



# Rainbow Municipal Water District

## Annual Operating & Capital Improvement Budget



Fiscal Year Ending  
June 30, 2023

Fallbrook, CA





# **ANNUAL OPERATING CAPITAL & IMPROVEMENT BUDGET**

FOR FISCAL YEAR ENDING JUNE 30, 2023



## **Rainbow Municipal Water District**

3707 Old Highway 395

Fallbrook, CA 92028

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COMMITTED TO EXCELLENCE

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# RAINBOW MUNICIPAL WATER DISTRICT ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR ENDING JUNE 30, 2023

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# EXECUTIVE SUMMARY

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# FISCAL YEAR 2023 BUDGET MESSAGE

## RAINBOW MUNICIPAL WATER DISTRICT

To our Ratepayers, Members of the Budget & Finance Committee, and the Board of Directors of Rainbow Municipal Water District:

On behalf of the Rainbow Municipal Water District (RMWD), we are pleased to present for your consideration our 2022-23 Fiscal Year Operating and Capital Improvement Budget. The budget provides a forecast of the sources and uses of funds, it serves as a managerial tool for guiding the District towards achieving its goals outlined in the Strategic Plan. Our Strategic Plan is used to set priorities, focus energy and resources, strengthen operations, ensure that employees are working towards common goals, and assess and adjust the District's direction in response to the changing environment. This plan defines the priorities and influences the development of the budgetary commitments needed in the upcoming fiscal year. The budget message will highlight some of the significant goals and priorities accomplished in the current budget year and highlight priorities for the coming year.

### **Challenges**

Drought in the West threatens water supply and energy production. Further restrictions by the State Water Resource Control Board could affect the water demands in our region. The District has budgeted sales conservatively due to this possibility and the continued decline in demand.

### **Water Affordability**

For decades, our customers and residents have been paying to fund services and infrastructure to support other agencies further south in the County without receiving commensurate benefits. In December 2019, the Rainbow Board of Directors took bold action to keep rates from climbing by authorizing the filing of an application with San Diego County Local Agency Formation Commission (LAFCO) to detach from the San Diego County Water Authority (SDCWA) and change our wholesale water provider to Eastern Municipal Water District. The detachment process is a significant undertaking, but the process is clearly outlined in State law and once complete the change in wholesalers will provide significant savings for our community without any changes in water supply reliability or quality.

Once the change in wholesale providers is completed, customers will be charged for costs that represents the true cost for their water services.

Due to the planned detachment, the Rainbow board chose to hold the line on rate increases between 2019 and 2021 since we had expected that relief was on the way – even though SDCWA had raised fixed rates 6% for calendar year 2020. We had expected a timely process at LAFCO, but unfortunately our Board's actions have now faced SDCWA-led procedural hurdles at LAFCO that has delayed our eventual detachment. While our small but prudent

reserves allowed us to provide this rate relief in the short term, it was not sustainable for multiple years.

As a result, the district increased rates in August 2021 for the first time in almost 3 years. The increase in rates covers infrastructure replacement and operating cost increases that have been passed on to us by our vendors. Unfortunately, since the detachment process is still being delayed by SDCWA actions we have no option but to increase rates again for FY23.

### **Accomplishments in Current FY 2021-22**

- The District completed the Water Service Upgrade Project (WSUP), which replaced 8,587 existing water meters. The project utilizes next generation Automated Meter Reading (AMR), which allows District personnel to read meters more efficiently and with less errors. All meters were assessed on a case-by-case basis and received much needed upgrades including pressure regulators, customer side ball valves so that the private water line can be isolated without needing District involvement, new meter boxes and backflow preventers where needed. Many meters had backflow preventers that were no longer necessary, and the District was able to remove these obsolete devices.
- A heli-hydrant was installed at the Pala Mesa tank. The heli-hydrant is a remotely activated, rapid aerial water supply system, which enables helicopter pilots to intake 5,000 gallons of water within 120 seconds in case of nearby fire emergencies and is the first of its kind in San Diego County.
- Rainbow Heights Pump Station was completed which replaced an aged pump station with a more reliable and quieter pump station. The new station has backup power to keep in running in case of power outage. The original pump station had natural gas motors which were no longer able to run under California air pollution regulations. The new pump station utilizes state of the art pumps and motors and is much more efficient than its predecessor. This pump station is one of many pieces of critical infrastructure which delivers water to higher elevations throughout the District.
- The District reapplied to join the property and liability programs with the Association of California Water Agencies' Joint Powers Insurance Authority (ACWA-JPIA) and after evaluation of the District's written programs and an onsite inspection, the ACWA-JPIA Board voted to accept the District back into the risk pool. Offers of coverage were also received from California Association of Mutual Water Companies (CalMutuals) Joint Powers Risk and Insurance Management Authority and other carriers for the worker's compensation program.
- The District developed a Comprehensive Annual Financial Report for FY 2020-21. The report was compiled in compliance with the Government Finance Officers Association (GFOA) standards. The Finance staff worked diligently on the FY 2020-21 Comprehensive Annual Financial Report to adhere to the criteria requirements of GFOA for the Comprehensive



Annual Financial Report Certificate of Achievement for Excellence award. Staff submitted the report to GFOA for possible consideration, and again received the award.

- The District developed the Annual Budget in compliance with GFOA standards (6th consecutive year). The Finance staff worked diligently on the FY 21-22 budget to adhere to the criteria requirements of GFOA budget standards. Staff submitted the Budget to GFOA for possible consideration, and we are proud to have received the Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2021-22 budget.
- The District achieved a clean and timely audit for FY 2020-21.
- The District was awarded the District of Distinction Accreditation by the Special District Leadership Foundation (SDLF) for its sound governance and fiscal management practices and policies in both 2017 and 2020. To receive the award, a special district must undergo regular financial audits and have no major deficiencies. Board members, the general manager, and other executive staff as identified by the Board must undergo extensive training in sound governance practices and management. Their operations must conform to all statutes and regulations under state law as reflected in a clear and robust set of policies and procedures. They must also have completed SDLF's District Transparency Certificate of Excellence requirements to receive accreditation which was originally awarded every other year (now every third) and was presented to Rainbow MWD in 2015, 2017, 2019 and 2021. To receive the Transparency Certificate of Excellence, a special district must demonstrate the completion of essential governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

**Priorities for Fiscal Year 2022-23 include:**

- Continue implementing district-wide Pressure Management Program – as part of the District's Capital Improvement Plan; the District plans to increase system reliability by active pressure management. This initiative will install pressure regulation stations (PRS) in high pressure areas to decrease pressure to manageable levels. High-pressure areas are prone to an increased frequency of pipe breaks and lower pipeline lifetime expectancy.
- Continue the development process of a new local water supply through the San Luis Rey Imported Return Flow Recovery Project. This project proposes to expand on previous feasibility studies to identify a groundwater recovery project. The project will identify the necessary steps to develop a local groundwater supply to diversify the district's water supply.
- Complete the Programmatic Environmental Impact Report (PEIR) for ongoing pipeline rehabilitation and replacement projects. To avoid emergency repairs, the District must replace aging infrastructure at a consistent level every year to maintain all pipelines are in a state of good condition. Prior to the start of any project, the District is required by State law to comply with the California Environmental Quality Act (CEQA). This process can take up to

6-months and can delay the start date of critical projects. The intent of the PEIR is to expedite the environmental permitting and mitigation process upfront. The PEIR identifies all known projects and will allow the District to complete small rehabilitation and replacement projects in a more cost effective and time efficient manner.

- Complete the wastewater Lift Station 1 project. The \$15 million project will provide needed sewer infrastructure to meet the demands of current development. The project started construction in mid-January. This is a multi-phase project where a new sewer lift station will be constructed off Thoroughbred Lane and new gravity and force main sewer lines. The District continues to coordinate with the County, Cal Trans, and the tenants of the affected shopping centers to minimize impact to traffic delays. All shopping centers will remain open during construction and detour signage will direct vehicles around the work zone(s).
- Update the District's Emergency Response Plan and conduct district-wide training and drills to keep the workforce well prepared for disaster events. Also develop a new safety incentive program to reward safe practices, report near misses or hazardous conditions, and implement preventive measures.
- Continue the work required to complete the LAFCO process to detach from SDCWA and annex into Eastern MWD. A decision is expected by the end of 2022 with an election to be scheduled after that.

### **Revenue Assumptions**

Each year, the Board of Directors approves the Budget as the District's foundational financial plan. It is a cash-based projection of revenues and expenditures needed for operations, maintenance, administration, debt service, and capital improvements associated with delivering high-quality, reliable service to customers throughout the year. Specifically, the Budget incorporates conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the District's long-term sustainability. In developing the budget, staff considered both internal and external factors, including the economy, weather, regulatory requirements, and the condition and age of the District's infrastructure.

This year water sales have continued the years-long pattern of decline, despite the dry year. The loss of agricultural production due to high water costs and increased irrigation efficiency has also continued to impact sales. For FY22, sales are predicted to be just under 15,000 acre-feet. While increased revenues from new service connections as a result of development can help soften the reduction in water sales, new service connections increased to 251 new water meters in FY22, compared to 113 in FY21, 265 in FY20, and 430 new sewer EDUs in FY22, compared to 72 in the previous year. The next two years we expect to see an increase in service connections with the completion of Citro developments.

Since the inception of the District, the last few years were among the lowest in terms of water sales. At these reduced volumetric sales levels, prior to the five-year rate increase approved in August 2021, the District could not appropriately contribute to capital reserve levels

for much-needed pipeline replacement projects. While delaying capital improvements may be acceptable for a short period, over time there are significant consequences to our ability to replace our aging infrastructure. The Board of Directors made the difficult decision to approve a multi-year rate increase that will get minimum reserve levels funded and contribute to the capital improvement plan.

Revenues in the FY 23 budget include a 5% revenue adjustment for FY22 and the SDCWA pass-through increases effective January 1, 2023. Due to multiple years of low sales as well as potential drought restrictions, this budget has been calculated based on sales of 13,500 acre-feet. The prior year sales were 16,246 acre-feet and are projected to be just under 15,000 acre-feet in the current year despite it being a dry year, still well below historical sales.

### **Expense Assumptions**

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 63% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 13,500 acre-feet of sales plus an estimated 3% of water loss to arrive at an estimated cost of \$23.7M of purchased water including fixed fees assessed by SDCWA.

Operating expenses have remained consistent from previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365.

Capital equipment purchases for operating funds are \$687,640. Of this, \$369,640 relates to replacement of ageing vehicles required to provide service in our rural service area.

Additionally, approximately \$7.3M of capital improvement projects are included in this year's proposed Water capital budget, \$4.8M in the Wholesale Water Efficiency capital budget, and \$10.3M in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.

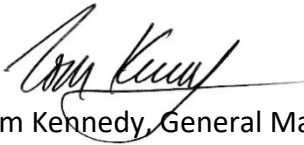
### **Future Outlook/Conclusion**

As a ratepayer-centered agency, the District focuses on continuously providing reliable, high-quality water while maintaining the organizational capacity needed to service all ratepayers within the District's service area. Another fundamental focal point of interest to the District is supplying the needs of these customers at the lowest cost. Part of this effort is finding different avenues of diversifying our water source. Presently, the District is 100% reliant on one single source of imported water. The staff has been actively exploring other options of obtaining a second source of water supply as well as an alternate less expensive supply. One of the first key focus areas of our Strategic Plan calls for diversification of water supply sources.

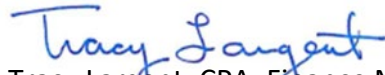
The staff at the District pride themselves on high level service and transparency. The budget and rate setting process is an iterative process over multiple months. This is done through our rate payer led committee meetings that meet monthly. The public is encouraged to attend and be part of the process.

In closing, these key initiatives, in addition to District daily operations, will enable continued high-quality and reliable water and wastewater service to our customers. In the coming year, the District will carefully manage appropriate infrastructure expenditures while remaining committed to the strategic management of water resources and finances to meet customer needs. We look forward to another year of meeting the Strategic Plan goals and objectives outlined in detail later in this document.

Respectfully submitted,



Tom Kennedy, General Manager



Tracy Largent, CPA, Finance Manager

# RESOLUTION TO ADOPT

## RESOLUTION NO. 22-14

### RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2023

**WHEREAS**, the Rainbow Municipal Water District (“District”) is organized and operates pursuant to the Municipal Water District Law of 1911 commencing with Section 71000 of the California Water Code; and

**WHEREAS**, there has been presented to the Board of Directors a proposed Annual Operating and Capital Improvement Budget for The Fiscal Year Ending June 30, 2023 (“2023 Budget”); and

**WHEREAS**, on June 28, 2022, the Board of Directors received and considered all comments regarding the proposed 2023 Budget; and

**WHEREAS**, the proposed 2023 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District.

**BE IT HEREBY RESOLVED** by the Board of Directors of Rainbow Municipal Water District as follows:

1. The 2023 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2023,” is hereby adopted. A copy of the 2023 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2022-2023, pursuant to the 2023 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated.
3. The proposed amount of the San Diego County Water Authority Rate pass-through, as allowed shall be increased effective 01/01/2023.
4. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
5. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.
6. This Resolution will be effective immediately upon adoption.



**PASSED, APPROVED, AND ADOPTED** in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 28<sup>nd</sup> day of June 2022 by the following vote, to wit:

**AYES:** Directors Gasca, Hamilton, Mack, Moss and Stewart  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

  
Hayden Hamilton, Board President

**ATTEST:**

  
Dawn M. Washburn, Board Secretary

# RAINBOW MUNICIPAL WATER DISTRICT OFFICIALS



**Hayden Hamilton - President**



**Miguel Gasca – Vice President**



**Bill Stewart - Director**



**Michael Mack - Director**



**Pam Moss - Director**



**Tom Kennedy  
General Manager**



**Ahmed Khattab  
IT Manager**



**Tracy Largent  
Finance Manager**



**Chad Williams  
Engineering & CIP  
Manager**



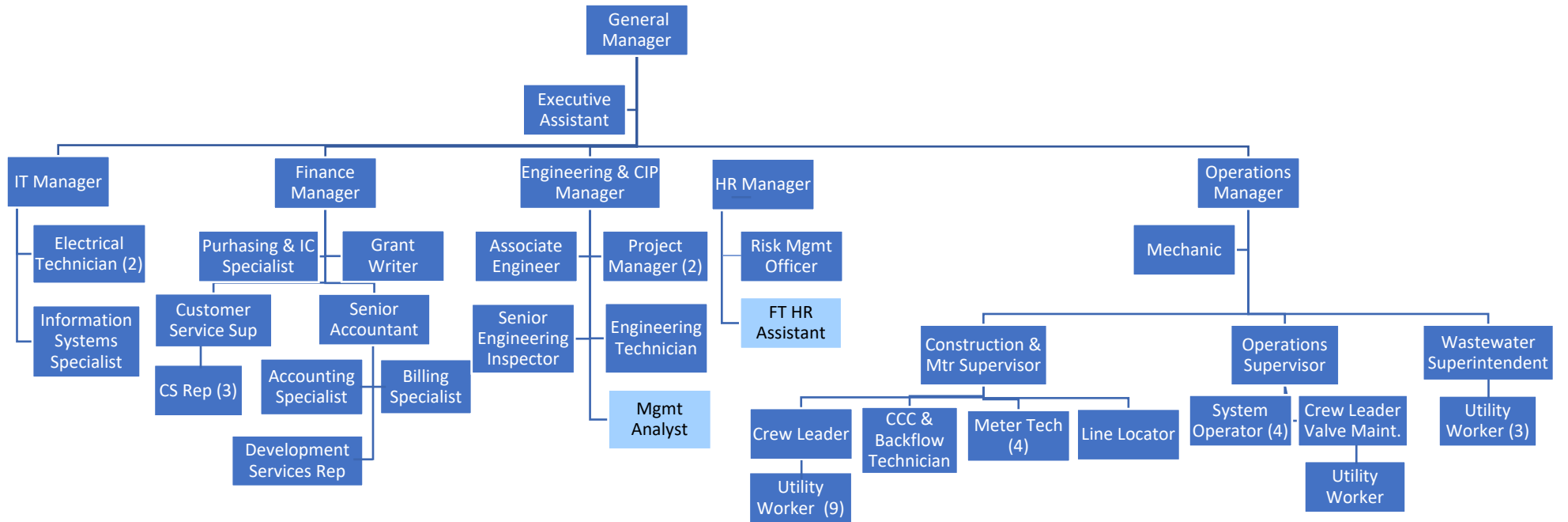
**Karleen Harp  
HR Manager**



**Robert Gutierrez  
Operations Manager**

# RAINBOW MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

57 FTE's



# RAINBOW MUNICIPAL WATER DISTRICT MISSION STATEMENT & CORE VALUES



*“To provide our customers reliable, high quality water and water reclamation service in a fiscally sustainable manner.”*

## Background

RMWD’s adopted Strategic Plan’s strategic focus area of Workforce Development calls for the implementation of cost-effective employee recognition programs to acknowledge performance, encourage development and improve morale.

The Operations Manager, Human Resources Manager, and Administrative Analyst partnered to design a program that would not only increase pride in serving the District, but also use the design of the coins to reinforce the District’s newly articulated values and strategic focus areas. The program will give employees the ability to recognize one another for performance and behaviors in alignment with these goals.

## Overview of the Excellence Coin Program

The program includes a series of six Excellence Coins, each designed to symbolize a particular District focus area. The first coin in the series “Commitment to Excellence” will be issued to all new employees, Board Members, and Citizen Committee members upon joining the District as a tangible welcome gift and reminder of our purpose. Each of the remaining coins will only be issued after nomination and selection by management or peer employee groups.



**Innovation:**

We realize that good ideas can come from many sources, and we continually encourage new and better ways of doing our work. Our goal is not innovation for innovation's sake, but for finding ways to improve service and lower costs.



**Integrity:**

We believe in openness, trust, ethics and transparency. We practice direct and honest communication in all of our day-to-day interactions.



**Professionalism:**

We have open and respectful communication and interactions, both internally and with our customers. Our employees will always exhibit professionalism in all of their day-to-day interactions.



**Responsibility:**

Individual and organizational responsibility and accountability for accomplishing the District's mission is a core value. We focus on doing our work in an efficient, reliable, and cost-effective manner.



**Teamwork:**

Our focus is on supporting one another to collectively be our best. We encourage communication and collaboration. We focus on quality and have pride in the work we do in service to our customers.



# RAINBOW MUNICIPAL WATER DISTRICT

## CERTIFICATE OF AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2021. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2023 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.



# PROFILE OF THE DISTRICT

## THE DISTRICT

The Rainbow Municipal Water District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 58 full time employees under the direction of the General Manager, Thomas Kennedy.

The Rainbow Municipal Water District, comprising a total area of 82 square miles, is located in northwestern San Diego County, approximately two hours driving time from Los Angeles and one hour from San Diego. It is approximately 40 miles northeast of downtown San Diego, California and 90 miles southeast of the City of Los Angeles. The District share common boundaries with Riverside County, Camp Pendleton Marine Corps Base, the unincorporated community of Fallbrook and the City of Oceanside. The District boundaries encompass the unincorporated communities of Rainbow and Bonsall, as well as portions of Pala, Fallbrook and Vista.

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering potable water throughout the District. The District's area of service is predominantly agricultural and includes approximately 5,300 homes and a total metered service of 8,614. In addition to water service, the District provides sewerage collection and disposal service to approximately 2,800 accounts. On February 13, 2002, Rainbow Municipal Water District entered into a contract with the City of Oceanside, California to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both The City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater into the City's system.

## DISTRICT POWERS

The District has broad general powers to perform all necessary or proper acts, including but limited to the authority to acquire, plan, construct, maintain, improve, operate and repair necessary works for the transmission and distribution of water for irrigation and other purposes and for reclamation of such water; the right of eminent domain; authority to levy taxes or, in lieu thereof, to fix and collect charges for water, including standby charges made to holders of title to land to which water may be made available, whether or not the water is actually used;

authority to establish rules and regulations for the sale and distribution of water including rules for providing that water shall not be furnished to persons against whom there are delinquent water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.

## **WATER SUPPLY OPERATIONS**

Since Rainbow Municipal Water District began water service in 1954, the District's source of supply has been water purchased from the San Diego County Water Authority (SDCWA). About 66% of the water is used for agricultural purposes; all water is of domestic quality.

SDCWA is a County Authority organized on June 9, 1944 under the County Authority Act, California Statutes 1943, Chapter 545, as amended. SDCWA's primary purpose is to supply water to areas in the County for distribution to the SDCWA's member agencies in order to meet their respective needs. SDCWA's service area encompasses 1,418.2 square miles, which represents about one-half of the land acreage of the County. There are currently 24 member agencies served by the SDCWA consisting of 6 cities, 17 special districts and the US Marine Corps base at Camp Pendleton. The SDCWA receives its water from the Metropolitan Water District of Southern California, of which the Authority is a member agency. Delivery of this water is made by San Diego County Water Authority through aqueducts, all of which traverse the District.

Historically, SDCWA depended almost exclusively on water supplies imported from the Colorado River and Northern California by the Metropolitan Water District of Southern California. That changed in 2003 with the start of the largest farm-to-urban water conservation and transfer agreement in the nation with the Imperial Irrigation District, which now accounts for about one-third of San Diego County's water supply. In late 2015, the Water Authority added a new water source to its portfolio with the completion of the nation's largest seawater desalination plant in Carlsbad. Today, the Water Authority and its member agencies have identified potable reuse of recycled water as the next major source of local water supply, while continuing to aggressively promote water conservation as a civic responsibility.

The Water Authority is governed by a 36-member Board of Directors representing the 24-member agencies. A member of the San Diego County Board of Supervisors also serves as a non-voting member to the Water Authority Board.

The Metropolitan Water District is a regional wholesaler that delivers water to 26-member public agencies 14 cities, 11 municipal water districts, one county water authority which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. The Metropolitan Water District, to supplement its water supply from the Colorado River, has entered into a contract with the State of California for

the delivery of water via the State Water Project. Metropolitan is governed by a 38-member board of directors who represent their respective member agencies ensuring each member agency is part of the governance of Metropolitan.

To supply the more than 300 cities and unincorporated areas in Southern California with reliable and safe water, Metropolitan owns and operates an extensive water system including: The Colorado River Aqueduct, 16 hydroelectric facilities, nine reservoirs, 819 miles of large-scale pipes and five water treatment plants. Four of these treatment plants are among the 10 largest plants in the world. In fact, Metropolitan is the largest distributor of treated drinking water in the United States. The District imports water from the Feather River in Northern California and the Colorado River to supplement local supplies. It also helps its member agencies develop water recycling, storage and other local resource programs to provide additional supplies and conservation programs to reduce regional demands.

Metropolitan currently delivers an average of 1.7 billion gallons of water per day to a 5,200-square-mile service area.

## **SYSTEM PRESSURES**

The range of water pressures experienced at any location is a function of the hydraulic grade and the service elevation. Within a specific pressure zone, the hydraulic grade is affected by the reservoir or tank water level and pressure reducing valve settings, friction losses in the distribution system, and the flow delivered through aqueduct connections, if applicable. The maximum static pressure within a pressure zone is based on the high-water level of the reservoir or highest-pressure reducing valve setting and the elevation at any specific point in the zone. The system pressure ranges within the District between 20-475 pounds per square inch (psi). It is much more challenging to control the pressure in transmission pipelines as they must maintain the grade line of the zone and are typically less flexible in terms of installation locations. Despite the District's terrain, the vast majority of the District transmission system is within the desired maximum pressure range.



**LEGEND**

- XX  
XX RESVR  
00.0 MG
- XX'  
XX TANK
- PX
- X
- XX
- X/XX
- X

HIGH WATER ELEVATION  
 RESERVOIR NAME  
 RESERVOIR CAPACITY

HIGH WATER ELEVATION  
 TANK NAME  
 TANK CAPACITY

BOOSTER PUMP STATION AND REFERENCE NO.

SDCWA AQUEDUCT CONNECTION NO.  
 (MAXIMUM/MINIMUM HGL)

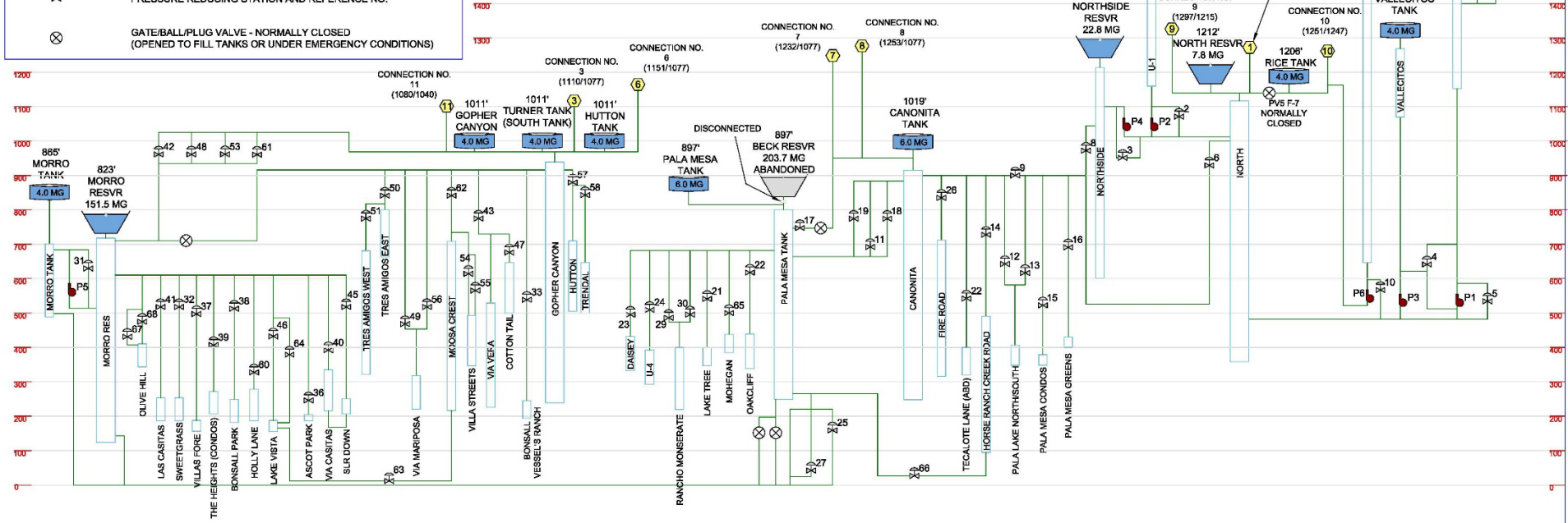
ZONE DESIGNATION  
 (LENGTH OF SYMBOL REPRESENTS SERVICE ELEVATION RANGE)

PRESSURE REDUCING STATION AND REFERENCE NO.

GATE/BALL/PLUG VALVE - NORMALLY CLOSED  
 (OPENED TO FILL TANKS OR UNDER EMERGENCY CONDITIONS)

**PRESSURE REDUCING STATION REFERENCE (HI/LOW) PSI**

|    |   |    |  |
|----|---|----|--|
| 1  | MAGEE PUMP STATION BYPASS (337/220) PSI         | 33 | BONSALL VESSELS RANCH (350/120) PSI            |
| 2  | U1 U2 PUMP STATION BYPASS (170/30) PSI          | 34 | MOOSA CANYON LINE                              |
| 3  | BOOSTER STATION #4 BYPASS(100/50) PSI           | 35 | WEST LILAC PR PRESSURE RELIEF (225/0) PSI      |
| 4  | VALLECITOS BYPASS (PUMP STATION N) (240/45) PSI | 36 | ASCOT PARK (260/70) PSI                        |
| 5  | PUMP STATION 1 BYPASS SOUTH (355/60) PSI        | 37 | VILLAS FORE (260/125) PSI                      |
| 6  | STEWART CANYON (220/150) PSI                    | 38 | BONSALL PARK                                   |
| 7  | MOON RIDGE (200/107)PSI                         | 39 | THE HEIGHTS (CONDOS)                           |
| 8  | LOS ALIBOS (210/120) PSI                        | 40 | VIA CASITAS (260/110) PSI                      |
| 9  | PALA LAKE NORTH (290/120) PSI                   | 41 | LAS CASITAS (225/95) PSI                       |
| 10 | HUNTLEY PUMP STATION BYPASS (240/143) PSI       | 42 | WEST LILAC (300/220) PSI                       |
| 11 | ATKINS (124/100) PSI                            | 43 | VIA VERA (200/95) PSI                          |
| 12 | PALA LAKE NORTH (260/100) PSI                   | 44 | SLR DOWNS TRACK (285/125) PSI                  |
| 13 | PALA LAKE SOUTH (290/120) PSI                   | 45 | LAKE VISTA (260/100) PSI                       |
| 14 | HORSE RANCH CREEK (253/120)PSI                  | 46 | COTTON TAIL (230/110) PSI                      |
| 15 | PALA MESA CONDOS (300/75) PSI                   | 47 | CAMINO DEL REY (332/225) PSI                   |
| 16 | PALA MESA GREENS (285/120) PSI                  | 48 | VIA MARIPOSA WEST (295/95) PSI                 |
| 17 | WILT & CITRUS                                   | 49 | VIA MARIPOSA WEST (295/95) PSI                 |
| 18 | CANONITA (135/85) PSI                           | 50 | TRES AMIGOS EAST (110/85) PSI                  |
| 19 | LAKETREE EAST (230/110) PSI                     | 51 | TRES AMIGOS WEST (110/70) PSI                  |
| 20 | BECK  | 52 | VIA PUERTA DEL SOL PRESSURE RELIEF (240/0) PSI |
| 21 | LAKE TREE WEST (230/100) PSI                    | 53 | DENTRO DE LOMAS (365/260) PSI                  |
| 22 | LAKE TREE WEST (230/100) PSI                    | 54 | VILLA MEDICI (140/60)PSI                       |
| 23 | OMCLIFF (200/100) PSI                           | 55 | VILLA TOSCANA (110/73)PSI                      |
| 24 | DAISEY LANE (245/75) PSI                        | 56 | VIA MARIPOSA EAST (295/95) PSI                 |
| 25 | U-4 (210/70) PSI                                | 57 | HUTTON 4* (100/80) PSI                         |
| 26 | ESTERILINA (116/70) PSI                         | 58 | TRENDAL 4* (150/85) PSI                        |
| 27 | FIRE ROAD (116/55) PSI                          | 59 | OLD RIVER ROAD PRESSURE RELIEF (270/0) PSI     |
| 28 | 76 & GIRD (277/225)PSI                          | 60 | HOLLY LANE (250/70) PSI                        |
| 29 | VIA MONSERATE PRESSURE RELIEF (280/0) PSI       | 61 | SAGEWOOD (320/273) PSI                         |
| 30 | RANCHO MONSERATE "W" (290/110) PSI              | 62 | MOOSA CREST (H/AL/EAH) (125/110) PSI           |
| 31 | RANCHO MONSERATE "E" (290/110) PSI              | 63 | LAKE VISTA TERRACE                             |
| 32 | MORRO BOOSTER STATION BYPASS (140/120) PSI      | 64 | LAS ESTRELLAS                                  |
| 33 | SWEETGRASS (248/90)PSI                          | 65 | MOHEGAN  |
| 34 |   | 66 | PANKEY   |
| 35 |   | 67 | OLIVE HILL ESTATES NORTH                       |
| 36 |   | 68 | OLIVE HILL ESTATES SOUTH                       |



**EXISTING SYSTEM HYDRAULIC SCHEMATIC**





## **SYSTEM DESCRIPTION**

RMWD's existing water distribution system is comprised of twelve major pressure zones with storage facilities. Four of the significant zones are supplied directly from SDCWA aqueduct connections, and the remaining zones are supplied through pressure-reducing stations or booster pump stations. In addition to the multiple zones, 45 reduced pressure areas are supplied from the major zones through pressure-reducing stations. The RMWD hydraulic profile schematic shows the aqueduct connections, pressure zones, storage facilities, booster pump stations, pressure reducing stations, and emergency supply interconnects.

The twelve major pressure zones within the RMWD system are identified by a name and number corresponding to the hydraulic grade elevation set by the high-water level of the tank or reservoir. The District is characterized by steep and varying terrain, and the pressure zone grades range from 825 feet to 2,160 feet above mean sea level. The hydraulic grade line and water supply sources for each major pressure zone are summarized in the table below. The District had formed from the merging of several water purveyors decades ago, and as a result, the gradient spacing between zones is irregular. Zone boundaries have been modified over time to increase pressures in some local critical areas or reduce pressures in older pipelines. Field operators adjust some of the pressure boundaries seasonally to improve water circulation. The Morro, South, Pala Mesa, and Canonita zones each include multiple smaller reduced pressure areas supplied from pressure reducing stations.

| <b>Zone</b>                | <b>HGL (feet)</b> | <b>Main</b>                      | <b>Secondary</b>            |
|----------------------------|-------------------|----------------------------------|-----------------------------|
| Magee                      | 2,160             | Rainbow Heights via Booster PS 7 | None                        |
| Rainbow Heights            | 1,967             | North Zone via Booster PS 1      | Magee                       |
| Gomez                      | 1,710             | North Zone via Booster PS 6      | Rainbow Heights             |
| U-1                        | 1,579             | North Zone via Booster PS 2      | None                        |
| Vallecitos                 | 1,338             | North Zone via Booster PS 3      | Rainbow Heights             |
| Northside                  | 1,282             | North Zone thru Booster PS 4     | None                        |
| North                      | 1,212             | Connections 1,9, and 10          | Northside & Rainbow Heights |
| Canonita                   | 1,019             | Connections 7 and 8              | Northside & North           |
| South                      | 1,011             | Connections 3,6, and 11          | Morro via emergency pumps   |
| Pala Mesa                  | 897               | Connection 7                     | Canonita                    |
| Morro Tank                 | 865               | Morro Zone thru Booster PS 5     | Pala Mesa via Morro Zone    |
| Morro                      | 825               | South                            | Pala Mesa                   |
| HGL = Hydraulic grade line |                   |                                  |                             |

The existing distribution system has over 320 miles of pipelines ranging from 4-inches to 42-inches in diameter. The majority of pipe material in the system is CMLC. However, there are areas in the distribution system that have ductile iron and Transite pipes. In areas fed by pressure regulating station C-9000 is most prevalent.

| <b>Pipeline Summary</b>     |                               |
|-----------------------------|-------------------------------|
| Pipeline Diameter (inches)  | Total Pipeline Length (miles) |
| 4                           | 4.5                           |
| 6                           | 65.1                          |
| 8                           | 114.7                         |
| 10                          | 17.7                          |
| 12                          | 42.2                          |
| 14                          | 20.3                          |
| 16                          | 27.0                          |
| 18                          | 11.7                          |
| 20                          | 10.9                          |
| 22                          | 1.0                           |
| 24                          | 5.8                           |
| 27                          | 0.3                           |
| 30                          | 0.6                           |
| 36                          | 0.4                           |
| 42                          | 0.6                           |
| <b>Total Length of Pipe</b> | <b>322.8</b>                  |

## **SYSTEM OPERATIONS**

The operation of the RMWD water distribution system is very complex due to the large number of pressure zones, supply locations, and large capacity storage facilities, which require frequent cycling or turnover to maintain water quality. Reservoir water levels are connected to the RMWD Supervisory Control and Data Acquisition (SCADA) system, such that the water operators can monitor the system 24/7 365. However, system operation relies upon several manual changes made from operator judgment rather than automation, such as adjusting the flow orders from the FCF connections based on tank levels.

The large storage capacity of Morro reservoir requires special operation of the distribution system to maintain water quality. The distribution system is operated in either a Morro fill or Morro drain mode, with the duration of each method varying seasonally but typically lasting two weeks or more. Changing between modes requires the manual closing and opening of several pressure stations, in addition to several operational changes. Tank water levels in several pumped zones are also operated in a fill/drain mode with water levels set low to improve the turnover rate. In addition to normal supply operations, system operators have several documented procedures for alternative supplies to zones. If pump stations fail or

when aqueducts are shut down for service, tanks need to be removed from service. During planned shutdowns of the SDCWA Second Aqueduct (Connections 3, 6, 7, 8, 9, and 11), water from the North and Northside Reservoirs is supplied down to the Canonita Zone through bypass valves and pressure reducing stations. The remaining zones generally supplied from the Second Aqueduct are provided from excess storage capacity in the Morro Reservoir via temporary diesel-powered pumps. Four portable pumps are utilized to pump water from the Morro Zone to the South Zone. Supply to the South Zone can also be supplemented from Oceanside's Weese Water Filtration Plant from a portable pump. The Rainbow Hills Zone, North Zone, and all zones pumped from the North Zone are generally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a simultaneous shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Rainbow Hills Reservoirs, and additional supply from FPUD's Red Mountain Reservoir pumped into the North Reservoir.

## **WASTEWATER FACILITIES**

The collection and disposal of wastewater were first undertaken by the District on March 3, 1963, in conjunction with two subdivisions and the Fallbrook Country Club. In 1964 the second system was constructed to accommodate Pala Mesa Village and the Pala Mesa Country Club facilities and Motel. Later a 200-space mobile home park was connected to the system. Both systems were financed through the sale of improvement district bonds.

The third wastewater collection and disposal system was constructed by the developer of San Luis Rey Country Club and dedicated. In 1969, the subject improvement district was formed to expand wastewater collection facilities to accommodate the San Luis Rey Downs development and the community of Bonsall commercial businesses.

Six wastewater lift stations are operated within the District's service area. The lift station type and location are described for each station below:

■ **Golf Club.** This station is located just south of Golf Club Drive and Old River Road on the south side of the San Luis Rey River. It consists of a Smith and Loveless packaged lift station with three 5-hp wet well/dry well pumps and a 3,000-gallon working volume wet well. The existing pumps were rated at 625 GPM each, and there is a backup generator in case of a power failure. The District replaced the pumps at this station in kind in 1994. Lift Station 1 is currently under design for replacement, which will expand the station's capacity to serve peak wet weather and future projected sewer flow. The replacement design has considered relocating the station to the north side of the San Luis Rey River to abandon the siphon crossing beneath the river and replacing it with a force main. In addition, the new design will move the station further away from nearby residences.

■ **Old River Lift Station.** This station is located at the intersection of Little Gopher Canyon Road and Old River Road, in the District's southwest corner. The station is a Flygt/Xylem packaged lift station consisting of three 70-hp wet well/dry well pumps and a 14,000-gallon working volume wet well. The existing pumps are rated at 1,500 GPM each. There is also a backup generator in case of a power outage. This station was replaced in 2010 due to a history of problems with overflows. Capacity was increased from 1,000 GPM per pump to the current 1,500 GPM per pump to allow significant ability to serve the ultimate projected sewer flow.

■ **Plant B Lift Station.** This station is located south of the District offices on Old Highway 395. This station is a Smith & Loveless prefabricated station consisting of two 5-hp wet well/dry well pumps and an 800-gallon working volume wet well. The pumps are each rated at 320 GPM. The station has a standby generator to run the lift station in the case of a power failure. This is the District's oldest lift station and is located in a sub-basin subject to high infiltration. The abandonment of this station is planned to coincide with the construction of the Pankey Sewer Lift Station.

■ **Rancho Monserate Lift Station.** Wastewater generated at the Rancho Monserate Mobile Home Park is tributary to this station, located north of the park off Dulin Road. Collected

wastewater is conveyed north via force main for approximately 1,740 feet, where it intercepts the Rancho Viejo Forcemain. The Rancho Viejo Forcemain transports the wastewater an additional 2,350 feet before it discharges into Manhole No. 20L-M020 at Old Highway 395 and Pala Road. The Rancho Monserate lift station is a Flygt/Xylem lift station consisting of two 5-hp, wet well/dry well pumps with a 300-gallon working volume wet well. The pumps are each rated at 320 GPM. The station also has a backup power generator in the case of a power failure.

■ **Rancho Viejo Lift Station.** This station is located on Dulin Road east of I-15. This station was built in 1990 to transport wastewater generated in the Lake Rancho Viejo subdivision. The lift station is a Gorman-Rupp prefabricated station consisting of two 40-hp wet well/dry well pumps and a 600-gallon working volume wet well. The pumps are each rated at 805 GPM. This station also has a backup power generator.

■ **Fallbrook Oaks Lift Station.** This station is located south of Sarah Ann Drive and Kate Lendre Drive in the Fallbrook Oaks subdivision off Gird Road. This is the only station that contains two submersible Meyer's pumps inside of a 500-gallon working volume wet well. It consists of two 250 GPM, 5-hp, submersible Meyer's pumps. The station has a standby generator to provide power to the lift station in the case of a power failure.

**Horse Creek Lift Station.** This lift station is located on Pankey Road and Hwy 76. This station handles flows from Horse Creek Ranch and will take flows from Citro once construction is complete. There are three submersible pumps that are manufactured by Xylem Flygt. Each pump is rated at 1200 GPM at 58 HP each. This station has a standby generator and video surveillance. There are two wet wells with a capacity of eight-thousand four hundred gallons and an overflow capacity of twenty-eight thousand gallons.

## HISTORICAL WATER DEMAND AND RECENT TRENDS

| Calendar Year | Deliveries (AF) |
|---------------|-----------------|
| 1984          | 33,806          |
| 1985          | 28,886          |
| 1986          | 29,298          |
| 1987          | 27,382          |
| 1988          | 32,028          |
| 1989          | 34,828          |
| 1990          | 34,920          |
| 1991          | 24,567          |
| 1992          | 26,460          |
| 1993          | 22,997          |
| 1994          | 22,832          |
| 1995          | 20,872          |
| 1996          | 23,223          |
| 1997          | 24,906          |
| 1998          | 19,924          |
| 1999          | 28,721          |
| 2000          | 29,203          |
| 2001          | 26,803          |
| 2002          | 32,125          |
| 2003          | 30,472          |
| 2004          | 30,336          |
| 2005          | 28,911          |
| 2006          | 29,929          |
| 2007          | 31,865          |
| 2008          | 24,128          |
| 2009          | 26,894          |
| 2010          | 18,322          |
| 2011          | 19,276          |
| 2012          | 21,918          |
| 2013          | 21,526          |
| 2014          | 22,625          |
| 2015          | 17,868          |
| 2016          | 18,151          |
| 2017          | 18,123          |
| 2018          | 17,910          |
| 2019          | 13,720          |
| 2020          | 15,373          |
| 2021          | 15,838          |

For 25 years following its founding in 1954, total SDCWA water deliveries to the District service area steadily increased, as agricultural acreage and population increased. By 1984, demands had climbed to almost 34,000-acre feet per year (AFY). Demands then dropped sharply during the drought restrictions of 1991-93, as mandatory cutbacks led to the stumping of avocado groves and other water use reductions, but by 2002 had rebounded to almost pre-1991 conditions.

Beginning in 2008, demands again declined sharply, this time in response to economic recession, water price increases, a new round of drought restrictions, and increased adoption of water conservation measures. These factors have combined to produce a fundamental downward shift in per capita water use, with per account use declining by **35 percent** from 2006 to 2013. Per capita use reached a minimum during the period from 2010 to 2012, but this was in response to economic recession, cooler than normal summer weather, and other impermanent conditions.

Considering factors of economic equilibrium, average weather conditions, and normal water supply conditions (without water use restrictions in place), the Master Plan has judged calendar year 2013 to be representative of normal water use conditions in the current era and has defined calendar year 2013 water use as an appropriate baseline condition for use in demand forecasting.



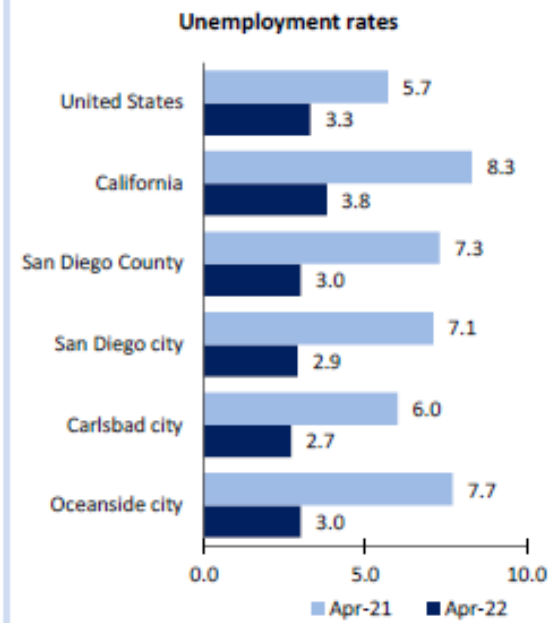


# San Diego Area Economic Summary

Updated June 06, 2022

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include unemployment, employment, wages, prices, spending, and benefits. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see [www.bls.gov/regions/economic-summaries.htm](http://www.bls.gov/regions/economic-summaries.htm).

## Unemployment rates for the nation and selected areas



Source: U.S. BLS, Local Area Unemployment Statistics.

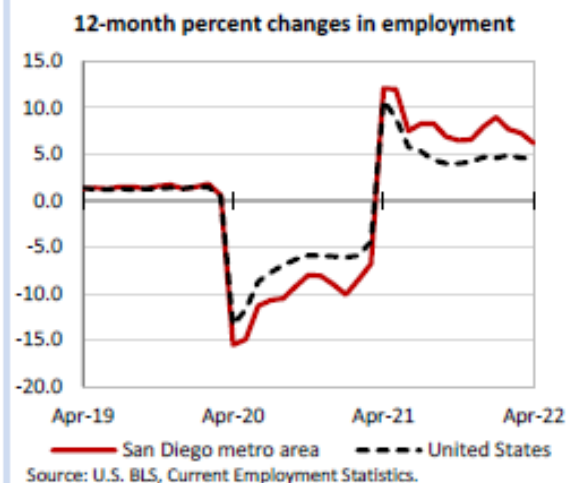
## Average weekly wages for all industries by county

San Diego metro area, third quarter 2021  
(U.S. = \$1,251; Area = \$1,395)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

## Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector



Source: U.S. BLS, Current Employment Statistics.

| San Diego metro area employment (number in thousands) | Apr. 2022 | Change from Apr. 2021 to Apr. 2022 |         |
|---|-----------|------------------------------------|---------|
|   |           | Number                             | Percent |
| Total nonfarm   | 1,507.7   | 88.3                               | 6.2     |
| Mining and logging                                    | 0.3       | 0.0                                | 0.0     |
| Construction  | 84.2      | 1.1                                | 1.3     |
| Manufacturing   | 113.0     | -0.5                               | -0.4    |
| Trade, transportation, and utilities                  | 218.7     | 7.1                                | 3.4     |
| Information   | 22.3      | 0.1                                | 0.5     |
| Financial activities                                  | 75.2      | -0.3                               | -0.4    |
| Professional and business services                    | 281.6     | 19.8                               | 7.6     |
| Education and health services                         | 219.0     | 2.5                                | 1.2     |
| Leisure and hospitality                               | 193.8     | 42.6                               | 28.2    |
| Other services  | 52.5      | 6.5                                | 14.1    |
| Government  | 247.1     | 9.4                                | 4.0     |

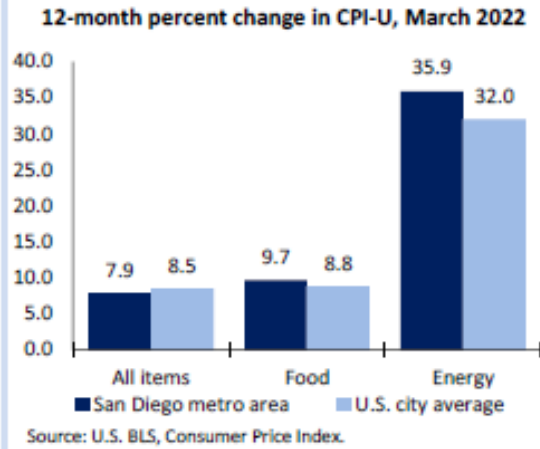
Source: U.S. BLS, Current Employment Statistics.

U.S. BUREAU OF LABOR STATISTICS • [bls.gov](http://bls.gov) | [@BLS\\_gov](https://twitter.com/BLS_gov)

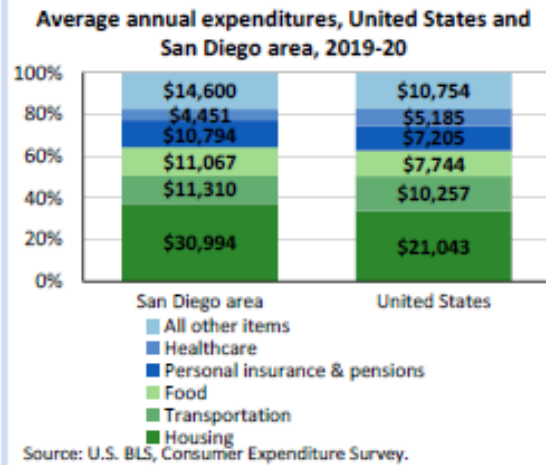




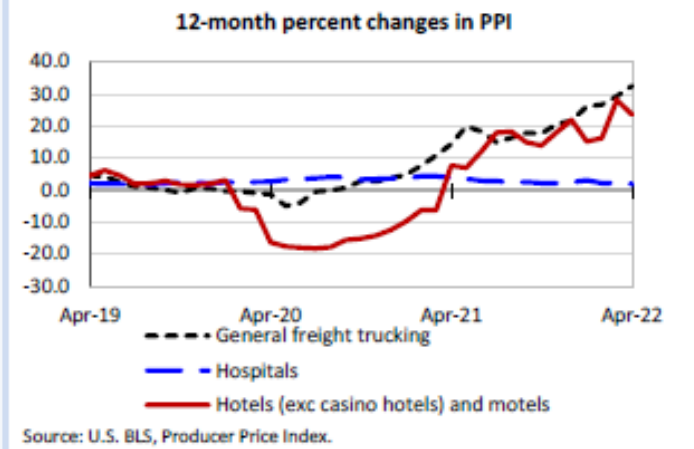
Over-the-year change in the prices paid by urban consumers for selected categories



Average annual spending and percent distribution for selected categories



Over-the-year changes in the selling prices received by producers for selected industries nationwide



Average hourly wages for selected occupations

| Occupation                           | San Diego metro area | United States |
|--------------------------------------|----------------------|---------------|
| All occupations                      | \$32.31              | \$28.01       |
| Human resources managers             | 69.20                | 65.67         |
| Registered nurses                    | 54.40                | 39.78         |
| Accountants and auditors             | 42.08                | 40.37         |
| Electricians                         | 32.98                | 30.44         |
| Construction laborers                | 24.77                | 21.22         |
| Hotel, motel, and resort desk clerks | 16.49                | 13.48         |

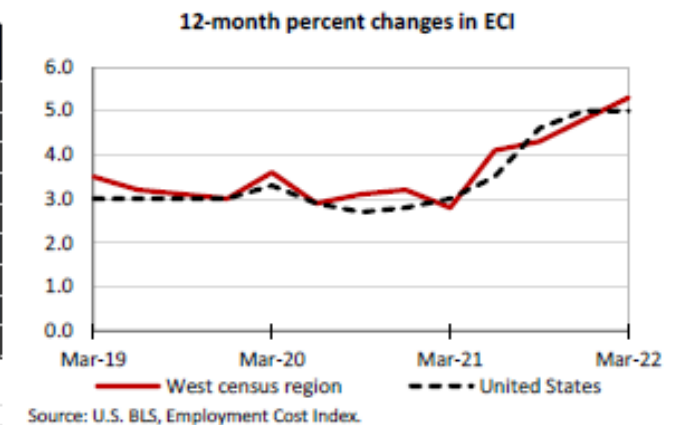
Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2021.

Employer costs per hour worked for wages and selected employee benefits by geographic division

| Private industry, December 2021 | West census region | United States |
|---------------------------------|--------------------|---------------|
| Total compensation              | \$41.69            | \$38.07       |
| Wages and salaries              | 29.40              | 26.86         |
| Total benefits                  | 12.29              | 11.22         |
| Paid leave                      | 3.18               | 2.85          |
| Vacation                        | 1.61               | 1.46          |
| Supplemental pay                | 1.31               | 1.32          |
| Insurance                       | 3.12               | 2.87          |
| Retirement and savings          | 1.44               | 1.32          |
| Legally required benefits       | 3.24               | 2.86          |

Source: U.S. BLS, Employer Costs for Employee Compensation.

Over-the-year changes in wages and salaries



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## **CLIMATE AND TOPOGRAPHY**

The Fallbrook, Bonsall and Rainbow region has an average year-round temperature of 61 degrees. Due to the prevailing ocean breezes, the humidity is relatively low and constant. The average daytime high in Fallbrook is 76 degrees, although in the summer, temperatures sometimes exceed 100 degrees. Most of the area is frost-free; during the coldest periods, the average nighttime temperature is about 42 degrees. Due to its proximity to the ocean, days often start with early morning fog; afternoons can be breezy.

Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.

