



Annual Operating & Capital Improvement Budget

Fiscal Year Ending June 30, 2022

Fallbrook, CA



ANNUAL OPERATING CAPITAL & IMPROVEMENT BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2022



Rainbow Municipal Water District

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Fallbrook, CA 92028

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COMMITTED TO EXCELLENCE

RAINBOW MUNICIPAL WATER DISTRICT ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR ENDING JUNE 30, 2022

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EXECUTIVE SUMMARY

FISCAL YEAR 2022 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 2021-22 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

This past year has brought unprecedented challenges to RMWD and the world with the Covid-19 pandemic. Fortunately, the lessons learned from the 2017 Lilac fire helped us prepare for this type of situation. Starting in calendar year 2018, staff updated payroll, time tracking, service orders, utility billing, and financial services software to cloud-based software applications. These efforts were completed in mid-2019 making it possible for the District to transition to a work from home model very rapidly. Our phone systems were also updated, allowing us to forward calls to District cell phones that customer service could use to continue taking calls while working remotely.

Water Affordability

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.

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. 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 a rate increase since relief was on the way – even though SDCWA had raised fixed rates 6% for calendar year 2020. We had hoped for a speedy process at LAFCO, but, unfortunately our Board’s actions have now been responded to with procedural hurdles at LAFCO that will delay our eventual detachment. As of January 1, 2021, RMWD has absorbed approximately \$1 Million in added SDCWA costs 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 is not sustainable for multiple years.

As a result, we are recommending increasing rates for the first time in almost 3 years in this budget cycle. The increase in rates will cover infrastructure replacement and operating cost increases that have been passed on to us by our vendors. Increasing rates this year will mitigate higher increases in future years. should detachment continue to be stalled past FY22.

Accomplishments in Current FY 2020-21

- The District developed a Comprehensive Annual Financial Report for the first time for FY 2019-20. The report was compiled in compliance with the Government Finance Officers Association (GFOA) standards. The Finance staff worked diligently on the FY 19-20 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 we are awaiting a decision.
- The District developed the Annual Budget in compliance with GFOA standards (5th consecutive year). The Finance staff worked diligently on the FY 20-21 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 2020-21 budget.
- The District achieved a clean and timely audit for FY 2019-20.
- 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. To receive the award, a special district must undergo regular financial audits and have no major deficiencies. Board members and management staff 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 which is awarded every other year and was presented to Rainbow MWD in 2015, 2017, and 2019. 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.

- The District Engineering and Finance staff worked together to design a strategic ranking tool for assessing all Capital Improvement Projects. Staff used this tool to compile a program that addresses the most cost-effective way to meet the District's strategic objectives.
- The District annexed the Citro (Meadowood) development into the service area. This development consists of 844 approved homes and approximately 300 square miles.

Priorities for Fiscal Year 2021-22 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.
- Prepare a Programmatic Environmental Impact Report for ongoing pipeline rehabilitation and replacement projects. According to the condition assessment, the District must begin to replace aging infrastructure at a consistent level every year to maintain our infrastructure in a state of good repair. The Programmatic Environmental Impact Report is the first step necessary to ramp up the pipe rehab and replacement program because environmental permitting and mitigation efforts, when done on an individual project basis, have a tendency to delay projects and increase costs. Completing this upfront will allow the District to complete small rehabilitation and replacement projects efficiently.
- 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.

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 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. While we had wetter than average winters over the prior two years, the loss of agricultural production due to high water costs and increased irrigation efficiency has also continued to impact sales. For FY2021, sales are predicted to surpass 15,400 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 have slowed down to 113 new water meters in FY21, compared to 265 in FY20, and 72 new sewer EDUs in FY21, compared to 117 in the previous year. The next two years we expect to see an increase in service connections with the addition of two new developments.

Since the inception of the District, the last few years were among the lowest in terms of water sales, with revenue barely recovering cost. At these reduced volumetric sales levels, absent a rate increase, the District cannot 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.

Revenues include a 9% revenue adjustment for FY22 and the SDCWA pass-through increases effective January 1, 2022. Due to multiple years of low sales, this budget has been calculated based on sales of 13,500 acre-feet. The prior year sales were 13,223 acre-feet and are projected to be just over 15,400 acre-feet in the current year due to the 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 62% 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 4% of water loss to arrive at an estimated cost of \$22.9M 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 eight direct reports.

Capital equipment purchases for operating funds are \$548,000. Of this, \$292,000 relates to replacement of ageing vehicles required to provide service in our rural service area.

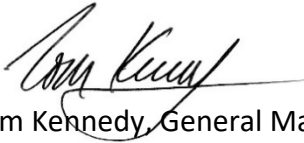
Additionally, approximately \$8M of capital improvement projects are included in this year's proposed Water capital budget and \$8.4M in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement 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.

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. 21-12

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, 2022

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, 2022 (“2022 Budget”); and

WHEREAS, on June 22, 2021, the Board of Directors received and considered all comments regarding the proposed 2021 Budget; and

WHEREAS, the proposed 2022 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 2022 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2022,” is hereby adopted. A copy of the 2022 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2021-2022, pursuant to the 2022 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 01/01/2022.
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 22nd day of June 2021 by the following vote, to wit:

AYES: Directors Gasca, Hamilton, Mack, Moss and Rindfleisch
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



Carl Rindfleisch - Director



Michael Mack - Director



Pam Moss - Director



**Tom Kennedy
General Manager**



**Ahmed Khattab
IT Manager**



**Tracy Largent
Finance Manager**



**Chad Williams
Engineering & CIP
Manager**



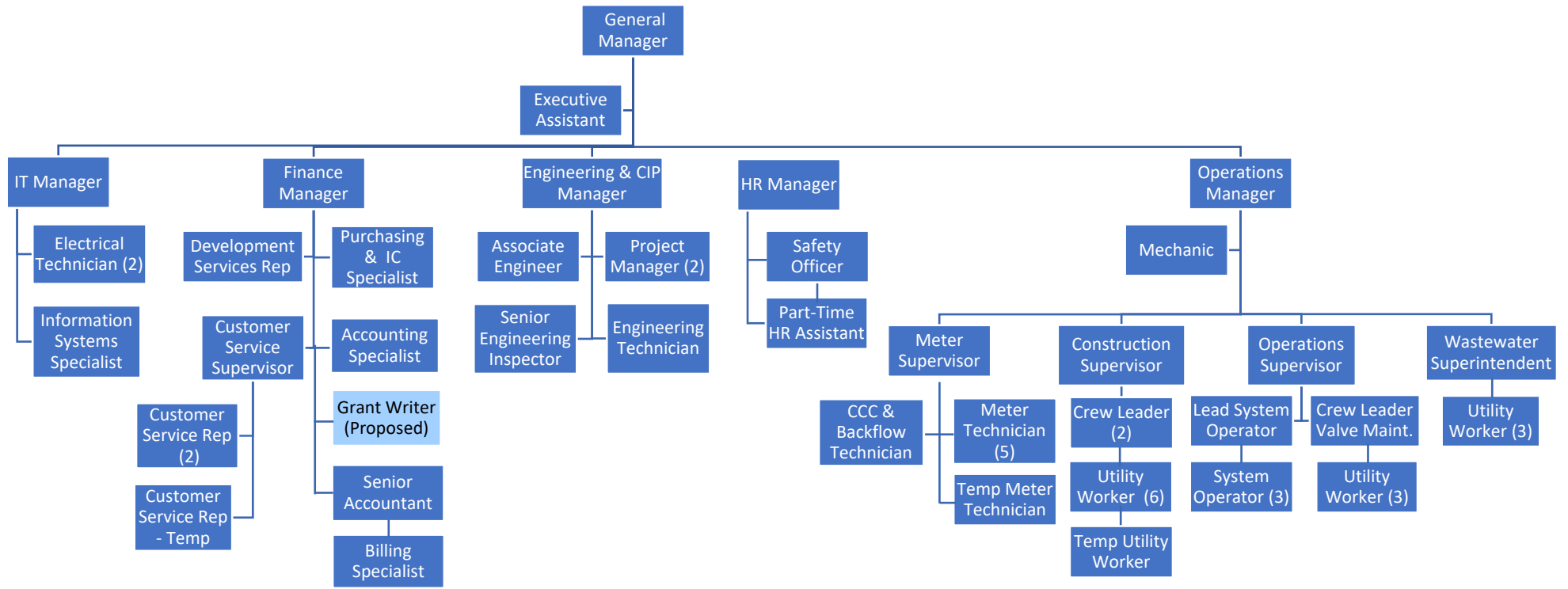
**Karleen Harp
HR Manager**



**Robert Gutierrez
Operations Manager**

RAINBOW MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

58.5 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, 2020. 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 2022 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)**

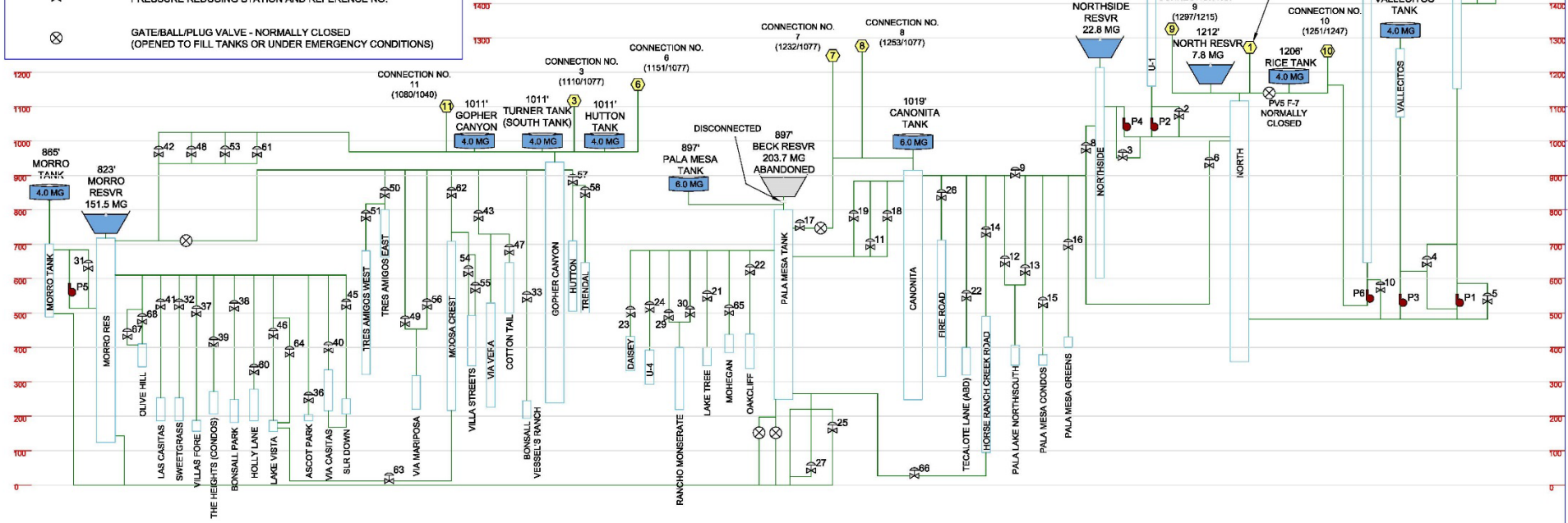
**ZONE DESIGNATION
(LENGTH OF SYMBOL REPRESENTS SERVICE ELEVATION RANGE)**

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 (260/100) PSI	41	LAS CASITAS (225/95) PSI
10	GARRET RANCH (270/137) PSI	42	WEST LILAC (300/220) PSI
11	HUNTLEY PUMP STATION BYPASS (240/143) PSI	43	VIA VERA (200/95) PSI
12	ATKINS (124/100) PSI	44	SLR DOWNS TRACK (285/125) PSI
13	PALA LAKE SOUTH (260/120) 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 EAST (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 "N" (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.

Zone	HGL (feet)	Main	Secondary
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.

Pipeline Summary	
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
Total Length of Pipe	322.8

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. 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.

Wastewater Vector Truck



HISTORICAL WATER DEMAND AND RECENT TRENDS

Calendar Year	Deliveries (AF)
1983	23,746
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

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.

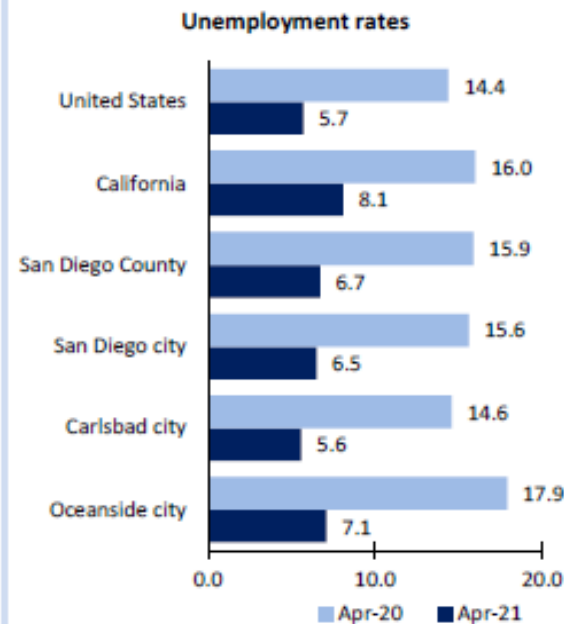


San Diego Area Economic Summary

Updated June 07, 2021

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.

Unemployment rates for the nation and selected areas



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

Average weekly wages for all industries by county

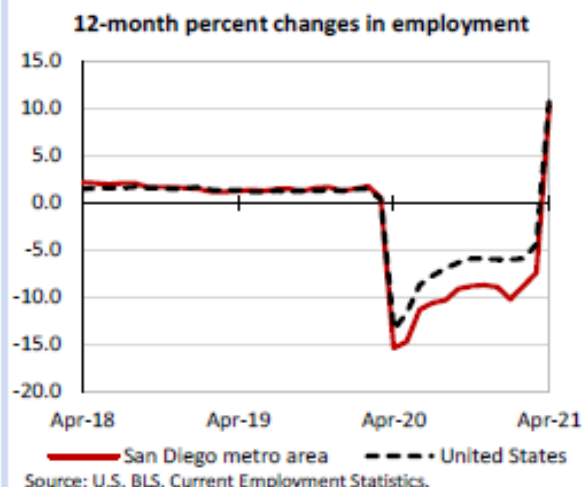
San Diego metro area, fourth quarter 2020

(U.S. = \$1,339; Area = \$1,564)



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.

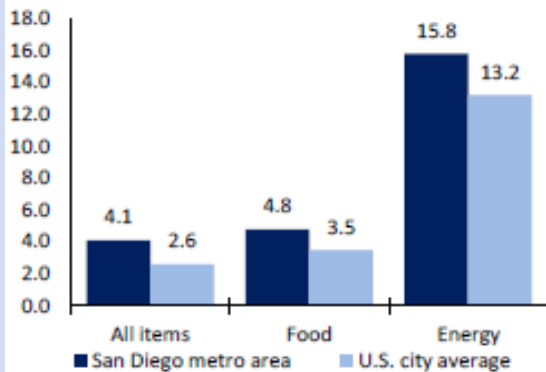
San Diego metro area employment (number in thousands)	Apr. 2021	Change from Apr. 2020 to Apr. 2021	
		Number	Percent
Total nonfarm	1,399.4	132.2	10.4
Mining and logging	0.3	0.0	0.0
Construction	85.5	13.1	18.1
Manufacturing	114.3	4.2	3.8
Trade, transportation, and utilities	207.7	24.7	13.5
Information	21.7	-0.2	-0.9
Financial activities	73.6	1.1	1.5
Professional and business services	254.1	16.3	6.9
Education and health services	214.8	17.1	8.6
Leisure and hospitality	144.8	48.8	50.8
Other services	45.8	10.6	30.1
Government	236.8	-3.5	-1.5

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



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

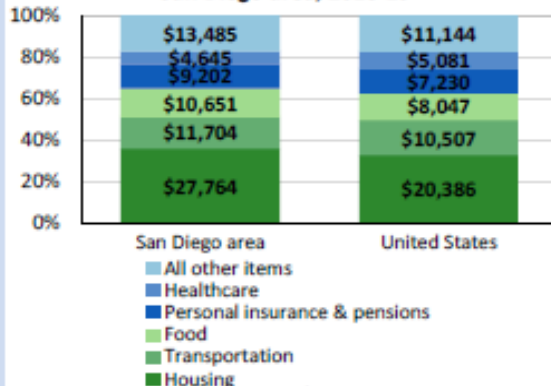
12-month percent change in CPI-U, March 2021



Source: U.S. BLS, Consumer Price Index.

Average annual spending and percent distribution for selected categories

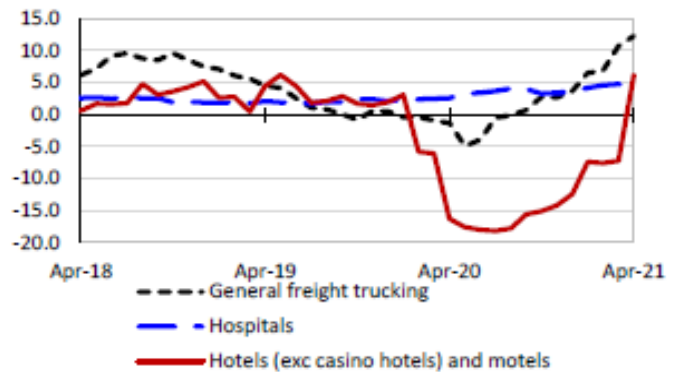
Average annual expenditures, United States and San Diego area, 2018-19



Source: U.S. BLS, Consumer Expenditure Survey.

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

12-month percent changes in PPI



Source: U.S. BLS, Producer Price Index.

Average hourly wages for selected occupations

Occupation	San Diego metro area	United States
All occupations	\$30.91	\$27.07
Human resources managers	66.47	64.70
Registered nurses	53.66	38.47
Accountants and auditors	43.00	39.26
Electricians	30.22	29.59
Construction laborers	23.87	20.67
Hotel, motel, and resort desk clerks	15.60	12.93

Source: U.S. BLS, Occupational Employment Statistics, May 2020.

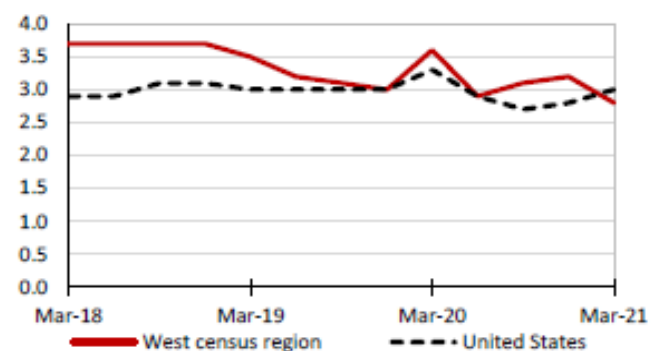
Employer costs per hour worked for wages and selected employee benefits by geographic division

Private Industry, December 2020	West census region	United States
Total compensation	\$40.19	\$36.23
Wages and salaries	28.28	25.48
Total benefits	11.91	10.74
Paid leave	3.04	2.69
Vacation	1.53	1.38
Supplemental pay	1.28	1.25
Insurance	3.12	2.81
Retirement and savings	1.33	1.25
Legally required benefits	3.14	2.75

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

Over-the-year changes in wages and salaries

12-month percent changes in ECI



Source: U.S. BLS, Employment Cost Index.

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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.

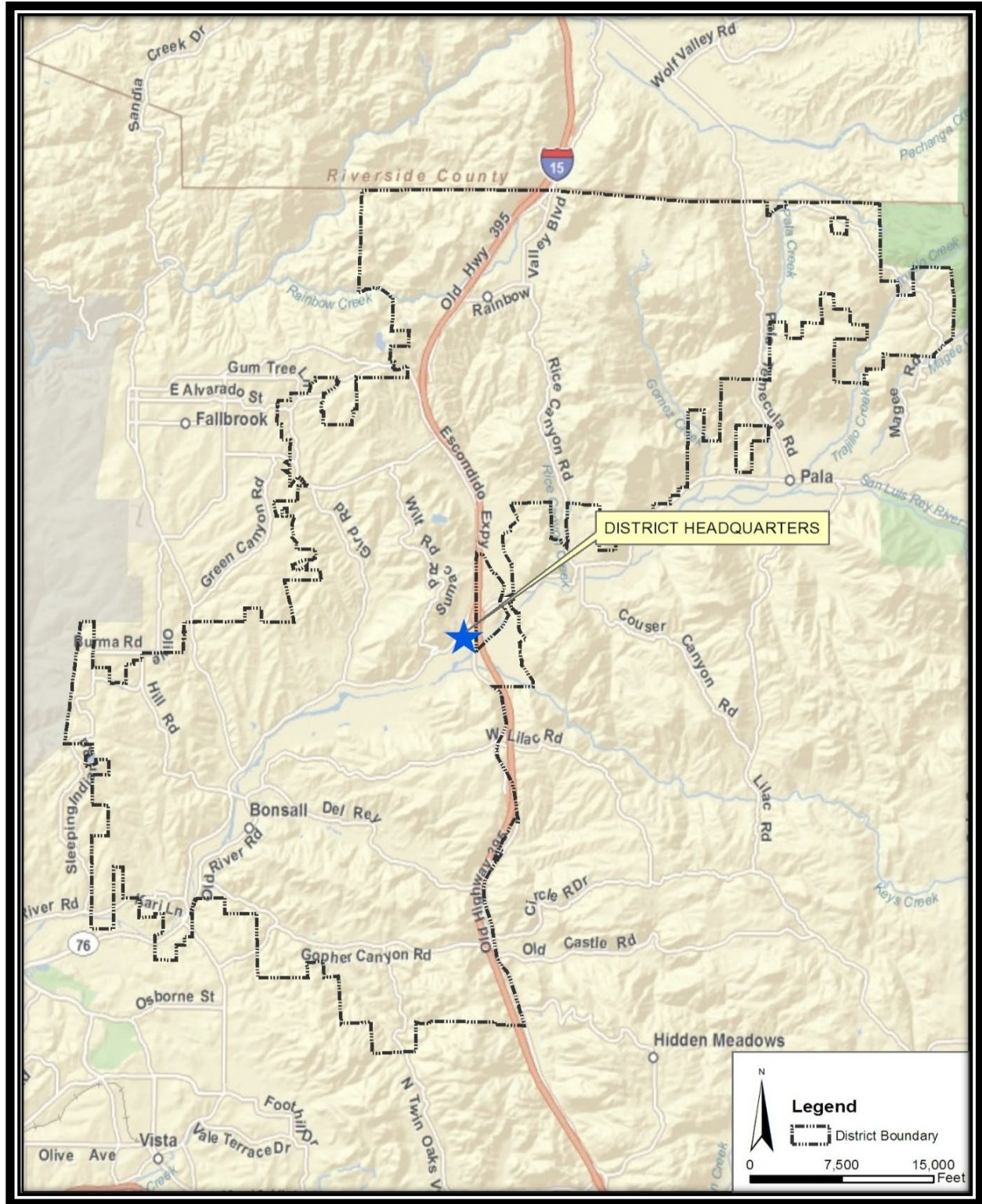
Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.

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
Anthem CDHP	Full Deductible (\$1,500)	\$2,800	\$2,800
Kaiser CDHP	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 (example only, ranking could change annually)	Premium cost* *example only	District HSA Contribution	Employee Cost (annually / 24 pay periods)
First plan (least expensive)	Kaiser CDHP	\$7,000	\$1,500	FREE
Second Plan	Kaiser HMO	\$9,000	n/a	FREE
Third Plan (middle plan)	Anthem CDHP	\$9,000	\$1,500	FREE
Fourth Plan	Anthem PPO	\$11,000	n/a	\$500 / year \$20.83 / pay pd
Fifth Plan (most expensive)	Anthem HMO	\$12,000	n/a	\$1,500 / year \$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 Costs	Employee Cost Share
First plan (least expensive)	100%	FREE
Second Plan	85%	15%
Third Plan (middle plan)	85%	15%
Fourth Plan	80%	20%

Fifth Plan (most expensive)	80%	20%
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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* *example only	District HSA Contribution	District Cost Share	Employee Cost Share
First plan (100%/0%)	Kaiser CDHP	Employee + 1	\$12,000	\$2,800	\$14,800	\$0
Second Plan (85%/15%)	Kaiser HMO	Employee + 1	\$16,500		\$14,025	\$2,475
Third Plan (85%/15%)	Anthem CDHP	Employee + 1	\$17,000	\$2,800	\$16,830	\$2,970
Fourth Plan (80%/20%)	Anthem HMO	Employee + 1	\$21,000		\$16,800	\$4,200
Fifth Plan (80%/20%)	Anthem PPO	Employee + 1	\$22,000		\$17,600	\$4,400
First plan (100%/0%)	Kaiser CDHP	Family	\$17,000	\$2,800	\$19,800	\$0
Second Plan (85%/15%)	Kaiser HMO	Family	\$22,500		\$19,125	\$3,375
Third Plan (85%/15%)	Anthem CDHP	Family	\$23,000	\$2,800	\$21,930	\$3,870
Fourth Plan (80%/20%)	Anthem PPO	Family	\$28,500		\$22,800	\$5,700
Fifth Plan (80%/20%)	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
Up to 4 years	7.69 hours	200 hours	400 hours
4 – up to 9 years	9.23 hours	240 hours	480 hours
9 years and above	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.

FY21 STRATEGIC PLAN & PERFORMANCE MEASUREMENTS

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2020 to June 2021						
1	Water Resources	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
1A	Promote and participate in the development of sensible direct or indirect potable reuse regulations					See sub-objectives
1A.1	Participate in Water Reuse legislative/regulatory efforts	Tom	Ongoing			As Described
1A.2	Monitor regulatory process	Tom	Ongoing			As Described
1.B	Identify and obtain water rights in the San Luis Rey Valley and develop feasible water production strategies					See sub-objectives
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	On Hold		Feasibility Issues	As Described
1B.4	Identify potential location of groundwater treatment facility including brine disposal	Tom/Chad	On Hold		Feasibility Issues	As Described
1.C	Participate fully and actively in the San Luis Rey Groundwater Sustainability Agency (SLRGSA)					See sub-objectives
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 2020 to June 2021						
2	Asset Management	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
2A	Implement proactive system-wide pressure management	Chad/Robert				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	50%	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 installed. Pala Mesa is in progress.	Sarah Ann, Thoroughbred, Aqueduct Rd installed. Vallecitos in-progress
2B	Perform Continuous Condition Assessment	Chad/Robert	On-going		While repairing water line breaks a camera is used for visual inspection of pipeline.	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 video are taken
2B.4	Identify potential methods for pipeline rehabilitation using point repairs or in-situ methods			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	1%	One test station installed, anodes installed for every main break. 100% design for Rainbow Valley Blvd Impressed Current project.	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			1%	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	50%	Improvements made	Increasing number of encroachment permits being issued
2F	Commence meter/service replacement and upgrade program	Tom, Tracy, Mark & Robert	Dec-22			See sub-objective

Rainbow Municipal Water District

Strategic Plan Goals and Objectives for July 2020 to June 2021

3	Workforce Development	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
3A	Maintain education and training opportunities to ensure continuous improvement and learning for all staff	Karleen				See sub-objectives
3A.1	Continue ACWA/JPIA Professional Development Training for Managers, Superintendents, Supervisors, Crew Leaders and Operations personnel. Staff to attend semi-annual education days to receive credit towards PDP program until complete.			Ongoing	Discontinued	Staff attended ACWA training in October 2019. Rainbow staff are no longer eligible for ACWA trainings due to an ACWA policy change.
3A.2	Conduct on-site computer skills training			100%		Staff completed computer skills training in Word, excel, Power Point, and basic computer skills training. Continued training is offered online.
3B	Implement performance management module of NEOGOV system	Karleen				See sub-objectives
3B.1	Configure NEOGOV with new appraisals, train managers and employees and go-live				Adjusted due to software limitations	Redesigned performance evaluation based on core values.
3B.2	Implement NEOGOV performance and training of all staff				Cancelled	As Described
3C	Conduct annual staff analysis to identify succession planning use of labor and projected labor demands	Karleen		Annual updates		See sub-objectives
3C.1	Develop annual assessment of high-priority positions for succession planning through five-year staffing analysis					Positions identified in staffing analysis
3C.2	Develop and implement survey of culture employee engagement			100%		As Described
3D	Continue cost-effective employee recognition program to acknowledge performance, encourage development & improve morale	Karleen				See sub-objectives
3D.1	Solicit continuous nominations for the Excellence Coin program and award coins to employees monthly			Ongoing		Track monthly nominations and recognize as described
3D.2	Hold annual employee recognition event to recognize employees for cumulative nominations and honorable mentions.			100%		Annual banquet was held in January
3E	Create a safety culture for the District workforce and promote safe work practices	Karleen				See sub-objectives
3E.1	Include safety in employee culture survey			100%		As Described
3E.2	Develop and implement a new safety incentive program			25%		
3E.3	Update Emergency Response Plan and conduct staff training			75%		Document has been created & distributed. Key staff members have been sent to advanced emergency response training through the San Diego Urban Area Security Initiative and Texas A&M Engineering Extension Service.
3F	Revisions of job descriptions as needed	Karleen		As Needed		As Described
3G	Establish Employment Branding for Recruitment	Karleen				See sub-objectives
3G.1	Continue to promote Rainbow career opportunities on social media			Ongoing		As Described
3G.2	Maintain at least 1500 subscriptions to interest list on NEOGOV			Ongoing		1500 job interest card subscriptions

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2020 to June 2021						
4	Fiscal Responsibility	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
4A	Receive GFOA award for budgeting	Tracy	Jan-19	100%		See sub-objective
4A.1	Create a GFOA compliant budget document		Completed Dec-19	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	Dec-20	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		90%		As Described
4E	Convert payroll system to 3rd party vendor	Tracy	Completed Jan-19	100%		As Described
4F	Commence implementation of financial software conversion	Tracy	Completed Sep-19	100%		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-22	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

Rainbow Municipal Water District

Strategic Plan Goals and Objectives for July 2020 to June 2021

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			60%		Training requested to HR will be scheduled & completed
5B.3	Create an annual recognition program for customer service excellence			25%		Tracking call volume by CS Representative
5C	Develop a System for Documenting All Customer Contacts	Tracy		40%		See sub-objectives
5C.1	Identify range of customer contact types					Software needs customized to support this objective
5C.2	Identify appropriate method to document each of these contacts					Determine feasibility with current staffing level
5D	Develop Opportunities for Improved Customer Water Use Information	Tom/Tracy		40%		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 2020 to June 2021

6	Public Communications / Outreach	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
6A	Develop Consistent Messaging Throughout the Organization	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	Upgrade Printed Collateral to Enhance Readability and Impact	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 communication	As Described
6C	Enhance Community Outreach Methods	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	Develop Improved Methods for Delivering Information About Field Operations on Website	Tom/Robert	Dec-19	25%	In progress	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

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.

