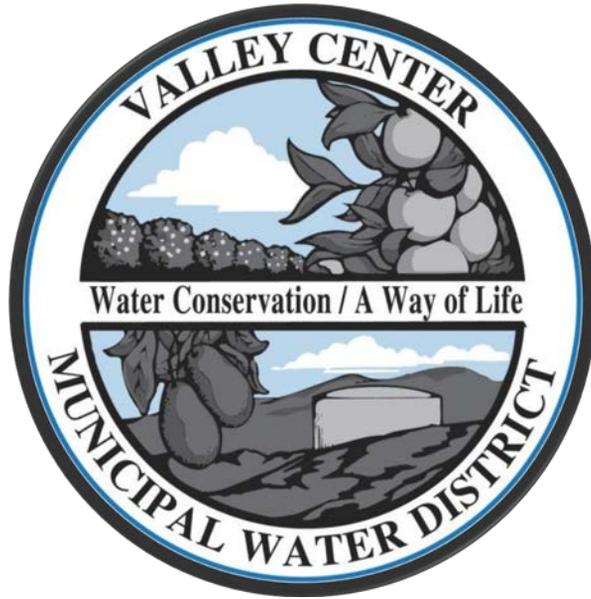
**Woods Valley Ranch WRF Groundwater Monitoring Plan** - Per the Regional Board Order No. R9-2015-0104 for the Woods Valley Ranch WRF, the District is required to submit a proposed groundwater monitoring plan and map that identifies proposed groundwater monitoring wells for characterizing groundwater quality in the vicinity of the recycled water use sites. The tasks and schedule required to conduct the study will be identified in this Work Plan. Funding was transferred from the WVR Replacement Reserves in FY 2015-16 to prepare the work plan. Additional funding is requested to move forward with the plan development and for ultimate submittal to the Regional Board. Additional funding may be required if it is determined that the installation of additional groundwater monitoring well(s) are required.

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
 FY 2016-2017 ANNUAL BUDGET  
 CAPITAL PROJECT REQUEST**

**Wastewater Permit Requirements Cont.,**

The following Table summarizes the previous and proposed project funding requirements:

<b>Project Budget</b>	<b>Prior Budget</b>	<b>Prior Estimated Actual Expense</b>	<b>Estimated Budget Remaining</b>	<b>Proposed Budget Allocation 2016-17</b>	<b>Total Budget 2016-17</b>	<b>Future Budget Allocation</b>	<b>Future Total Project Budget</b>	<b>Estimated Total Project Cost</b>
Salt/Nutrient Management Plan	5,000	5,000	0	<b>15,000</b>	15,000		15,000	20,000
Management Plan Update	5,000	5,000	0	<b>45,000</b>	45,000		45,000	50,000
Applied Nitrogen Work Plan	2,000	2,000	0	<b>10,000</b>	10,000		10,000	12,000
WVR Goundwater Management Plan	3,000	3,000	0	<b>5,000</b>	5,000		5,000	8,000
<b>Total Project</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>	<b>90,000</b>



# Appendix

**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.

**SCADA** - Supervisory Control and Data Acquisition. Uses computer technology to monitor and control remote facilities such as pumps and reservoirs.

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

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

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

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

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

**Vulnerability Assessment** – The examination of a system to identify critical infrastructure or related components that may be at risk of attack and the procedures that can be implemented to reduce that risk.

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).