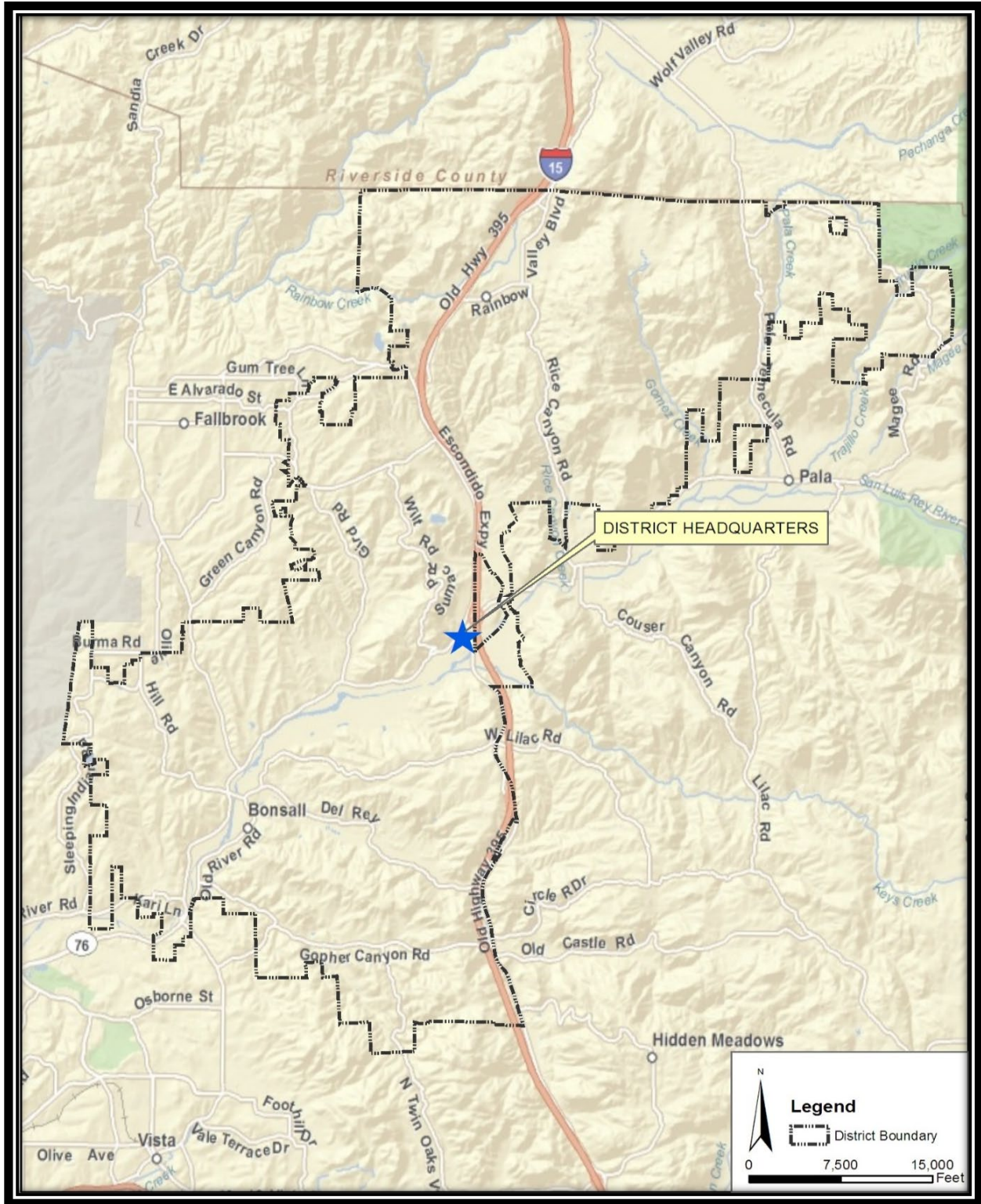
The topography of the District ranges from relatively level valley lands to steeply sloping ridges with long, narrow canyons. Elevations vary from 120 feet in the San Luis Rey River basin to mountains over 2,200 feet high. This configuration of land enables dense, cool air to slide off the valley sides, creating a continuous mild turbulence on the valley floor, which results in a low incidence of frost essential to the growth of avocados and citrus, the major crops grown in the District.

## **THE DISTRICT OFFICE**





# MAP OF DISTRICT SERVICE AREA



# EMPLOYEE COMPENSATION AND BENEFITS

## Deferred Compensation Programs

### 401(a) Plan

The District agrees to establish a 401(a)-retirement savings account to assist employees in saving for retirement medical or other retirement expenses. The District will fund the 401(a) accounts as follows:

Employees hired before July 1, 2012, may elect to participate in the 401(a)-matching program instead of the Retirement Health Care Contribution program. No employee may participate in both programs. The District will match employee contributions to the 401(a) account per the following terms:

|                           |                      |
|---------------------------|----------------------|
| 0 – 5 years of service:   | \$50 per pay period  |
| 5-10 years of service:    | \$75 per pay period  |
| 10-20 years of service:   | \$100 per pay period |
| Over 20 years of service: | \$125 per pay period |

Employee contributions to the 401(a) account will be on a post-tax basis. The employee may contribute additional funds subject to IRS annual limits. The District's matching funds will be tax-deferred. The District's initial deposit and matching funds will be tax-deferred and will become vested per the following vesting schedule:

|                                  |
|----------------------------------|
| 1 year of service = 20% vested   |
| 2 years of service = 40% vested  |
| 3 years of service = 60% vested  |
| 4 years of service = 80% vested  |
| 5 years of service = 100% vested |

If an employee leaves the District's employment before the District's contributions to the 401(a) account have become 100% vested, then the unvested funds will be forfeited and returned to the District. Employee contributions to the 401(a) account will be on a post-tax basis. The employee may contribute additional funds subject to IRS annual limits.

### 457(b) Plan

The District will provide a dollar-for-dollar match of up to \$100.00 per pay period per employee into a 457(b)-retirement savings account. The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules.

## Life And Disability Insurance

The District shall pay for employees' life, short and long-term disability insurance.

## Public Employees' Retirement System

The District participates in the California Public Retirement System (CalPERS). All employees hired at the District before January 1, 2013, are under the CalPERS miscellaneous formula of 2.5% @ 55. The final compensation is the highest average pay rate and special compensation during any consecutive one-year period. The employees contribute 8% of their annual salary.

A full-time new employee hired on or after January 1, 2013, will be subject to the Public Employees Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate

under the mandatory miscellaneous formula of 2% @ 62. The final compensation is the highest average pay rate and special compensation during any consecutive three-year period. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Under the PEPRA, a "New Member" is defined as:

- An individual hired on or after January 1, 2013 and has no prior membership in any California public retirement system.
- An individual whom a different CalPERS employer rehires on or after January 1, 2013, after a break in service greater than six (6) months.
- An individual who is brought into CalPERS membership for the first time on or after January 1, 2013 and is not eligible for reciprocity with another California public retirement system.

Suppose a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District. In that case, the former employee will not be considered a new member under PEPRA.

### **Medical, Dental, and Vision Insurance**

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The District's contribution towards the cost of the insurance premiums will vary based on which health plan and which coverage tier the employee selects.

Due to the possible volatility of the health insurance market, the parties agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control, such as unilateral changes imposed by an insurance carrier;
- If premium costs for an offered plan increase by more than 15% in a single year;
- If the parties desire to seek comparable plans with lower premium costs from other insurance carriers.
- If any of these conditions occur, the District will notify the bargaining unit President in writing of the District's intent to renegotiate this Section of this Article no later than August 15 for changes to be effective in the following plan year.

### **Health Savings Account Deposits**

Employees who elect to enroll in either the Anthem or Kaiser Consumer Driven Health Plans will be eligible to enroll in Health Savings Accounts. Health Savings Accounts may be used to pay for out of pocket medical, dental and vision care expenses including copays, prescriptions, and other qualifying expenses per IRS regulations.

On the first banking day of the calendar year, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee's coverage tier, as follows:

| Plan Selected      | Amount Funded into HSA    |              |         |
|--------------------|---------------------------|--------------|---------|
|                    | Employee Only             | Employee + 1 | Family  |
| <b>Anthem CDHP</b> | Full Deductible (\$1,500) | \$2,800      | \$2,800 |
| <b>Kaiser CDHP</b> | Full Deductible (\$1,500) | \$2,800      | \$2,800 |

Employees may elect to contribute additional funds into their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

### One-Time Enrollment Incentive HSA Contribution

As an incentive for employees who switch from either the Anthem HMO or Anthem PPO plan into either the Anthem CDHP or Kaiser CDHP plan during the Open Enrollment period for the plan year that begins January 1, 2022, the District will make a one-time additional deposit into the employee's Health Savings as follows:

- Employee-Only coverage: \$1,000
- Employee + 1 or Family Coverage: \$1,200

This provision is only available for the specific plan enrollment changes and plan year above. It will not be offered for any plan changes after that.

### Employee Only Coverage

Beginning with the plan year that begins January 1, 2022, the District will pay 100% of the premium costs for employee-only coverage, up to the total cost of the middle plan for employee-only coverage, including District Health Savings Account contributions. Suppose the employee selects one of the two more expensive plans. In that case, the employee will contribute the difference in cost between the middle plan and the higher cost plan through payroll deductions.

Calculation example for employee-only coverage is as follows:

| Plan Ranking                            | Plan Name<br>(example only,<br>ranking could<br>change annually) | Premium cost*<br>*example only | District HSA<br>Contribution | Employee Cost<br>(annually / 24 pay<br>periods) |
|---|--|--------------------------------|------------------------------|---|
| <b>First plan<br/>(least expensive)</b> | Kaiser CDHP  | \$7,000                        | \$1,500                      | FREE  |
| <b>Second Plan</b>                      | Kaiser HMO   | \$9,000                        | n/a                          | FREE  |
| <b>Third Plan (middle plan)</b>         | Anthem CDHP  | \$9,000                        | \$1,500                      | FREE  |
| <b>Fourth Plan</b>                      | Anthem PPO   | \$11,000                       | n/a                          | \$500 / year<br>\$20.83 / pay pd                |
| <b>Fifth Plan<br/>(most expensive)</b>  | Anthem HMO   | \$12,000                       | n/a                          | \$1,500 / year<br>\$62.50 / pay pd              |

### Dependent Care Coverage

The District will contribute towards total costs for the Employee + 1 or Family coverage tiers, including premiums and HSA contributions, at varying levels based on the plan selected, according to the chart below.

| Plan Ranking                        | District Contribution to Total<br>Costs | Employee Cost Share |
|-------------------------------------|---|---------------------|
| <b>First plan (least expensive)</b> | 100%                                    | FREE                |
| <b>Second Plan</b>                  | 85%                                     | 15%                 |
| <b>Third Plan (middle plan)</b>     | 85%                                     | 15%                 |
| <b>Fourth Plan</b>                  | 80%                                     | 20%                 |



|                                    |     |     |
|------------------------------------|-----|-----|
| <b>Fifth Plan (most expensive)</b> | 80% | 20% |
|------------------------------------|-----|-----|

The Plan Rankings will be determined independently for each coverage tier, and the rankings for Employee + 1 and Family coverage may or may not be the same and may change from year to year.

The following example illustrates how the cost share for dependent care coverage will be calculated:

| Plan Ranking & District/EE Cost Share | Plan Name* (example only, ranking could change annually) | Coverage Tier | Annual Premium Cost*<br>*example only | District HSA Contribution | District Cost Share | Employee Cost Share |
|---------------------------------------|--|---------------|---------------------------------------|---------------------------|---------------------|---------------------|
| <b>First plan (100%/0%)</b>           | Kaiser CDHP  | Employee + 1  | \$12,000                              | \$2,800                   | \$14,800            | \$0                 |
| <b>Second Plan (85%/15%)</b>          | Kaiser HMO   | Employee + 1  | \$16,500                              |                           | \$14,025            | \$2,475             |
| <b>Third Plan (85%/15%)</b>           | Anthem CDHP  | Employee + 1  | \$17,000                              | \$2,800                   | \$16,830            | \$2,970             |
| <b>Fourth Plan (80%/20%)</b>          | Anthem HMO   | Employee + 1  | \$21,000                              |                           | \$16,800            | \$4,200             |
| <b>Fifth Plan (80%/20%)</b>           | Anthem PPO   | Employee + 1  | \$22,000                              |                           | \$17,600            | \$4,400             |
| <b>First plan (100%/0%)</b>           | Kaiser CDHP  | Family        | \$17,000                              | \$2,800                   | \$19,800            | \$0                 |
| <b>Second Plan (85%/15%)</b>          | Kaiser HMO   | Family        | \$22,500                              |                           | \$19,125            | \$3,375             |
| <b>Third Plan (85%/15%)</b>           | Anthem CDHP  | Family        | \$23,000                              | \$2,800                   | \$21,930            | \$3,870             |
| <b>Fourth Plan (80%/20%)</b>          | Anthem PPO   | Family        | \$28,500                              |                           | \$22,800            | \$5,700             |
| <b>Fifth Plan (80%/20%)</b>           | Anthem HMO   | Family        | \$29,500                              |                           | \$23,600            | \$5,900             |

### Dental and Vision Insurance

The District will cover 100% of the premium for employees and dependents

### **PAID TIME OFF**

#### Accrual Rate

Paid time Off shall be granted to each employee and shall be accrued as follows:

| Length of Service        | Accrual Rate Per Pay Period | Annual Accrual Equivalent | Maximum Accrual |
|--------------------------|-----------------------------|---------------------------|-----------------|
| <b>Up to 4 years</b>     | 7.69 hours                  | 200 hours                 | 400 hours       |
| <b>4 – up to 9 years</b> | 9.23 hours                  | 240 hours                 | 480 hours       |
| <b>9 years and above</b> | 10.77 hours                 | 280 hours                 | 560 hours       |

Employees may accumulate Paid Time Off up to a maximum of two times the employee's annual entitlement. Upon reaching the maximum accrual, PTO hours will no longer accrue until they use PTO hours to bring their balance under the maximum.



Suppose the District has previously approved a PTO request. Through no fault of the employee, the leave request is cancelled by the District, and an employee reaches the maximum accrual. In that case, the District will compensate the employee for additional hours accumulated beyond the maximum accrual until the requested leave can be granted.

All new employees will accrue PTO beginning the first day of employment; however, these hours will not be eligible for use until after completing 90 days of full-time employment. General Manager shall have the discretion to grant earlier use of accrued PTO for a medical emergency, bereavement, or other emergencies on a case-by-case basis.

Upon separation from the District, 100% of the employee's accumulated paid time off will be paid at their present pay rate.

### **Paid Time Off Buy Back**

Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during December for cashing out PTO on the last pay period of the following January of the following calendar year.
- The irrevocable request may not exceed 280 hours.
- The employee must have taken at least 80 hours cumulative Paid Time Off (PTO) between December 1 of the previous year and November 30 of the current year.
- Employees must maintain a minimum balance of 80 hours of accrued PTO.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The General Manager must approve the hardship request and is subject to the unforeseeable emergency definitions of the Internal Revenue Code. (Title 26, section 1.409a-3).

Suppose the IRS changes its regulations pertaining to this policy. In that case, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

## **OTHER LEAVES**

### **Holidays**

The District will provide twelve paid holidays per year. Compensation for paid holidays will be for the entire length of the regular scheduled shift. Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday. All paid holidays for each year of this contract are as follows:

### **Holiday Bank**

Holiday bank is granted to employees as a means to ensure all full-time employees receive the same number of holiday pay hours annually, as follows:

- Employees who work a 9/80 schedule will receive 8 hours of Holiday Bank for the holidays that fall on their regularly scheduled Fridays off. Holidays that fall on an A shift Friday off are highlighted in purple above. Holidays that fall on a B shift Friday off are highlighted in green above.
- Employees who work a 10/80 schedule will receive 1 hour of Holiday Bank for holidays, where other employees receive 9 hours of holiday pay, and they only receive 8 hours per their regularly scheduled shift.

Holiday Bank hours will be issued at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

### **Holiday Overtime**

Suppose an employee works overtime on a holiday. In that case, double time will be paid on the holiday's actual date, and one- and one-half times the regular rate of pay will be paid on the date the holiday is observed. Overtime worked on Easter Sunday will be paid at double time.

### **Education Assistance Program**

The District will reimburse employees for qualified educational costs for their own education, including tuition, books, fees, and student loan repayments. This reimbursement will be tax-free under the provisions of Section 127 of the Internal Revenue Code.

For employees who have worked 0-3 years, the District will reimburse up to \$2,500.00 per calendar year for qualified educational expenses.

For employees with three or more years of service at the District, the District will reimburse employees up to \$5,250.00 per calendar year for qualified educational expenses.

To determine eligibility, the following requirements must be met:

- Courses taken during employment must be pre-approved courses of study leading to attaining a degree or accreditation or providing the course of study is pertinent to the employee's position at the District.
- Courses must be completed with a "C" grade or higher. A "pass" will be accepted for classes where a pass/fail grading system is used.
- The class's end date will be the date used to calculate the employee's length of service and in which calendar year the reimbursement will be applied.
- Employees are required to submit applications to their immediate Supervisor or Manager and get approval before starting courses for which educational assistance is requested.
- Requests for reimbursement must be submitted within 30 days after completion of the course. Suppose an employee leaves District employment before completion of the approved course. In that case, the District will not reimburse the employee for the course.
- No assistance will be made if the employee utilizes other reimbursement sources (i.e., GI Bill) to pay for the course or portions of the course.
- For student loan reimbursements, qualified education loans must have been for the employee's own education. The loan must have been used to obtain a Certification or Degree relevant to the employee's job with the District. Proof of completion of the Degree and student loan payments will be required to obtain reimbursement. The student loan reimbursement shall remain in place as long as it is permitted under Internal Revenue Code Section 127.

# FY22 STRATEGIC PLAN & PERFORMANCE MEASUREMENTS

| Rainbow Municipal Water District                               |   |             |                      |             |                            |                                       |
|--|---|-------------|----------------------|-------------|----------------------------|---------------------------------------|
| Strategic Plan Goals and Objectives for July 2021 to June 2022 |   |             |                      |             |                            |                                       |
| 1  | Water Resources   | Assigned To | Estimated Completion | % Completed | Comments                   | Measurement of Success                |
| 1A   | <b>Promote and participate in the development of sensible direct or indirect potable reuse regulations</b>                |             |                      |             |                            | <b>See sub-objectives</b>             |
| 1A.1   | Participate in WaterReuse legislative/regulatory efforts  | Tom         | Ongoing              |             |                            | As Described                          |
| 1A.2   | Monitor regulatory process  | Tom         | Ongoing              |             |                            | As Described                          |
| 1.B  | <b>Identify and obtain water rights in the San Luis Rey Valley and develop feasible water production strategies</b>       |             |                      |             |                            | <b>See sub-objectives</b>             |
| 1B.1   | Identify water rights holders and make contact regarding potential transfer of rights                                     | Tom         |                      | 75%         |                            | As Described                          |
| 1B.2   | Identify legal issues surrounding water rights transfer and develop appropriate legal framework for acquisition of rights | Tom         |                      | 75%         |                            | As Described                          |
| 1B.3   | Develop a method to determine safe yield for groundwater extraction   | Tom/Chad    | Ongoing              | 5%          | PSA Executed w/ Consultant | As Described                          |
| 1B.4   | Identify potential location of groundwater treatment facility including brine disposal                                    | Tom/Chad    | Ongoing              | 5%          | PSA Executed w/ Consultant | As Described                          |
| 1.C  | <b>Participate fully and actively in the San Luis Rey Groundwater Sustainability Agency (SLRGSA)</b>                      |             |                      |             |                            | <b>See sub-objectives</b>             |
| 1C.1   | Negotiate and enter into an MOU with SLRGSA agencies for initial groundwater studies                                      | Tom         |                      | 100%        |                            | MOU entered into with SLRGSA agencies |
| 1C.2   | Participate in all SLRGSA meetings and workshops  | Tom         |                      | 100%        |                            | Meeting and workshops participated in |

| Rainbow Municipal Water District                               |  |                           |                      |             |  |  |
|--|--|---------------------------|----------------------|-------------|--|--|
| Strategic Plan Goals and Objectives for July 2021 to June 2022 |  |                           |                      |             |  |  |
| 2  | Asset Management   | Assigned To               | Estimated Completion | % Completed | Comments   | Measurement of Success   |
| 2A   | Implement proactive system-wide pressure management  | Chad/Robert               | 2025                 | 25%         |  | See sub-objectives   |
| 2A.1   | Identify and prioritize high pressure areas to receive additional pressure mitigation strategies                   |                           | Nov-19               | 100%        | Contract with HDR to develop a prioritization program completed in Jan. 2020.  | Contract amendment signed with HDR to develop a prioritization.    |
| 2A.2   | Develop standard plans for pressure regulation stations as well as cost effective contracting/construction methods |                           |                      | 100%        | Completed in Aug. 2020. Completed standard plans and determined that in-house design and construction was most cost effective.   | New standard plans developed, and more in-house designs completed. |
| 2A.3   | Commence installation of high priority pressure regulation stations  |                           | On-going             | 60%         | Some of the installed stations were not part of the original prioritization list. Sarah Ann, Thoroughbred, Aqueduct Rd, Nella Ln, Rose, Hialeah, Almendra, Stewart Canyon, Dentro de Lomas and Vallecitos , Pala Mesa installed. | Sarah Ann, Thoroughbred, Aqueduct Rd, Vallecitos installed.        |
| 2B   | Perform Continuous Condition Assessment  | Chad/Robert               | On-going             |             | Visual inspection and assessment of cause  | See sub-objectives   |
| 2B.1   | Recalibrate condition assessment model every three-years with current condition data                               |                           |                      | 100%        | This objective is not to be conducted annually and instead once every three-years.   | The report is updated and a new map created with the new data.     |
| 2B.2   | Integrate condition assessment data collection seamlessly into EAM workflows for field crews                       |                           | May-20               | 100%        |  | Data is easily accessible through EAM by managers.                 |
| 2B.3   | Continue development of in-pipe data gathering using video inspection  |                           | On-going             |             |  | Additional videos are taken.                                       |
| 2B.4   | Identify potential methods for pipeline rehabilitation using point repairs or in-situ methods                      | Robert                    |                      | 100%        | Working with Sanexen to develop a new pipe lining solution(s). In pipe demonstrations with Sanexen and Primus completed.   | In pipe demonstration.   |
| 2.C  | Develop a System-wide Corrosion Protection System  | Chad/Robert               | On-going             |             |  |  |
| 2C.1   | Commence corrosion protection study to evaluate current status and prescribe remedies                              |                           | 20-Jul               | 100%        | Contract and report with HDR completed.  | Contract signed with consultant.                                   |
| 2C.2   | Begin implementation of mitigation strategies when they are identified   |                           | On-going             | 10%         | One test station installed, anodes installed for every main break. 100% design for Rainbow Valley Blvd Impressed. Current project and project completed August, 2022.  | Reduction of mainbreaks due to corrosion.                          |
| 2D   | Develop a Programmatic EIR for Pipeline Replacement Work   | Chad                      |                      |             |  | See sub-objectives   |
| 2D.1   | Issue an RFP for consultant to develop Programmatic EIR  |                           | 19-Jan               | 100%        | Complete   |  |
| 2D.2   | Award contract for Programmatic EIR  |                           | 19-Jun               | 100%        | Contract awarded to Helix Environmental Planning & consultant is working on PEIR   | Board approves PSA with recommended firm.                          |
| 2D.3   | Identify possible real property for acquisition to meet mitigation requirements                                    |                           |                      | 20%         | PEIR to evaluate required acreage.   | District has a list of available parcels for mitigation land.      |
| 2E   | Execute Proactive Right-of-Way Management  | Chad                      |                      |             |  | See sub-objectives   |
| 2E.1   | Develop cost effective mechanisms to survey and stake right-of-way boundaries                                      |                           |                      | 100%        | Utilize As-needed survey contracts.  | Cost-effective mechanism in place.                                 |
| 2E.2   | Enhance Right-of-Way policies in Administrative Code   |                           |                      | 100%        | Items approved by the Board.   | The Board an Ordinance on October 23, 2018.                        |
| 2E.3   | Develop mechanisms for efficient identification of encroachments and a method to issue encroachment permits        |                           | On-going             | 65%         | Improvements made  | Increasing number of encroachment permits being issued             |
| 2F   | Commence meter/service replacement and upgrade program   | Tom, Tracy, Mark & Robert | Jul-22               | 100%        |  | See sub-objective  |

| Rainbow Municipal Water District                               |   |   |                           |             |   |  |
|--|---|---|---------------------------|-------------|---|--|
| Strategic Plan Goals and Objectives for July 2021 to June 2022 |   |   |                           |             |   |  |
| 3  | Workforce Development   | Assigned To                               | Estimated Completion      | % Completed | Comments  | Measurement of Success   |
| 3A   | Conduct regular needs analysis to ensure adequate staffing levels, succession planning, and proper labor allocation to meet operational needs.  | Karleen                                   | Annual updates            | 100%        |   | See sub-objectives   |
| 3A.1   | Develop annual assessment of high-priority positions for succession planning through five-year staffing analysis.                               | Karleen and Mgmt Staff                    | By June of each year      | 100%        | Presented to Budget & Finance Committee and Board in March and May 2022                                     | Develop written analysis & recommendations; present information to the Board.  |
| 3B   | Position the District as an employer of choice in this industry and this region   | HR & Mgmt Staff                           |                           |             |   | See sub-objectives   |
| 3B.1   | Develop and implement employee survey   | Karleen                                   | At least biannually       | 100%        | Achieved Top Workplace designation from San Diego Union Tribune based on 2021 employee survey results       | Administer survey & communicate results with staff & Board.  |
| 3B.2   | Convene "Employee Ambassador Action Team" to address areas of concern from employee survey  | Karleen and Claudia                       | Within 6 mos after survey | 80%         | Action Team convened in 2019 and has updated plan annually based on results                                 | Employee ambassadors meet and create an Action Plan to present to management for approval.   |
| 3B.3   | Continue to promote Rainbow career opportunities on social media  | Karleen or Claudia                        | As Needed                 | Ongoing     | Continuing; promoted social media pages at job fairs and water expo events                                  | Post each job opportunity on District's Facebook, Instagram or LinkedIn page.  |
| 3B.4   | Maintain at least 1500 subscriptions to interest list on NEOGOV   | Karleen or Claudia                        | Ongoing                   | 90%         | 742 as of June 30 2022  | 1500 job interest card subscriptions.  |
| 3C   | Implement effective Performance Management programs including performance assessments, employee recognition, and continuous feedback.           | Karleen                                   |                           |             |   | See sub-objectives   |
| 3C.1   | Administer effective annual performance evaluation program  | All Managers & Supervisors                | Annually                  | Ongoing     | 96% on-time delivery  | Deliver performance reviews within one pay period of due date.   |
| 3C.2   | Conduct regular one-on-one meetings between supervisors and their direct reports  | All Managers & Supervisors                | Biweekly                  | Ongoing     |   |  |
| 3C.3   | Continue cost-effective employee recognition program to acknowledge performance and express appreciation  | Karleen or Claudia                        | Monthly                   | Ongoing     |   | Seek Excellence coin nominations & award coins monthly.  |
| 3C.4   | Host employee events to foster workplace relationships, recognize staff and improve morale  | HR & Events Committee                     | Annually                  | Ongoing     | Deferred in 2020 due to COVID restrictions; resuming in 2021  | Annual employee banquet, health fair & luncheons.  |
| 3D   | Maintain education and training opportunities to ensure continuous improvement, leadership development and learning for all staff.              | Karleen                                   | Ongoing                   | Ongoing     |   | See sub-objectives   |
| 3D.1   | Implement effective onboarding programs for new hires, new supervisors, and new managers that covers District structure, culture, and policies. | Karleen and Claudia                       | Ongoing                   | 50%         | New hire onboarding program exists; supervisory program in development                                      | Begin onboarding program within first week in new role; conduct follow up meetings with employees at 30, 90 & 180 days.  |
| 3D.2   | Offer clear career pathways that fulfill the District's succession planning needs   | Karleen and Claudia with management staff | June 2022                 | 0%          |   | Define job competencies at each level, add promotional readiness to performance evaluation form, create training checklists, and promotional assessments for each job level. |
| 3D.3   | Conduct quarterly Lunch N Learn events  | Mgmt staff                                | Quarterly                 | 0%          | First event scheduled for July 17, 2021   | Event takes place quarterly.   |
| 3D.5   | Conduct leadership 360 assessments to identify development needs  | Karleen                                   | Ongoing                   | 70%         | Conducted for all leaders in early 2020; ongoing for new leaders  | Conduct assessments and create individualized development plan for each leader within 6 months of starting position; update annually.  |
| 3E   | Create a culture of excellence where we embody safe & efficient work practices  | Karleen and Charmaine                     | Ongoing                   | Ongoing     |   | See sub-objectives   |
| 3E.1   | Measure safety awareness and attitudes in employee culture survey   | Karleen                                   | Ongoing                   | 100%        | Dec. 2020 showed strong improvement from 2018   | Include safety in survey and monitor improvement.  |
| 3E.2   | Develop and implement a new safety incentive program  | Charmaine                                 |                           | 25%         | Deprioritized during COVID  | Program roll out.  |
| 3E.3   | Update Emergency Response Plan and conduct staff training   | Charmaine                                 |                           | 75%         | Key staff members have been sent to emergency training through the San Diego Urban Area Security Initiative | Document has been created & distributed & key staff have been trained.   |
| 3F   | Ensure Continuous Board development and participation in industry-related activities  | Board                                     |                           |             |   | See sub-objectives   |
| 3F.1   | Each Board member to attend governance training, ethics training, and harassment prevention training  | Board                                     | Ongoing                   | 95%         | Dir. Moss to attend in 2021   | Each Board member to attend training as required by law.   |
| 3F.1   | Board members to attend water industry conferences  | Board                                     | Annually                  | 0%          | Events deferred in 2002 during COVID  | At least one Board member to attend ACWA & CSDA conference each year.  |



| Rainbow Municipal Water District                               |   |             |                      |             |   |  |
|--|---|-------------|----------------------|-------------|---|--|
| Strategic Plan Goals and Objectives for July 2021 to June 2022 |   |             |                      |             |   |  |
| 4  | Fiscal Responsibility   | Assigned To | Estimated Completion | % Completed | Comments  | Measurement of Success   |
| 4A   | Receive GFOA award for budgeting  | Tracy       |                      | 100%        |   | See sub-objective  |
| 4A.1   | Create a GFOA compliant budget document   |             | Completed Annually   | 100%        |   | By the end of this process a budget format will be developed & the budget document completed in a GFOA compliant manner.   |
| 4B   | CAFR - Submit for consideration for award   | Tracy       | Completed            | 100%        |   | See sub-objective  |
| 4B.1   | If no award given this year, take feedback to prepare for next year   |             |                      |             |   | The FY 20 CAFR was submitted for award.  |
| 4C   | Develop Cost-Effective contracting methods for pipeline replacement   | Chad        | On-going             |             |   | See sub-objectives   |
| 4C.1   | Develop contractor prequalification system  |             |                      | 100%        |   | As Described   |
| 4C.2   | Develop streamlined contracting package that will encourage better pricing by the District assuming certain risks             |             |                      | 100%        | Implemented on the Via Ararat project. Process requires significant Staff time. Consultants to continue to be utilized. | See sub-objectives   |
| 4C.3   | Recruit and retain high quality inspectors, both in house and contract  |             |                      | 100%        |   | As Described   |
| 4D   | Complete conversion of UB software  | Ahmed/Tracy |                      | 100%        |   | As Described   |
| 4E   | Convert payroll system to 3rd party vendor  | Tracy       | Completed            | 100%        | Completed Jan-19  | As Described   |
| 4F   | Commence implementation of financial software conversion  | Tracy       | Completed            | 100%        | Completed Sep-19  | As Described   |
| 4G   | Obtain District of Distinction Accreditation  | All         |                      | 100%        |   | Meet all requirements and training and demonstrate having sound policies in the areas of governance, board conduct, district finances, transparency and reserves and submit application and supporting documentation in a timely manner. |
| 4H   | Identify and obtain grant funding for various projects  | All         |                      |             |   | See sub-objectives   |
| 4H.1   | Identify requirements for successful grant applications.  |             |                      | 100%        | Cal EOS grant received.   | As Described   |
| 4H.2   | Adapt current and proposed projects to grant requirements to ensure likelihood of approval                                    |             |                      | On-going    | Gomez and Magee Pump Stations and Sumac Radio Tower projects adapted for grant proposal.                                | As Described   |
| 4H.3   | Identify requirements for reporting to grant agency on progress of projects and develop systems to facilitate this reporting. |             |                      | On-going    |   | As Described   |
| 4I   | Establish a Rate Structure That is Less Reliant on Volumetric Sales   | Tom/Tracy   |                      |             | In Progress   | See sub-objectives   |
| 4I.1   | Conduct a study that shows what the optimum level of fixed revenues would be  | Tom/Tracy   | Jan-23               | 50%         | New Rate Model under development, implement with detachment.  | Completion of study  |
| 4I.2   | Develop a financial plan and water rate forecast to reach the optimal level of fixed revenues over time.                      |             |                      |             |   | As Described   |
| 4J   | Identify Opportunities for Stable Revenue Streams Apart from Volumetric Sales   | All         |                      |             |   | See sub-objectives   |
| 4J.1   | Develop a range of options for Board consideration related to possible expansion of property tax assessments                  |             |                      |             |   | As Described   |
| 4K   | Proactively manage and maintain sustainable employee benefits   | Karleen     |                      |             |   | See sub-objectives   |
| 4K.1   | Negotiate employee health insurance cost sharing terms that encourage voluntary enrollment in lower cost plans                | Karleen     | Nov-21               | 50%         | New terms agreed to in MOU terms effective July 1 2021; open enrollment is in October                                   | Gain bargaining unit agreement to new terms and see employee enrollment shifts at open enrollment  |
| 4K.2   | Monitor annual premium escalations for District paid dental, short- and long-term disability, Life & AD&D plans               | Karleen     | Annually             | Ongoing     | Policies renew in November each year  | Seek competitive quotes to mitigate cost escalations   |

Rainbow Municipal Water District

Strategic Plan Goals and Objectives for July 2021 to June 2022

| 5    | Customer Service  | Assigned To  | Estimated Completion | % Completed | Comments    | Measurement of Success                                 |
|------|---|--------------|----------------------|-------------|-------------|--|
| 5A   | Complete integration of UB software to iPad application/GeoViewer   | Tracy/Robert | Jun-19               |             | In Progress | As Described   |
| 5B   | Create a Customer Service Based Culture   | Tracy        |                      | 90%         | In Progress | See sub-objectives                                     |
| 5B.1 | Identify traits of great customer service organizations and bring those traits into the RMWD organization |              |                      |             |             | Organizations need to be specifically identified       |
| 5B.2 | Enhance training for staff on customer service excellence   |              |                      | 90%         |             | Training requested to HR will be scheduled & completed |
| 5B.3 | Create an annual recognition program for customer service excellence                                      |              |                      | 90%         |             | Tracking call volume by cs representative              |
| 5C   | Develop a System for Documenting All Customer Contacts  | Tracy        |                      |             |             | See sub-objectives                                     |
| 5C.1 | Identify range of customer contact types  |              |                      | 90%         |             | Anything beyond a quick question is documented         |
| 5C.2 | Identify appropriate method to document each of these contacts  |              |                      |             |             | All customer contact is recorded in IPS notes          |
| 5D   | Develop Opportunities for Improved Customer Water Use Information   | Tom/Tracy    |                      |             |             | See sub-objectives                                     |
| 5D.1 | Ensure that water meter data logging systems are capable of providing data during customer interactions   |              |                      |             |             | As Described   |
| 5D.2 | Complete Flume pilot project and evaluate performance of the Flume System                                 |              |                      | 90%         |             | As Described   |
| 5D.3 | Bring options to Board to consider once Flume pilot is completed  |              |                      |             |             | As Described   |



| Rainbow Municipal Water District                               |  |                                |                      |             |                             |  |
|--|--|--------------------------------|----------------------|-------------|-----------------------------|--|
| Strategic Plan Goals and Objectives for July 2021 to June 2022 |  |                                |                      |             |                             |  |
| 6  | Communications   | Assigned To                    | Estimated Completion | % Completed | Comments                    | Measurement of Success   |
| 6A   | <b>Develop Consistent Messaging Throughout the Organization</b>  | All                            |                      |             |                             | See sub-objectives   |
| 6A.1   | Create a regular employee communications newsletter to provide background information on topics that may come up in customer contacts          |                                |                      | On-Going    |                             | As Described   |
| 6A.2   | Install digital employee information panels in key areas to reinforce messaging  |                                |                      | 0%          |                             | Digital messaging devices installed and operational  |
| 6B   | <b>Upgrade Printed Collateral to Enhance Readability and Impact</b>  | Tom                            |                      |             |                             | See sub-objectives   |
| 6B.1   | Identify cost effective ways to obtain graphic arts services   |                                |                      | On-Going    | In progress                 | As Described   |
| 6B.2   | Work with Communications and Customer Service Committee to develop ways to improve look/feel/impact of regular communications                  |                                |                      | On-Going    | Partnership with CSUSM for  | As Described   |
| 6C   | <b>Enhance Community Outreach Methods</b>  | Tom                            |                      |             |                             | See sub-objectives   |
| 6C.1   | Participate in as many local community events as possible  |                                |                      | On-Going    |                             | As Described   |
| 6C.2   | Develop branded outreach systems with logos for major projects (water service upgrades, PR station installations, Pipeline replacements, etc.) |                                |                      | 25%         | In progress                 | As Described   |
| 6D   | <b>Develop Improved Methods for Delivering Information About Field Operations on Website</b>   | Tom/Robert                     | Jun-22               | 100%        | Complete                    | See sub-objectives   |
| 6D.1   | Identify technical and financial requirements to include information from EAM on public website  |                                | Dec-19               | 0%          |                             | Requirements Identified  |
| 6E.2   | Provide options for consideration to Communications and Customer Service Committee and Board   |                                |                      | 0%          |                             | As Described   |
| 6E.3   | Implement selected option on website   |                                |                      | 0%          |                             | Options Implemented  |
| 6E   | <b>Develop useful and engaging internal communication methods to keep staff educated about the District's plans, challenges, and successes</b> | Management staff               | Ongoing              |             |                             | See sub-objectives   |
| 6E.1   | Conduct regular All-Hands meetings   | Tom, Kalreen, and Claudia      | Ongoing              | 100%        | Conducted 11 times a year   | All-Hands meeting takes place monthly to review Board actions, provide HR updates, and recognize employees |
| 6E.2   | Publish regular employee newsletter with updates about District activities, staff changes, and safety  | Claudia & Employee Ambassadors | Ongoing              | 100%        | Currently published monthly | Publish Under the Rainbow at least every other month   |

# STRATEGIC PLAN

## PLANNING PROCESS

The Strategic Planning update process for Rainbow Municipal Water District was comprehensive and inclusive. The Board of Directors and District employees contributed to assess the 2016 Plan and assuring a practical and relevant plan to help guide the future of the District. In addition, the Community was invited to provide their input at the Board working session.

### COMMUNICATION & INVOLVEMENT



The process began with the interview input gathering from District staff and individual Directors. The planning activity followed a four-phased planning process:

#### Phase I - Planning to Plan

The District staff and Board of Directors began the process by assessing the 2016 plan and determining that an update process was necessary instead of a full re-write, to refresh and make current some of the projects still working and then add as needed to set the proper direction for the next few years.

#### Phase II - Analyze the Situation

This critical phase included taking an objective look at the District to identify strategic challenges, direction and needs. Several analyses were conducted including:

- 1) Review of existing mission and key mandates
- 2) Identification of critical input needed for this update
- 3) A deep dive critical review of the 2016 Strategic Plan to determine if the Strategic Focus Areas continued to be valid, then clearly understand the status of those actions and projects by that plan. Strategic goals and objectives were reviewed to assess their completion or need to include status for the purposes of the update.

#### Phase III - Set Strategic Direction

All of the data generated from Phase II was used to set the Strategic Direction for District for the next few years. This included reaffirming the Mission, creating Core Values and outlining six Strategic Focus Areas. The Strategic Focus Areas are the most critical "make or break" issues for the District's continued success. Each Strategic Focus Area is supported by a broad Goal. Specific objectives were developed to provide practical steps to be taken to accomplish the Goal. During this Phase the Board of Directors were allowed individual input, then held a workshop to assess the Mission, Vision and Values for the District, then thoroughly discuss the Goals and Objectives for the next few years. All foundational statements were affirmed by the Board.

#### Phase IV - Complete and Monitor the Plan

The end result of the planning process is a practical document that serves as a roadmap for the future direction of the District. The General Manager, Department Managers and Superintendents will develop detailed plans, including measurable actions that will ensure implementation of the goals and objectives. The Board of Directors will review the Strategic Plan on an annual basis to ensure that the Strategic Focus Areas continue to meet the needs of the District.



## STRATEGIC FOCUS AREA ONE:

# WATER RESOURCES

Imported water supplies are becoming increasingly unreliable and more expensive. Increasing costs from drought, government regulations and additional forces outside of the District's control require that RMWD diversify its water resources in the region to ensure a safe, sustainable, and reliable source for its customers.

## WATER RESOURCES GOAL:

*Develop a diversified water portfolio, including conservation and alternative sources, to provide a reliable, resilient supply.*



## OBJECTIVES:

- Successfully detach from San Diego County Water Authority.
- Seek agreements with neighboring agencies for permanent interconnections
- Complete feasibility and risk/benefit study for the San Luis Rey groundwater development project. Commence full design if project is deemed feasible.
- Assess other non-local sources such as reclamation and groundwater.
- Assess ways to generate value from unused in-district water storage



## STRATEGIC FOCUS AREA TWO:

# ASSET MANAGEMENT



Aging infrastructure, rising costs, increasing regulations and security concerns require that key assets are maintained properly. Careful planning for anticipated future demands and pipeline rehabilitation is essential for efficient operation of the system. Effective asset management is an important tool to ensure we get the best value from the investments made by our customers in our assets.

## ASSET MANAGEMENT GOAL:

*Continue to refine the asset management process to plan for, prioritize and fund maintenance, replacement, expansion and rehabilitation of District infrastructure, facilities and equipment.*

## OBJECTIVES:

- Perform continuous condition assessment and documentation.
- Develop plans for efficient use of District resources (reservoirs, facilities, etc.)
- Pursue the lowest-cost replacement of the Administrative Facility.
- Develop strategies to address the funding challenges for asset rehabilitation made clear by the Condition Assessment Program.
- Document a clear connection between condition assessment and capital replacement costs for the option of having a separate fixed capital charge in the rates.



## STRATEGIC FOCUS AREA THREE:

# WORKFORCE DEVELOPMENT



Employees are the most valuable asset in any organization. Increasing demands, rapidly increasing regulations, and an aging workforce, require water districts to have highly motivated employees that are committed to continuous learning and improvement.

## WORKFORCE DEVELOPMENT GOAL:

*Recruit, develop and retain a highly skilled and knowledgeable workforce that is experienced, up-to-date, innovative and loyal to the District and its customers.*

## OBJECTIVES:

- Conduct regular needs analysis to ensure adequate staffing levels, succession planning, and proper labor allocation to meet operational needs.
- Position the District as an employer of choice in this industry and this region.
- Implement effective Performance Management programs including performance assessments, employee recognition, and continuous feedback.
- Maintain education and training opportunities to ensure continuous improvement, leadership development and learning for all staff.
- Create a culture of excellence where we embody safe and efficient work practices.
- Ensure continuous Board development and participation in industry-related activities.



## STRATEGIC FOCUS AREA FOUR:

# FISCAL RESPONSIBILITY

Increasing costs of water, labor, supplies and energy, along with public scrutiny require that all public agencies be especially conscious of planning and managing their fiscal resources. It is critical that agencies have sound financial plans and make the best possible decisions for the sustainability of the District in service to its customers.

## FISCAL RESPONSIBILITY GOAL:

*Fiscally responsible, transparent and sustainable approaches to managing and forecasting the District's finances.*



## OBJECTIVES:

- Develop a Comprehensive Annual Financial Report (CAFR) in compliance with Government Financial Officers Association (GFOA) standards.
- Continue practice of budget preparation and documentation in compliance with Government Financial Officers Association (GFOA) standards.
- Continually assess appropriate reserve and investment policies to protect customers.
- Continue proper management of the Capital Improvement Program (CIP)
- Develop sustainable water rates
- Proactively manage and maintain sustainable employee benefits.
- Implement a Continuous Improvement Process for all district operations.



## STRATEGIC FOCUS AREA FIVE:

# CUSTOMER SERVICE



The primary purpose of RMWD is to provide reliable, quality water and water reclamation to our customers. Water customers expect and deserve the best service at the best value.

## CUSTOMER SERVICE GOAL:

*Provide top quality customer service by meeting customer needs, being responsive and providing timely communication. .*

## OBJECTIVES:

- Develop measurable metrics and gather feedback on customer interactions.
- Be known for top-quality customer service.
- Enhance and further develop the online bill pay experience and continually communicate bill pay options to customers.
- Enhance knowledge of customer service staff through industry specific training.
- Enhance the use of social media for outreach, promote a culture of being proactive and educating customers about our industry.

## STRATEGIC FOCUS AREA SIX:

# COMMUNICATION

Effective communication is the glue that keeps organizations working together and operating efficiently. In this age of information overload and competing technologies, it is more important than ever to ensure clear, concise and accurate communication, both within the organization and to the public. Effective communication ensures better understanding, improved teamwork and increased customer satisfaction.



## COMMUNICATION GOAL:

*Ensure effective communication and good working relationships within the region, our customers and staff.*

## OBJECTIVES:

- Continue use of newsletters, updated website, local advertisements, channel competence to respond accordingly to customers, (responsible, reliable, speed, and value)
- Enhance and improve educational programs in local school systems, including at the community college level.
- Develop useful and engaging internal communication methods to keep staff education about the District's plans, challenges and successes.



# CONTRIBUTORS

This Strategic Plan would not have been possible without participation from the Board of Directors and key members of the RMWD Staff. Each contributing party played an important and critical role in the planning process; sharing what they know about Rainbow Municipal Water District and its business operations. This collaborative process allowed the group to establish a clear and positive direction for the future of the District.

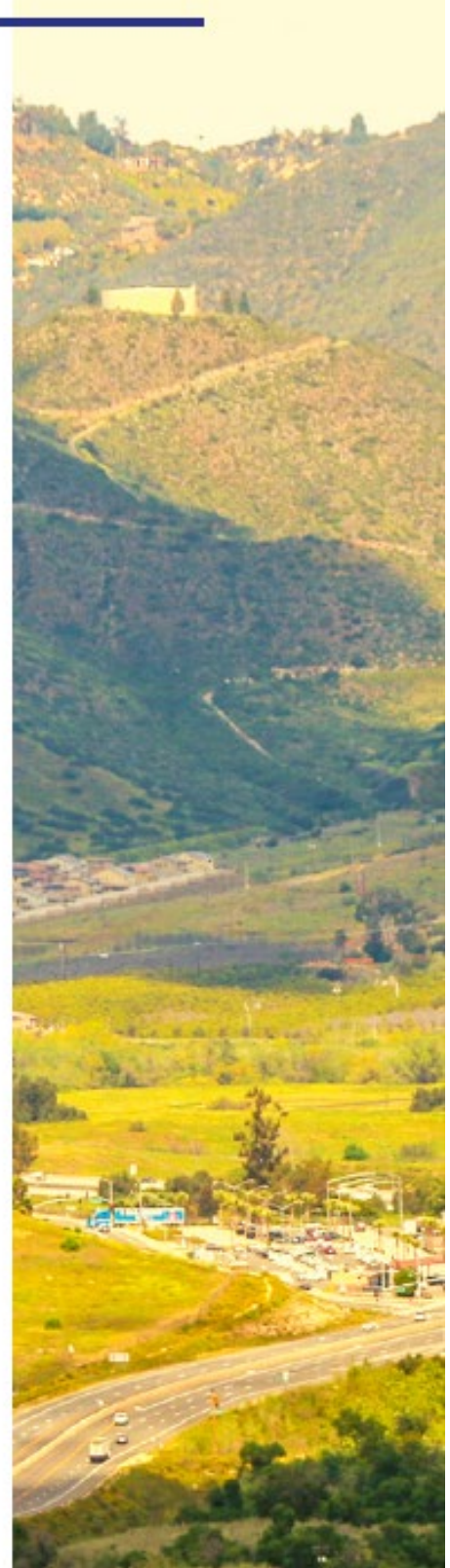
## MEMBERS INCLUDED:

### BOARD OF DIRECTORS

- Division 1: Pam Moss
- Division 2: Hayden Hamilton
- Division 3: Miguel Gasca
- Division 4: Carl Rindfleisch
- Division 5: Michael Mack

## STRATEGIC PLANNING COMMITTEE:

- Tom Kennedy, General Manager
- Tracy Largent, Finance Manager
- Karleen Harp, Human Resources Manager
- Robert Gutierrez, Operations Manager
- Ahmed Khattab, IT Manager
- Chad Williams, Acting District Engineer



# STAFF

## ADMINISTRATION OFFICE

|                          |                  |
|--------------------------|------------------|
| General Manager:         | Tom Kennedy      |
| Executive Assistant:     | Dawn Washburn    |
| HR Manager:              | Karleen Harp     |
| Risk Management Officer: | Charmaine Esnard |
| HR Assistant:            | Claudia Ramirez  |

## FINANCE

|                        |                 |
|------------------------|-----------------|
| Finance Manager:       | Tracy Largent   |
| Senior Accountant:     | Renee Rubio     |
| Accounting Specialist: | Laura Martinez  |
| Purchase & Inventory:  | Chris Daugherty |
| District Services Rep: | Amanda Holtz    |

## CUSTOMER SERVICE

|                        |   |
|------------------------|---|
| Supervisor:            | Cynthia Gray  |
| Customer Service Reps: | Leslie Mondragon<br>Corynn Stalker<br>Katherine Kilmer<br>Joshua Cruz |

## ENGINEERING

|                          |                |
|--------------------------|----------------|
| Acting Engineering Mgr:  | Chad Williams  |
| Associate Engineer:      | Michael Powers |
| Engineering Tech II:     | Delia Rubio    |
| Engineering Project Mgr: | Malik Tamimi   |
| Senior Eng. Inspector:   | Ryan Stockton  |

## INFORMATION TECHNOLOGY

|                             |               |
|-----------------------------|---------------|
| I.T. Manager:               | Ahmed Khattab |
| Information Sys Specialist: | Freddy Espino |
| Tech Services Lead:         | Ed Bradley    |
| Electrical Technician:      | Mark Cline    |

## FIELD OPERATIONS

|                     |                  |
|---------------------|------------------|
| Operations Manager: | Robert Gutierrez |
| Fleet Mechanic:     | Rene Del Rio     |

## CONSTRUCTION & MAINTENANCE

|                  |  |
|------------------|--|
| Supervisor:      | Esaud Lagunas  |
| Lead:            | Wayne Nault  |
| Utility Workers: | Justin Demary<br>Thomas Sjuneson<br>Michael Gonzalez<br>Bernardo Nunez<br>Dennis Mendez<br>Bryan Ortiz<br>Alex Dagondon<br>Luis Martinez |

## WATER OPERATIONS

|                   |  |
|-------------------|--|
| Supervisor:       | Steve Coffey   |
| Lead:             | Bryan Rose   |
| System Operators: | Chris Heincy<br>Jerry Kraft<br>Gerardo Cancino<br>Ricardo Zaragoza |
| Utility Workers:  | Chuck Faust<br>Scott Simpson                                       |

## WASTEWATER

|                  |  |
|------------------|--|
| Superintendent:  | Ramon Zuniga                                 |
| Utility Workers: | Ruben Lopez<br>Chris Hand<br>Victor Veenstra |

## METERS

|                  |   |
|------------------|---|
| Supervisor:      | Mark Wilson   |
| Utility Workers: | Kenny Diaz<br>Clem Taylor<br>Chris Hoelscher<br>David Hill<br>Carlos Ramos<br>Victor Tornero<br>Jesus Hernandez |

# FINANCIAL POLICIES

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# RESERVE SUMMARY

## RATE STABILIZATION RESERVE

As part of the District's Potable Water Cost of Service Study, an evaluation was made as to whether it would be beneficial to ratepayers to establish a Rate Stabilization Fund. The Board of Directors established the Rate Stabilization Fund January 1, 2016, and directed staff to bring the balance to the policy requirement equal to 10% of the annual water revenues within a five-year period. Funds for this reserve will be set aside to prevent rate hikes that are caused by unexpected changes in water demand.

This policy is typical to mitigate the disruption of a rapid decline in revenues. Utilities with higher risk of revenue vulnerability due to the potential loss of customers or the rapid reduction in service purchases establish reserves (also sometimes called contingency reserves) to cover sudden, un-forecasted revenue shortfalls. The term "rainy day fund" has been given new meaning for water districts that have grown accustomed to revenue from residential irrigation and are at risk of experiencing significant declines in revenue during a particularly wet and rainy weather season. These reserves may also be labeled "rate stabilization reserves" in the sense that they protect against rates being raised to adapt to sudden unexpected usage reductions.

Some "rate stabilization reserves", however, are much more about planned revenue smoothing than contingency planning. Water districts with robust finance plans and rate models sometimes look towards the future and identify when rate increases are needed to meet costs. In some cases, the future can look quite bumpy with large projects going online at the same time as a low sales year. In an effort to prepare for the future, many water districts are turning towards "rate stabilization reserves" to mitigate the size of a rate increase in a given year.

FY 2015-16 and FY 2018-19 were two of the sharpest declines in water demand for the District since inception. The culprits to the reduction of demand are two-fold, one being the conservation restriction in 2015-16, and the second being the excessive amount of rain in 2018-19. The district planned to start funding the rate stabilization fund in FY 2015-16, however there wasn't a sufficient amount of funds to transfer to this reserve. The fund was later funded at the end of FY 2017-18. In FY 2020-21 the reserve was used to fund operations due to a decline in revenues directly resulting from the downward trend in demand since FY 2015-16. During the FY 2021-22 budget process a Cost-of-Service Study was done to determine the rates needed to fund the Rate Stabilization Reserve. A 5-yr Financial Plan was then created with the goal of reestablishing the Rate Stabilization Reserve by FY 2025-26.

## **OPERATING RESERVE**

Operating reserves are specifically set aside by board policy and are required to be unrestricted surpluses that are liquid (as opposed to invested in fixed assets) and thus available for use at the discretion of our Board of Directors. It is used to stabilize finances by providing reserves for unexpected cash flow shortages, expense or losses. These might be caused by delayed payments, unexpected infrastructure repairs, or economic conditions.

Reserves should not be used to make up for income shortfalls, unless the District has a plan to replace the income or reduce expenses in the near-term future. In short, reserves should be used to solve timing problems, not deficit problems. Since operating reserves are most valuable if they are reliable, an important factor in using reserves is also having a realistic plan to replenish them. Operating reserves should not be used to cover a long-term or permanent income shortfall. Reserves can allow the District to weather serious bumps in the road by buying time to implement new strategies. To be prudent, reserves should be used to solve temporary problems, not structural financial problems. Usually, though, reserves are built up over time by generating an unrestricted surplus and intentionally designating a portion of the excess cash as a reserve fund.

Most standards are based on a formula to have enough unrestricted cash to cover operating expenses for a number of months. At the high end, reserves should not exceed the amount of two years' budget. At the low end, reserves should be enough to cover at least one full payroll including taxes. The District's operating reserve balance is limited to two months of budgeted operating expenses as determined by the monthly average of budgeted operating expenses (does not include the cost of water or depreciation). Keep in mind that generic target amounts for reserves don't take some important variables into account, such as the stability of the District's cash receipts. The district must factor in these considerations when setting an operating reserve target. The goal for operating reserves will change, too, when income or expenses become less reliable or predictable because of internal or external changes. Based on the proposed budget, the operating reserve should be set at minimum of approximately \$2M according to the Reserve policy.

## **Capital Reserve**

The District maintains five Capital Reserve Funds: New Water Sources Reserve (Fund 26), Water Capital Projects (Fund 60), Wholesale Water Efficiency Capital Projects (Fund 62), Wastewater Replacement (Fund 52), and Wastewater Expansion (Fund 53). The Board took action on 9/7/2005 to discontinue the funding of the Water Replacement and Water Expansion funds and combine those funds into the Water Capital Projects Fund. Capital Reserves will be used to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Capital Budget as well as the Water and Wastewater Master Plans. Capital Reserves are funded by cash collected from water and sewer capacity charges (new connections). The Capital Reserves

receive additional funding from surpluses generated by water and wastewater operations (excess of revenues over expenses before depreciation). Anticipated Capital reserve deficiencies will be funded by transfers of budgeted surplus which may result from increased rates. Amounts accumulated in excess of both the Operating Reserve limits and Capital Reserve needs may be used, subject to Board approval and public hearing, to lower rates to curtail increasing trends in the reserve funds.