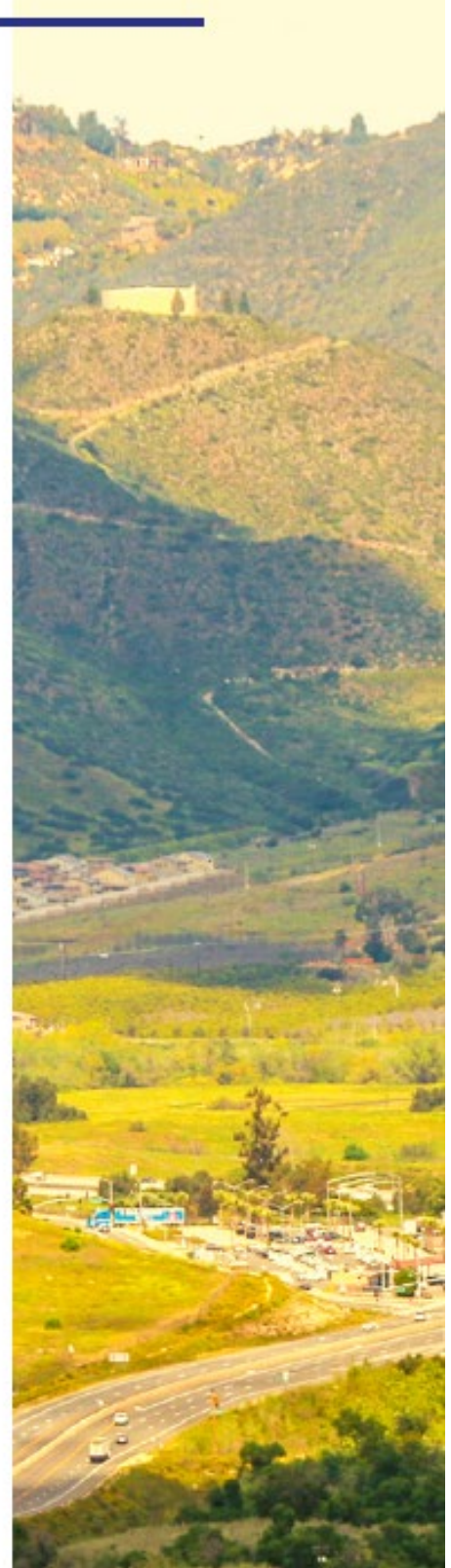
MEMBERS INCLUDED:

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 Corynn Stalker Katherine Kilmer 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 Thomas Sjuneson Michael Gonzalez Bernardo Nunez Dennis Mendez Bryan Ortiz Alex Dagondon Luis Martinez

WATER OPERATIONS

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

WASTEWATER

Superintendent:	Ramon Zuniga
Utility Workers:	Ruben Lopez Chris Hand Victor Veenstra

METERS

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

FINANCIAL POLICIES

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), 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

2021/2022

<u>Date</u>	<u>Task</u>
March	Calculate projections of Wage & Benefits for all personnel, including COLA's and merit increases. Preliminary staffing analysis.
03/09/21	Review the budget calendar with the Budget and Finance Committee.
3/22/21	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.
03/22/21	Implement fiscal impacts associated with annual updates to the Strategic Plan into the Operating and Capital Budgets.
03/22/21	Discuss the budget process and distribute the budget calendar at the Senior Staff Meeting.
04/12/21	Budget meetings with Senior Staff begin. <i>(Managers-verify your staff comes prepared to these meetings with FY 21/22 budget amounts and justification.)</i>
04/29/21	Departmental Narrative Summaries, Staffing Analysis, and any other budget related documents due from Department Managers.
04/30/21	Implement fiscal impacts associated with annual updates to the Staffing Analysis and Negotiations into the Operating and Capital Budgets.
05/05/21	Review preliminary 5-year Capital Improvement Plan (CIP) with the Engineering and Operations Committee .
05/11/21	Review preliminary budget status/assumptions and 5-year CIP with the Budget and Finance Committee .
06/08/21	Draft of the Budget is reviewed by the Budget and 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.
06/22/21	Final budget recommendation is presented to Board of Directors for adoption.
07/23/21	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 Capital Fund -	53	The purpose of this fund is used to provide funding for the District's long-term wastewater related capital improvement 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). Reserves will be used for fund 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.

REVENUE AND EXPENSE ASSUMPTIONS

Water Revenue Assumptions

Water Operating Fund sales are the largest source of District revenues, with the majority of sales, approximately 65%, for agricultural use, 29% for residential customers and 6% 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. As shown in Table 1-2, the District's current commodity rate structure is comprised of inclining tiers for: single-family residential customers and agricultural customers with a residence, and a flat rate for commercial, institutional, and multi-family customers.

TABLE 1-1

Water Fixed Charges														
Single Family, Multi-Family, Commercial, & Institutional					Agricultural					TSAWR				
Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges	Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges	Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges
A	5/8"	\$35.14	\$31.95	\$67.09	A	5/8"	\$63.83	\$31.95	\$95.78	A	5/8"	\$63.83	\$14.58	\$78.41
B	3/4"	\$35.14	\$31.95	\$67.09	B	3/4"	\$63.83	\$31.95	\$95.78	B	3/4"	\$63.83	\$14.58	\$78.41
C	1"	\$54.89	\$53.25	\$108.14	C	1"	\$102.66	\$53.25	\$155.91	C	1"	\$102.66	\$24.30	\$126.96
D	1 1/2"	\$104.22	\$106.50	\$210.72	D	1 1/2"	\$199.80	\$106.50	\$306.30	D	1 1/2"	\$199.80	\$48.60	\$248.40
E	2"	\$163.43	\$170.40	\$333.83	E	2"	\$316.37	\$170.40	\$486.77	E	2"	\$316.37	\$77.76	\$394.13
F	3"	\$350.91	\$372.75	\$723.66	F	3"	\$685.47	\$372.75	\$1,058.22	F	3"	\$685.47	\$170.10	\$855.57
G	4"	\$627.22	\$670.95	\$1,298.17	G	4"	\$1,229.43	\$670.95	\$1,900.38	G	4"	\$1,229.43	\$306.18	\$1,535.61
H	6"	\$1,288.35	\$1,384.50	\$2,672.85	H	6"	\$2,530.98	\$1,384.50	\$3,915.48	H	6"	\$2,530.98	\$631.80	\$3,162.78

TABLE 1-2

Water Variable Charges				Water Pumping Charges	
Customer Class	Rate/Unit*	Customer Class	Rate/Unit*	Fixed Pumping Charges	
Single Family Residential		Agriculture w/Residence		All Zones	\$ 9.24
Tier 1 = ? 10	\$ 3.89	Tier 1 = ? 10	\$ 3.89	Variable Pumping Charges	
Tier 2 = 11 to 26	\$ 4.15	Tier 2 = 11 to 26	\$ 4.15	Pumping Zones	Rate/Unit*
Tier 3 = 27 +	\$ 4.64	Tier 3 = 27 +	\$ 3.79	1 Rainbow Heights	\$ 1.03
Multi Family	\$ 4.03	Agriculture w/o Residence	\$ 3.79	2 ID U-1	\$ 0.64
Commercial	\$ 4.19			3 Vallecitos	\$ 0.36
Institutional	\$ 4.30	TSAWR Domestic	Rate/Unit*	4 Northside	\$ 0.13
Construction	\$ 5.36	Tier 1 = ? 10	\$ 4.14	5 Morro Tank	\$ 0.19
		Tier 2 = 11 to 26	\$ 4.41	6 Huntley	\$ 0.75
		Tier 3 = 27 +	\$ 3.35	7 Magee Tank	\$ 3.37

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 15,900-acre feet in sales. Water sales have continued the years-long pattern of decline, despite the dry year. While we had wetter than average winters over the prior two years, the loss of agricultural production due to high water costs and increased irrigation efficiency has also continued to impact sales. Increased revenues from new service connections as a result of development can help soften the reduction in water sales, new service connections have slowed down to 113 new water meters in FY21, compared to 265 in FY20, and 72 new sewer EDUs in FY21, compared to 117 in the previous year. The next two years we expect to see an increase in service connections with the addition of two new 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 2021-22 includes the increase that was effective April 1, 2019, the proposed new rates being heard 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 2022, 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 1,020,658 units without residence and 263,180 with residence in Fiscal Year 2021-22. For the agricultural customers that are on the PSAWR program, we are estimating their usage to be at 2,541,741 units. For both Single Family and Multi-Family combined, projections are at 1,694,563 units. Lastly, for the Commercial, Construction, and Institutional users, estimates are at 359,424.

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 and 1.00% 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 62% 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 4% of water loss to arrive at an estimated cost of \$22.9M 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 eight direct reports.

Capital equipment purchases for operating funds are \$548,000. Of this, \$292,000 relates to replacement of ageing vehicles required to provide service in our rural service area.

Additionally, approximately \$11M of capital improvement projects are included in this year's proposed Water capital budget and \$8.4M 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 2021-22 is estimated to be at \$5.2M. Additionally to the fixed

charges there is the commodity rate for the water purchase and transportation cost, it is proposed to be an increase in the variable rate for water and that will be passed through to the customer. SDCWA is proposing a melded increase to their rates that will take effect January 2022. 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. Increases from SDCWA for January 1, 2020, however, were not passed through to the customers. 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 has 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 is not sustainable for multiple years.

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.

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 17 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 Utility Services. 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. 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.

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, 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.

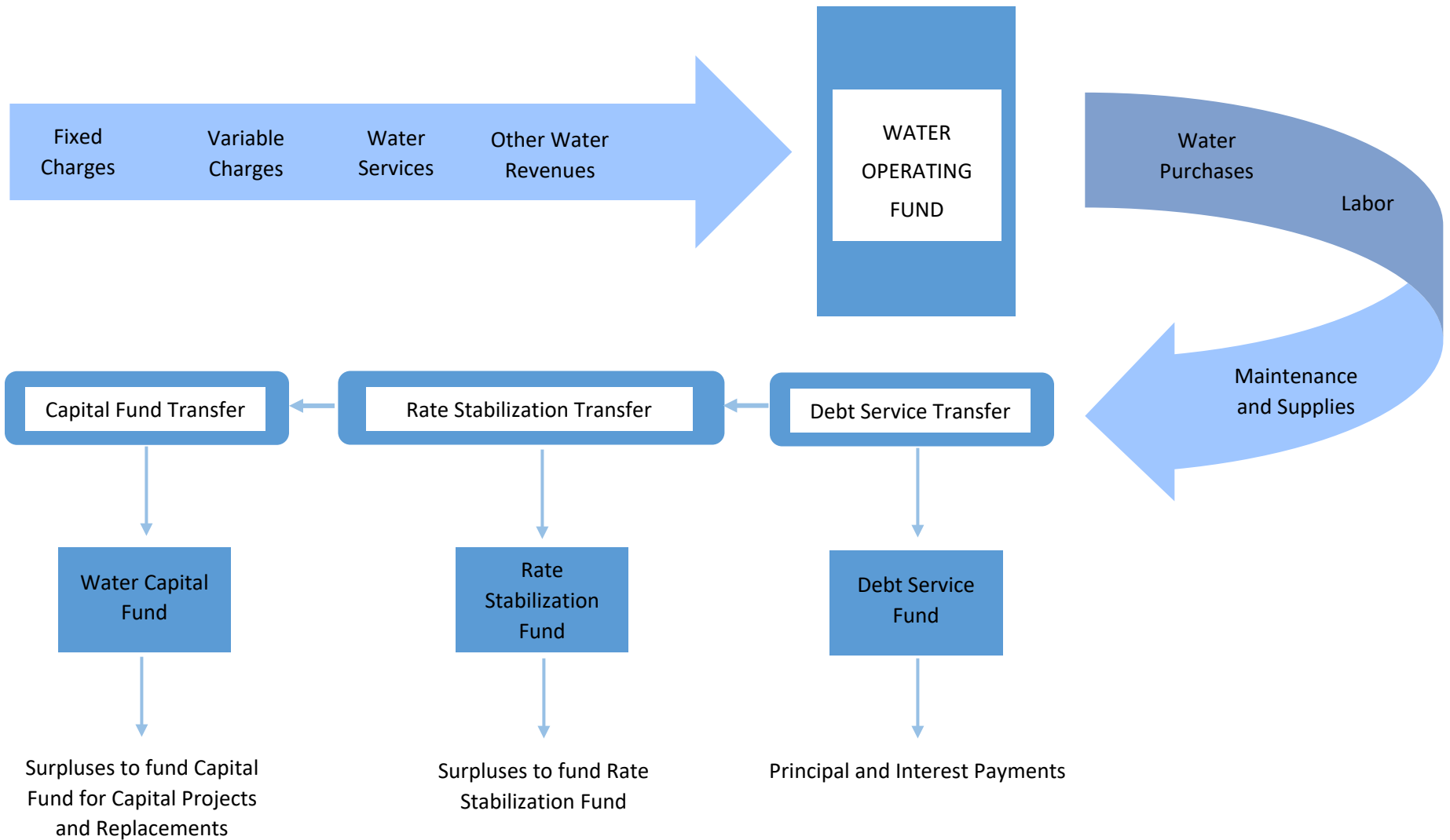
Wastewater Revenue Assumptions

Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 5,166.92 Equivalent Dwelling Units (EDUs), a total of 2,857 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, as higher than our previous rates were collecting.

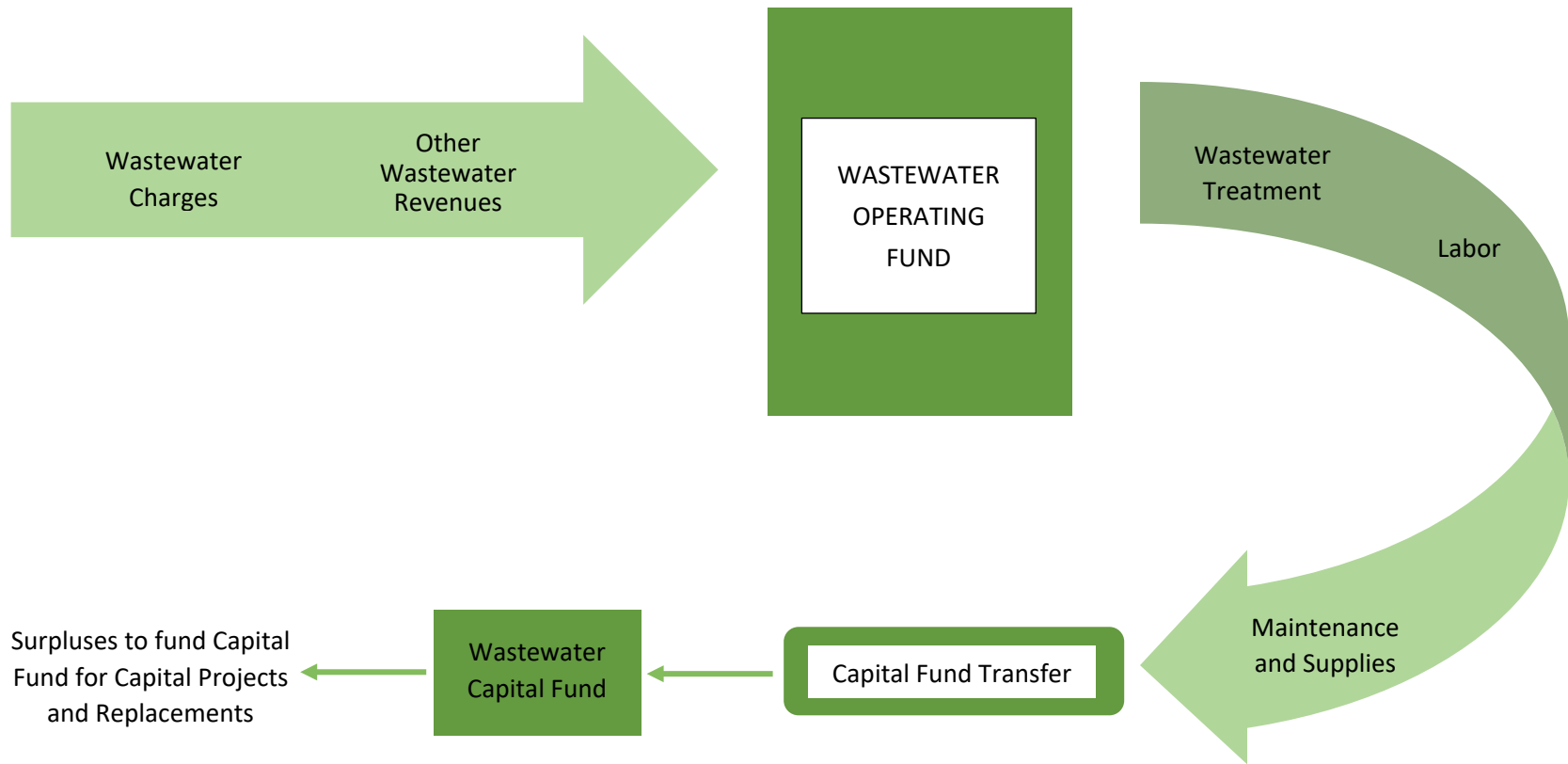
Wastewater is responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.

FUNDS STRUCTURE

WATER OPERATING FUND



WASTEWATER OPERATING FUND



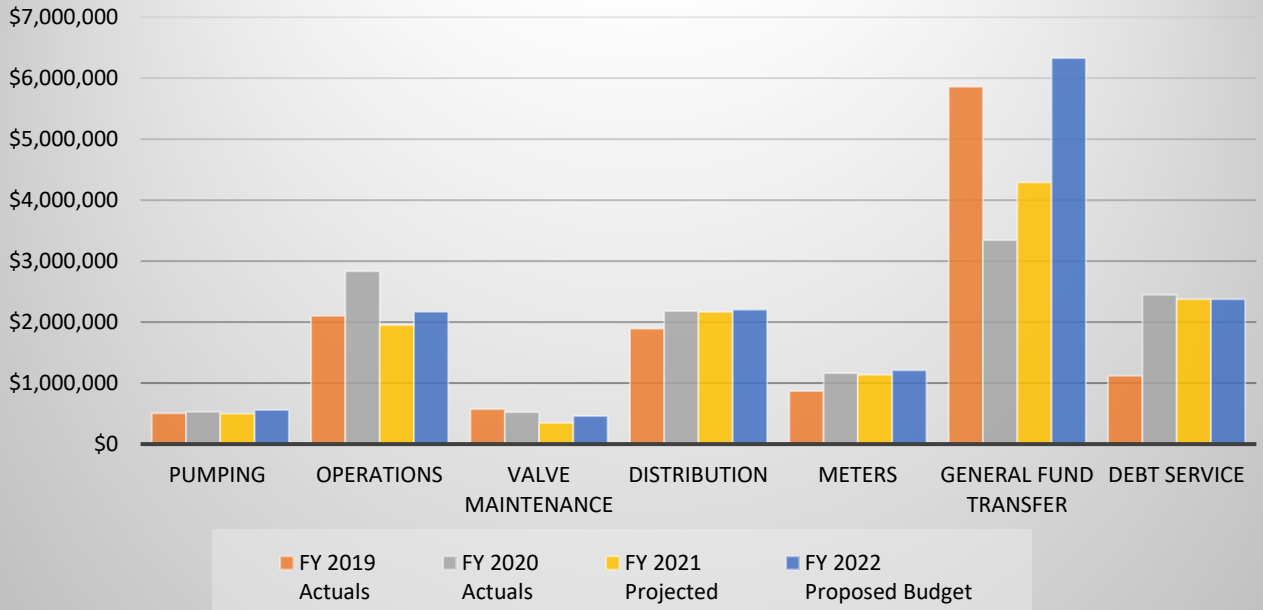
OPERATING BUDGET

WATER FUND BUDGET SUMMARY

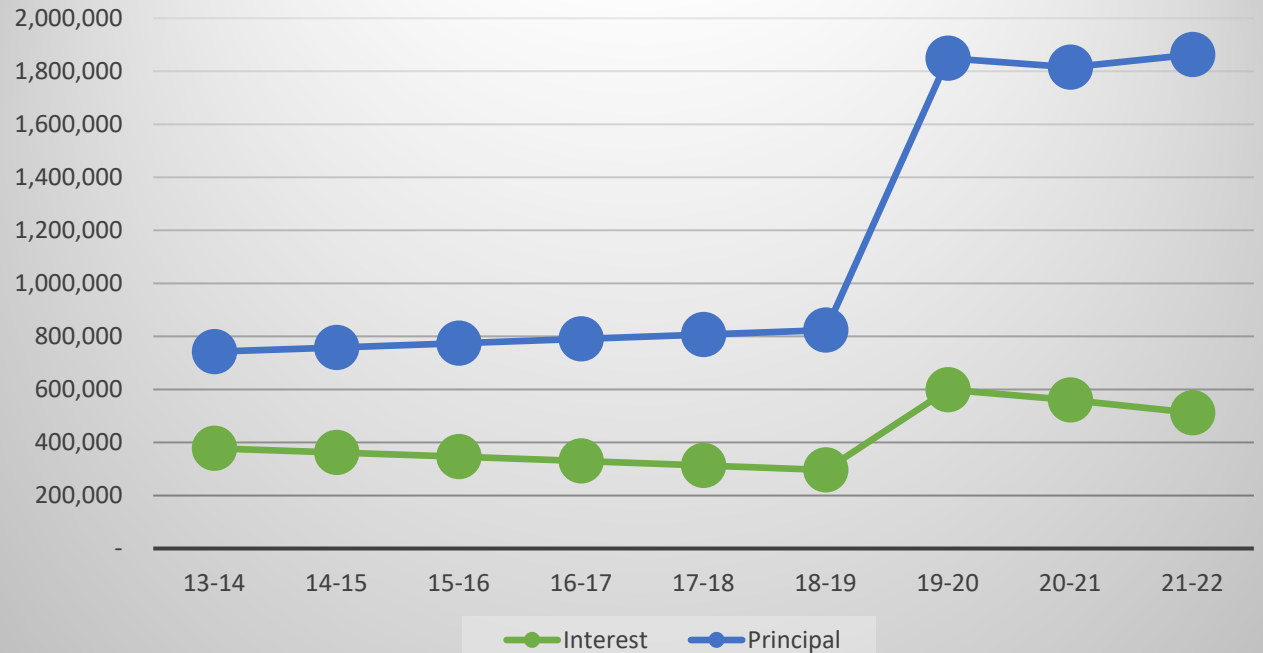
Water Net

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
<i>Operating Revenues</i>						
Water Sales	\$32,685,282	\$33,151,021	\$36,160,250	\$37,806,916	\$40,234,126	11%
Other Water Services	414,521	315,452	324,665	324,665	324,664	0%
Total Operating Revenues	\$33,099,803	\$33,466,473	\$36,484,916	\$38,131,581	\$40,558,790	11%
<i>Operating Expenses</i>						
Purchased Water	22,401,158	21,917,914	22,334,045	24,280,021	22,985,877	3%
Pumping	504,464	530,778	599,199	500,905	559,256	-7%
Operations	2,101,994	2,834,726	2,061,027	1,949,533	2,170,432	5%
Valve Maintenance	572,201	522,686	456,900	347,444	461,133	1%
Construction	1,892,928	2,180,810	2,298,727	2,169,085	2,206,005	-4%
Meters	868,282	1,163,331	1,211,420	1,138,313	1,210,362	0%
General Fund Transfer	5,859,561	3,343,424	5,303,706	4,291,099	6,328,342	19%
Total Operating Expenses	\$32,650,452	\$34,146,266	\$34,265,024	\$34,676,400	\$35,921,407	5%
<i>Non-Operating Revenues</i>						
Investment Income	19,465	2,553	-	-	-	0%
Property Tax Revenue	399,417	410,029	400,000	329,230	450,000	13%
Other Non-Operating Revenue	17,256	32,825	12,000	1,441,916	106,000	783%
Total Non-Operating Revenues	\$ 436,138	\$ 445,407	\$ 412,000	\$ 1,771,146	\$ 556,000	35%
<i>Non-Operating Expenses</i>						
Debt Service	1,120,142	2,447,793	2,374,827	2,374,827	2,374,594	
Total Non-Operating Expenses	\$ 1,120,142	\$ 2,447,793	\$ 2,374,827	\$ 2,374,827	\$ 2,374,594	0%
CHANGE IN NET POSITION	\$ (234,652)	\$ (2,682,179)	\$ 257,064	\$ 2,851,500	\$ 2,818,789	

Water Operating Expenses



Debt Service



WATER FUND BUDGETED REVENUES

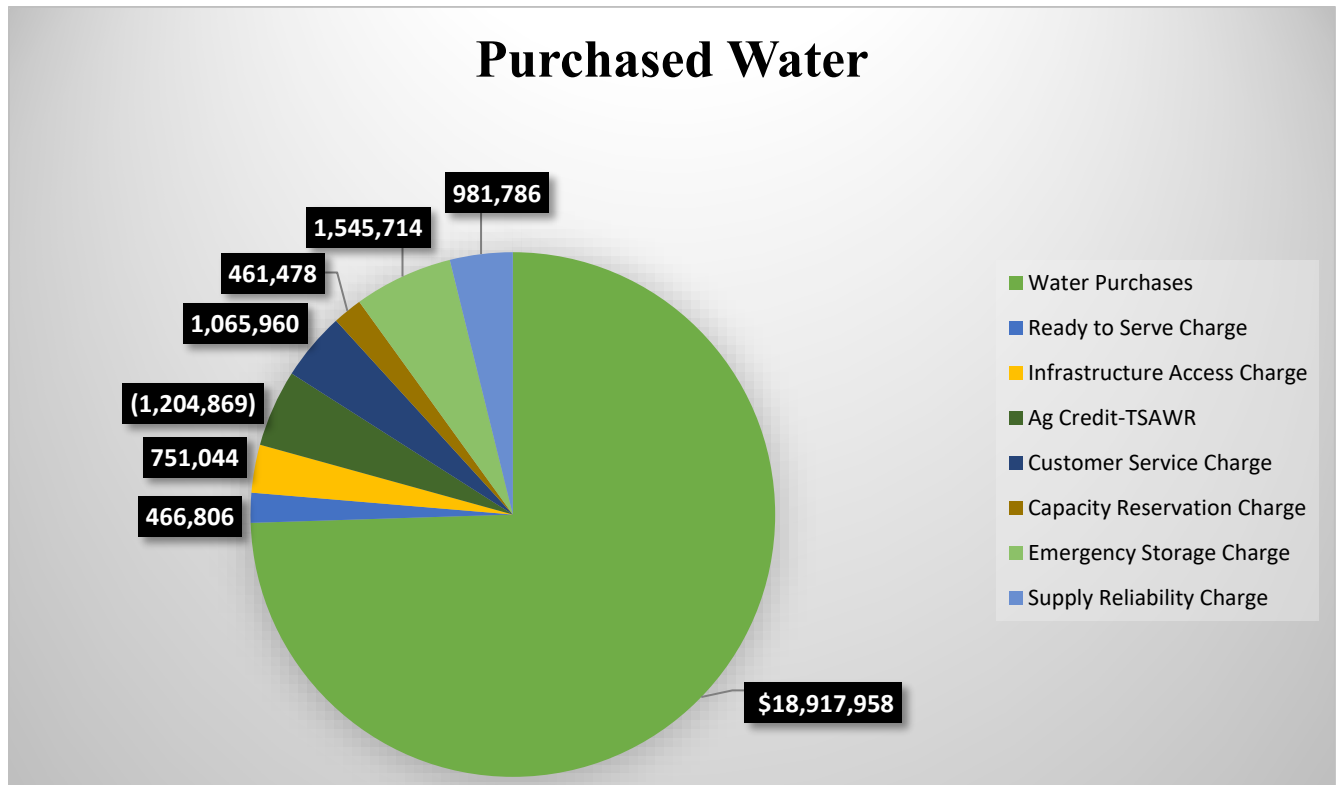
WATER REVENUE

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-99-41110	Water Sales-SF/MF/CM/IS	\$ 7,163,770	\$ 7,615,763	\$ 7,538,364	\$ 8,180,412	\$ 9,624,692	28%
01-99-41120	Water Sales-Ag. Domestic	988,568	980,383	1,070,554	1,083,106	1,078,144	1%
01-99-41160	Water Sales- Agriculture	3,342,788	3,485,134	4,031,470	4,112,100	3,961,854	-2%
01-99-41170	Water Sales-Construction	177,267	114,888	97,442	97,442	79,300	-19%
01-99-41180	Water Sales - TSAWR Com	3,372,155	4,582,146	3,828,353	4,211,188	3,790,189	-1%
01-99-41190	Water Sales- TSAWR Dom	4,648,564	3,224,834	5,189,723	5,702,143	5,204,097	0%
01-99-42120	O&M Charges-RMWD	7,060,429	7,651,130	8,388,335	8,356,380	10,349,497	23%
01-99-42121	O&M Charges-CWA	5,005,678	4,590,501	5,157,699	5,186,416	5,242,912	2%
01-99-42130	Readiness-To-Serve Rev	295,198	295,131	250,000	295,130	295,130	18%
01-99-42140	Pumping Charges	630,865	611,112	608,312	582,600	608,310	0%
01-99-43101	Operating Inc Unlock Fees	10,550	-	5,000	5,000	5,000	0%
01-99-43104	Operating Inc. RP Charges	279,334	239,327	245,665	245,665	245,665	0%
01-99-43106	Operating Inc-Wtr Letter	-	-	-	-	-	0%
01-99-43108	Operating Inc Plans/Specs	-	-	-	-	-	0%
01-99-43110	Operating Inc Inspections	15,516	44,295	20,000	20,000	20,000	0%
01-99-43111	Operating Inc Install-Hyd	2,070	2,070	2,000	2,000	2,000	0%
01-99-43114	Operating Inc-Misc.	7,036	-	7,000	7,000	7,000	0%
01-99-43116	New Meter/Install Parts	37,695	29,760	40,000	40,000	40,000	0%
01-99-43117	Notice Delivery Revenue	62,320	-	5,000	5,000	5,000	0%
Total Operating Revenues		33,099,803	\$33,466,473	\$36,484,916	\$38,131,581	\$40,558,790	11%
01-00-49102	Non-Op. Income-NSF Fees	3,090	-	3,000	-	3,000	0%
01-00-49107	Recycling Revenue	6,869	5,897	8,000	-	8,000	0%
01-00-49109	Miscellaneous Revenue	7,297	26,928	1,000	1,441,916	95,000	9400%
01-00-49200	Interest Revenues	19,465	2,553	-	-	-	0%
01-00-49301	Property Tax Revenue	399,417	410,029	400,000	329,230	450,000	13%
Total Non-Operating Revenues		\$ 436,138	\$ 445,407	\$ 412,000	\$ 1,771,146	\$ 556,000	35%
TOTAL WATER REVENUES		\$33,535,941	\$33,911,880	\$36,896,916	\$39,902,727	\$41,114,790	11%

WATER FUND BUDGETED EXPENSES

PURCHASED WATER

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-99-50001	Water Purchases	\$18,455,583	\$18,045,733	\$18,040,684	\$19,986,659	\$18,917,958	5%
01-99-50003	Water in Storage	229,029	(121,495)	-	-	-	0%
01-99-50005	Ready to Serve	480,358	503,754	498,780	498,780	466,806	-6%
01-99-50006	Infrastructure Access	512,418	579,672	694,944	694,944	751,044	8%
01-99-50008	Ag Credit-TSAWR	(1,127,274)	(1,026,642)	(1,009,721)	(1,009,721)	(1,204,869)	-19%
01-99-50010	Customer Service	1,091,747	1,085,054	1,109,124	1,109,124	1,065,960	-4%
01-99-50011	Capacity Reservation	458,393	400,230	419,934	419,934	461,478	10%
01-99-50012	Emergency Storage	1,561,472	1,616,669	1,603,380	1,603,380	1,545,714	-4%
01-99-50013	Supply Reliability	739,431	834,939	976,920	976,920	981,786	0%
Total Purchased Water		\$22,401,158	\$21,917,914	\$22,334,045	\$24,280,021	\$22,985,877	3%



PUMPING EXPENSE

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-31-56101	Regular Salaries	\$24,866	\$25,602	\$56,399	\$22,216	\$28,456	-50%
01-31-56103	Overtime & Comp Time	-	2,797	500	1,098	500	0%
01-31-56501	Employer's Share SSI	1,035	-	-	-	-	0%
01-31-56502	Employer's Share Medicare	260	-	-	-	-	0%
01-31-56503	Medical Insurance	2,989	-	-	-	-	0%
01-31-56504	Dental Insurance	291	-	-	-	-	0%
01-31-56505	Vision Insurance	35	-	-	-	-	0%
01-31-56506	Life, S/T, L/T Disability Ins.	-	-	-	-	-	0%
01-31-56507	Retirement-CalPERS	1,917	-	-	-	-	0%
01-31-56515	Worker's Comp. Insurance	-	-	-	-	-	0%
01-31-56516	State Unemployment Ins, E.T.T.	-	-	-	-	-	0%
01-31-56520	Deferred Compensation	452	-	-	-	-	0%
	Total Payroll Expenses	\$31,845	\$28,399	\$56,899	\$23,314	\$28,956	-49%
01-31-63100	Equipment Maint. & Repair	28,990	23,379	56,500	40,991	56,500	0%
01-31-63401	Building Maintenance	370	17,463	14,000	17,221	2,000	-86%
01-31-72000	Supplies & Services	11,301	23,026	21,500	7,009	21,500	0%
01-31-73000	Small Tools & Equipment	171	-	300	-	300	0%
01-31-78000	Utilities - Electricity	431,787	438,511	450,000	412,370	450,000	0%
	Total Maintenance & Supply	\$472,619	\$502,379	\$542,300	\$477,592	\$530,300	-2%
	TOTAL PUMPING EXPENSES	\$504,464	\$530,778	\$599,199	\$500,905	\$559,256	0%