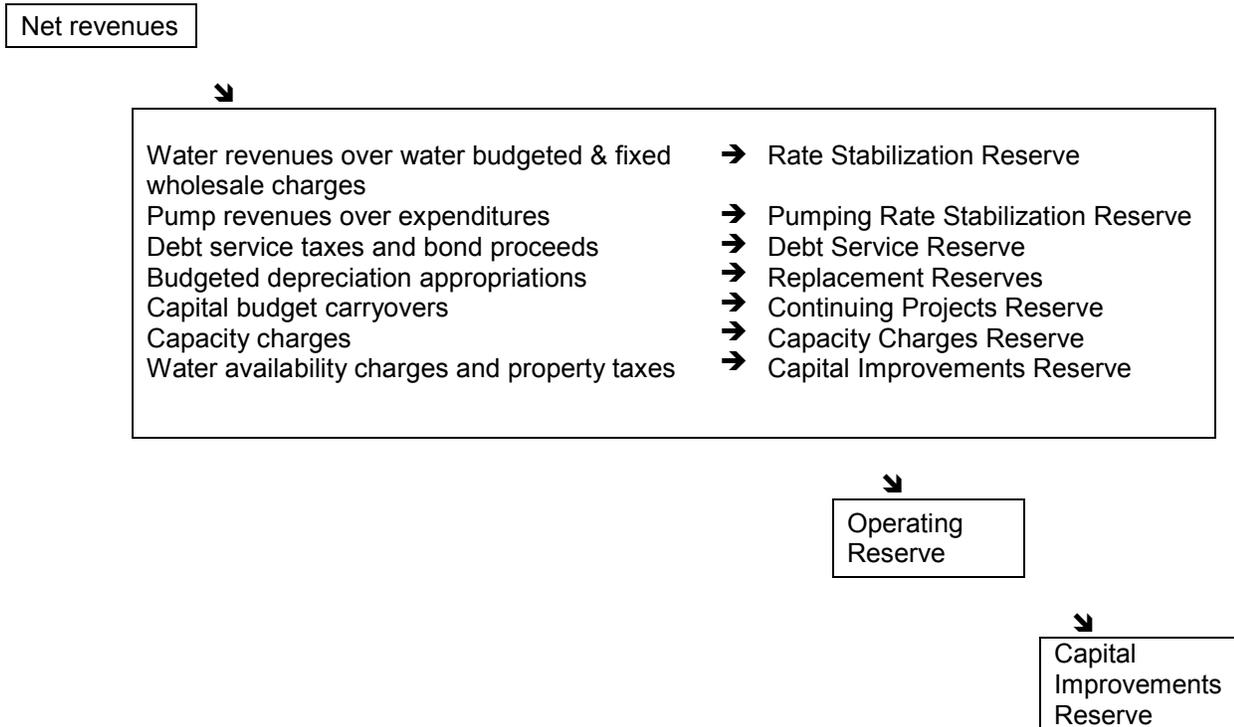
3. Restricted Reserves:
  - A. Debt Service Reserve: This reserve includes debt service taxes collected but not yet payable to debt holders, reserves required by debt agreements, and unexpended proceeds from debt issues, and will be used to fulfill debt requirements in accordance with debt covenants.
  - B. 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)
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>					
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
<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.