### **Liability Self Insurance Reserve**

The Liability Self Insurance Reserve was established to pay the self-insurance (deductibles) portion of large or excessive liability claims. Board action has set this fund at \$100,000.00. Use of these funds requires approval by the RMWD Board. Reserve deficiencies are determined and replenished annually during the budget process.

### **Debt Service Reserve**

Debt Service Reserves are established by the Trust Agreement for long-term borrowings. The reserve generally represents one year of principal and interest payments of the debt. The Debt Service Reserve is held and controlled by the Trustee as named in the bond Trust Agreement.

### **New Water Sources Reserve**

The New Water Sources Reserve, established by the RMWD Board, sets aside funds to study and acquire alternate water sources for the purpose of reducing the District's reliance on imported water. The reserve is funded by the Water Services portion of the Standby Charge collected by the San Diego County Tax Collector from all parcels within the District.

# BASIS OF BUDGET AND ACCOUNTING

A major element of financial data activity rests in the act of budgeting. Budgeting is the process of allocating finite resources to the prioritized needs of the District. The budget represents the legal authority to spend money. Adoption of the District's budget implies that a set of decisions has been made by the Board of Directors and administrators that culminates in matching District's resources with the needs. As such, the budget is a product of the planning process.

The budget also provides an important tool for the control and evaluation of sources and the uses of resources. Using the accounting system to enact the will of the board, administrators are able to execute and control activities that have been authorized by the budget and to evaluate financial performance on the basis of comparisons between budgeted and actual operations. Thus, the budget is implicitly linked to financial accountability and relates directly to the financial reporting objectives established by the GASB.

The planning and control functions inherent to any organization, underscore the importance of sound budgeting practices for the following reasons:

- The services provided by Rainbow Municipal Water District are not subject to competitive market forces. Thus, enacting and adhering to the budget establishes restrictions in the absence of a competitive market.
- These services provided by RMWD are considered critical to the public health and welfare.
- The scope and diversity of operations for water and wastewater make comprehensive financial planning essential for good decision making.

The financial planning process is critical to the expression of citizen preferences and is the avenue for reaching consensus among stakeholders, directors of the board, and staff on the future direction of the District's operations.

The link between financial planning and budget preparation gives the budget document a unique role in the organization. Budgets in the public arena are often considered the definitive policy document because an adopted budget represents the financial plan used by the District to achieve its goals and objectives. The budget reflects:

- The prioritization of activities in which the District will be involved,
- The relative influence of various participants and advisory committees in the budget development process, and
- The District's plan for acquiring and using its resources.

Budgeting is an invaluable tool for both planning and evaluation. Budgeting provides a vehicle for translating goals and projects into financial resource plans-that is, developing a plan to meet performance goals should be directly linked to determining budgetary allocations. The link between goals and financial planning is critical to effective budgeting and enhances the evaluation of budgetary and accountability.

Performance evaluation allows stakeholders to hold directors and administrators in the District's organization accountable for their actions. Because accountability to citizens often is stated explicitly in state laws and state constitutions, it is a cornerstone of budgeting and financial reporting.

- Financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services.
- Financial reporting should demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget. It should also demonstrate compliance with other finance-related legal or contractual requirements.

Financial reporting should provide information to assist users in assessing the service efforts, costs, and accomplishments of the District.

Although some form of a balanced budget requirement is generally necessary to ensure long-term fiscal health in any organization, variations such as the use of fund balance reserves to pay for current services may be appropriate over a short period. Generally, however, all departures from this fundamental objective must be in accordance with applicable state and local laws and policies.

Finally, the budget is evaluated for its effectiveness in attaining the District's stated goals and objectives. Evaluation typically involves an examination of how funds were expended, the outcomes that resulted from the expenditure of funds, and the degree to which these outcomes achieved the stated objectives. This phase is fundamental in developing the subsequent year's budgetary allocations. In effect, budget preparation not only is an annual exercise to determine the allocation of funds, but also is part of a continuous cycle of planning and evaluation to achieve the stated goals and objectives of the District.

## **ACCOUNTING POLICIES**

Rainbow Municipal Water District accounts for its financial transaction in accordance with the policies and procedures of the Irrigation District Law, now Division 11 of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).



The District reports its activities as an enterprise fund, which is used to account for operations that financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water and wastewater to its customers on a continuing basis be financed or recovered primarily through user charges (water and wastewater sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow took place.

Operating revenues and expenses are generated and incurred through the water and wastewater sales activities to the District's customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

## **DEPOSITS AND INVESTMENTS**

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with maturities of ninety days or less from the date of purchase. These include cash on hand, cash held in the restricted assets accounts, and the Local Agency Investment Fund.

The District's investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the foregoing investments, and the Local Agency Investment Fund.

State statutes require all deposits be insured or collateralized. Depositories holding public funds on deposit are required to maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10 to 50 percent in excess of the total amount of all public funds on deposit.

## **INVENTORY AND CAPITAL ASSETS**

Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$10,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u>   | <u>Estimated Useful Lives</u> |
|----------------------|-------------------------------|
| Buildings            | 10-50                         |
| Water Systems        | 10-50                         |
| Improvement of sites | 7-25                          |
| Equipment            | 5-10                          |

# BUDGET CALENDAR

2022/2023

| <u>Date</u>     | <u>Task</u>  |
|-----------------|--|
| March           | Calculate projections of Wage & Benefits for all personnel, including COLA's and merit increases. Preliminary staffing analysis.   |
| 03/08/22        | Review the budget calendar with the Budget and Finance Committee.  |
| 03/14/22        | Discuss the budget process and distribute the budget calendar at the Senior Staff Meeting.   |
| 03/15/22        | Distribute YTD departmental expense report and schedule budget meetings with the Departments for late-March. Worksheets provided to departments for proposal of expenditure budget with justification for proposed expenditures. |
| 03/22/22        | Implement fiscal impacts associated with annual <b>updates to the Strategic Plan</b> into the Operating and Capital Budgets.   |
| 03/28/22        | Budget meetings with Senior Staff begin. <i>(Managers-verify your staff comes prepared to these meetings with FY 22/23 budget amounts and justification.)</i>  |
| 4/4/22-4/8/22   | Update Department worksheets with Salaries & Operating Costs.  |
| 04/12/22        | Review preliminary budget status/assumptions and 5-year CIP with the <b>Budget &amp; Finance Committee</b> .   |
| 4/11/22-4/15/22 | Update Rate Model with Preliminary Operating & Capital Budgets.  |
| 04/29/22        | Departmental Narrative Summaries, Staffing Analysis, and any other budget related documents due from Department Managers.  |
| 05/02/22        | Implement fiscal impacts associated with annual updates to the Staffing Analysis and Negotiations into the Operating and Capital Budgets.  |
| 05/04/22        | Review preliminary 5-year Capital Improvement Plan (CIP) with the <b>Engineering &amp; Operations Committee</b> .  |

- 05/10/22 Review preliminary budget status/assumptions and 5-year CIP with the **Budget & Finance Committee**.
- 06/14/22 **Draft of the Budget is reviewed by the Budget & Finance Committee.** After budget is reviewed and updated, per input received from discussion, a copy of the draft is provided to the Board of Directors.
- 06/28/22 Final budget recommendation is presented to Board of Directors for adoption.
- 07/25/22 Publish Adopted Budget Book

# DESCRIPTION OF MAJOR FUNDS

| <u>Fund Name</u> | <u>Fund</u> | <u>Description</u> |
|------------------|-------------|--------------------|
|------------------|-------------|--------------------|

**Water Operating Fund - 01**

The purpose of this fund is to track receipt of water revenues and expenditures for day-to-day water-related operations, including customer billing, water purchases and to provide funding in case of water-related operating emergencies and unforeseen circumstances. It includes cost centers: Pumping, Water Operations, Valve Maintenance, Water Distribution, & Meters.

**Sewer Operating Fund - 02**

The purpose of this fund is to track receipt of wastewater revenues and expenditures for day-to-day wastewater related operations, including customer billing, contractual payments to the City of Oceanside for treatment of sewage and to provide funding in case of wastewater related operating emergencies and unforeseen circumstances. This fund only includes the Wastewater cost center.

**General Operating Fund - 03**

The purpose of this fund is used to account for general operations and activities not requiring the use of other funds. This includes the cost centers that provide day to day administrative duties for the District which are: Executive Administration, Human Resources, Safety, Finance, Customer Service, and Engineering.

**Rate Stabilization Fund - 05**

The purpose of this fund is to mitigate rate impacts from changes in water demand. The reserve should equal to 10% of annual water revenues. The fund was established on January 1, 2016. Funds for this reserve will come from water rates and charges.

**Wastewater Replacement Capital Fund - 52**

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital replacement projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

**Wastewater Expansion Capital Fund - 53**

The purpose of this fund is used to provide funding for the District's long-term wastewater related capital expansion projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). The Sewer Allocation Plan determines the portion of the capacity fee that will be used for infrastructure repair, rehabilitations, and replacement projects.

**Water Capital Fund - 60**

The purpose of this fund is to provide funding for the District's long-term water related capital improvement projects. It is funded by the cash collected for water capacity charges and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.



**Wholesale Water Efficiency Capital Fund - 62**

The purpose of this fund is to provide funding for the District’s wholesale water efficiency related capital projects. It is funded by debt issued by Western Alliance Bank at 4.02% interest. These projects will eliminate the transportation cost of \$175 per acre foot of water, increase redundancy during shutdowns, eliminate rental costs, and eliminate the need for temporary pump rentals in the event of a SDCWA shutdown.

# REVENUE AND EXPENSE ASSUMPTIONS

## Water Revenue Assumptions

Water Operating Fund sales are the largest source of District revenues, with the majority of sales, approximately 66%, for agricultural use, 26% for residential customers and 8% for commercial and construction customer classes.

The current water rate structure of the District consists of two main components: a monthly meter charge and variable water charges. The rates for the monthly meter charge vary by meter size, whereas the variable charges vary by customer class and water usage. The following tables summarize the current rate structure. Table 1-1 identifies the current monthly meter charges, by meter size. Table 1-2 identifies the current variable charges by customer class.

**TABLE 1-1**

| Water Fixed Charges                                      |            |            |                    |                     |                |            |            |                    |                     |                |            |            |                    |                     |
|--|------------|------------|--------------------|---------------------|----------------|------------|------------|--------------------|---------------------|----------------|------------|------------|--------------------|---------------------|
| Single Family, Multi-Family, Commercial, & Institutional |            |            |                    |                     | Agricultural   |            |            |                    |                     | PSAWR          |            |            |                    |                     |
| Capacity Class   | Meter Size | RMWD O & M | Fixed Pass Through | Total Fixed Charges | Capacity Class | Meter Size | RMWD O & M | Fixed Pass Through | Total Fixed Charges | Capacity Class | Meter Size | RMWD O & M | Fixed Pass Through | Total Fixed Charges |
| A  | 5/8"       | \$37.59    | \$31.02            | <b>\$68.61</b>      | A              | 5/8"       | \$84.94    | \$31.02            | <b>\$115.96</b>     | A              | 5/8"       | \$84.94    | \$14.02            | <b>\$98.96</b>      |
| B  | 3/4"       | \$37.59    | \$31.02            | <b>\$68.61</b>      | B              | 3/4"       | \$84.94    | \$31.02            | <b>\$115.96</b>     | B              | 3/4"       | \$84.94    | \$14.02            | <b>\$98.96</b>      |
| C  | 1"         | \$62.65    | \$51.70            | <b>\$114.35</b>     | C              | 1"         | \$141.57   | \$51.70            | <b>\$193.27</b>     | C              | 1"         | \$141.57   | \$23.37            | <b>\$164.93</b>     |
| D  | 1 1/2"     | \$125.30   | \$103.40           | <b>\$228.70</b>     | D              | 1 1/2"     | \$283.13   | \$103.40           | <b>\$386.53</b>     | D              | 1 1/2"     | \$283.13   | \$46.73            | <b>\$329.87</b>     |
| E  | 2"         | \$200.48   | \$165.44           | <b>\$365.92</b>     | E              | 2"         | \$453.01   | \$165.44           | <b>\$618.45</b>     | E              | 2"         | \$453.01   | \$74.77            | <b>\$527.79</b>     |
| F  | 3"         | \$438.55   | \$361.90           | <b>\$800.45</b>     | F              | 3"         | \$990.97   | \$361.90           | <b>\$1,352.87</b>   | F              | 3"         | \$990.97   | \$163.57           | <b>\$1,154.53</b>   |
| G  | 4"         | \$789.39   | \$651.42           | <b>\$1,440.81</b>   | G              | 4"         | \$1,783.74 | \$651.42           | <b>\$2,435.16</b>   | G              | 4"         | \$1,783.74 | \$294.42           | <b>\$2,078.16</b>   |
| H  | 6"         | \$1,628.90 | \$1,344.20         | <b>\$2,973.10</b>   | H              | 6"         | \$3,680.73 | \$1,344.20         | <b>\$5,024.93</b>   | H              | 6"         | \$3,680.73 | \$607.53           | <b>\$4,288.27</b>   |

**TABLE 1-2**

| Water Variable Charges    |            |                           |            |
|---------------------------|------------|---------------------------|------------|
| Customer Class            | Rate/Unit* | Customer Class            | Rate/Unit* |
| Single Family Residential | \$ 5.00    | Agriculture w/Residence   | \$ 4.13    |
| Multi Family              | \$ 5.00    | Agriculture w/o Residence | \$ 4.13    |
| Commercial                | \$ 5.00    | PSAWR Domestic            | \$ 3.65    |
| Institutional             | \$ 5.00    | PSAWR Commercial          | \$ 3.65    |
| Construction              | \$ 5.00    |                           |            |

| Water Pumping Charges**  |            |
|--------------------------|------------|
| Fixed Pumping Charges    |            |
| All Zones                | \$ 6.80    |
| Variable Pumping Charges |            |
| Pumping Zones            | Rate/Unit* |
| 1 Rainbow Heights        | \$ 0.97    |
| 2 ID U-1                 | \$ 0.60    |
| 3 Vallecitos             | \$ 0.34    |
| 4 Northside              | \$ 0.13    |
| 5 Morro Tank             | \$ 0.18    |
| 6 Huntley                | \$ 0.71    |
| 7 Magee Tank             | \$ 3.15    |

Each year, the Board of Directors approves the Budget as the District's foundational financial plan. It is a cash-based projection of revenues and expenditures needed for operations, maintenance, administration, debt service and capital improvements associated with delivering high-quality service to customers throughout the year. Specifically, the Budget incorporates

conservative revenue estimates, prudent spending plans, and a thorough review of necessary capital improvements to ensure the long-term sustainability of the District. In developing the budget, staff considered both internal and external factors including the economy, weather, regulatory requirements, and the condition and age of the District's infrastructure.

This year water sales have increased from the prior two years due to a particularly dry winter. It is predicted to be 15,000-acre feet in sales. Water sales have continued the years-long pattern of decline, despite the dry year. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY22, sales are predicted to be just under 15,000 acre-feet. While increased revenues from new service connections as a result of development can help soften the reduction in water sales, new service connections increased to 251 new water meters in FY22, compared to 113 in FY21, 265 in FY20, and 430 new sewer EDUs in FY22, compared to 72 in the previous year. The next two years we expect to see an increase in service connections with the completion of Citro developments.

An approach the District took with the new cost of service study is to be less susceptible to volatile revenues by increasing the distribution of fixed revenues. The last few years were the lowest water sales since the inception of the District, barely recovering cost. If variable sales persist at this reduced level, the District would not be able to sustain repeated years of cost recovery that fails to appropriately contribute to capital reserve levels for much needed capital projects. As such, the direction the Board took was to reduce the reliance on variable revenue steadily over the next few years.

Fixed revenue estimated for FY 2022-23 includes the increase that was passed at the August 24, 2021 rate hearing, as well as additional growth; they also include the pass-through water rate increases from the San Diego Water Authority effective January 2023, which impact the budget year for half the year. This will result in a much-needed change in projected fixed revenues over the prior year, after going nearly three years without a district rate increase. The prior two years sales ranged between 13,000 and 16,000-acre feet, and as a conservative approach, 13,500-acre feet has been projected for the upcoming budget year.

The volumetric variable estimated sales by customer class will be based on the projected demand for the upcoming Fiscal Year. For the agricultural customers that are not on the PSAWR program, it is estimated for them to consume 3,058 acre feet of water without residence and 2,139 with residence in Fiscal Year 2022-23. For the agricultural customers that are on the PSAWR program, we are estimating their usage to be at 3,522 acre feet of water. For both Single Family and Multi-Family combined, projections are at 3,670. Lastly, for the Commercial, Construction, and Institutional users, estimates are at 1,154.

The Rainbow O&M Fixed Charge is a service fixed charge per meter to recover some of the fixed costs such as meter related costs, customer related costs, and a portion of the capacity related cost, to provide a stable source of revenue independent of water consumption. The monthly fixed charge varies by customer class and by meter size.

The SDCWA O&M Monthly Fixed Charge is a pass-through fixed charge from SDCWA and MWD as a separated fixed charge. The District relies entirely on purchased water from SDCWA and these charges represent part of the costs of purchasing water which the District has no control. Annually, SDCWA increases their rates effective January, in which the District will be passing through all increases to the customer.

Other Water Services Revenues; including backflow fees, turn-on and reconnection fees, hydrant fees, plan check fees, NSF charges, and penalty fees, are projected based upon current fiscal year activity.

Rental and Lease Revenues are projected based upon contract agreements with various entities for use of the District's vacant land, as well as a lease agreement with Sprint Communication for use of space on facility grounds for their communication equipment.

Interest Income for the water and wastewater operating funds is projected based on an average yield for LAIF investments for the balance of our investment portfolio.

### **Water Expense Assumptions**

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 60% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 13,500 acre-feet of sales plus an estimated 3% of water loss to arrive at an estimated cost of \$23.7M of purchased water including fixed fees assessed by SDCWA.

Operating expenses have remained consistent from previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365. Under the current organizational structure, the span of control of the leadership team ranges from one direct report to fifteen direct reports.

Capital equipment purchases for operating funds are \$687,640. Of this, \$369,640 relates to replacement of ageing vehicles required to provide service in our rural service area.

Additionally, approximately \$12.1M of capital improvement projects are included in this year's proposed Water capital budget and \$10.3M in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.

Purchased Water includes the cost at the point of delivery of water purchased for resale. SDCWA fixed charges are the following categories: Readiness-to-Serve charge, Infrastructure Access Charge, Customer Service Charge, Capacity Reservation Charge, Emergency Storage, and Supply Reliability Charge. The total amount of SDCWA assessed fixed charges for the Fiscal Year 2022-23 is estimated to be at \$5.2M. In addition to the fixed charges there is the commodity rate for the water purchase and transportation cost. SDCWA is proposing a melded increase to their rates that will take effect January 2023. During the



District's noticing under the Proposition 218 compliance, language was included to allow the District to pass through to its customers any increase imposed on the District by SDCWA to avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply. Due to the planned detachment, the Rainbow board choose to hold the line on a rate increase since relief was on the way – even though SDCWA had raised fixed rates 6% for calendar year 2020. As of June 30, 2021, RMWD had absorbed approximately \$1M of rate increases that would have been passed through to customers. While our small but prudent reserves allowed us to provide this rate relief in the short term, it was not sustainable for multiple years. The Board of Directors approved a five year rate increase in August of 2021. Should detachment occur during this five year period, it is anticipated that the district will be able to pass multi year rate decreases. This will be dependent on the parameters placed on the detachment by LAFCO.

The District Board of Directors receives compensation for attendance at regular and board approved special meetings. The budget estimates that each director will be compensated for the eleven regular meetings and two special meetings. It is also budgeted for training and travel for educational purposes. Travel and training increased for all departments this year due to prior year budgets not being necessary during the Covid 19 pandemic.

The Pumping costs are maintained in a separate cost center in order to identify the specific costs of operating and maintaining the pumping equipment that pushes water to higher elevations within the district. The district identifies seven pumping zones to account for the cost and developed a discrete charge for customers in each zone. Labor expenses are charged to this cost center by various staff members when they are assigned to perform work in maintaining the pumping equipment. For budget purposes a 0.5 FTE staffing equivalent is calculated into the labor cost. The single largest expense item is the cost of the electricity and gas used by the pumps.

Water Operations is responsible for maintenance and testing of water quality with the six reservoirs and twelve water tanks. The water tanks are maintained by a long-term contract with Suez. The tank maintenance program ensures the tanks will remain in good operating condition for decades to come. Annually, Metropolitan and SDCWA schedule shutdowns for the major repair or upgrade of their pipelines. Shutdowns are scheduled but will not require Rainbow to shut down any of our systems due to use of temporary pumps that are rented by the district. The Wholesale water efficiency projects budgeted over the next two years will eliminate the need for temporary pumps. This avoids significant cost and inconvenience for the district.

Valve Maintenance is responsible for the maintenance, repair and replacement of nearly 5,000 valves within the district.

Water Distribution is responsible for the administration, construction and maintenance of 323 miles of water mainlines.

Meter Services performs all monthly meter reads as well as customer onsite response, backflow services and the Itron radio read meter installation program.

Garage Services performs the maintenance and repair of all district fleet vehicles. The district vehicles are typically kept in service based on age, mileage and or condition of the vehicle.

General Administration includes the General Manager, administrative support to the General Manager, insurance, legal, and miscellaneous supplies as needed.

Information Technology includes computer and software support, GIS maintenance, fraud prevention, SCADA monitoring and electrical maintenance.

Human Resources handles recruiting, workforce development, and employee benefits management.

Safety handles the design, deployment and administration of programs that promote employee safety. They also manage property & liability insurance as well as district paid claims.

Finance is responsible for the monitoring of overall financial stability of the District, audits, financial reporting, accounts payable, payroll, budgeting, billing, new meter connections, and inventory. The majority of expense in this department is labor related.

Customer Service performs all billing services and responds to customers' questions and concerns.

Engineering performs capital project management, engineering, and inspection services for the district.

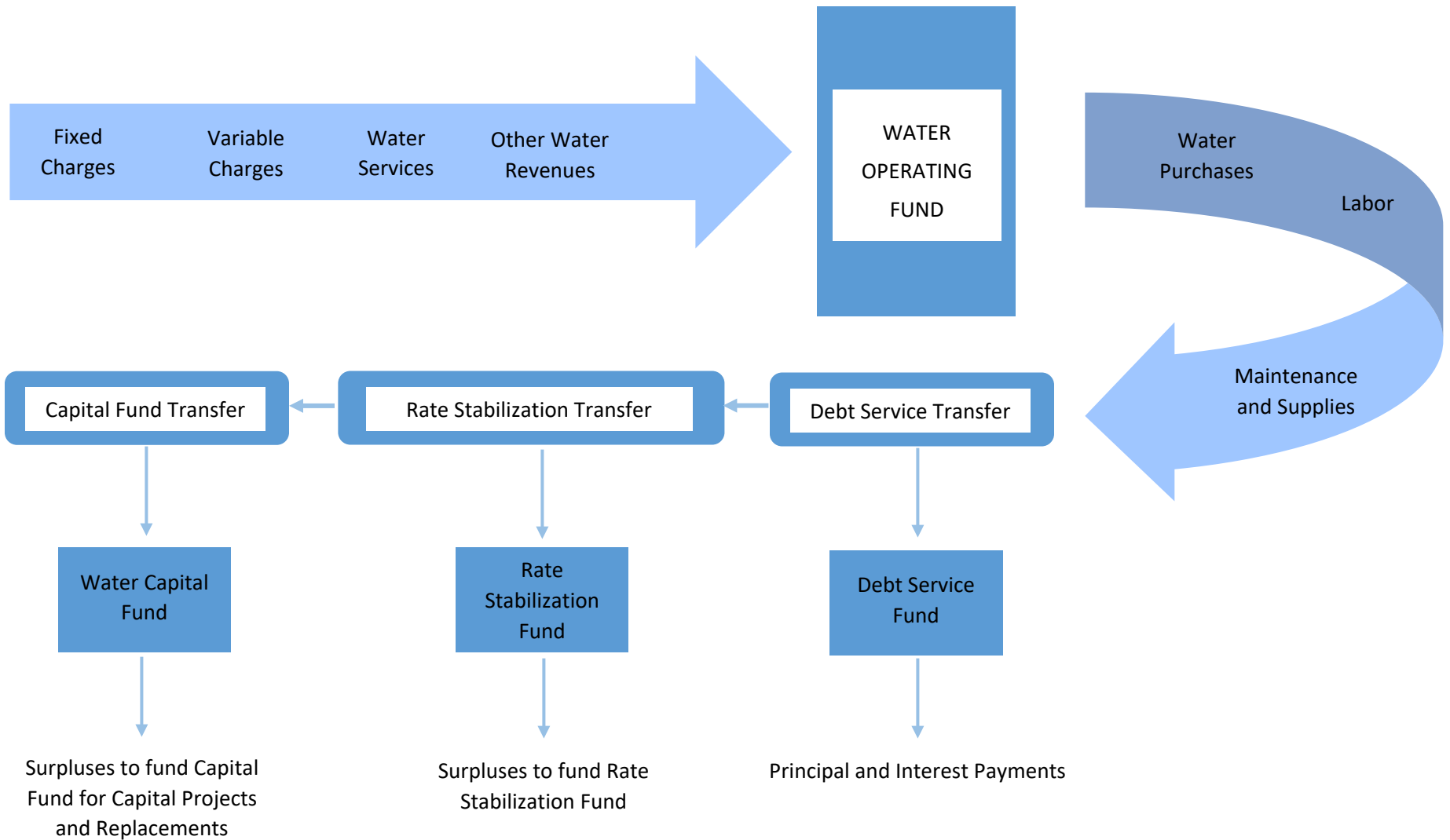
### **Wastewater Revenue Assumptions**

Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 5,617.22 Equivalent Dwelling Units (EDUs), a total of 3,198 wastewater accounts compared to approximately 8,778 water accounts. For wastewater rates, we changed the way the rates are calculated. In the past, we used the lowest winter water consumption to set wastewater rates. When we reviewed this data, we found that there was not a strong correlation between our costs to provide service and the lowest winter water consumption. It turns out that low winter consumption is based more on weather than the cost to provide wastewater service. In the revised structure, for residential use there is a flat fee per home, or equivalent dwelling unit (EDU). On average, our residential customers will see a reduction in their bill, but there will be some customers whose bills will increase. Commercial customers will see an increase in their bills as our review indicated that the cost to serve commercial customers, especially restaurants, is higher than our previous rates were collecting. Wastewater rates have not been raised in 5 years. A cost-of-service study will be done in FY 23 to assess the wastewater rates as the fund is currently operating at a loss.

Wastewater is responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.

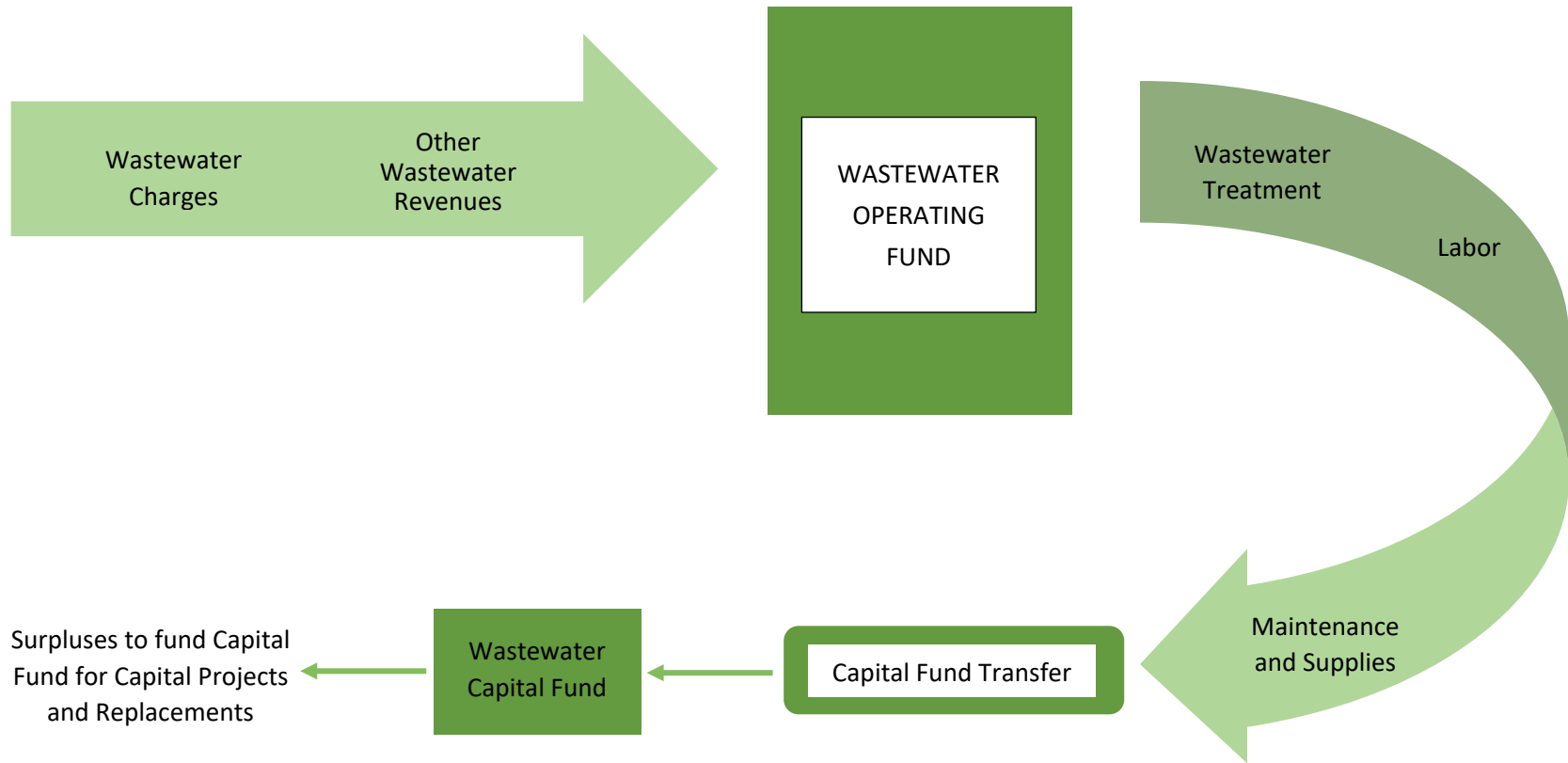
# FUNDS STRUCTURE

## WATER OPERATING FUND





# WASTEWATER OPERATING FUND



# OPERATING BUDGET

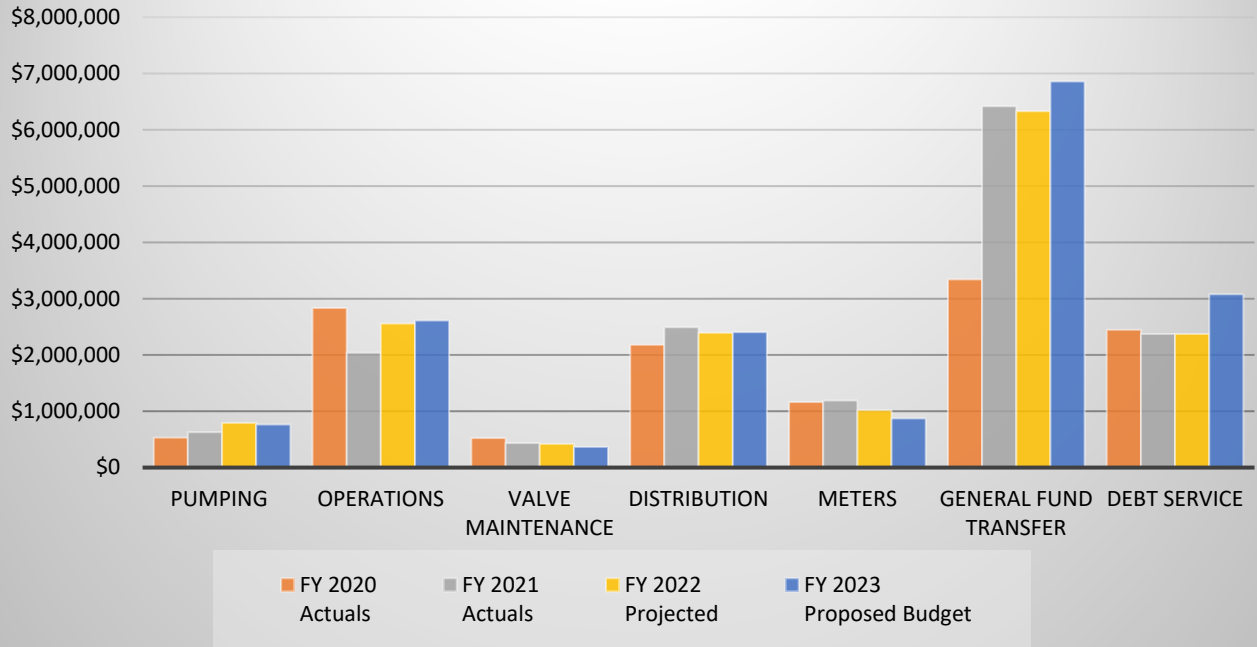
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# WATER FUND BUDGET SUMMARY

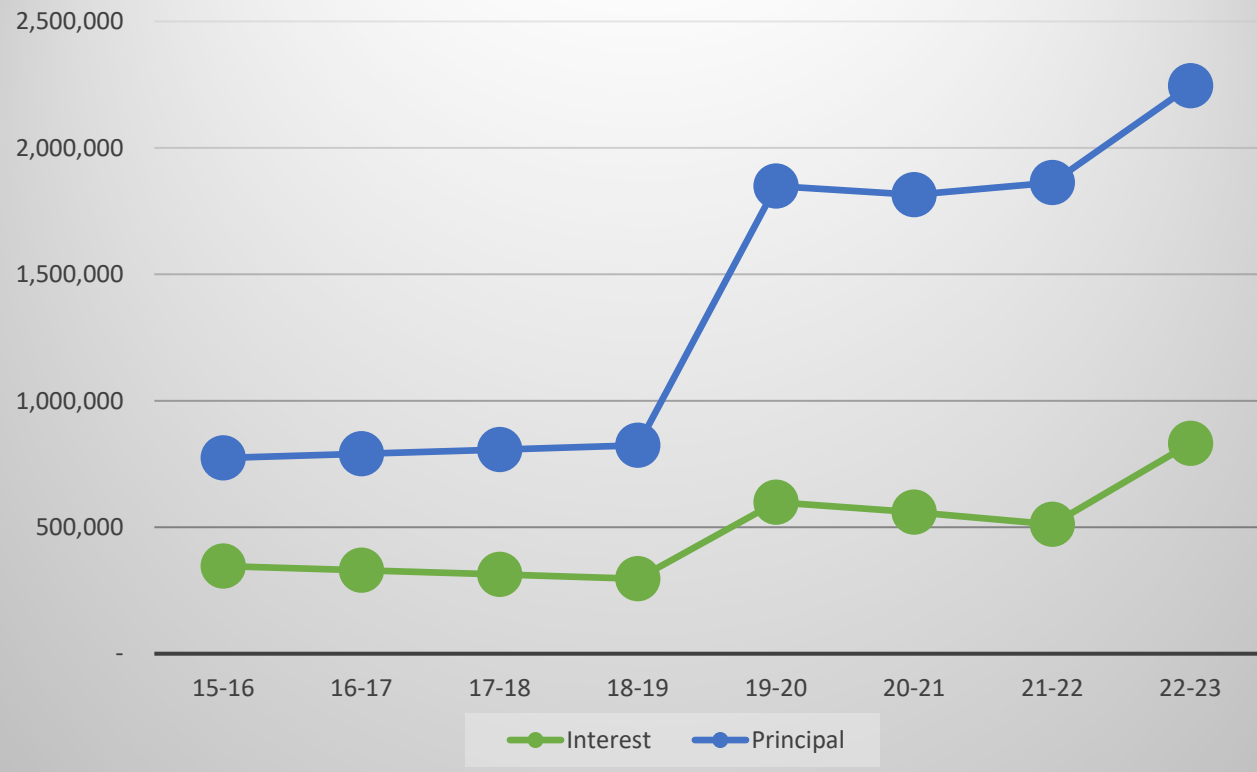
## Water Net

| Description                         | FY 2020<br>Actual   | FY 2021<br>Actual   | FY 2022<br>Budget   | FY 2022<br>Projected | FY 2023<br>Adopted  | FY22%<br>Change |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------|
| <b>Operating Revenues</b>           |                     |                     |                     |                      |                     |                 |
| Water Sales                         | \$33,151,021        | \$41,766,896        | \$40,234,126        | \$42,038,323         | \$43,655,604        | 9%              |
| Other Water Services                | 315,532             | 139,218             | 324,665             | 202,826              | 324,664             | 0%              |
| <b>Total Operating Revenues</b>     | <b>\$33,466,553</b> | <b>\$41,906,114</b> | <b>\$40,558,791</b> | <b>\$42,241,149</b>  | <b>\$43,980,268</b> | <b>8%</b>       |
| <b>Operating Expenses</b>           |                     |                     |                     |                      |                     |                 |
| Purchased Water                     | 21,917,914          | 25,916,888          | 22,985,877          | 24,280,021           | 23,701,080          | 3%              |
| Pumping                             | 530,777             | 627,399             | 741,756             | 794,515              | 765,164             | 3%              |
| Operations                          | 2,834,726           | 2,039,649           | 2,290,432           | 2,558,427            | 2,612,699           | 14%             |
| Valve Maintenance                   | 522,686             | 434,169             | 481,133             | 421,804              | 368,077             | -23%            |
| Construction                        | 2,180,808           | 2,493,042           | 2,216,005           | 2,394,417            | 2,405,684           | 9%              |
| Meters                              | 1,163,331           | 1,190,147           | 1,142,892           | 1,018,259            | 874,243             | -24%            |
| General Fund Transfer               | 3,343,424           | 6,418,308           | 6,328,342           | 6,328,342            | 6,859,307           | 8%              |
| <b>Total Operating Expenses</b>     | <b>\$32,493,666</b> | <b>\$39,119,602</b> | <b>\$36,186,436</b> | <b>\$37,795,785</b>  | <b>\$37,586,254</b> | <b>4%</b>       |
| <b>Non-Operating Revenues</b>       |                     |                     |                     |                      |                     |                 |
| Investment Income                   | 2,553               | 458                 | -                   | 100,000              | 100,000             | 0%              |
| Property Tax Revenue                | 410,029             | 438,511             | 620,000             | 621,041              | 650,000             | 5%              |
| Other Non-Operating Revenue         | 104,123             | 1,351,637           | 106,000             | 1,012,901            | 106,000             | 0%              |
| <b>Total Non-Operating Revenues</b> | <b>\$ 516,705</b>   | <b>\$ 1,790,606</b> | <b>\$ 726,000</b>   | <b>\$ 1,733,942</b>  | <b>\$ 856,000</b>   | <b>18%</b>      |
| <b>Non-Operating Expenses</b>       |                     |                     |                     |                      |                     |                 |
| Debt Service                        | 2,447,793           | 2,374,827           | 2,374,594           | 2,374,594            | 3,077,414           |                 |
| <b>Total Non-Operating Expenses</b> | <b>\$ 2,447,793</b> | <b>\$ 2,374,827</b> | <b>\$ 2,374,594</b> | <b>\$ 2,374,594</b>  | <b>\$ 3,077,414</b> | <b>30%</b>      |
| <b>CHANGE IN NET POSITION</b>       | <b>\$ (958,201)</b> | <b>\$ 2,202,291</b> | <b>\$ 2,723,761</b> | <b>\$ 3,804,713</b>  | <b>\$ 4,172,601</b> |                 |

## Water Operating Expenses



## Debt Service



# WATER FUND BUDGETED REVENUES

## WATER REVENUE

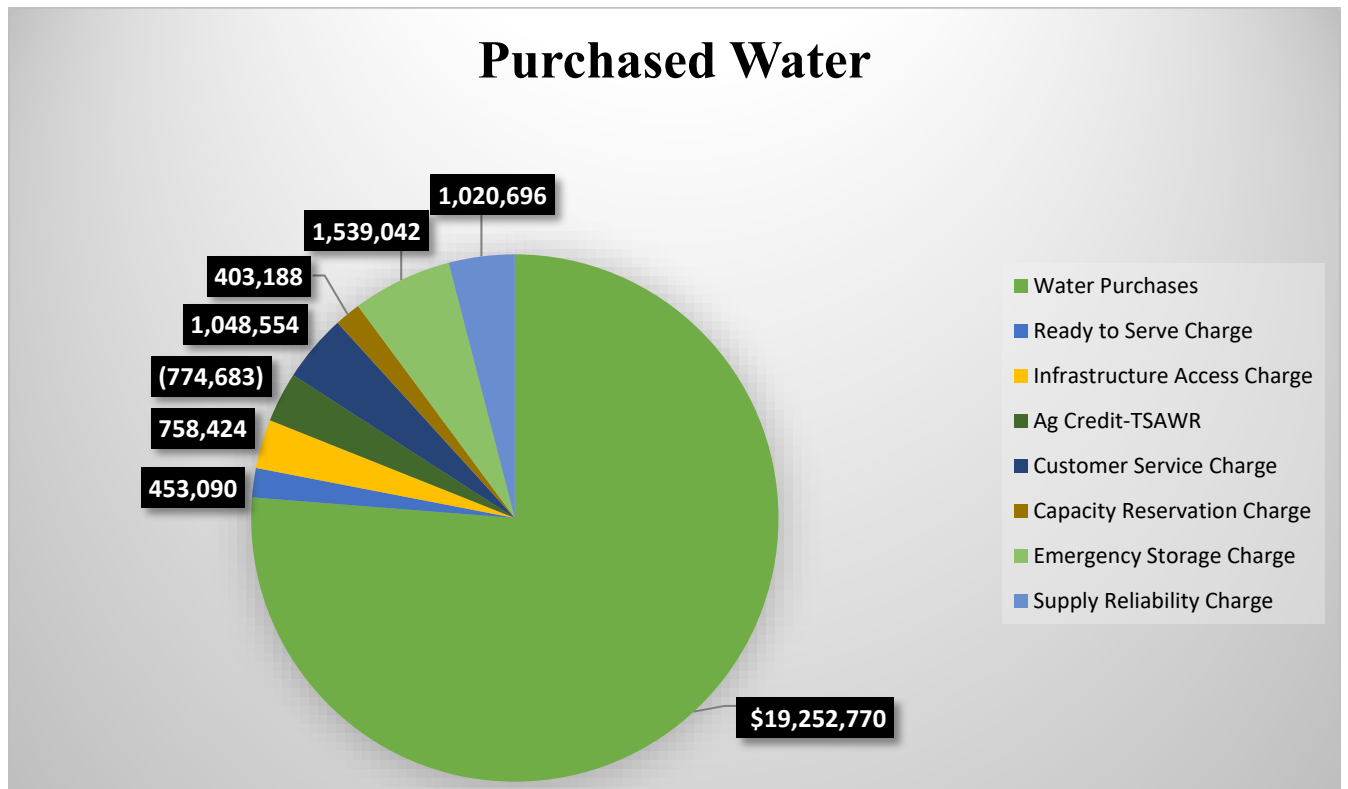
| GL Account                          | Description                | FY 2020<br>Actual   | FY 2021<br>Actual   | FY 2022<br>Budget   | FY 2022<br>Projected | FY 2023<br>Adopted  | FY22%<br>Change |
|-------------------------------------|----------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------|
| 01-99-41110                         | Water Sales-SF, MF, CM, IS | \$7,615,763         | \$9,919,500         | \$9,624,692         | \$9,085,901          | \$10,427,223        | 8%              |
| 01-99-41120                         | Water Sales-Ag. Domestic   | 980,383             | 1,412,186           | 1,078,144           | 4,036,254            | 4,018,492           | 273%            |
| 01-99-41160                         | Water Sales- Agriculture   | 3,485,134           | 4,141,221           | 3,961,854           | 5,772,256            | 5,745,822           | 45%             |
| 01-99-41170                         | Water Sales-Construction   | 114,888             | 584,430             | 79,300              | 429,065              | 542,306             | 584%            |
| 01-99-41180                         | Water Sales - TSAWR Com    | 4,582,146           | 4,676,021           | 3,790,189           | 3,368,936            | 2,535,668           | -33%            |
| 01-99-41190                         | Water Sales- TSAWR Dom     | 3,224,834           | 6,109,637           | 5,204,097           | 4,080,196            | 3,063,630           | -41%            |
| 01-99-42120                         | O&M Charges-RMWD           | 7,651,130           | 8,668,323           | 10,349,497          | 8,995,337            | 10,574,720          | 2%              |
| 01-99-42121                         | O&M Charges-CWA            | 4,590,501           | 5,238,813           | 5,242,912           | 5,362,716            | 5,846,502           | 12%             |
| 01-99-42130                         | Readiness-To-Serve Rev     | 295,131             | 296,550             | 295,130             | 296,550              | 295,130             | 0%              |
| 01-99-42140                         | Pumping Charges            | 611,112             | 720,215             | 608,312             | 611,112              | 606,112             | 0%              |
| 01-99-43101                         | Operating Inc Unlock Fees  | -                   | 50                  | 5,000               | 50                   | 5,000               | 0%              |
| 01-99-43104                         | Operating Inc. RP Charges  | 239,327             | 28,414              | 245,665             | 28,414               | 245,665             | 0%              |
| 01-99-43110                         | Operating Inc Inspections  | 44,295              | 67,215              | 20,000              | 129,123              | 20,000              | 0%              |
| 01-99-43111                         | Operating Inc Install-Hyd  | 2,070               | 5,175               | 2,000               | 5,175                | 2,000               | 0%              |
| 01-99-43114                         | Operating Inc-Misc.        | -                   | 4,910               | 7,000               | 4,910                | 7,000               | 0%              |
| 01-99-43116                         | New Meter/Install Parts    | 29,760              | 32,035              | 40,000              | 32,035               | 40,000              | 0%              |
| 01-99-43117                         | Notice Delivery Revenue    | 80                  | 1,419               | 5,000               | 1,419                | 5,000               | 0%              |
| <b>Total Operating Revenues</b>     |                            | <b>\$33,466,553</b> | <b>\$41,906,114</b> | <b>\$40,558,791</b> | <b>\$42,241,149</b>  | <b>\$43,980,269</b> | <b>8%</b>       |
| 01-00-49102                         | Non-Operating Inc-NSF Fees | -                   | -                   | 3,000               | -                    | 3,000               | 0%              |
| 01-00-49107                         | Recycling Revenue          | 5,897               | 12,901              | 8,000               | 12,901               | 8,000               | 0%              |
| 01-00-49109                         | Miscellaneous Revenue      | 98,226              | 1,338,736           | 95,000              | 1,000,000            | 95,000              | 0%              |
| 01-00-49200                         | Interest Revenues          | 2,553               | 458                 | -                   | 100,000              | 100,000             |                 |
| 01-00-49301                         | Property Tax Revenue       | 410,029             | 438,511             | 620,000             | 621,041              | 650,000             | 5%              |
| <b>Total Non-Operating Revenues</b> |                            | <b>\$ 516,705</b>   | <b>\$ 1,790,606</b> | <b>\$ 556,000</b>   | <b>\$ 1,733,942</b>  | <b>\$ 856,000</b>   | <b>54%</b>      |
| <b>TOTAL WATER REVENUES</b>         |                            | <b>\$33,983,258</b> | <b>\$43,696,720</b> | <b>\$41,114,791</b> | <b>\$43,975,091</b>  | <b>\$44,836,269</b> | <b>9%</b>       |



# WATER FUND BUDGETED EXPENSES

## PURCHASED WATER

| GL Account                   | Description           | FY 2020 Actual      | FY 2021 Actual      | FY 2022 Budget      | FY 2022 Projected   | FY 2023 Adopted     | FY22% Change |
|------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 01-99-50001                  | Water Purchases       | \$18,045,733        | \$21,771,163        | \$18,917,958        | \$19,986,659        | \$19,252,770        | 2%           |
| 01-99-50003                  | Water in Storage      | (121,495)           | 136,725             | -                   | -                   | -                   | 0%           |
| 01-99-50005                  | Ready to Serve        | 503,754             | 493,806             | 466,806             | 498,780             | 453,090             | -3%          |
| 01-99-50006                  | Infrastructure Access | 579,672             | 694,944             | 751,044             | 694,944             | 758,424             | 1%           |
| 01-99-50008                  | Ag Credit-TSAWR       | (1,026,642)         | (1,241,399)         | (1,204,869)         | (1,009,721)         | (774,683)           | 36%          |
| 01-99-50010                  | Customer Service      | 1,085,054           | 1,091,801           | 1,065,960           | 1,109,124           | 1,048,554           | -2%          |
| 01-99-50011                  | Capacity Reservation  | 400,230             | 419,928             | 461,478             | 419,934             | 403,188             | -13%         |
| 01-99-50012                  | Emergency Storage     | 1,616,669           | 1,603,377           | 1,545,714           | 1,603,380           | 1,539,042           | 0%           |
| 01-99-50013                  | Supply Reliability    | 834,939             | 946,543             | 981,786             | 976,920             | 1,020,696           | 4%           |
| <b>Total Purchased Water</b> |                       | <b>\$21,917,914</b> | <b>\$25,916,888</b> | <b>\$22,985,877</b> | <b>\$24,280,021</b> | <b>\$23,701,080</b> | <b>3%</b>    |



**PUMPING EXPENSE**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 01-31-56101       | Regular Salaries                      | \$ 25,602                 | \$ 27,498                 | \$ 28,456                 | \$ 11,032                    | \$ 29,864                  | 5%                      |
| 01-31-56103       | Overtime & Comp Time                  | 2,797                     | 2,646                     | 500                       | 782                          | 1,000                      | 100%                    |
|                   | <b>Total Payroll Expenses</b>         | <b>\$ 28,399</b>          | <b>\$ 30,144</b>          | <b>\$ 28,956</b>          | <b>\$ 11,814</b>             | <b>\$ 30,864</b>           | <b>7%</b>               |
| 01-31-63100       | Equipment Maint. & Repair             | 23,379                    | 72,577                    | 56,500                    | 8,511                        | 57,000                     | 1%                      |
| 01-31-63401       | Building Maintenance                  | 17,463                    | 15,149                    | 11,000                    | 27,065                       | 4,000                      | -64%                    |
| 01-31-72000       | Supplies & Services                   | 23,026                    | 36,332                    | 195,000                   | 108,088                      | 33,000                     | -83%                    |
| 01-31-73000       | Small Tools & Equipment               | -                         | -                         | 300                       | -                            | 300                        | 0%                      |
| 01-31-78000       | Utilities - Electricity               | 438,511                   | 473,197                   | 450,000                   | 639,037                      | 640,000                    | 42%                     |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$ 502,378</b>         | <b>\$ 597,255</b>         | <b>\$ 712,800</b>         | <b>\$ 782,701</b>            | <b>\$ 734,300</b>          | <b>3%</b>               |
|                   | <b>TOTAL PUMPING EXPENSES</b>         | <b>\$ 530,777</b>         | <b>\$ 627,399</b>         | <b>\$ 741,756</b>         | <b>\$ 794,515</b>            | <b>\$ 765,164</b>          | <b>0%</b>               |

**OPERATIONS EXPENSE**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 01-32-56101       | Regular Salaries                      | \$842,651                 | \$713,272                 | \$510,902                 | \$654,004                    | \$548,660                  | 7%                      |
| 01-32-56103       | Overtime & Comp Time                  | 111,954                   | 128,312                   | 90,000                    | 97,234                       | 100,000                    | 11%                     |
| 01-32-56501       | Employer's Share SSI                  | 49,351                    | 38,621                    | 32,829                    | 34,158                       | 35,057                     | 7%                      |
| 01-32-56502       | Employer's Share Medicare             | 11,774                    | 9,969                     | 7,821                     | 8,614                        | 8,389                      | 7%                      |
| 01-32-56503       | Medical Insurance                     | 116,938                   | 96,285                    | 98,661                    | 87,957                       | 88,449                     | -10%                    |
| 01-32-56504       | Dental Insurance                      | 11,636                    | 9,482                     | 9,695                     | 8,775                        | 9,695                      | 0%                      |
| 01-32-56505       | Vision Insurance                      | 1,401                     | 1,132                     | 1,130                     | 1,041                        | 1,130                      | 0%                      |
| 01-32-56506       | Life, S/T, L/T Disability Ins.        | 11,535                    | 5,297                     | 6,168                     | 5,521                        | 6,626                      | 7%                      |
| 01-32-56507       | Retirement-CalPERS                    | 78,661                    | 57,694                    | 62,144                    | 54,067                       | 66,449                     | 7%                      |
| 01-32-56512       | Tuition Reimbursement                 | 711                       | 440                       | 2,000                     | -                            | 1,000                      | -50%                    |
| 01-32-56515       | Worker's Comp. Insurance              | 29,737                    | 18,157                    | 19,598                    | 32,517                       | 30,025                     | 53%                     |
| 01-32-56516       | State Unemployment Ins, E.T.T.        | 1,701                     | 1,295                     | 1,190                     | 1,701                        | 1,085                      | -9%                     |
| 01-32-56518       | Duty Pay                              | 14,100                    | 13,600                    | 20,644                    | 17,688                       | 20,644                     | 0%                      |
| 01-32-56520       | Deferred Compensation                 | 17,600                    | 17,195                    | 17,550                    | 17,413                       | 18,200                     | 4%                      |
|                   | <b>Total Payroll Expenses</b>         | <b>\$1,299,750</b>        | <b>\$1,110,750</b>        | <b>\$880,332</b>          | <b>\$1,020,689</b>           | <b>\$935,409</b>           | <b>6%</b>               |
| 01-32-60000       | Electronics                           | 9,213                     | 5,071                     | 13,000                    | 14,834                       | 13,000                     | 0%                      |
| 01-32-63100       | Equipment Maint. & Repairs            | 4,403                     | 7,143                     | 11,000                    | -                            | 8,000                      | -27%                    |
| 01-32-63102       | Equipment Maint. Contract             | 4,568                     | 31,989                    | 25,500                    | 3,728                        | 33,500                     | 31%                     |
| 01-32-63200       | Equipment Rental                      | 99,006                    | 41,356                    | 42,000                    | 41,992                       | 42,000                     | 0%                      |
| 01-32-63401       | Building Maintenance                  | 13,094                    | 44,956                    | 26,000                    | 27,728                       | 22,000                     | -15%                    |
| 01-32-72000       | Supplies & Services                   | 574,108                   | 309,600                   | 200,000                   | 407,895                      | 88,000                     | -56%                    |
| 01-32-72010       | Tank Maintenance                      | 757,731                   | 416,189                   | 1,004,000                 | 890,564                      | 1,327,690                  | 32%                     |
| 01-32-72150       | Regulatory Permits                    | 55,782                    | 52,149                    | 58,600                    | 58,256                       | 58,600                     | 0%                      |
| 01-32-72700       | Printing & Reproductions              | -                         | -                         | 2,000                     | -                            | 1,000                      | -50%                    |
| 01-32-73000       | Small Tools & Equipment               | 3,045                     | 5,226                     | 15,500                    | 15,475                       | 7,500                      | -52%                    |
| 01-32-75300       | Travel/Conferences/Training           | 380                       | -                         | -                         | 2,048                        | 1,000                      | 0%                      |
| 01-32-78000       | Utilities                             | 13,646                    | 15,220                    | 12,500                    | 75,217                       | 75,000                     | 500%                    |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$1,534,976</b>        | <b>\$ 928,899</b>         | <b>\$1,410,100</b>        | <b>\$1,537,738</b>           | <b>\$1,677,290</b>         | <b>19%</b>              |
|                   | <b>TOTAL OPERATIONS EXPENSES</b>      | <b>\$2,834,726</b>        | <b>\$2,039,649</b>        | <b>\$2,290,432</b>        | <b>\$2,558,427</b>           | <b>\$2,612,699</b>         | <b>14%</b>              |