OPERATIONS EXPENSE

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-32-56101	Regular Salaries	\$754,339	\$842,651	\$523,073	\$683,260	\$510,902	-2%
01-32-56103	Overtime & Comp Time	67,059	111,954	95,000	129,521	90,000	-5%
01-32-56501	Employer's Share SSI	50,299	49,351	34,519	36,200	32,829	-5%
01-32-56502	Employer's Share Medicare	12,200	11,774	8,383	9,590	7,821	-7%
01-32-56503	Medical Insurance	123,687	116,938	104,420	96,373	98,661	-6%
01-32-56504	Dental Insurance	12,915	11,636	9,462	9,514	9,695	2%
01-32-56505	Vision Insurance	1,606	1,401	1,130	1,136	1,130	0%
01-32-56506	Life, S/T, L/T Disability Ins.	13,144	11,535	6,621	5,710	6,168	-7%
01-32-56507	Retirement-CalPERS	77,792	78,661	71,463	54,875	62,144	-13%
01-32-56512	Tuition Reimbursement	5,206	711	2,000	528	2,000	0%
01-32-56515	Worker's Comp. Insurance	29,935	29,737	19,495	21,788	19,598	1%
01-32-56516	State Unemployment Ins, E.T.T.	2,076	1,701	1,260	1,554	1,190	-6%
01-32-56518	Duty Pay	15,400	14,100	15,000	12,660	20,644	38%
01-32-56520	Deferred Compensation	20,519	17,600	15,600	17,394	17,550	13%
	Total Payroll Expenses	\$1,186,176	\$1,299,750	\$907,427	\$1,080,103	\$880,332	-3%
01-32-60000	Electronics	5,121	9,213	13,000	3,391	13,000	0%
01-32-63100	Equipment Maint. & Repairs	5,910	4,403	12,500	8,572	11,000	-12%
01-32-63102	Equipment Maint. Contract	5,363	4,568	49,000	35,416	25,500	-48%
01-32-63200	Equipment Rental	-	99,006	42,000	41,230	42,000	0%
01-32-63401	Building Maintenance	-	13,094	20,000	53,947	26,000	30%
01-32-72000	Supplies & Services	170,847	574,108	70,000	151,040	80,000	14%
01-32-72010	Tank Maintenance	635,563	757,731	864,500	494,899	1,004,000	16%
01-32-72150	Regulatory Permits	58,447	55,782	57,600	62,579	58,600	2%
01-32-72700	Printing & Reproductions	13,953	-	7,500	-	2,000	-73%
01-32-73000	Small Tools & Equipment	1,823	3,045	5,000	6,175	15,500	210%
01-32-75300	Travel/Conferences/Training	4,871	380	-	-	-	0%
01-32-78000	Utilities	13,922	13,646	12,500	12,181	12,500	0%
	Total Maintenance & Supply	\$ 915,818	\$1,534,976	\$1,153,600	\$ 869,430	\$1,290,100	12%
	TOTAL OPERATIONS EXPENSES	\$2,101,994	\$2,834,726	\$2,061,027	\$1,949,533	\$2,170,432	5%

VALVE MAINTENANCE EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-33-56101	Regular Salaries	\$302,177	\$269,703	\$279,437	\$188,278	\$284,646	2%
01-33-56103	Overtime & Comp Time	19,883	11,257	11,000	2,732	5,000	-55%
01-33-56501	Employer's Share SSI	19,356	23,318	17,325	16,378	17,648	2%
01-33-56502	Employer's Share Medicare	4,644	5,453	4,052	3,965	4,127	2%
01-33-56503	Medical Insurance	64,963	71,620	56,626	58,927	59,736	5%
01-33-56504	Dental Insurance	6,582	7,172	5,817	5,922	5,817	0%
01-33-56505	Vision Insurance	803	854	678	690	678	0%
01-33-56506	Life, S/T, L/T Disability Ins.	3,518	3,561	3,185	3,312	3,245	2%
01-33-56507	Retirement-CalPERS	32,046	38,613	34,541	31,049	34,727	1%
01-33-56512	Tuition Reimbursement	381	631	1,000	568	1,000	0%
01-33-56515	Worker's Comp. Insurance	11,920	16,088	10,034	12,818	10,343	3%
01-33-56516	State Unemployment Ins, E.T.T.	1,093	952	756	932	714	-6%
01-33-56520	Deferred Compensation	9,857	10,625	8,450	8,460	8,450	0%
	Total Payroll Expenses	\$477,223	\$459,847	\$432,900	\$334,031	\$436,133	1%
01-33-72000	Supplies & Services	90,380	61,098	20,000	3,150	20,000	0%
01-33-73000	Small Tools & Equipment	2,398	1,171	4,000	10,264	5,000	25%
01-33-75300	Travel/Conferences/Training	2,200	570	-	-	-	0%
	Total Maintenance & Supply	\$ 94,978	\$ 62,839	\$ 24,000	\$ 13,414	\$ 25,000	4%
	TOTAL VALVE MAINT. EXPENSES	\$572,201	\$522,686	\$456,900	347,444	\$461,133	1%

CONSTRUCTION EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
01-34-56101	Regular Salaries	\$ 730,412	\$ 690,352	\$ 945,733	\$ 511,610	\$ 917,496	-3%
01-34-56103	Overtime & Comp Time	73,320	145,791	100,000	143,820	145,000	45%
01-34-56501	Employer's Share SSI	46,842	54,415	54,263	46,182	53,207	-2%
01-34-56502	Employer's Share Medicare	11,837	14,065	13,713	11,322	13,304	-3%
01-34-56503	Medical Insurance	155,175	175,173	206,204	184,394	179,176	-13%
01-34-56504	Dental Insurance	15,129	16,854	19,910	19,471	17,445	-12%
01-34-56505	Vision Insurance	2,098	2,246	2,532	2,405	2,487	-2%
01-34-56506	Life, S/T, L/T Disability Ins.	7,499	8,436	9,553	12,047	9,777	2%
01-34-56507	Retirement-CalPERS	71,879	92,391	101,809	97,672	88,492	-13%
01-34-56512	Tuition Reimbursement	2,109	1,407	3,000	7,950	5,000	67%
01-34-56515	Worker's Comp. Insurance	34,684	34,370	28,766	48,908	33,339	16%
01-34-56516	State Unemployment Ins, E.T.T.	2,712	3,011	2,822	4,032	2,618	-7%
01-34-56518	Duty Pay	14,750	16,800	15,400	13,140	20,644	34%
01-34-56520	Deferred Compensation	31,877	25,030	35,022	26,990	33,020	-6%
	Total Payroll Expenses	\$1,200,322	\$1,280,341	\$1,538,727	\$1,129,944	\$1,521,005	-1%
01-34-72000	Supplies & Services	681,089	672,072	550,000	848,021	475,000	-14%
01-34-72001	Easement Maintenance	-	214,950	200,000	178,324	200,000	100%
01-34-73000	Small Tools & Equipment	10,853	10,902	10,000	2,646	10,000	0%
01-34-75300	Conferences/Training	665	2,545	-	10,151	-	0%
	Total Maintenance & Supply	\$ 692,606	\$ 900,469	\$ 760,000	\$1,039,141	\$ 685,000	-10%
	TOTAL CONST. EXPENSES	\$1,892,928	\$2,180,810	\$2,298,727	\$2,169,085	\$2,206,005	-4%

METERS EXPENSES

<u>GL Account</u>	<u>Description</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY 2021 Proposed</u>	<u>FY 2022 Proposed</u>	<u>FY21 % Change</u>
01-35-56101	Regular Salaries	\$419,550	\$533,738	\$609,773	\$524,599	\$614,426	1%
01-35-56103	Overtime & Comp Time	42,868	47,297	50,000	52,855	45,000	-10%
01-35-56501	Employer's Share SSI	27,809	36,828	37,695	36,198	38,094	1%
01-35-56502	Employer's Share Medicare	6,681	8,613	8,881	8,471	8,909	0%
01-35-56503	Medical Insurance	85,728	132,813	139,482	156,835	156,147	12%
01-35-56504	Dental Insurance	9,179	14,573	13,340	13,786	11,634	-13%
01-35-56505	Vision Insurance	1,119	1,735	1,582	1,715	1,582	0%
01-35-56506	Life, S/T, L/T Disability Ins.	4,432	5,871	6,937	7,056	6,991	1%
01-35-56507	Retirement-CalPERS	41,132	58,522	68,569	62,567	74,960	9%
01-35-56512	Tuition Reimbursement	1,412	1,929	1,500	534	1,500	0%
01-35-56515	Worker's Comp. Insurance	5,456	22,734	21,896	28,474	19,701	-10%
01-35-56516	State Unemployment Ins, E.T.T.	1,365	1,904	1,764	3,002	1,666	-6%
01-35-56520	Deferred Compensation	13,215	19,425	19,500	17,544	16,250	-17%
	Total Payroll Expenses	\$659,948	\$885,982	\$980,920	\$913,636	\$996,862	2%
01-35-63404	Backflow Expenses	88,138	134,225	150,500	168,008	143,000	-5%
01-35-72000	Supplies & Services	116,173	132,615	65,000	52,313	55,000	-15%
01-35-73000	Small Tools & Equipment	2,873	9,832	15,000	4,356	13,500	-10%
01-35-75300	Training, Conferences/Travel	1,150	677	-	-	2,000	100%
	Total Maintenance & Supply	\$208,334	\$277,349	\$230,500	\$224,677	\$213,500	-7%
	TOTAL METER EXPENSES	\$868,282	\$1,163,331	\$1,211,420	\$1,138,313	\$1,210,362	0%

WATER FUND DEBT SERVICE

Beck

	Interest Due	Principal Due	Total Annual Debt Service
2013-14	\$164,194	\$322,757	\$486,951
2014-15	\$157,403	\$329,549	\$486,952
2015-16	\$150,468	\$336,483	\$486,951
2016-17	\$143,388	\$343,564	\$486,952
2017-18	\$136,158	\$350,793	\$486,951
2018-19	\$128,777	\$358,175	\$486,952
2019-20	\$121,240	\$365,712	\$486,952
2020-21	\$113,544	\$373,407	\$486,951
2021-22	\$105,687	\$381,265	\$486,952
2023-32	\$594,093	\$4,762,371	\$5,356,464
Total	\$1,814,952	\$7,924,076	\$9,739,028

Morro

	Interest Due	Principal Due	Total Annual Debt Service
2013-14	\$213,505	\$419,686	\$633,191
2014-15	\$204,673	\$428,517	\$633,190
2015-16	\$195,656	\$437,525	\$633,191
2016-17	\$186,449	\$446,742	\$633,191
2017-18	\$177,049	\$456,142	\$633,191
2018-19	\$167,450	\$465,740	\$633,190
2019-20	\$157,650	\$475,541	\$633,191
2020-21	\$147,643	\$485,547	\$633,190
2021-22	\$137,426	\$495,764	\$633,190
2023-32	\$772,509	\$6,192,590	\$6,965,099
Total	\$2,360,010	\$10,303,794	\$12,663,814

Meter Replacement Project

	Interest Due	Principal Due	Total Annual Debt Service
2019-20	\$132,743	\$506,260	\$639,003
2020-21	\$155,026	\$492,037	\$647,063
2021-22	\$139,822	\$507,241	\$647,063
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	\$939,285	\$5,523,284	\$6,462,569

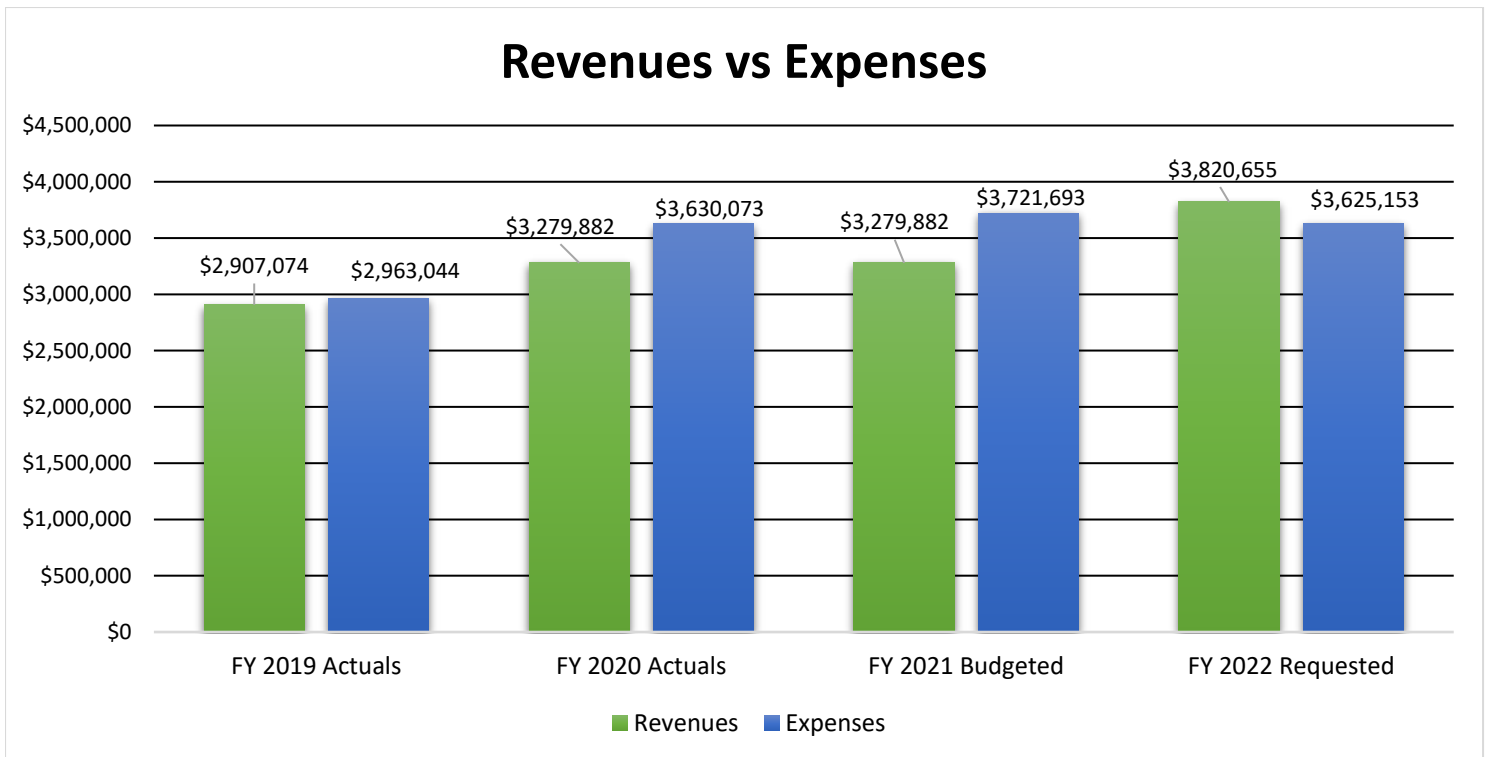
Water Service Upgrade Project

	Interest Due	Principal Due	Total Annual Debt Service
2019-20	\$187,263	\$501,384	\$688,647
2020-21	\$143,625	\$463,998	\$607,623
2021-22	\$128,636	\$478,753	\$607,389
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	\$898,249	\$5,249,905	\$6,148,154

WASTEWATER FUND BUDGET SUMMARY

Wastewater Operating Net

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
Operating Revenues						
Wastewater Revenues	\$2,779,172	\$3,168,882	\$3,168,882	\$3,194,655	\$3,754,655	18%
Other Revenues	127,902	111,000	111,000	81,600	66,000	-100%
Total Wastewater Revenues	\$2,907,074	\$3,279,882	\$3,279,882	\$3,276,255	\$3,820,655	16%
Operating Expenses						
Total Payroll Expenses	619,726	620,651	618,984	622,139	623,418	1%
Total Maintenance & Supply	1,095,351	1,562,625	1,566,809	1,601,083	1,517,309	-3%
General Fund Transfer	1,247,966	1,446,798	1,535,900	1,242,659	1,484,426	-3%
Total Wastewater Expenses	\$2,963,044	\$3,630,073	\$3,721,693	\$3,465,881	\$3,625,153	-3%
CHANGE IN NET POSITION	\$ (55,970)	\$ (350,191)	\$ (441,811)	\$ (189,626)	\$ 195,502	



WASTEWATER FUND BUDGETED REVENUES

WASTEWATER REVENUES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
02-99-41112	Sewer Charges-Established Acct	\$2,779,172	\$3,168,882	\$3,168,882	\$3,194,655	\$3,754,655	18%
02-99-43100	Sewer-Oak Crest Charges	23,514	24,000	24,000	15,600	-	-100%
02-99-43106	Operating Inc-Sewer Letter	3,350	2,000	2,000	1,400	1,000	-50%
02-99-43108	Op. Inc - Plan Ck./Inspection	37,220	25,000	25,000	-	5,000	-80%
02-99-49109	Miscellaneous Revenue	6,400	5,000	5,000	2,600	5,000	100%
02-99-49301	Property Tax Revenue	57,418	55,000	55,000	65,000	55,000	0%
Total Wastewater Revenues		\$2,907,074	\$3,279,882	\$3,279,882	\$3,279,255	\$3,820,655	16%

WASTEWATER FUND BUDGETED EXPENSES

WASTEWATER EXPENSES

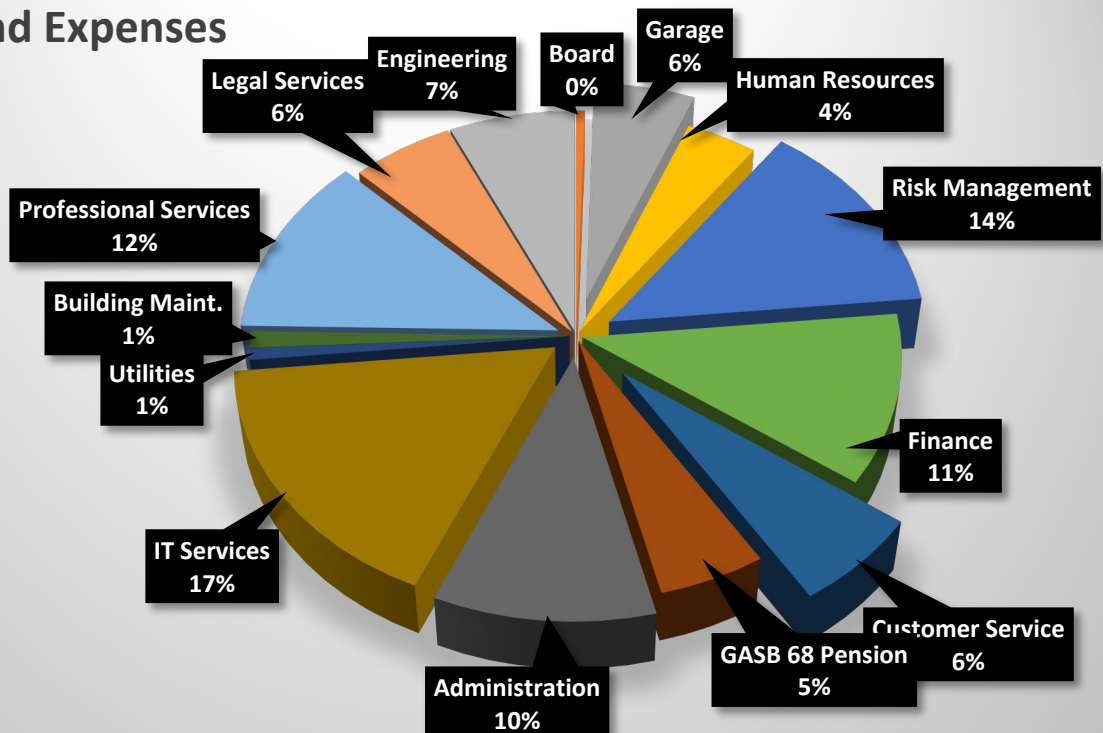
GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
02-61-56101	Regular Salaries	\$371,870	\$358,831	\$373,351	\$346,163	\$369,774	-1%
02-61-56103	Overtime & Comp Time	39,270	47,311	35,000	48,708	30,000	-14%
02-61-56501	Employer's Share SSI	25,011	24,655	22,723	24,426	22,926	1%
02-61-56502	Employer's Share Medicare	6,016	5,766	5,414	5,719	5,362	-1%
02-61-56503	Medical Insurance	83,636	82,823	81,685	92,084	85,872	5%
02-61-56504	Dental Insurance	7,223	6,957	6,651	7,412	6,884	4%
02-61-56505	Vision Insurance	907	854	803	890	803	0%
02-61-56506	Life, S/T, L/T Disability Ins.	3,798	3,846	5,387	4,282	5,362	0%
02-61-56507	Retirement-CalPERS	37,594	42,243	46,150	44,615	45,112	-2%
02-61-56512	Tuition Reimbursement	2,435	1,595	3,000	1,704	2,000	-33%
02-61-56515	Worker's Comp. Insurance	17,078	22,693	16,155	22,812	20,263	25%
02-61-56516	State Unemployment Ins, E.T.T.	1,105	952	895	1,243	845	-6%
02-61-56518	Duty Pay	14,800	14,000	14,200	13,500	20,644	45%
02-61-56520	Deferred Compensation	8,983	8,125	7,573	8,580	7,573	0%
	Total Payroll Expenses	\$619,726	\$620,651	\$618,984	\$622,139	\$623,418	1%
02-61-60000	Electronics	-	3,105	18,000	3,120	10,000	-44%
02-61-63100	Equipment Maint. & Repairs	3,574	33,552	39,000	40,754	47,000	21%
02-61-63200	Equipment Rental	24,367	3,237	6,000	-	6,000	0%
02-61-70000	Professional Services	27,114	27,582	24,000	26,288	-	-100%
02-61-72000	Supplies & Services	104,543	139,787	70,000	139,998	77,000	10%
02-61-72150	Regulatory Permits	6,532	6,673	16,000	7,289	8,000	-50%
02-61-72200	Books & Resources	418	200	500	1,008	500	0%
02-61-72400	Dues & Subscriptions	538	538	600	646	600	0%
02-61-72600	Sewer Line Cleaning/Maint.	34,317	23,084	58,000	61,340	40,000	-31%
02-61-73000	Small Tools & Equipment	2,669	1,490	2,500	3,197	3,000	20%
02-61-75300	Travel/Conferences/Training	2,185	928	-	-	-	0%
02-61-77000	Sewage Treatment Oceanside	797,279	1,242,209	1,242,209	1,242,209	1,242,209	0%
02-61-78000	Utilities	66,427	72,050	70,000	69,726	70,000	0%
02-61-78300	Hazardous Waste Disposal	25,388	8,190	12,000	5,508	10,000	-17%
02-61-78700	Utilities-Propane	-	-	8,000	-	3,000	-63%
	Total Maintenance & Supply	\$1,095,351	\$1,562,625	\$1,566,809	\$1,601,083	\$1,517,309	-3%
02-99-52176	Overhead Transfer to Gen Fund	1,247,966	1,446,798	1,535,900	1,242,659	1,484,426	-3%
	Total Transfers	\$1,247,966	\$1,446,798	\$1,535,900	\$1,242,659	\$1,484,426	-3%
	TOTAL WASTEWATER EXPENSES	\$2,963,044	\$3,630,073	\$3,721,693	\$3,465,881	\$3,625,153	-3%

GENERAL FUND BUDGET SUMMARY

General Operating Net

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
Operating Revenues						
Water Overhead Transfer	\$5,320,278	\$6,167,927	\$6,547,786	\$5,297,653	\$6,328,342	-3%
Wastewater Overhead Transfer	1,247,966	1,446,798	1,535,900	1,242,659	1,484,426	-3%
Other General Fund Revenue	1,058,782	273,862	135,000	1,015,324	680,000	404%
Total Operating Revenues	\$7,627,027	\$7,888,587	\$8,218,686	\$7,555,636	\$8,492,768	3%
Operating Expenses						
Board of Directors	\$31,734	\$23,336	\$29,581	\$10,291	\$40,475	37%
Garage	421,613	541,960	492,460	458,944	473,404	-4%
Administration	1,771,033	2,363,778	1,955,699	1,966,487	2,213,668	13%
Human Resources	333,419	299,268	387,975	312,014	395,238	2%
Risk Management	502,547	866,462	988,041	953,699	1,144,899	16%
IT Services	386,500	452,011	1,523,695	1,073,004	1,482,137	-3%
Finance	568,091	629,506	807,109	749,530	967,728	20%
Customer Service	1,519,984	716,867	646,989	691,704	533,278	-18%
Engineering	1,319,343	959,034	957,138	909,964	811,942	-15%
GASB 68 Pension	772,764	1,036,365	430,000	430,000	430,000	0%
Total Operating Expenses	\$7,627,027	\$7,888,587	\$8,218,686	\$7,555,636	\$8,492,768	3%
CHANGE IN NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	-

General Fund Expenses



GENERAL FUND BUDGETED REVENUES

GENERAL FUND REVENUES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-99-42200	Water Overhead Transfer	\$5,320,278	\$6,167,927	\$6,547,786	\$5,297,653	\$6,328,342	-3%
03-99-42200	Wastewater Overhead Transfer	1,247,966	1,446,798	1,535,900	1,242,659	1,484,426	-3%
03-99-43102	Operating Inc Penalty Charges	266,874	93,116	50,000	688,220	500,000	900%
03-99-43108	Operating Inc Plan Ck Revenue	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%
Total General Fund Revenues		\$7,627,027	\$7,888,587	\$8,218,686	\$7,555,636	\$8,492,768	3%

GENERAL FUND BUDGETED EXPENSES

BOARD OF DIRECTOR EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-20-56202	Board Member Expenses	\$13,200	\$11,400	\$14,000	\$8,640	\$14,000	0%
03-20-56501	Employer's Share SSI	818	674	868	564	868	0%
03-20-56502	Employer's Share Medicare	192	158	203	146	203	0%
03-20-56515	Worker's Comp. Insurance	-	199	300	273	84	0%
	Total Payroll Expenses	\$14,210	\$12,431	\$15,371	\$9,623	\$15,155	-1%
03-20-72000	Supplies & Services	852	13	100	-	100	0%
03-20-75300	Travel/Conferences/Training	16,672	10,892	14,110	667	25,220	79%
	Total Supplies Expenses	\$17,524	\$10,905	\$14,210	\$ 667	\$25,320	78%
	TOTAL BOARD EXPENSES	\$31,734	\$23,336	\$29,581	\$10,291	\$40,475	37%

GARAGE EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-36-56101	Regular Salaries	\$90,977	\$87,445	\$98,059	\$95,573	\$96,201	-2%
03-36-56103	Overtime & Comp Time	4,641	9,373	6,000	7,499	6,000	0%
03-36-56501	Employer's Share SSI	5,733	5,922	6,080	6,144	5,964	-2%
03-36-56502	Employer's Share Medicare	1,381	1,385	1,422	1,436	1,395	-2%
03-36-56503	Medical Insurance	17,781	17,312	18,711	18,779	20,412	9%
03-36-56504	Dental Insurance	1,836	1,793	1,939	1,910	1,939	0%
03-36-56505	Vision Insurance	224	213	226	223	226	0%
03-36-56506	Life, S/T, L/T Disability Ins.	964	976	1,119	1,087	1,097	-2%
03-36-56507	Retirement-CalPERS	9,660	10,157	12,121	10,063	11,737	-3%
03-36-56512	Tuition Reimbursement	-	50	100	-	100	0%
03-36-56515	Worker's Comp. Insurance	3,296	4,690	3,831	4,547	4,495	17%
03-36-56516	State Unemployment Ins, E.T.T.	273	238	252	311	238	-6%
03-36-56520	Deferred Compensation	2,614	2,500	2,600	2,640	2,600	0%
	Total Payroll Expenses	\$139,381	\$142,054	\$152,460	\$150,212	\$152,404	0%
03-36-60000	Equipment	48,056	12,174	10,000	16,937	15,000	50%
03-36-63100	Equipment Maintenance	28,760	76,415	60,000	19,865	40,000	-33%
03-36-63421	Fuel & Oil	113,926	166,030	140,000	146,018	150,000	7%
03-36-63422	Repair, Supplies, Auto	52,499	70,222	70,000	78,305	70,000	0%
03-36-72000	Supplies & Services	30,071	68,622	50,000	40,040	40,000	-20%
03-36-72150	Regulatory Permits	4,639	-	4,000	1,584	-	-100%
03-36-73000	Small Tools & Equipment	4,103	6,253	6,000	5,982	6,000	0%
03-36-75300	Travel/Conferences/Training	179	190	-	-	-	0%
	Total Maintenance & Supply	\$282,232	\$399,906	\$340,000	\$308,731	\$321,000	-6%
	TOTAL GARAGE EXPENSES	\$421,613	\$541,960	\$492,460	\$458,944	\$473,404	-4%

ADMINISTRATION EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-41-56101	Regular Salaries	\$547,774	\$524,227	\$387,511	\$349,338	\$404,456	4%
03-41-56103	Overtime & Comp Time	17,868	12,972	15,000	10,417	13,000	-13%
03-41-56501	Employer's Share SSI	27,789	27,789	15,230	14,087	16,743	10%
03-41-56502	Employer's Share Medicare	8,310	8,310	5,619	5,052	5,865	4%
03-41-56503	Medical Insurance	52,760	52,760	32,406	32,364	32,634	1%
03-41-56504	Dental Insurance	5,281	5,281	2,350	2,548	2,583	10%
03-41-56505	Vision Insurance	832	832	452	490	452	0%
03-41-56506	Life, S/T, L/T Disability Ins.	3,816	3,816	3,020	3,760	3,161	5%
03-41-56507	Retirement-CalPERS	57,354	57,354	47,900	53,998	49,344	3%
03-41-56511	Employee Uniform Allowance	21,035	21,035	25,000	20,129	24,273	-3%
03-41-56512	Tuition Reimbursement	-	-	1,000	-	1,000	0%
03-41-56515	Worker's Comp. Insurance	19,811	19,811	10,197	12,839	10,566	4%
03-41-56516	State Unemployment Ins, E.T.T.	1,097	1,097	504	622	476	-6%
03-41-56520	Deferred Compensation	16,041	16,041	2,600	3,084	2,600	0%
	Total Payroll Expenses	\$779,769	\$751,326	\$548,789	\$508,726	\$567,153	3%
03-41-63102	Equipment Maint. Contract	270	306	3000	-	-	-100%
03-41-63200	Equipment Rental	40,308	66,655	69,000	45,588	49,000	-29%
03-41-63400	Kitchen Supplies	24,119	17,197	14,000	11,905	14,000	0%
03-41-63401	Building Maintenance	81,637	161,199	102,200	84,024	92,700	-9%
03-41-70000	Professional Services	222,474	571,843	585,000	634,859	720,000	23%
03-41-70300	Legal Services	351,270	508,558	350,000	382,790	450,000	29%
03-41-72000	Supplies & Services	28,190	19,123	29,050	39,078	52,650	81%
03-41-72200	Books & Resources	36	-	250	-	-	-100%
03-41-72400	Dues & Subscriptions	68,342	62,828	62,860	73,033	65,865	5%
03-41-72702	Public Notices/Advertising	5,368	670	1,000	1,556	750	-25%
03-41-72900	Stationary & Office Supplies	13,586	6,854	5,000	3,492	5,000	0%
03-41-74000	Communications & Phone Bills	9,085	9,950	8,500	12,139	13,000	53%
03-41-74100	Phone Bill	69,948	107,022	93,000	96,325	90,000	-3%
03-41-75300	Travel/Conferences/Training	11,087	8,963	15,800	1,672	16,550	5%
03-41-78000	Utilities-Electricity	50,324	52,607	50,000	51,296	55,000	10%
03-41-78700	Utilities -Propane	4,745	6,022	7,500	11,174	12,000	60%
03-41-78900	Trash Pick-Up	10,475	12,655	10,750	8,828	10,000	-7%
	Total Maintenance & Supply	\$991,263	\$1,612,452	\$1,406,910	\$1,457,761	\$1,646,515	17%
	TOTAL ADMIN. EXPENSES	\$1,771,033	\$2,363,778	\$1,955,699	\$1,966,487	\$2,213,668	13%

Human Resources Expenses

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-42-56101	Regular Salaries	\$167,346	\$173,892	\$198,142	\$223,246	\$202,129	2%
03-42-56103	Overtime & Comp Time	1,050	371	1,500	496	500	-67%
03-42-56501	Employer's Share SSI	9,852	10,124	9,461	10,171	10,455	11%
03-42-56502	Employer's Share Medicare	2,500	2,602	2,873	3,035	2,931	2%
03-42-56503	Medical Insurance	12,440	13,249	14,196	11,246	7,734	-46%
03-42-56504	Dental Insurance	1,547	737	-	1,015	644	100%
03-42-56505	Vision Insurance	217	213	226	223	226	0%
03-42-56506	Life, S/T, L/T Disability Ins.	1,541	1,560	1,349	1,736	1,349	0%
03-42-56507	Retirement-CalPERS	9,327	10,674	9,765	11,630	11,680	20%
03-42-56512	Tuition Reimbursement	-	1,338	-	642	500	100%
03-42-56515	Worker's Comp. Insurance	759	717	949	835	784	-17%
03-42-56516	State Unemployment Ins, E.T.T.	275	488	504	622	476	-6%
03-42-56520	Deferred Compensation	565	3,375	3,510	3,480	3,510	0%
Total Payroll Expenses		\$207,419	\$219,340	\$242,475	\$268,378	\$242,918	0%
03-42-56513	Employee Relations	17,623	6,672	14,600	5,646	16,270	11%
03-42-60100	Computers/Information Systems	11,294	-	-	-	-	0%
03-42-70000	Professional Services	14,539	5,414	54,700	7,128	54,700	0%
03-42-70300	Legal Services	-	4,296	50,000	-	10,000	-80%
03-42-72000	Supplies & Services	224	2,369	2,500	503	1,500	-40%
03-42-72200	Books & Resources	-	-	100	-	100	0%
03-42-72400	Dues & Subscriptions	1,122	6,859	1,100	1,416	1,450	32%
03-42-75300	Travel/Conferences/Training	4,186	757	400	-	4,000	900%
03-42-75400	Workforce Development	59,246	39,569	3,300	18,440	48,300	1364%
03-42-75500	Recruitment	17,768	13,992	18,800	10,504	16,000	-15%
Total Maintenance & Supply		\$126,000	\$79,928	\$145,500	\$43,637	\$152,320	5%
TOTAL HR EXPENSES		\$333,419	\$299,268	\$387,975	\$312,014	\$395,238	2%