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

	ACTUAL FY 12/13	ACTUAL FY 13/14	ACTUAL FY 14/15	EST ACTUAL FY 15/16	BUDGET FY 16/17
<b>General Fund</b>					
<b>Beginning Balance</b>	\$ 12,465,110	\$ 14,700,758	\$ 17,838,820	\$ 15,992,788	\$ 16,699,962
<b>Operating Revenues</b>					
Water Sales	\$ 36,059,217	\$ 39,166,455	\$ 34,756,618	\$ 29,724,000	\$ 30,615,720
Connection Fees	\$ 101,929	\$ 139,563	\$ 233,939	\$ 269,900	\$ 169,900
Capacity Fees	\$ 65,035	\$ 74,907	\$ 210,528	\$ 105,883	\$ 107,736
Meter Service Charges	\$ 4,644,172	\$ 4,947,664	\$ 5,046,123	\$ 5,431,000	\$ 5,593,930
Pumping Revenue	\$ 3,039,474	\$ 3,124,770	\$ 2,702,605	\$ 2,127,000	\$ 2,190,810
<b>Total Operating Water Revenues</b>	\$ 43,909,827	\$ 47,453,359	\$ 42,949,813	\$ 37,657,783	\$ 38,678,096
Property Taxes - Other	\$ 2,543,646	\$ 2,487,489	\$ 2,559,107	\$ 2,710,500	\$ 2,766,000
Property Taxes - Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 825,081	\$ 945,934	\$ 897,048	\$ 844,540	\$ 888,630
Interest	\$ 62,421	\$ 94,235	\$ 117,809	\$ 190,000	\$ 225,000
Transfer Interest to Cap Chg Res	\$ (62,421)	\$ (94,235)	\$ (117,809)	\$ (190,000)	\$ (225,000)
<b>Total Non-Operating Water Revenues</b>	\$ 3,368,727	\$ 3,433,423	\$ 3,456,155	\$ 3,555,040	\$ 3,654,630
<b>TOTAL WATER REVENUES</b>	\$ 47,278,554	\$ 50,886,782	\$ 46,405,968	\$ 41,212,823	\$ 42,332,726
<b>Expenditures</b>					
Source of Supply	\$ 32,961,535	\$ 35,904,101	\$ 32,949,913	\$ 27,748,336	\$ 29,135,753
General Administration	\$ 946,298	\$ 820,441	\$ 870,721	\$ 732,826	\$ 811,133
Finance	\$ 1,558,579	\$ 1,648,621	\$ 1,825,178	\$ 2,259,925	\$ 2,274,604
Engineering	\$ 1,642,298	\$ 1,548,003	\$ 1,313,336	\$ 1,641,031	\$ 1,651,822
Field Operation	\$ 5,520,114	\$ 5,919,293	\$ 5,837,301	\$ 6,398,276	\$ 6,609,449
Debt Service	\$ 55,015	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenditures</b>	\$ 42,683,839	\$ 45,840,459	\$ 42,796,449	\$ 38,780,394	\$ 40,482,761
<b>Transfer To Other Funds</b>					
To Vehicles & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
To Operating Reserve	\$ (283,773)	\$ (45,836)	\$ 1,421,813	\$ 1,231,174	\$ 245,083
To Rate Stabilization Reserve	\$ 317,817	\$ 277,982	\$ (1,235,266)	\$ (1,223,553)	\$ (245,083)
To Ag. Credit Restricted Reserve	\$ (59,162)	\$ -	\$ -	\$ -	\$ -
To Benefit Plan Liability Reserve	\$ (444,543)	\$ (173,733)	\$ -	\$ -	\$ -
To Expansion Reserve (Capacity Fees)	\$ 65,035	\$ 74,907	\$ 210,528	\$ 105,883	\$ 107,736
To Capital Reserves (Water Availability Chg Less Debt)	\$ 579,675	\$ 583,825	\$ 579,967	\$ 581,000	\$ 585,000
To Replacement Reserve (Capital Project Expenses)	\$ 4,422,344	\$ 4,126,948	\$ 8,432,477	\$ 1,737,925	\$ 1,157,229
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers	\$ 4,597,393	\$ 4,844,093	\$ 9,409,519	\$ 2,432,429	\$ 1,849,965
<b>Fund Balance Before Reserves</b>	\$ 6,571,848	\$ 9,482,066	\$ 6,559,484	\$ 10,326,905	\$ 11,026,458
<b>Operating Reserve (General Fund)</b>					
Beginning Balance	\$ 3,105,043	\$ 2,821,270	\$ 2,775,434	\$ 4,197,247	\$ 5,428,421
Transfer from Operating Fund to Adjust Ending Balance	\$ (283,773)	\$ (45,836)	\$ 1,421,813	\$ 1,231,174	\$ 245,083
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (283,773)	\$ (45,836)	\$ 1,421,813	\$ 1,231,174	\$ 245,083
<b>Ending Balance Operations Reserve</b>	\$ 2,821,270	\$ 2,775,434	\$ 4,197,247	\$ 5,428,421	\$ 5,673,504
<b>Rate Stabilization Reserve (Water &amp; Pumping RSFs)</b>					
Beginning Balance	\$ 2,108,103	\$ 2,425,920	\$ 2,703,902	\$ 1,468,636	\$ 245,083
Transfer from Operating Fund to Adjust Ending Balance	\$ 317,817	\$ 277,982	\$ (1,235,266)	\$ (1,223,553)	\$ (245,083)
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ 317,817	\$ 277,982	\$ (1,235,266)	\$ (1,223,553)	\$ (245,083)
<b>Ending Balance Rate Stabilization Reserve</b>	\$ 2,425,920	\$ 2,703,902	\$ 1,468,636	\$ 245,083	\$ -
<b>Ag. Credit Reserve</b>					
Beginning Balance	\$ 59,162	\$ -	\$ -	\$ -	\$ -
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ (59,162)	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ (59,162)	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Ag. Credit Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Benefit Plan Liability Reserve</b>					
Beginning Balance	\$ 618,276	\$ 173,733	\$ -	\$ -	\$ -
Expenses	\$ (444,543)	\$ (173,733)	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Benefit Plan Liability Reserve</b>	\$ 173,733	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Operating Fund</b>	\$ 5,420,923	\$ 5,479,336	\$ 5,665,883	\$ 5,673,504	\$ 5,673,504