**VALVE MAINTENANCE EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 01-33-56101       | Regular Salaries                      | \$269,703                 | \$203,285                 | \$284,646                 | \$204,444                    | \$202,860                  | -29%                    |
| 01-33-56103       | Overtime & Comp Time                  | 11,257                    | 3,010                     | 5,000                     | 8,544                        | 7,000                      | 40%                     |
| 01-33-56501       | Employer's Share SSI                  | 23,318                    | 17,767                    | 17,648                    | 17,457                       | 12,577                     | -29%                    |
| 01-33-56502       | Employer's Share Medicare             | 5,453                     | 4,276                     | 4,127                     | 4,130                        | 2,941                      | -29%                    |
| 01-33-56503       | Medical Insurance                     | 71,620                    | 58,936                    | 59,736                    | 54,276                       | 34,970                     | -41%                    |
| 01-33-56504       | Dental Insurance                      | 7,172                     | 5,890                     | 5,817                     | 5,294                        | 3,878                      | -33%                    |
| 01-33-56505       | Vision Insurance                      | 854                       | 687                       | 678                       | 617                          | 452                        | -33%                    |
| 01-33-56506       | Life, S/T, L/T Disability Ins.        | 3,561                     | 2,992                     | 3,245                     | 2,788                        | 2,317                      | -29%                    |
| 01-33-56507       | Retirement-CalPERS                    | 38,613                    | 32,586                    | 34,727                    | 29,135                       | 24,769                     | -29%                    |
| 01-33-56512       | Tuition Reimbursement                 | 631                       | 473                       | 1,000                     | 469                          | 1,000                      | 0%                      |
| 01-33-56515       | Worker's Comp. Insurance              | 16,088                    | 10,682                    | 10,343                    | 16,829                       | 10,528                     | 2%                      |
| 01-33-56516       | State Unemployment Ins, E.T.T.        | 952                       | 777                       | 714                       | 933                          | 434                        | -39%                    |
| 01-33-56520       | Deferred Compensation                 | 10,625                    | 8,350                     | 8,450                     | 8,206                        | 5,850                      | -31%                    |
|                   | <b>Total Payroll Expenses</b>         | <b>\$459,847</b>          | <b>\$349,712</b>          | <b>\$436,133</b>          | <b>\$353,123</b>             | <b>\$309,577</b>           | <b>-29%</b>             |
| 01-33-72000       | Supplies & Services                   | 61,098                    | 75,800                    | 40,000                    | 68,008                       | 55,000                     | 38%                     |
| 01-33-73000       | Small Tools & Equipment               | 1,171                     | 8,658                     | 5,000                     | 673                          | 3,500                      | -30%                    |
| 01-33-75300       | Travel/Conferences/Training           | 570                       | -                         | -                         | -                            | -                          | 0%                      |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$ 62,839</b>          | <b>\$ 84,457</b>          | <b>\$ 45,000</b>          | <b>\$ 68,681</b>             | <b>\$ 58,500</b>           | <b>30%</b>              |
|                   | <b>TOTAL VALVE MAINT. EXPENSES</b>    | <b>\$522,686</b>          | <b>\$434,169</b>          | <b>\$481,133</b>          | <b>\$421,804</b>             | <b>\$368,077</b>           | <b>-23%</b>             |

**CONSTRUCTION EXPENSES**

| <b>GL Account</b> | <b>Description</b>                                  | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 01-34-56101       | Regular Salaries                                    | \$690,352                 | \$547,133                 | \$917,496                 | \$560,362                    | \$824,580                  | -10%                    |
| 01-34-56103       | Overtime & Comp Time                                | 145,791                   | 163,828                   | 145,000                   | 173,335                      | 140,000                    | -3%                     |
| 01-34-56501       | Employer's Share SSI                                | 54,415                    | 48,684                    | 53,207                    | 47,454                       | 46,883                     | -12%                    |
| 01-34-56502       | Employer's Share Medicare                           | 14,065                    | 12,143                    | 13,304                    | 12,100                       | 11,956                     | -10%                    |
| 01-34-56503       | Medical Insurance                                   | 175,173                   | 184,125                   | 179,176                   | 182,542                      | 150,151                    | -16%                    |
| 01-34-56504       | Dental Insurance                                    | 16,854                    | 19,212                    | 17,445                    | 17,075                       | 14,069                     | -19%                    |
| 01-34-56505       | Vision Insurance                                    | 2,246                     | 2,431                     | 2,487                     | 2,373                        | 1,863                      | -25%                    |
| 01-34-56506       | Life, S/T, L/T Disability Ins.                      | 8,436                     | 10,915                    | 9,777                     | 10,209                       | 9,414                      | -4%                     |
| 01-34-56507       | Retirement-CalPERS                                  | 92,391                    | 100,035                   | 88,492                    | 84,105                       | 80,240                     | -9%                     |
| 01-34-56512       | Tuition Reimbursement                               | 1,407                     | 8,572                     | 5,000                     | 7,900                        | 5,000                      | 0%                      |
| 01-34-56515       | Worker's Comp. Insurance<br>State Unemployment Ins, | 34,370                    | 40,757                    | 33,339                    | 54,962                       | 42,796                     | 28%                     |
| 01-34-56516       | E.T.T.  | 3,011                     | 3,620                     | 2,618                     | 3,906                        | 1,788                      | -32%                    |
| 01-34-56518       | Duty Pay  | 16,800                    | 13,600                    | 20,644                    | 17,101                       | 20,644                     | 0%                      |
| 01-34-56520       | Deferred Compensation                               | 25,030                    | 27,213                    | 33,020                    | 26,392                       | 21,801                     | -34%                    |
|                   | <b>Total Payroll Expenses</b>                       | <b>\$1,280,339</b>        | <b>\$1,182,267</b>        | <b>\$1,521,005</b>        | <b>\$1,199,816</b>           | <b>\$1,371,184</b>         | <b>-10%</b>             |
| 01-34-72000       | Supplies & Services                                 | 672,072                   | 1,141,087                 | 475,000                   | 1,081,566                    | 804,500                    | 69%                     |
| 01-34-72001       | Easement Maintenance                                | 214,950                   | 159,202                   | 200,000                   | 102,319                      | 200,000                    | 0%                      |
| 01-34-73000       | Small Tools & Equipment                             | 10,902                    | 10,486                    | 10,000                    | 5,615                        | 20,000                     | 100%                    |
| 01-34-75300       | Conferences/Training                                | 2,545                     | -                         | 10,000                    | 5,102                        | 10,000                     | 0%                      |
|                   | <b>Total Maintenance &amp; Supply</b>               | <b>\$ 900,469</b>         | <b>\$1,310,774</b>        | <b>\$ 695,000</b>         | <b>\$1,194,601</b>           | <b>\$1,034,500</b>         | <b>49%</b>              |
|                   | <b>TOTAL CONST. EXPENSES</b>                        | <b>\$2,180,808</b>        | <b>\$2,493,042</b>        | <b>\$2,216,005</b>        | <b>\$2,394,417</b>           | <b>\$2,405,684</b>         | <b>9%</b>               |



**METERS EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 01-35-56101       | Regular Salaries                      | \$ 533,738                | \$ 536,321                | \$ 614,426                | \$ 426,845                   | \$ 431,494                 | -30%                    |
| 01-35-56103       | Overtime & Comp Time                  | 47,297                    | 50,120                    | 45,000                    | 40,225                       | 40,000                     | -11%                    |
| 01-35-56501       | Employer's Share SSI                  | 36,828                    | 36,894                    | 38,094                    | 28,210                       | 26,753                     | -30%                    |
| 01-35-56502       | Employer's Share Medicare             | 8,613                     | 8,633                     | 8,909                     | 6,598                        | 6,257                      | -30%                    |
| 01-35-56503       | Medical Insurance                     | 132,813                   | 159,311                   | 156,147                   | 116,113                      | 104,000                    | -33%                    |
| 01-35-56504       | Dental Insurance                      | 14,573                    | 13,678                    | 11,634                    | 10,090                       | 9,695                      | -17%                    |
| 01-35-56505       | Vision Insurance                      | 1,735                     | 1,726                     | 1,582                     | 1,179                        | 1,130                      | -29%                    |
| 01-35-56506       | Life, S/T, L/T Disability Ins.        | 5,871                     | 6,424                     | 6,991                     | 5,518                        | 4,908                      | -30%                    |
| 01-35-56507       | Retirement-CalPERS                    | 58,522                    | 66,707                    | 7,490                     | 37,671                       | 44,877                     | 499%                    |
| 01-35-56512       | Tuition Reimbursement                 | 1,929                     | 545                       | 1,500                     | 109                          | 1,000                      | -33%                    |
| 01-35-56515       | Worker's Comp. Insurance              | 22,734                    | 23,728                    | 19,701                    | 30,105                       | 22,395                     | 14%                     |
| 01-35-56516       | State Unemployment Ins, E.T.T.        | 1,904                     | 2,569                     | 1,666                     | 2,126                        | 1,085                      | -35%                    |
| 01-35-56520       | Deferred Compensation                 | 19,425                    | 17,120                    | 16,250                    | 12,181                       | 13,650                     | -16%                    |
|                   | <b>Total Payroll Expenses</b>         | <b>\$ 885,982</b>         | <b>\$ 923,777</b>         | <b>\$ 929,392</b>         | <b>\$ 716,971</b>            | <b>\$ 707,243</b>          | <b>-24%</b>             |
| 01-35-63404       | Backflow Expenses                     | 134,225                   | 172,192                   | 143,000                   | 99,679                       | 98,500                     | -31%                    |
| 01-35-72000       | Supplies & Services                   | 132,615                   | 89,631                    | 55,000                    | 193,261                      | 50,000                     | -9%                     |
| 01-35-73000       | Small Tools & Equipment               | 9,832                     | 4,547                     | 13,500                    | 6,481                        | 13,500                     | 0%                      |
| 01-35-75300       | Conferences/Travel                    | 677                       | -                         | 2,000                     | 1,868                        | 5,000                      | 150%                    |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$ 277,349</b>         | <b>\$ 266,370</b>         | <b>\$ 213,500</b>         | <b>\$ 301,288</b>            | <b>\$ 167,000</b>          | <b>-22%</b>             |
|                   | <b>TOTAL METER EXPENSES</b>           | <b>\$1,163,331</b>        | <b>\$1,190,147</b>        | <b>\$1,142,892</b>        | <b>\$1,018,259</b>           | <b>\$ 874,243</b>          | <b>-24%</b>             |

# WATER FUND DEBT SERVICE

## Beck

|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$114,573    | \$360,602     | \$475,175                 |
| 2023-24 | \$106,985    | \$368,190     | \$475,175                 |
| 2024-25 | \$99,237     | \$375,938     | \$475,175                 |
| 2025-26 | \$91,326     | \$383,849     | \$475,175                 |
| 2026-27 | \$83,249     | \$391,926     | \$475,175                 |
| 2027-28 | \$75,002     | \$400,173     | \$475,175                 |
| 2028-29 | \$66,581     | \$408,594     | \$475,175                 |
| 2029-30 | \$57,983     | \$417,191     | \$475,175                 |
| 2030-31 | \$49,205     | \$425,970     | \$475,175                 |
| 2031-32 | \$40,241     | \$434,934     | \$475,175                 |
| 2032-36 | \$67,498     | \$1,595,615   | \$1,663,113               |
| Total   | \$851,880    | \$5,562,982   | \$6,414,862               |

## Morro

|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$151,837    | \$477,886     | \$629,723                 |
| 2023-24 | \$141,781    | \$487,942     | \$629,723                 |
| 2024-25 | \$131,513    | \$498,210     | \$629,723                 |
| 2025-26 | \$121,030    | \$508,693     | \$629,723                 |
| 2026-27 | \$110,325    | \$519,398     | \$629,723                 |
| 2027-28 | \$99,396     | \$530,327     | \$629,723                 |
| 2028-29 | \$88,237     | \$541,486     | \$629,723                 |
| 2029-30 | \$76,842     | \$552,881     | \$629,723                 |
| 2030-31 | \$65,208     | \$564,515     | \$629,723                 |
| 2031-32 | \$53,329     | \$576,393     | \$629,723                 |
| 2032-34 | \$57,173     | \$887,411     | \$944,584                 |
| Total   | \$1,096,671  | \$6,145,142   | \$7,241,814               |

## Meter Replacement Project

|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$124,148    | \$522,914     | \$647,062                 |
| 2023-24 | \$107,990    | \$539,073     | \$647,063                 |
| 2024-25 | \$91,333     | \$555,730     | \$647,063                 |
| 2025-26 | \$74,161     | \$572,902     | \$647,063                 |
| 2026-27 | \$56,458     | \$590,605     | \$647,063                 |
| 2027-28 | \$38,209     | \$608,854     | \$647,063                 |
| 2028-29 | \$19,395     | \$627,668     | \$647,063                 |
| Total   | \$511,694    | \$4,017,746   | \$4,529,440               |

## Water Service Upgrade Project

|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$113,169    | \$493,977     | \$607,147                 |
| 2023-24 | \$97,211     | \$509,686     | \$606,897                 |
| 2024-25 | \$80,745     | \$525,894     | \$606,639                 |
| 2025-26 | \$63,756     | \$542,617     | \$606,373                 |
| 2026-27 | \$46,226     | \$559,873     | \$606,099                 |
| 2027-28 | \$28,139     | \$577,676     | \$605,816                 |
| 2028-29 | \$9,477      | \$596,047     | \$605,524                 |
| Total   | \$438,724    | \$3,805,770   | \$4,244,494               |

## Wholesale Water Efficiency

|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$386,506    | \$331,801     | \$718,307                 |
| 2023-24 | \$378,612    | \$339,696     | \$718,307                 |
| 2024-25 | \$364,956    | \$353,352     | \$718,307                 |
| 2025-26 | \$350,751    | \$367,556     | \$718,307                 |
| 2026-27 | \$335,975    | \$382,332     | \$718,307                 |
| 2027-28 | \$320,606    | \$397,702     | \$718,307                 |
| 2028-29 | \$304,618    | \$413,689     | \$718,307                 |
| 2029-30 | \$287,988    | \$430,320     | \$718,307                 |
| 2030-31 | \$270,689    | \$447,619     | \$718,307                 |
| 2031-32 | \$252,695    | \$465,613     | \$718,307                 |
| 2032-42 | \$1,362,754  | \$5,820,320   | \$7,183,074               |
| Total   | \$4,616,148  | \$9,750,000   | \$14,366,148              |

## Total Debt Service

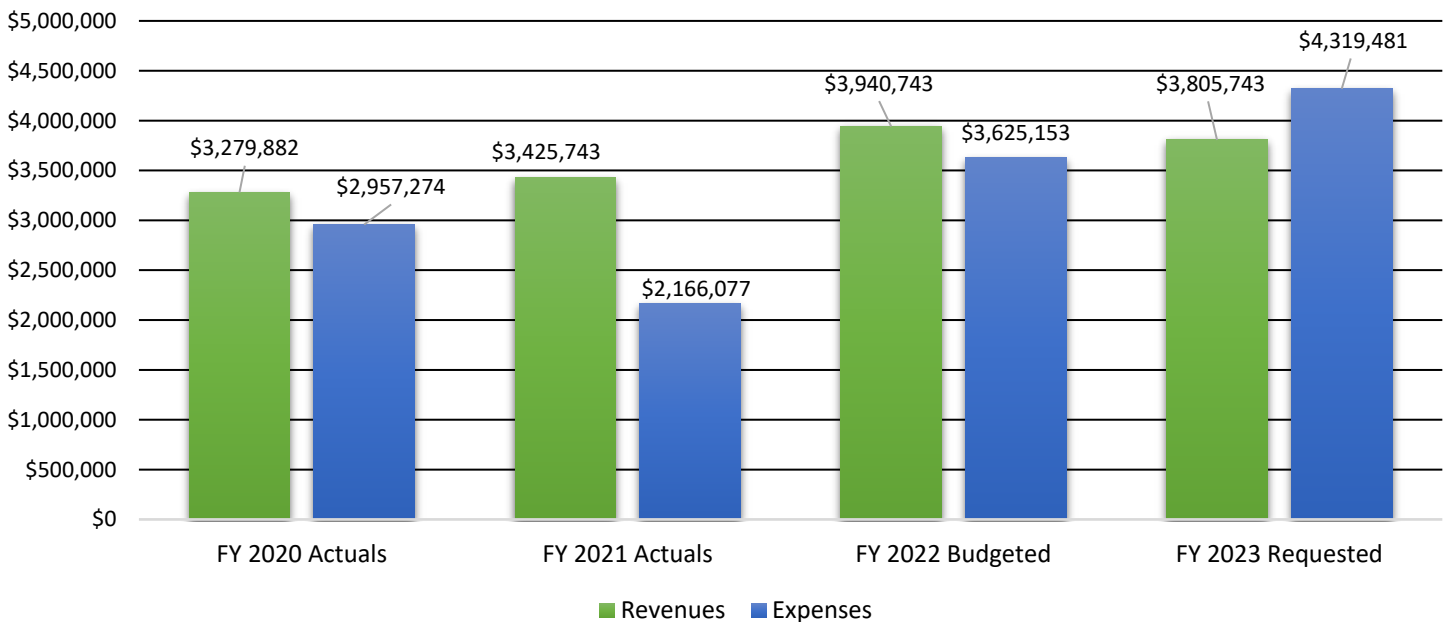
|         | Interest Due | Principal Due | Total Annual Debt Service |
|---------|--------------|---------------|---------------------------|
| 2022-23 | \$890,233    | \$2,187,181   | \$3,077,414               |
| 2023-24 | \$832,578    | \$2,244,587   | \$3,077,165               |
| 2024-25 | \$767,784    | \$2,309,123   | \$3,076,907               |
| 2025-26 | \$701,024    | \$2,375,618   | \$3,076,641               |
| 2026-27 | \$632,234    | \$2,444,133   | \$3,076,367               |
| 2027-28 | \$561,351    | \$2,514,732   | \$3,076,084               |
| 2028-29 | \$488,308    | \$2,587,484   | \$3,075,792               |
| 2029-30 | \$422,813    | \$1,400,392   | \$1,823,205               |
| 2030-31 | \$385,102    | \$1,438,104   | \$1,823,205               |
| 2031-32 | \$346,265    | \$1,476,940   | \$1,823,205               |
| 2032-42 | \$1,487,425  | \$8,303,347   | \$9,790,771               |
| Total   | \$7,515,118  | \$29,281,640  | \$36,796,758              |

# WASTEWATER FUND BUDGET SUMMARY

## Wastewater Operating

| Description                      | FY 2020 Actual     | FY 2021 Actual     | FY 2022 Budget     | FY 2022 Projected  | FY 2023 Adopted    | FY22% Change |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| <b>Operating Revenues</b>        |                    |                    |                    |                    |                    |              |
| Wastewater Revenues              | \$3,168,882        | \$3,314,743        | \$3,874,743        | \$3,614,743        | \$3,739,743        | -3%          |
| Other Revenues                   | 111,000            | 111,000            | 66,000             | 84,600             | 66,000             | 0%           |
| <b>Total Wastewater Revenues</b> | <b>\$3,279,882</b> | <b>\$3,425,743</b> | <b>\$3,940,743</b> | <b>\$3,699,343</b> | <b>\$3,805,743</b> | <b>-3%</b>   |
| <b>Operating Expenses</b>        |                    |                    |                    |                    |                    |              |
| Total Payroll Expenses           | 615,146            | 644,213            | 623,418            | 693,682            | 678,835            | 9%           |
| Total Maintenance & Supply       | 1,557,869          | 16,335             | 1,517,309          | 1,786,088          | 2,031,672          | 34%          |
| General Fund Transfer            | 784,259            | 1,505,529          | 1,484,426          | 1,484,426          | 1,608,973          | 8%           |
| <b>Total Wastewater Expenses</b> | <b>\$2,957,274</b> | <b>\$2,166,077</b> | <b>\$3,625,153</b> | <b>\$3,964,196</b> | <b>\$4,319,481</b> | <b>19%</b>   |
| <b>CHANGE IN NET POSITION</b>    | <b>\$ 322,608</b>  | <b>\$1,259,666</b> | <b>\$ 315,590</b>  | <b>\$(264,853)</b> | <b>\$(513,738)</b> |              |

## Revenues vs Expenses



# WASTEWATER FUND BUDGETED REVENUES

## WASTEWATER REVENUES

| GL Account                       | Description                    | FY 2020<br>Actual  | FY 2021<br>Actual  | FY 2022<br>Budget  | FY 2022<br>Projected | FY 2023<br>Adopted | FY22%<br>Change |
|----------------------------------|--------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|-----------------|
| 02-99-41112                      | Sewer Charges-Established Acct | \$3,168,882        | \$3,314,743        | \$3,874,743        | \$3,614,743          | \$3,739,743        | -3%             |
| 02-99-43100                      | Sewer-Oak Crest Charges        | 24,000             | 24,000             | -                  | -                    | -                  | 0%              |
| 02-99-43106                      | Operating Inc-Sewer Letter     | 2,000              | 2,000              | 1,000              | 1,400                | 1,000              | 0%              |
| 02-99-43108                      | Op. Inc - Plan Ck./Inspection  | 25,000             | 25,000             | 5,000              | -                    | 5,000              | 0%              |
| 02-99-49109                      | Miscellaneous Revenue          | 5,000              | 5,000              | 5,000              | 2,600                | 5,000              | 0%              |
| 02-99-49301                      | Property Tax Revenue           | 55,000             | 55,000             | 55,000             | 65,000               | 55,000             | 0%              |
| <b>Total Wastewater Revenues</b> |                                | <b>\$3,279,882</b> | <b>\$3,425,743</b> | <b>\$3,940,743</b> | <b>\$3,683,743</b>   | <b>\$3,805,743</b> | <b>-3%</b>      |



# WASTEWATER FUND BUDGETED EXPENSES

## WASTEWATER EXPENSES

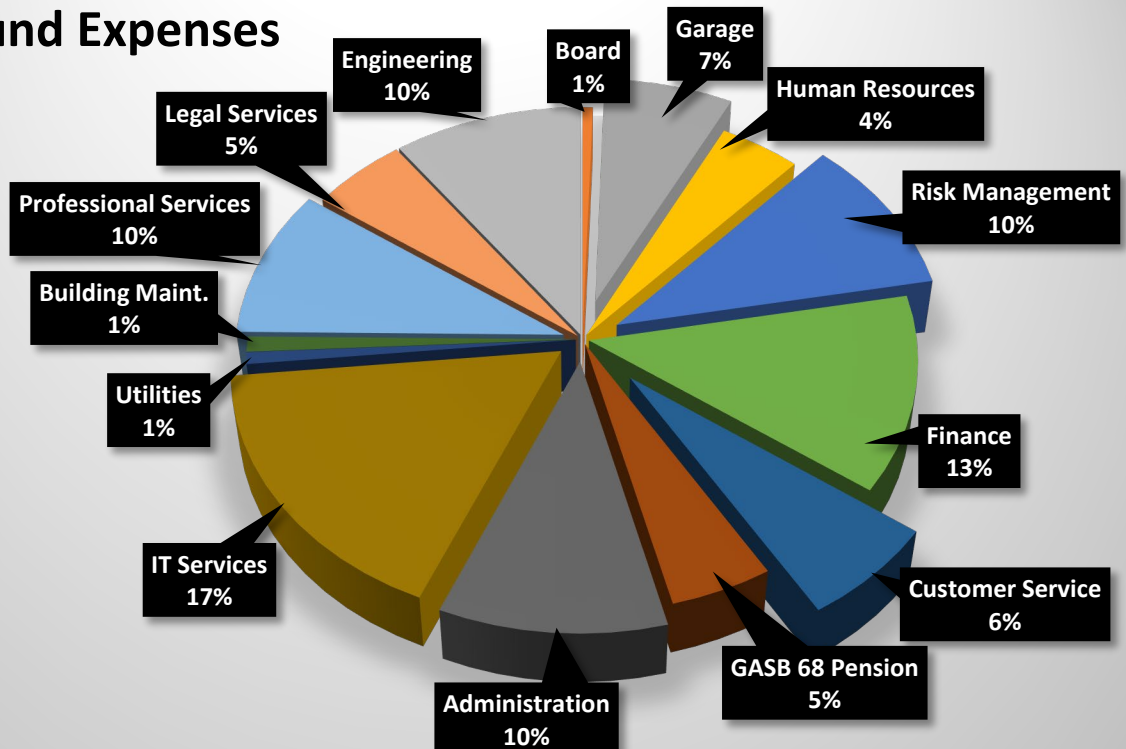
| GL Account  | Description                           | FY 2020<br>Actual   | FY 2021<br>Actual   | FY 2022<br>Budget   | FY 2022<br>Projected | FY 2023<br>Adopted  | FY22%<br>Change |
|-------------|---------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------|
| 02-61-56101 | Regular Salaries                      | \$ 353,979          | \$ 367,120          | \$ 369,774          | \$ 380,388           | \$ 389,619          | 5%              |
| 02-61-56103 | Overtime & Comp Time                  | 46,699              | 49,723              | 30,000              | 74,399               | 55,000              | 83%             |
| 02-61-56501 | Employer's Share SSI                  | 24,622              | 25,508              | 22,926              | 27,896               | 24,156              | 5%              |
| 02-61-56502 | Employer's Share Medicare             | 5,758               | 5,971               | 5,362               | 6,569                | 5,649               | 5%              |
| 02-61-56503 | Medical Insurance                     | 82,823              | 92,686              | 85,872              | 89,255               | 85,946              | 0%              |
| 02-61-56504 | Dental Insurance                      | 6,957               | 7,412               | 6,884               | 6,987                | 6,884               | 0%              |
| 02-61-56505 | Vision Insurance                      | 854                 | 891                 | 803                 | 832                  | 803                 | 0%              |
| 02-61-56506 | Life, S/T, L/T Disability Ins.        | 3,846               | 3,893               | 5,362               | 3,893                | 4,457               | -17%            |
| 02-61-56507 | Retirement-CalPERS                    | 42,243              | 46,894              | 45,112              | 43,023               | 47,572              | 5%              |
| 02-61-56512 | Tuition Reimbursement                 | 1,595               | 1,420               | 2,000               | 781                  | 2,000               | 0%              |
| 02-61-56515 | Worker's Comp. Insurance              | 22,693              | 19,010              | 20,263              | 32,907               | 26,104              | 29%             |
| 02-61-56516 | State Unemployment Ins, E.T.T.        | 952                 | 1,036               | 845                 | 1,330                | 770                 | -9%             |
| 02-61-56518 | Duty Pay                              | 14,000              | 14,200              | 20,644              | 17,189               | 20,644              | 0%              |
| 02-61-56520 | Deferred Compensation                 | 8,125               | 8,450               | 7,573               | 8,233                | 9,230               | 22%             |
|             | <b>Total Payroll Expenses</b>         | <b>\$ 615,146</b>   | <b>\$ 644,213</b>   | <b>\$ 623,418</b>   | <b>\$ 693,682</b>    | <b>\$ 678,835</b>   | <b>9%</b>       |
| 02-61-60000 | Electronics                           | 3,105               | 12,749              | 10,000              | -                    | 12,000              | 20%             |
| 02-61-63100 | Equipment Maint. & Repairs            | 33,552              | 56,698              | 47,000              | 47,875               | 58,972              | 25%             |
| 02-61-63200 | Equipment Rental                      | 3,237               | 1,497               | 6,000               | 19,217               | 40,000              | 567%            |
| 02-61-70000 | Professional Services                 | 24,979              | 106,014             | -                   | 17,002               | 40,000              | 0%              |
| 02-61-72000 | Supplies & Services                   | 137,634             | 129,513             | 77,000              | 188,427              | 129,000             | 68%             |
| 02-61-72150 | Regulatory Permits                    | 6,673               | 6,074               | 8,000               | 9,076                | 8,000               | 0%              |
| 02-61-72200 | Books & Resources                     | 200                 | 840                 | 500                 | -                    | 500                 | 0%              |
| 02-61-72400 | Dues & Subscriptions                  | 538                 | 538                 | 600                 | 717                  | 600                 | 0%              |
| 02-61-72600 | Sewer Line Cleaning/Maint.            | 23,084              | 58,867              | 40,000              | 179,244              | 150,000             | 275%            |
| 02-61-73000 | Small Tools & Equipment               | 1,490               | 3,127               | 3,000               | 5,037                | 4,000               | 33%             |
| 02-61-75300 | Travel/Conferences/Training           | 928                 | 185                 | -                   | 788                  | 600                 | 0%              |
| 02-61-77000 | Sewage Treatment Oceanside            | 1,242,209           | (443,656)           | 1,242,209           | 1,242,209            | 1,500,000           | 21%             |
| 02-61-78000 | Utilities                             | 72,050              | 79,298              | 70,000              | 74,678               | 75,000              | 0%              |
| 02-61-78300 | Hazardous Waste Disposal              | 8,190               | 4,590               | 10,000              | 1,820                | 10,000              | 0%              |
| 02-61-78700 | Utilities-Propane                     | -                   | -                   | 3,000               | -                    | 3,000               | 0%              |
|             | <b>Total Maintenance &amp; Supply</b> | <b>\$ 1,557,869</b> | <b>\$ 16,335</b>    | <b>\$ 1,517,309</b> | <b>\$ 1,786,088</b>  | <b>\$ 2,031,672</b> | <b>34%</b>      |
| 02-99-52176 | Overhead Transfer to Gen Fund         | 784,259             | 1,505,529           | 1,484,426           | 1,484,426            | 1,608,973           | 8%              |
|             | <b>Total Transfers</b>                | <b>\$ 784,259</b>   | <b>\$ 1,505,529</b> | <b>\$ 1,484,426</b> | <b>\$ 1,484,426</b>  | <b>\$ 1,608,973</b> | <b>8%</b>       |
|             | <b>TOTAL WASTEWATER EXPENSES</b>      | <b>\$ 2,957,274</b> | <b>\$ 2,166,077</b> | <b>\$ 3,625,153</b> | <b>\$ 3,964,196</b>  | <b>\$ 4,319,481</b> | <b>19%</b>      |

# GENERAL FUND BUDGET SUMMARY

## General Operating

| Description                     | FY 2020<br>Actual  | FY 2021<br>Actual  | FY 2022<br>Budget  | FY 2022<br>Projected | FY 2023<br>Adopted | FY22%<br>Change |
|---------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|-----------------|
| <b>Operating Revenues</b>       |                    |                    |                    |                      |                    |                 |
| Water Overhead Transfer         | \$5,334,257        | \$7,176,180        | \$6,746,207        | \$5,680,326          | \$6,859,307        | 2%              |
| Wastewater Overhead Transfer    | 784,259            | 1,505,529          | 1,484,426          | 1,484,426            | 1,608,973          | 8%              |
| Other General Fund Revenue      | 1,058,782          | 273,862            | 135,000            | 1,015,324            | 680,000            | 404%            |
| <b>Total Operating Revenues</b> | <b>\$7,177,298</b> | <b>\$8,955,571</b> | <b>\$8,365,633</b> | <b>\$8,180,076</b>   | <b>\$9,148,280</b> | <b>9%</b>       |
| <b>Operating Expenses</b>       |                    |                    |                    |                      |                    |                 |
| Board of Directors              | \$ 23,336          | \$ 16,843          | \$ 40,475          | \$ 28,401            | \$ 50,101          | 24%             |
| Garage                          | 541,960            | 500,159            | 455,786            | 557,195              | 632,322            | 39%             |
| Administration                  | 2,388,894          | 2,151,451          | 2,213,668          | 1,886,824            | 2,081,342          | -6%             |
| Human Resources                 | 299,268            | 380,374            | 395,238            | 276,697              | 416,674            | 5%              |
| Risk Management                 | 866,462            | 960,809            | 1,039,899          | 932,496              | 940,192            | -10%            |
| IT Services                     | 452,011            | 954,149            | 1,500,137          | 1,310,160            | 1,604,844          | 7%              |
| Finance                         | 630,302            | 807,353            | 967,728            | 807,860              | 1,169,321          | 21%             |
| Customer Service                | 716,867            | 701,148            | 533,278            | 567,754              | 594,822            | 12%             |
| Engineering                     | 952,421            | 1,624,692          | 887,442            | 1,015,880            | 1,228,663          | 38%             |
| GASB 68 Pension                 | 772,764            | 1,036,365          | 430,000            | 644,806              | 430,000            | 0%              |
| <b>Total Operating Expenses</b> | <b>\$7,644,285</b> | <b>\$9,133,343</b> | <b>\$8,463,650</b> | <b>\$8,028,073</b>   | <b>\$9,148,280</b> | <b>8%</b>       |
| <b>CHANGE IN NET POSITION</b>   | <b>\$(466,987)</b> | <b>\$(177,773)</b> | <b>\$ (98,018)</b> | <b>\$ 152,004</b>    | <b>\$ -</b>        |                 |

## General Fund Expenses



# GENERAL FUND BUDGETED REVENUES

## GENERAL FUND REVENUES

| GL Account                         | Description                   | FY 2020<br>Actual  | FY 2021<br>Actual  | FY 2022<br>Budget  | FY 2022<br>Projected | FY 2023<br>Adopted | FY22%<br>Change |
|------------------------------------|-------------------------------|--------------------|--------------------|--------------------|----------------------|--------------------|-----------------|
| 03-99-42200                        | Water Overhead Transfer       | \$5,334,257        | \$7,176,180        | \$6,746,207        | \$5,680,326          | \$6,859,307        | 2%              |
| 03-99-42200                        | Wastewater Overhead Transfer  | 784,259            | 1,505,529          | 1,484,426          | 1,484,426            | 1,608,973          | 8%              |
| 03-99-43102                        | Operating Inc Penalty Charges | 266,874            | 93,116             | 50,000             | 688,220              | 500,000            | 900%            |
| 03-99-43108                        | Operating Inc Plan Check Rev. | 179,445            | 15,964             | 50,000             | 213,344              | 100,000            | 100%            |
| 03-99-49108                        | Non-Op. Inc-Rents & Leases    | 172,559            | 58,794             | -                  | -                    | -                  | 0%              |
| 03-99-49109                        | Miscellaneous Revenue         | 431,955            | 101,020            | 30,000             | 106,493              | 75,000             | 150%            |
| 03-99-49114                        | Misc. Revenue - Eng. Services | 7,950              | 4,968              | 5,000              | 7,267                | 5,000              | 0%              |
| <b>Total General Fund Revenues</b> |                               | <b>\$7,177,298</b> | <b>\$8,955,571</b> | <b>\$8,365,633</b> | <b>\$8,180,076</b>   | <b>\$9,148,280</b> | <b>9%</b>       |

# GENERAL FUND BUDGETED EXPENSES

## BOARD OF DIRECTOR EXPENSES

| GL Account  | Description                    | FY 2020<br>Actual | FY 2021<br>Actual | FY 2022<br>Budget | FY 2022<br>Projected | FY 2023<br>Adopted | FY22%<br>Change |
|-------------|--------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|-----------------|
| 03-20-56202 | Board Member Expenses          | \$ 11,400         | \$ 12,750         | \$ 14,000         | \$ 15,000            | \$ 14,000          | 0%              |
| 03-20-56501 | Employer's Share SSI           | 674               | 814               | 868               | 930                  | 868                | 0%              |
| 03-20-56502 | Employer's Share Medicare      | 158               | 202               | 203               | 218                  | 203                | 0%              |
| 03-20-56515 | Worker's Com. Insurance        | 199               | (48)              | 84                | 112                  | -                  | -100%           |
|             | <b>Total Payroll Expenses</b>  | <b>\$ 12,431</b>  | <b>\$ 13,718</b>  | <b>\$15,155</b>   | <b>\$ 16,260</b>     | <b>\$ 15,071</b>   | <b>-1%</b>      |
| 03-20-72000 | Supplies & Services            | 13                | -                 | 100               | 157                  | 120                | 20%             |
| 03-20-75300 | Travel/Conferences/Training    | 10,892            | 3,125             | 25,220            | 11,985               | 34,910             | 38%             |
|             | <b>Total Supplies Expenses</b> | <b>\$ 10,905</b>  | <b>\$ 3,125</b>   | <b>\$25,320</b>   | <b>\$ 12,142</b>     | <b>\$ 35,030</b>   | <b>38%</b>      |
|             | <b>TOTAL BOARD EXPENSES</b>    | <b>\$ 23,336</b>  | <b>\$ 16,843</b>  | <b>\$40,475</b>   | <b>\$ 28,401</b>     | <b>\$ 50,101</b>   | <b>24%</b>      |

**GARAGE EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-36-56101       | Regular Salaries                      | \$87,445                  | \$102,887                 | \$96,201                  | \$ 79,209                    | \$105,460                  | 10%                     |
| 03-36-56103       | Overtime & Comp Time                  | 9,373                     | 8,511                     | 6,000                     | 15,917                       | 12,000                     | 100%                    |
| 03-36-56501       | Employer's Share SSI                  | 5,922                     | 6,645                     | 5,964                     | 5,969                        | 6,539                      | 10%                     |
| 03-36-56502       | Employer's Share Medicare             | 1,385                     | 1,554                     | 1,395                     | 1,396                        | 1,529                      | 10%                     |
| 03-36-56503       | Medical Insurance                     | 17,312                    | 18,917                    | 4,495                     | 17,735                       | 19,866                     | 342%                    |
| 03-36-56504       | Dental Insurance                      | 1,793                     | 1,910                     | 238                       | 1,734                        | 1,939                      | 715%                    |
| 03-36-56505       | Vision Insurance                      | 213                       | 223                       | 226                       | 202                          | 226                        | 0%                      |
| 03-36-56506       | Life, S/T, L/T Disability Ins.        | 976                       | 988                       | 1,097                     | 988                          | 1,205                      | 10%                     |
| 03-36-56507       | Retirement-CalPERS                    | 10,157                    | 10,675                    | 11,737                    | 9,743                        | 12,877                     | 10%                     |
| 03-36-56512       | Tuition Reimbursement                 | 50                        | -                         | 100                       | -                            | 100                        | 0%                      |
| 03-36-56515       | Worker's Comp. Insurance              | 4,690                     | 3,789                     | 4,495                     | 7,072                        | 6,264                      | 39%                     |
| 03-36-56516       | State Unemployment Ins, E.T.T.        | 238                       | 259                       | 238                       | 345                          | 217                        | -9%                     |
| 03-36-56520       | Deferred Compensation                 | 2,500                     | 2,600                     | 2,600                     | 2,533                        | 2,600                      | 0%                      |
|                   | <b>Total Payroll Expenses</b>         | <b>\$142,054</b>          | <b>\$158,958</b>          | <b>\$134,786</b>          | <b>\$ 142,843</b>            | <b>\$170,822</b>           | <b>27%</b>              |
| 03-36-60000       | Equipment                             | 12,174                    | 15,315                    | 15,000                    | 6,785                        | 15,000                     | 0%                      |
| 03-36-63100       | Equipment Maintenance                 | 76,415                    | 18,944                    | 40,000                    | 30,791                       | 40,000                     | 0%                      |
| 03-36-63421       | Fuel & Oil                            | 166,030                   | 162,040                   | 150,000                   | 193,518                      | 200,000                    | 33%                     |
| 03-36-63422       | Repair, Supplies, Auto                | 70,222                    | 86,345                    | 70,000                    | 102,737                      | 80,000                     | 14%                     |
| 03-36-72000       | Supplies & Services                   | 68,622                    | 52,083                    | 40,000                    | 72,275                       | 120,000                    | 200%                    |
| 03-36-73000       | Small Tools & Equipment               | 6,253                     | 6,474                     | 6,000                     | 8,246                        | 6,000                      | 0%                      |
| 03-36-75300       | Travel/Conferences/Training           | 190                       | -                         | -                         | -                            | 500                        | 0%                      |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$399,906</b>          | <b>\$341,201</b>          | <b>\$321,000</b>          | <b>\$ 414,351</b>            | <b>\$461,500</b>           | <b>44%</b>              |
|                   | <b>TOTAL GARAGE EXPENSES</b>          | <b>\$541,960</b>          | <b>\$500,159</b>          | <b>\$455,786</b>          | <b>\$ 557,195</b>            | <b>\$632,322</b>           | <b>39%</b>              |



**ADMINISTRATION EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-41-56101       | Regular Salaries                      | \$ 524,227                | \$ 361,300                | \$ 404,456                | \$ 382,054                   | \$ 431,882                 | 7%                      |
| 03-41-56103       | Overtime & Comp Time                  | 12,972                    | 11,412                    | 13,000                    | 4,885                        | 7,500                      | -42%                    |
| 03-41-56501       | Employer's Share SSI                  | 28,834                    | 28,834                    | 16,743                    | 12,312                       | 17,655                     | 5%                      |
| 03-41-56502       | Employer's Share Medicare             | 7,989                     | 7,989                     | 5,865                     | 5,104                        | 6,262                      | 7%                      |
| 03-41-56503       | Medical Insurance                     | 57,315                    | 57,315                    | 32,634                    | 28,438                       | 30,838                     | -6%                     |
| 03-41-56504       | Dental Insurance                      | 4,748                     | 4,748                     | 2,583                     | 2,081                        | 2,583                      | 0%                      |
| 03-41-56505       | Vision Insurance                      | 798                       | 798                       | 452                       | 398                          | 452                        | 0%                      |
| 03-41-56506       | Life, S/T, L/T Disability Ins.        | 3,911                     | 3,911                     | 3,161                     | 3,006                        | 4,993                      | 58%                     |
| 03-41-56507       | Retirement-CalPERS                    | 64,589                    | 64,589                    | 49,344                    | 47,535                       | 52,733                     | 7%                      |
| 03-41-56511       | Employee Uniform Allowance            | 21,328                    | 21,328                    | 24,273                    | 27,234                       | 28,000                     | 15%                     |
| 03-41-56512       | Tuition Reimbursement                 | -                         | -                         | 1,000                     | -                            | 1,000                      | 0%                      |
| 03-41-56515       | Worker's Comp. Insurance              | 41,233                    | 41,233                    | 10,566                    | 42,579                       | 16,064                     | 52%                     |
| 03-41-56516       | State Unemployment Ins, E.T.T.        | 1,129                     | 1,129                     | 476                       | 589                          | 434                        | -9%                     |
| 03-41-56520       | Deferred Compensation                 | 7,675                     | 7,675                     | 2,600                     | 2,534                        | 2,600                      | 0%                      |
|                   | <b>Total Payroll Expenses</b>         | <b>\$ 776,748</b>         | <b>\$ 612,261</b>         | <b>\$ 567,153</b>         | <b>\$ 558,750</b>            | <b>\$ 602,997</b>          | <b>6%</b>               |
| 03-41-63200       | Equipment Rental                      | 66,655                    | 45,542                    | 49,000                    | 46,286                       | 49,000                     | 0%                      |
| 03-41-63400       | Kitchen Supplies                      | 17,197                    | 14,729                    | 14,000                    | 14,469                       | 15,000                     | 7%                      |
| 03-41-63401       | Building Maintenance                  | 161,199                   | 106,514                   | 92,700                    | 79,948                       | 90,100                     | -3%                     |
| 03-41-70000       | Professional Services                 | 571,843                   | 603,036                   | 720,000                   | 450,963                      | 570,000                    | -21%                    |
| 03-41-70300       | Legal Services                        | 508,558                   | 480,874                   | 450,000                   | 377,191                      | 400,000                    | -11%                    |
| 03-41-72000       | Supplies & Services                   | 19,123                    | 31,454                    | 52,650                    | 72,637                       | 56,800                     | 8%                      |
| 03-41-72400       | Dues & Subscriptions                  | 62,828                    | 64,694                    | 65,865                    | 84,154                       | 66,145                     | 0%                      |
| 03-41-72702       | Public Notices/Advertising            | 670                       | 510                       | 750                       | 667                          | 750                        | 0%                      |
| 03-41-72900       | Stationary & Office Supplies          | 6,854                     | 3,970                     | 5,000                     | 3,778                        | 4,000                      | -20%                    |
| 03-41-74000       | Communications & Phone Bills          | 9,950                     | 11,876                    | 13,000                    | 12,016                       | 13,000                     | 0%                      |
| 03-41-74100       | Phone Bill                            | 107,022                   | 101,081                   | 90,000                    | 93,546                       | 108,000                    | 20%                     |
| 03-41-75300       | Travel/Conferences/Training           | 8,963                     | 2,359                     | 16,550                    | 4,842                        | 16,550                     | 0%                      |
| 03-41-78000       | Utilities-Electricity                 | 52,607                    | 52,254                    | 55,000                    | 61,696                       | 62,000                     | 13%                     |
| 03-41-78700       | Utilities -Propane                    | 6,022                     | 9,312                     | 12,000                    | 8,007                        | 9,000                      | -25%                    |
| 03-41-78900       | Trash Pick-Up                         | 12,655                    | 10,986                    | 10,000                    | 17,873                       | 18,000                     | 80%                     |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$1,612,146</b>        | <b>\$1,539,190</b>        | <b>\$1,646,515</b>        | <b>\$1,328,074</b>           | <b>\$1,478,345</b>         | <b>-10%</b>             |
|                   | <b>TOTAL ADMIN. EXPENSES</b>          | <b>\$2,388,894</b>        | <b>\$2,151,451</b>        | <b>\$2,213,668</b>        | <b>\$1,886,824</b>           | <b>\$2,081,342</b>         | <b>-6%</b>              |

## Human Resources Expenses

| GL Account  | Description                           | FY 2020<br>Actual | FY 2021<br>Actual | FY 2022<br>Budget | FY 2022<br>Projected | FY 2023<br>Adopted | FY22%<br>Change |
|-------------|---------------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|-----------------|
| 03-42-56101 | Regular Salaries                      | \$173,892         | \$284,403         | \$202,129         | \$195,751            | \$236,495          | 17%             |
| 03-42-56103 | Overtime & Comp Time                  | 371               | 456               | 500               | -                    | 2,000              | 300%            |
| 03-42-56501 | Employer's Share SSI                  | 10,124            | 11,736            | 10,455            | 7,451                | 12,365             | 18%             |
| 03-42-56502 | Employer's Share Medicare             | 2,602             | 3,292             | 2,931             | 2,846                | 3,429              | 17%             |
| 03-42-56503 | Medical Insurance                     | 13,249            | 10,602            | 7,734             | 6,748                | 27,444             | 255%            |
| 03-42-56504 | Dental Insurance                      | 737               | 952               | 644               | 567                  | 2,583              | 301%            |
| 03-42-56505 | Vision Insurance                      | 213               | 223               | 226               | 199                  | 452                | 100%            |
| 03-42-56506 | Life, S/T, L/T Disability Ins.        | 1,560             | 1,579             | 1,349             | 1,579                | 2,124              | 57%             |
| 03-42-56507 | Retirement-CalPERS                    | 10,674            | 12,917            | 11,680            | 9,649                | 14,000             | 20%             |
| 03-42-56512 | Tuition Reimbursement                 | 1,338             | 535               | 500               | 2,129                | 3,000              | 500%            |
| 03-42-56515 | Worker's Comp. Insurance              | 717               | 696               | 784               | 1,246                | 1,372              | 75%             |
| 03-42-56516 | State Unemployment Ins, E.T.T.        | 488               | 518               | 476               | 602                  | 434                | -9%             |
| 03-42-56520 | Deferred Compensation                 | 3,375             | 3,520             | 3,510             | 4,342                | 8,450              | 141%            |
|             | <b>Total Payroll Expenses</b>         | <b>\$219,340</b>  | <b>\$331,429</b>  | <b>\$242,918</b>  | <b>\$233,110</b>     | <b>\$314,149</b>   | <b>29%</b>      |
| 03-42-56513 | Employee Relations                    | 6,672             | 5,084             | 16,270            | 10,701               | 17,650             | 8%              |
| 03-42-70000 | Professional Services                 | 5,414             | 6,190             | 54,700            | 2,480                | 11,000             | -80%            |
| 03-42-70300 | Legal Services                        | 4,296             | -                 | 10,000            | -                    | 10,000             | 0%              |
| 03-42-72000 | Supplies & Services                   | 2,369             | 694               | 1,500             | 1,062                | 2,500              | 67%             |
| 03-42-72200 | Books & Resources                     | -                 | -                 | 100               | -                    | 100                | 0%              |
| 03-42-72400 | Dues & Subscriptions                  | 6,859             | 1,390             | 1,450             | 4,134                | 1,575              | 9%              |
| 03-42-75300 | Travel/Conferences/Training           | 757               | -                 | 4,000             | -                    | 4,500              | 13%             |
| 03-42-75400 | Workforce Development                 | 39,569            | 19,522            | 48,300            | 7,456                | 38,350             | -21%            |
| 03-42-75500 | Recruitment                           | 13,992            | 16,065            | 16,000            | 17,755               | 16,850             | 5%              |
|             | <b>Total Maintenance &amp; Supply</b> | <b>\$ 79,928</b>  | <b>\$ 48,945</b>  | <b>\$152,320</b>  | <b>\$ 43,587</b>     | <b>\$102,525</b>   | <b>-33%</b>     |
|             | <b>TOTAL HR EXPENSES</b>              | <b>\$299,268</b>  | <b>\$380,374</b>  | <b>\$395,238</b>  | <b>\$276,697</b>     | <b>\$416,674</b>   | <b>5%</b>       |

**RISK MANAGEMENT EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-43-56101       | Regular Salaries                      | \$203,217                 | \$195,800                 | \$ 122,195                | \$187,025                    | \$126,509                  | 4%                      |
| 03-43-56103       | Overtime & Comp Time                  | 2,604                     | 2,503                     | -                         | 1,286                        | 1,500                      |                         |
| 03-43-56501       | Employer's Share SSI                  | 10,655                    | 33,625                    | 7,576                     | 10,486                       | 7,844                      | 4%                      |
| 03-43-56502       | Employer's Share Medicare             | 4,566                     | 2,834                     | 1,772                     | 2,493                        | 1,834                      | 4%                      |
| 03-43-56503       | Medical Insurance                     | 13,124                    | 16,714                    | 20,412                    | 24,508                       | 14,101                     | -31%                    |
| 03-43-56504       | Dental Insurance                      | 1,578                     | 1,681                     | 1,939                     | 2,381                        | 1,939                      | 0%                      |
| 03-43-56505       | Vision Insurance                      | 213                       | 223                       | 226                       | 308                          | 226                        | 0%                      |
| 03-43-56506       | Life, S/T, L/T Disability Ins.        | 1,161                     | 1,175                     | 1,351                     | 1,175                        | 1,935                      | 43%                     |
| 03-43-56507       | Retirement-CalPERS                    | 8,077                     | 8,692                     | 9,275                     | 11,674                       | 6,602                      | -29%                    |
| 03-43-56512       | Tuition Reimbursement                 | 2,484                     | 351                       | 1,000                     | 6,145                        | -                          | -100%                   |
| 03-43-56515       | Worker's Comp. Insurance              | 4,432                     | 4,014                     | 4,440                     | 7,586                        | 4,587                      | 3%                      |
| 03-43-56516       | State Unemployment Ins, E.T.T.        | 238                       | 259                       | 238                       | 1,038                        | 217                        | -9%                     |
| 03-43-56520       | Deferred Compensation                 | 1,275                     | -                         | -                         | 1,895                        | 4,550                      | 100%                    |
|                   | <b>Total Payroll Expenses</b>         | <b>\$253,624</b>          | <b>\$267,871</b>          | <b>\$ 170,424</b>         | <b>\$258,003</b>             | <b>\$171,844</b>           | <b>1%</b>               |
| 03-43-63100       | Equipment Maintenance                 | 3,531                     | 2,940                     | 5,200                     | 2,475                        | 5,200                      | 0%                      |
| 03-43-63102       | Equipment Maint. Contract             | 6,139                     | 3,988                     | 6,225                     | 3,337                        | 7,625                      | 22%                     |
| 03-43-65000       | Property Liability Insurance          | 285,426                   | 402,599                   | 475,000                   | 487,114                      | 450,000                    | -5%                     |
| 03-43-65100       | District-Paid Claims                  | 252,762                   | 167,045                   | 290,000                   | 103,578                      | 200,000                    | -31%                    |
| 03-43-72000       | Supplies & Services                   | 22,494                    | 54,930                    | 25,000                    | 18,613                       | 27,000                     | 8%                      |
| 03-43-72200       | Books & Resources                     | 220                       | 570                       | 1,000                     | -                            | 1,000                      | 0%                      |
| 03-43-72400       | Dues & Subscriptions                  | 2,749                     | 372                       | 3,550                     | -                            | 3,923                      | 11%                     |
| 03-43-72500       | Safety Supplies                       | 38,361                    | 60,469                    | 60,500                    | 57,336                       | 68,100                     | 13%                     |
| 03-43-75300       | Travel/Conferences/Training           | 1,156                     | 25                        | 3,000                     | 2,040                        | 5,500                      | 83%                     |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$612,838</b>          | <b>\$692,938</b>          | <b>\$ 869,475</b>         | <b>\$674,493</b>             | <b>\$768,348</b>           | <b>-12%</b>             |
|                   | <b>TOTAL RISK MGMT. EXPENSES</b>      | <b>\$866,462</b>          | <b>\$960,809</b>          | <b>\$1,039,899</b>        | <b>\$932,496</b>             | <b>\$940,192</b>           | <b>-10%</b>             |