RISK MANAGEMENT EXPENSES

<u>GL Account</u>	<u>Description</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY 2021 Projected</u>	<u>FY 2022 Proposed</u>	<u>FY21 % Change</u>
03-43-56101	Regular Salaries	\$108,226	\$203,217	\$117,911	\$198,895	\$122,195	4%
03-43-56103	Overtime & Comp Time	300	2,604	2,000	2,977	-	-100%
03-43-56501	Employer's Share SSI	6,459	10,655	7,310	9,070	7,576	4%
03-43-56502	Employer's Share Medicare	1,565	4,566	1,710	2,677	1,772	4%
03-43-56503	Medical Insurance	8,674	13,124	14,196	16,135	20,412	44%
03-43-56504	Dental Insurance	1,221	1,578	1,706	1,681	1,939	14%
03-43-56505	Vision Insurance	153	213	226	223	226	0%
03-43-56506	Life, S/T, L/T Disability Ins.	1,016	1,161	1,344	1,292	1,351	1%
03-43-56507	Retirement-CalPERS	7,482	8,077	9,117	8,282	9,275	2%
03-43-56512	Tuition Reimbursement	955	2,484	1,000	121	1,000	0%
03-43-56515	Worker's Comp. Insurance	221	4,432	4,234	4,817	4,440	5%
03-43-56516	State Unemployment Ins, E.T.T.	275	238	252	311	238	-6%
03-43-56520	Deferred Compensation	565	1,275	2,210	-	-	0%
	Total Payroll Expenses	\$137,112	\$253,624	\$163,216	\$246,482	\$170,424	4%
03-43-63100	Equipment Maint.	2,905	3,531	6,600	3,086	5,200	-21%
03-43-63102	Equipment Maint. Contract	13,855	6,139	6,225	4,786	6,225	0%
03-43-65000	Property Liability Insurance	237,437	285,426	400,000	402,599	700,000	75%
03-43-65100	District-Paid Claims	51,873	252,762	290,000	179,806	170,000	-41%
03-43-72000	Supplies & Services	22,165	22,494	40,000	60,892	25,000	-38%
03-43-72200	Books & Resources	272	220	950	684	1,000	5%
03-43-72400	Dues & Subscriptions	1,354	2,749	2,750	446	3,550	29%
03-43-72500	Safety Supplies	32,604	38,361	76,500	54,888	60,500	-21%
03-43-75300	Travel/Conferences/Training	2,969	1,156	1,800	30	3,000	67%
	Total Maintenance & Supply	\$365,435	\$612,838	\$824,825	\$707,217	\$974,475	18%
	TOTAL RISK MGMT. EXPENSES	\$502,547	\$866,462	\$988,041	\$953,699	\$1,144,899	16%

IT EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-44-56101	Regular Salaries	\$ -	\$ -	\$428,999	\$360,707	\$494,100	15%
03-44-56103	Overtime & Comp Time	-	-	28,000	3,695	15,000	-46%
03-44-56501	Employer's Share SSI	-	-	25,055	23,365	28,524	14%
03-44-56502	Employer's Share Medicare	-	-	6,220	6,055	7,164	15%
03-44-56503	Medical Insurance	-	-	73,708	55,178	63,199	-14%
03-44-56504	Dental Insurance	-	-	7,523	3,481	5,167	-31%
03-44-56505	Vision Insurance	-	-	904	802	904	0%
03-44-56506	Life, S/T, L/T Disability Ins.	-	-	3,533	4,573	4,086	16%
03-44-56507	Retirement-CalPERS	-	-	43,767	37,891	43,891	0%
03-44-56512	Tuition Reimbursement	-	-	2,000	352	1,000	-50%
03-44-56515	Worker's Comp. Insurance	-	-	17,464	17,335	20,031	15%
03-44-56516	State Unemployment Ins, E.T.T.	-	-	1,008	1,243	952	-6%
03-44-56520	Deferred Compensation	-	-	11,050	6,306	7,150	-35%
	Total Payroll Expenses	\$ -	\$ -	\$649,232	\$520,984	\$691,169	6%
03-44-60000	Electronics	-	-	50,000	-	25,000	-50%
03-44-60100	Computers	58,506	68,422	102,040	60,578	100,500	-2%
03-44-70000	Professional Services	-	-	60,000	14,148	50,000	-17%
03-44-72000	Supplies & Services	-	-	106,000	9,671	109,000	3%
03-44-72400	Dues & Subscriptions	327,994	383,589	545,623	467,623	484,968	-11%
03-44-73000	Small Tools & Equipment	-	-	6,000	-	9,500	58%
03-44-75300	Conferences/Meetings	-	-	4,800	-	12,000	150%
	Total Maintenance & Supply	\$386,500	\$452,011	\$874,463	\$552,020	\$790,968	-10%
	TOTAL IT EXPENSES	\$386,500	\$452,011	\$1,523,695	\$1,073,004	\$1,482,137	-3%

FINANCE EXPENSES

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
03-51-56101	Regular Salaries	\$307,642	\$371,693	\$484,542	\$415,379	\$583,807	20%
03-51-56103	Overtime & Comp Time	7,149	9,767	8,000	12,031	15,000	88%
03-51-56501	Employer's Share SSI	18,636	23,212	27,122	27,756	33,325	23%
03-51-56502	Employer's Share Medicare	4,771	5,680	7,026	7,223	8,465	20%
03-51-56503	Medical Insurance	43,097	51,578	71,150	77,519	87,181	23%
03-51-56504	Dental Insurance	5,100	4,548	5,578	6,451	7,750	39%
03-51-56505	Vision Insurance	763	844	1,130	1,181	1,356	20%
03-51-56506	Life, S/T, L/T Disability Ins.	2,502	2,536	5,232	4,812	6,305	21%
03-51-56507	Retirement-CalPERS	23,214	23,544	33,611	32,327	39,678	18%
03-51-56512	Tuition Reimbursement	7,655	901	2,500	7,844	5,000	100%
03-51-56515	Worker's Comp. Insurance	572	3,588	5,438	6,379	4,372	-20%
03-51-56516	State Unemployment Ins, E.T.T.	947	969	1,260	1,614	1,428	13%
03-51-56520	Deferred Compensation	17,792	13,630	17,420	17,760	19,760	13%
	Total Payroll Expenses	\$439,841	\$512,490	\$670,009	\$618,276	\$813,428	21%
03-51-69000	Postage	49,630	44,964	46,500	46,072	46,500	0%
03-51-70100	Annual Audit Services	27,988	18,698	35,000	30,200	35,000	0%
03-51-70400	Bank Service Charges	44,422	46,140	50,000	54,163	60,000	20%
03-51-72400	Dues & Subscriptions	-	250	-	310	300	0%
03-51-72700	Printing & Reproductions	183	-	2,000	-	3,500	75%
03-51-75300	Travel/Conferences/Training	6,027	6,964	3,600	510	9,000	150%
	Total Maintenance & Supply	\$128,250	\$117,016	\$137,100	\$131,254	\$154,300	13%
	TOTAL FINANCE EXPENSES	\$568,091	\$629,506	\$807,109	\$749,530	\$967,728	20%

CUSTOMER SERVICE EXPENSES

<u>GL Account</u>	<u>Description</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY 2021 Projected</u>	<u>FY 2022 Proposed</u>	<u>FY21 % Change</u>
03-52-56101	Regular Salaries	\$258,337	\$256,250	\$274,726	\$321,851	\$223,290	-19%
03-52-56103	Overtime & Comp Time	20,547	25,027	25,000	30,565	25,000	0%
03-52-56501	Employer's Share SSI	17,254	17,246	17,033	18,664	13,844	-19%
03-52-56502	Employer's Share Medicare	4,138	4,098	3,984	4,364	3,238	-19%
03-52-56503	Medical Insurance	48,520	50,591	53,715	57,304	50,058	-7%
03-52-56504	Dental Insurance	4,093	5,014	6,461	5,726	4,522	-30%
03-52-56505	Vision Insurance	981	947	904	1,069	678	-25%
03-52-56506	Life, S/T, L/T Disability Ins.	2,219	2,375	3,102	3,546	2,528	-19%
03-52-56507	Retirement-CalPERS	16,734	20,172	26,175	24,748	22,039	-16%
03-52-56512	Tuition Reimbursement	-	417	2,500	-	1,000	-60%
03-52-56515	Worker's Comp. Insurance	1,170	2,130	980	1,121	866	-12%
03-52-56516	State Unemployment Ins, E.T.T.	1,923	1,411	1,008	1,780	714	-29%
03-52-56520	Deferred Compensation	14,878	10,450	6,500	7,380	6,500	0%
	Total Payroll Expenses	\$390,793	\$396,128	\$422,089	\$478,117	\$354,278	-16%
03-52-66000	Bad Debt Expense/Billing Adj.	853,219	-	5,000	164	-	-100%
03-52-72000	Supplies & Services	274,689	320,549	218,000	213,136	177,000	-19%
03-52-72700	Printing & Reproductions	127	-	1,500	287	1,000	-33%
03-52-75300	Travel/Conferences/Training	1,155	190	400	-	1,000	150%
	Total Maintenance & Supply	\$1,129,191	\$320,739	\$224,900	\$213,587	\$179,000	-20%
	TOTAL CS EXPENSES	\$1,519,984	\$716,867	\$646,989	\$691,704	\$533,278	-18%

ENGINEERING EXPENSES

<u>GL Account</u>	<u>Description</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Budget</u>	<u>FY 2021 Projected</u>	<u>FY 2022 Proposed</u>	<u>FY21 % Change</u>
03-91-56101	Regular Salaries	\$631,338	\$423,074	\$485,340	\$431,736	\$394,087	-19%
03-91-56103	Overtime & Comp Time	8,259	4,875	8,000	8,242	8,000	0%
03-91-56501	Employer's Share SSI	38,580	23,454	27,079	19,825	23,929	-12%
03-91-56502	Employer's Share Medicare	9,330	5,696	7,037	5,369	6,269	-11%
03-91-56503	Medical Insurance	89,381	83,028	58,548	69,586	50,446	-14%
03-91-56504	Dental Insurance	10,680	8,202	6,514	6,977	5,429	-17%
03-91-56505	Vision Insurance	1,397	1,216	836	1,002	656	-22%
03-91-56506	Life, S/T, L/T Disability Ins.	6,074	8,182	4,428	5,778	1,991	-55%
03-91-56507	Retirement-CalPERS	59,722	64,394	54,033	51,664	32,810	-39%
03-91-56512	Tuition Reimbursement	834	2,289	2,000	-	500	-75%
03-91-56515	Worker's Comp. Insurance	4,886	7,648	4,900	7,597	10,124	107%
03-91-56516	State Unemployment Ins, E.T.T.	2,005	1,385	932	1,243	690	-26%
03-91-56520	Deferred Compensation	21,863	17,600	8,450	13,872	9,542	13%
	Total Payroll Expenses	\$884,350	\$651,043	\$668,098	\$622,890	\$544,472	-19%
03-91-60000	Equipment	-	1,914	1,000	-	1,500	50%
03-91-63102	Equipment Maint. Contract	50,015	6,613	-	-	-	0%
03-91-70000	Professional Services	344,150	184,430	257,500	236,236	207,500	-19%
03-91-70300	Legal Expenses	-	49,974	10,000	25,864	20,000	100%
03-91-72000	Supplies & Services	32,718	64,036	15,000	22,703	25,050	67%
03-91-72200	Books & Resources	-	-	500	203	1,000	100%
03-91-72400	Dues & Subscriptions	2,823	385	1,840	473	4,670	154%
03-91-72700	Printing & Reproductions	117	-	1,500	-	750	-50%
03-91-72702	Public Notices & Advertising	-	585	1,200	726	1,000	-17%
03-91-75300	Travel/Conferences/Training	5,170	54	500	870	6,000	0%
	Total Maintenance & Supply	\$434,993	\$307,991	\$289,040	\$287,074	\$267,470	-7%
	TOTAL ENGINEERING EXPENSES	\$1,319,343	\$959,034	\$957,138	\$909,964	\$811,942	-15%

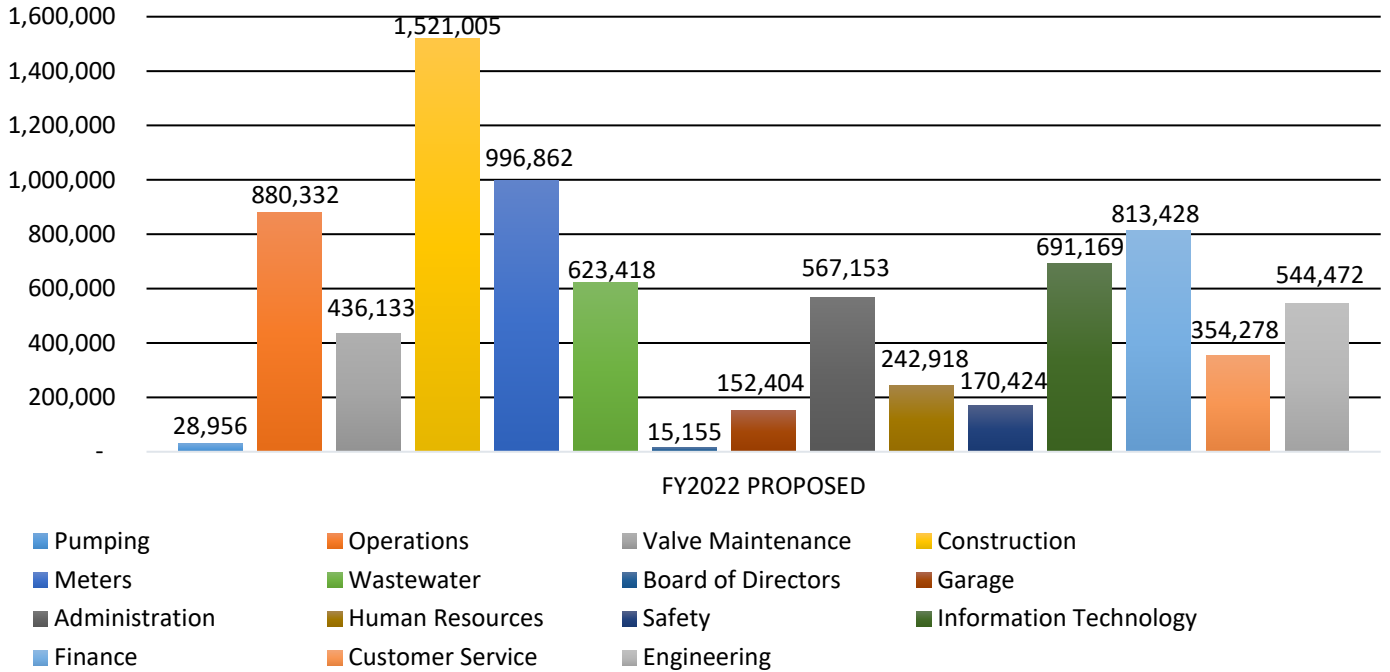
OPERATING FUNDS SUMMARY

NET OPERATING INCOME

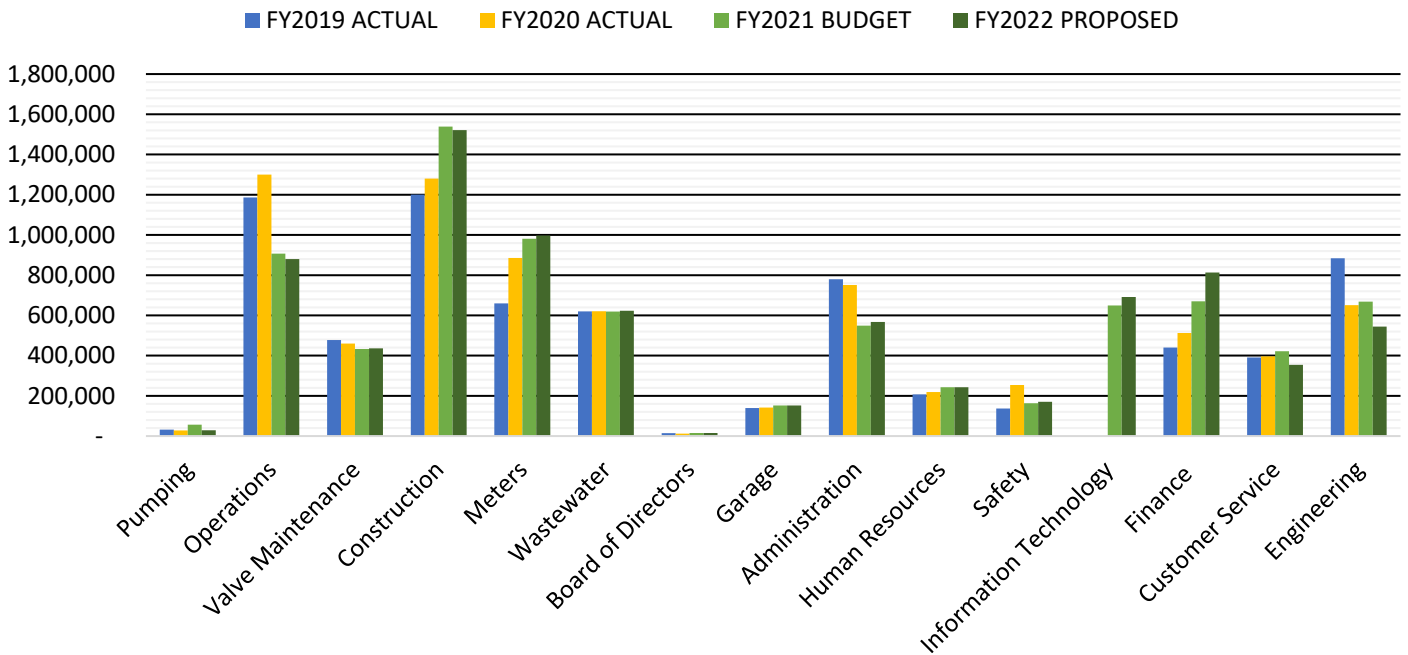
Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
Water Fund						
Water Revenues	\$33,535,941	\$33,911,880	\$36,896,916	\$39,902,727	\$41,114,791	11%
Water Expenses	35,320,729	34,941,462	36,639,852	37,051,228	38,296,000	5%
Water Fund Net Income	\$(1,784,788)	\$(1,029,582)	\$257,064	\$2,851,500	\$2,818,791	
Wastewater Fund						
Wastewater Revenues	2,907,074	3,279,882	3,279,882	3,279,255	3,820,655	16%
Wastewater Expenses	2,963,044	3,630,073	3,721,693	3,465,881	3,625,153	-3%
Wastewater Fund Net Income	\$(55,970)	\$(350,191)	\$(441,811)	\$(186,626)	\$195,502	
General Fund						
General Revenues	7,627,027	7,888,587	8,218,686	7,555,636	8,492,768	3%
General Expenses	7,627,027	7,888,587	8,218,686	7,555,636	8,492,768	3%
General Fund Net Income	-	-	-	-	-	
CHANGE IN NET POSITION	(\$1,840,758)	(\$1,379,773)	(\$184,748)	\$2,664,873	\$3,014,293	

LABOR TREND

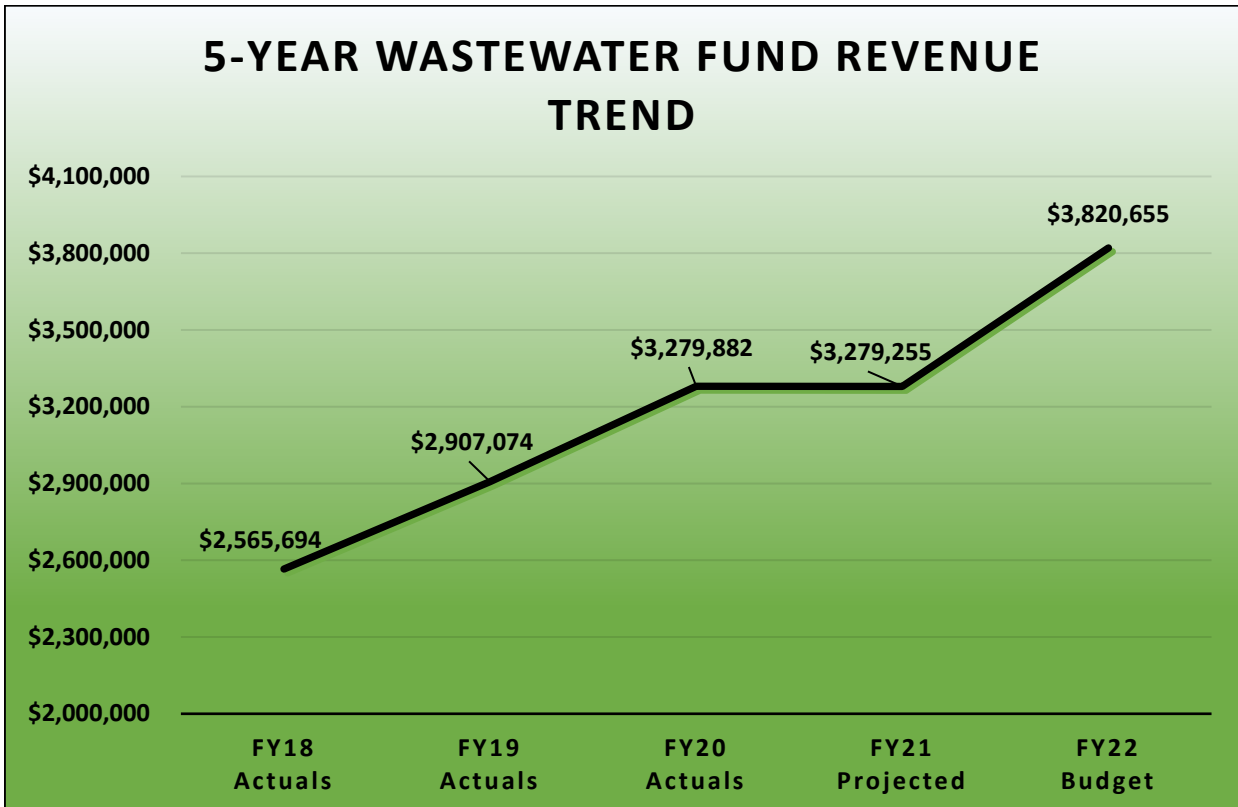
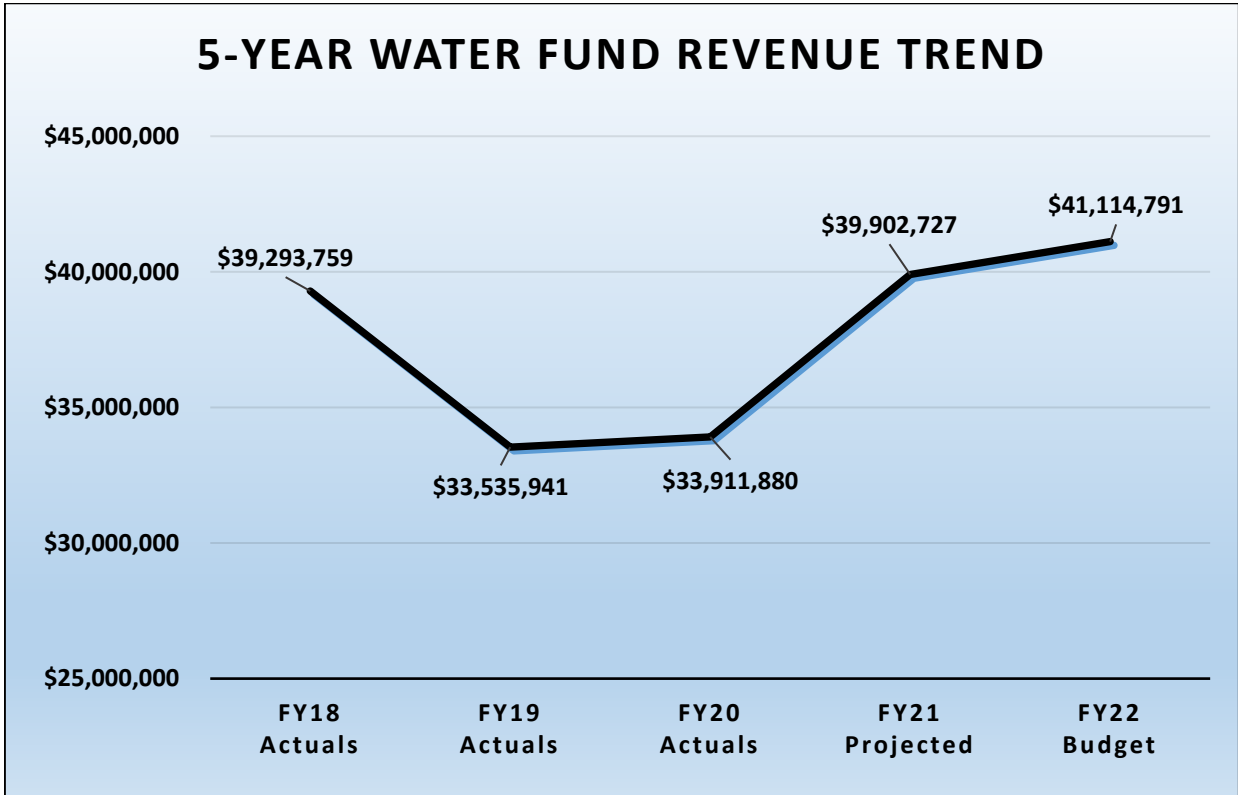
Labor Cost by Cost Center



Labor Costs 5 Years



REVENUE TREND



OPERATING FUND BALANCE

Operating & Debt Service Fund Balances

	Water Operating	Wastewater Operating	General Operating	New Water Sources	Debt Service	TOTAL
Fund Balances:	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 21/22
Beginning Available Balance	\$1,155,562	\$1,255,724	\$1,122,838	\$ 392,761	\$ 664,639	\$4,591,524
Transfer to Water Capital	(2,416,115)					(2,416,115)
Transfer to/from Rate Stabilization						-
Budgeted Operating Surplus (Loss)	2,818,557	195,502	8,492,768		(2,374,827)	9,132,000
Transfers In/(Out)	(8,492,768)				2,374,827	(6,117,941)
Projected Ending Fund Balance	\$1,558,004	\$1,451,226	\$1,122,838	\$ 392,761	\$ 664,639	\$5,189,468

*Rate Stabilization Fund has a \$0 balance and will be funded beginning in FY25 & FY26

CAPITAL BUDGET

WATER CAPITAL FUND BUDGETED REVENUES & EXPENSES

WATER CAPITAL

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
LOAN	Interfund Loan from Sewer	\$ -	\$ -	\$ -	\$ -	\$5,000,000	
TRANSFER	Transfer from WSUP	-	-	-	-	2,000,000	
TRANSFER	Transfer from Water Operating	1,000,000	1,600,000	-	1,343,382	2,461,115	
TRANSFER	Transfer from Rate Stabilization	-	-	-	3,603,760	-	
60-99-49109	Miscellaneous Revenue	268,501	-	-	-	-	0%
60-99-49110	Gain/Loss from Sale of Assets	-	3,452	-	16,611	-	0%
60-99-49200	Interest Revenues	135,540	182,356	-	61,001	-	0%
60-99-49201	Interest Revenues - LAIF	38,321	-	-	-	-	0%
60-99-49203	Change in Invest. Valuation	568,482	107,249	-	(75,160)	-	0%
60-99-49921	Capacity Fees	1,959,043	6,523,531	8,709,853	1,772,338	1,323,034	-85%
	Total Water Capital Revenues	3,969,886	8,416,588	8,709,853	6,721,932	10,784,149	24%
60-99-56101	Regular Salaries	174,765	31,354	495,731	464,498	709,463	43%
60-99-56103	Overtime & Comp Time	1,168	5,617	15,000	78,817	15,000	0%
60-99-56501	Employer's Share SSI	10,033	3,641	29,631	32,203	41,723	41%
60-99-56502	Employer's Share Medicare	2,505	521	7,188	7,643	9,733	35%
60-99-56503	Medical Insurance	12,148	-	79,525	-	136,128	71%
60-99-56504	Dental Insurance	1,126	-	8,180	-	11,372	39%
60-99-56505	Vision Insurance	152	-	1,255	-	1,605	28%
60-99-56506	Life, S/T, L/T Disability Ins.	-	-	7,133	-	10,161	42%
60-99-56507	Retirement-CalPERS	5,838	-	56,348	-	75,412	34%
60-99-56515	Worker's Comp. Insurance	-	-	14,433	-	15,519	8%
60-99-56516	State Unemployment Ins, E.T.T.	98	-	1,399	-	1,690	21%
60-99-56520	Deferred Compensation	2,891	-	9,926	-	16,458	66%
	Total Payroll Expenses	210,724	41,133	725,748	583,161	1,044,263	44%
60-99-57210	Interest Expense	244,505	305,832	-	-	-	0%
60-99-70000	Professional Services	5	223,541	-	-	-	0%
60-99-70300	Legal Services	-	18,913	-	-	-	0%
60-99-72000	Supplies & Services	-	957,740	1,000	-	-	0%
60-99-72702	Public Notices & Advertising	-	-	500	-	-	0%
	Capital Project Expenses	1,618,877	3,573,386	7,222,585	7,222,585	6,141,682	
	Less Payroll Included in Projects					(1,044,263)	
	Sub Total	1,863,387	5,079,412	7,224,085	7,222,585	5,097,419	-29%
	TOTAL WATER CAP. EXPENSES	2,074,111	5,120,545	7,949,833	7,805,746	6,141,682	-23%
	CHANGE IN NET POSITION	\$1,895,775	\$3,296,043	\$760,020	(\$1,083,814)	\$4,642,467	511%

WASTEWATER CAPITAL FUND BUDGETED REVENUES & EXPENSES

WASTEWATER CAPITAL

GL Account	Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
52-99-49200	Interest Revenue - LAIF	\$88,922	\$2,983	\$ -	\$ -	\$ -	
52-99-49920	Connection Fees	147,362	1,389,737	1,639,746	150,933	814,113	-50%
53-00-49200	Interest Revenue – LAIF	5,596	106,374	-	108,583	-	
53-00-49202	Interest Rev Long Term Invest.	91,621	-	-	-	-	
53-00-49203	Change in Invest. Valuation	416,570	176,219	-	149,846	-	
53-00-49920	Connection Fees	834,685	3,326,628	9,409,755	866,138	4,671,821	-50%
	Total Wastewater Cap. Rev.	1,584,758	5,001,941	11,049,501	1,275,500	5,485,934	-50%
	Fund 52 Payroll Expenses	7,108	-	-	-	9,715	0%
	Fund 53 Payroll Expenses	11,989	15,515	-	188,660	55,747	
	Total Payroll Expenses	19,097	15,515	-	188,660	65,462	0%
53-99-70300	Legal Services	-	-	-	19,094	-	
53-99-72000	Supplies & Services	-	-	-	44,475	-	
	Capital Project Expenses	209,941	237,849	2,168,982	2,168,982	8,445,000	0%
	Interfund Loan to Water	-	-	-	-	5,000,000	
	Less Payroll Included in Projects	-	-	-	-	(65,462)	
	Sub Total	209,941	237,849	2,168,982	2,232,551	13,379,538	517%
	TOTAL W.W. CAP. EXPENSES	229,038	253,364	2,168,982	2,421,211	13,445,000	520%
	CHANGE IN NET POSITION	\$1,355,720	\$4,748,577	\$8,880,519	\$(1,145,711)	\$(7,959,066)	190%

CAPITAL FUNDS SUMMARY

NET CAPITAL INCOME

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed	FY21 % Change
Water Capital Fund						
Water Revenues	\$3,969,886	\$8,416,588	\$8,709,853	\$6,721,932	\$10,784,149	24%
Water Expenses	2,074,111	5,120,545	7,949,833	7,805,746	6,141,682	-23%
Water Capital Change in Net Position	\$1,895,775	\$3,296,043	\$760,020	\$(1,083,814)	\$4,642,467	-511%
Wastewater Capital Fund						
Water Revenues	\$1,584,758	\$5,001,941	\$11,049,501	\$1,275,500	\$5,485,934	-50%
Water Expenses	229,038	253,364	2,168,982	2,421,211	13,445,000	520%
W.W. Capital Change in Net Position	\$1,355,720	\$4,748,577	\$8,880,519	\$(1,145,711)	\$(7,959,066)	190%
Overall Capital Change in Net Position	\$3,251,494	\$8,044,620	\$9,640,539	\$(2,229,525)	\$(3,316,599)	134%