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

	PROJECTED				
	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
<b>General Fund</b>					
<b>Beginning Balance</b>	\$ 11,205,507	\$ 9,777,296	\$ 9,446,248	\$ 8,954,731	\$ 9,593,631
<b>Operating Revenues</b>					
Water Sales	\$ 31,534,192	\$ 33,110,901	\$ 34,766,446	\$ 36,504,769	\$ 38,330,007
Connection Fees	\$ 172,873	\$ 175,899	\$ 178,977	\$ 182,109	\$ 185,296
Capacity Fees	\$ 109,621	\$ 111,540	\$ 113,492	\$ 115,478	\$ 117,499
Meter Service Charges	\$ 5,761,748	\$ 5,934,600	\$ 6,112,638	\$ 6,296,017	\$ 6,484,898
Pumping Revenue	\$ 2,256,534	\$ 2,324,230	\$ 2,393,957	\$ 2,465,776	\$ 2,539,749
<b>Total Operating Water Revenues</b>	\$ 39,834,968	\$ 41,657,170	\$ 43,565,510	\$ 45,564,149	\$ 47,657,449
Property Taxes - Other	\$ 2,804,168	\$ 2,843,003	\$ 2,882,518	\$ 2,922,725	\$ 2,963,635
Property Taxes - Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 904,181	\$ 920,004	\$ 936,104	\$ 952,486	\$ 969,155
Interest	\$ 228,938	\$ 232,944	\$ 237,020	\$ 241,168	\$ 245,389
Transfer Interest to Cap Chg Res	\$ (228,938)	\$ (232,944)	\$ (237,020)	\$ (241,168)	\$ (245,389)
<b>Total Non-Operating Water Revenues</b>	\$ 3,708,349	\$ 3,763,007	\$ 3,818,622	\$ 3,875,211	\$ 3,932,789
<b>TOTAL WATER REVENUES</b>	\$ 43,543,317	\$ 45,420,177	\$ 47,384,132	\$ 49,439,359	\$ 51,590,238
<b>Expenditures</b>					
Source of Supply	\$ 30,592,540	\$ 32,122,167	\$ 33,728,276	\$ 35,414,690	\$ 37,185,424
General Administration	\$ 825,328	\$ 839,771	\$ 854,467	\$ 869,420	\$ 884,635
Finance	\$ 2,131,487	\$ 2,168,789	\$ 2,206,742	\$ 2,245,360	\$ 2,284,654
Engineering	\$ 1,680,729	\$ 1,710,142	\$ 1,740,069	\$ 1,770,520	\$ 1,801,504
Field Operation	\$ 6,725,114	\$ 6,842,804	\$ 6,962,553	\$ 7,084,398	\$ 7,208,375
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenditures</b>	\$ 41,955,199	\$ 43,683,673	\$ 45,492,107	\$ 47,384,388	\$ 49,364,592
<b>Transfer To Other Funds</b>					
To Vehicles & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
To Operating Reserve	\$ 99,286	\$ 101,024	\$ 102,792	\$ 104,591	\$ 106,421
To Rate Stabilization Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
To Ag. Credit Restricted Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
To Benefit Plan Liability Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
To Expansion Reserve (Capacity Fees)	\$ 109,621	\$ 111,540	\$ 113,492	\$ 115,478	\$ 117,499
To Capital Reserves (Water Availability Chg Less Debt)	\$ 585,000	\$ 585,000	\$ 585,000	\$ 585,000	\$ 585,000
To Replacement Reserve (Capital Project Expenses)	\$ 794,210	\$ 938,941	\$ 1,090,742	\$ 1,249,903	\$ 1,416,726
Total Transfers	\$ 1,588,118	\$ 1,736,505	\$ 1,892,025	\$ 2,054,971	\$ 2,225,646
<b>Fund Balance Before Reserves</b>	\$ 5,532,003	\$ 4,004,506	\$ 3,572,434	\$ 2,978,125	\$ 3,512,435
<b>Operating Reserve (General Fund)</b>					
Beginning Balance	\$ 5,673,504	\$ 5,772,790	\$ 5,873,814	\$ 5,976,606	\$ 6,081,197
Transfer from Operating Fund to Adjust Ending Balance	\$ 99,286	\$ 101,024	\$ 102,792	\$ 104,591	\$ 106,421
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ 99,286	\$ 101,024	\$ 102,792	\$ 104,591	\$ 106,421
<b>Ending Balance Operations Reserve</b>	\$ 5,772,790	\$ 5,873,814	\$ 5,976,606	\$ 6,081,197	\$ 6,187,617
<b>Rate Stabilization Reserve (Water &amp; Pumping RSFs)</b>					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Rate Stabilization Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ag. Credit Reserve</b>					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Ag. Credit Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Benefit Plan Liability Reserve</b>					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Operating Fund to Adjust Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Benefit Plan Liability Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Operating Fund</b>	\$ 5,772,790	\$ 5,873,814	\$ 5,976,606	\$ 6,081,197	\$ 6,187,617