**IT EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-44-56101       | Regular Salaries                      | \$ -                      | \$375,203                 | \$ 494,100                | \$ 389,802                   | \$ 527,967                 | 7%                      |
| 03-44-56103       | Overtime & Comp Time                  | -                         | 4,573                     | 15,000                    | 4,858                        | 15,000                     | 0%                      |
| 03-44-56501       | Employer's Share SSI                  | -                         | 25,482                    | 28,524                    | 25,279                       | 30,108                     | 6%                      |
| 03-44-56502       | Employer's Share Medicare             | -                         | 6,451                     | 7,164                     | 6,507                        | 7,656                      | 7%                      |
| 03-44-56503       | Medical Insurance                     | -                         | 56,362                    | 63,199                    | 58,313                       | 60,354                     | -5%                     |
| 03-44-56504       | Dental Insurance                      | -                         | 3,712                     | 5,167                     | 4,621                        | 5,167                      | 0%                      |
| 03-44-56505       | Vision Insurance                      | -                         | 817                       | 904                       | 836                          | 904                        | 0%                      |
| 03-44-56506       | Life, S/T, L/T Disability Ins.        | -                         | 4,231                     | 4,086                     | 5,045                        | 6,062                      | 48%                     |
| 03-44-56507       | Retirement-CalPERS                    | -                         | 40,815                    | 43,891                    | 37,734                       | 46,306                     | 6%                      |
| 03-44-56512       | Tuition Reimbursement                 | -                         | 293                       | 1,000                     | 3,333                        | 10,500                     | 950%                    |
| 03-44-56515       | Worker's Comp. Insurance              | -                         | 14,446                    | 20,031                    | 32,301                       | 29,830                     | 49%                     |
| 03-44-56516       | State Unemployment Ins, E.T.T.        | -                         | 1,036                     | 952                       | 1,368                        | 868                        | -9%                     |
| 03-44-56520       | Deferred Compensation                 | -                         | 6,355                     | 7,150                     | 6,967                        | 7,150                      | 0%                      |
|                   | <b>Total Payroll Expenses</b>         | <b>\$ -</b>               | <b>\$539,774</b>          | <b>\$ 691,169</b>         | <b>\$ 576,963</b>            | <b>\$ 747,871</b>          | <b>8%</b>               |
| 03-44-60000       | Electronics                           | -                         | -                         | 25,000                    | 4,267                        | 25,000                     | 0%                      |
| 03-44-60100       | Computers                             | 68,422                    | 73,147                    | 100,500                   | 238,485                      | 100,500                    | 0%                      |
| 03-44-70000       | Professional Services                 | -                         | 14,779                    | 50,000                    | 4,333                        | 50,000                     | 0%                      |
| 03-44-72000       | Supplies & Services                   | -                         | 15,111                    | 109,000                   | 32,331                       | 119,500                    | 10%                     |
| 03-44-72400       | Dues & Subscriptions                  | 383,589                   | 311,338                   | 502,968                   | 448,621                      | 532,973                    | 6%                      |
| 03-44-73000       | Small Tools & Equipment               | -                         | -                         | 9,500                     | 5,162                        | 17,000                     | 79%                     |
| 03-44-75300       | Conferences/Meetings                  | -                         | -                         | 12,000                    | -                            | 12,000                     | 0%                      |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$452,011</b>          | <b>\$414,375</b>          | <b>\$ 808,968</b>         | <b>\$ 733,198</b>            | <b>\$ 856,973</b>          | <b>6%</b>               |
|                   | <b>TOTAL IT EXPENSES</b>              | <b>\$452,011</b>          | <b>\$954,149</b>          | <b>\$1,500,137</b>        | <b>\$1,310,160</b>           | <b>\$1,604,844</b>         | <b>7%</b>               |

**FINANCE EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-51-56101       | Regular Salaries                      | \$371,693                 | \$429,514                 | \$583,807                 | \$459,300                    | \$ 733,371                 | 26%                     |
| 03-51-56103       | Overtime & Comp Time                  | 9,767                     | 11,195                    | 15,000                    | 5,181                        | 5,000                      | -67%                    |
| 03-51-56501       | Employer's Share SSI                  | 23,212                    | 29,915                    | 33,325                    | 32,164                       | 41,969                     | 26%                     |
| 03-51-56502       | Employer's Share Medicare             | 5,680                     | 7,606                     | 8,465                     | 8,456                        | 10,634                     | 26%                     |
| 03-51-56503       | Medical Insurance                     | 51,578                    | 78,643                    | 87,181                    | 81,420                       | 100,775                    | 16%                     |
| 03-51-56504       | Dental Insurance                      | 4,548                     | 6,610                     | 7,750                     | 7,336                        | 9,689                      | 25%                     |
| 03-51-56505       | Vision Insurance                      | 844                       | 1,206                     | 1,356                     | 1,250                        | 1,582                      | 17%                     |
| 03-51-56506       | Life, S/T, L/T Disability Ins.        | 2,536                     | 4,375                     | 6,305                     | 5,556                        | 8,381                      | 33%                     |
| 03-51-56507       | Retirement-CalPERS                    | 23,544                    | 35,339                    | 39,678                    | 35,627                       | 49,667                     | 25%                     |
| 03-51-56512       | Tuition Reimbursement                 | 901                       | 6,737                     | 5,000                     | 15,327                       | 8,030                      | 61%                     |
| 03-51-56515       | Worker's Comp. Insurance              | 3,588                     | 5,316                     | 4,372                     | 6,892                        | 10,542                     | 141%                    |
| 03-51-56516       | State Unemployment Ins, E.T.T.        | 969                       | 1,345                     | 1,428                     | 2,683                        | 1,519                      | 6%                      |
| 03-51-56520       | Deferred Compensation                 | 13,630                    | 17,840                    | 19,760                    | 19,589                       | 23,920                     | 21%                     |
|                   | <b>Total Payroll Expenses</b>         | <b>\$512,490</b>          | <b>\$635,641</b>          | <b>\$813,428</b>          | <b>\$680,781</b>             | <b>\$1,005,081</b>         | <b>24%</b>              |
| 03-51-69000       | Postage                               | 44,964                    | 46,653                    | 46,500                    | 28,922                       | 46,500                     | 0%                      |
| 03-51-70100       | Annual Audit Services                 | 18,698                    | 30,200                    | 35,000                    | 29,040                       | 37,840                     | 8%                      |
| 03-51-70400       | Bank Service Charges                  | 46,140                    | 61,472                    | 60,000                    | 55,480                       | 60,000                     | 0%                      |
| 03-51-72000       | Supplies & Services                   | 1,241                     | 32,703                    | -                         | 1,828                        | 1,000                      | 100%                    |
| 03-51-72400       | Dues & Subscriptions                  | (195)                     | 258                       | 300                       | 460                          | 400                        | 33%                     |
| 03-51-72700       | Printing & Reproductions              | -                         | -                         | 3,500                     | 3,568                        | 3,500                      | 0%                      |
| 03-51-75300       | Travel/Conferences/Training           | 6,964                     | 425                       | 9,000                     | 7,782                        | 15,000                     | 67%                     |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$117,812</b>          | <b>\$171,712</b>          | <b>\$154,300</b>          | <b>\$127,079</b>             | <b>\$ 164,240</b>          | <b>6%</b>               |
|                   | <b>TOTAL FINANCE EXPENSES</b>         | <b>\$630,302</b>          | <b>\$807,353</b>          | <b>\$967,728</b>          | <b>\$807,860</b>             | <b>\$1,169,321</b>         | <b>21%</b>              |



**CUSTOMER SERVICE EXPENSES**

| <u>GL Account</u> | <u>Description</u>                    | <u>FY 2020<br/>Actual</u> | <u>FY 2021<br/>Actual</u> | <u>FY 2022<br/>Budget</u> | <u>FY 2022<br/>Projected</u> | <u>FY 2023<br/>Adopted</u> | <u>FY22%<br/>Change</u> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-52-56101       | Regular Salaries                      | \$256,250                 | \$339,012                 | \$223,290                 | \$313,583                    | \$ 295,820                 | 32%                     |
| 03-52-56103       | Overtime & Comp Time                  | 25,027                    | 28,799                    | 25,000                    | 18,931                       | 21,000                     | -16%                    |
| 03-52-56501       | Employer's Share SSI                  | 17,246                    | 19,047                    | 13,844                    | 15,576                       | 18,341                     | 32%                     |
| 03-52-56502       | Employer's Share Medicare             | 4,098                     | 4,454                     | 3,238                     | 3,643                        | 4,289                      | 32%                     |
| 03-52-56503       | Medical Insurance                     | 50,591                    | 57,234                    | 50,058                    | 54,529                       | 57,949                     | 16%                     |
| 03-52-56504       | Dental Insurance                      | 5,014                     | 5,620                     | 4,522                     | 5,281                        | 6,461                      | 43%                     |
| 03-52-56505       | Vision Insurance                      | 947                       | 1,039                     | 678                       | 846                          | 904                        | 33%                     |
| 03-52-56506       | Life, S/T, L/T Disability Ins.        | 2,375                     | 3,172                     | 2,528                     | 2,602                        | 3,349                      | 32%                     |
| 03-52-56507       | Retirement-CalPERS                    | 20,172                    | 25,502                    | 22,039                    | 22,096                       | 27,625                     | 25%                     |
| 03-52-56512       | Tuition Reimbursement                 | 417                       | 218                       | 1,000                     | -                            | 1,000                      | 0%                      |
| 03-52-56515       | Worker's Comp. Insurance              | 2,130                     | 934                       | 866                       | 1,345                        | 1,716                      | 98%                     |
| 03-52-56516       | State Unemployment Ins, E.T.T.        | 1,411                     | 1,483                     | 714                       | 1,074                        | 868                        | 22%                     |
| 03-52-56520       | Deferred Compensation                 | 10,450                    | 7,150                     | 6,500                     | 6,300                        | 6,500                      | 0%                      |
|                   | <b>Total Payroll Expenses</b>         | <b>\$396,128</b>          | <b>\$493,665</b>          | <b>\$354,278</b>          | <b>\$445,806</b>             | <b>\$ 445,822</b>          | <b>26%</b>              |
| 03-52-66000       | Bad Debt Expense/Billing Adj.         | -                         | 137                       | -                         | -                            | -                          | 0%                      |
| 03-52-72000       | Supplies & Services                   | 320,549                   | 207,108                   | 177,000                   | 121,879                      | 147,000                    | -17%                    |
| 03-52-72700       | Printing & Reproductions              | -                         | 239                       | 1,000                     | -                            | 1,000                      | 0%                      |
| 03-52-75300       | Travel/Conferences/Training           | 190                       | -                         | 1,000                     | 68                           | 1,000                      | 0%                      |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$320,739</b>          | <b>\$207,483</b>          | <b>\$179,000</b>          | <b>\$121,948</b>             | <b>\$ 149,000</b>          | <b>-17%</b>             |
|                   | <b>TOTAL CUST. SERVICE EXPENSES</b>   | <b>\$716,867</b>          | <b>\$701,148</b>          | <b>\$533,278</b>          | <b>\$567,754</b>             | <b>\$594,822</b>           | <b>12%</b>              |

**ENGINEERING EXPENSES**

| <b>GL Account</b> | <b>Description</b>                    | <b>FY 2020<br/>Actual</b> | <b>FY 2021<br/>Actual</b> | <b>FY 2022<br/>Budget</b> | <b>FY 2022<br/>Projected</b> | <b>FY 2023<br/>Adopted</b> | <b>FY22%<br/>Change</b> |
|-------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|----------------------------|-------------------------|
| 03-91-56101       | Regular Salaries                      | \$423,074                 | \$ 428,871                | \$394,087                 | \$ 431,623                   | \$ 605,928                 | 54%                     |
| 03-91-56103       | Overtime & Comp Time                  | 4,875                     | 9,103                     | 8,000                     | 7,211                        | 6,000                      | -25%                    |
| 03-91-56501       | Employer's Share SSI                  | 23,454                    | 20,502                    | 23,929                    | 25,912                       | 35,923                     | 50%                     |
| 03-91-56502       | Employer's Share Medicare             | 5,696                     | 5,525                     | 6,269                     | 6,305                        | 8,786                      | 40%                     |
| 03-91-56503       | Medical Insurance                     | 83,028                    | 71,564                    | 50,446                    | 75,518                       | 82,212                     | 63%                     |
| 03-91-56504       | Dental Insurance                      | 8,202                     | 7,117                     | 5,429                     | 7,019                        | 7,897                      | 45%                     |
| 03-91-56505       | Vision Insurance                      | 1,216                     | 1,021                     | 656                       | 1,062                        | 1,044                      | 59%                     |
| 03-91-56506       | Life, S/T, L/T Disability Ins.        | 8,182                     | 5,248                     | 1,991                     | 6,566                        | 6,956                      | 249%                    |
| 03-91-56507       | Retirement-CalPERS                    | 64,394                    | 56,789                    | 32,810                    | 59,777                       | 66,359                     | 102%                    |
| 03-91-56512       | Tuition Reimbursement                 | 2,289                     | -                         | 500                       | 1,655                        | 2,000                      | 300%                    |
| 03-91-56515       | Worker's Comp. Insurance              | 7,648                     | 6,331                     | 10,124                    | 13,420                       | 12,216                     | 21%                     |
| 03-91-56516       | State Unemployment Ins, E.T.T.        | 1,385                     | 1,036                     | 690                       | 1,435                        | 1,003                      | 45%                     |
| 03-91-56520       | Deferred Compensation                 | 17,600                    | 14,120                    | 9,542                     | 16,128                       | 16,240                     | 70%                     |
|                   | <b>Total Payroll Expenses</b>         | <b>\$651,044</b>          | <b>\$ 627,225</b>         | <b>\$544,472</b>          | <b>\$ 653,630</b>            | <b>\$ 852,563</b>          | <b>57%</b>              |
| 03-91-60000       | Equipment                             | 1,914                     | 704                       | 1,500                     | 1,649                        | 1,500                      | 0%                      |
| 03-91-70000       | Professional Services                 | 184,430                   | 850,909                   | 242,500                   | 223,982                      | 250,000                    | 3%                      |
| 03-91-70300       | Legal Expenses                        | 49,974                    | 58,701                    | 55,000                    | 79,794                       | 60,000                     | 9%                      |
| 03-91-72000       | Supplies & Services                   | 64,036                    | 83,663                    | 35,050                    | 53,388                       | 45,000                     | 28%                     |
| 03-91-72200       | Books & Resources                     | -                         | 749                       | 1,000                     | -                            | 1,000                      | 0%                      |
| 03-91-72400       | Dues & Subscriptions                  | 385                       | 1,205                     | 3,170                     | 3,012                        | 7,600                      | 140%                    |
| 03-91-72700       | Printing & Reproductions              | -                         | -                         | 750                       | -                            | 500                        | -33%                    |
| 03-91-72702       | Public Notices & Advertising          | 585                       | 811                       | 1,000                     | 88                           | 500                        | -50%                    |
| 03-91-75300       | Travel/Conferences/Training           | 54                        | 725                       | 3,000                     | 337                          | 10,000                     | 233%                    |
|                   | <b>Total Maintenance &amp; Supply</b> | <b>\$301,378</b>          | <b>\$ 997,467</b>         | <b>\$342,970</b>          | <b>\$ 362,250</b>            | <b>\$ 376,100</b>          | <b>10%</b>              |
|                   | <b>TOTAL ENGINEERING EXPENSES</b>     | <b>\$952,421</b>          | <b>\$1,624,692</b>        | <b>\$887,442</b>          | <b>\$1,015,880</b>           | <b>\$1,228,663</b>         | <b>38%</b>              |

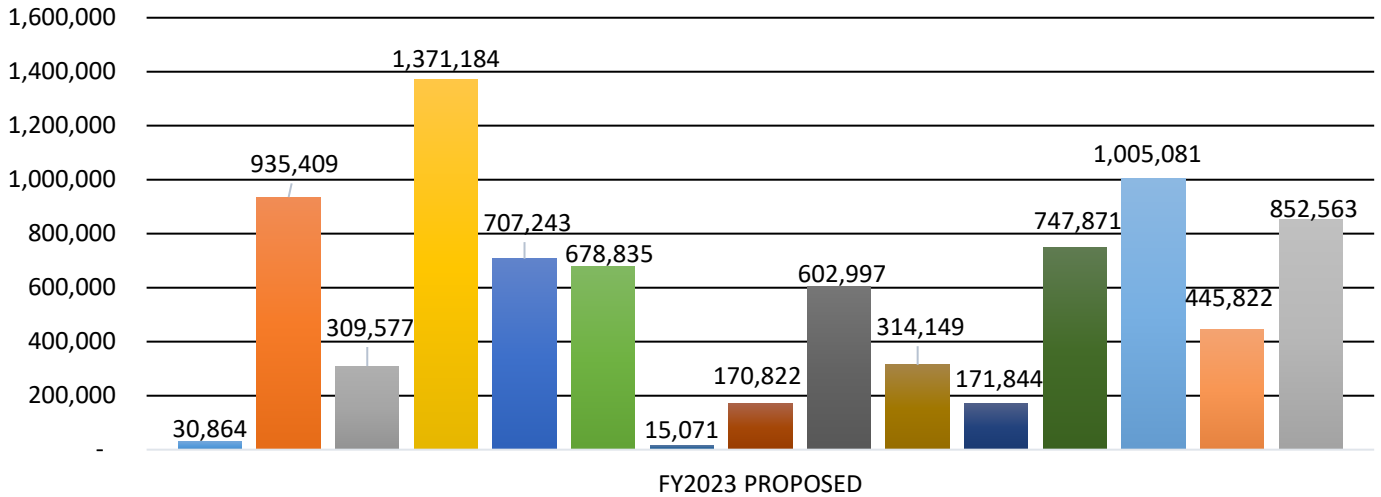
# OPERATING FUNDS SUMMARY

## NET OPERATING INCOME

| Description                       | FY 2020<br>Actual    | FY 2021<br>Actual   | FY 2022<br>Budget   | FY 2022<br>Projected | FY 2023<br>Adopted  | FY22%<br>Change |
|-----------------------------------|----------------------|---------------------|---------------------|----------------------|---------------------|-----------------|
| <b>Water Operating Fund</b>       |                      |                     |                     |                      |                     |                 |
| Water Revenues                    | \$33,983,258         | \$43,696,720        | \$41,114,791        | \$43,975,091         | \$44,836,269        | 9%              |
| Water Expenses                    | 34,941,459           | 41,494,429          | 38,561,030          | 40,170,379           | 40,663,668          | 5%              |
| <b>Water Fund Net Income</b>      | <b>\$ (958,201)</b>  | <b>\$ 2,202,291</b> | <b>\$ 2,553,761</b> | <b>\$ 3,804,713</b>  | <b>\$ 4,172,601</b> |                 |
| <b>Wastewater Operating Fund</b>  |                      |                     |                     |                      |                     |                 |
| Wastewater Revenues               | 3,279,882            | 3,425,743           | 3,940,743           | 3,683,743            | 3,805,743           | -3%             |
| Wastewater Expenses               | 2,957,274            | 2,166,077           | 3,625,153           | 3,964,196            | 4,319,481           | 19%             |
| <b>Wastewater Fund Net Income</b> | <b>\$ 322,608</b>    | <b>\$ 1,259,666</b> | <b>\$ 315,590</b>   | <b>\$ (280,453)</b>  | <b>\$ (513,738)</b> |                 |
| <b>General Operating Fund</b>     |                      |                     |                     |                      |                     |                 |
| General Revenues                  | 7,177,298            | 8,955,571           | 8,365,633           | 8,180,076            | 9,148,280           | 9%              |
| General Expenses                  | 7,644,285            | 9,133,343           | 8,463,650           | 8,028,073            | 9,148,280           | 8%              |
| <b>General Fund Net Income</b>    | <b>\$ (466,987)</b>  | <b>\$ (177,773)</b> | <b>\$ (98,018)</b>  | <b>\$ 152,004</b>    | <b>\$ -</b>         |                 |
| <b>CHANGE IN NET POSITION</b>     | <b>\$(1,102,580)</b> | <b>\$ 3,284,185</b> | <b>\$ 2,771,333</b> | <b>\$ 3,676,263</b>  | <b>\$ 3,658,864</b> |                 |

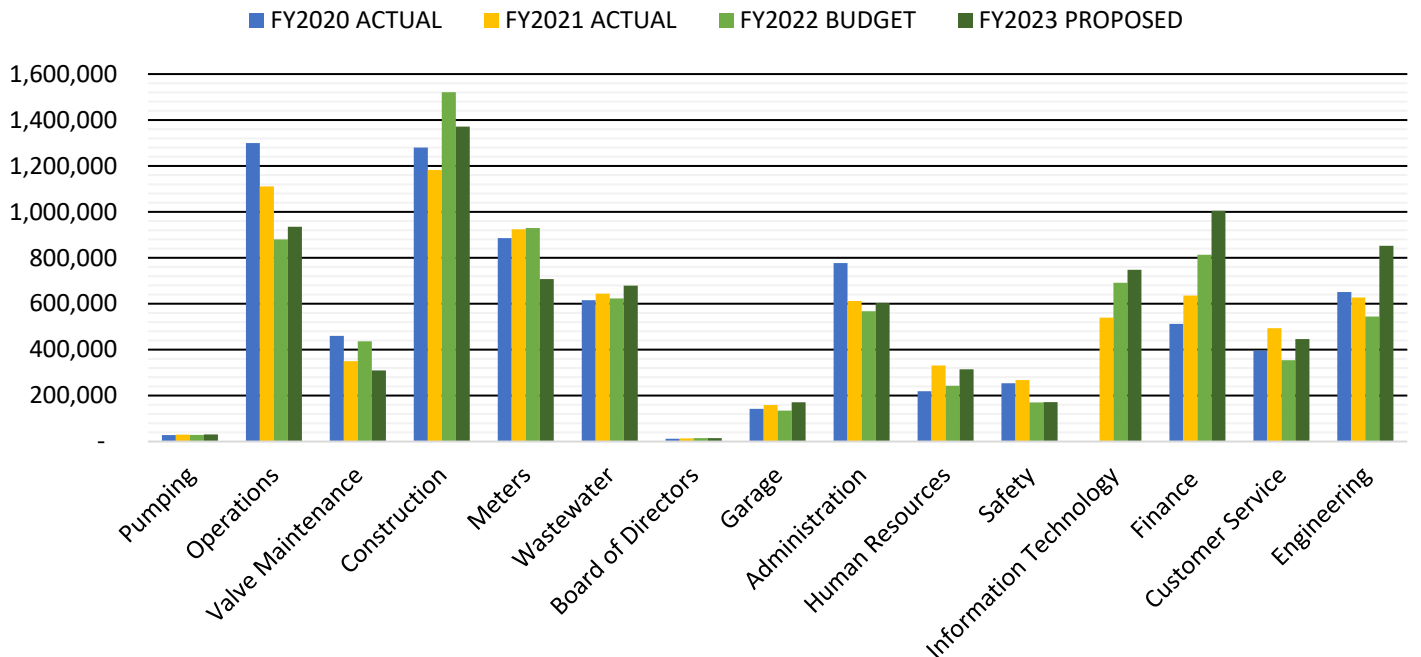
# LABOR TREND

## Labor Cost by Cost Center

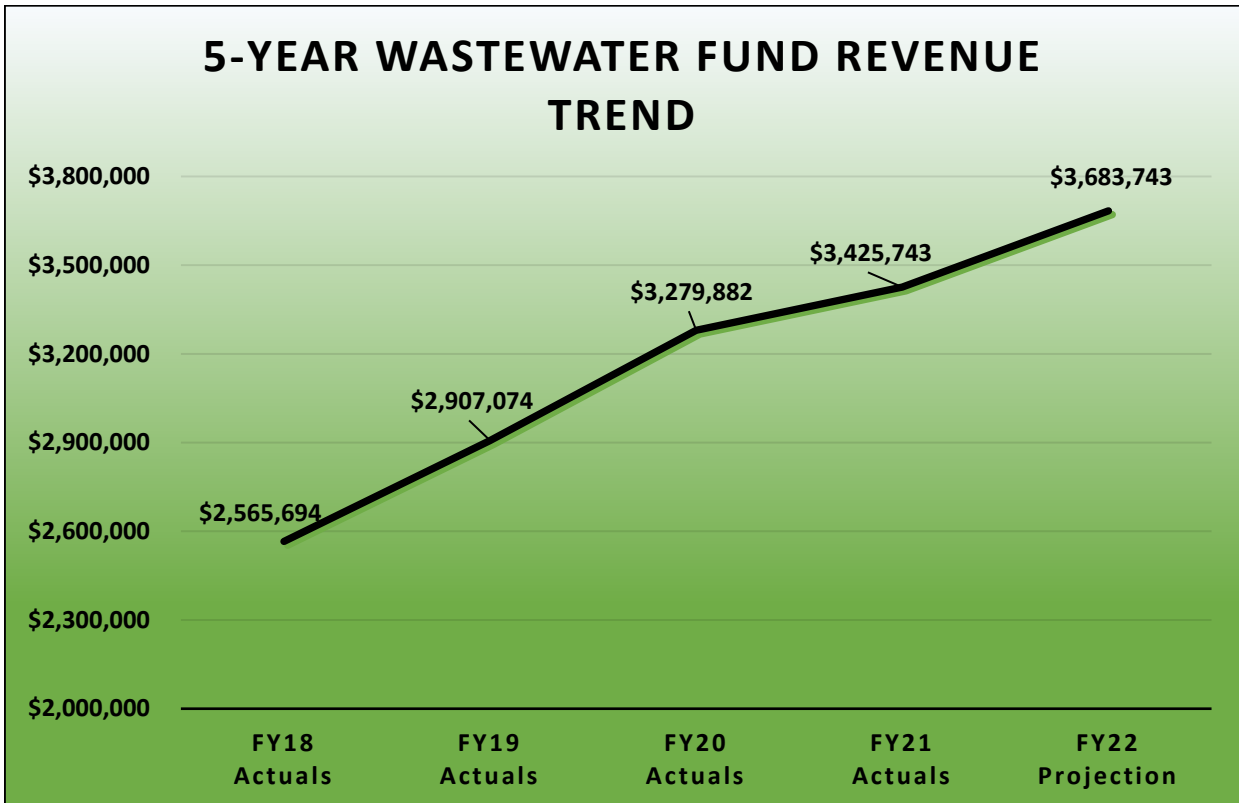
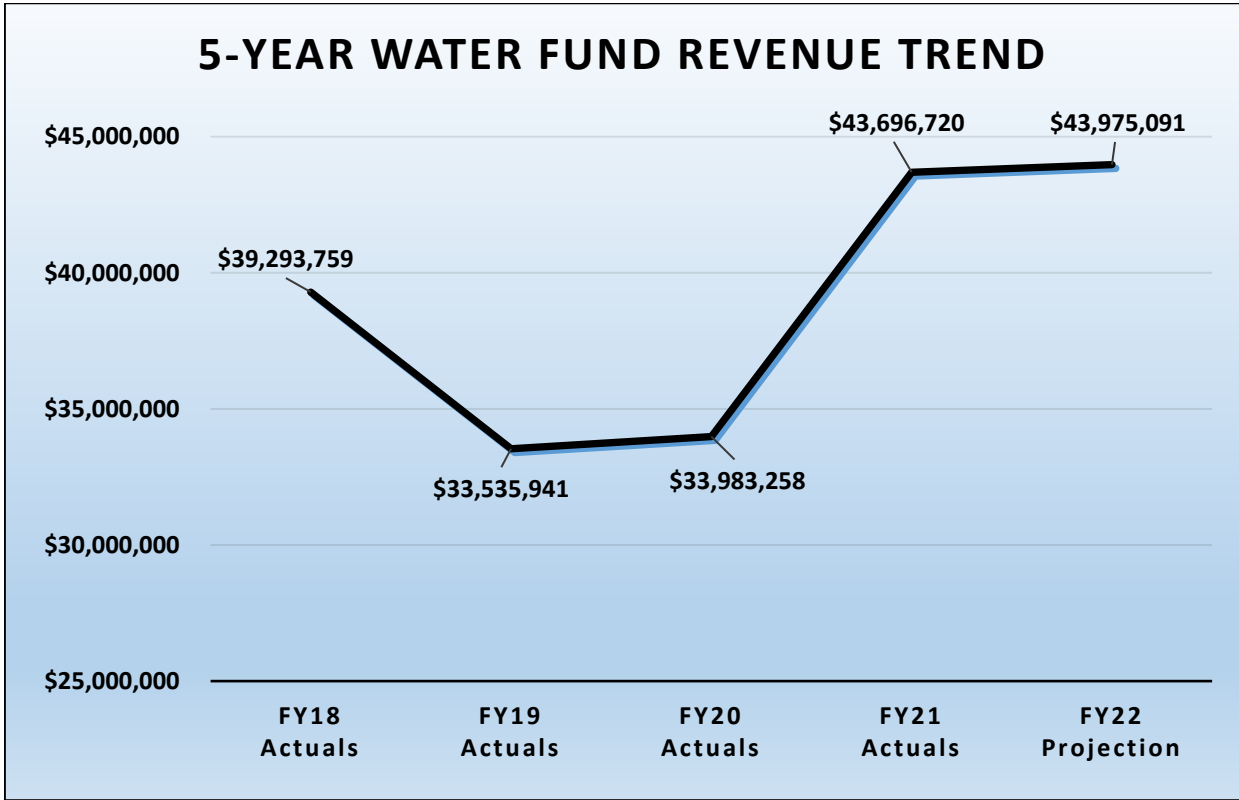


- Pumping
- Operations
- Valve Maintenance
- Construction
- Meters
- Wastewater
- Board of Directors
- Garage
- Administration
- Human Resources
- Safety
- Information Technology
- Finance
- Customer Service
- Engineering

## Labor Costs 5 Years



# REVENUE TREND





# OPERATING FUND BALANCE

## Operating & Debt Service Fund Balances

|   | Water<br>Operating | Wastewater<br>Operating | General<br>Operating | Rate<br>Stabilization | New Water<br>Sources | Debt<br>Service  | TOTAL              |
|---|--------------------|-------------------------|----------------------|-----------------------|----------------------|------------------|--------------------|
|   | FY 22/23           | FY 22/23                | FY 22/23             | FY 22/23              | FY 22/23             | FY 22/23         | FY 21/22           |
| <b>Fund Balances:</b>                     |                    |                         |                      |                       |                      |                  |                    |
| Beginning Available Balance               | \$2,733,343        | \$799,694               | \$1,415,445          | \$1,622,352           | \$1,539,015          | \$829,804        | \$8,939,653        |
| Budgeted Operating Surplus (Loss)         | 4,172,601          | (513,738)               |                      |                       | 200,000              |                  | 3,858,864          |
| Budgeted Transfer to Water Capital*       | (3,500,000)        |                         |                      |                       | (600,000)            |                  | (4,100,000)        |
| Transfer to/from Rate Stabilization       | (800,000)          |                         |                      | 800,000               |                      |                  |                    |
| Transfers In/(Out)                        |                    |                         |                      |                       |                      |                  | -                  |
| <b>Projected Ending Available Balance</b> | <b>\$2,605,944</b> | <b>\$285,956</b>        | <b>\$1,415,445</b>   | <b>\$2,422,352</b>    | <b>\$1,139,015</b>   | <b>\$829,804</b> | <b>\$8,698,517</b> |

\*Transfer from Operating to Capital is based on Cost-of-Service Study. The transfer amount in any FY on this sheet is from PY proceeds and is determined after year end close, audit, and completion of Reserve Policy Calculations.

# CAPITAL BUDGET

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# CAPITAL FUND BALANCE

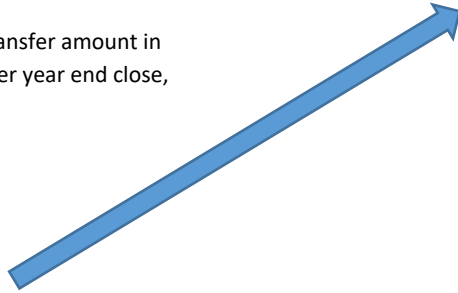
## Water Capital - Fund 60 Projected Balance

|  | <i>Adjusted<br/>Budget</i> | <b>Year 1</b><br><i>Proposed<br/>Budget</i> | <b>Year 2</b><br><i>Proposed<br/>Budget</i> | <b>Year 3</b><br><i>Proposed<br/>Budget</i> | <b>Year 4</b><br><i>Proposed<br/>Budget</i> | <b>Year 5</b><br><i>Proposed<br/>Budget</i> |
|--|----------------------------|---|---|---|---|---|
| <b>Fund Balances:</b>                      | FY 21/22                   | FY 22/23                                    | FY 23/24                                    | FY 24/25                                    | FY 25/26                                    | FY 25/27                                    |
| Beginning Available Balance                | <b>\$8,555,327</b>         | <b>\$7,488,906</b>                          | <b>\$5,379,016</b>                          | <b>\$5,555,797</b>                          | <b>\$8,573,788</b>                          | <b>\$7,198,337</b>                          |
| Budgeted Transfer from Operating Reserves* | 2,416,115                  | 3,500,000                                   | 3,000,000                                   | 3,000,000                                   | 3,000,000                                   | 3,000,000                                   |
| New Water Sources Funds                    |                            | 600,000                                     | 600,000                                     | -   | -   | -   |
| Forecasted Capacity Fees                   | 2,756,301                  | 1,162,750                                   | 356,781                                     | 3,342,991                                   | 3,384,549                                   | 2,598,257                                   |
| <b>Total Available Funding</b>             | <b>13,727,743</b>          | <b>12,751,656</b>                           | <b>9,335,797</b>                            | <b>11,898,788</b>                           | <b>14,958,337</b>                           | <b>12,796,594</b>                           |
| Less Capital Project Budgets-Water         | <b>(6,238,837)</b>         | <b>(7,372,640)</b>                          | <b>(3,780,000)</b>                          | <b>(3,325,000)</b>                          | <b>(7,760,000)</b>                          | <b>(5,750,000)</b>                          |
| <b>Projected Ending Available Balance</b>  |                            | <b>\$7,488,906</b>                          | <b>\$5,379,016</b>                          | <b>\$5,555,797</b>                          | <b>\$8,573,788</b>                          | <b>\$7,198,337</b>                          |
|  |                            |   |   |   |   | <b>\$7,046,594</b>                          |

\*Transfer from Operating to Capital is based on Cost of Service Study. The transfer amount in any FY on this sheet is from PY operating/rate revenue and is determined after year end close, audit, and completion of Reserve Policy Calculations.

### Target Balance

Minimum (1 year of 5-year average CIP)      \$ 5,597,528  
 Ideal Target (2 year of 5-year average CIP)      \$ 11,195,056



## Wholesale Water Efficiency (WWE) Capital - Fund 62 Projected Balance

Funded by Western Alliance Loan

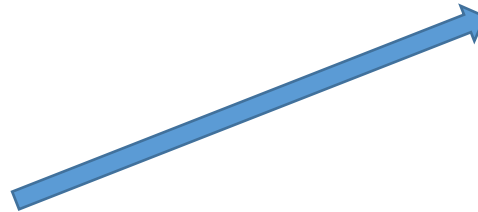
| Fund Balances:                            | Adjusted<br>Budget<br>FY 21/22 | Year 1                         | Year 2                         | Year 3                         | FY 25/26    | FY 25/26    |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------|-------------|
|   |                                | Approved<br>Budget<br>FY 22/23 | Approved<br>Budget<br>FY 23/24 | Approved<br>Budget<br>FY 24/25 |             |             |
| Beginning Available Balance               |                                | (\$759,000)                    | \$4,144,000                    | \$ -                           | \$ -        | \$ -        |
| WWE Project Funding                       |                                | 9,700,000                      |                                |                                |             |             |
| <b>Total Available Funding</b>            | -                              | <b>8,941,000</b>               | <b>4,144,000</b>               | -                              | -           | -           |
| Less Capital Project Budgets - WWE        | (759,000)                      | (4,797,000)                    | (4,144,000)                    | -                              | -           | -           |
| <b>Projected Ending Available Balance</b> | <b>(759,000)</b>               | <b>\$4,144,000</b>             | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b> | <b>\$ -</b> |

## Wastewater - Fund 52 & 53 Projected Fund Balance

| Fund Balances:                            | Adjusted<br>Budget<br>FY 21/22 | Year 1                        | Year 2                        | Year 3                        | Year 4                        | Year 5                        |
|---|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   |                                | Adopted<br>Budget<br>FY 22/23 | Planned<br>Budget<br>FY 23/24 | Planned<br>Budget<br>FY 24/25 | Planned<br>Budget<br>FY 25/26 | Planned<br>Budget<br>FY 25/26 |
| Beginning Available Balance*              | \$6,430,455                    | (\$242,768)                   | (\$611,842)                   | (\$69,464)                    | \$11,372,272                  | \$11,805,449                  |
| Restricted CFD Funds (Citro)              |                                | 10,500,000                    |                               |                               |                               |                               |
| Interfund Loan**                          |                                |                               |                               |                               |                               |                               |
| Transfer from Operating Reserves          |                                |                               | 500,000                       | 500,000                       | 500,000                       | 500,000                       |
| Forecasted Sewer Connections              | 508,536                        | 42,378                        | 42,378                        | 11,091,735                    | 3,383,177                     | 5,439,923                     |
| <b>Total Available Funding</b>            | <b>6,938,991</b>               | <b>10,299,611</b>             | <b>(69,464)</b>               | <b>11,522,272</b>             | <b>15,255,449</b>             | <b>17,745,371</b>             |
| Less: Capital Project Budgets-Wastewater  | (7,181,759)                    | (10,911,452)                  | 0                             | (150,000)                     | (3,450,000)                   | (4,375,000)                   |
| <b>Projected Ending Available Balance</b> | <b>(\$242,768)</b>             | <b>(\$611,842)</b>            | <b>(\$69,464)</b>             | <b>\$11,372,272</b>           | <b>\$11,805,449</b>           | <b>\$13,370,371</b>           |

### Target Balance

|   |              |
|---|--------------|
| Minimum (1 year of 5-year average CIP)      | \$ 4,338,642 |
| Ideal Target (2 year of 5-year average CIP) | \$ 8,677,284 |



# FY23 CAPITAL ASSET ACQUISITION

## CAPITAL AQUISITION IS DEFINED AS A SINGLE UNIT ITEM COST GREATER THAN \$10,000

| DEPT | DESCRIPTION  | JUSTIFICATION  | BUDGET           |
|------|--|--|------------------|
| 34   | Skid Steer and Trailer   | A skid steer is a piece of equipment that has multiple functions depending on attachments. A broom attachment is beneficial for clean up after main breaks; a bucket provides backfill and loading capabilities; and a brush cutter is used to clear vegetation from easements and around our facilities. District staff rents this piece of equipment frequently and it would be more cost effective to purchase rather than continue to rent regularly. Furthermore, this equipment is critical to pipe laying projects. | \$125,000        |
| 36   | Unit #36 2023 Silverado 4x4 Reg Cab Diesel W/ Service Body                             | Replacing Unit #36 2008 Ford F-350 Reg Cab 4x2. Diesel With 78,477.8 miles; 3,375 hours which adds up to 162,852.8 miles. This vehicle does not have 4x4 and is losing power. This 6.4 Diesel engine is Ford/International Navistar old design that was only made from 2008-2010 due to its many failures. It has the original transmission.   | \$89,060         |
| 36   | Unit # 12 2023 Chevrolet Silverado 2500 Double CAB 4X4 W/ service body                 | Replacing a 2015 Silverado 1500 Double cab 4x4 pick up. Mileage is 111,646 with 6,427 hours, which adds up to 272,321 miles. This truck does not have a backup safety camera or Bluetooth capability and has the original transmission.  | \$81,865         |
| 36   | Unit # 13 - 2023 Chevrolet Silverado 1500 Double Cab 4x4                               | Replacing Unit #13 2013 Silverado 1500 Reg Cab 4x4 mileage is 155,906. Significant power loss and consumes oil between services and has the original transmission.   | \$58,425         |
| 36   | Unit # 15- 2023 Chevrolet Silverado 2500 Double Cab 4x4 W/ Service Body                | Replacing Unit #15 2015 Silverado 1500 Double Cab 4x4 pick up. Mileage is 83,719 with 4,886.6 hours which adds up to 205,884 miles. This vehicle is losing power and consumes oil between services and has the original transmission.  | \$81,865         |
| 36   | Unit # 16- 2023 Chevrolet Silverado 2500 Double Cab 4x4 W/ Service Body                | Replacing Unit # 16 2015 Silverado 1500 Double Cab 4x4 mileage is 69,473 with 3,592.2 hours which adds up to 159,278 miles. This vehicle is starting to consume oil between services and has the original transmission.  | \$81,865         |
| 36   | Unit # 20 - 2023 Chevrolet Silverado 2500 Double Cab 4x4 W/ Service Body               | Replacing Unit # 20 2018 Silverado 1500 Double Cab 4x4 mileage is 88,363 with 3,883.3 hours which adds up to 185,445 miles. It does not have Bluetooth capability or backup safety cameras. This vehicle has lost power, the engine is consuming oil between services, has internal engine noise and it also has the original transmission.  | \$81,865         |
| 36   | Unit # 60- 2023 Chevrolet Silverado 1500 Double Cab 4x4                                | Replacing Unit # 60 2016 Silverado 1500 Double Cab 4x4 with 149,285 miles and 6,588.9 hours which adds up to 314,007 miles. This vehicle is losing power, consuming oil between services and has the original engine.  | \$58,425         |
| 36   | Robin Air Refrigerant recovery & recycler, recharge machine for Automotive A/C Systems | This services HFC-134A & HFO-1234YF Refrigerant. The Environmental Protection final rule under SNAP declared that all 2021 & newer vehicle models with HFC-134A134A are not approved for use, manufactured or sold in the U.S. HFO-1234YF is the new refrigerant approved for newer models. As systems develop leaks or components fail it is more cost effective to retrofit our systems in-house with EPA approved methods & refrigerants.   | \$10,000         |
| 36   | (2) 2023 Ford Escape Hybrids   | Additional units requested by the Engineering Department. One will replace Unit # 5 2005 Chevrolet Trail blazer.   | \$65,619         |
|      |  |  | <b>\$608,989</b> |

# CAPITAL PROJECTS

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# CAPITAL PROJECTS OVERVIEW

The recommended CIP identifies facilities or programs, which are recommended for a variety of reasons, primarily to provide the District's customers with a system that meets the District's capacity criteria, is in good condition and can be operated efficiently and reliably. Should demands and flows forecasted to develop during the planning horizon not materialize, there may be opportunities to defer or eliminate some projects. Contrarily, some projects are needed immediately. Each CIP undergoes an in-depth analysis and Staff ranks the projects to determine which projects are the highest priority and thus are placed earlier in the 5-year CIP Plan. Projects receiving a lower ranking are typically placed further out into the 5-year plan. However, the proposed cost of a project can also cause it to be pushed back or advanced forward regardless of its ranking among the other projects. In these instances, Staff may determine that multiple smaller projects would be of more benefit than constructing one large project of the same value as the smaller ones combined. All projects shown in the 5-year CIP Plan are reviewed during the Mid-year budget adjustment as well as prior to the beginning of each Fiscal Year. Due to ongoing development throughout the District an update to the District's Water and Wastewater Master Plan should be conducted in the next one to three years, at which point demands and flows can be revisited.

The recommended projects are largely the result of the hydraulic analysis completed. Projects identified fell into various improvement categories including hydraulic capacity, pressure regulation, operations, redundancy and reliability, and fire flow capacity. The water system CIP consists of 35 water and wastewater projects that are listed in tables below. Additional detail regarding the nature of the various recommendation categories follows below:

- **Hydraulic Capacity** – consists primarily of pipeline upsizing to correct deficiencies in capacity caused by excessive velocity and head loss under peak demand conditions. Pump stations and storage reservoirs were also reviewed for appropriate capacity.

- **Pressure Regulation** – recommend potential reduced pressure service zones by constructing pressure reducing stations to protect pipelines, laterals and appurtenances

- **Operations, Redundancy and Reliability** – includes a diverse set of construction, implementation, maintenance and assessment projects to add and improve emergency supplies, increase the system and supply reliability for vulnerable or future service areas, improve operating efficiencies, upgrade and/or replace facilities that don't meet current standards and assist with strategic planning and replacement of critical facilities

- **Fire Flows** – upsizing of small diameter pipelines to increase fire flows at critically deficient areas

- **Water Supply** – consists of projects for construction of facilities to deliver new water supplies under normal or emergency conditions.

The total estimated cost of the water CIP based on planning level costs estimates is \$40.5M over the next 5 years.

The total estimated cost of the wastewater CIP \$18M.

Project cost estimates shall be retained, updated by observed inflation on an annual basis and replaced with more detailed and accurate cost estimates as they become available.

In Fiscal Year 2018 the District completed an update of the District-wide water and wastewater capacity fees to help fund expansion projects. The District's water and wastewater rates paid by existing customers will be used to fund replacement, rehabilitation and betterment projects.

# FIVE-YEAR WATER CIP PLAN

| Water Capital Project Budgets: |  | Year 1              | Year 2              | Year 3              | Year 4              | Year 5              |
|--------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                |  | <i>Adopted</i>      | <i>Planned</i>      | <i>Planned</i>      | <i>Planned</i>      | <i>Planned</i>      |
|                                |  | <i>Budget</i>       | <i>Budget</i>       | <i>Budget</i>       | <i>Budget</i>       | <i>Budget</i>       |
| Project #                      | Project  | FY 22/23            | FY 23/24            | FY 24/25            | FY 25/26            | FY 26/27            |
| 300007                         | Programatic EIR for Existing Easements**                         | \$ 75,000           | \$ -                | \$ -                | \$ -                | \$ -                |
| 300008                         | New District Headquarters  | 50,000              | 500,000             | 500,000             | 500,000             | 500,000             |
| 600003                         | San Luis Rey Imported Return Flow Recovery                       | 600,000             | 600,000             |                     |                     |                     |
| 600007                         | Pressure Reducing Stations                                       | 150,000             | 150,000             | 500,000             | 150,000             | 150,000             |
| 600009                         | Isolation Valve Installation Program                             | 500,000             |                     |                     |                     |                     |
| 600019                         | Water System Monitoring Program                                  | 185,000             | 25,000              |                     |                     |                     |
| 600026                         | Camino Del Rey Waterline Reloaction                              | 25,000              | 25,000              | 25,000              |                     |                     |
| 600030                         | Corrosion Prevention Program Development and Implementation****  | 600,000             | 600,000             | 600,000             | 600,000             |                     |
| 600034                         | Rice Canyon Tank Transmission PL to I-15/SR76 Corridor***        | 2,900,000           |                     |                     |                     |                     |
| 600037                         | Live Oak Park Road Bridge Replacement                            | 600,000             |                     |                     |                     |                     |
| 600040                         | Vallecitos PS Relocation   |                     |                     | 500,000             | 1,400,000           | 200,000             |
| 600043                         | Eagles Perch Water Pipeline Improvements (PUP)                   |                     |                     | 300,000             | 1,300,000           |                     |
| 600047                         | Communitty Power Resiliency Generator Grant (Generator at Sumac) |                     | 1,050,000           |                     |                     |                     |
| 600048                         | Northside Zone Supply Redundancy                                 |                     |                     |                     | 150,000             |                     |
| 600050                         | Lookout Mountain Electrical Upgrade                              |                     |                     |                     | 1,000,000           | 1,000,000           |
| 600051                         | North Feeder and Rainbow Hills Water Line Replacements           |                     |                     | 150,000             | 1,850,000           |                     |
| 600058                         | Electrical Panel Switches  |                     | 130,000             |                     |                     |                     |
| 600067                         | Pala Mesa Fairways 383 A and C                                   |                     |                     | 250,000             |                     |                     |
| 600068                         | Sarah Ann Drive Line 400 A                                       | -                   |                     |                     | 35,000              | 1,500,000           |
| 600069                         | Wilt Road (1331)   |                     |                     |                     | 150,000             | 350,000             |
| 600070                         | Katie Lendre Drive Line (PUP)                                    |                     |                     |                     |                     | 250,000             |
| 600071                         | Del Rio Estates Line Ext 503                                     |                     |                     |                     |                     | 250,000             |
| 600072                         | East Heights Line 147L   |                     |                     |                     |                     | 150,000             |
| 600073                         | East Heights Line 147A   |                     |                     |                     |                     | 250,000             |
| 600074                         | Via Zara - PUP   |                     |                     |                     | 125,000             | 250,000             |
| 600075                         | Roy Line Ext   |                     |                     |                     |                     | 250,000             |
| 600077                         | Rainbow Water Quality Improvement                                | 920,000             |                     |                     |                     |                     |
| 600080                         | Los Alisos South 243   |                     |                     |                     |                     | 150,000             |
|                                | Moosa Line & Valves  |                     | 200,000             |                     |                     |                     |
| N/A                            | Department Level Capital Expenses                                | 767,640             | 500,000             | 500,000             | 500,000             | 500,000             |
| <b>Total</b>                   |  | <b>\$ 7,372,640</b> | <b>\$ 3,780,000</b> | <b>\$ 3,325,000</b> | <b>\$ 7,760,000</b> | <b>\$ 5,750,000</b> |

# FIVE-YEAR WHOLESALE WATER EFFICIENCY CIP PLAN

| Project #                                 | Project Name  | Year 1                | Year 2                 | Year 3                 | Year 4                 | Year 5                 |
|---|---|-----------------------|------------------------|------------------------|------------------------|------------------------|
|   |   | <i>Adopted Budget</i> | <i>Approved Budget</i> | <i>Approved Budget</i> | <i>Approved Budget</i> | <i>Approved Budget</i> |
|   |   | FY 22/23              | FY 23/24               | FY 24/25               | FY 25/26               | FY 25/26               |
| 600008                                    | Weese WTP Permanent Emergency Interconnect Pump Station | \$ 825,000            | \$ -                   | \$ -                   | \$ -                   |                        |
| 600013                                    | Hutton & Turner Pump Stations (SDCWA Shutdowns)         | 2,375,000             | 2,475,000              |                        |                        |                        |
| 600084                                    | Morro Pump Station                                      | 250,000               | 1,225,000              |                        |                        |                        |
| 600078                                    | Wilt Road Feeder (18 inch Water Line)                   | 750,000               | 444,000                |                        |                        |                        |
| 600079                                    | Gird Road 1,600' upsize from 12" to 18" or larger       | 597,000               |                        |                        |                        |                        |
| <b>Total</b>                              |   | <b>\$4,797,000</b>    | <b>\$4,144,000</b>     | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |
|   |   | -                     | -                      | -                      | -                      | -                      |
| <b>Financing</b>                          |   | <b>\$4,797,000</b>    | <b>\$4,144,000</b>     | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |
|   |   |                       |                        |                        |                        |                        |
| <b>Projected Ending Available Balance</b> |   | <b>\$4,144,000</b>    | <b>\$0</b>             |                        |                        |                        |

# FIVE-YEAR WASTEWATER CIP PLAN

## Wastewater Capital Project Budgets:

| Project #    | Project Name   | Year 1                | Year 2                | Year 3                | Year 4                | Year 5                |
|--------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|              |  | <i>Adopted Budget</i> | <i>Planned Budget</i> | <i>Planned Budget</i> | <i>Planned Budget</i> | <i>Planned Budget</i> |
|              |  | <b>FY 22/23</b>       | <b>FY 23/24</b>       | <b>FY 24/25</b>       | <b>FY 25/26</b>       | <b>FY 26/27</b>       |
| 530001       | Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement) | \$10,791,452          | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| 530006       | Sewer System Rehabilitation Program                                  |                       |                       |                       |                       |                       |
| 530017       | N River Road Land Outfall Rehabilitation (Operations Project)        |                       |                       |                       |                       |                       |
| 530018       | Fallbrook Oaks Forcemain and Manhole Replacement                     |                       |                       |                       | 150,000               | 1,650,000             |
| 530019       | CIPP 500' of line 8" VCP line near Pala Mesa/Palomar                 |                       |                       |                       |                       | 100,000               |
| 530020       | Rancho Viejo LS Wet Well Expansion                                   |                       |                       |                       | 500,000               | 1,000,000             |
| 530023       | Replace Rancho Monserate LS Emergency Generator                      |                       |                       |                       |                       | 125,000               |
| XXXXX        | HQ B-Plant Dry Well  |                       |                       |                       | 250,000               | 1,000,000             |
| XXXXX        | HQ B-Plant Generator Replacement                                     |                       |                       | 50,000                | 250,000               | 500,000               |
| XXXXX        | Pala Mesa Sewer CIPP Lining  |                       |                       | 50,000                | 650,000               |                       |
| XXXXX        | Oakcliff Sewer CIPP Lining   |                       |                       | 50,000                | 650,000               |                       |
| XXXXX        | Old River Road between LS#1 & LS#2                                   |                       |                       |                       | 1,000,000             |                       |
| N/A          | Department Level Capital Expenses                                    | 120,000               |                       |                       |                       |                       |
| <b>Total</b> |  | <b>\$10,911,452</b>   | <b>\$ -</b>           | <b>\$150,000</b>      | <b>\$3,450,000</b>    | <b>\$ 4,375,000</b>   |

# CAPITAL IMPROVEMENT PROJECTS



## Capital Improvement Program

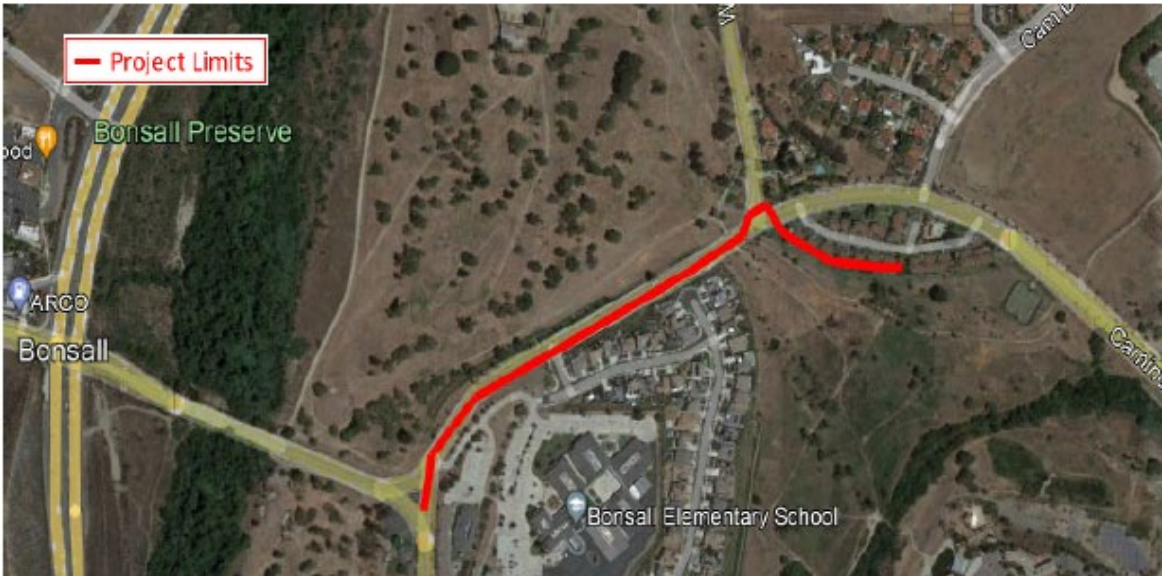
### Camino Del Rey Sewer Relocation, Division 1

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to relocate approximately 3,900 feet of 14-inch PVC gravity main into Camino Del Rey. The project will improve the accessibility of the gravity main for operations and maintenance.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



#### FUNDS REQUESTED

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

#### SEWER

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication



**Camino Del Rey Waterline Relocation, Division 1**

Project Number: 600026

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to relocate existing water mains to support a County construction project. The project will ensure continuity of service during the County initiated construction project and upgrade water facilities.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined on County's construction schedule



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$25,000             |
| CONSTRUCTION        | \$25,000             |
| CONSTRUCTION ADMIN. | \$25,000             |
| CONTINGENCY         | \$0                  |
| <b>TOTAL</b>        | <b>\$75,000</b>      |

**WATER FUND**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

**Corrosion Prevention Program Development and Implementation**

Project Number: 600030

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to install anodes and impressed current systems for cathodic protection of existing pipelines. The project will slow the corrosion of pipelines and extend the useful life of water infrastructure.