CAPITAL FUND BALANCE

Water Capital Fund Projected Balance

Fund 60

	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>
Fund Balances:	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Beginning Available Balance	\$635,477	\$5,232,944	\$6,894,435	\$7,032,367	\$8,898,923
Interfund Loan from Sewer	5,000,000				
Transfer from Operating Reserves	2,416,115	5,783,725	2,892,536	2,535,388	5,619,379
Transfer from WSUP	2,000,000				
Forecasted Capacity Fees	1,323,034	1,485,266	1,177,396	3,791,169	3,791,169
Total Available Funding	11,374,626	12,501,935	10,964,367	13,358,923	18,309,471
Less: Capital Project Budgets					
- Wholesale Water Efficiency	(3,375,000)	-	-	-	-
Less: Capital Project Budgets-Water	(4,302,103)	(7,009,375)	(4,915,000)	(5,575,000)	(6,800,000)
CIP Funding Percent 80%	(6,141,682)	(5,607,500)	(3,932,000)	(4,460,000)	(5,440,000)
Projected Ending Available Balance	\$5,232,944	\$6,894,435	\$7,032,367	\$8,898,923	\$12,869,471

Wastewater Capital Projected Fund Balance

Fund 52 & 53

	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>
Fund Balances:	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Beginning Available Balance	\$12,544,474	\$7,335,408	\$5,102,786	\$3,095,164	\$7,324,519
Restricted CFD Funds*	2,750,000				
Financing					
Interfund Loan	(5,000,000)				
Forecasted Sewer Connections	5,485,934	5,042,378	42,378	4,479,355	4,479,355
Less: Capital Project Budgets 100%	(8,445,000)	(7,275,000)	(2,050,000)	(250,000)	-
Projected Ending Available Balance	\$7,335,408	\$5,102,786	\$3,095,164	\$7,324,519	\$11,803,874

FY22 CAPITAL ASSET ACQUISITION

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

DEPT #	DESCRIPTION	JUSTIFICATION	BUDGET
34	Asphalt Zipper	An Asphalt Zipper is a valuable machine used to grind the road prior to excavation and turns asphalt into recycled class 2 road base. The traditional method to cutting into a road is with a walk-behind saw, which is time consuming. RMWD staff studied the time it would take to sawcut versus using an asphalt zipper at Rainbow Heights where staff was scheduled to install a new line. It took 18 minutes for two employees to sawcut 25 feet of trench on one side. There was a total of 3,400 feet of saw cutting necessary, thus it would take 40.8 hours for two employees to sawcut 3,400 feet of trench. This does not include refueling, adding water, and exchanging blades. Furthermore, it does not include the time it would take to separate asphalt from backfill material. The asphalt zipper was able to successfully grind the entire 1,700 feet of trench in 1.1 hours. This would be used for removal of pavement when installing PRV's, pipelines, steel plates and main breaks.	\$130,000
36	Unit # 61 - 2022 Ford F-550 Crew Cab 4x2, 6.7 Diesel with Venturo Crane, lift gate, onboard air, work lights & safety lighting.	Replacing a 2011 Ford F-450 Crew Cab diesel 4x2. Mileage is 60,937 with 4,751 hours, which add up to 203,467 miles total. The bed was a refurbished 1996 utility bed and it is rusting out severely. The Crane is undersized for new lift stations and the motor has burned out twice. This truck will also be up fitted with an onboard air compressor to be utilized for several tools, jack hammers, air tools etc. The bed will have LED telescoping lights to light up the work zone.	\$187,500
36	Unit # 40 - 2022 Chevrolet Silverado 1500 Reg Cab 4x4	Replacing a 2003 Chevrolet Silverado 1500 Reg Cab 4x2. Mileage is 191,510 with 8,202 hours, which add up to 396,560 miles. This truck has significant power loss and the oil consumption emissions testing shows signs it may not pass next cycle. The suspension is going to be needing major components replaced and does not have a backup safety camera or Bluetooth capability.	\$35,000
36	Unit # 41 - 2022 Chevrolet Silverado 1500 Reg Cab 4x4	Replacing a 2014 Chevrolet Silverado 1500 Reg Cab 4x4. Mileage is 74,887 with 7,231 hours, which add up to 255,657 miles. This truck is consuming more oil between services and is losing power. The potential for the need to rebuild the engine or transmission in the near future is high. It does not have a backup safety camera or Bluetooth capability.	\$35,000
36	Unit # 42 - 2022 Chevrolet Silverado 1500 Reg Cab 4x4	Replacing a 2014 Chevrolet Silverado 1500 Reg Cab 4x4. Mileage is 73,232 with 6,017 hours which add up to 223,649 miles. This vehicle is consuming more oil between services and is losing power. The potential for the need to rebuild the engine or transmission in the near future is high. It does not have a backup safety camera or Bluetooth capability.	\$35,000
36	Pressure Washer	The District does not currently have any means to pressure wash heavy equipment for scheduled PM's. The pressure washer can be used for removing grease and debris from heavy equipment prior to the mechanic begging maintenance. It can also be used for trouble shooting a variety of leaks with the area clean the leak can quickly become apparent. We currently rent a pressure washer when needed which requires the mechanic to stop what he is doing and drive to pick it up. This assumes it is not already rented out. If it is rented out than it delays the scheduled maintenance.	\$11,000
32 & 33	Miscellaneous		\$50,000
			\$422,500

CAPITAL PROJECTS

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:

Project #	Project Name	Year 1	Year 2	Year 3	Year 4	Year 5
		<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
300007	Programmatic EIR for Existing Easements	\$75,000				
300008	New District Headquarters	150,000	450,000	2,000,000		
600001	Rainbow Heights PS (#1) Upgrades/Recon.					
600002	Gird to Monserate Hill Water Line			140,000	1,400,000	
600003	San Luis Rey Imported Return Flow Recovery					600,000
600007	Pressure Reducing Stations	500,000	750,000	250,000	750,000	250,000
600009	Isolation Valve Installation Program	50,000	600,000	500,000	500,000	500,000
600015	Water Condition Assessment				50,000	
600017	Pressure Reducing Station Replacement Program (Combined with 60007)					
600019	Water System Monitoring Program	184,375	184,375	25,000		
600021	Pipeline Upgrade Project					
600026	Camino Del Rey Waterline Relocation	100,000	2,000,000			
600030	Corrosion Prevention Program Development and Implementation	250,000	600,000	600,000	600,000	600,000
600037	Live Oak Park Road Bridge Replacement	600,000				
600040	Vallecitos PS Relocation		1,100,000	1,000,000		
600047	Community Power Resiliency Generator Grant (Generator at Sumac)	50,000				
600048	Northside Zone Supply Redundancy					500,000
600049	Gomez/Magee Pump Station Upgrades and Sumac Radio Tower	500,000	450,000	400,000		
600050	Lookout Mountain Electrical Upgrade				1,000,000	1,000,000

Water Capital Project Budgets:

Project #	Project Name	Year 1	Year 2	Year 3	Year 4	Year 5
		<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>
		FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
600051	North Feeder and Rainbow Hills Water Line Replacements				150,000	1,850,000
600055	Pipe Lining Pilot Project		350,000			
600058	Electrical Panel Switches	160,000				
600067	Pala Mesa Fairways 383 A and C				250,000	
600068	Sarah Ann Drive Line 400 A	100,000	275,000			
600069	Wilt Road (1331)					500,000
600071	Del Rio Estates Line Ext 503				250,000	
600072	Katie Lendre Drive Line		250,000			
600072	East Heights Line 147L					500,000
600073	East Heights Line 147A					250,000
600074	Via Zara - PUP				125,000	
600075	Roy Line Ext					250,000
600077	Rainbow Water Quality Improvement	950,000				
600080	Los Alisos South 243				500,000	
600081	Heli-Hydrant on Tank	149,728				
N/A	Department Level Capital Expenses	483,000				
Total		\$4,302,103	\$7,009,375	\$4,915,000	\$5,575,000	\$6,800,000

Water Capital Budget Year 1 (proposed)...

Water Capital Project Budgets:

Project #	Project Name	Year 1 Proposed Budget	
			FY 21/22
600077	Rainbow Water Quality Improvement	\$	950,000
600037	Live Oak Park Road Bridge Replacement		600,000
600007	Pressure Reducing Stations		500,000
600049	Gomez/Magee Pump Station Upgrades and Sumac Radio Tower		500,000
N/A	Department Level Capital Expenses		483,000
600030	Corrosion Prevention Program Development and Implementation		250,000
600019	Water System Monitoring Program		184,375
600058	Electrical Panel Switches		160,000
300008	New District Headquarters		150,000
600081	Heli-Hydrant on Tank		149,728
600026	Camino Del Rey Waterline Reloaction		100,000
600068	Sarah Ann Drive Line 400 A		100,000
300007	Programatic EIR for Existing Easements		75,000
600009	Isolation Valve Installation Program		50,000
600047	Communitty Power Resiliency Generator Grant (Generator at Sumac)		50,000
Total		\$	4,302,103

Wholesale Water Efficiency Capital Project Budgets:

Project #	Project Name	Year 1 Proposed Budget	
			FY 21/22
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	\$	3,375,000
Total		\$	3,375,000

Water Capital Budget Year 2 (proposed)...

Water Capital Project Budgets:

Project #	Project Name	Year 2 Proposed Budget	
			FY 22/23
600026	Camino Del Rey Waterline Reloaction	\$	2,000,000
600040	Vallecitos PS Relocation		1,100,000
600007	Pressure Reducing Stations		750,000
600030	Corrosion Prevention Program Development and Implementation		600,000
600009	Isolation Valve Installation Program		600,000
600049	Gomez/Magee Pump Station Upgrades and Sumac Radio Tower		450,000
300008	New District Headquarters		450,000
600055	Pipe Lining Pilot Project		350,000
600068	Sarah Ann Drive Line 400 A		275,000
600072	Katie Lendre Drive Line		250,000
600019	Water System Monitoring Program		184,375
Total		\$	7,009,375

Water Capital Budget **Year 3** (proposed)...

Water Capital Project Budgets:

Project #	Project Name	Year 3 Proposed Budget FY 23/24
300008	New District Headquarters	\$ 2,000,000
600040	Vallecitos PS Relocation	1,000,000
600030	Corrosion Prevention Program Development and Implementation	600,000
600009	Isolation Valve Installation Program	500,000
600049	Gomez/Magee Pump Station Upgrades and Sumac Radio Tower	400,000
600007	Pressure Reducing Stations	250,000
600002	Gird to Monserate Hill Water Line	140,000
600019	Water System Monitoring Program	25,000
Total		\$ 4,915,000

Water Capital Budget **Year 4** (proposed)...

Water Capital Project Budgets:

Project #	Project Name	Year 4 Proposed Budget	
			FY 24/25
600002	Gird to Monserate Hill Water Line	\$	1,400,000
600050	Lookout Mountain Electrical Upgrade		1,000,000
600007	Pressure Reducing Stations		750,000
600030	Corrosion Prevention Program Development and Implementation		600,000
600009	Isolation Valve Installation Program		500,000
600080	Los Alisos South 243		500,000
600067	Pala Mesa Fairways 383 A and C		250,000
600071	Del Rio Estates Line Ext 503		250,000
600051	North Feeder and Rainbow Hills Water Line Replacements		150,000
600074	Via Zara - PUP		125,000
600015	Water Condition Assessment		50,000
Total		\$	5,575,000

Water Capital Budget **Year 5** (proposed)...


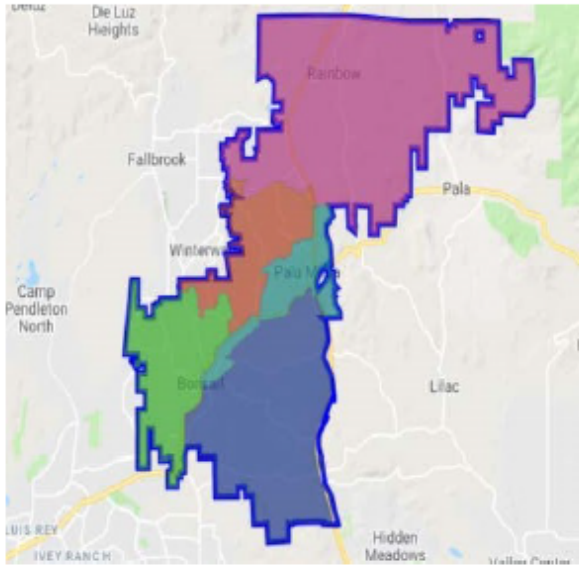
Water Capital Project Budgets:

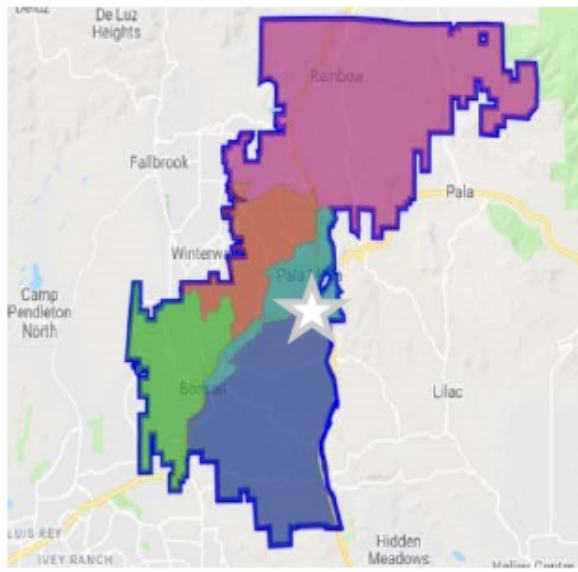
Project #	Project Name	Year 5 Proposed Budget	
			FY 25/26
600051	North Feeder and Rainbow Hills Water Line Replacements	\$	1,850,000
600050	Lookout Mountain Electrical Upgrade		1,000,000
600003	San Luis Rey Imported Return Flow Recovery		600,000
600030	Corrosion Prevention Program Development and Implementation		600,000
600009	Isolation Valve Installation Program		500,000
600048	Northside Zone Supply Redundancy		500,000
600069	Wilt Road (1331)		500,000
600072	East Heights Line 147L		500,000
600007	Pressure Reducing Stations		250,000
600073	East Heights Line 147A		250,000
600075	Roy Line Ext		250,000
Total		\$	6,800,000

FIVE-YEAR WASTEWATER CIP PLAN

Wastewater Capital Project Budgets:		Year 1	Year 2	Year 3	Year 4	Year 5
		<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>	<i>Proposed Budget</i>
Project #	Project Name	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
530001	Thoroughbred Lift Station and Sewer Improvements	\$8,000,000	\$7,000,000	\$250,000	\$250,000	\$ -
530006	Sewer System Rehabilitation Program	30,000				
530015	Sewer System Condition Assessment Program					
530017	N River Road Land Outfall Rehabilitation (Operations Project)	\$250,000				
530018	Fallbrook Oaks Forcemain and Manhole Replacement		\$150,000	\$1,650,000		
530020	Rancho Viejo LS Wet Well Expansion	100,000				
530021	Almendra Court, I-15 Crossing Sewer Rehabilitation			150,000		
530023	Replace Rancho Monserate LS Emergency Generator		125,000			
530024	Old River Road LS Equalization Basin					
530025	Old River Road LS to Stallion Outfall Repair (Combine with 530017)					
N/A	Department Level Capital Expenses	65,000				
Total		\$8,445,000	\$7,275,000	\$2,050,000	\$250,000	\$ -

CAPITAL IMPROVEMENT PROJECTS

 Capital Improvement Project Information PROGRAMMATIC EIR –DISTRICT-WIDE	
	<p style="text-align: center;">VICINITY MAP</p> <p style="text-align: center;">(DISTRICT WIDE)</p>
LOCATION	LIMITS OF PROJECT
PROJECT TITLE: PROGRAMMATIC EIR –DISTRICT-WIDE	ESTIMATED SCHEDULE: DESIGN - In-Progress CONSTRUCTION - N/A
DEPARTMENT: Engineering MASTER PLAN: N/A CONDITION ASSESSMENT RANK: N/A	FUNDING SOURCE: Water Fund PROJECT MANAGER: Malik Tamimi
PROJECT TYPE: Water	CIP ACCOUNT NO.: 300007
PROJECT DESCRIPTION: Development of Programmatic EIR to guide future CEQA procedures for water and sewer facilities projects District-wide. PROJECT DIVISION LOCATION: District-wide PROJECT BUDGET: DESIGN=\$284,963 CONSTRUCTION=N/A INSPECTION/CONSTRUCTION ENGINEERING= N/A CONTINGENCY=N/A TOTAL=\$284,963	



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
NEW DISTRICT HEADQUARTERS

DEPARTMENT: Engineering
MASTER PLAN: WR26
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Engineering

ESTIMATED SCHEDULE:
DESIGN - (TBD)
CONSTRUCTION - (TBD)

FUNDING SOURCE:
Water and Wastewater Fund

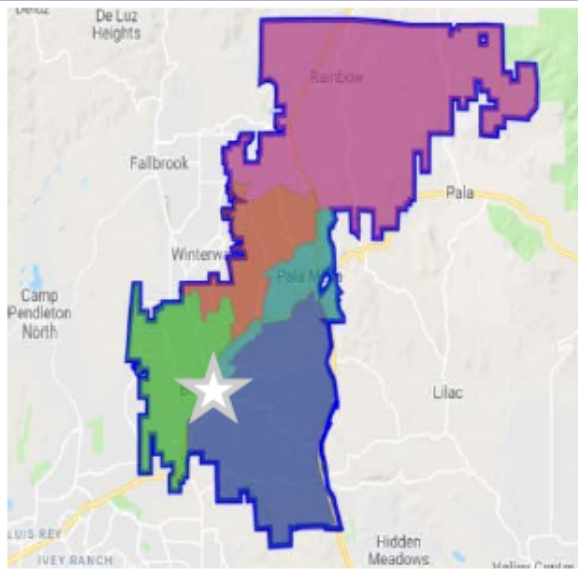
PROJECT MANAGER:
Chad Williams

CIP ACCOUNT NO.:
300008

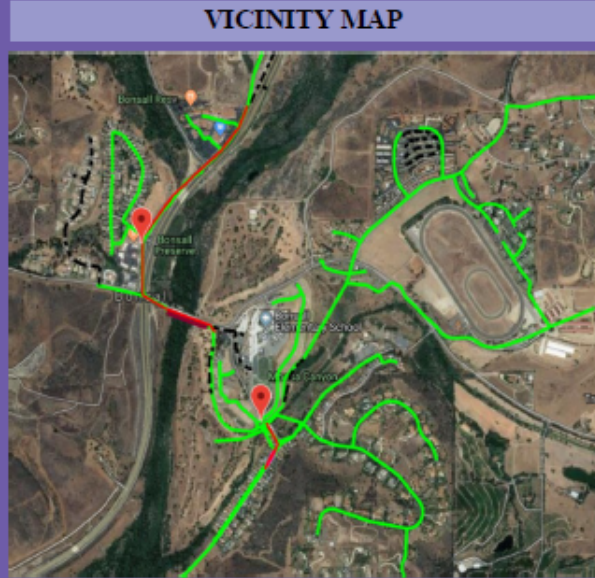
PROJECT DESCRIPTION:
Provide the District with a new headquarters building and yard.

PROJECT DIVISION LOCATION: Division 1

PROJECT BUDGET:
DESIGN=(TBD)
CONSTRUCTION=(TBD)
INSPECTION/CONSTRUCTION ENGINEERING=(TBD)
CONTINGENCY=(TBD)
TOTAL=(TBD) (\$2,600,000 currently budgeted)



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
THOROUGHbred LIFT STATION AND
SEWER IMPROVEMENTS

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - In Progress
CONSTRUCTION - FY 22

FUNDING SOURCE:
Wastewater Fund

PROJECT MANAGER:
Malik Tamimi

CIP ACCOUNT NO.:
530001

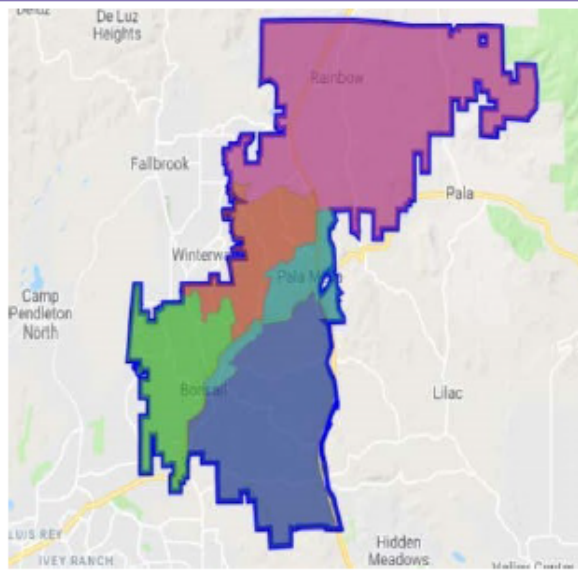
PROJECT DESCRIPTION:
Upsize 2,600 ft of 12" pipe along Hwy 76, Construct Thoroughbred Lift Station, force main crossing San Luis Rey River, and installation of gravity main on from Olive Hill Road to Thoroughbred Lift Station.

PROJECT DIVISION LOCATION: Divisions 1, 2, and 4

PROJECT BUDGET:
DESIGN=\$1,596,762
CONSTRUCTION=\$12,774,095
INSPECTION/CONSTRUCTION ENGINEERING= (TBD)
CONTINGENCY=\$1,596,762
TOTAL=\$15,967,619



Capital Improvement Project Information
SEWER SYSTEM REHABILITATION PROGRAM



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
SEWER SYSTEM REHABILITATION PROGRAM

DEPARTMENT: Operations
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - FY22
CONSTRUCTION - FY22

FUNDING SOURCE:
Wastewater Fund

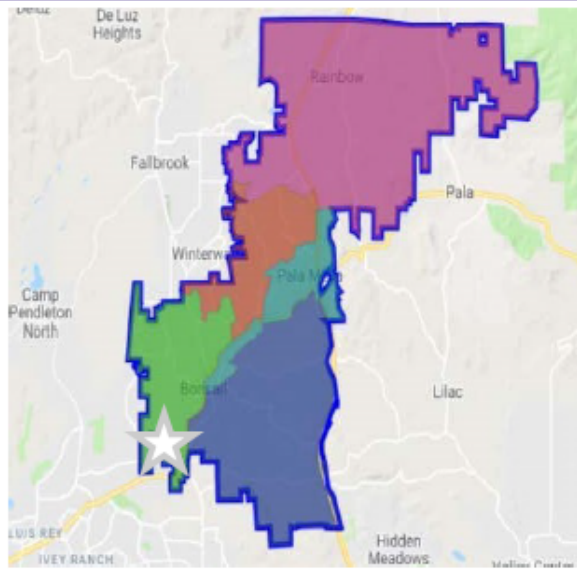
PROJECT MANAGER:
Robert Gutierrez

CIP ACCOUNT NO.:
530006

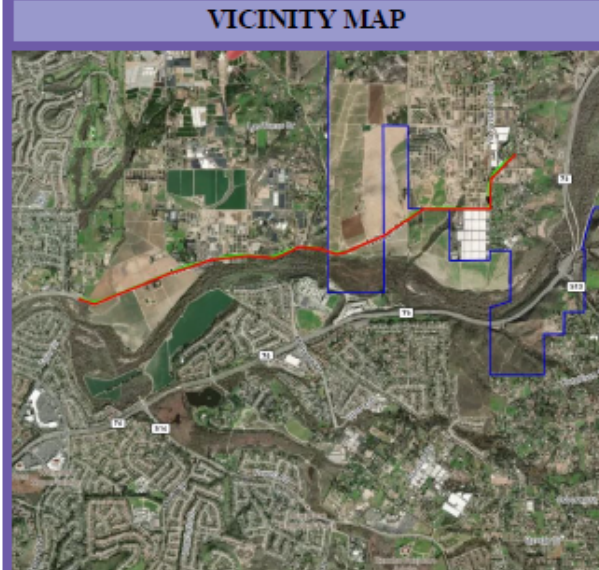
PROJECT DESCRIPTION:
District-wide installation of improvements to existing wastewater infrastructure.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=(IN-HOUSE)
CONSTRUCTION=\$30,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=N/A
TOTAL=\$30,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
NORTH RIVER ROAD LAND OUTFALL
REHABILITATION

DEPARTMENT: Operations
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - COMPLETED
CONSTRUCTION - IN PROGRESS

FUNDING SOURCE:
Wastewater Fund

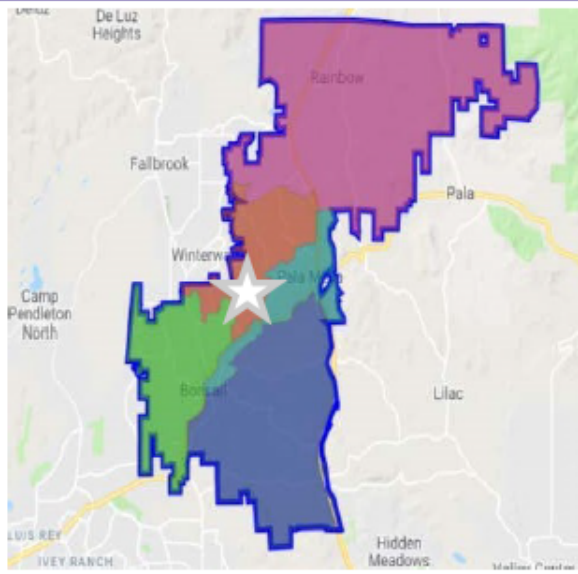
PROJECT MANAGER:
Robert Gutierrez

CIP ACCOUNT NO.:
530017

PROJECT DESCRIPTION:
Repairs to failing pipelines and lining of gravity mains as well as manholes.

PROJECT DIVISION LOCATION: Division 2

PROJECT BUDGET:
DESIGN= \$144,136
CONSTRUCTION= \$1,109,850
INSPECTION/CONSTRUCTION ENGINEERING= \$43,241
CONTINGENCY= \$144,136
TOTAL= \$1,441,363



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
FALLBROOK OAKS FORCEMAIN AND
MANHOLE REPLACEMENT

DEPARTMENT: Engineering
MASTER PLAN: S5
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - FY23
CONSTRUCTION - FY24

FUNDING SOURCE:
Wastewater Fund

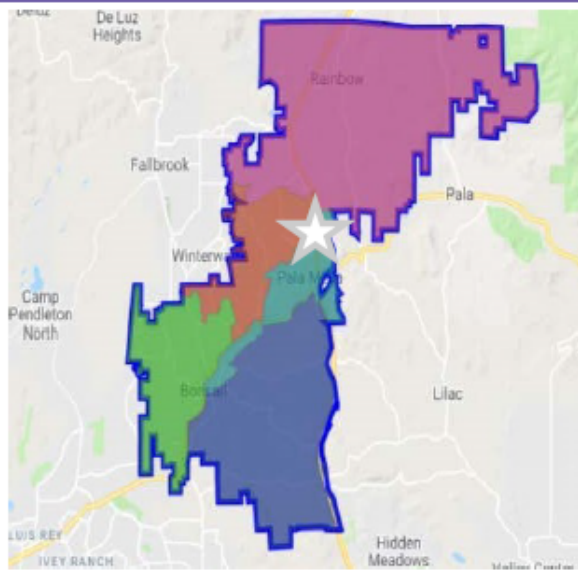
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
530018

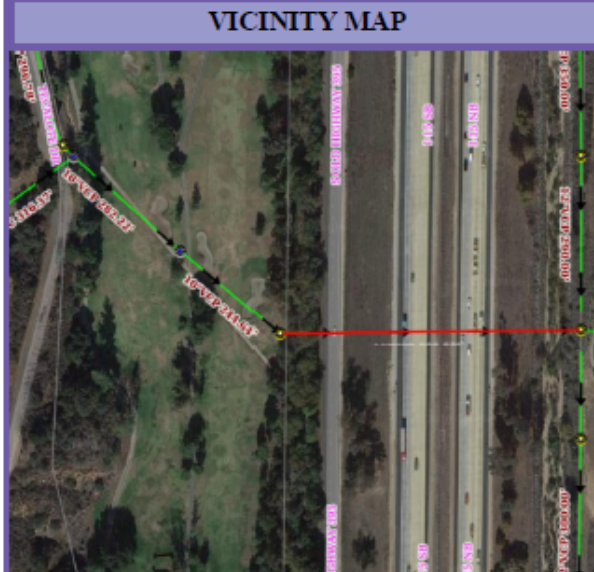
PROJECT DESCRIPTION:
Rehabilitation of the Fallbrook Oaks Lift Station and replacement of the force main.

Project Division Location: Division 3

PROJECT BUDGET:
DESIGN=\$180,000
CONSTRUCTION=\$1,440,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$180,000
TOTAL=\$1,800,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
CIPP 660' OF 10" VCP LINE NEAR PALA MESA/PALOMAR (UNDER I-15 FREEWAY)

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 22

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

FUNDING SOURCE:
Wastewater Fund

PROJECT MANAGER:
To Be Determined

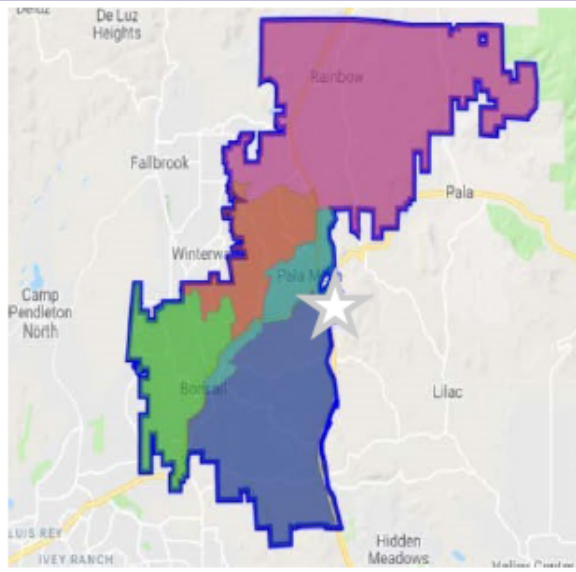
PROJECT TYPE:
Wastewater

CIP ACCOUNT NO.:
530019

PROJECT DESCRIPTION:
Install a CIPP liner in the 10-inch VCP sewer line crossing under I15 near Palomar College.

PROJECT DIVISION LOCATION: Divisions 3 and 4

PROJECT BUDGET:
DESIGN= \$10,000
CONSTRUCTION=\$80,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY= \$10,000
TOTAL=\$100,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
RANCHO VIEJO LS WET WELL EXPANSION

DEPARTMENT: Engineering
MASTER PLAN: S3
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - FY 24
CONSTRUCTION - FY 24

FUNDING SOURCE:
Wastewater Fund

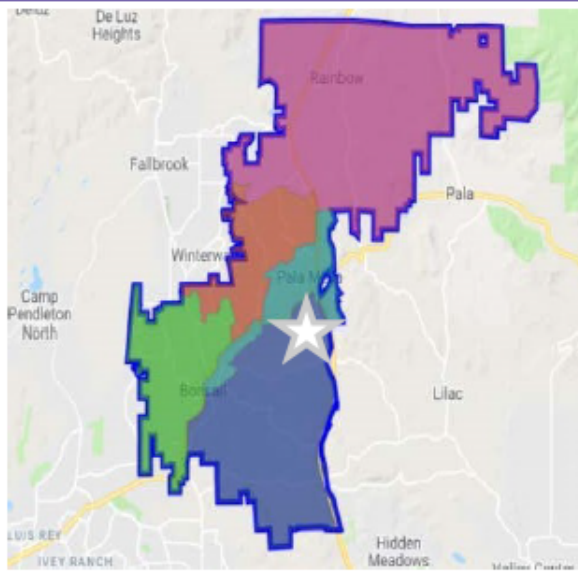
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
530020

PROJECT DESCRIPTION:
Installation of improvements to the wet wells at Rancho Viejo LS on Lake Circle Drive.