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

	ACTUAL FY 12/13	ACTUAL FY 13/14	ACTUAL FY 14/15	EST ACTUAL FY 15/16	BUDGET FY 16/17
<b>Capital Reserves (Continuing Project, Capital Improvements, Master Plan, &amp; Energy Efficiency)</b>					
<b>Beginning Reserve Balance</b>	\$ 6,382,168	\$ 9,020,576	\$ 12,023,156	\$ 9,776,292	\$ 10,364,439
<b>Revenues and Transfers In</b>					
Interest	\$ 60,555	\$ 92,073	\$ 114,052	\$ 184,479	\$ 225,000
Transfer Interest/Funds In From Other Funds/Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Water Availability Charges Less Debt	\$ 579,675	\$ 583,825	\$ 579,967	\$ 581,000	\$ 585,000
Transfer from Operating Fund	\$ 4,422,344	\$ 4,126,948	\$ 1,362,255	\$ 2,282,182	\$ 1,159,126
Proceeds From Debt Issue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues and Transfers In</b>	\$ 5,062,574	\$ 4,802,846	\$ 2,056,274	\$ 3,047,661	\$ 1,969,126
Balance Prior to Expenses	\$ 11,444,742	\$ 13,823,422	\$ 14,079,430	\$ 12,823,953	\$ 12,333,565
<b>Expenditures</b>					
Capital Expenses	\$ 2,424,166	\$ 1,800,266	\$ 4,303,138	\$ 2,459,514	\$ 7,463,581
<b>Total Expenditures</b>	\$ 2,424,166	\$ 1,800,266	\$ 4,303,138	\$ 2,459,514	\$ 7,463,581
<b>Ending Balance Capital Replacement Reserve</b>	\$ 9,020,576	\$ 12,023,156	\$ 9,776,292	\$ 10,364,439	\$ 4,869,984
<b>Capacity Charge Reserves (Capital Expansion)</b>					
<b>Beginning Reserve Balance</b>	\$ 192,359	\$ 259,259	\$ 336,328	\$ 550,613	\$ 662,017
<b>Revenue and Transfers In</b>					
Transfer from Capital Fund (Capacity Fees)	\$ 65,035	\$ 74,907	\$ 210,528	\$ 105,883	\$ -
Interest	\$ 1,866	\$ 2,162	\$ 3,757	\$ 5,521	\$ -
<b>Total Revenues and Transfers In</b>	\$ 66,901	\$ 77,069	\$ 214,285	\$ 111,404	\$ -
Balance Prior to Expenses	\$ 259,259	\$ 336,328	\$ 550,613	\$ 662,017	\$ 662,017
<b>Expenditures</b>					
Capital Expansion Expenses (Ultimate)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance Expansion Reserve</b>	\$ 259,259	\$ 336,328	\$ 550,613	\$ 662,017	\$ 662,017
<b>Summary of All Ending Funds &amp; Reserves</b>					
<b>General Fund</b>					
Operating Reserve (General Fund)	\$ 2,821,270	\$ 2,775,434	\$ 4,197,247	\$ 5,428,421	\$ 5,673,504
Rate Stabilization Reserve (General Fund)	\$ 2,425,920	\$ 2,703,902	\$ 1,468,636	\$ 245,083	\$ -
Ag. Credit Reserve (Restricted)	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit Plan Liability (Restricted)	\$ 173,733	\$ -	\$ -	\$ -	\$ -
Unappropriated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total General Fund</b>	\$ 5,420,923	\$ 5,479,336	\$ 5,665,883	\$ 5,673,505	\$ 5,673,505
<b>Capital Improvement Fund</b>					
Capital Reserves	\$ 9,020,576	\$ 12,023,156	\$ 9,776,292	\$ 10,364,439	\$ 4,869,984
Capacity Charge Reserves (Capital Expansion)	\$ 259,259	\$ 336,328	\$ 550,613	\$ 662,017	\$ 662,017
<b>Total Capital Improvement Fund</b>	\$ 9,279,835	\$ 12,359,484	\$ 10,326,905	\$ 11,026,457	\$ 5,532,002
<b>Total All Funds &amp; Reserves</b>	\$ 14,700,758	\$ 17,838,820	\$ 15,992,788	\$ 16,699,962	\$ 11,205,507

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	FY 16/17		PROJECTED		FY 19/20		FY 20/21			
<b>Capital Reserves (Continuing Project, Capital Improvements, Master Plan, &amp; Energy Efficiency)</b>										
<b>Beginning Reserve Balance</b>	\$	4,869,984	\$	3,226,247	\$	2,674,853	\$	1,958,076	\$	2,366,708
<b>Revenues and Transfers In</b>										
Interest	\$	222,317	\$	225,161	\$	228,045	\$	230,968	\$	233,931
Transfer Interest/Funds In From Other Funds/Reserves	\$	-	\$	-	\$	-	\$	-	\$	-
Water Availability Charges Less Debt	\$	585,000	\$	585,000	\$	585,000	\$	585,000	\$	585,000
Transfer from Operating Fund	\$	794,210	\$	938,941	\$	1,390,742	\$	1,749,903	\$	2,016,726
Proceeds From Debt Issue	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Total Revenues and Transfers In</b>	\$	1,601,528	\$	1,749,102	\$	2,203,786	\$	2,565,871	\$	2,835,658
Balance Prior to Expenses	\$	6,471,511	\$	4,975,349	\$	4,878,639	\$	4,523,947	\$	5,202,365
<b>Expenditures</b>										
Capital Expenses	\$	3,245,265	\$	2,300,496	\$	2,920,563	\$	2,157,239	\$	2,933,916
<b>Total Expenditures</b>	\$	3,245,265	\$	2,300,496	\$	2,920,563	\$	2,157,239	\$	2,933,916
<b>Ending Balance Capital Replacement Reserve</b>	\$	3,226,247	\$	2,674,853	\$	1,958,076	\$	2,366,708	\$	2,268,449
<b>Capacity Charge Reserves (Capital Expansion)</b>										
<b>Beginning Reserve Balance</b>	\$	662,017	\$	778,259	\$	897,581	\$	1,020,049	\$	1,145,727
<b>Revenue and Transfers In</b>										
Transfer from Capital Fund (Capacity Fees)	\$	109,621	\$	111,540	\$	113,492	\$	115,478	\$	117,499
Interest	\$	6,620	\$	7,783	\$	8,976	\$	10,200	\$	11,457
<b>Total Revenues and Transfers In</b>	\$	116,242	\$	119,322	\$	122,467	\$	125,678	\$	128,956
Balance Prior to Expenses	\$	778,259	\$	897,581	\$	1,020,049	\$	1,145,727	\$	1,274,683
<b>Expenditures</b>										
Capital Expansion Expenses (Ultimate)	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Total Expenditures</b>	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Ending Balance Expansion Reserve</b>	\$	778,259	\$	897,581	\$	1,020,049	\$	1,145,727	\$	1,274,683
<b>Summary of All Ending Funds &amp; Reserves</b>										
<b>General Fund</b>										
Operating Reserve (General Fund)	\$	5,772,790	\$	5,873,814	\$	5,976,606	\$	6,081,197	\$	6,187,617
Rate Stabilization Reserve (General Fund)	\$	-	\$	-	\$	-	\$	-	\$	-
Ag. Credit Reserve (Restricted)	\$	-	\$	-	\$	-	\$	-	\$	-
Benefit Plan Liability (Restricted)	\$	-	\$	-	\$	-	\$	-	\$	-
Unappropriated Fund Balance	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Total General Fund</b>	\$	5,772,790	\$	5,873,814	\$	5,976,606	\$	6,081,197	\$	6,187,617
<b>Capital Improvement Fund</b>										
Capital Reserves	\$	3,226,247	\$	2,674,853	\$	1,958,076	\$	2,366,708	\$	2,268,449
Capacity Charge Reserves (Capital Expansion)	\$	778,259	\$	897,581	\$	1,020,049	\$	1,145,727	\$	1,274,683
<b>Total Capital Improvement Fund</b>	\$	4,004,506	\$	3,572,434	\$	2,978,125	\$	3,512,435	\$	3,543,132
<b>Total All Funds &amp; Reserves</b>	\$	9,777,296	\$	9,446,248	\$	8,954,731	\$	9,593,631	\$	9,730,750