**STATUS:** The project is partially funded and is in the planning and construction phases. This is an ongoing program with an unknown anticipated completion date.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$500,000            |
| CONSTRUCTION        | \$2,00,000           |
| CONSTRUCTION ADMIN. | \$250,000            |
| CONTINGENCY         | \$250,000            |
| <b>TOTAL</b>        | <b>\$3,000,000</b>   |

| WATER   |
|---|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |



**Del Rio Estates Line Extension 503 (PUP), Division 2**

Project Number: 600071

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 1,056 feet of 6-inch pipe on Calle De Vuelta. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$60,000             |
| CONSTRUCTION        | \$480,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$60,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources   ♦Asset Management   ♦Workforce Development  
 ♦Fiscal Responsibility   ♦Customer Service   ♦ Communication

**Eagles Perch Water Pipeline Improvements, Division 1**

Project Number: 600043

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to replace and relocate water pipelines in a difficult to reach easement to a new alignment within a roadway and private driveway. The project will prevent future costs associated with leaks and main breaks, reduce service interruptions, and increase fire protection.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY 28-29.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$40,000             |
| CONSTRUCTION        | \$1,440,000          |
| CONSTRUCTION ADMIN. | \$40,000             |
| CONTINGENCY         | \$80,000             |
| <b>TOTAL</b>        | <b>\$1,600,000</b>   |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication



**East Heights Line 147A (PUP), Division 5**

Project Number: 600073

Project Manager: TBD

**DESCRIPTION:** This project proposes to repair several small portions of 14-inch cement mortar lined and coated steel pipe (CMLC) on Rancho Heights Road identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$53,000             |
| CONSTRUCTION        | \$424,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$53,000             |
| <b>TOTAL</b>        | <b>\$530,000</b>     |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication

**East Heights Line 147L (PUP), Division 5**

Project Number: 600072

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 1,056 feet of 14-inch pipe on Rancho Heights Road identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$105,000            |
| CONSTRUCTION        | \$840,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$105,000            |
| <b>TOTAL</b>        | <b>\$1,050,000</b>   |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Gird Road Water Main Upsize, Division 3**

Project Number: 600079

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to replace approximately 1,600 feet of 12-inch water line with an 18-inch or larger water line along Gird Road, which is critical infrastructure for the Wholesale Water Efficiency effort. The project will allow transport of critical water supply from our wholesale connections to the District’s reservoirs.

**STATUS:** The project is fully funded and design is complete. The project’s anticipated completion is Q4 FY22-23.



| FUNDS REQUESTED   |                      |
|---|----------------------|
|   | TOTAL PROJECT BUDGET |
| DESIGN  | \$50,000             |
| CONSTRUCTION  | \$500,000            |
| CONSTRUCTION ADMIN.   | \$47,000             |
| CONTINGENCY   | \$50,000             |
| <b>TOTAL</b>  | <b>\$647,000</b>     |
| WATER   |                      |
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |                      |

**Gird Road Water Improvements, Division 3**

Project Number: 600041

Project Manager: TBD

**DESCRIPTION:** This project proposes to install two segments of 8-inch pipe on Gird Road to connect the Fallbrook Oaks community water infrastructure to the pressure zone fed by the pressure reducing station on Knottwood Way. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$30,000             |
| CONSTRUCTION        | \$270,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$30,000             |
| <b>TOTAL</b>        | <b>\$330,000</b>     |

**WATER**

♦Water Resources   ♦Asset Management   ♦Workforce Development  
 ♦Fiscal Responsibility   ♦Customer Service   ♦Communication



**Gird to Monserate Hill Water Line, Division 3 & 4**

Project Number: 600002

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace a severed waterline connecting the 18-inch cement mortar lined and coated (CMLC) steel pipe on Gird Road to the 8-inch ductile iron pipe (DIP) on Monserate Hill Road. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is Q4 FY24-45.



| FUNDS REQUESTED     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$154,000                   |
| CONSTRUCTION        | \$1,232,000                 |
| CONSTRUCTION ADMIN. | \$34,000                    |
| CONTINGENCY         | \$120,000                   |
| <b>TOTAL</b>        | <b>\$1,540,000</b>          |

| WATER  |
|--|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦Communication |

**Golf Club Drive Sewer Replacement, Division 1**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace approximately 500 feet of sewer main along Golf Club Drive with new 8-inch PVC. The project will improve reliability of the sewer system.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

♦Water Resources   ♦Asset Management   ♦Workforce Development  
 ♦Fiscal Responsibility   ♦Customer Service   ♦Communication



**Gomez and Magee PS Upgrades & Sumac Radio Tower, Division 4 & 5**

Project Number: 600047

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to install emergency generators at Gomez and Magee Pump Stations and a solar PV system at Sumac Radio Tower. The project will provide a backup power source for critical water and communications infrastructure.

**STATUS:** The project is partially funded and is in the design phase. The project's anticipated completion is Q3 FY 22-23.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$90,000             |
| CONSTRUCTION        | \$930,000            |
| CONSTRUCTION ADMIN. | \$35,000             |
| CONTINGENCY         | \$95,000             |
| <b>TOTAL</b>        | <b>\$1,150,000</b>   |

**WATER**

♦Water Resources   ♦Asset Management   ♦Workforce Development  
 ♦Fiscal Responsibility   ♦Customer Service   ♦ Communication



**Gopher Canyon Water Pipeline Improvements, Division 1**

Project Number: 600045

Project Manager: TBD

**DESCRIPTION:** This project proposes to install multiple pipe segments within Gopher Canyon Road, Margale Lane, and Integrity Court. The project will prevent future costs associated with leaks and main breaks, reduce service interruptions, and provide looping within the Hutton Tank pressure zone.

**STATUS:** The project is unfunded and is in the construction phase. The project's anticipated completion is Q4 FY27-28.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$230,000            |
| CONSTRUCTION        | \$2,000,000          |
| CONSTRUCTION ADMIN. | \$70,000             |
| CONTINGENCY         | \$230,000            |
| <b>TOTAL</b>        | <b>\$2,530,000</b>   |

|  |
|--|
| <p><b>WATER</b></p> <p>◆Water Resources ◆Asset Management ◆Workforce Development<br/>◆Fiscal Responsibility ◆Customer Service ◆Communication</p> |
|--|

**Headquarters B-Plant Dry Well Improvements, Division 1**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to rehabilitate the existing dry well and reconfigure pipes within the dry well at the B-Plant Lift Station. The project will extend the useful life of the facility and improve access for system operators.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆ Communication



**Headquarters B-Plant Generator Replacement, Division 1**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace the current emergency generator at the B-Plant Lift Station with a generator of the same size. The project will provide a backup power source for critical sewer infrastructure.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

**Hutton and Turner Pump Stations, Division 1**

Project Number: 600013

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to install two pump stations to provide water to the Hutton – Turner-Gopher Tank Zones, which is critical infrastructure for the Wholesale Water Efficiency effort. The project will transport critical water supply from the northern connections to the southern zones of the District.

**STATUS:** The project is fully funded and is in the design phase. The Project’s anticipated completion is Q3 of FY 22-23.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$500,000            |
| CONSTRUCTION        | \$4,000,000          |
| CONSTRUCTION ADMIN. | \$450,000            |
| CONTINGENCY         | \$400,000            |
| <b>TOTAL</b>        | <b>\$5,350,000</b>   |

| WATER   |
|---|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |



**Isolation Valve Installation Program, District-wide**

Project Number: 600009

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to replace isolation valves District-wide. The project will reduce the number of customers impacted by service interruptions due to leaks and main breaks.

**STATUS:** The project is partially funded and is in the planning and construction phases. This is an ongoing program with an unknown completion date.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$50,000             |
| CONSTRUCTION        | \$2,150,000          |
| CONSTRUCTION ADMIN. | \$0                  |
| CONTINGENCY         | \$0                  |
| <b>TOTAL</b>        | <b>\$2,200,000</b>   |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication



**Katie Lendre Drive Line (PUP), Division 3**

Project Number: 600070

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 1,000 feet of an 8-inch waterline identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The Project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$60,000             |
| CONSTRUCTION        | \$480,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$60,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

**Live Oak Park Bridge Replacement, Division 5**

Project Number: 600037

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to relocate two existing water mains to support a County construction project. The project will ensure continuity of service during the County initiated construction project and upgrade water facilities.

**STATUS:** The project is funded and is in the construction phase. The project’s anticipated completion is Q4 FY22-23.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$60,000             |
| CONSTRUCTION        | \$510,000            |
| CONSTRUCTION ADMIN. | \$10,000             |
| CONTINGENCY         | \$20,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Lookout Mountain Pump Station Upgrades, Division 5**

Project Number: 600050

Project Manager: TBD

**DESCRIPTION:** This project proposes to upgrade pumps and electrical components at the Lookout Mountain Pump Station. The project will ensure reliability of critical water infrastructure.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is Q4 FY25-26.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$200,000            |
| CONSTRUCTION        | \$1,600,000          |
| CONSTRUCTION ADMIN. | \$40,000             |
| CONTINGENCY         | \$160,000            |
| <b>TOTAL</b>        | <b>\$2,000,000</b>   |

| WATER   |
|---|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |

**Los Alisos South 243 (PUP), Division 5**

Project Number: 600080

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 2,112 feet of 8-inch pipe on Los Alisos South identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$120,000            |
| CONSTRUCTION        | \$960,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$120,000            |
| <b>TOTAL</b>        | <b>\$1,200,000</b>   |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication



**Manual Transfer Switches, District-wide**

Project Number: 600058

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to install manual transfer switches at Morro Hills Pump Station, Rainbow Hills Pump Station, and Vallecitos Pump Station. The project will ensure the safety of District Staff when switching to backup power during emergencies.

**STATUS:** The project is funded and is in the design phase. The project's anticipated completion is Q2 FY22-23.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$30,000             |
| CONSTRUCTION        | \$160,000            |
| CONSTRUCTION ADMIN. | \$20,000             |
| CONTINGENCY         | \$40,000             |
| <b>TOTAL</b>        | <b>\$250,000</b>     |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication



**Morro Pump Station Upgrades, Division 2**

Project Number: 600084

Project Manager: TBD

**DESCRIPTION:** This project proposes to retrofit the existing Morro Pump Station due to the existing pump and motor controls being old and outdated. These upgrades are critical infrastructure for the Wholesale Water Efficiency effort. The project will transport critical water supply to various parts of the District.

**STATUS:** The project is fully funded and is in the design phase. The project's anticipated completion date is Q4 FY23-24



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$200,000            |
| CONSTRUCTION        | \$1,000,000          |
| CONSTRUCTION ADMIN. | \$175,000            |
| CONTINGENCY         | \$150,000            |
| <b>TOTAL</b>        | <b>\$1,525,000</b>   |

| WATER   |
|---|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |

**New District Headquarters, Division 1**

Project Number: 300008

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to construct a new District Headquarters. The project will provide an upgraded building and yard to reduce costs and staff time associated with existing facilities maintenance and support day to day administration and operations.

**STATUS:** The project is partially funded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$2,600,000          |
| CONSTRUCTION        | \$15,000,000         |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$1,000,000          |
| <b>TOTAL</b>        | <b>\$18,600,000</b>  |

**GENERAL FUND**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆ Communication



**North Feeder and Rainbow Hills Water Line Replacements , Division 5**

Project Number: 600051

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 3,788 feet of 30-inch and 27-inch pipelines that are severely corroded. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is Q4 FY25-26.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$200,000            |
| CONSTRUCTION        | \$1,600,000          |
| CONSTRUCTION ADMIN. | \$40,000             |
| CONTINGENCY         | \$160,000            |
| <b>TOTAL</b>        | <b>\$2,000,000</b>   |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**North River Road Sewer Outfall Expansion, Division 2**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to convert 16,000 feet of 16-inch gravity main to force main in North River Road between Old River Lift Station and Stallion Drive. The project will increase the capacity of the sewer collection system and extend the useful life of the facility.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication



**North River Road Water Main Replacement, Division 2**

Project Number: 600063

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 2,600 feet of 10-inch pipe on North River Road and Holly Lane. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$145,000            |
| CONSTRUCTION        | \$1,100,000          |
| CONSTRUCTION ADMIN. | \$50,000             |
| CONTINGENCY         | \$105,000            |
| <b>TOTAL</b>        | <b>\$1,400,000</b>   |

|  |
|--|
| <b>WATER</b>   |
| ♦Water Resources   ♦Asset Management   ♦Workforce Development<br>♦Fiscal Responsibility   ♦Customer Service   ♦Communication |



**Northside Zone Supply Redundancy (Rainbow Hills Zone), Division 5**

Project Number: 600048

Project Manager: TBD

**DESCRIPTION:** This project proposes to upsize 2,200 feet of 6-inch pipe to 12-inch pipe on Rainbow Hills Road. The project will provide an emergency supply connection to service a large critical pressure zone and provide emergency service during a pump station outage.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is Q4 FY26-27.



**FUNDS REQUESTED**

| TOTAL PROJECT BUDGET |                  |
|----------------------|------------------|
| DESIGN               | \$50,000         |
| CONSTRUCTION         | \$400,000        |
| CONSTRUCTION ADMIN.  | TBD              |
| CONTINGENCY          | \$80,000         |
| <b>TOTAL</b>         | <b>\$500,000</b> |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**Oakcliff Sewer CIPP Lining, Division 3**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to install 530 feet of cure-in-place (CIPP) lining in an existing 8-inch vitrified clay pipe (VCP). The project will extend the useful life of the facility, reduce ongoing maintenance costs and reduce inflow and infiltration.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication



**Old Highway 395 Lift Station (Campus Park West), Division 4**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to install a new sewer lift station. The project will provide needed sewer infrastructure to meet the demands of current development.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

**Old River Road Between LS #1 and LS #2, Division 1**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to install approximately 7,800 feet of 20—21-inch gravity main on Old River Road parallel to the existing LS #2 gravity main. The project will increase capacity of the sewer collection system and improve system operations.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Pala Mesa Fairways 383 A and C (PUP), Division 4**

Project Number: 600067

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 1,500 feet of an 8-inch waterline identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$60,000             |
| CONSTRUCTION        | \$480,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$60,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆ Communication





**Pala Mesa/Palomar Sewer CIPP Lining, Division 3 & 5**

Project Number: 530019

Project Manager: TBD

**DESCRIPTION:** This project proposes to install 660 feet of cure-in-place (CIPP) lining on an existing 10-inch vitrified clay pipe (VCP). The project will extend the useful life of the facility and reduce on-going maintenance costs.

**STATUS:** The project is partially funded and is in the planning phase. The project's anticipated completion is Q4 FY24-25.



| FUNDS REQUESTED     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$10,000                    |
| CONSTRUCTION        | \$120,000                   |
| CONSTRUCTION ADMIN. | \$5,000                     |
| CONTINGENCY         | \$15,000                    |
| <b>TOTAL</b>        | <b>\$150,000</b>            |

| SEWER   |
|---|
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |

**Pipe Lining Pilot Project, District-wide**

Project Number: 600055

Project Manager: Chad Williams

**DESCRIPTION:** This project proposes to use pipe lining technologies to repair deteriorating water pipelines. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| <b>FUNDS REQUESTED</b> |                             |
|------------------------|-----------------------------|
|                        | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN                 | \$35,000                    |
| CONSTRUCTION           | \$275,000                   |
| CONSTRUCTION ADMIN.    | \$5,000                     |
| CONTINGENCY            | \$35,000                    |
| <b>TOTAL</b>           | <b>\$350,000</b>            |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦Communication



**Programmatic Environmental Impact Report (EIR), District-Wide**

Project Number: 300007

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to develop a programmatic environmental impact report for water and sewer facilities projects District-wide. The project will guide future CEQA procedures for the District.

**STATUS:** The project is funded and is in the planning phase. The project’s anticipated completion is Q2 FY22-23.



| <b>FUNDS REQUESTED</b> |                             |
|------------------------|-----------------------------|
|                        | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN                 | N/A                         |
| CONSTRUCTION           | N/A                         |
| CONSTRUCTION ADMIN.    | N/A                         |
| CONTINGENCY            | N/A                         |
| <b>TOTAL</b>           | <b>\$252,765</b>            |

**GENERAL FUND**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆ Communication

**Pressure Reducing Stations, District-wide**

Project Number: 600007

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to install pressure reducing stations District-wide. The project will reduce high pressure zones to extend the useful life of water infrastructure.

**STATUS:** The project is partially funded and is in the planning and construction phases. This is an ongoing program with no completion date.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
| DESIGN              | TOTAL PROJECT BUDGET |
| CONSTRUCTION        | \$0                  |
| CONSTRUCTION ADMIN. | \$1,400,000          |
| CONTINGENCY         | \$50,000             |
| <b>TOTAL</b>        | <b>\$1,450,000</b>   |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication



**Rainbow Glen Main Replacement, Division 5**

Project Number: 600065

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 739 feet of 12-inch pipe on Rainbow Glen Road. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.


**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$50,000             |
| CONSTRUCTION        | \$475,000            |
| CONSTRUCTION ADMIN. | \$25,000             |
| CONTINGENCY         | \$50,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦Communication

**Replace Rancho Monserate Emergency Generator, Division 1**

Project Number: 530023

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace the obsolete emergency generator at Rancho Monserate Lift Station with a generator of the same size. The project will provide a backup power source for critical sewer infrastructure.

**STATUS:** The project is partially funded and is in the planning phase. The project’s anticipated completion is to be determined.



| <b>FUNDS REQUESTED</b> |                             |
|------------------------|-----------------------------|
|                        | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN                 | \$35,000                    |
| CONSTRUCTION           | \$250,000                   |
| CONSTRUCTION ADMIN.    | \$25,000                    |
| CONTINGENCY            | \$35,000                    |
| <b>TOTAL</b>           | <b>\$345,000</b>            |

**SEWER**

♦Water Resources ♦Asset Management ♦Workforce Development  
♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Rancho Viejo Lift Station Wet Well Expansion, Division 4**

Project Number: 530020

Project Manager: TBD

**DESCRIPTION:** This project proposes to increase the size of the wet wells and replace the pumps at the existing Rancho Viejo Lift Station on Lake Circle Drive. The project will increase capacity needs and improve system operation.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is Q4 FY24-25.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$150,000            |
| CONSTRUCTION        | \$1,150,000          |
| CONSTRUCTION ADMIN. | \$50,000             |
| CONTINGENCY         | \$150,000            |
| <b>TOTAL</b>        | <b>\$1,500,000</b>   |

**SEWER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication

**Rice Canyon Road Water Main Replacement, Division 5**

Project Number: 600061

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 2,149 feet of 8-inch pipe on Rice Canyon Road north of Rice Canyon tank. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$120,000            |
| CONSTRUCTION        | \$785,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$85,000             |
| <b>TOTAL</b>        | <b>\$990,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Rice Canyon Tank Transmission Pipeline, Division 4 & 5**

Project Number: 600034

Project Manager: Amanda Parra

**DESCRIPTION:** This project will install a 4,600 feet of 18-inch transmission main from Rice Canyon Tank to the water main in Horse Ranch Creek Road, which is critical infrastructure for the Wholesale Water Efficiency effort. The project will improve cycling the tank and assist with critical water transport.

**STATUS:** The project is fully funded and is in the construction phase. The project’s anticipated completion is Q4 FY22/23.



**FUNDS REQUESTED**

|                     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$210,000                   |
| CONSTRUCTION        | \$4,755,000                 |
| CONSTRUCTION ADMIN. | \$45,000                    |
| CONTINGENCY         | \$590,000                   |
| <b>TOTAL</b>        | <b>\$5,600,000</b>          |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication

**Roy Line Extension (PUP), Division 2**

Project Number: 600075

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 1,056 feet of 6-inch pipeline on Emerald Hill Road near North River Road identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$60,000             |
| CONSTRUCTION        | \$480,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$60,000             |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Rainbow Water Quality Improvement Project, Division 5**

Project Number: 600077

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to relocate water mains and service laterals to accommodate a County construction project. The project will ensure continuity of service during the County initiated construction project and upgrade water service facilities.

**STATUS:** The project is funded and is in the construction phase. The project's anticipated completion is Q2 FY22/23.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$40,000             |
| CONSTRUCTION        | \$760,000            |
| CONSTRUCTION ADMIN. | \$25,000             |
| CONTINGENCY         | \$125,000            |
| <b>TOTAL</b>        | <b>\$950,000</b>     |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**Sarah Ann Drive Line 400A, Fallbrook Oaks FM & LS Division 3**

Project Number: 530018 and 600068

Project Manager: Michael Powers

**DESCRIPTION:** This project proposes to replace pumps, suction piping, and 800 feet of 6-inch diameter force main line at the Fallbrook Oaks Lift Station. Additionally, 3,100 feet of an 8-inch water line will be replaced along Sarah Ann Drive. The project will increase capacity needs and improve system operation.

**STATUS:** The project is partially funded and is in the design phase. The project's anticipated completion is Q4 FY26-27.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$180,000            |
| CONSTRUCTION        | \$1,440,000          |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$180,000            |
| <b>TOTAL</b>        | <b>\$1,800,000</b>   |

**SEWER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦Communication



**Schoolhouse Lift Station, Division 1**

Project Number: TBD

Project Manager: TBD

**DESCRIPTION:** This project proposes to construct a lift station as part of a program to replace the existing LS #1. The project will increase reliability of critical infrastructure.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>TBD</b>           |

**SEWER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆Communication

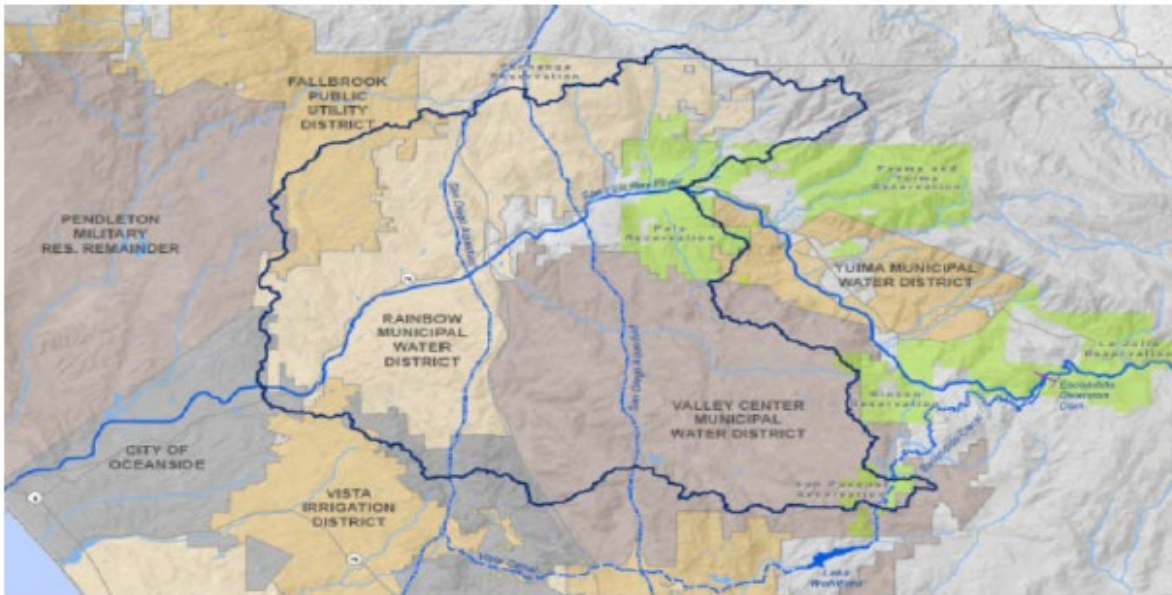
**San Luis Rey Return Flow Recovery, District-wide**

Project Number: 600003

Project Manager: Amanda Parra

**DESCRIPTION:** This project proposes to conduct a feasibility study to identify a groundwater recovery project. The project will determine whether a local groundwater supply is viable to diversify the District's water supply.

**STATUS:** The project is partially funded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | TBD                  |
| CONSTRUCTION        | TBD                  |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        | <b>\$600,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Tecalote Drive Water Main Replacement, Division 3 & 5**

Project Number: 600062

Project Manager: TBD

**DESCRIPTION:** This project proposes to install 8-inch pipe on Tecalote Drive to connect the water pipeline on Millagra Drive to the pressure reducing station which feeds the Pala Mesa Greens community. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



**FUNDS REQUESTED**

|                     | TOTAL PROJECT BUDGET |
|---------------------|----------------------|
| DESIGN              | \$8,500              |
| CONSTRUCTION        | \$68,000             |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | \$8,500              |
| <b>TOTAL</b>        | <b>\$85,000</b>      |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**Thibodo Water Main Replacement, Division 1**

Project Number: 600066

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 940 feet of a 6-inch waterline identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY27-28.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$52,000             |
| CONSTRUCTION        | \$560,000            |
| CONSTRUCTION ADMIN. | \$38,000             |
| CONTINGENCY         | \$50,000             |
| <b>TOTAL</b>        | <b>\$700,000</b>     |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Thoroughbred Lift Station and Sewer Improvements, Division 1, 2, 4**

Project Number: 530001

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to construct a lift station, two gravity mains, and one force main. The project will provide needed sewer infrastructure to meet the demands of current development.

**STATUS:** The project is partially funded and is in the construction phase. The project’s anticipated completion is Q4 FY25-26.



**FUNDS REQUESTED**

|                     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$1,596,762                 |
| CONSTRUCTION        | \$12,774,095                |
| CONSTRUCTION ADMIN. | TBD                         |
| CONTINGENCY         | \$1,596,762                 |
| <b>TOTAL</b>        | <b>\$15,967,619</b>         |

**SEWER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆ Communication

**Vallecitos Pump Station Replacement, Division 5**

Project Number: 600040

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace the existing Vallecitos Pump Station. The project will ensure reliability of critical water infrastructure.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is Q2 FY25-26.



| FUNDS REQUESTED     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$210,000                   |
| CONSTRUCTION        | \$1,680,000                 |
| CONSTRUCTION ADMIN. | \$42,000                    |
| CONTINGENCY         | \$168,000                   |
| <b>TOTAL</b>        | <b>\$2,100,000</b>          |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Via Monserate Water Main Replacement, Division 2**

Project Number: 600060

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 170 feet of 8-inch pipe on Via Monserate. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



**FUNDS REQUESTED**

| TOTAL PROJECT BUDGET |                  |
|----------------------|------------------|
| DESIGN               | \$10,000         |
| CONSTRUCTION         | \$80,000         |
| CONSTRUCTION ADMIN.  | TBD              |
| CONTINGENCY          | \$10,000         |
| <b>TOTAL</b>         | <b>\$100,000</b> |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**Via Vera & West Lilac Water Pipeline Improvements, Division 1**

Project Number: 600042

Project Manager: TBD

**DESCRIPTION:** This project proposes to install water pipelines on Via Vera, West Lilac, and in an easement to allow for the removal of a pipeline in a difficult to reach easement. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the design phase. The project's anticipated completion is Q4 FY28-29.



**FUNDS REQUESTED**

| TOTAL PROJECT BUDGET |                    |
|----------------------|--------------------|
| DESIGN               | \$50,000           |
| CONSTRUCTION         | \$1,800,000        |
| CONSTRUCTION ADMIN.  | \$50,000           |
| CONTINGENCY          | \$100,000          |
| <b>TOTAL</b>         | <b>\$2,000,000</b> |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication



**Via Zara (PUP), Division 5**

Project Number: 600074

Project Manager: TBD

**DESCRIPTION:** This project proposes to replace 528 feet of 6-inch pipe on Via Zara identified by the Condition Assessment as High Risk. The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



**FUNDS REQUESTED**

|                     |                             |
|---------------------|-----------------------------|
|                     | <b>TOTAL PROJECT BUDGET</b> |
| DESIGN              | \$30,000                    |
| CONSTRUCTION        | \$240,000                   |
| CONSTRUCTION ADMIN. | TBD                         |
| CONTINGENCY         | \$30,000                    |
| <b>TOTAL</b>        | <b>\$300,000</b>            |

**WATER**

- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

**Water System Condition Assessment, District-wide**

Project Number: 600015

Project Manager: Michael Powers

**DESCRIPTION:** This project proposes to analyze District-wide water pipe conditions and prioritize replacement . The project will prevent future costs associated with leaks and main breaks and reduce service interruptions.

**STATUS:** The project is unfunded and is in the planning phase. The project’s anticipated completion is Q4 FY24-25.



| <b>FUNDS REQUESTED</b> |                      |
|------------------------|----------------------|
| DESIGN                 | TOTAL PROJECT BUDGET |
| CONSTRUCTION           | N/A                  |
| CONSTRUCTION ADMIN.    | N/A                  |
| CONTINGENCY            | N/A                  |
| <b>TOTAL</b>           | <b>\$50,000</b>      |

**WATER**

◆Water Resources ◆Asset Management ◆Workforce Development  
◆Fiscal Responsibility ◆Customer Service ◆ Communication



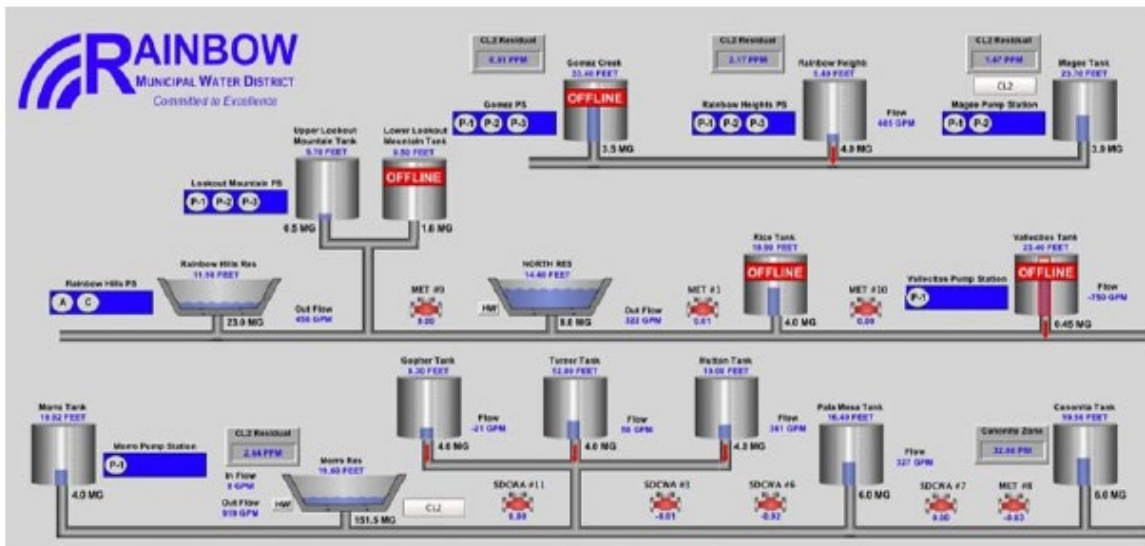
**Water System Monitoring, District-wide**

Project Number: 600019

Project Manager: Ahmed Khattab

**DESCRIPTION:** This project proposes to install District wide upgrades to modernize and standardize SCADA controls and communications equipment incorporating the best available technologies. The project will allow the District to remotely monitor and control facilities such as tanks, pump stations, lift stations, and reservoirs.

**STATUS:** The project is funded and is in the construction phase. The project's anticipated completion is Q4 FY22-23.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
| DESIGN              | TOTAL PROJECT BUDGET |
| CONSTRUCTION        | \$185,000            |
| CONSTRUCTION ADMIN. | TBD                  |
| CONTINGENCY         | TBD                  |
| <b>TOTAL</b>        |                      |

**WATER**

- ◆ Water Resources ◆ Asset Management ◆ Workforce Development
- ◆ Fiscal Responsibility ◆ Customer Service ◆ Communication

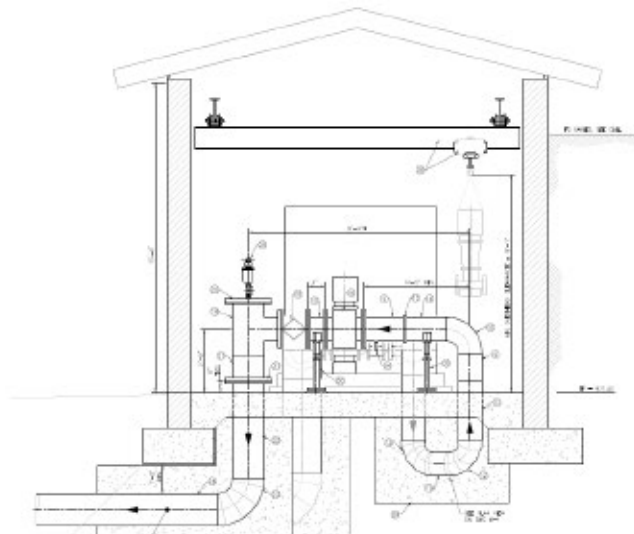
**Weese WTP Permanent Emergency Interconnect and Pump Station, Division 1**

Project Number: 600008

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to install a pump station to pull water from Oceanside’s Weese WTP into the District’s southern zone, which is critical infrastructure for the Wholesale Water Efficiency effort. The project will transport critical water supply to the southern zone of the District.

**STATUS:** The project is fully funded and the design is complete. The project’s anticipated completion is Q4 FY 23-24.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
| DESIGN              | TOTAL PROJECT BUDGET |
| CONSTRUCTION        | \$50,000             |
| CONSTRUCTION ADMIN. | \$950,000            |
| CONTINGENCY         | \$50,000             |
| <b>TOTAL</b>        | <b>\$1,128,000</b>   |

**WATER**

♦Water Resources ♦Asset Management ♦Workforce Development  
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication



**Wilt Road (1331) (PUP), Division 3**

Project Number: 600069

Project Manager: TBD

**DESCRIPTION:** This project proposes to upsize of 2,200 feet of existing 6-inch water main to 10-inch along Wilt Road. The project will prevent future costs associated with leaks and main breaks, reduce service interruptions, and increase pressures to improve functionality of pressure reducing station into Pala Mesa Tank.

**STATUS:** The project is unfunded and is in the planning phase. The project's anticipated completion is to be determined.



| FUNDS REQUESTED   |                      |
|---|----------------------|
|   | TOTAL PROJECT BUDGET |
| DESIGN  | \$120,000            |
| CONSTRUCTION  | \$960,000            |
| CONSTRUCTION ADMIN.   | TBD                  |
| CONTINGENCY   | \$120,000            |
| <b>TOTAL</b>  | <b>\$1,200,000</b>   |
| <b>WATER</b>  |                      |
| ♦Water Resources ♦Asset Management ♦Workforce Development<br>♦Fiscal Responsibility ♦Customer Service ♦ Communication |                      |

**Wilt Road Feeder (18-Inch Water Line), Division 3**

Project Number: 600078

Project Manager: Malik Tamimi

**DESCRIPTION:** This project proposes to install approximately 4,000 feet of 18-inch water line along Wilt Road from Canonita Drive/Wilt Road through Peony Drive/Citrus Drive and a tie-in at Citrus/Vern, which is critical infrastructure for the Wholesale Water Efficiency effort. The project will allow transport of critical water supply to the District.

**STATUS:** The project fully funded and design is complete. The project's anticipated completion is Q1 of FY 23-24.



| FUNDS REQUESTED     |                      |
|---------------------|----------------------|
|                     | TOTAL PROJECT BUDGET |
| DESIGN              | \$50,000             |
| CONSTRUCTION        | \$750,000            |
| CONSTRUCTION ADMIN. | \$135,000            |
| CONTINGENCY         | \$115,000            |
| <b>TOTAL</b>        | <b>\$1,050,000</b>   |

**WATER**

♦Water Resources   ♦Asset Management   ♦Workforce Development  
 ♦Fiscal Responsibility   ♦Customer Service   ♦Communication



# PERSONNEL SUMMARIES

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# STAFFING ANALYSIS

## EXECUTIVE SUMMARY

This report will provide an analysis of staffing conditions in 2021 and early 2022, as well as projections for staffing needs in the 2022-23 fiscal year and beyond. The annual staffing analysis process consists of reviewing the following data:

- **Past trends:** turnover rates, unemployment, overtime labor allocation by department.
- **Present Staffing Conditions:** current organizational structure, workforce demographics and retirement eligibility.
- **Future Projections:** needs analysis, anticipated retirements, staffing continuity planning, labor allocation projections.

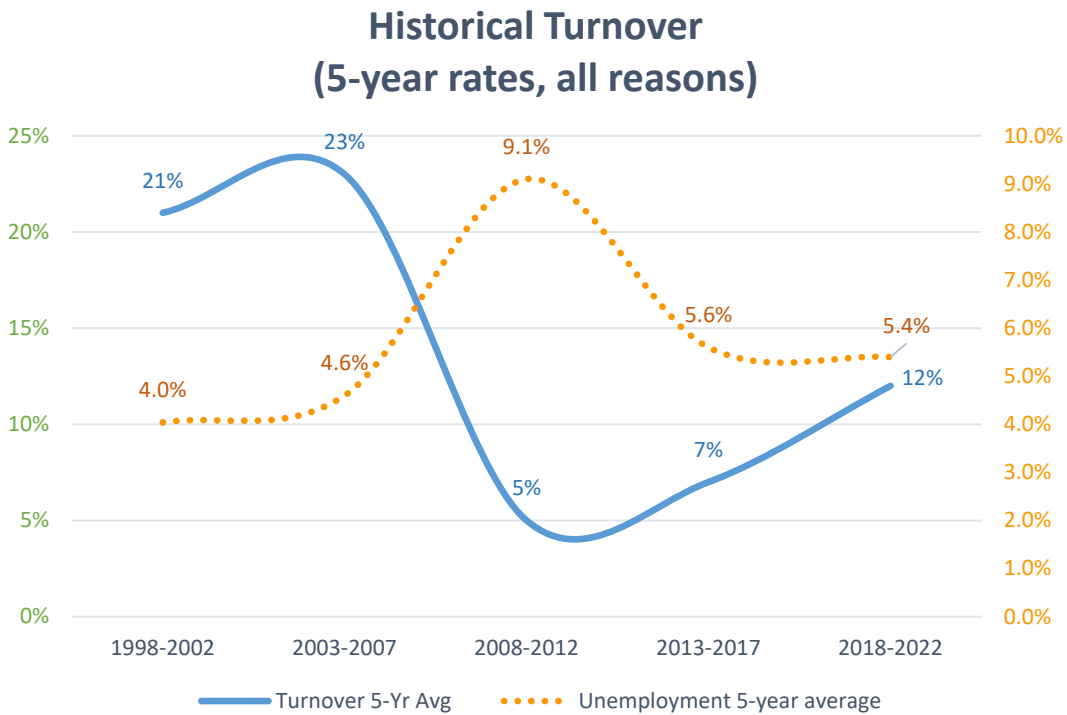
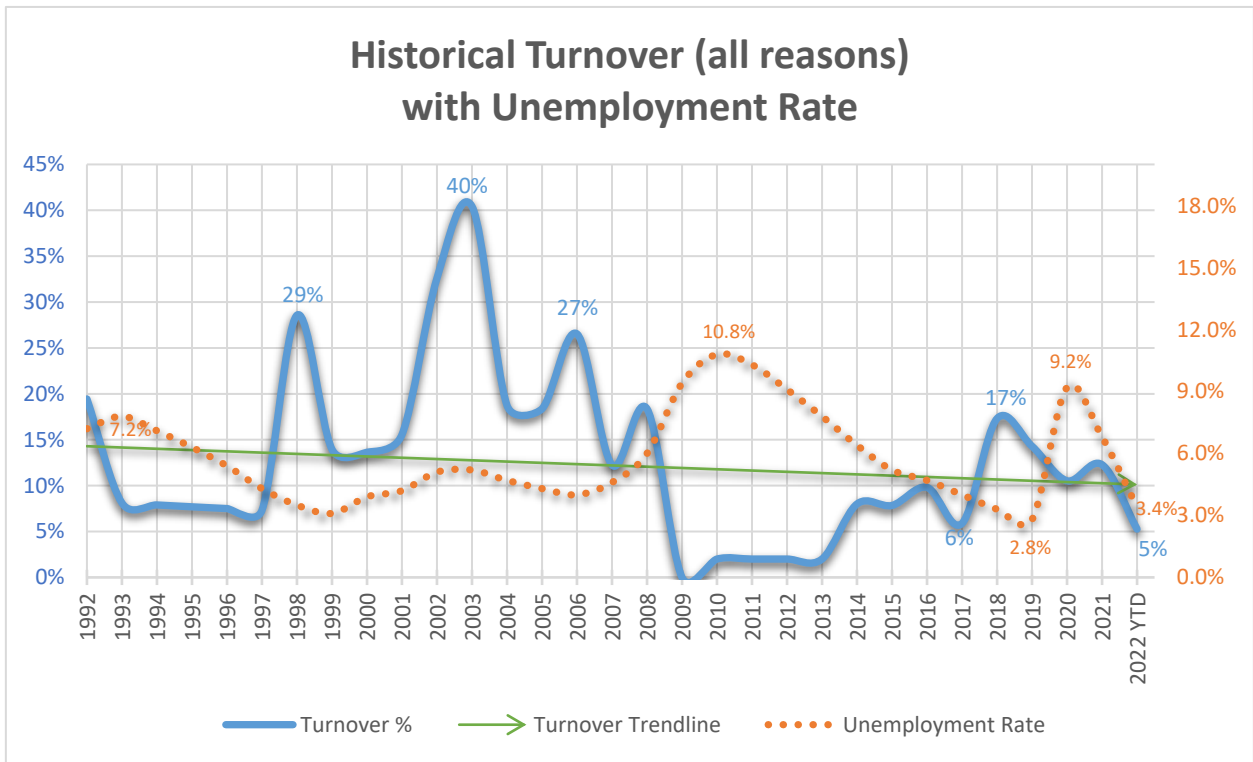
## PAST TRENDS

### LABOR MARKET TRENDS

According to the Bureau of Labor Statistics, the beginning of the 2021-22 fiscal year, unemployment in San Diego County was 6.9%. However, the rate steadily declined and was down to a near pre-pandemic level of 3.4% as of March 2021. In 2021, many employers experienced unprecedented turnover rates that some experts referred to as “the Great Resignation.” The lower unemployment rate was a likely contributing factor to the average views per job posting nearly dropping from 5,500 in FY 20-21 to 1,245 in FY 21-22, as well as the number of applicants per job posting declining from 102 to 42.

### HISTORICAL TURNOVER

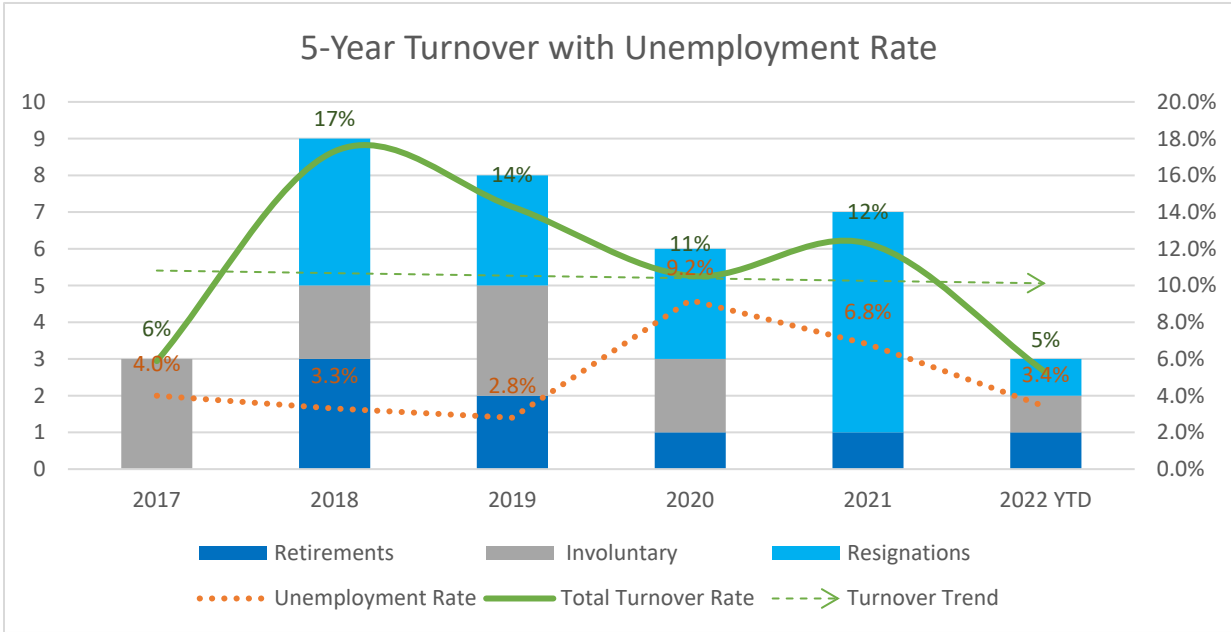
In addition to retirement eligibility, the District expects some non-retirement employment separations each year. Historical turnover analysis shows several points of high turnover that were a result of the organizational conditions at the time, as well as labor market factors like the unemployment rate. While the unemployment rate spiked in 2020 due to the COVID-19 pandemic, it has returned to near pre-pandemic levels. The following charts display historical turnover in conjunction with the unemployment rate. When looking at 5-year average turnover rates, it is easy to see the inverse relationship between unemployment rates and total turnover.



Source: [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand$pds.pdf)

## RECENT TURNOVER

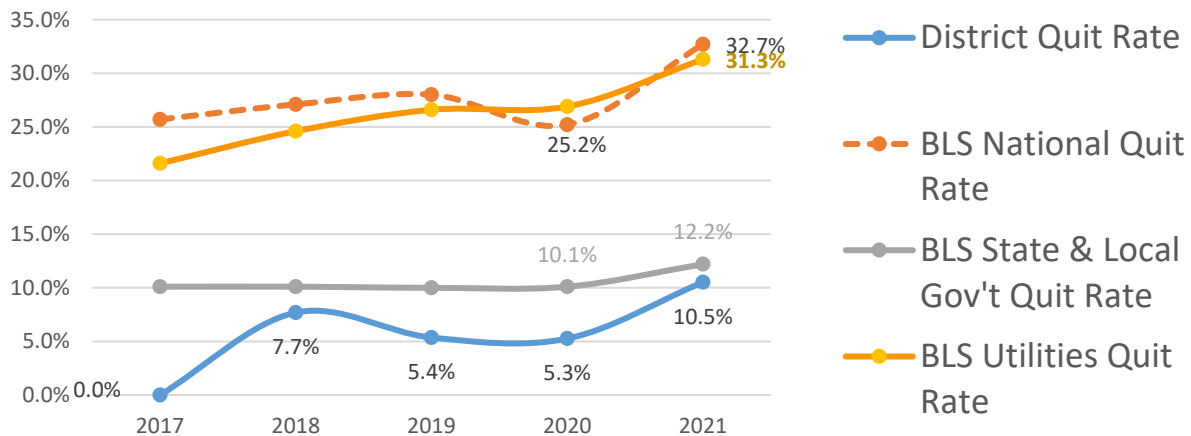
The District’s approach to employee retention has focused on developing a culture of excellence and ensuring that the District’s compensation is competitive. So far, this strategy has been successful: the District was named a 2021 Top Workplace by the San Diego Union-Tribune based on an employee survey, and the District maintained a turnover level just under the District’s 30-year average of 13%.



## QUIT RATES

When looking at turnover, it can be useful to look at voluntary quit rates in addition to total turnover. The District’s quit rate ranged from 0%-10.5% over the past five years. It did increase in 2021, along with the national average, but remains below both the national average and the state and local government quit rate.

District Quit Rate Compared to National Averages



Source: [https://www.bls.gov/news.release/archives/jolts\\_03092022.htm](https://www.bls.gov/news.release/archives/jolts_03092022.htm)

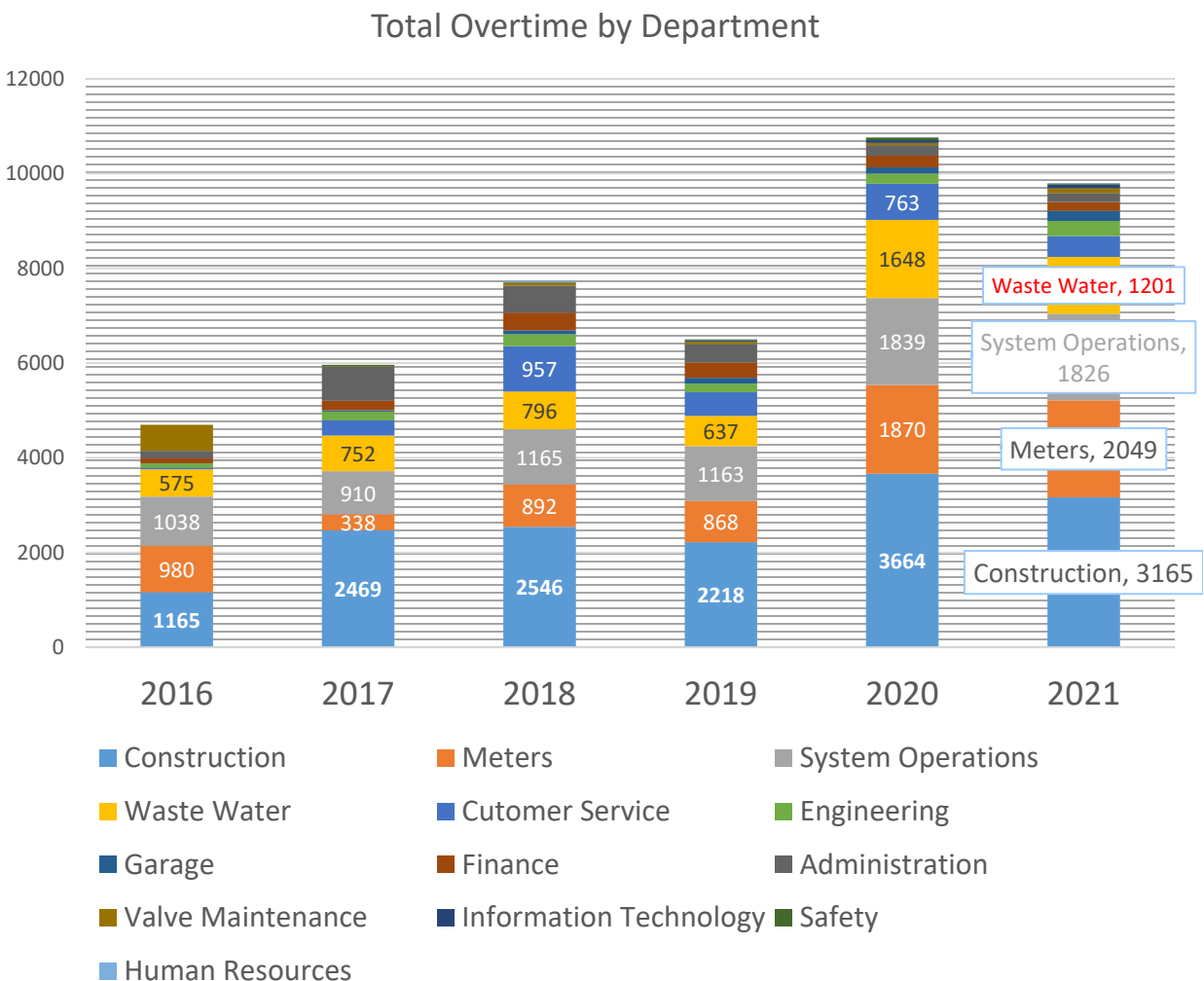


## DISTRICT-LEVEL STAFFING CHALLENGES

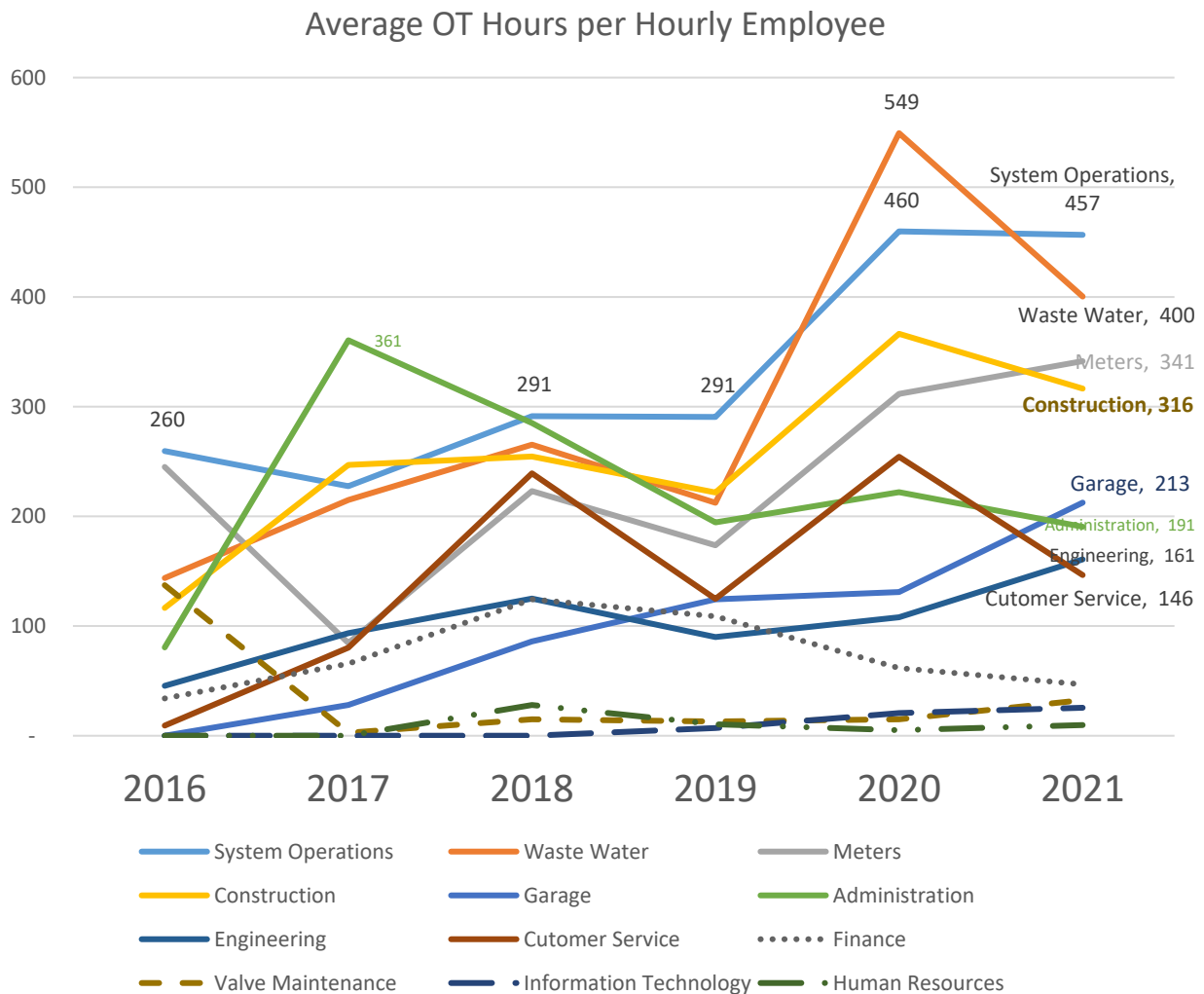
Staffing challenges over the past fiscal year were related to the continued impact of COVID-19 quarantines, high levels of overtime, and labor required for Capital Improvement Projects. There were intermittent episodes of short staffing due to staff members in quarantine due to possible exposure to COVID-19 or positive COVID-19 status, with a peak quarantine level of 17%. This was particularly problematic in January 2022 during the Omicron surge, while the District experienced several main breaks in a single weekend. The District continued using temporary labor to meet the Water Service Upgrade Project (WSUP) labor demands. The WSUP project began in early 2020, and the District maintained temporary supplemental staffing for the project until March 2022.