PROJECT DIVISION LOCATION: Division 4

PROJECT BUDGET:
DESIGN=\$15,000
CONSTRUCTION=\$115,000
INSPECTION/CONSTRUCTION ENGINEERING= \$5,000
CONTINGENCY=\$15,000
TOTAL=\$150,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
REPLACE RANCHO MONSERATE LS
EMERGENCY GENERATOR

DEPARTMENT: Engineering
MASTER PLAN: S6
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Wastewater

ESTIMATED SCHEDULE:
DESIGN - FY 23
CONSTRUCTION - FY 23

FUNDING SOURCE:
Wastewater Fund

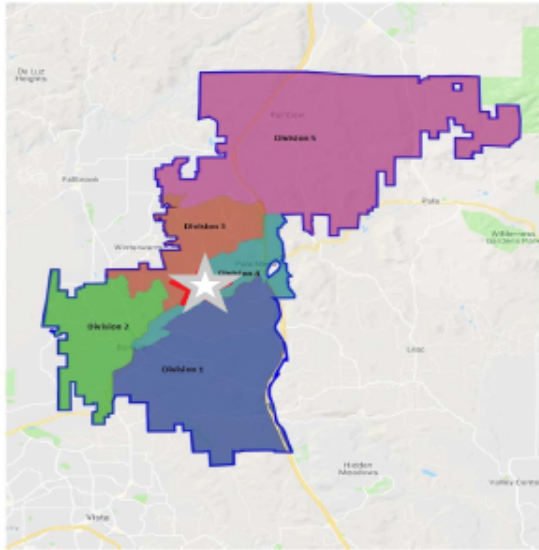
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
530023

PROJECT DESCRIPTION:
Replace emergency generator at Rancho Monserate Lift Station near Dulin Road.

PROJECT DIVISION LOCATION: Division 1

PROJECT BUDGET:
DESIGN=(TBD)
CONSTRUCTION=\$125,000
INSPECTION/CONSTRUCTION ENGINEERING=(IN-HOUSE)
CONTINGENCY=(TBD)
TOTAL=\$125,000



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
GIRD TO MONSERATE HILL WATER LINE

ESTIMATED SCHEDULE:
DESIGN - FY 24
CONSTRUCTION - FY 25

DEPARTMENT: Engineering
MASTER PLAN: WE1
CONDITION ASSESSMENT: N/A

FUNDING SOURCE:
Water Fund

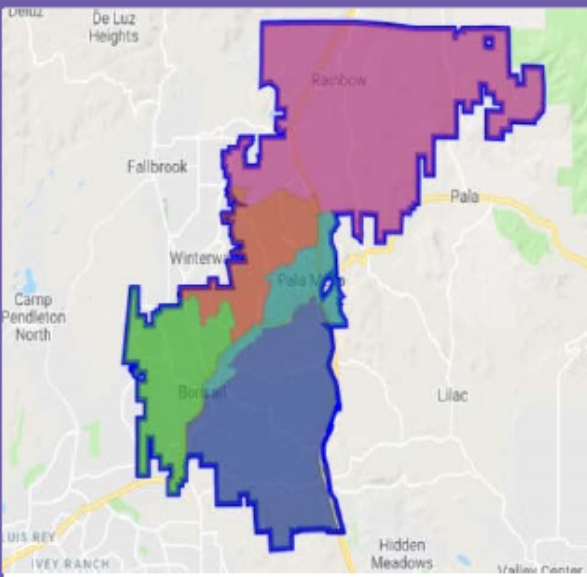
PROJECT MANAGER:
To Be Determined

PROJECT TYPE:
Water

CIP ACCOUNT NO.:
600002

PROJECT DESCRIPTION:
Replacement of severed water line connecting the 18" CML&C line on Gird Road, 2,400' north of SR-76, to the 8" DIP line in Monserate Hill Road, 2,000 feet to the east.

PROJECT DIVISION LOCATION: Divisions 3 & 4
PROJECT BUDGET:
DESIGN=\$154,000
CONSTRUCTION=\$1,232,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$154,000
TOTAL=\$1,540,000



VICINITY MAP

(DISTRICT WIDE)

LOCATION

LIMITS OF PROJECT

PROJECT TITLE:
SAN LUIS REY IMPORTED RETURN FLOW RECOVERY

ESTIMATED SCHEDULE:
FY 26

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT:

FUNDING SOURCE:
Water Fund

PROJECT TYPE:
Water

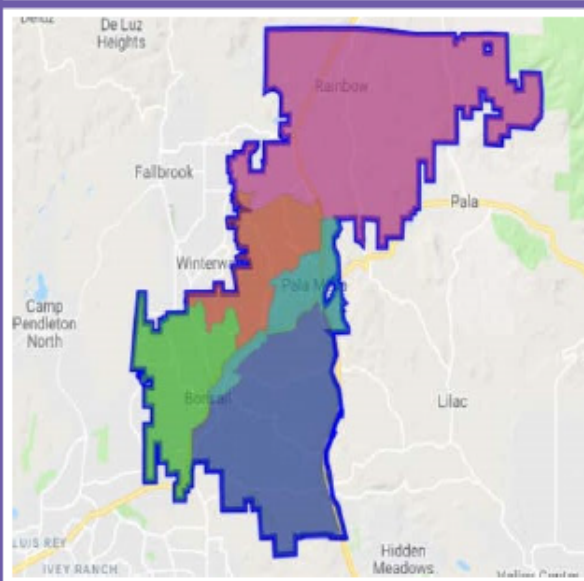
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600003

PROJECT DESCRIPTION:
Study the feasibility of capturing return flows from irrigation and septic systems.

PROJECT DIVISION LOCATION: Divisions 1, 2, 3, 4 & 5 (DISTRICT WIDE)

PROJECT BUDGET:
STUDY=\$600,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
PRESSURE REDUCING STATIONS

DEPARTMENT: Engineering
MASTER PLAN: WP1
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - On-Going
CONSTRUCTION - On-Going

FUNDING SOURCE:
Water Fund

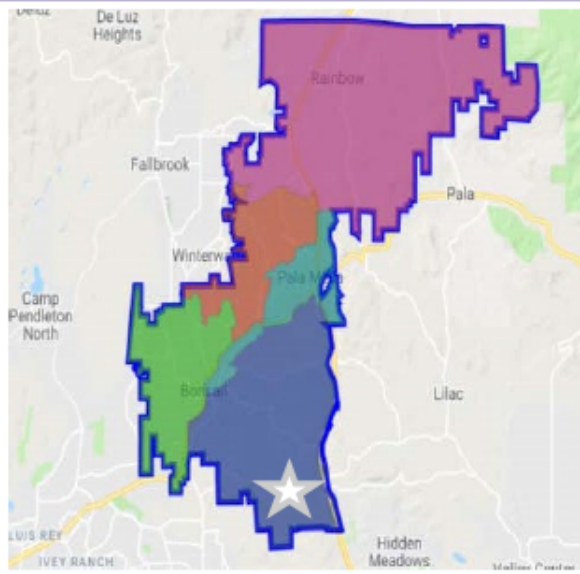
PROJECT MANAGER:
Malik Tamimi

CIP ACCOUNT NO.:
600007

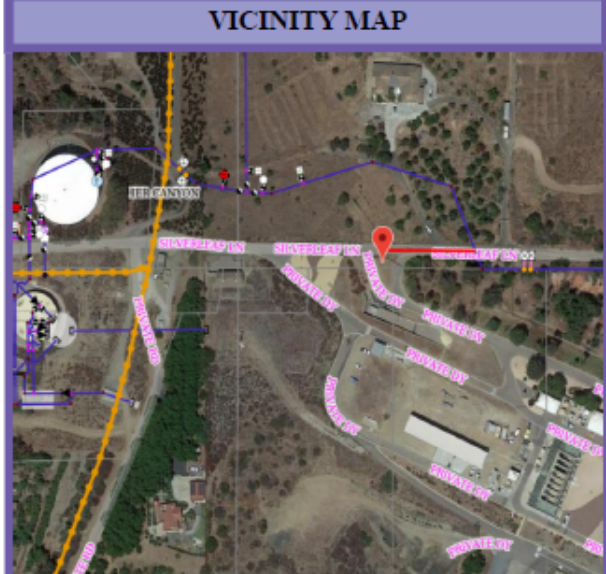
PROJECT DESCRIPTION:
District-wide installation pressure reducing stations to manage high pressure.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=(TBD)
CONSTRUCTION=Varies By Year (\$250,000—\$750,000)
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=N/A
TOTAL=Varies By Year (\$250,000—\$750,000)



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
WEESE WTP PERMANENT EMERGENCY INTERCONNECT & PS

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - Completed
CONSTRUCTION - FY 23

FUNDING SOURCE:
Water Fund

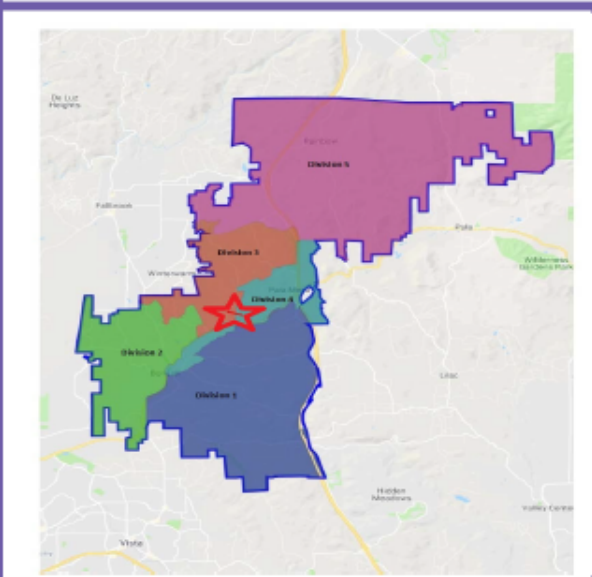
PROJECT MANAGER:
Malik Tamimi

CIP ACCOUNT NO.:
600008

PROJECT DESCRIPTION:
Construct a pump station to pull water from Oceanside's Weese WTP into RMWD's South Zone.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=\$27,983
CONSTRUCTION=\$675,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$75,000
TOTAL=\$777,983



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
ISOLATION VALVE INSTALLATION PROGRAM

DEPARTMENT: Engineering
MASTER PLAN: WR23
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - N/A
CONSTRUCTION - CONTINUOUS

FUNDING SOURCE:
Water Fund

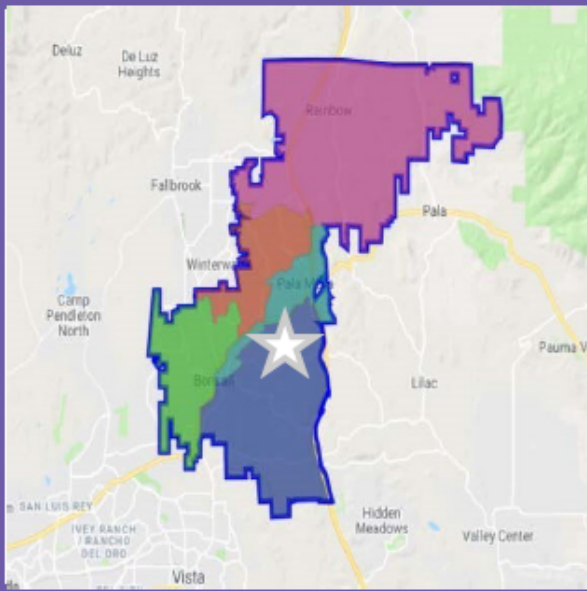
PROJECT MANAGER:
Robert Gutierrez

CIP ACCOUNT NO.:
600009

PROJECT DESCRIPTION:
This project is the replacement of old water valves throughout the District.

PROJECT DIVISION LOCATION: (District Wide)

PROJECT BUDGET:
DESIGN=N/A
CONSTRUCTION=Varies By Year (\$50,000—\$600,000)
INSPECTION/CONSTRUCTION ENGINEERING=(TBD)
CONTINGENCY=(TBD)
TOTAL=Varies By Year (\$50,000—\$600,000)



LOCATION

VICINITY MAP

(SITE LOCATIONS TO BE FINALIZED)

LIMITS OF PROJECT

PROJECT TITLE:
HUTTON & TURNER PUMP STATIONS

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - In Progress
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

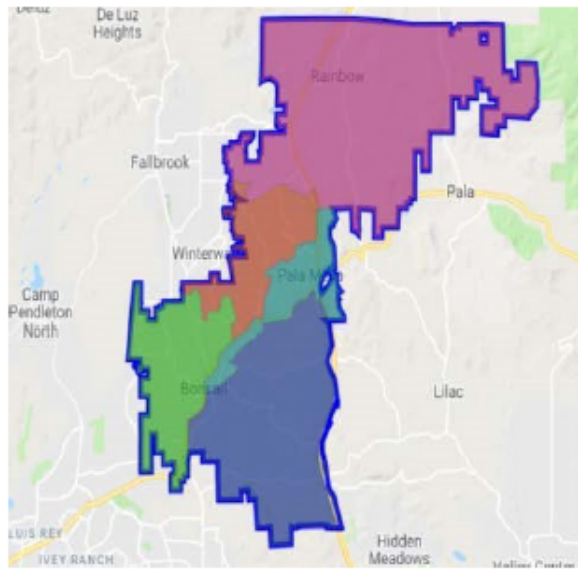
PROJECT MANAGER:
Valley Construction Management

CIP ACCOUNT NO.:
600013

PROJECT DESCRIPTION:
Installation of two pump stations to provide water to Hutton Tank Zone/move water to the southern part of the District.

PROJECT DIVISION LOCATION: Division 1

PROJECT BUDGET:
DESIGN=\$146,018
CONSTRUCTION=\$3,453,982
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$400,000
TOTAL=\$4,000,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
WATER SYSTEM CONDITION ASSESSMENT

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - N/A

FUNDING SOURCE:
Water Fund

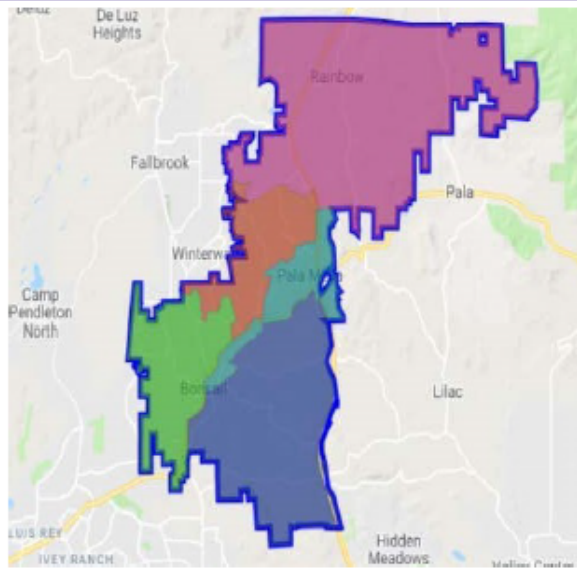
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600015

PROJECT DESCRIPTION:
District-wide analysis of water pipe condition and ranking of replacement.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=(TBD)
CONSTRUCTION=N/A
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=N/A
TOTAL=\$50,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
WATER SYSTEM MONITORING PROGRAM

DEPARTMENT: IT
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - Complete
CONSTRUCTION - FY 22—FY 24

FUNDING SOURCE:
Water Fund

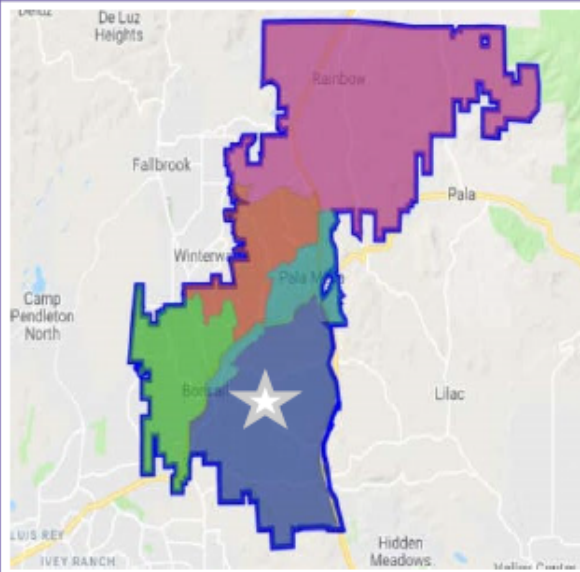
PROJECT MANAGER:
Ahmed Khattab

CIP ACCOUNT NO.:
600019

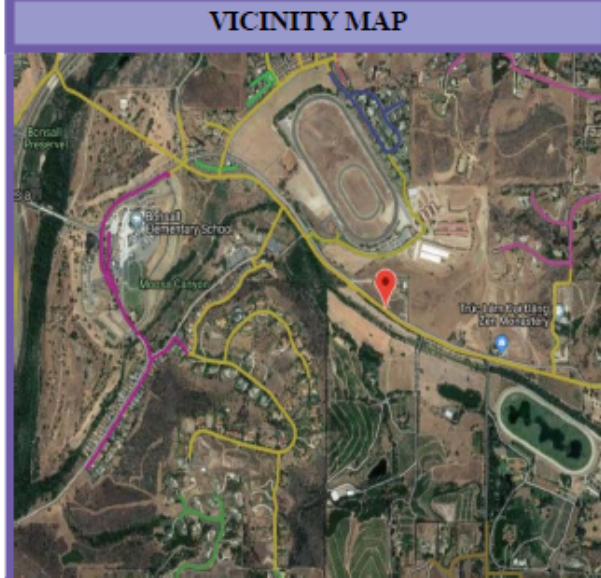
PROJECT DESCRIPTION:
District-wide upgrades to SCADA controls and communications equipment.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=N/A
CONSTRUCTION=\$420,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=N/A
TOTAL=\$420,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
CAMINO DEL REY WATERLINE
RELOCATION

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - In Progress
CONSTRUCTION - FY 23

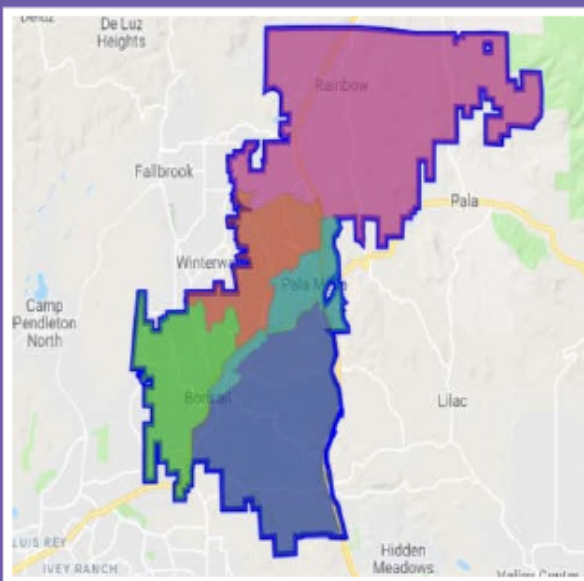
FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600026

PROJECT DESCRIPTION:
Replacement of approximately 3,700' of existing 14" diameter CML&C pipe in Camino del Rey to coincide with county road project that will raise the grade of Camino Del Rey 4+ feet. Work is in the vicinity of Via Maria Elena.

PROJECT DIVISION LOCATION: Division 1
PROJECT BUDGET:
DESIGN=\$80,945
CONSTRUCTION=\$1,819,055
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$200,000
TOTAL=\$2,100,000



VICINITY MAP

(DISTRICT WIDE)

LOCATION

LIMITS OF PROJECT

PROJECT TITLE:
CORROSION PREVENTION PROGRAM
DEVELOPMENT & IMPLEMENTATION

ESTIMATED SCHEDULE:
DESIGN - On-Going
CONSTRUCTION - On-Going

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
Malik Tamimi

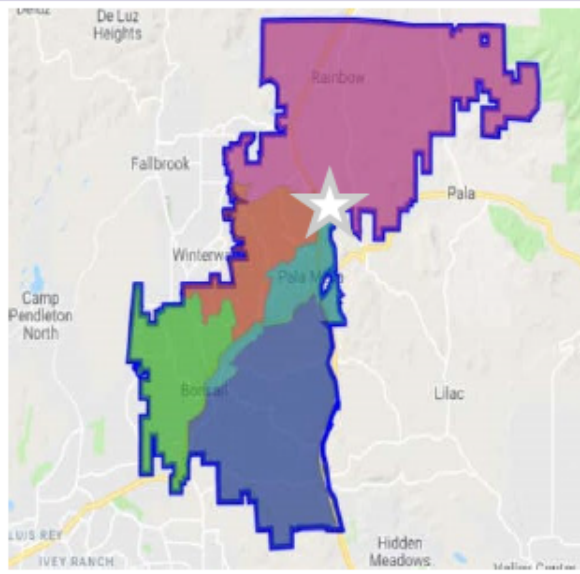
PROJECT TYPE:
Water

CIP ACCOUNT NO.:
600030

PROJECT DESCRIPTION:
Development and implementation of District-wide program for preventing corrosion on the most vulnerable pipelines by installing cathodic protection.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=(TBD)
CONSTRUCTION=Varies By Year (\$250,000—\$600,000)
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=(TBD)
TOTAL=Varies By Year (\$250,000—\$600,000)



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
RICE CANYON TANK TRANSMISSION
PIPELINE PROJECT

DEPARTMENT: Engineering
MASTER PLAN: WR13 (B)
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - In Progress
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

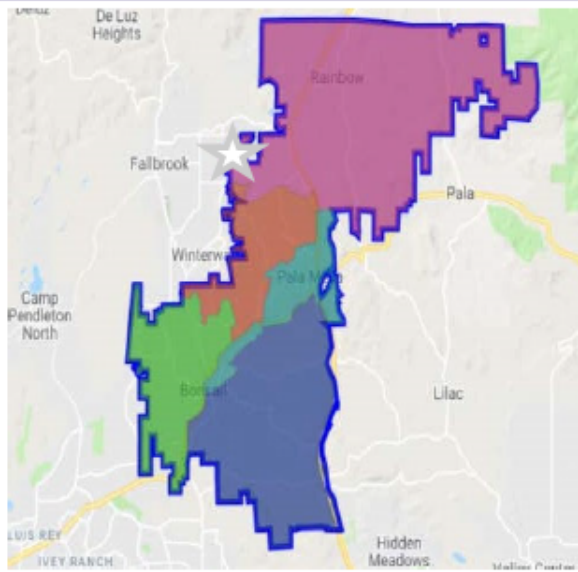
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600034

PROJECT DESCRIPTION:
Install transmission main from Rice Canyon Tank to new development to improve cycling the tank.

PROJECT DIVISION LOCATION: Division 4

PROJECT BUDGET:
DESIGN=\$191,000
CONSTRUCTION=\$3,026,882
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$357,542
TOTAL=\$3,575,424



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
LIVE OAK PARK ROAD BRIDGE REPLACEMENT

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - In Progress
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
To Be Determined

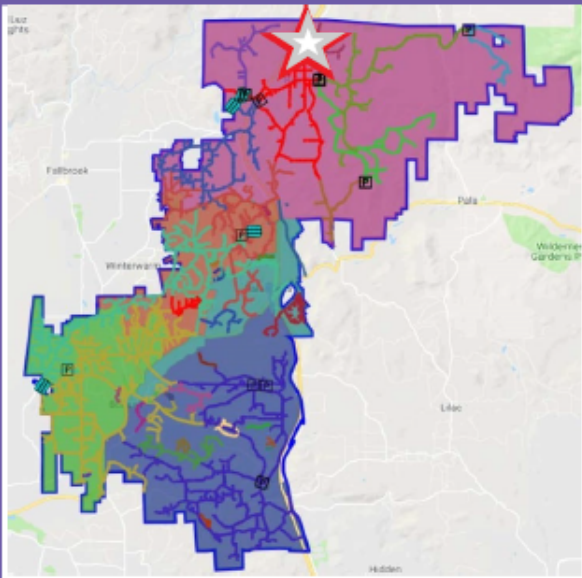
CIP ACCOUNT NO.:
600037

PROJECT DESCRIPTION:

The County of San Diego is building a bridge in the location of two existing water mains on Live Oak Park Road and the District will be relocating the two pipes onto the new bridge.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$42,000
CONSTRUCTION=\$502,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$56,000
TOTAL=\$600,000



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
VALLECITOS PS REPLACEMENT

DEPARTMENT: Engineering
MASTER PLAN: WR2
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 23
CONSTRUCTION - FY 23—FY 24

FUNDING SOURCE:
Water Fund

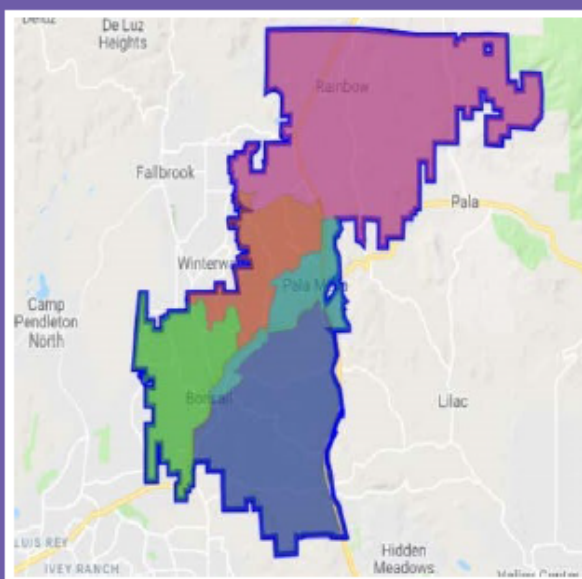
PROJECT MANAGER:
Malik Tamimi

CIP ACCOUNT NO.:
600040

PROJECT DESCRIPTION:
Replacement of the existing Vallecitos PS and removal of inoperable equipment.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$210,000
CONSTRUCTION=\$1,680,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$210,000
TOTAL=\$2,100,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
COMMUNITY POWER RESILIENCY
GENERATOR GRANT

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
Hoch Consulting

CIP ACCOUNT NO.:
600047

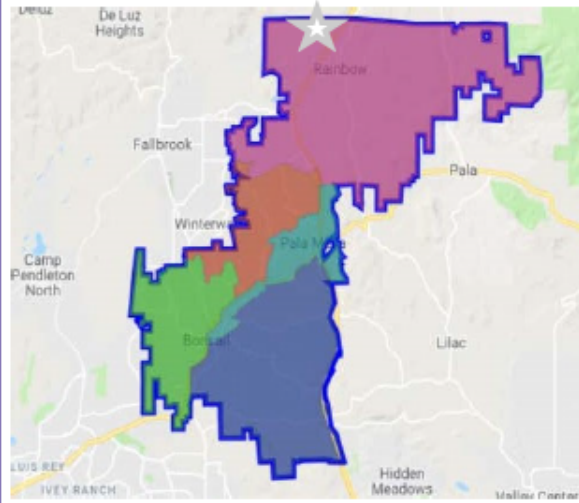
PROJECT DESCRIPTION:
Procurement of emergency generators for the Gomez Pump Station and Magee Pump Station as well as solar power equipment for the Sumac Radio Tower using \$300,000 Community Power Resiliency Allocation.

PROJECT DIVISION LOCATION: Divisions 4 and 5

PROJECT BUDGET:
DESIGN=N/A
CONSTRUCTION=N/A
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$50,000
TOTAL=\$350,000 (\$300,000 Grant Funding)

Capital Improvement Project Information

NORTHSIDE ZONE SUPPLY REDUNDANCY (RAINBOW HILLS ZONE)



LOCATION

VICINITY MAP



LIMITS OF PROJECT

PROJECT TITLE:
NORTHSIDE ZONE SUPPLY REDUNDANCY
(RAINBOW HILLS ZONE)

ESTIMATED SCHEDULE:
DESIGN - FY 26
CONSTRUCTION - FY 26

DEPARTMENT: Engineering
MASTER PLAN: WR4
CONDITION ASSESSMENT: N/A

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
To Be Determined

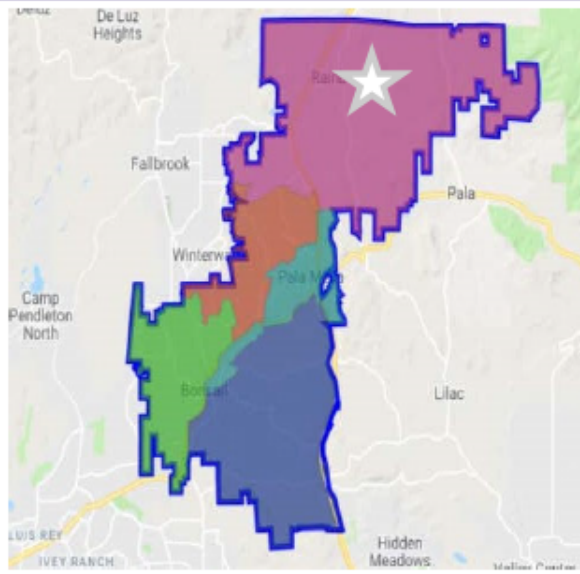
PROJECT TYPE:
Water

CIP ACCOUNT NO.:
600048

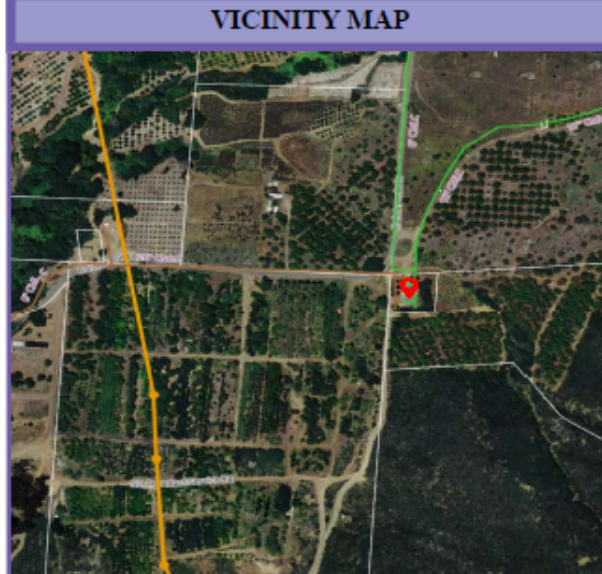
PROJECT DESCRIPTION:
Upsize Rainbow Hills Road 6" diameter Pipeline to 12-inch, and install New PRS.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$50,000
CONSTRUCTION=\$400,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$50,000
TOTAL=\$500,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
GOMEZ/MAGEE PUMP STATION UPGRADES
AND SUMAC RADIO TOWER

DEPARTMENT: Engineering
MASTER PLAN:
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 23

FUNDING SOURCE:
Water Fund

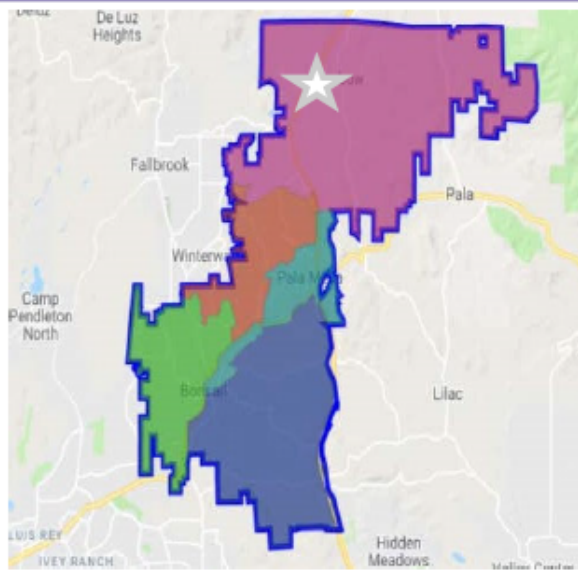
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600049

PROJECT DESCRIPTION:
Installation of generators at Gomez & Magee pump stations. Installation of solar power and battery backup at Sumac Radio Tower. Also construct a building to house the electrical facilities at the Gomez PS.