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

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

<b>Moosa Wastewater Treatment Fund</b>	<b>ACTUAL FY 12/13</b>	<b>ACTUAL FY 13/14</b>	<b>ACTUAL FY 14/15</b>	<b>ESTIMATED FY 15/16</b>	<b>BUDGETED FY 16/17</b>
<b>Revenues:</b>					
Service Charges	\$ 1,489,852	\$ 1,568,569	\$ 1,551,666	\$ 1,567,786	\$ 1,606,616
Investment Income	\$ 10,280	\$ 11,891	\$ 14,764	\$ 21,897	\$ 26,400
Contributed Capital	\$ 253,897	\$ 8,425	\$ 19,345	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,754,029</b>	<b>\$ 1,588,885</b>	<b>\$ 1,585,775</b>	<b>\$ 1,589,683</b>	<b>\$ 1,633,016</b>
<b>Expenses:</b>					
Treatment	\$ 815,327	\$ 875,927	\$ 880,639	\$ 934,562	\$ 996,659
Collection System/West	\$ 178,100	\$ 64,535	\$ 183,868	\$ 220,836	\$ 219,678
STEP Maintenance	\$ 96,183	\$ 194,699	\$ 80,254	\$ 101,300	\$ 114,500
Depreciation *	\$ 299,264	\$ 326,921	\$ 334,105	\$ 334,105	\$ 334,105
Other	\$ 28,010	\$ 232	\$ 12,514	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 1,416,884</b>	<b>\$ 1,462,314</b>	<b>\$ 1,491,380</b>	<b>\$ 1,590,803</b>	<b>\$ 1,664,942</b>
Change in Net Position	\$ 337,145	\$ 126,571	\$ 94,395	\$ (1,120)	\$ (31,926)
Net Position at Beginning of Year	\$ 8,937,531	\$ 9,274,676	\$ 9,401,247	\$ 9,495,642	\$ 9,494,522
<b>Net Position at End of Year</b>	<b>\$ 9,274,676</b>	<b>\$ 9,401,247</b>	<b>\$ 9,495,642</b>	<b>\$ 9,494,522</b>	<b>\$ 9,462,596</b>