## OVERTIME ANALYSIS

While overtime is always anticipated, budgeted overtime had increased District-wide by 65% in 2020 and remained 57% higher than the 2016-2019 average in 2021. The Construction Department continues to be the largest source of total overtime, followed by Meters, System Operations, and Wastewater.



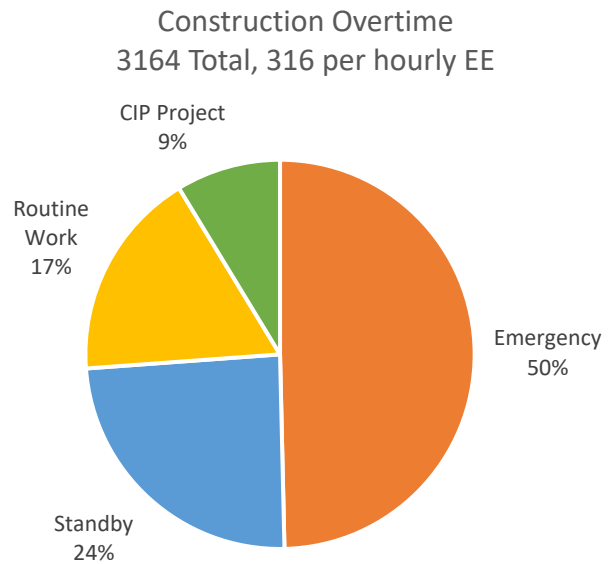
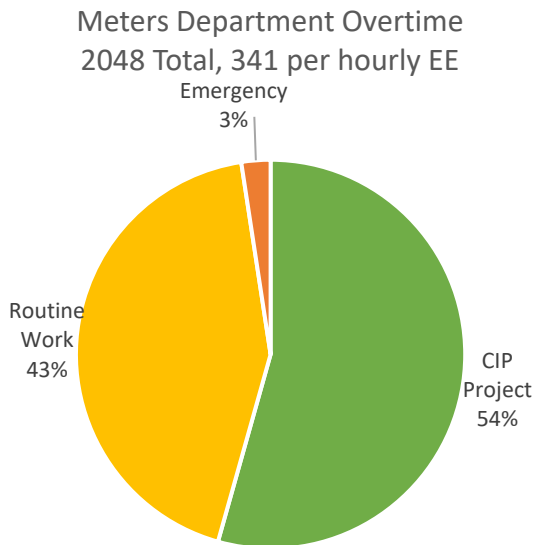
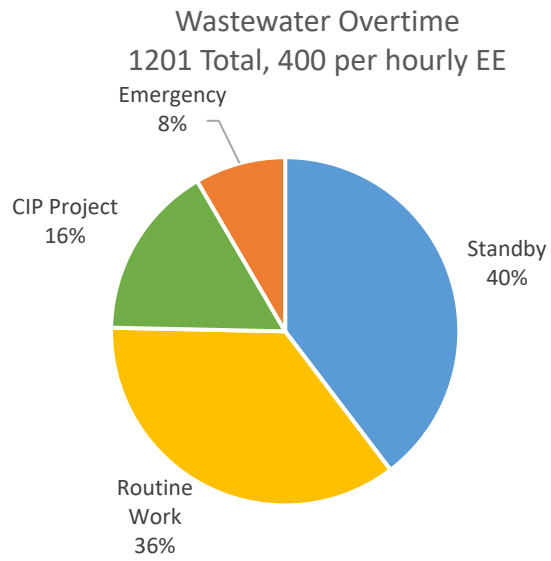
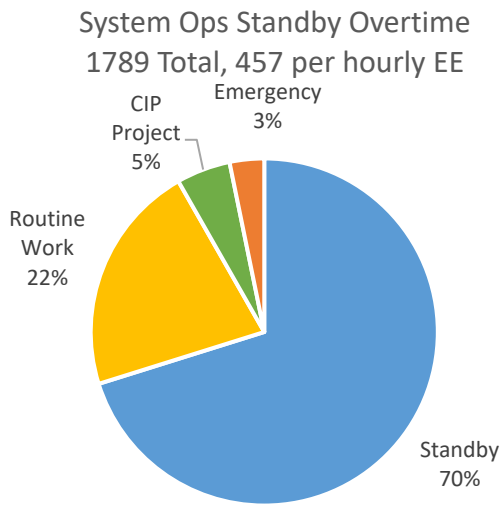
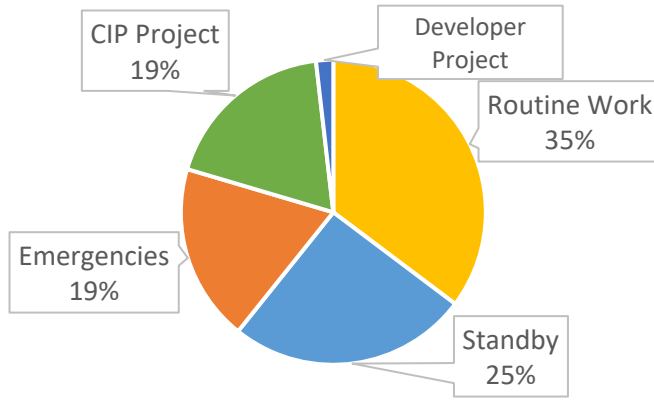
The impact of overtime on staff is different for each department because it is not distributed evenly, and some departments have more staff to share in the overtime workload. The average overtime hours worked in 2021 per full-time hourly employee are shown in the chart below. The overtime per employee in Wastewater decreased by 27% in 2021 but remained much higher than in previous years. The average overtime per hourly employee in System Operations also remains higher than the trend before 2020.



### DRIVERS OF OVERTIME

The overtime levels of the past two years are not sustainable. Aside from making the District more vulnerable to turnover, high overtime levels also increase the likelihood of errors, injuries, and burnout. The management team reviewed the overtime data to determine the sources of overtime for the District. While routine work was the largest reason for overtime District-wide, the drivers of overtime varied greatly by department for the four departments with the highest overtime per hourly employee, as shown on the following charts.

Primary Sources of Overtime District-wide, 2021



## **ROUTINE WORK OVERTIME**

As was the case in 2020, the most significant portion of overtime is made up of routine work orders. When looking more closely at the top five sources of overtime in this category, Meters and Construction stand out. The Meters Department spent significant labor resources on the WSUP project, which impacted the resources available for routine work. As the WSUP project is complete, this trend is not expected to continue.

## **STANDBY**

Standby overtime, representing 25% of all overtime, is built into the District's operations so that staff is available to respond to after-hours calls and emergencies. The System Operations and Wastewater Departments are small teams with one team member on Standby at all times. However, the average per employee has been higher than typical for the second year in a row in both departments. System Operations has changed some procedures that likely impact overtime, and Wastewater spent more time on capital projects than usual in 2020 and 2021. Management will be monitoring the overtime for these departments throughout the year to see if it returns to previous levels and to work towards reducing it to below 300 hours per year per full-time hourly employee.

## **EMERGENCY REPAIRS**

The third highest overtime driver was emergency repairs, at 19% of all overtime. Most of this time is for the Construction Department to respond to and repair main line breaks and leaks and make other unplanned repairs to the District's infrastructure.

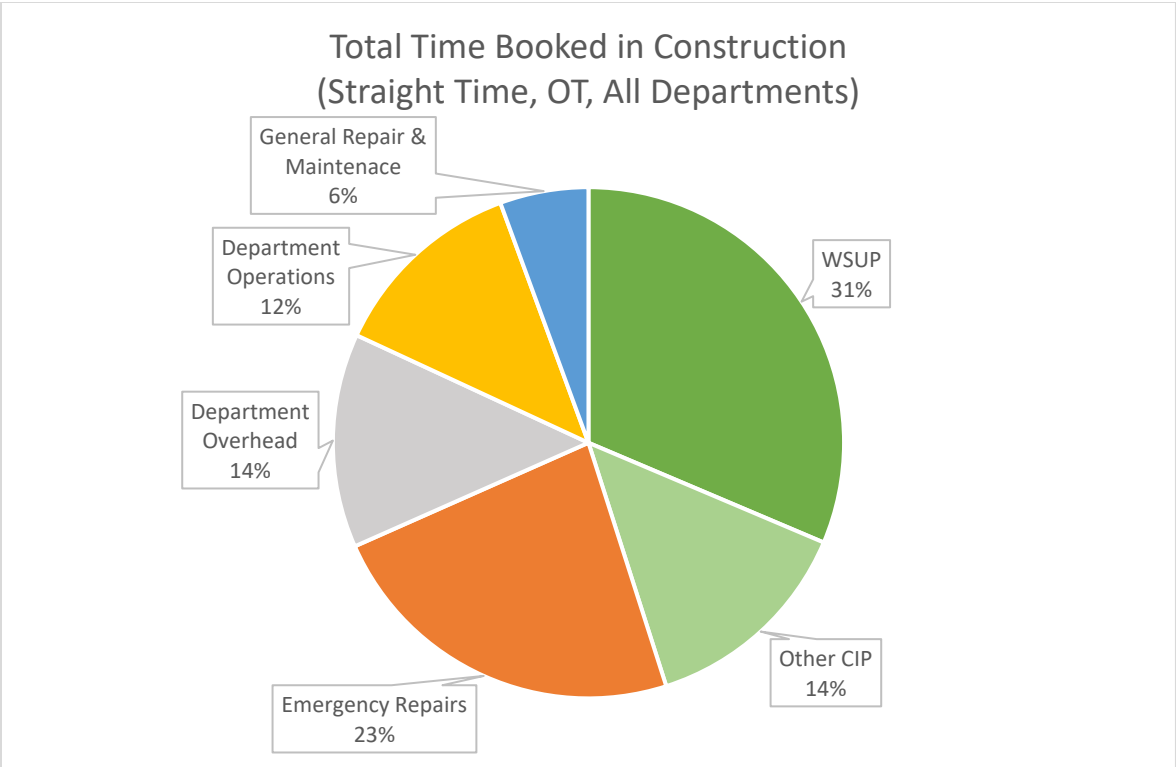
## **CIP PROJECTS**

Overtime used for Capital Improvement Projects was almost even with emergency repairs, representing 19% of all overtime. Most of this was related to the WSUP project in the Meters Department, which is now complete. Now that the WSUP project is complete and the number of service orders is declining, overtime is expected to return to fewer than 250 hours per hourly employee in Meters next year.

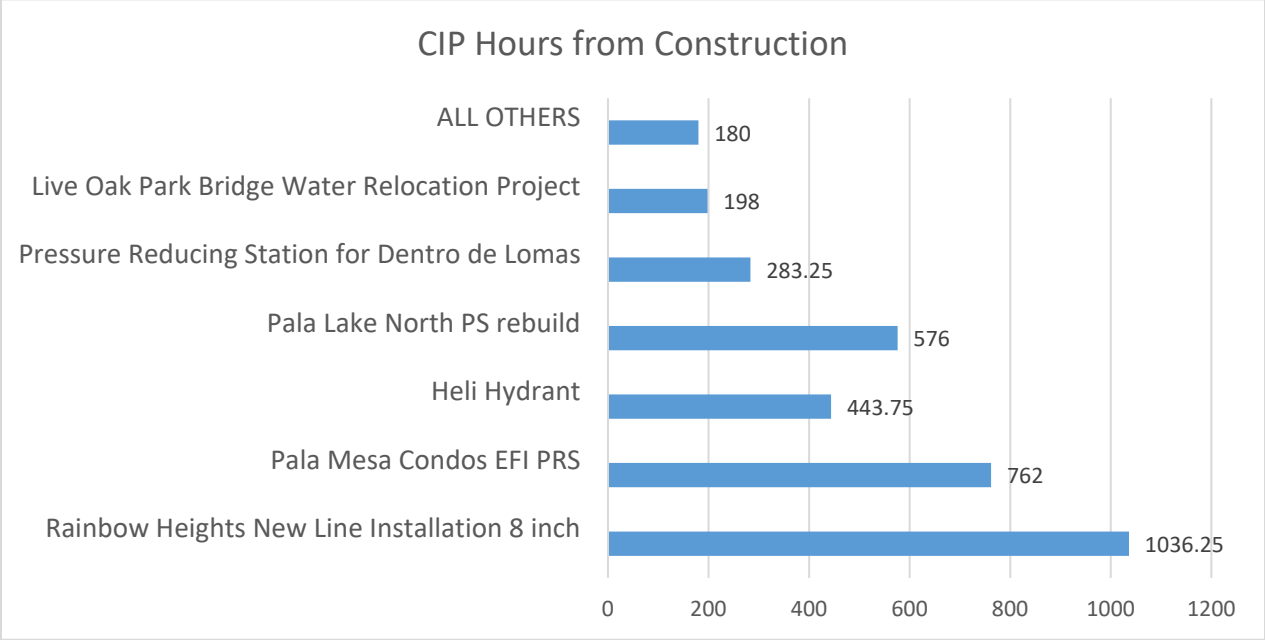
## **CONSTRUCTION DEPARTMENT TIME**

While drivers of overtime is a critical data point to examine, it does not tell the whole story. When reviewing all hours booked to work orders for the Construction Department, the total hours were 26,666 hours for one year, equivalent to 13 full-time employees. However, the department only has ten full-time employees assigned to it. This means that approximately 4,709 hours, or the equivalent of two full-time employees' worth of hours were booked to construction work orders from employees in other departments. The graph below shows the types of work orders booked to the Construction Department:





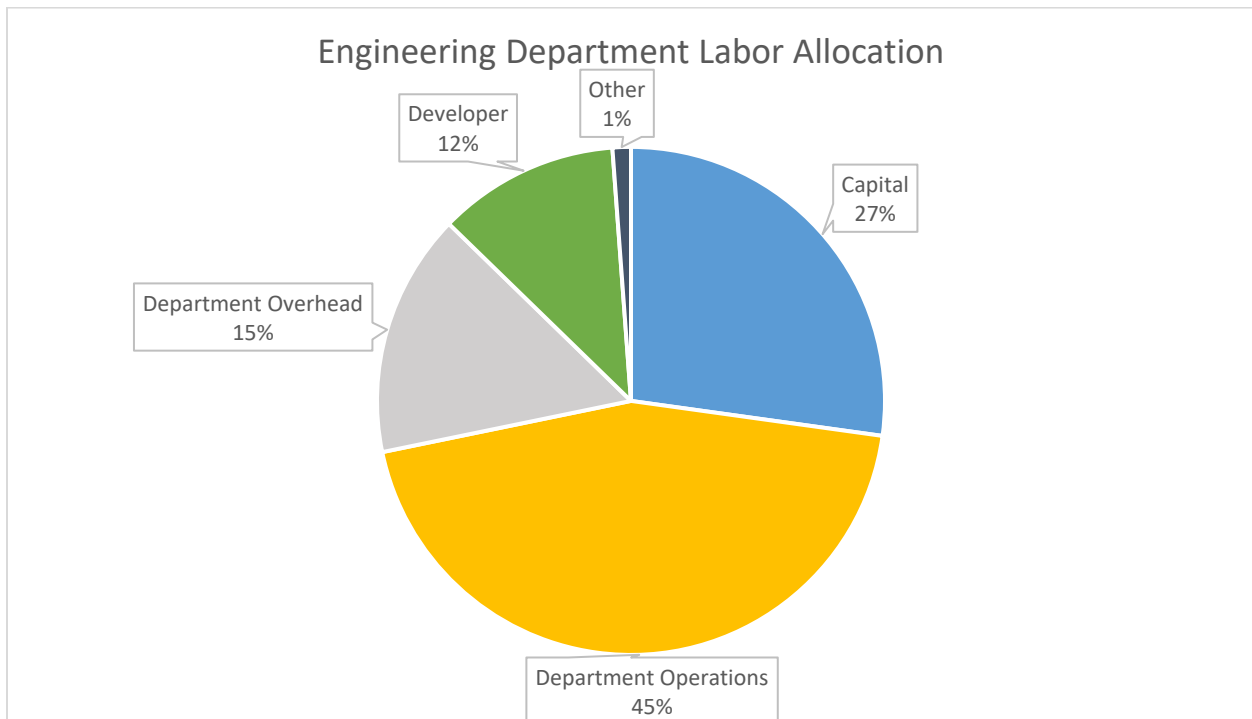
Whie3 31% of the time was booked to the Water Service Upgrade Project, which is now complete, 14% of their time was booked to other CIP projects completed by the construction crew. Below is a breakdown of the labor hours booked for other CIP projects.



## ENGINEERING DEPARTMENT TIME

The Engineering team is responsible for planning and managing the Capital Improvement Plans for the District. In a one-year time frame, the department booked 12,867 hours. The work orders fell into the following five categories:

- Department Operations (general administration, staff meetings, reports, booking time, training, correspondence, etc.)
- Capital Improvement Projects
- Department Overhead (paid breaks for hourly staff, holidays, paid time off)
- Developer support
- Miscellaneous/other

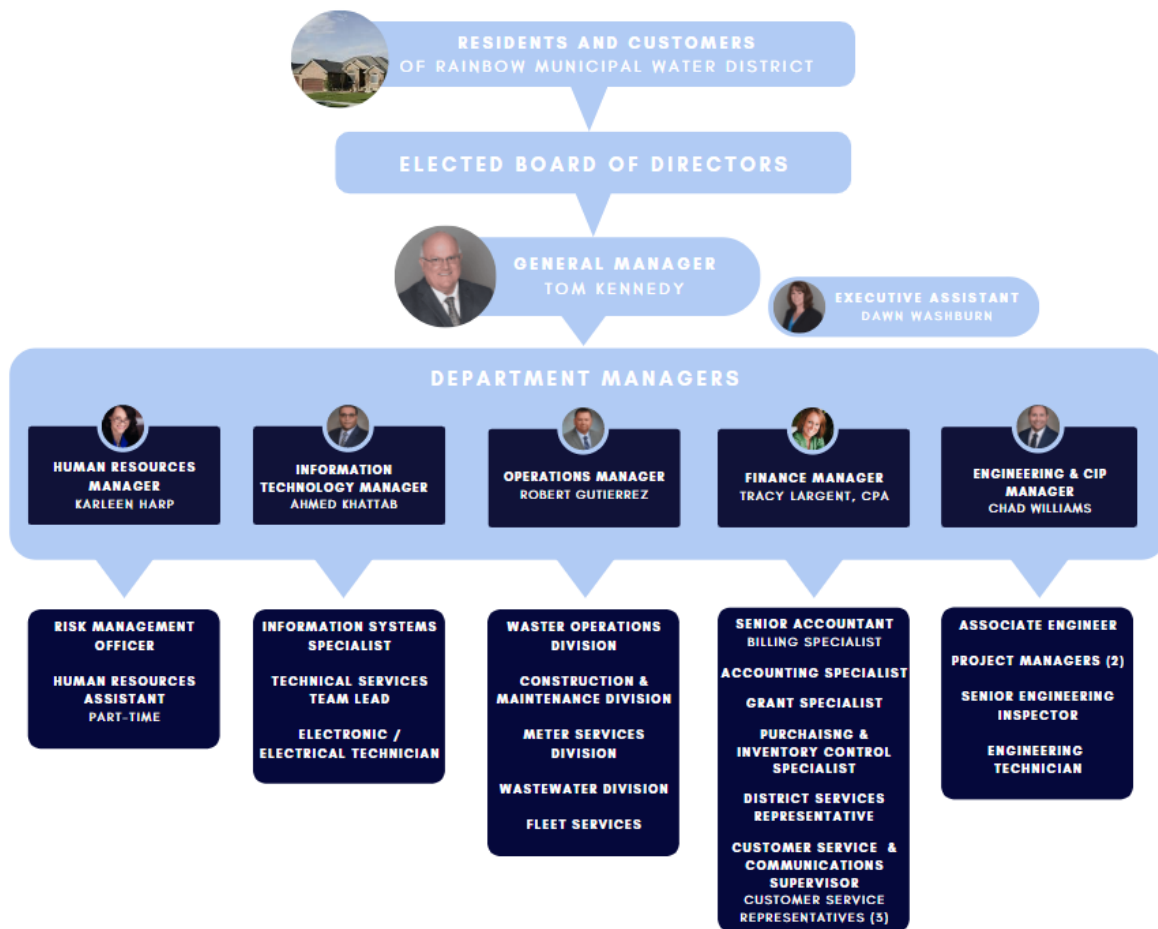


While this represents the labor allocation for the department as a whole, the breakdown per position varies. The chart below is the current labor distribution by position:

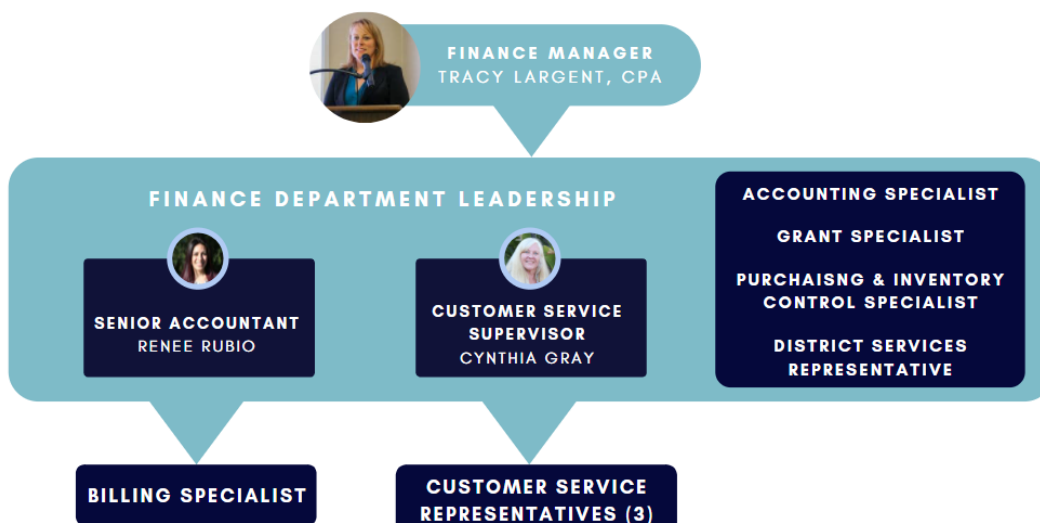
| Current Labor Allocation by Position | Department Percent | Project Managers | Dept Manager | Engineer | Inspector | Technician |
|--------------------------------------|--------------------|------------------|--------------|----------|-----------|------------|
| Capital                              | 27%                | 48%              | 21%          | 13%      | 17%       | 19%        |
| Department Operations                | 45%                | 42%              | 56%          | 40%      | 41%       | 47%        |
| Department Overhead                  | 16%                | 9%               | 19%          | 26%      | 12%       | 17%        |
| Developer                            | 12%                | 1%               | 3%           | 20%      | 28%       | 15%        |
| Other                                | 1%                 | 1%               | 1%           | 1%       | 2%        | 2%         |

# PRESENT STAFFING CONDITIONS

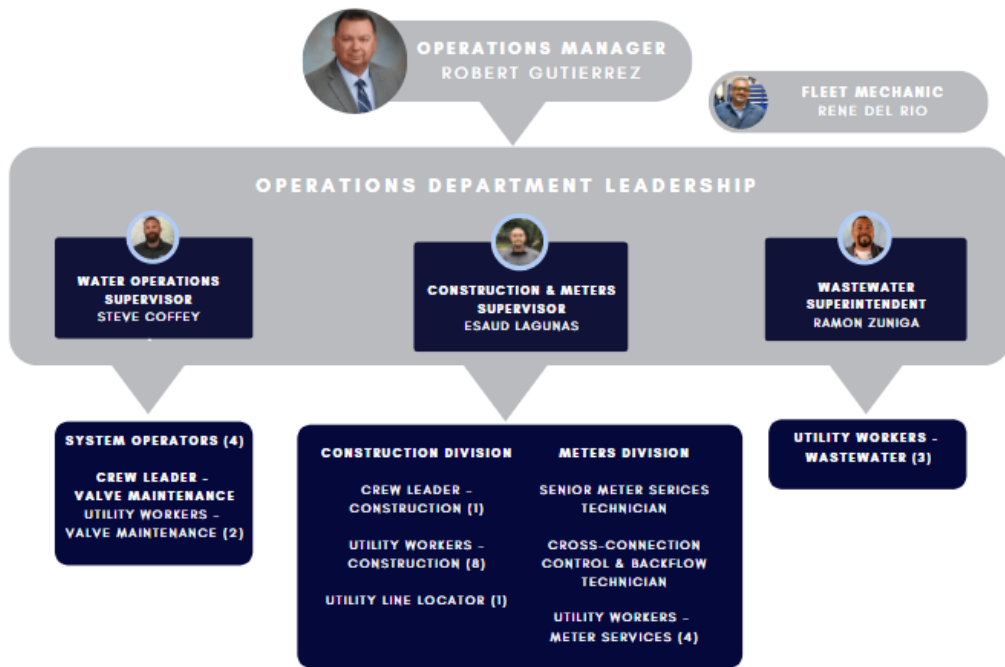
The current workforce comprises 54 full-time and one part-time position to carry out the activities necessary to accomplish the District’s mission. There are five department managers with distinct areas of accountability, as follows:



The Finance Department includes the Manager, two supervisors, and a team of eight individual contributors:

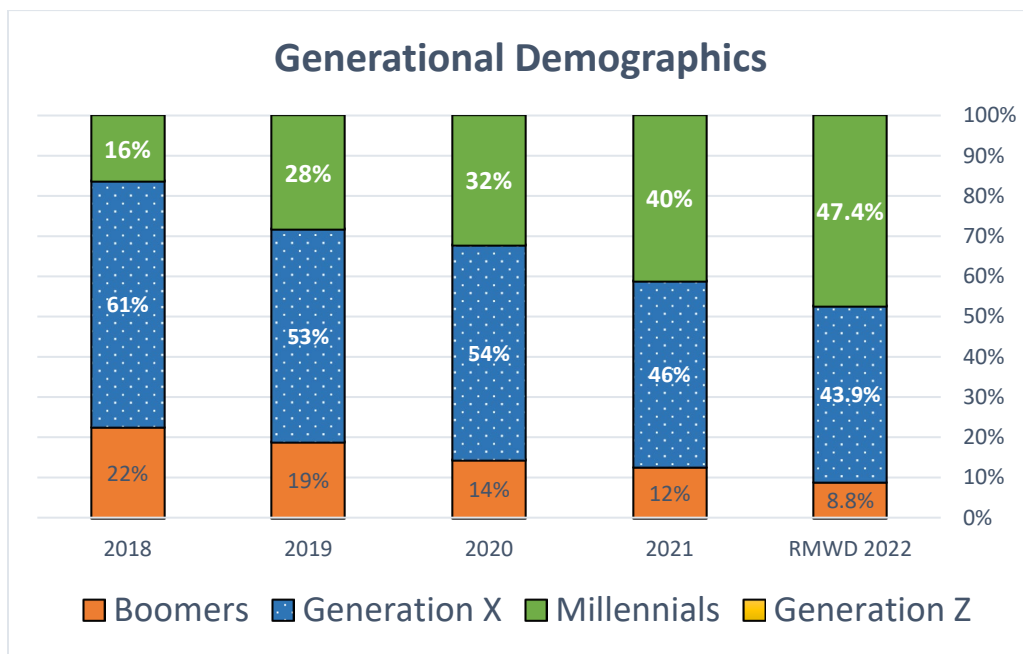


The Operations Department includes the Manager, three supervisors, and a team of 25 individual contributors:



## WORKFORCE DEMOGRAPHICS AND RETIREMENT ELIGIBILITY

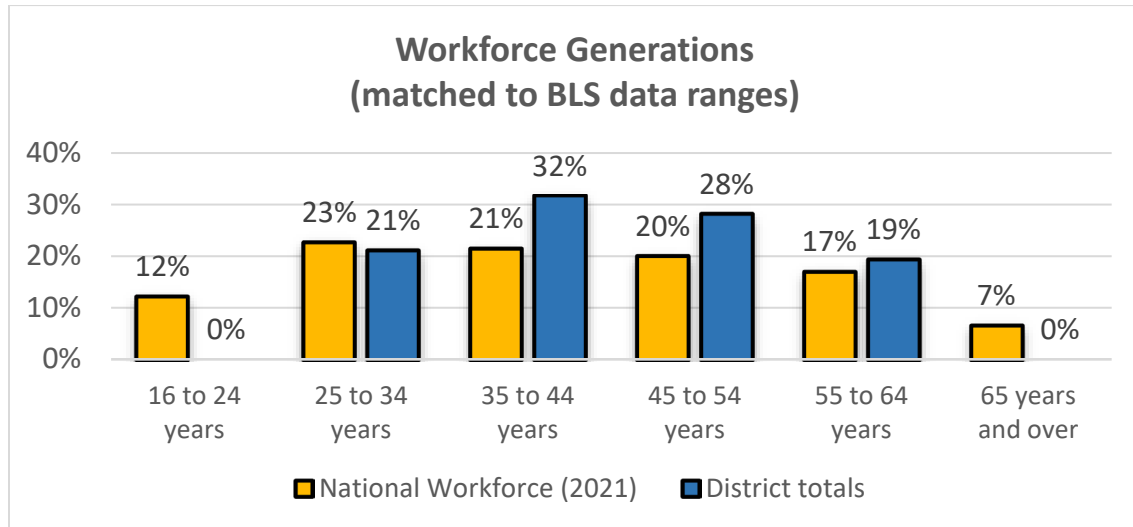
As long-term staff members have retired, along with average turnover, the generational demographic of the workforce continues to shift towards younger generations.





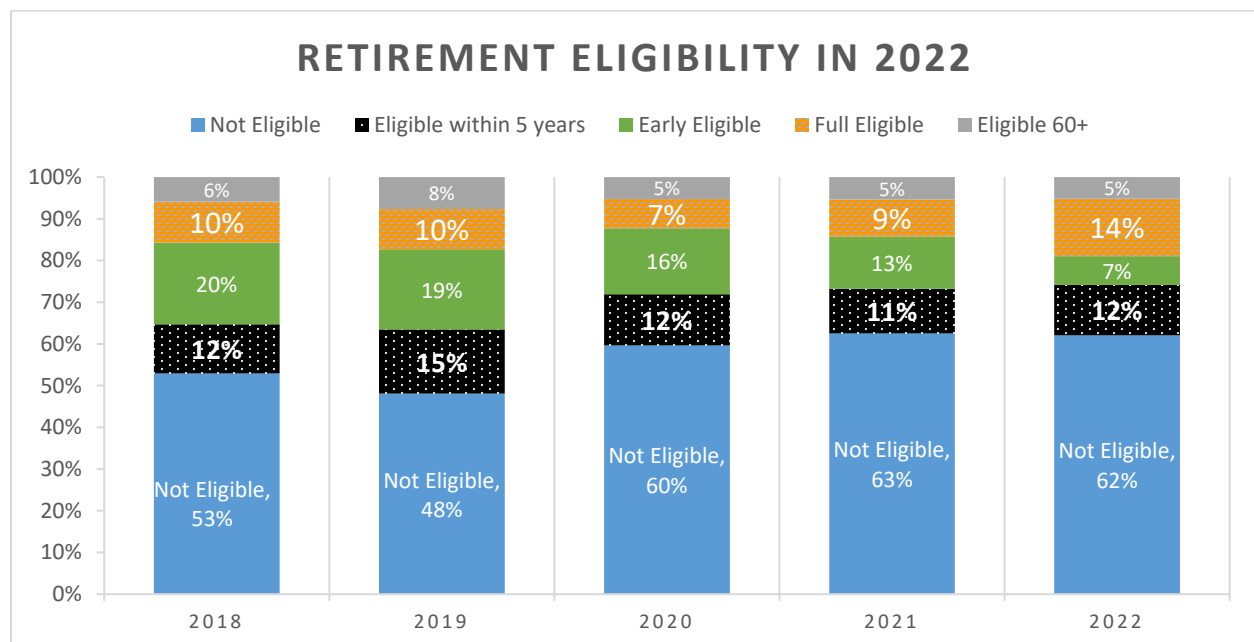
The below graph compares the District’s age demographics to the comparable makeup of the overall US workforce, as reported by the Bureau of Labor Statistics. While the District’s share of younger workers has increased over the past few years (as depicted in the generational chart above), the District still employs a higher percentage of workers over age 45 than the national average.

(<https://www.bls.gov/cps/demographics.htm>).



### RETIREMENT ELIGIBILITY

Another critical factor in the projected turnover is the number of employees who are or will become eligible for retirement in the next five years. Currently, 19% of the workforce is eligible for full retirement; 26% are eligible to retire at either the full or reduced formula; an additional 12% will be eligible within the next five years. Notably, the number of employees eligible for full retirement has increased by 5% in the past year.

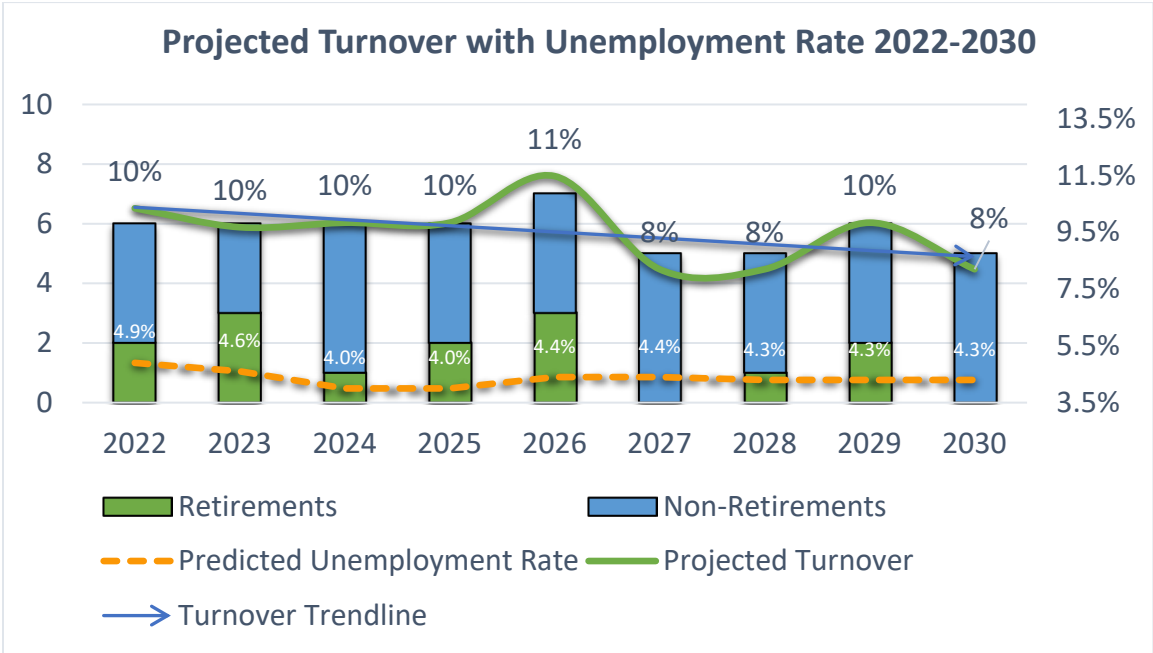


# FUTURE STAFFING NEEDS

Several drivers of the anticipated future staffing needs include staffing continuity planning, mitigating overtime, aging infrastructure and capital improvement plans, the Wholesale Water Efficiency Project, and existing productivity constraints due to limited staffing levels in some departments. Each driver is discussed in more detail below, with staff-recommended solutions.

## PROJECTED TURNOVER

Before the pandemic began, unemployment rates had been at historic lows and had been expected to continue to be unusually low for several more years. Low unemployment typically drives voluntary turnover and competition for talent. The unemployment rate has recovered from its 2020 highs and is now close to pre-pandemic levels. The District’s quit rates in the future can be reasonably expected to be responsive to overall unemployment. The chart below illustrates the anticipated turnover based on unemployment projections from the Bureau of Labor Statistics and anticipated retirements in the District.



Sources: <https://www.cbo.gov/publication/57014>  
<https://www.bls.gov/opub/mlr/2021/article/projections-overview-and-highlights-2020-30.htm>

## STAFFING CONTINUITY PLANNING

The District has created a Staffing Continuity Plan to plan for future staffing turnover and address knowledge transfer priorities. Each position in the District has been evaluated based on the following criteria:

- **Retirement Vulnerable:** The incumbent is anticipated to retire within five years.
- **Single Incumbent:** Positions with only one person in the role.
- **Specialized Knowledge:** Incumbent holds specialized or highly technical knowledge not shared elsewhere in the District.

- **Challenging to Replace:** Positions for which there would be a limited number of qualified people in the labor market, making recruiting a replacement especially difficult.
- **Difficult to Retain:** Positions historically have higher turnover than the District average.
- **Risk of Attrition:** Positions may become vacant, either due to an internal promotion, transfer, or outside factors like a long commute, family priorities, or the incumbent’s career goals.
- **Leadership or Executive Support:** Positions that are part of the leadership team or provide support to the senior leadership team, General Manager, or the Board.

Each position was assigned a priority level for knowledge transfer based on the seven factors above. The positions with priority levels 1 and 2 are considered Critical Positions for knowledge transfer planning. Knowledge transfer planning could be to aid an aspiring successor to be ready for promotion or to transfer knowledge to someone who could act as an interim successor while open recruitment is conducted, and then aid in the transition if an external successor is selected. In addition to knowledge transfer to a person, each department has been working on documenting procedures to facilitate future transitions.

**Critical Positions are as follows:**

| PRIORITY ONE                              | KNOWLEDGE TRANSFER PLAN   |
|---|---|
| <b>General Manager</b>                    | In place. Created General Manager position success profile with the Board to facilitate development plans and inform recruitment/selection process for successor; development plans in place for multiple internal aspiring successors and leaders who can aid in transition if successor is hired from outside the District.   |
| <b>Engineering Technician</b>             | No current internal position exists with the bandwidth to receive knowledge transfer. Staff recommends adding an Analyst position to Engineering Department to work in tandem with Engineering Technician and receive knowledge transfer for 1-2 years until retirement.  |
| PRIORITY TWO                              | KNOWLEDGE TRANSFER PLAN   |
| <b>Construction and Meters Supervisor</b> | In place. The incumbent is actively developing team members who are or aspire to be, in Lead roles within the Construction and Meters Departments, with a goal of readying aspiring leaders for promotion.  |
| <b>Construction Lead</b>                  | In place. The incumbent has been working on developing several Utility Workers and transferring knowledge over the past two years.  |
| <b>Finance Manager</b>                    | In place. The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.  |
| <b>Human Resources Manager</b>            | There is currently no internal aspiring successor and no position with the bandwidth to receive complete knowledge transfer. Staff recommends converting part-time HR Assistant position into full-time HR Specialist position that would have more bandwidth to receive sufficient knowledge to act in an interim capacity and aid in a smooth transition to a qualified external successor. |

|  |   |
|--|---|
| <b>Electrical/Electronics (SCADA) Technician</b> | In place. Other members of the Information Technology Department can temporarily cover this role, with assistance from an outside contractor, until a qualified successor is selected.  |
| <b>Technical Services Lead (electrician)</b>     | There is currently no internal aspiring successor and no position with the bandwidth or electrical qualifications to receive knowledge transfer. Even electrical contractors cannot always perform this work, as some of the District’s infrastructure uses older technology that some electricians have never seen. The incumbent has over 30 years of institutional knowledge that will require significant overlap time to pass on to a successor. Staff recommends hiring an intended successor with electrician qualifications approximately one year before the incumbent’s anticipated retirement. |
| <b>Operations Manager</b>                        | In place. The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.  |

### AGING INFRASTRUCTURE AND CAPITAL IMPROVEMENT PLANS

According to the condition assessment completed by HDR, the District must begin to replace aging infrastructure at a rate of 0.8% per year to remain within acceptable service levels. If the District’s replacement rate falls below this level, it would likely increase labor demands to keep up with emergency repairs of failing pipelines. This pace requires significant staff resources from the Engineering and Construction Departments.

### ENGINEERING DEPARTMENT

The department is currently strained to deliver the number of projects underway. The current staffing levels could not support ramping up the project volume, as would be required to support managing more in-house CIP projects, and to support the Wholesale Water Efficiency Project, which needs to be executed within the next two years. In addition to the department’s strained capacity, the Engineering Technician position was identified as a Priority One level for knowledge transfer and staffing continuity planning. This role supports the Manager, Project Managers, and Associate Engineer. The incumbent has significant institutional knowledge that there is no other position with the bandwidth to receive.

Staff recommends adding an Analyst to the department, with dual goals of increasing project output capacity and creating a position with the capacity to receive knowledge transfer from the Engineering Technician before the incumbent’s retirement. Staff believes the addition of this position should be permanent. Still, the eventual retirement of the Engineering Technician will allow the District to re-evaluate whether the expected departmental productivity increases occurred as expected and, if needed, return to the current headcount through attrition.

If an Analyst position were to be added to the department, the anticipated labor distribution for each position in the department would be as follows:



| Target Labor Distribution | Department Percent | Project Managers | Dept Manager | Assoc. Engineer | Sr. Inspector | Analyst | Engineering Technician |
|---------------------------|--------------------|------------------|--------------|-----------------|---------------|---------|------------------------|
| Capital                   | 30%                | 54%              | 28%          | 18%             | 20%           | 26%     | 11%                    |
| Department Operations     | 42%                | 32%              | 50%          | 36%             | 36%           | 50%     | 60%                    |
| Department Overhead       | 14%                | 13%              | 15%          | 15%             | 13%           | 13%     | 17%                    |
| Developer                 | 13%                | 1%               | 6%           | 30%             | 30%           | 10%     | 10%                    |
| Other                     | 1%                 | 0%               | 1%           | 1%              | 1%            | 1%      | 2%                     |

The reallocation of time resources that this new position would make possible for the other team members of the Engineering Department would be estimated to increase the department's capacity as follows:

| Anticipated Allocation of Additional Labor Hours | Hours | Percent |
|--|-------|---------|
| Increased CIP Capacity                           | 908   | 26%     |
| Increased Developer Capacity                     | 395   | 27%     |
| Increased Department Operations                  | 545   | 10%     |
| Increased Department Overhead                    | 191   | 10%     |
| Other  | 40    | 27%     |

### CONSTRUCTION DEPARTMENT

In 2021 the District started performing some CIP projects using internal staff rather than contractors in the interest of expediency, and to begin gathering data to measure the cost effectiveness of performing this work with internal crews rather than contractors. The Rainbow Heights new pipeline installation project offered an opportunity to measure the labor hours required per linear foot installed, which was .74 labor hours. The two pressure stations installed averaged 670 labor hours per pressure station. Using these data points, we can estimate the labor hours required for future CIP projects that could be performed by District crews rather than contractors, as follows:

| CIP Labor Needs       | Est. Hours Needed   | Target Production                        | Hours Needed  |
|-----------------------|---------------------|--|---------------|
| Pressure Stations     | 670 hours each      | 8 per year                               | 5,360         |
| Pipeline Replacements | .74 per linear foot | 7,300 linear ft. scheduled               | 5,402         |
|                       |                     | <b>5 Full-time Employee Equivalent →</b> | <b>10,762</b> |

At the existing staffing levels of 10 full-time employees (FTEs), the Construction crew has the capacity for the following activities, based on historical labor distribution trends, adjusted to account for the completion of the WSUP project.

| <b>Current Capacity with 10 FTEs</b>                              | <b>Hours</b>    | <b>Percent</b> |
|---|-----------------|----------------|
| General Repair & Maintenance                                      | 1,588           | 8%             |
| Department Operations   | 3,424           | 16%            |
| Department Overhead   | 3,536           | 17%            |
| Emergency Repairs   | 4,924           | 24%            |
| Additional Capacity for CIP Work<br>(68% of planned in-house CIP) | 7,328           | 35%            |
| <b>Overtime Estimate with 10 FTEs</b>                             | <b>OT Hours</b> |                |

The Construction Department’s capacity with 12 FTEs has the potential to meet 93% of the labor required to install the target of eight pressure stations per year, and the 7,300 linear feet of pipeline replacements currently scheduled, assuming the volume of emergency repairs remains steady. Expanding the department would also allow the District to gather additional data about the labor resources required to perform these capital improvement projects. This will allow for a more accurate financial analysis when evaluating whether to invest in more staff resources and equipment to perform more projects with internal crews or whether using external contractors would be more cost-effective.

| <b>Capacity with 12 FTEs (straight time)</b>                             | <b>Hours</b>  | <b>Percent</b> |
|--|---------------|----------------|
| General Repair & Maintenance, Line Locates, etc.                         | 1,997         | 8%             |
| Department Operations  | 3,700         | 15%            |
| Department Overhead (breaks, holidays, PTO)                              | 4,243         | 17%            |
| Emergency Repairs  | 4,972         | 20%            |
| Additional Capacity for CIP Work<br><b>(93% of planned in-house CIP)</b> | <b>10,048</b> | 40%            |

Even with two additional Utility Workers, the total overtime for the department would not be expected to change significantly, as the Standby response and after-hours repairs would be expected to be similar. However, the average overtime per FTE would be expected to be reduced by about 18%.

Staff recommends reallocating one recently vacated position in the Meters Department to the Construction Department and adding one more Utility Worker headcount to the Construction team.

### **FINANCE DEPARTMENT**

The Finance Manager has been increasingly involved in external affairs, attending conferences on behalf of the District and outside meetings that reduce the time available to support the Finance team. There are currently six positions that report directly to the Finance Manager. Staff recommends changing the reporting structure in the department to have the Accounting Specialist and the District Services Representative report to the Senior Accountant, and the Senior Accountant position would be retitled to Accounting Supervisor. This would reduce the

number of direct reports for the Finance Manager to four, would allow the Accounting Specialist and District Services Representative to receive more individualized attention, and provide more supervision experience to the Senior Accountant.

### **HUMAN RESOURCES DEPARTMENT**

A part-time Human Resources Assistant was added to the District's staffing plan in 2019. Due to evolving departmental functions and processes in response to employee surveys, COVID-19, and the hybrid work environment, significant additional duties have been added to the position since then, including employee communications, event planning, supporting the Risk Management Officer and Safety Advisory Group, and assisting with the recruitment process. The HR Assistant is currently at the maximum number of hours possible to maintain part-time status and is strained for capacity to accomplish all tasks within the limited schedule.

The incumbent has also received additional training in Human Resources and is now qualified to perform more complex human resources tasks than when they were hired. Staff recommends converting this position from a part-time HR Assistant role into a full-time Human Resources Specialist series position that would work on more advanced projects in addition to the current administrative work. Staff has identified other areas of the department's operations budget to cut to offset the additional costs of the full-time position.

### **INFORMATION TECHNOLOGY DEPARTMENT**

The Technical Services Team Lead (functional electrician) was one of the positions identified as Priority Two for knowledge transfer in the Staffing Continuity Plan. However, there is no other internal position with the electrical education and time capacity to receive the institutional knowledge transfer needed. Staff recommends temporarily adding an Electrical/Electronics Technician with electrician's training to overlap with the Technical Services Lead for approximately one year before their anticipated retirement. This recommendation can be deferred to the 2023-24 fiscal year.

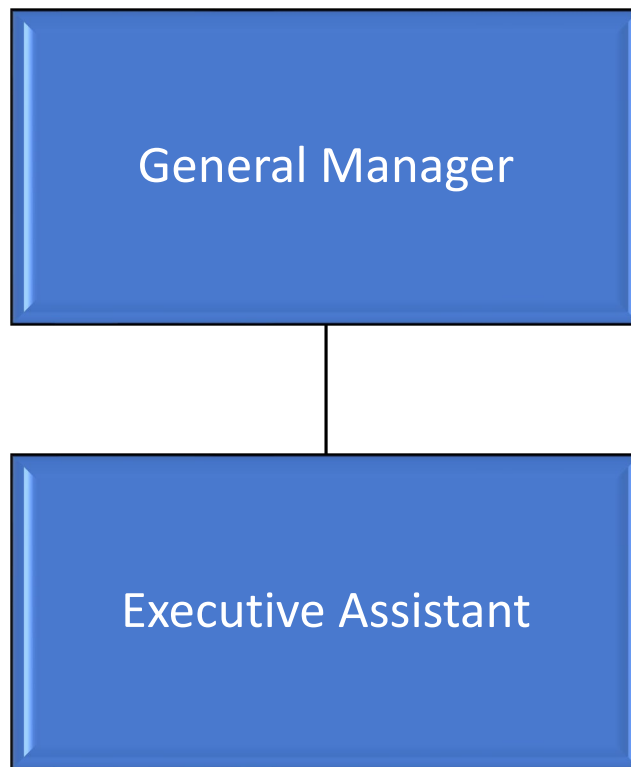
## **SUMMARY OF RECOMMENDATIONS**

In support of the District's Strategic Plan, staff recommends the following changes to the staffing plan for the 2022-23 fiscal year:

1. Add an Analyst position to Engineering Department. This will aid with meeting the demands required for capital projects and addressing knowledge transfer needs identified in the staffing continuity plan.
2. Add two Utility Workers to the Construction Department. One headcount would be pulled from the Meters Department, and the other would be added to the District's headcount.
3. Change reporting structure in Finance. This will reduce the number of direct reports for the Finance Manager and provide the team better support and career development.
4. Convert part-time Human Resources Assistant to full-time Human Resources Specialist.

# ADMINISTRATION DEPARTMENT

| Personnel Level:        |                  |                  |                  |                  |
|-------------------------|------------------|------------------|------------------|------------------|
| <u>Position(s)</u>      | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
| General Manager         | 1.00             | 1.00             | 1.00             | 1.00             |
| Executive Secretary     | 1.00             | 1.00             | 1.00             | 1.00             |
| <b>Department Total</b> | <b>2.00</b>      | <b>2.00</b>      | <b>2.00</b>      | <b>2.00</b>      |





## **Administration Responsibilities:**

The Administration department encompasses the General Manager and Executive Assistant/Board Secretary.

The Administration Department is responsible for the day-to-day administrative tasks associated with managing the District. This involves serving the needs of the Board of Directors, connecting with the public by continually providing updates on District matters, building and preserving relationships between staff, Board of Directors, public members, and outside agencies for accountability and transparency, as well as elevating the District's reputation in local and statewide political circles as an employer of choice.

The General Manager (GM), Tom Kennedy oversees the responsibility for District policy development and activities; including water resources planning, water distribution, wastewater collection, treatment, disposal, fiscal management, administration, engineering, human resources, and total operation of District functions and programs. The position ensures District goals and objectives are accomplished, advises and provides recommendations to the Board, as well as implements the policies of the Board on an ongoing basis. The GM also develops and implements long and short-range plans to guarantee attainment of District strategic plan objectives.

Additionally, the GM interprets District regulations and ordinances, internal and regulatory codes, and applicable laws with direction from Legal Counsel; reviews and approves District contracts including negotiating contract terms and conditions; safeguards the District by assuring compliance with all contractual and legal requirements regarding the operations of the District.

The Executive Assistant/Board Secretary supports the Board of Directors, and General Manager with a wide variety of advanced administrative duties. This position prepares materials and minutes for all Board and Standing Committee meetings; ensures the District Administrative Code, resolutions, and ordinances are properly updated, documented, and distributed; manages calendars; coordinates and schedules meetings; oversees workshop, conferences, training, and seminars accommodations including travel arrangements; maintains District official records; updates the District website per legal and accreditation requirements; onboards incoming new Directors; and protects the confidentiality of information privy to executive management.

## **Major Accomplishments: Fiscal Year 2021-2022**

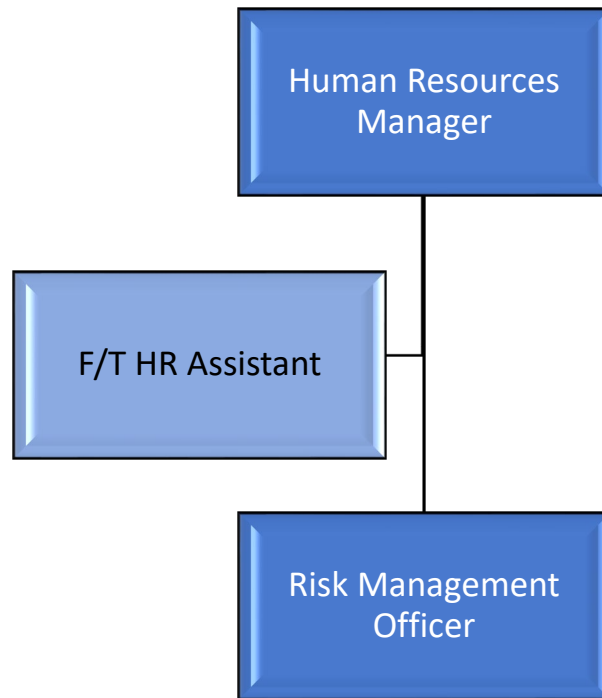
- A new Board Member was appointed to represent the constituents of Division 4 after a vacancy was created by the resignation of the elected official representing this division.
- Elected Board Members continued to participate in numerous conferences, training, and workshop as a means of keeping themselves apprised of current and relative matters related to or impacting both the water and wastewater industries, most of which were held virtually.
- Continued providing support through technical documentation and community outreach related to the application to the San Diego Local Agency Formation Commission (SDLAFCO) for the detachment of the District from the San Diego County Water Authority and concurrent annexation to the Eastern Municipal Water District.
- Continued updating the Administrative Code to align with current processes and procedures with an updated process for tracking revisions.
- Continued to operate a successful work from home program and teleconference public meeting process in response to the Government's executive orders related to the COVID-19 pandemic outbreak in March 2020.