PROJECT DIVISION LOCATION: Division 3 and 4

PROJECT BUDGET:
DESIGN=\$135,000
CONSTRUCTION=\$1,080,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY= \$135,000
TOTAL=\$1,350,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
LOOKOUT MOUNTAIN PS UPGRADES

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - FY 26

FUNDING SOURCE:
Water Fund

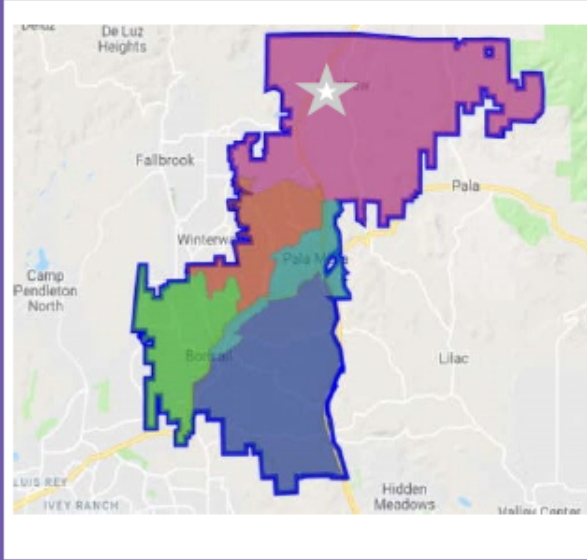
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600050

PROJECT DESCRIPTION:
Upgrade electrical and other miscellaneous equipment at Lookout Mountain Pump Station.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$200,000
CONSTRUCTION=\$1,600,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$200,000
TOTAL=\$2,000,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
NORTH FEEDER AND RAINBOW HILLS WATER LINE REPLACEMENTS

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - FY 26

DEPARTMENT: Engineering
MASTER PLAN: WR7
CONDITION ASSESSMENT: N/A

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
Michael Powers

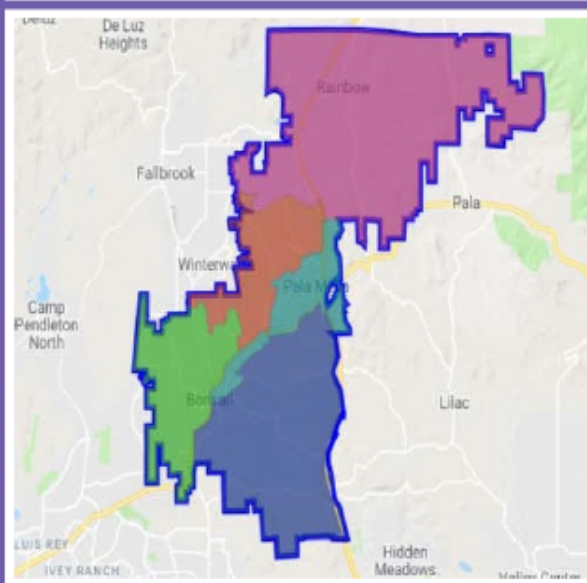
PROJECT TYPE:
Water

CIP ACCOUNT NO.:
600051

PROJECT DESCRIPTION:
Replace approximately 3800' corroded pipelines which have suffered several breaks. 30-inch 27-inch. 27" is under I-15 at Rainbow Valley Blvd.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$200,000
CONSTRUCTION=\$1,600,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$200,000
TOTAL=\$2,000,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
PIPE LINING PILOT PROJECT

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 23
CONSTRUCTION - FY 23

FUNDING SOURCE:
Water Fund

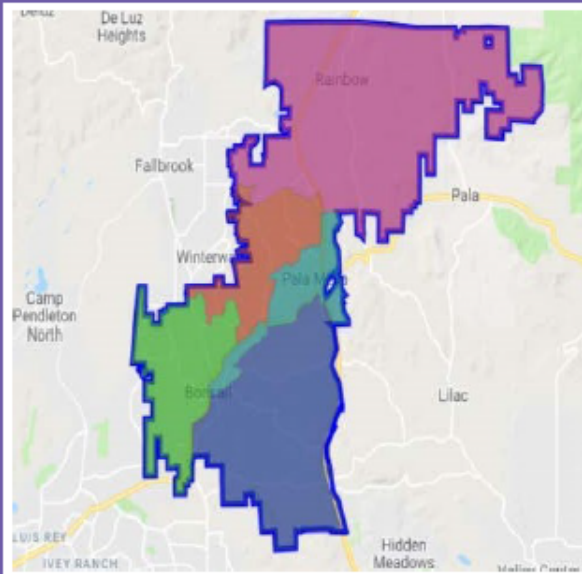
PROJECT MANAGER:
Chad Williams

CIP ACCOUNT NO.:
600055

PROJECT DESCRIPTION:
Pilot project for use of pipe lining technologies for the repair of deteriorating water pipelines.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=\$35,000
CONSTRUCTION=\$275,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINENCY=\$35,000
TOTAL=\$350,000



LOCATION

VICINITY MAP

(DISTRICT WIDE)

LIMITS OF PROJECT

PROJECT TITLE:
MANUAL TRANSFER SWITCHES

DEPARTMENT: IT
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

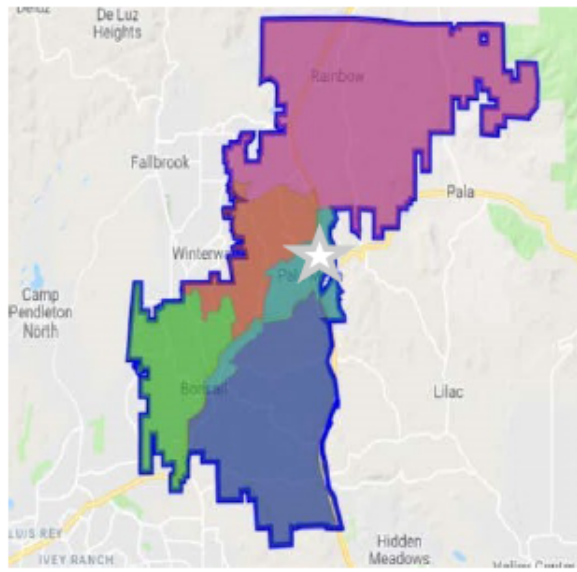
PROJECT MANAGER:
Ahmed Khattab

CIP ACCOUNT NO.:
600058

PROJECT DESCRIPTION:
District-wide installations of manual transfer switches.

PROJECT DIVISION LOCATION: District-wide

PROJECT BUDGET:
DESIGN=N/A
CONSTRUCTION=\$160,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=N/A
TOTAL=\$160,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
PALA MESA FAIRWAYS 383 A,B, AND C (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #1, 3, and 21

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - FY 25

FUNDING SOURCE:
Water Fund

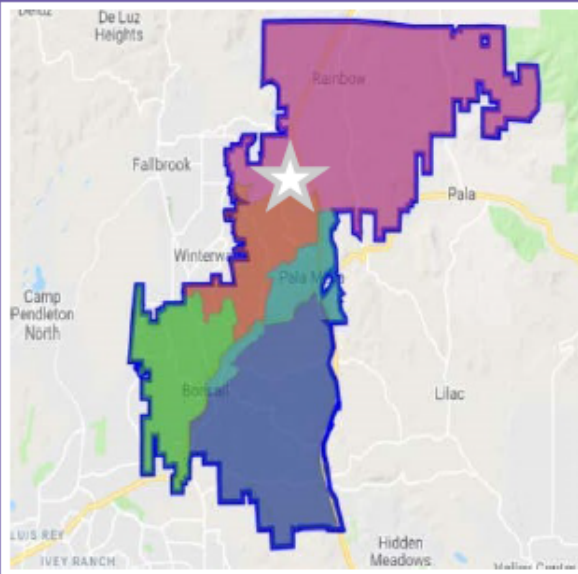
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600067

PROJECT DESCRIPTION:
Replacement or rehabilitation of 1,500' of 8" pipe on Olivos Court, Almendra Court, and Diegos Court.

PROJECT DIVISION LOCATION: Division 4

PROJECT BUDGET:
DESIGN=\$60,000
CONSTRUCTION=\$480,000
INSPECTION/CONSTRUCTION ENGINEERING= N/A
CONTINGENCY=\$60,000
TOTAL=\$600,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
SARAH ANN DRIVE LINE 400A (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #2

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 23

FUNDING SOURCE:
Water Fund

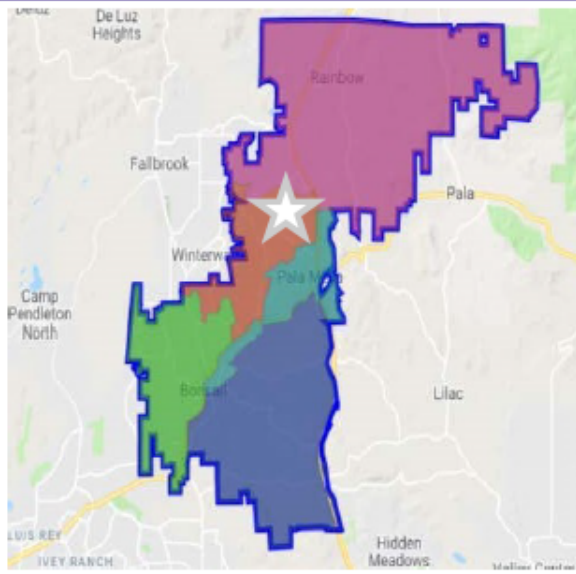
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600068

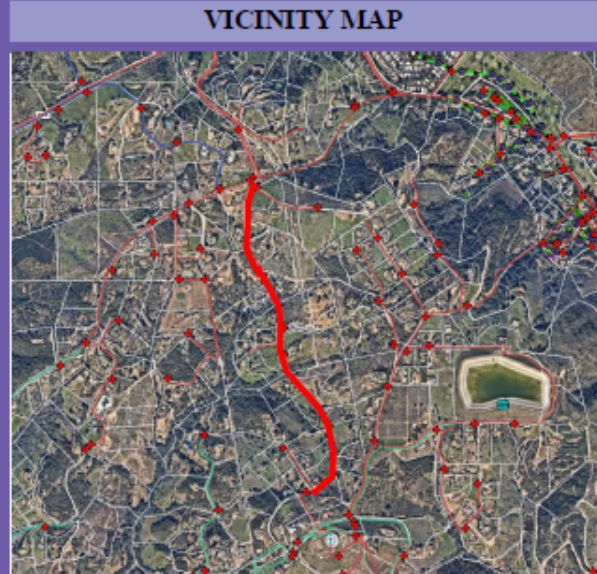
PROJECT DESCRIPTION:
Replacement or Rehabilitation of waterline on Sarah Ann Drive.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$90,000
CONSTRUCTION=\$720,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$90,000
TOTAL=\$900,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
WILT ROAD (1331) (PUP)

DEPARTMENT: Engineering
MASTER PLAN: WH2
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 26
CONSTRUCTION - FY 26

FUNDING SOURCE:
Water Fund

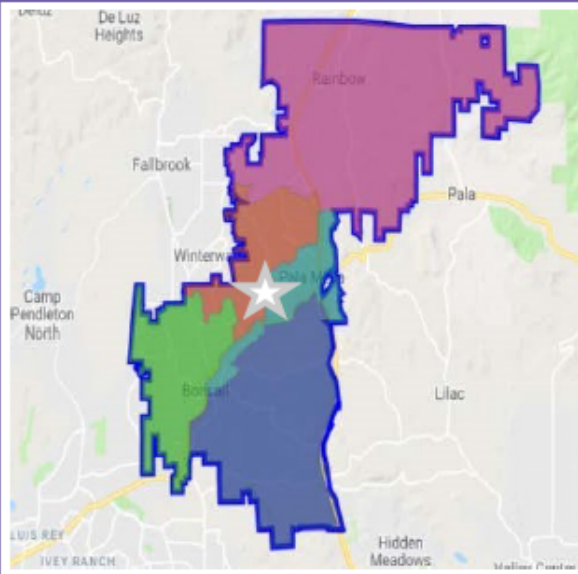
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600069

PROJECT DESCRIPTION:
Upsize 6" pipe to 10" pipe on Wilt Road.

PROJECT DIVISION LOCATION: Division 3

PROJECT BUDGET:
DESIGN=\$120,000
CONSTRUCTION=\$960,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$120,000
TOTAL=\$1,200,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
KATIE LENDRE DRIVE LINE (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #9

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 23
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

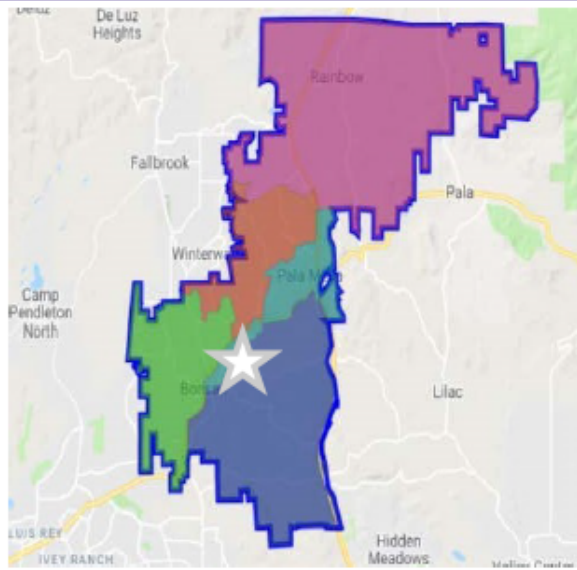
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600070

PROJECT DESCRIPTION:
Pressure will be reduced for the Sarah Ann Loop by connecting to the Knottwood Pressure Station Zone with pipes installed in Gird Road.

PROJECT DIVISION LOCATION: Division 3

PROJECT BUDGET:
DESIGN= \$60,000
CONSTRUCTION= \$480,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY= \$60,000
TOTAL=\$600,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
DEL RIO ESTATES LINE EXTENSION 503
(PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #11

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

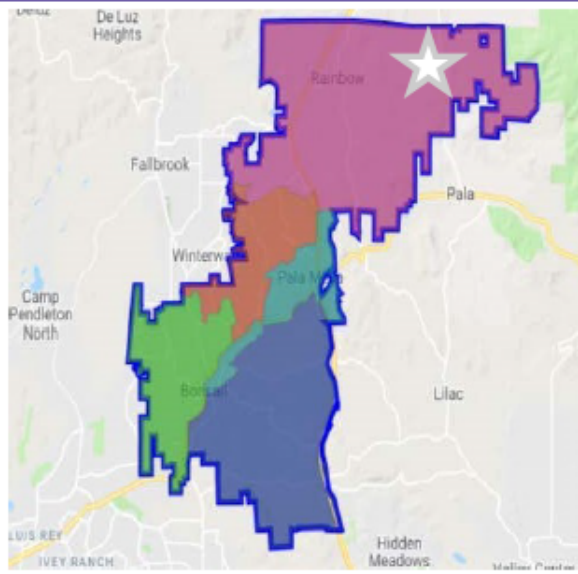
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600071

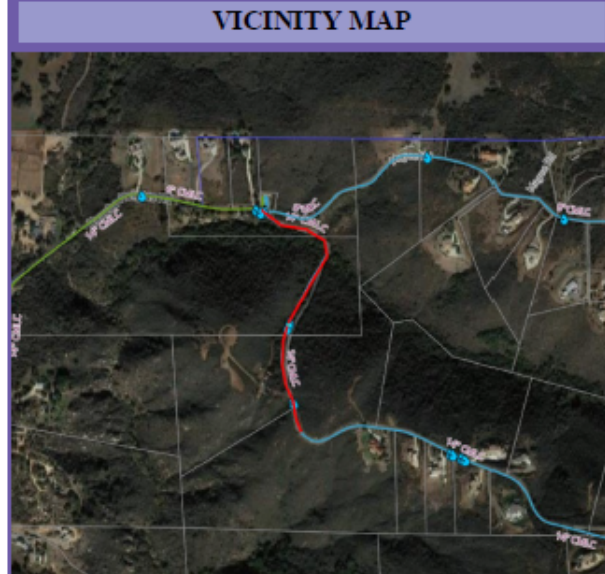
PROJECT DESCRIPTION:
Replacement or rehabilitation of 1056' of 6" pipe on Calle Del Vuelta.

PROJECT DIVISION LOCATION: Division 2

PROJECT BUDGET:
DESIGN=\$60,000
CONSTRUCTION=\$480,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$60,000
TOTAL=\$600,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
EAST HEIGHTS LINE 147L (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #12

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 26
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

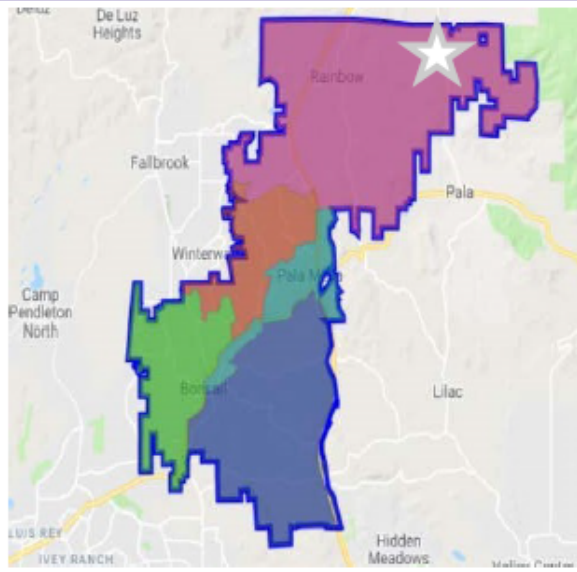
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600072

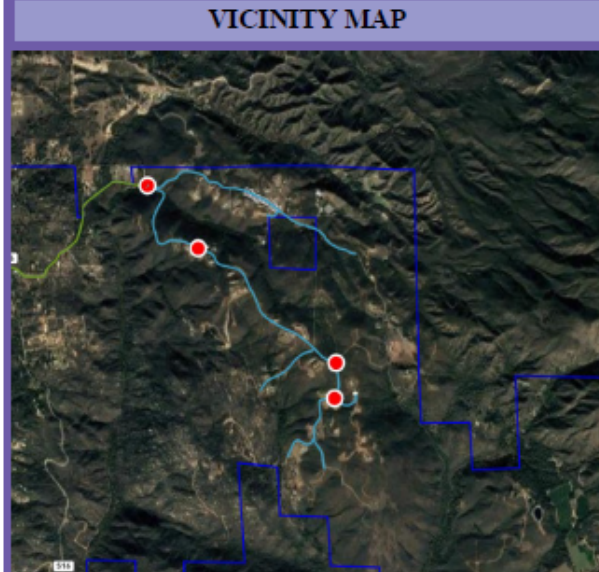
PROJECT DESCRIPTION:
Replacement or rehabilitation of 1056' of 14" pipe on Rancho Heights Road.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$105,000
CONSTRUCTION=\$840,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$105,000
TOTAL=\$1,050,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
EAST HEIGHTS LINE 147A (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #16

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 26
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

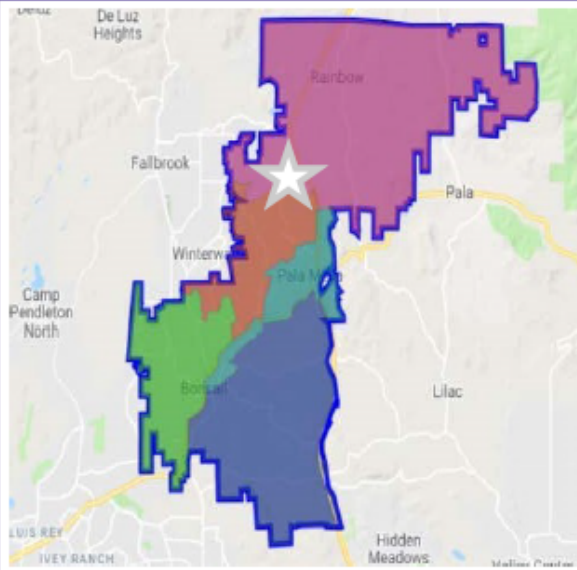
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600073

PROJECT DESCRIPTION:
Repair several small portions of 14" CMLC pipe with high break history on Rancho Heights Road.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$53,000
CONSTRUCTION=\$424,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$53,000
TOTAL=\$530,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
VIA ZARA (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #17

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

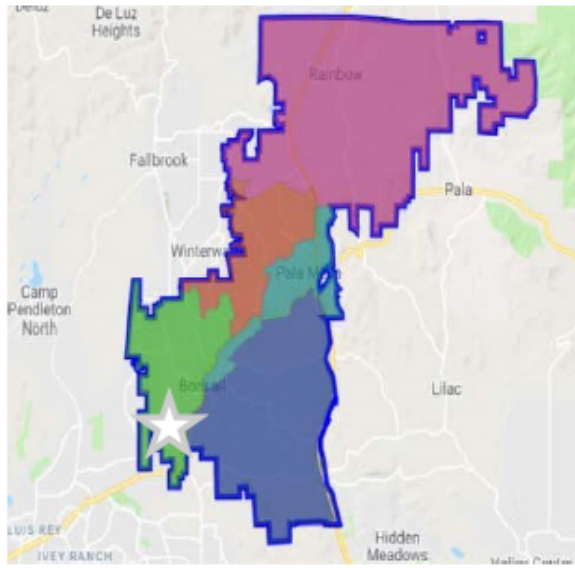
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600074

PROJECT DESCRIPTION:
Replacement or rehabilitation of 528' of 6" pipe on Via Zara.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$30,000
CONSTRUCTION=\$240,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$30,000
TOTAL=\$300,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
ROY LINE EXT. (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #18

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 26
CONSTRUCTION - TBD

FUNDING SOURCE:
Water Fund

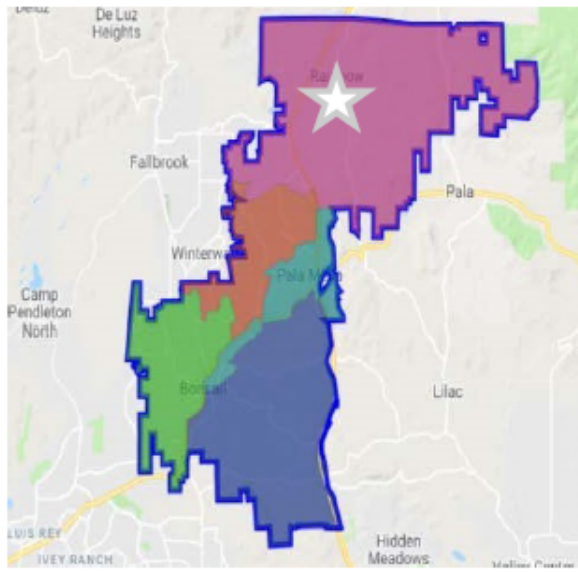
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600075

PROJECT DESCRIPTION:
Replacement or rehabilitation of 1056' of 6" pipe on Emerald Hill Road near North River Road.

PROJECT DIVISION LOCATION: Division 2

PROJECT BUDGET:
DESIGN=\$60,000
CONSTRUCTION=\$480,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$60,000
TOTAL=\$600,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
RAINBOW WATER QUALITY IMPROVEMENT PROJECT

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 22
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

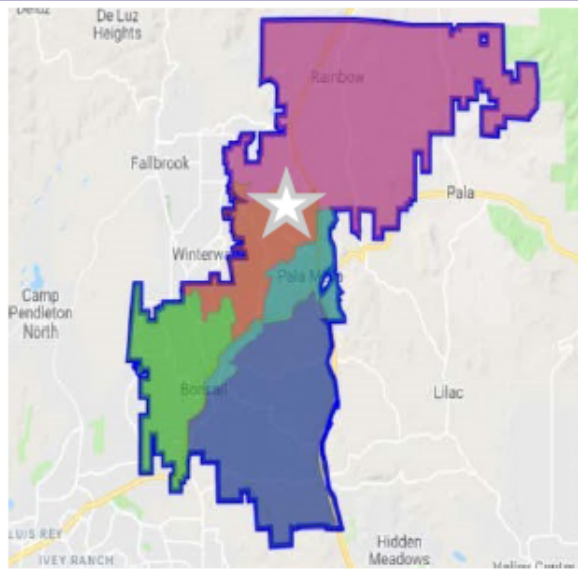
PROJECT MANAGER:
Michael Powers

CIP ACCOUNT NO.:
600077

PROJECT DESCRIPTION:
Relocation of water service laterals and water mains to prevent conflicts with the County of San Diego Rainbow Water Quality Improvement Project infrastructure.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$95,000
CONSTRUCTION=\$760,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$95,000
TOTAL=\$950,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
WILT ROAD FEEDER (14-INCH WATER LINE)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: N/A

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY22
CONSTRUCTION - FY22

FUNDING SOURCE:
Water Fund

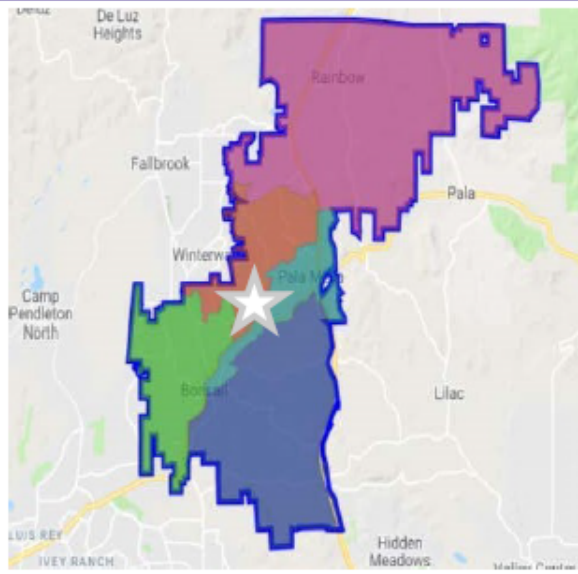
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600078

PROJECT DESCRIPTION:
Installation of 4,000 linear feet of 14-inch PVC water main from Canonita Drive and Wilt Road to Peony Drive and Citrus Drive along Wilt Road and Peony Drive.

PROJECT DIVISION LOCATION: Division 3

PROJECT BUDGET:
DESIGN=\$330,000
CONSTRUCTION=\$2,640,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$330,000
TOTAL=\$3,300,000



LOCATION



VICINITY MAP

LIMITS OF PROJECT

PROJECT TITLE:
GIRD ROAD WATER MAIN UPSIZE

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #15

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - Completed
CONSTRUCTION - FY 22

FUNDING SOURCE:
Water Fund

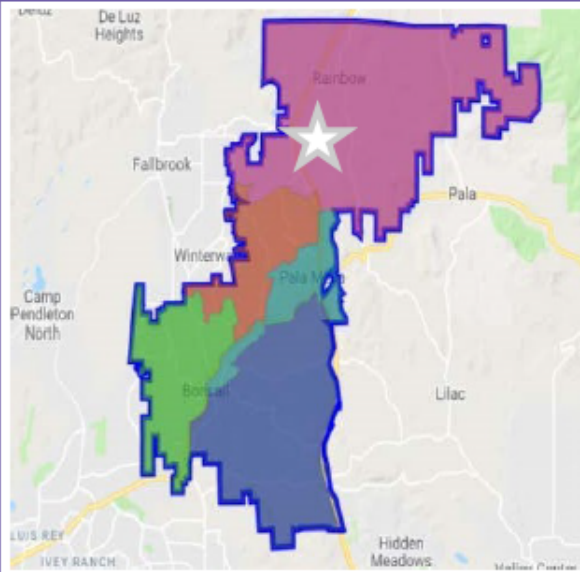
PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600079

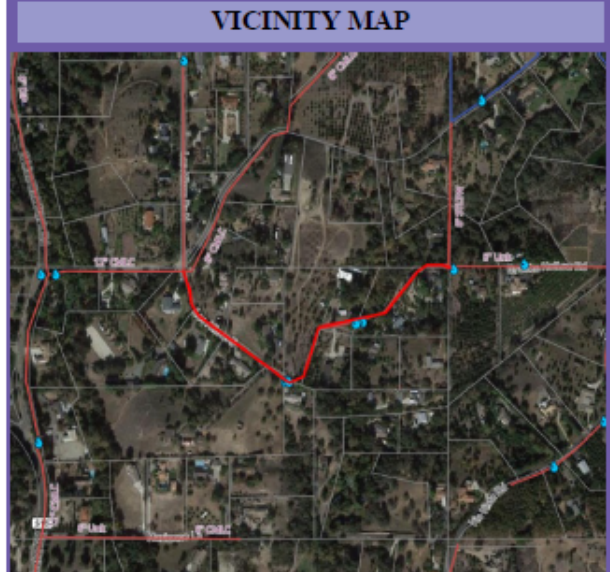
PROJECT DESCRIPTION:
Replacement or rehabilitation of approximately 1600' of 12" pipe with 18" pipe on Gird Road.

PROJECT DIVISION LOCATION: Division 3

PROJECT BUDGET:
DESIGN=Completed
CONSTRUCTION=\$1,000,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$100,000
TOTAL=\$1,100,000



LOCATION



LIMITS OF PROJECT

PROJECT TITLE:
LOS ALISOS SOUTH 243 (PUP)

DEPARTMENT: Engineering
MASTER PLAN: N/A
CONDITION ASSESSMENT: #14

PROJECT TYPE:
Water

ESTIMATED SCHEDULE:
DESIGN - FY 25
CONSTRUCTION - FY 27

FUNDING SOURCE:
Water Fund

PROJECT MANAGER:
To Be Determined

CIP ACCOUNT NO.:
600080

PROJECT DESCRIPTION:
Replacement or rehabilitation of 2112' of 8" pipe on Los Alisos South.

PROJECT DIVISION LOCATION: Division 5

PROJECT BUDGET:
DESIGN=\$120,000
CONSTRUCTION=\$960,000
INSPECTION/CONSTRUCTION ENGINEERING= (IN-HOUSE)
CONTINGENCY=\$120,000
TOTAL=\$1,200,000

PERSONNEL SUMMARIES

STAFFING ANALYSIS

EXECUTIVE SUMMARY

The current workforce consists of 54 full-time positions and one part-time position to serve the District's 8,563 water service connections and more than 5,100 sewer connections. There are also three full-time temporary employees working on the Water Service Upgrade (WSUP) project.

Staffing challenges over the past year were primarily related to the District's COVID-19 safety protocols. 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. This was particularly problematic in December during the height of the San Diego County case counts, while the North River Road sewer relining project was in progress as well as over fifteen main breaks between November and December. Despite these challenges, the District was able to continue operations by having exposed employees work remotely, developing custom apps to track employee symptom checks, workplace contacts, and work locations; and to report COVID-19 hazards.

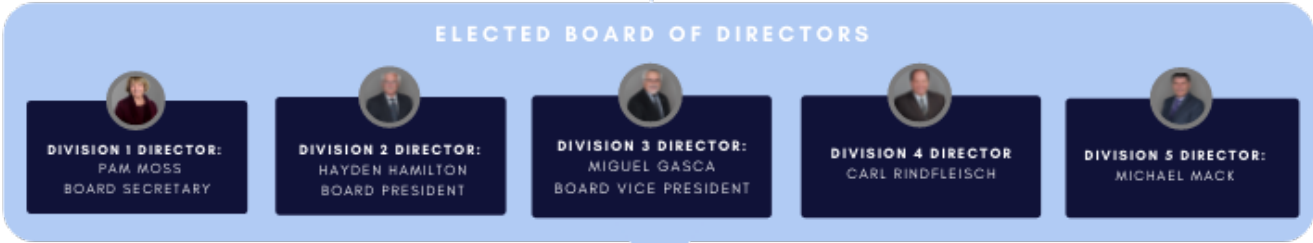
While no additional headcount was added during fiscal year 2020-2021, the District did make some internal transfers and hire five staff members due to COVID-19 related turnover, retirements, promotions, and other separations. The District adapted its recruitment and selection process to conduct interviews via video conference, and created virtual interview binders to replace hard copy interview notes.

At the beginning of the fiscal year, unemployment in San Diego County was 13.5%, according to the Bureau of Labor Statistics. However, as COVID-19 restrictions in San Diego County became less restrictive, the rate steadily declined and was down to 6.7% as of April 2021, though it remains the highest it has been since August of 2014. The higher unemployment was a likely contributing factor to the average views per job posting nearly doubling from 2,800 in FY 2019-20 to 5,500 in FY 2020-21. Despite the higher job post view rate, the number of applicants per job posting remained relatively steady, shifting from 100 to 102. This could be attributed to the specific positions and qualifications required for the District's postings.

This report will provide analysis of staffing conditions in 2020 and early 2021, as well as projections for FY 2021-22 including actual and projected turnover, recruitment, projected retirements, overtime trends, and recommendations for staffing changes.



RESIDENTS AND CUSTOMERS
OF RAINBOW MUNICIPAL WATER DISTRICT



GENERAL MANAGER
TOM KENNEDY



EXECUTIVE ASSISTANT
DAWN WASHBURN



RISK MANAGEMENT OFFICER

HUMAN RESOURCES ASSISTANT
PART-TIME

INFORMATION SYSTEMS SPECIALIST

TECHNICAL SERVICES TEAM LEAD

ELECTRONIC / ELECTRICAL TECHNICIAN

WATER OPERATIONS DIVISION

CONSTRUCTION & MAINTENANCE DIVISION

METER SERVICES DIVISION

WASTEWATER DIVISION

FLEET MECHANIC

SENIOR ACCOUNTANT BILLING SPECIALIST

ACCOUNTING SPECIALIST

PURCHASING & INVENTORY CONTROL SPECIALIST

DISTRICT SERVICES REPRESENTATIVE

CUSTOMER SERVICE & COMMUNICATIONS SUPERVISOR
CUSTOMER SERVICE REPRESENTATIVES (4)

ASSOCIATE ENGINEER

PROJECT MANAGERS (2)

SENIOR ENGINEERING INSPECTOR

ENGINEERING TECHNICIAN



SYSTEM OPERATORS (4)

CREW LEADER - VALVE MAINTENANCE
UTILITY WORKERS - VALVE MAINTENANCE (2)

CREW LEADERS - CONSTRUCTION (2)

UTILITY WORKERS - CONSTRUCTION (7)

CROSS-CONNECTION CONTROL & BACKFLOW TECHNICIAN

UTILITY WORKERS - METER SERVICES (5)

WATER SERVICE UPGRADE CREW (2 TEMPS)

UTILITY WORKERS - WASTEWATER (3)

PROJECTED CHANGES IN LABOR DEMANDS

HOUSING DEVELOPMENTS

Several new developments have been constructed or are currently in construction, including the 844-unit Meadowood subdivision. Newer infrastructure does not have an immediate impact on maintenance and repair labor demands, but it will in the future as planned maintenance becomes due. However, the higher number of customer accounts may impact call volume and workload in Customer Service and billing. Staff will monitor call volume and workload in the Customer Service Department to determine whether the current staffing level is adequate for future service needs.