**Woods Valley Ranch Wastewater Treatment Fund**

<b>Revenues:</b>					
Service Charges	\$ 331,269	\$ 331,269	\$ 331,269	\$ 331,296	\$ 356,289
Stand-By Charge	\$ -	\$ 163,523	\$ 168,413	\$ 602,600	\$ 602,600
Reclaimed Water	\$ 49,138	\$ 25,520	\$ 25,520	\$ 42,397	\$ 44,440
Investment Income	\$ 9,301	\$ 24,248	\$ 37,028	\$ 16,506	\$ 14,896
Contributed Capital	\$ 360,869	\$ 914,320	\$ 2,008,473	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 750,577</b>	<b>\$ 1,458,880</b>	<b>\$ 2,570,703</b>	<b>\$ 992,799</b>	<b>\$ 1,018,225</b>
<b>Expenses:</b>					
Treatment	\$ 318,903	\$ 278,847	\$ 293,303	\$ 324,167	\$ 423,538
Collection System	\$ -	\$ 39,859	\$ 38,209	\$ 37,938	\$ 56,350
Depreciation *	\$ 578,090	\$ 380,097	\$ 280,836	\$ 280,836	\$ 280,836
Other	\$ -	\$ 7,749	\$ 15,030	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 896,993</b>	<b>\$ 706,552</b>	<b>\$ 627,378</b>	<b>\$ 642,941</b>	<b>\$ 760,724</b>
Change in Net Position	\$ (146,416)	\$ 752,328	\$ 1,943,325	\$ 349,858	\$ 257,501
Net Position at Beginning of Year	\$ 12,055,961	\$ 11,909,545	\$ 12,661,873	\$ 14,605,198	\$ 14,955,056
<b>Net Position at End of Year</b>	<b>\$ 11,909,545</b>	<b>\$ 12,661,873</b>	<b>\$ 14,605,198</b>	<b>\$ 14,955,056</b>	<b>\$ 15,212,557</b>

\* - Depreciation expense - estimate based on prior year figures. It is not an expense that is included in the budget process.

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

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

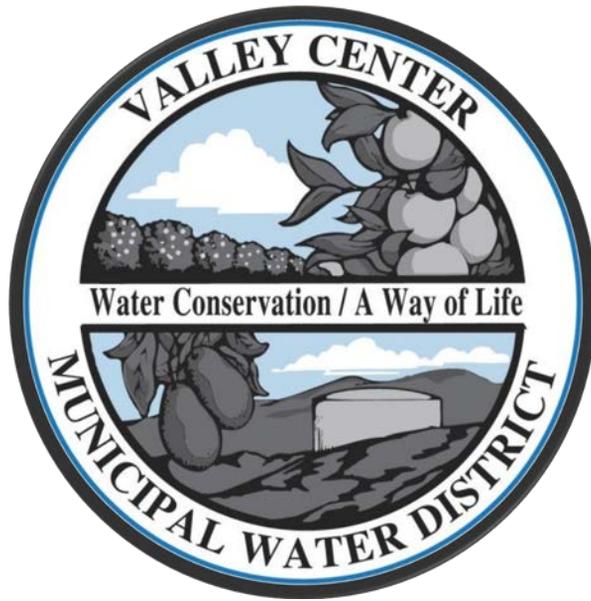
Moosa Wastewater Treatment Fund	PROJECTED				
	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
<b>Revenues:</b>					
Service Charges	\$ 1,686,900	\$ 1,771,200	\$ 1,859,800	\$ 1,952,800	\$ 2,050,400
Investment Income	\$ 26,700	\$ 27,000	\$ 27,300	\$ 27,600	\$ 27,900
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,713,600</b>	<b>\$ 1,798,200</b>	<b>\$ 1,887,100</b>	<b>\$ 1,980,400</b>	<b>\$ 2,078,300</b>
<b>Expenses:</b>					
Treatment	\$ 1,014,100	\$ 1,031,800	\$ 1,049,900	\$ 1,068,300	\$ 1,087,000
Collection System/West	\$ 223,500	\$ 227,400	\$ 231,400	\$ 235,400	\$ 239,500
STEP Maintenance	\$ 116,500	\$ 118,500	\$ 120,600	\$ 122,700	\$ 124,800
Depreciation *	\$ 334,105	\$ 334,105	\$ 334,105	\$ 334,105	\$ 334,105
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 1,688,205</b>	<b>\$ 1,711,805</b>	<b>\$ 1,736,005</b>	<b>\$ 1,760,505</b>	<b>\$ 1,785,405</b>
Change in Net Position	\$ 25,395	\$ 86,395	\$ 151,095	\$ 219,895	\$ 292,895
Net Position at Beginning of Year	\$ 9,462,596	\$ 9,487,991	\$ 9,574,386	\$ 9,725,481	\$ 9,945,376
<b>Net Position at End of Year</b>	<b>\$ 9,487,991</b>	<b>\$ 9,574,386</b>	<b>\$ 9,725,481</b>	<b>\$ 9,945,376</b>	<b>\$ 10,238,271</b>