## **Objectives: Fiscal Year 2022-2023**

- Implement provisions of the Meadowood (now Citro) Annexation Agreement with Pardee (now TriPointe) including receipt of sewer funding from the Community Facilities District being established as part of that project.
- Work toward the completion of the SDLAFCO process for detachment from SDCWA, although the timing of the process may extend into CY 2023
- Continue process of developing a cost-effective mechanism to replace the aging and undersized District offices.
- Implement updated processes and procedures for records management program.
- Implement practices and procedures required to manage the COVID-19 pandemic and its associated effects on our organization and community at large.
- Assist the Board and staff with executive leadership transition planning

# HUMAN RESOURCES & RISK MANAGEMENT DEPARTMENT

| Personnel Level:         |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|
| <u>Position(s)</u>       | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
| Human Resource Manager   | 1.00             | 1.00             | 1.00             | 1.00             |
| Safety Officer           | 1.00             | 0.00             | 0.00             | 0.00             |
| Risk Management Officer  | 0.00             | 1.00             | 1.00             | 1.00             |
| Human Resource Assistant | 0.50             | 0.50             | 0.50             | 1.00             |
| <b>Department Total</b>  | <b>2.50</b>      | <b>2.50</b>      | <b>2.50</b>      | <b>3.00</b>      |



## **Responsibilities**

The Human Resources Department's primary function is to ensure the District has highly qualified people, in the right roles, who are inspired and equipped to accomplish the mission every day. The Human Resources Manager provides strategic insight to the Board of Directors, General Manager, and partners with the leadership team to develop a culture of excellence, where the District's diverse workforce is engaged, safe, and highly productive.

The Human Resources team develops and administers the workforce development, performance management, and employee recognition programs that promote operational excellence and foster a culture of continuous improvement; manages total rewards programs that balance fiscal responsibility while remaining competitive in the labor market; ensures compliance with labor laws, the Administrative Code, and applicable Memoranda of Understanding; and oversees the administration of risk management programs by the Risk Management Officer.

The Risk Management Officer leads the design, deployment, and administration of risk management programs, which include: environmental, health and safety requirements; designing and implementing emergency preparedness plans and training; managing the risk management and liability insurance programs; processing liability claims against the District; and administration of the District's workers' compensation and return-to-work programs.

## **Major Accomplishments: Fiscal Year 2021-2022**

### **Culture Development**

The District remains focused on continuous improvement of the workplace culture.

- **TOP WORKPLACE SELECTION:** As a result of an employee survey conducted by a third party, the District was named a Top Workplace for 2021 by the San Diego Union-Tribune. Participation rate was 70%, and strengths highlighted included innovation, employees feeling informed about important decisions, and employees perceiving that the District runs efficiently. Management employees, Operations employees, and employees with less than three years of tenure scored well above expectations.

### **Recruitment and Selection**

- Began participating in outside recruiting events, starting with the WaterWisePro Construction & Maintenance Expo in November. Our outreach at this event resulted in a 10% increase in followers on the District's Careers social media accounts in a single day, all from potential candidates already working in the water industry.



- Created Staffing Continuity Plan to analyze needs for knowledge transfer of critical positions that are at risk for retirement within five years, and development plans for aspiring internal successors.

### **Employee Recognition and Appreciation**

- Continued to promote the Excellence Coin Recognition Program. There were 68-coin nominations, and three more employees reached the milestone of receiving all five Excellence coins.
- After a two-year delay, the District resumed its Awards Banquet in March 2022. The theme was All-Star Sports, and staff members were recognized for Rookie of the Year, Coach of the Year, Outstanding Team, Breakthrough Player, Hall of Fame, Most Valuable Player, and Best Play.

### **Pandemic Response**

- Responded to 14 positive COVID-19 cases, successfully avoiding any known workplace transmission.
- Despite having 17% of staff on quarantine in January during the peak of the Omicron surge, the District successfully avoided “outbreak” status by quickly reimplementing safety measures that had been loosened when cases were lower.

### **Risk Management**

- A total of 35 employees completed at least one online learning class from Target Solutions, representing 79 unique classes and 372 hours of training in safety and water operations.
- Completed over 337 hours of safety training for the year, averaging 9 hours per employee.
- Updated Emergency Response Plan to address the DHS Risk and Resiliency Assessment.
- The Risk Management Officer and Operations Manager partnered to conduct a training workshop with senior staff members to effectively respond to emergency situations.
- Completed the application process to with multiple joint powers insurance authorities and obtained competitive offers of coverage for the District’s property, liability, and worker’s compensation insurance lines, which will save close to 30% on the District’s annual premiums.

### **Workforce Development**

- Working on an onboarding education program that includes departmental orientations with Administration, IT, Payroll, and Purchasing to help new employees acclimate effectively and get to know team members in various departments.

- Implemented quarterly Brown-Bag Breakfast Events with management panelists to increase transparency and employee understanding of District processes and procedures outside of an employee's home department.
- Achieved 96% on-time delivery rate for employee performance evaluations in 2021.

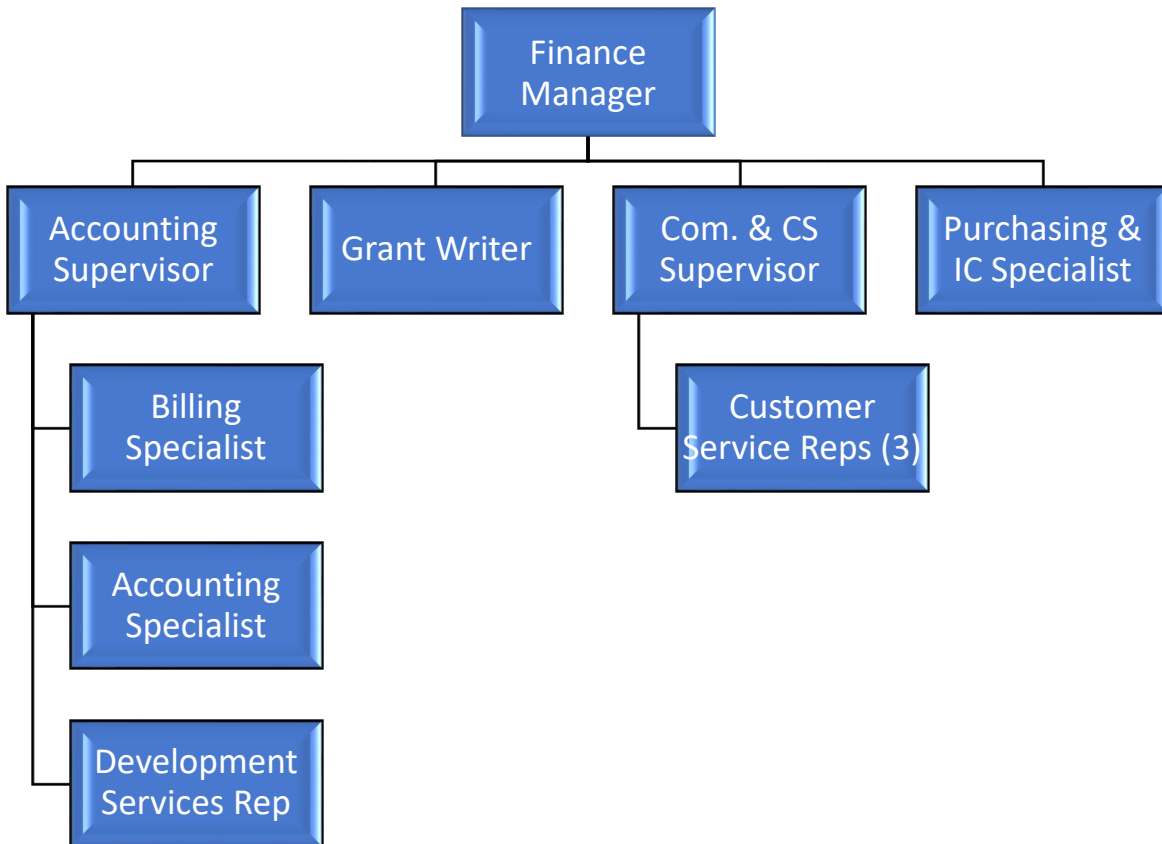
### **Objectives: Fiscal Year 2022-2023**

- **ONBOARDING:** Expand upon onboarding education program to include improved District software training, water industry education, and connecting with team members across the District.
- **EMPLOYEE HANDBOOK:** Update the employee handbook to align it with the new Memoranda of Understanding and requirements from new liability insurance carrier.
- **CULTURE DEVELOPMENT:** Work with Employee Ambassador team to create an Action Plan to address Focus Areas identified in the employee survey, including expressing appreciation, leadership understanding what's really happening, and feeling like their concerns are heard. Conduct follow up survey to measure progress.
- **LEADERSHIP DEVELOPMENT:** Create a leadership development program for our supervisory staff members that covers their role in complying with important legal and policy requirements, as well as their role in upholding the core values and District's inclusive culture.
- **SAFETY:** Deliver in-house OSHA-30 training to all Crew Leaders, Supervisors and Superintendents.
- **EMERGENCY PREPAREATION:** Participate in the San Diego Countywide Emergency Event exercise scheduled for January 2023.

# FINANCE DEPARTMENT

Personnel Level:

| <u>Position(s)</u>             | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2021-2022</u> |
|--------------------------------|------------------|------------------|------------------|------------------|
| Finance Manager                | 1.00             | 1.00             | 1.00             | 1.00             |
| Accounting Supervisor          | 0.00             | 0.00             | 0.00             | 1.00             |
| Senior Accountant              | 1.00             | 1.00             | 1.00             | 0.00             |
| Accounting Specialist          | 1.00             | 1.00             | 1.00             | 1.00             |
| Purchasing & IC Specialist     | 1.00             | 1.00             | 1.00             | 1.00             |
| Communications & CS Supervisor | 1.00             | 1.00             | 1.00             | 1.00             |
| Customer Service Rep.          | 3.00             | 2.00             | 2.00             | 3.00             |
| (Temp) Customer Service Rep.   | 1.00             | 1.00             | 1.00             | 0.00             |
| District Services Rep.         | 1.00             | 1.00             | 1.00             | 1.00             |
| Billing Specialist             | 0.00             | 1.00             | 1.00             | 1.00             |
| Grant Writer                   | 0.00             | 0.00             | 1.00             | 1.00             |
| <b>Department Total</b>        | <b>10.00</b>     | <b>10.00</b>     | <b>11.00</b>     | <b>11.00</b>     |



## **Responsibilities:**

The Finance department encompasses the responsibility for the day-to-day operations and oversight of Finance, Customer Service, Customer Billing, Warehouse, and the District's purchasing functions.

The Finance section of the department is responsible for developing and administering the District's fiscal policies, financial data, purchasing functions and budget. A vital responsibility Finance has within the agency is providing internal control of District financial accounting and district wide procedures to ensure district assets are protected and used efficiently and in the best long-term interest of the rate payers. Finance provides the General Manager and Board of Directors with periodic reports on the District's financial condition, maintains financial data in accordance with generally accepted accounting principles and reporting standards, and coordinates the annual audit of the financial records by an independent accounting firm. The Finance department manages a centralized function for the purchasing, warehousing, and inventory control of material and supplies, prepares invoices for payments, prepares correspondence regarding various accounts, and verifies invoice charges to proper general ledger and budget accounts. Finance calculates and reviews current and historical cash flow projections, determines excess District funds, and makes recommendations for allocation to reserves and investment of funds. Finance also provides technical assistance and guidance for the management related to financial matters; articulates financial concepts to the Board of Directors, staff and members of the public, submits accounting reports required by the State Controller's Office and to other agencies, and prepares analyses of revenues, expenditures, water usage, CIP costs and other special projects as required. Finance is also responsible for grant management, customer billing, new customer meter services, meter relocation and downsize agreements.

Customer Service serves as the front-line customer support working with the public in person and in a call center setting. The Customer Service section of the department is primarily responsible for performing a variety of direct customer contact and office support activities supporting the servicing of customer accounts for water/wastewater service. Customer Service is responsible for processing requests for service, handling customer complaints, providing information and educating the public about rates and the District overall. The department provides information regarding beginning or ending service, billing, payments and related matters, takes required information from the customer to open, close or modify service accounts, verifies information, and updates customer profile as necessary. Within the administrative code, Customer Service may make payment schedule adjustments and/or authorize standard refunds or adjustments. Customer Service prepares appropriate forms and notifies District field staff of the need for field activities such as turning water service on and off, check meter reading, and/or the need for meter service.



## **Major Accomplishments: Fiscal Year 2021-22**

### *Finance*

- Received a clean audit for FY 20-21.
- Secured financing of \$10M at 4.02% interest just before the federal reserve started raising interest rates: These funds are being used on the Wholesale water efficiency projects that will eliminate the \$175/ acre foot transportation cost charged by SDCWA.
- The District developed a Comprehensive Annual Financial Report for FY 2020-21. The report was compiled in compliance with the Government Finance Officers Association (GFOA) standards. The Finance staff worked diligently on the FY 2020-21 Comprehensive Annual Financial Report to adhere to the criteria requirements of GFOA for the Comprehensive Annual Financial Report Certificate of Achievement for Excellence award. Staff submitted the report to GFOA for possible consideration, and again received the award.
- Compiled Annual Budget in compliance with GFOA standards (6<sup>th</sup> consecutive year) – the Finance staff worked diligently on FY 21-22 budget to adhere to the criteria requirements of GFOA budget standards. The report was submitted to GFOA for possible consideration, and we are proud to have met and received Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2021-22 budget.
- Completed a Full Cost of Service Study to update rates for FY 21-22 through FY 25-26.
- Implemented a Board Approved 5-year Financial Plan that uses a stepped approach to get reserves to target levels by FY26 and contribute to the Capital Improvement Plan.
- Presented a Uniform Rate structure for adoption at the August 2021 rate hearing.

### *Customer Service*

- Customer Service restarted the Customer Shutoff process after the state lifted the moratorium on shut offs.
- Performed extensive outreach to transition customers from temporary to permanent Special Agriculture Water Rates
- Performed Customer Outreach with monthly Newsletters

## **Objectives: Fiscal Year 2022-23**

- Continue to create budget in compliance with GFOA standards, for the 7th consecutive year.
- Continue to create the Comprehensive Annual Financial Report in compliance with GFOA standards for the 3<sup>rd</sup> consecutive year.
- Fully migrate into the new Infor Utility Billing and Financial software. Add functionality and integrations within utility billing, asset management, purchase orders, and utility

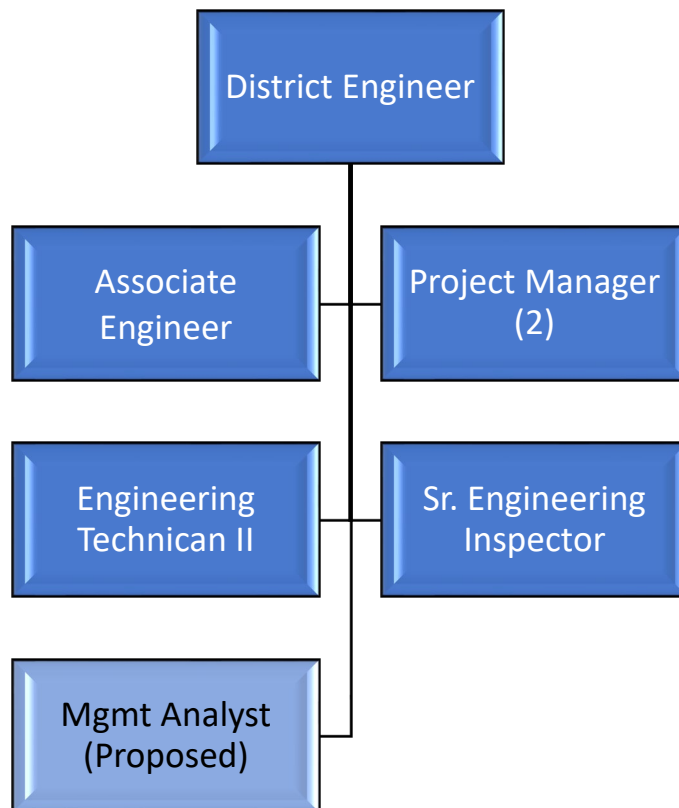
billing modules. These integrations will include a 3-way match between Purchase Order, Accounts Payable and Receipt of Goods.

- Implement a perpetual system that keeps track of inventory continuously with updates made automatically whenever an inventory part is taken. This will require the District purchasing a barcode system using digital technology to track inventory in real time updates sent electronically to the system database.
- Record Fixed Assets and Depreciation in the Infor Financial software (CSF).

# ENGINEERING DEPARTMENT

Personnel Level:

| <u>Position(s)</u>            | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
|-------------------------------|------------------|------------------|------------------|------------------|
| Engineering & CIP Manager     | 1.00             | 1.00             | 1.00             | 1.00             |
| Engineering Manager           | 1.00             | 0.00             | 0.00             | 0.00             |
| Associate Engineer            | 1.00             | 1.00             | 1.00             | 1.00             |
| Project Manager               | 1.00             | 2.00             | 2.00             | 2.00             |
| Senior Engineering Inspector  | 1.00             | 1.00             | 1.00             | 1.00             |
| Engineering Technician II     | 1.00             | 1.00             | 1.00             | 1.00             |
| Management Analyst (Proposed) | 0.00             | 0.00             | 0.00             | 1.00             |
| <b>Department Total</b>       | <b>5.00</b>      | <b>6.00</b>      | <b>6.00</b>      | <b>7.00</b>      |



## **Responsibilities:**

The Engineering Department encompasses the responsibility for the day-to-day operations and oversight of Engineering, and Engineering Customer Service for the District. The Engineering Department also provides technical support to Operations with record inquiries, GIS maps, water shutdown processing, construction coordination and project execution and inspection.

The Engineering Department's specific responsibilities include: the management and execution of the Capital Improvement Program for water and wastewater, ensuring the timely completion and sound financial management of such projects, and inspection of construction of District facilities. Oversight and administration of District and developer projects through design and construction, to confirm that water and wastewater facilities conform to District standards and requirements. In addition, the Department inspects the construction of District facilities, and is responsible for the procurement and maintenance of easements throughout the District. Engineering develops and prepares complete procurement solicitation and schedules for Notice of Inviting Bids, Request for Proposals and other projects. The department processes and reviews improvement plans, grading plans, subdivision maps and engineer's cost estimates; prepares quantity and cost estimates for varied projects; prepares construction agreements, fee letters, contract documents and other related legal documents relating to District improvements and developer projects; acquires and reviews documents for conformance to District requirements. The department maintains the District planning documents as well as develops and updates policies, procedures and guidelines for the current and future development of District water and wastewater systems.

Engineering Customer Service provides a wide variety of services to the public, which include San Diego County Form processing, public inquires on facilities and projects, Geographical Information Systems (GIS), maps and record drawings. The department is responsible for performing a variety of direct customer contact and office support activities supporting the payment of appropriate capacity fees for water and wastewater and inspection of the installation of new water and sewer infrastructure; serves as a front-line customer support working with the public in person, over the phone, via email and in response to website inquiries. In addition, they process applications, fees and deposits in coordination with the Customer Service Department, read and interpret improvement plans and facility maps for a variety of information for the public, engineers, consultants and other departments. Engineering also processes County documents related to water and sewer availability, agency clearance forms and other documents related to developments and explain regulations and policies and procedures to interested parties.



## **Major Accomplishments: Fiscal Year 2021-2022**

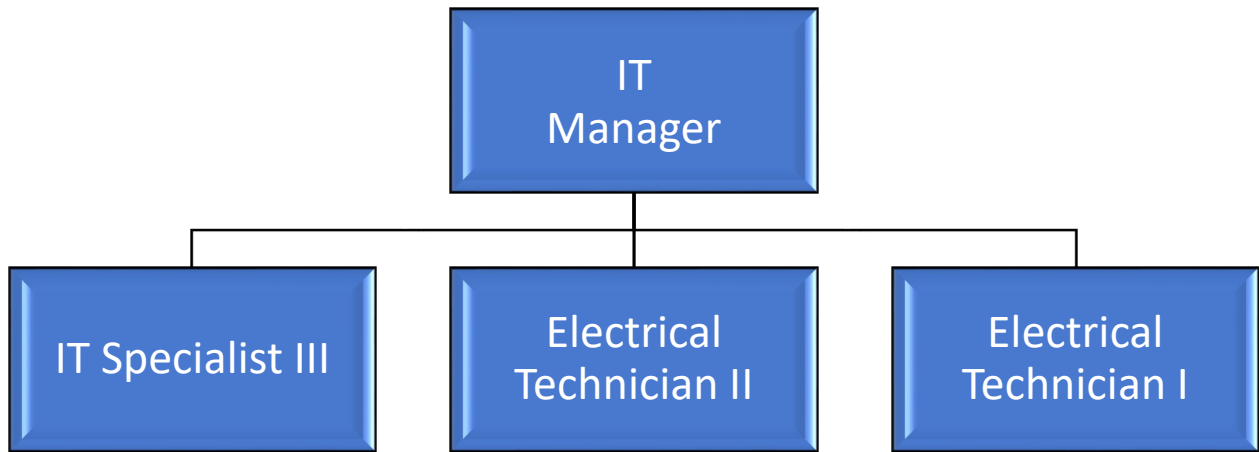
- Completed construction of the Rainbow Heights Pump Station project, Water Service Upgrade Project (WSUP), North River Road Sewer Lining Project (Phase 2), North River Road Sewer Manhole Rehabilitation Project (Phase 3), Heli-Hydrant, Rainbow Heights Road Water Main Installation,
- Projects in construction, Rice Canyon Pipeline Project, Lift Station No. 1 Replacement Project, Rainbow Valley Boulevard Cathodic Protection,
- Process and shuttle several developer projects through design and or construction phases including the following: Pala Mesa Highlands, Citro (F.K.A. Meadowood), Bonsall Oaks, Monserate Winery, Campus Park West, Cameron Development, Doud Waterline Extension, Fairview, Horse Creek Ridge (2 Phases), Malabar Ranch, Ocean Breeze Ranch, Pala Mesa Market, San Luis Rey Training Center, Vista Valley Country Club Pool Center, West Lilac Development and TPM 20976.
- Private development projects completed, Golf Green Estates and Horse Creek Ridge (5 Phases).
- Processed San Diego County availability letters and new water meter installs
- Cleared heavy brush, tress and other vegetation on District easements
- Completed 2020 Urban Water Management Plan and Water Shortage Contingency Plan
- Completed Annual Water Loss Audit
- Continued working on the Programmatic Environmental Impact Report for rehabilitation and replacement of existing facilities, and new construction
- Procured two (2) emergency generators for critical pump stations
- Advertised for design and construction services of: San Luis Rey Return Flow Recovery Project, Sumac Communications Tower PV and Back-Up Battery System, Lift Station No. 1 Replacement Project, Live Oak Park Road Bridge – Water Main Relocation, Rainbow Valley Boulevard Cathodic Protection,
- Identified and procured a new project management software for the Engineering and CIP Department
- Issued encroachment permits and acquired easements (ongoing)
- Resolved over 50+ facilities maintenance tickets
- Developed tools ranking and prioritizing CIP Projects
- Created and completed workflow charts for CIP and Private Development Projects
- Identified Wholesale Water Efficiency Projects and commenced with design

## **Objectives: Fiscal Year 2022-2023**

- Complete design for all Wholesale Water Efficiency Projects and commence bidding process
- Continue to construct trunk-line sewer system improvements needed to accommodate additional development (LS No. 1 Replacement)
- Complete construction of the Rice Canyon Transmission Pipeline Project
- Certify the Programmatic Environmental Impact Report for the Water and Wastewater Facilities projects District-wide.
- Finalize an analysis of the District sewer collection system and develop recommendations for infrastructure improvements to increase capacity
- Install two (2) emergency generators for critical pump stations
- Conduct a Feasibility Study for the San Luis Rey Return Flow Recovery Project
- Install manual transfer switches at Morro Hills, Rainbow Hills and Vallecitos Pump Stations
- Relocate utility conflicts on County-initiated projects, Rainbow Water Quality Improvements Project, Live Oak Park Road Bridge, Bonsall Regional Park Project
- Project manage in-house construction of water main projects, Wilt Road and Gird Road Upsize

# IT DEPARTMENT

| Personnel Level:         |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|
| <u>Position(s)</u>       | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
| IT Manager               | 1.00             | 1.00             | 1.00             | 1.00             |
| IT Specialist III        | 1.00             | 1.00             | 1.00             | 1.00             |
| Electrical Technician II | 1.00             | 1.00             | 1.00             | 1.00             |
| Electrical Technician I  | 1.00             | 1.00             | 1.00             | 1.00             |
| <b>Department Total</b>  | <b>4.00</b>      | <b>4.00</b>      | <b>4.00</b>      | <b>4.00</b>      |



## **Responsibilities:**

The IT department encompasses the Information Technology Manager, Information Systems Specialist, and two Electrical Technicians.

The Information Technology Manager oversees the implementation of district-wide software, assists other departments with finding technological solutions, and manages and maintains the District's cloud and local infrastructure. They also oversee the development of Information Technology policies for the District. Provide guidance for the department on resolving issues with SCADA, users' computer issues, and deployment plans. Assists the Information Systems Specialist and SCADA and Electrical Service technician with daily operations. Manages the department's budget and finds more technically feasible and fiscally responsible solutions.

The Information Systems Specialist performs information systems support related to end-users, desktop and network computer systems, hardware and software installation, and troubleshoots and maintains the District computer systems. This role is responsible for the developing and maintaining of interfaces among District systems such as GIS, online and mobile GIS, Asset Management software, SCADA, finance software, and Automated Metering Infrastructure.

The electrical and SCADA Service technicians are primarily responsible for maintaining all electrical, electronic, instrumentation, associated control data networks, and SCADA systems and their networks that are used to supply water to District customers and systems that treat water. Additionally, the electrical services group continues to revise operating systems for efficiency and ease of operation. They also monitor District facilities for electrical violations and safety hazards to maintain an electrically safe environment.

## **Major Accomplishments: Fiscal Year 2021-2022**

### Information Technology

- Built reports and reduced billing system issues and introduced new workflows.
- Worked on converting customers from TSAWR to PSAWR in billing system.
- Assisted in performing the meter exchanges in the billing system during the WSUP project and performed QA/QC on the incoming data.
- Integrated the new billing portal with the billing system.
- Introduced new functionality in the VoIP system, including the new call back feature for our customers.
- Performed the redistricting in-house and create the new District boundaries.
- Performed a large amount of data cleanup on the backflows.
- Conducted an in-house wireless assessment
- Migrated all the security cameras at the District.
- Migrated our Mobile Device Management
- Installation of new network and Wi-Fi.



### Electrical Services

- Identified and fixed bottlenecks in our SCADA network
- Responded to the aftermath of the lightning storm that struck some of our sites and replaced the needed electronics in a timely manner.
- Installation of Camera, Tank Mixer, Camera, Chlorine Analyzer at Gomez Tank
- Installation of battery backup system at Vallecitos Tank
- Installation of Manual Transfer Switch at Lookout Mountain Pump Station, to allow for easy hookup of a mobile generator to Pump Station.
- Installation of Chlorine Analyzer and battery backup system at Lookout Mountain Tank.
- Installation of Rainwater Cover Pumps Run Timers
- Assisted in the installation of Morro Reservoir Mixers
- Installation of Chloramine analyzer
- Assisted in the installation of the Heli-Hydrant
- Relocation of equipment to new Sheriff provided building with generator provided power backup at the Cement Tank.
- Upgrade of Mobile Radio equipment at the Cement Tank.

## **Objectives: Fiscal Year 2022-2023**

### Information Technology

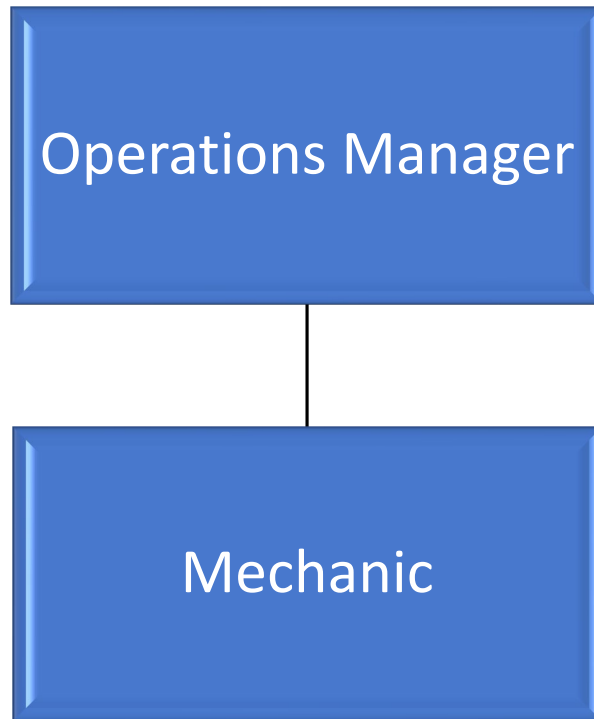
- Implement Mingle with all the Infor Suite of Products.
- Enhance the District's cybersecurity and implement the District's Cyber Security Initiative
- Implement more CSF, IPS, and EAM integrations with IDM with other document types.
- Develop more reports in EAM, IPS, and Birst.
- Create a Digital Water Quality Form for Operations Team
- Assist the SCADA vendor with the installation of radios and switches.

### Electrical Services

- Battery backup panel for Gopher Tank SCADA repeater
- Battery backup for Turner Tank
- Assist with the Installation of Gomez Tank Flowmeter and connect to SCADA.
- Assist with the Installation of Canonita Tank Flowmeter and connect to SCADA.
- Installation of SCADA and a camera at Pala Mesa tank to view the Heli-Hydrant.
- Relocate SCADA equipment at the Cement Tank.
- Work on increasing the cybersecurity in the SCADA network

# TECHNICAL SERVICES DEPARTMENT

| Personnel Level:         |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|
| <u>Position(s)</u>       | <u>2018-2019</u> | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> |
| Operations Manager       | 1.00             | 0.00             | 0.00             | 0.00             |
| Electrical Technician II | 1.00             | 0.00             | 0.00             | 0.00             |
| Electrical Technician I  | 1.00             | 0.00             | 0.00             | 0.00             |
| Mechanic                 | 1.00             | 1.00             | 1.00             | 1.00             |
| <b>Department Total</b>  | <b>4.00</b>      | <b>4.00</b>      | <b>1.00</b>      | <b>1.00</b>      |



## **Responsibilities:**

The Mechanic Maintenance (Garage) provides maintenance and record keeping of all District Fleet to include all vehicles and heavy construction equipment. The district mechanic maintains the fleet daily, ensuring the fleet & equipment is operational 24 hours per day, 7 days per week for customer service calls and emergency response. Additionally, this area also maintains and makes repairs to all other miscellaneous small equipment and field equipment. The district mechanic is responsible for researching specifications for new vehicles & equipment. This process involves meeting with fabricators and ensuring vehicles and equipment are built to the district's requested specifications throughout upfitting.

## **Major Accomplishments: Fiscal Year 2021-2022**

- Arranged and monitored the surplus auction of vehicles and equipment that were to be replaced using GOVDEALS and recovered \$68,750
- Upgraded air supply system to building #4 and #5 (completed)
- Involved with specifications to equip new vehicles with V-mac under-hood compressors and updated safety lighting to LED also upgraded many vehicles with improved tool & equipment storage systems
- Arranged and upfitted vehicles with improved radio communications systems and updated safety lighting
- Involved with specifications with new dump truck and rehabilitation of trailer (completed)
- Met all requirements for Bureau of Automotive Repair, California Resources Board and Cal Recycle on Site Inspection
- Met all requirements for California Periodic Smoke Inspection for Diesel Powered ON ROAD Vehicles
- Involved with specifications, purchase and upfitting of new welder truck

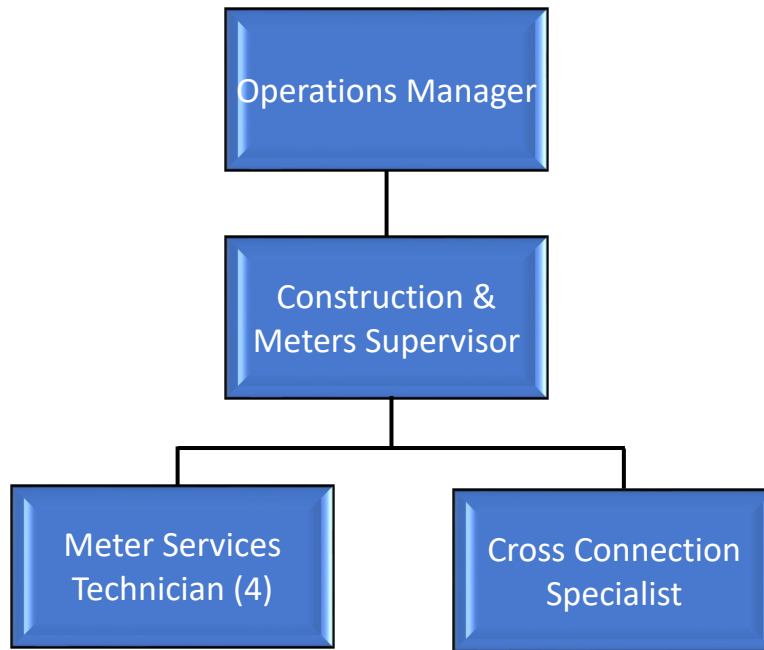
## **Objectives: Fiscal Year 2022-2023**

- Remove and replace shop work bench with updated lockable storage to secure tools, equipment & shop supplies
- Purchase safety flammable storage cabinets in shop to safely store chemicals
- Purchase additional storage locker to secure bulky valuable tools and equipment
- Complete the vehicle grading process, specifications, bidding process to facilitate the replacement of larger vehicles that will not meet the On-Road Heavy Duty Diesel Vehicles (In Use) Regulation requiring diesel trucks that operate in CA to reduce emissions by January 2023
- Upfit portable welder trailer with lighter, quieter & more efficient gas-powered welder
- Arrange and monitor Diesel Particulate Filter cleanings and Opacity & Smoke testing per California Air Resources Board
- Continue to maintain an On-Road & Off-Road Fleet vehicles as well as small equipment in good working order and ensure they are safe & efficient

# METERS DEPARTMENT

Personnel Level:

| <u>Position(s)</u>          | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
|-----------------------------|------------------|------------------|------------------|------------------|
| Meter Supervisor            | 1.00             | 1.00             | 1.00             | 0.00             |
| Meter Technician(s)         | 5.00             | 5.00             | 5.00             | 4.00             |
| Cross-Connection Specialist | 1.00             | 1.00             | 1.00             | 1.00             |
| Temporary Meter Technician  | 1.00             | 1.00             | 1.00             | 0.00             |
| <b>Department Total</b>     | <b>8.00</b>      | <b>8.00</b>      | <b>8.00</b>      | <b>5.00</b>      |





## **Responsibilities:**

Meter Services' primary function is to ensure timely and accurate meter readings monthly. This Department continually maintains the District's 8,771 water meters and meter reading infrastructure. Including testing 5,006 Backflow devices annually. The Department will investigate and resolve meter service problems and questions, whether it be read discrepancies or customer requests. The reading of the meters occurs monthly, starting on the first working day of the month. The district meters are assigned to three cycles totaling fifty-five routes. The meters are read using an electronic mobile collector and a handheld device that stores the readings. The Automatic Meter Reading (AMR) system makes up approximately 99% of the District's meters; the other 1% of the district meters are read manually by foot. A meter reader collects the meter reading consumption in an AMR system by driving a district vehicle with a truck-mounted radio, the "Mobile Collector." The meter reader drives predetermined routes and quickly picks up the read data rather than having to walk and manually read those routes.

When meters are broken or functioning inefficiently, staff will either repair, replace, and test the water meters; or clean and replace surrounding meter boxes. The Department applies District procedures when investigating and reviewing with customers on various water service problems. They perform flow and pressure tests as needed at the meter service. The Department interprets and reads maps to locate district assets utilizing the GeoViewer software. The Department also operates water system valves and hydrants as required and assists with main water shutdowns. The Department is responsible for verifying and reporting service information corrections and responding to service orders issued by the customer service staff.

## **Major Accomplishments: Fiscal Year 2021-2022**

- We tested all backflow devices in the District.
- Established a successful Cross Connection Control Program to a level where the District sends out failure notices to repair backflow devices.
- Completed the Water Service Upgrade Project to a level of 100% completion.
- Organized the lower yard and developed a three-month temporary storage bin for old meters. This has proved beneficial whenever there is a dispute with an old meter and its usage and accuracy.

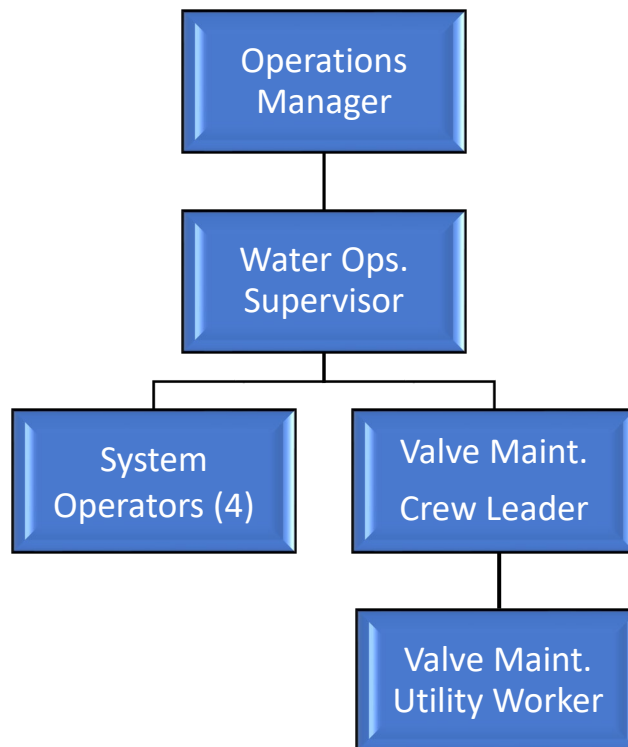
## **Objectives: Fiscal Year 2022-2023**

- Consolidate the reading schedule to one day per cycle.
- Complete all meter readings and check bills within the first two weeks of the month.
- Lower the monthly check bill counts to under 50 per reading cycle.
- Train staff to be successful certified backflow testers, so everyone in Meters can test backflows.
- Increase internal backflow testing to minimize the use of Palomar Backflow.
- Eliminate the need for contracting backflow testing services.
- Maintain a successful Cross Connection Control Program by testing all backflow devices, sending out failure notifications, and locking off customers that do not repair their failed backflow devices.

# WATER SYSTEM OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Personnel Level:

| <u>Position(s)</u>             | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
|--------------------------------|------------------|------------------|------------------|------------------|
| Water Ops. Superintendent      | 1.00             | 0.00             | 0.00             | 0.00             |
| Water Ops. Supervisor          | 0.00             | 1.00             | 1.00             | 1.00             |
| Lead System Operator           | 1.00             | 0.00             | 0.00             | 0.00             |
| System Operator(s)             | 3.00             | 4.00             | 4.00             | 4.00             |
| Valve Maint. Crew Leader       | 1.00             | 1.00             | 1.00             | 1.00             |
| Valve Maint. Utility Worker(s) | 3.00             | 3.00             | 3.00             | 1.00             |
| <b>Department Total</b>        | <b>9.00</b>      | <b>9.00</b>      | <b>9.00</b>      | <b>7.00</b>      |



## **Responsibilities:**

System Operations is responsible for operating the potable water system to ensure reliable and sustainable deliveries to District ratepayers. To accomplish this, Water Operations utilizes a Supervisor Control and Data Acquisition (SCADA) system that controls water flow and storage through the District's distribution system. Additionally, this department performs various maintenance, monitoring and evaluations of the District's storage reservoirs, tanks, pump stations and chlorine booster and monitoring stations. System Operators perform routine maintenance and repairs for all pumps in the distribution system.

Water Quality is also a part of System Operations. The system operators are responsible for collecting routine samples used to monitor water quality in the distribution system. This includes specific sampling for California State Water Resources Control Board requirements, contractors and construction crews working on the District's pipelines. Other components of Water Quality include responding to water quality complaints, pipeline flushing as well as the preparation of monthly, quarterly and annual reports for the State Water Resources Control Board.

Valve Maintenance is responsible for the District's valve exercise program while maintaining all appurtenances such as fire hydrants, wharf heads, blow-offs and air release valves. Additionally, Valve Maintenance handles the upkeep of easements. Valve Maintenance ensures that distribution valves are operational and ready to isolate the water mains in emergencies, routine maintenance work and new construction projects. Valve Maintenance also assists with shutdowns for the construction/maintenance department and contractors by operating the valves that shut down the main lines.

## **Major Accomplishments: Fiscal Year 2021-2022**

- Industrial painted seven (7) sites/pump stations.
- Industrial painted three (3) pressure stations.
- Installed Casco mixer in Gomez tank.
- Seven (7) tanks were cleaned/washed out and disinfected.
- Replaced two (2) EFI pressure station isolation valves.
- Installed (3) new above-ground pressure stations.
- Installed inlet/outlet flow meter at Gomez tank.
- Replaced Lookout pump station #1 pump head.
- Installed SCADA/Analyzer building at Lower Lookout tank.
- Valve maintenance turned/exercised over 1,200 valves.
- Valve maintenance inputted over 150 geo-viewer mapping corrections in our distribution mapping software.
- Successfully set-up and ran Rain for Rent temp pump stations for SDCWA pipeline 4 shutdown.

- Through valve and zone testing. System Ops was able to achieve an additional 1,500 GPM of inflow into the Morro Res zone through the old Esterlina PRV zone isolation valve.
- System Ops successfully brought Morro tank back online for permanent use. Bringing Morro tank back online enabled Ops to get more water into Morro Res from Pala Mesa tank.

### **Objectives: Fiscal Year 2022-2023**

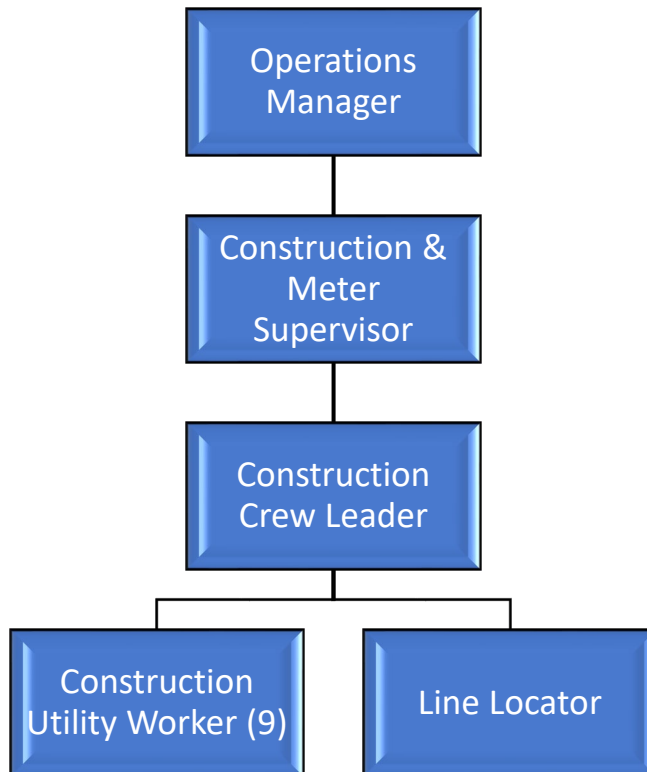
- Continue to work with Engineering to finalize the updated plans for the install of the interconnect and pump station with the Weese Filtration Plant.
- Help Engineering finalize the installation of the two permanent pump stations for Hutton and Turner zones for the Water Use efficiency separation.
- Valve maintenance department to replace at least 200 outdated appurtenances.
- Continue working with Engineering to develop system pressure controls.
- Continue testing on the permanent injection plumbing and programming for Morro Chloramination injection system.
- System operations to continue to brainstorm and manipulate the distribution system in search of additional ways to get extra Metropolitan water to the southern region of the District to reduce and or eliminate our reliance on SDCWA connection water.
- Install new flow meter at Canonita tank.
- Install two (2) new Hach CL-10's chlorine analyzers at two distribution system storage tanks.



# CONSTRUCTION DEPARTMENT

Personnel Level:



| <u>Position(s):</u>         | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
|-----------------------------|------------------|------------------|------------------|------------------|
| Operations Manager          | 1.00             | 1.00             | 1.00             | 1.00             |
| Project Manager             | 1.00             | 1.00             | 0.00             | 0.00             |
| Construction Superintendent | 1.00             | 0.00             | 0.00             | 0.00             |
| Construction Supervisor     | 0.00             | 1.00             | 1.00             | 0.00             |
| Const. & Meter Supervisor   | 0.00             | 1.00             | 1.00             | 1.00             |
| Construction Crew Leader    | 2.00             | 2.00             | 2.00             | 1.00             |
| Construction Utility Worker | 6.00             | 6.00             | 6.00             | 9.00             |
| Line Locator                | 0.00             | 0.00             | 0.00             | 1.00             |
| Temp Const. Utility Worker  | 1.00             | 1.00             | 1.00             | 0.00             |
| <b>Department Totals:</b>   | <b>12.00</b>     | <b>12.00</b>     | <b>11.00</b>     | <b>13.00</b>     |



## **Responsibilities:**

The Construction Department is dedicated to conducting its mission in a cooperative, collaborative environment that emphasizes quality and safety and supplies high-quality customer service. The most critical function of Construction is to support and repair the district's infrastructure. This department manages and repairs Rainbow's water distribution system, ensuring the district supplies reliable and sustainable service to its customers. Furthermore, they respond to emergency calls twenty-four hours per day, year-round to prevent uninterrupted service to our customers.

## **Significant Accomplishments: Fiscal Year 2021-2022:**

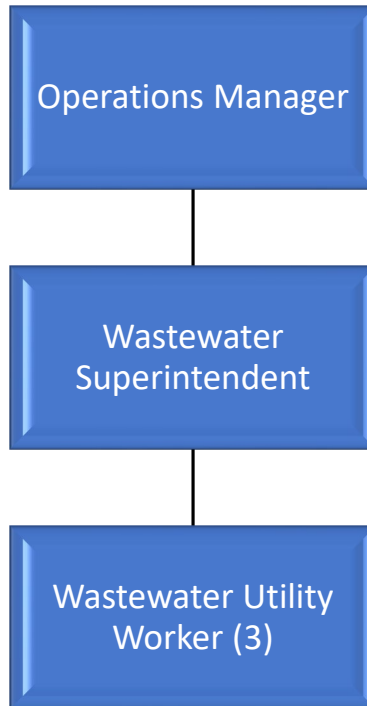
- Completed the Water Service Upgrade Project (WSUP) to a level of 100% completion.
- Finished installing new EFI pressure stations at Pala Lake North and Pala Mesa  dos.
- Installed straight pipe at Atkins pressure station to maximize flow to Morro Reservoir.
- Installed the Rapid Aerial Water Supply (RAWS), also known as the Heli Hydrant, at Pala Mesa Tank.
- All "Completed Pending Pavement" work orders were closed via contracted paving services.
- Overcame over thirty-two main breaks throughout the year. Furthermore, in January 2022, RMWD staff conquered eleven main breaks in a short timeframe.  Note that the District did not hire a contractor this year but received mutual aid from Oceanside staff in January 2022.
- Provided Mutual aid to Fallbrook Public Utilities District (FPUD) and assisted them on a day when they were short staff and had multiple main breaks.
- Spread asphalt grindings from Gomez Tank to Pala-Temecula Road. It is beneficial for District staff to have an alternative access route, but the fire department used it for access during the Aruba fire.

## **Objectives: Fiscal Year 2022-2023**

- Continue with District-Wide Pressure Management by installing ten pressure-reducing stations within the fiscal year.
- Continue installing sacrificial anodes when opportunities arise (ex., leaks, and breaks).
- Continue to clean up and maintain the lower yard.
- Train all department staff to be proficient with pipe welding.
- Train all department staff to operate heavy equipment.
- Install new pipe segments per engineering plans, which are in design, more specifically 16" on Wilt and 18" on Gird.
- Install RAWS at Gomez

# WASTEWATER DEPARTMENT

| <b>Personnel Level:</b>    |                  |                  |                  |                  |
|----------------------------|------------------|------------------|------------------|------------------|
| <b><u>Position(s):</u></b> | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2022-2023</u> |
| Wastewater Superintendent  | 1.00             | 1.00             | 1.00             | 1.00             |
| Utility Worker             | 3.00             | 3.00             | 3.00             | 3.00             |
| <b>Department Totals:</b>  | <b>4.00</b>      | <b>4.00</b>      | <b>4.00</b>      | <b>4.00</b>      |



## **Responsibilities:**

Wastewater Division is responsible for the protection of public health and the environment by providing reliable and sustainable wastewater collection and pumping services to its customers. This area is responsible for accomplishing its duties in a prudent manner by completing its tasks using effective management practices and ensuring an environmentally responsible operation.

## **Major Accomplishments: Fiscal Year 2021-2022**

- Worked in conjunction with Engineering review & provide operations feedback on plans for Thoroughbred lift Station, up-size 12–18-inch sewer mains on highway 76.
- Completed 36.84 miles/194,527' of sewer line cleaning for gravity sewers lines ranging from 8" to 24" and inspected/mitigated sewer manholes for root problems, vandalism, and road hazards.
- Completed 4.69 miles/24,805' of closed-circuit televised (CCTV) sewer mains 8" - 24".
- Inspected 736 sewer manholes.
- Provided and maintained preventative maintenance to seven sewage lift stations and one flow meter station.
- Removed and replaced 20 + year old sewer stationary flow logger and flodar sensor assembly meter.
- Planned and coordinated with contractor in setting up 1,000' of sewer bypass hose along county roadway for Golf Club lift station wet well rehab. 30' deep x 12' wide.
- Performed an in-house sewer flow study at Old River Road lift station. Removed two existing impellers at 1,200 gpm and replaced with two new impellers rated at 900gpm in helping the hydraulic sewer load at the outfall line on North River Road.
- CPM/Integrity Rancho Monserate lift station wet well odor scrubber system permanent installation.
- Rehabilitated 5 sulfied sewer manholes along Hwy 76 with Ayala Engineering.
- Added five new Smartcover unit sensors to the collection system. Total District owned SmartCover sensors at 32. Smart-Cover units monitor flows, level and vandalism and help in preventing Sanitary Sewer Overflows (SSOs) by sending texts on surcharged lines.
- Suez LLC, odor control study (Hwy 76, Horsecreek, Rancho Viejo locations).

## **Objectives: Fiscal Year 2022-2023**

- Assist Engineering Department with completion of upcoming Capital Improvement Projects:
  - Thoroughbred Lift station review plans and comments.
  - Hwy 76 12" sewer line upgrade from Sweetgrass Ln to Thoroughbred Lane.
  - Campus Park Development review plans and comments.
  - San Luis Rey Downs Horse track review plans and comments.
  - Fallbrook Oak's rehab lift station force main and vault.



- Provide and maintain preventative maintenance to seven sewage lift stations and one flow meter station.
- Increase Odalog sewer odor reading assessments on the collection system.
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 42 Food Service establishments (FSE) and residents.
- Install two Multi start pump control modules at horse creek lift station and Old River Road to accurately provide needed operating functions.
- Cure in place sewer line repairs as needed through CCTV inspections.
- Through contract provide cleaning services using FPUD vactor to Rainbow mwd wet wells and sewer lines.
- Manhole interior rehabilitation repairs. Budgeted for (12) manholes to be repaired.
- Manage and maintain collection sewer easements.
- Continue preventative maintenance Dukes Root control treatment into the collection system.
- Continue preventative maintenance of Golden Bell products Insecta treatment to sewer manholes in control of cockroaches.

# APPENDIX A

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# GLOSSARY

**Accrual Basis of Accounting** – The basis of accounting under which transactions are recognized when they occur, regardless of timing of cash receipts and disbursements.

**Adopted Budget** – The official budget as approved by the Board of Directors at the start of each fiscal year.

**Amended Budget** – The adopted budget as amended by the Board of Directors through the course of the fiscal year.

**Balanced Budget** – A budget in which planned expenditures do not exceed planned funds available.

**Bond** – A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

**Budget** – A plan of financial operation comprised of estimated expenditures for a given period (usually a single fiscal year) and the proposed means of financing the expenditures (through revenues).

**Capital Budget** – A budget which focuses on capital projects to implement the Capital Improvement Program.

**Capital Expense** – An acquisition or an improvement (as distinguished from a repair) that will have a life of more than one year and costs more than \$10,000.

**Capital Improvement Program** – A plan for the capital improvements to be implemented each year over a number of years to meet capital needs arising from the assessment of long-term needs. It sets forth the estimated cost for each project and specifies the resources required to finance the projected expenditures.

**Capital Improvement Project** – The budget unit to group activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

**Department:** A major organization group of the District with overall management responsibility for an operation or a group of related operations within a functional area.

**Expenses** – Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

**Fiscal Year** – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position, the results of its operations, and adopts a budget for the coming year. The District's fiscal year is from July 1 to June 30.

**Fixed Assets** – Equipment costing \$10,000 or more, including tax, with a useful life longer than one year, and not qualifying as a capital improvement project. Includes automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, etc.

**Fund** – An independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance** – The equity (assets minus liabilities) of governmental fund and fiduciary fund types.

**Generally Accepted Accounting Principles (GAAP)** – Uniform minimum standards of and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

**GFOA** – Government Finance Officers Association

**Governmental Accounting Standards Board (GASB)** – The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

**Payroll Expenses** – Compensation paid to or on behalf of District employees for salaries and wages, overtime and benefits.

**Revenue** – Moneys that the District receives as income such as payments for water consumption, shared revenues and interest income.