**Woods Valley Ranch Wastewater Treatment Fund**

<b>Revenues:</b>					
Service Charges	\$ 374,100	\$ 392,800	\$ 412,400	\$ 433,000	\$ 454,700
Stand-By Charge	\$ 602,600	\$ 602,600	\$ 602,600	\$ 602,600	\$ 602,600
Reclaimed Water	\$ 46,700	\$ 49,000	\$ 51,500	\$ 54,100	\$ 56,800
Investment Income	\$ 15,000	\$ 15,200	\$ 15,400	\$ 15,600	\$ 15,800
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,038,400</b>	<b>\$ 1,059,600</b>	<b>\$ 1,081,900</b>	<b>\$ 1,105,300</b>	<b>\$ 1,129,900</b>
<b>Expenses:</b>					
Treatment	\$ 430,900	\$ 438,400	\$ 446,100	\$ 453,900	\$ 461,800
Collection System	\$ 57,300	\$ 58,300	\$ 59,300	\$ 60,300	\$ 61,400
Depreciation *	\$ 280,836	\$ 280,836	\$ 280,836	\$ 280,836	\$ 280,836
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 769,036</b>	<b>\$ 777,536</b>	<b>\$ 786,236</b>	<b>\$ 795,036</b>	<b>\$ 804,036</b>
Change in Net Position	\$ 269,364	\$ 282,064	\$ 295,664	\$ 310,264	\$ 325,864
Net Position at Beginning of Year	\$ 15,212,557	\$ 15,481,921	\$ 15,763,985	\$ 16,059,649	\$ 16,369,913
<b>Net Position at End of Year</b>	<b>\$ 15,481,921</b>	<b>\$ 15,763,985</b>	<b>\$ 16,059,649</b>	<b>\$ 16,369,913</b>	<b>\$ 16,695,777</b>

\* - Depreciation expense - estimate based on prior year figures. It is not an expense that is included in the budget process.

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# Index

Administration, General	4-3	Pipeline and Right of Way	
Administration, Finance	6-3	Maintenance	8-15
Administration, Engineering	7-3	Planning	7-4
Administration, Field Operation	8-3	Public Services	7-5
Adopting Resolutions	2-1	Pump Maintenance	8-12
Appropriation Limit under		Quality Control	8-14
Proposition 4	1-5, 2-4	Recap of Budget and	
Automatic Valves	8-10	Source of Financing	3-1
Backflow Maintenance	8-21	Reserve Policies	Appendix B
Budget Control	1-5	Reserves	1-6, 3-2
Budget Message	1-1	Reservoir Maintenance	8-11
Budget Policies	1-6, Appendix B	Resolution Adopting Budget	2-1
Budget Process	1-4	Revenue Estimates	1-9, 3-3
Capital Outlay, General Fund	1-12, 10-1	Right of Way Maintenance	8-15
Capital Outlay, Wastewater	See Wastewater	Safety & Regulatory Compliance	8-4
Consumer Services	6-4	Salary Clearing	
Corporate Facilities Maintenance	8-16	(See also Personnel)	6-7
Debt	1-16	Security	8-6
Demographics	1-2	Service Connection Maintenance	8-20
Design/Construction, Engineering	7-7	Source of Supply	9-1
Encroachments and Locates	7-6	Spending Limit	1-5
Energy Costs (See also Utilities)	1-11	Strategic Plan	1-17
Engineering Department	7-1	Systems Operation	8-7
Expenditure Estimates	1-11	Telemetry/SCADA	8-8
Facilities Operation (See also		Training	6-8
Corporate Facilities Maintenance)	6-5	Treatment	8-9
Field Operations Department	8-1	Utilities (See also Energy Costs)	9-3
Finance Department	6-1	Valves, Automatic	8-10
Fund Recap, General Fund Expenditures	3-6	Valve Maintenance/Location	8-17
General Administration	4-3	Vehicle and Equipment	
General Administration Department	4-1	Maintenance	8-22
General Fund	1-8, 3-1	WASTEWATER - See:	
GIS/Public Services	7-5	Lower Moosa Wastewater	
Glossary	Appendix A	Treatment Fund	11-1
History of Water Purchased and Sold	3-7	Woods Valley Ranch Wastewater	
Human Resources Administration	6-6	Expansion Fund	12-1
Information Technology	5-1	Woods Valley Ranch Wastewater	
Landscape & Paving Maintenance	8-5	Treatment Fund	13-1
LOWER MOOSA WASTEWATER		Water & Wastewater Projections	Appendix C
TREATMENT FUND	1-14, 11-1	Water Purchases	9-3
Capital Outlay	11-8	Water Rate Components	1-22
Collection System West	11-6	WOODS VALLEY RANCH WASTEWATER	
Recap of Budget and		EXPANSION FUND	1-16, 12-1
Source of Financing	11-2	Capital Outlay	12-4
Revenue Estimate	11-3	Recap of Budget and	
STEP Maintenance	11-7	Source of Financing	12-2
Treatment Facility	11-5	Revenue Estimate	12-3
Meter Installation	8-18	WOODS VALLEY RANCH WASTEWATER	
Meter Reading	8-19	TREATMENT FUND	1-15, 13-1
Motor Maintenance and Electrical Panels	8-13	Capital Outlay	13-7
Ordinance Adopting Staffing & MOU		Collection System	13-5
Changes	2-8	Treatment Facility	13-6
Organization Chart	1-23	Recap of Budget and	
Performance Measurement Standards	1-18	Source of Financing	13-2
Personnel (See also Salary Clearing)	1-11	Revenue Estimate	13-3