AGING INFRASTRUCTURE

The age of the District's infrastructure impacts labor demands because it causes more frequent leaks, requiring unplanned repairs that often occur outside of schedule work time, increasing labor hours and overtime costs. 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 continue to remain within acceptable levels of service. If the District's replacement rate falls below this level, it is likely that it would increase labor demands to keep up with emergency repairs of failing pipelines.

SEEKING NEW FUNDING OPPORTUNITIES

As the District continues to seek innovative ways to deliver value to ratepayers, new funding sources are one possibility that could help mitigate future rate increases. In FY 2020-21, the District received an unbudgeted \$1,343,382 payment for its share of the award from a lawsuit between SDCWA and Metropolitan Water District. Management staff recommends using a portion of this payment to fund a new position to seek grant funding sources. Staff recommends allocating funding for this position for the next two fiscal years, and in future years the position's continuance will be contingent upon its success in obtaining sufficient funding to deliver a return on the investment in staff and other resources used to acquire, track, and comply with grant requirements.

DISTRICT FULL-TIME-EQUIVALENT EMPLOYEE COMPLEMENT

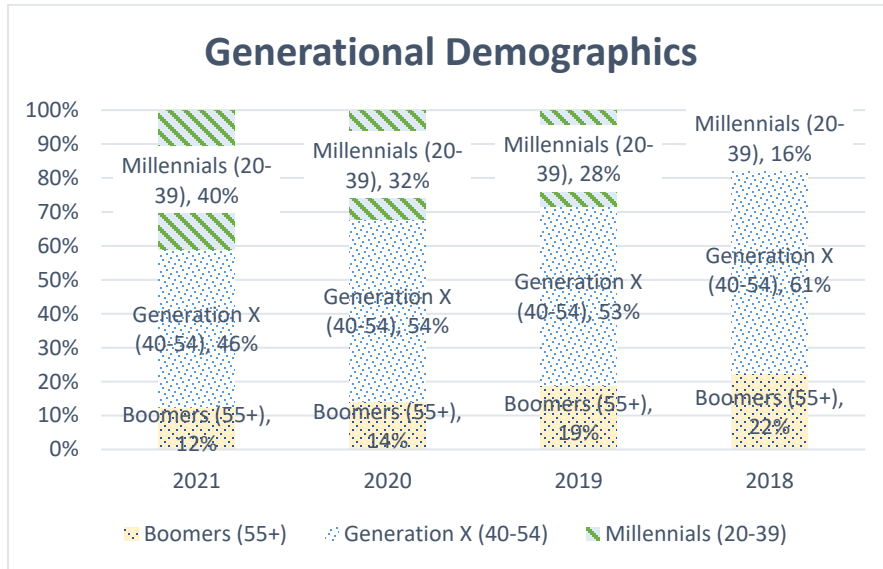
DEPARTMENT / POSITION	FY 20-21 FTEs	FY 20-21 FTEs Projected
ADMINISTRATION		
General Manager	1	1
Executive Assistant/Board Secretary	1	1
Administration Total	2	2
INFORMATION TECHNOLOGY		
Information Technology Manager	1	1
Information Systems Specialist III	1	1
Technical Services Lead	1	1
Electrical/Electronics Technician	1	1
Information Technology Total	4	4
HUMAN RESOURCES		
Human Resources Manager	1	1
Human Resources Assistant (part time)	.5	.5
Risk Management Officer	1	1
Administration Total	2.5	2.5
ENGINEERING		
District Engineer (reclassified)	1	-
Engineering and CIP Manager (new)	-	1
Associate Engineer	1	1
Project Manager (one moved from Operations)	1	2
Engineering Technician	1	1
Senior Inspector	1	1
Engineering Total	5	6
FINANCE		
Finance Manager	1	1
Accounting Specialist	1	1
Senior Accountant	1	1
District Services Representative	1	1
Grants Administrator (new)	-	1
Purchasing and Inventory Control Specialist	1	1
Finance Total	5	6
Customer Service and Communications Supervisor	1	1
Customer Service Representatives	3	3
<i>Customer Service Representative (temporary for WSUP)</i>	<i>1</i>	<i>1</i>

Customer Service Total	5	5
FINANCE GROUP TOTAL	10	11
OPERATIONS		
Operations Manager	1	1
Fleet Mechanic	1	1
Project Manager (transferred headcount to Engineering)	1	-
Operations Support Total	3	2
Water System Operations Supervisor	1	1
Lead Systems Operator (vacant)	-	1
System Operators	4	3
Crew Leader - Valve Maintenance	1	1
Utility Workers - Valve Maintenance	3	2
Water System Operations Total	9	8
Wastewater Superintendent	1	1
Utility Workers - Wastewater	3	3
Wastewater Total	4	4
Construction & Maintenance Supervisor	1	1
Crew Leaders - Construction	2	1
Utility Workers - Construction	6	8
Construction & Maintenance Total	9	10
Meter Services Supervisor	1	1
Utility Workers – Meters	5	5
<i>Utility Workers – Meters (temporary for WSUP)</i>	2	2
Cross Connection Control and Backflow Technician	1	1
Meter Services Total	9	9
OPERATIONS GROUP TOTAL	34	33
DISTRICT TOTAL REGULAR FULL TIME EQUIVALENTS	54.5	55.5
<i>TOTAL TEMPORARY FULL TIME EQUIVALENTS</i>	3	3
TOTAL STAFF COMPLEMENT	57.5	58.5

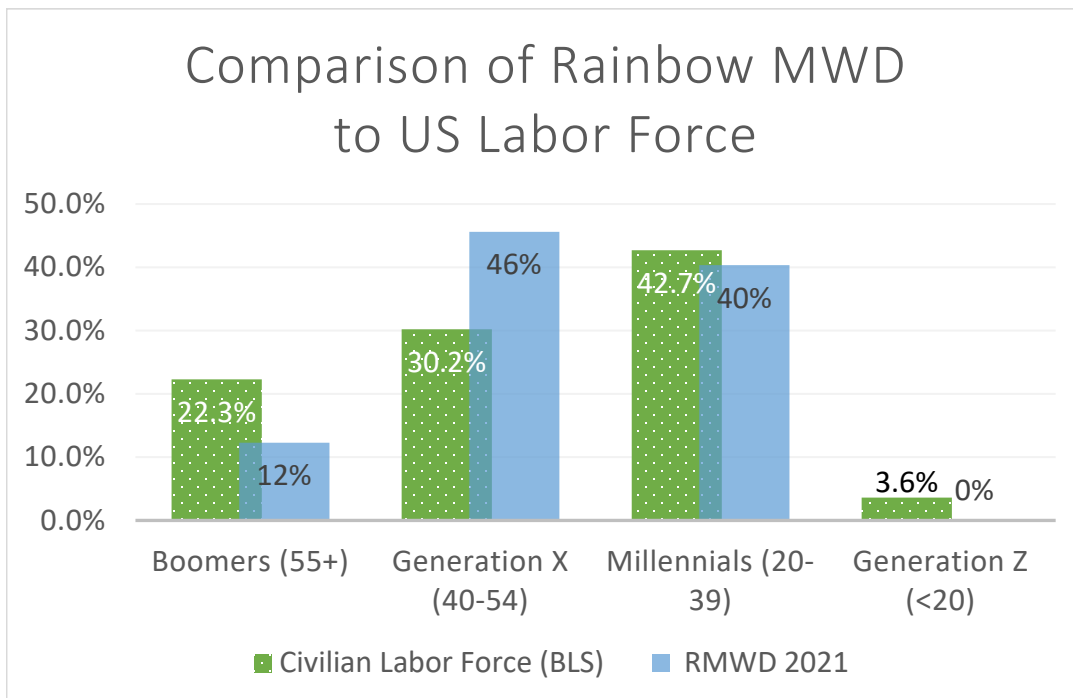
FORECASTED LABOR SUPPLY CHANGES

CHANGING WORKFORCE DEMOGRAPHICS AND RETIREMENTS

As long-term staff members have retired over the past four years, along with routine turnover, the generational demographic of the workforce continues to shift. The District will need to provide continuing training and development opportunities to this workforce contingent that are earlier in their careers.

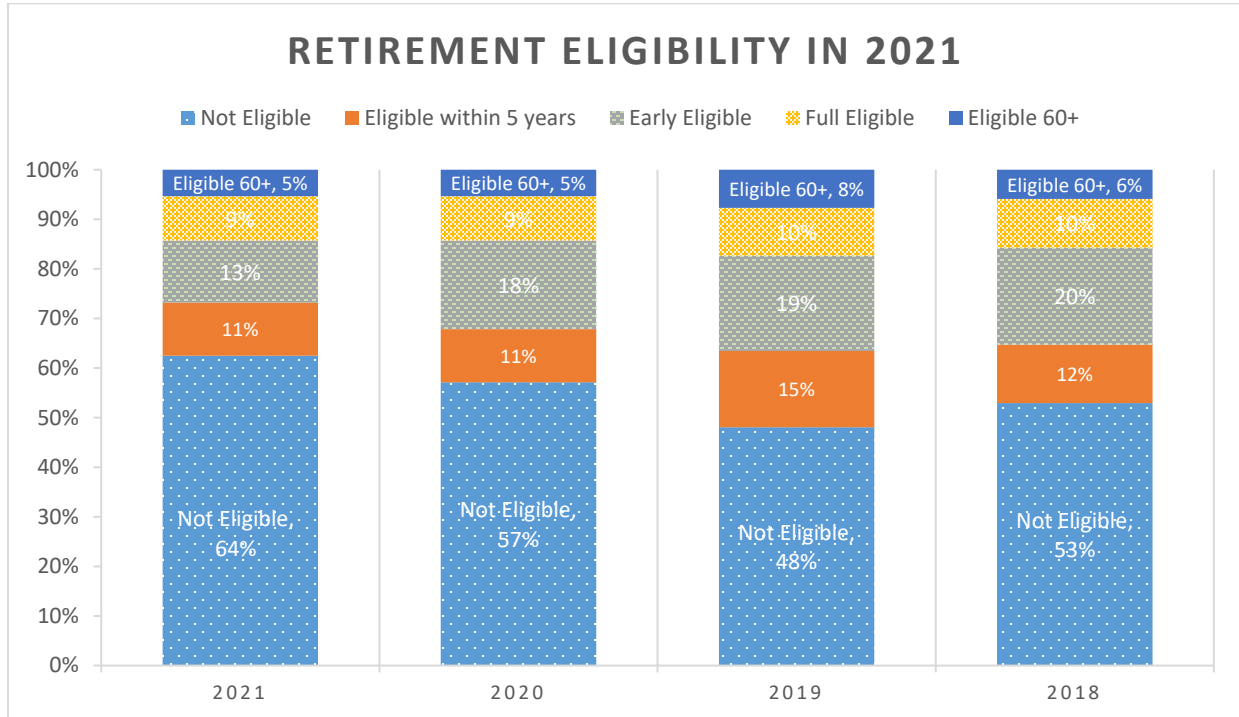


The below graph compares the District’s age demographics to the comparable makeup of the overall US workforce, as reported by the Bureau of Labor Statistics in 2020 (<https://www.bls.gov/cps/demographics.htm>).



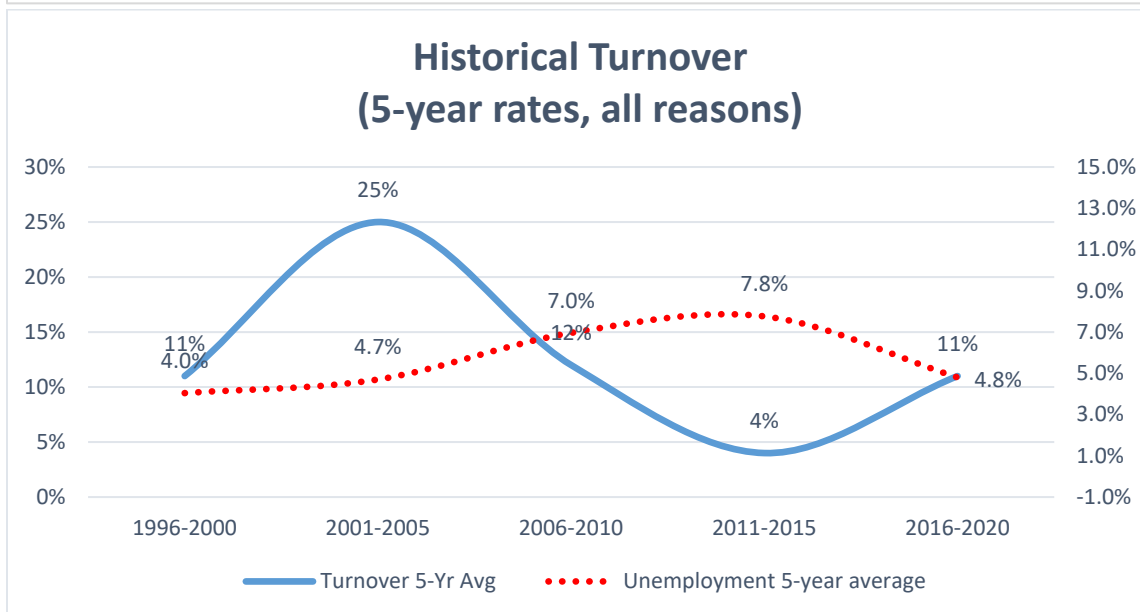
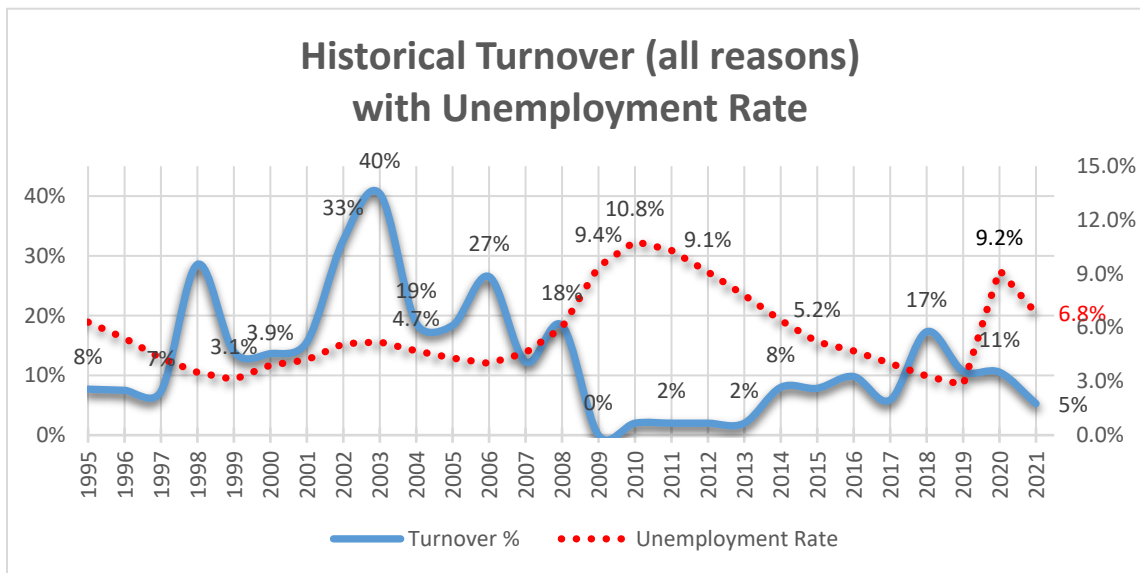
PROJECTED LABOR SUPPLY - RETIREMENT ELIGIBILITY

Another key factor in the future labor supply and projected turnover are the number of employees who are currently or will become eligible for retirement in the next five years. Currently, 14% of the workforce is eligible for full retirement; 27% are eligible to retire at either the full or reduced formula; and an additional 11% will be eligible within the next five years. Overall, the number of employees eligible or nearly eligible for retirement has declined by 7% in the past year.



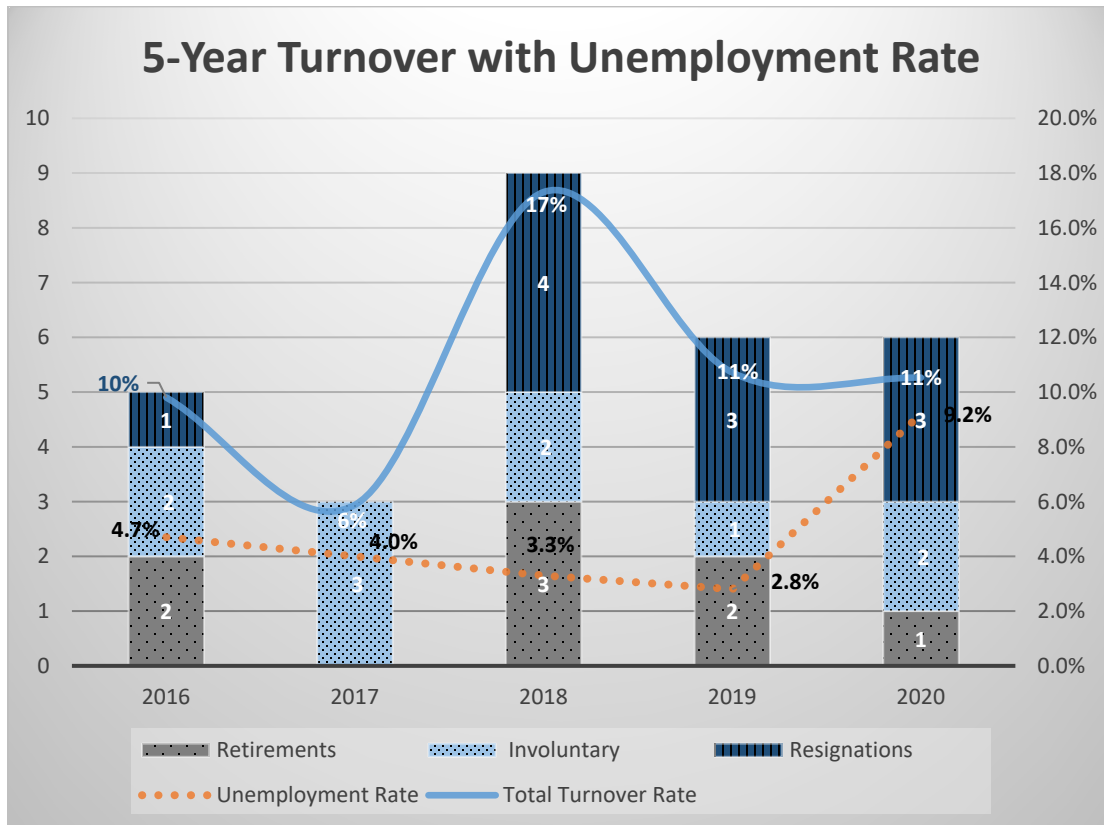
HISTORICAL TURNOVER

In addition to retirement eligibility, the District should be prepared for some level of non-retirement turnover 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 as a result of the COVID-19 pandemic, it has begun to recover. It is still unknown how long it may take to return to pre-pandemic levels. The following charts display historical turnover since 1995, shown 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.



RECENT TURNOVER

In 2020, the unemployment rate saw unprecedented highs as a result of the global COVID-19 pandemic. The District did have one pandemic related separation, and the additional impact on District labor supply was leaves of absence and employees temporarily out on quarantine to prevent an outbreak at the District.

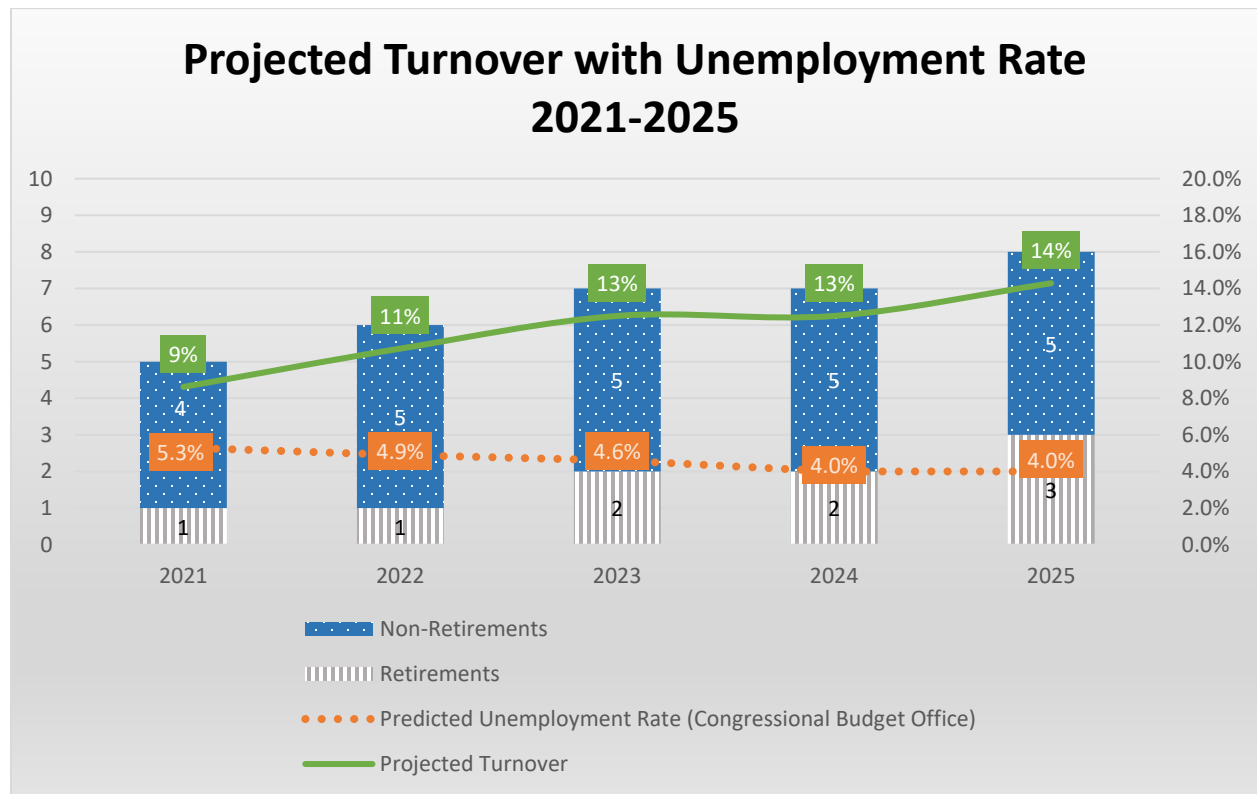


Source: [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand\\$pds.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sand$pds.pdf)

PROJECTED TURNOVER

Before the pandemic began, unemployment rates had been at historic lows and had been expected to continue to be unusually low for at least two more years. Low unemployment typically drives employers to recruit passive candidates, increasing voluntary turnover and competition for talent. The pandemic prompted a change in projections for the next five years, and the economic outlook continues to evolve.

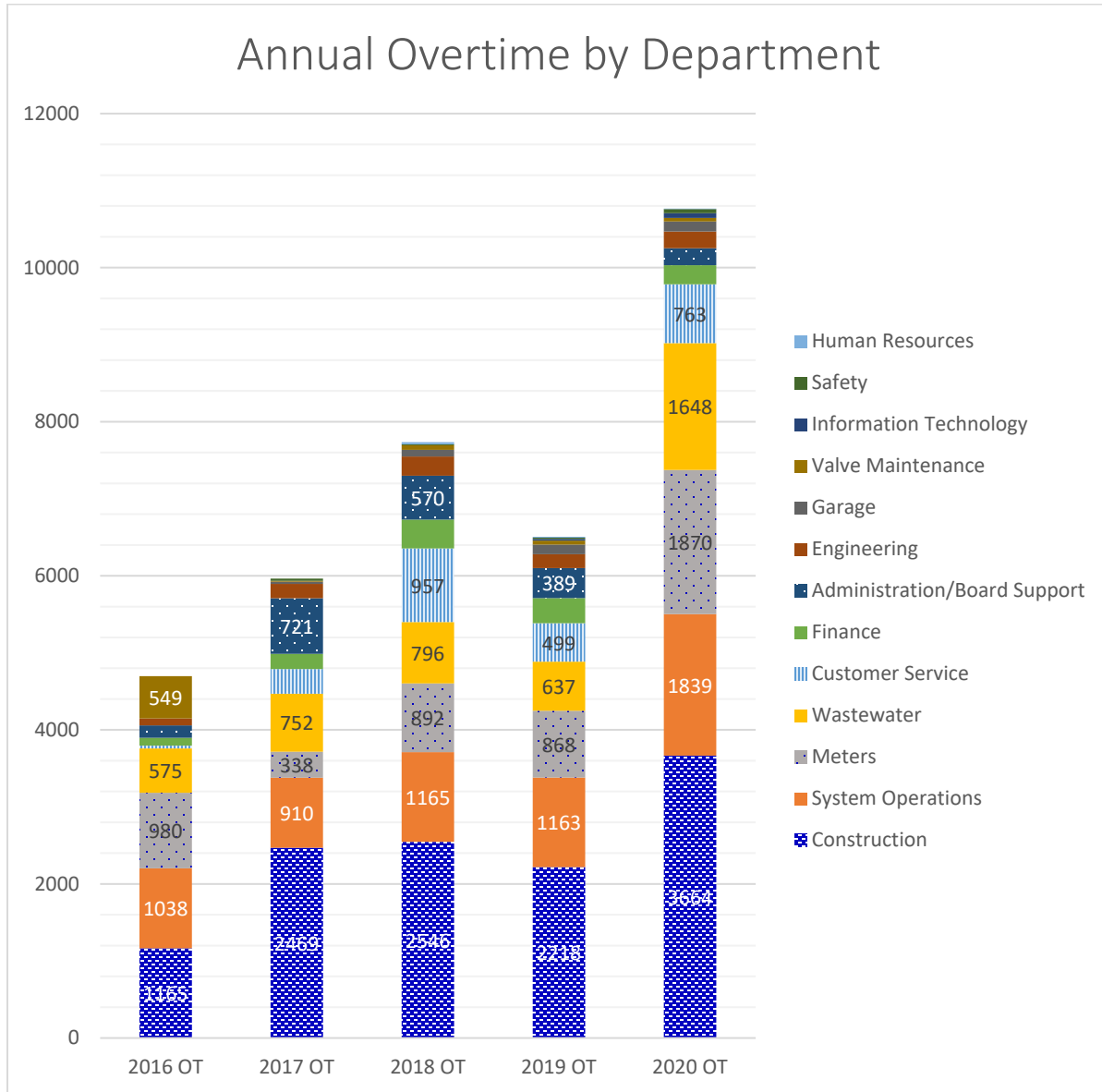
In April of 2020, the Congressional Budget Office (CBO) issued unemployment projections for 2020 and 2021 but did not project further due to the unknown impact of the pandemic. In February 2021, the CBO published new economic outlook projections from 2021 to 2031.



Source: <https://www.cbo.gov/publication/57014>

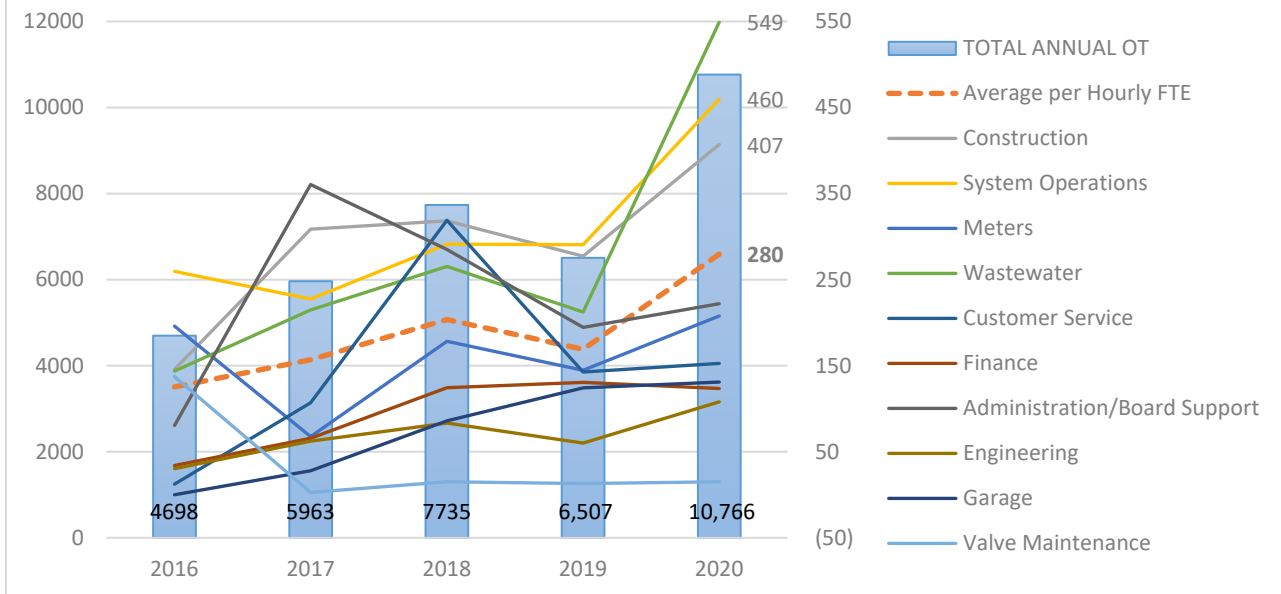
OVERTIME ANALYSIS

While overtime is always anticipated to some degree, overtime increased District-wide by 65% in 2020, and has more than doubled in the past five years. While the Construction Department continues to be the largest source of total overtime, several other departments increased overtime by more than 100% in 2020, including Meters 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 2020 per full-time employee are shown in the chart below. Three departments averaged more than 400 overtime hours per employee: Wastewater, System Operations, and Construction.

Year-Over-Year Overtime Trends (with average OT per hourly FTE by Department)

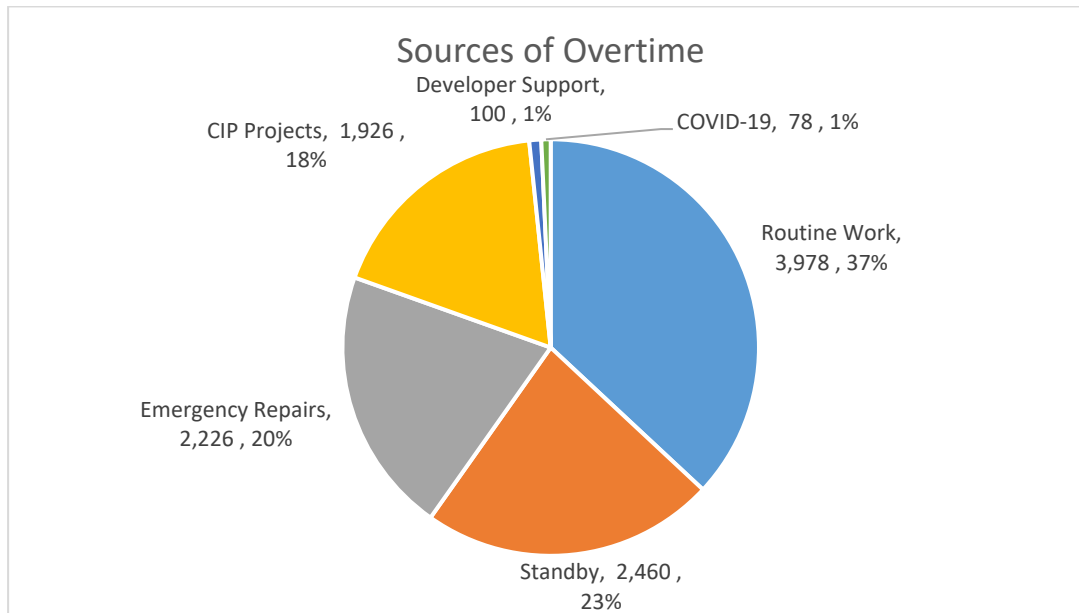


The increasing overtime levels are having an impact on employees. In the employee survey at the end of 2020, Work-Life Balance was one of the key opportunities to improve. In the survey, 74% of respondents said they often work late or on weekends; 62% agreed that “*In order to meet performance expectations, I have to put work ahead of family*” (up from 39% in 2018); and 58% of respondents disagreed that their department is sufficiently staffed with enough people with the right skills.

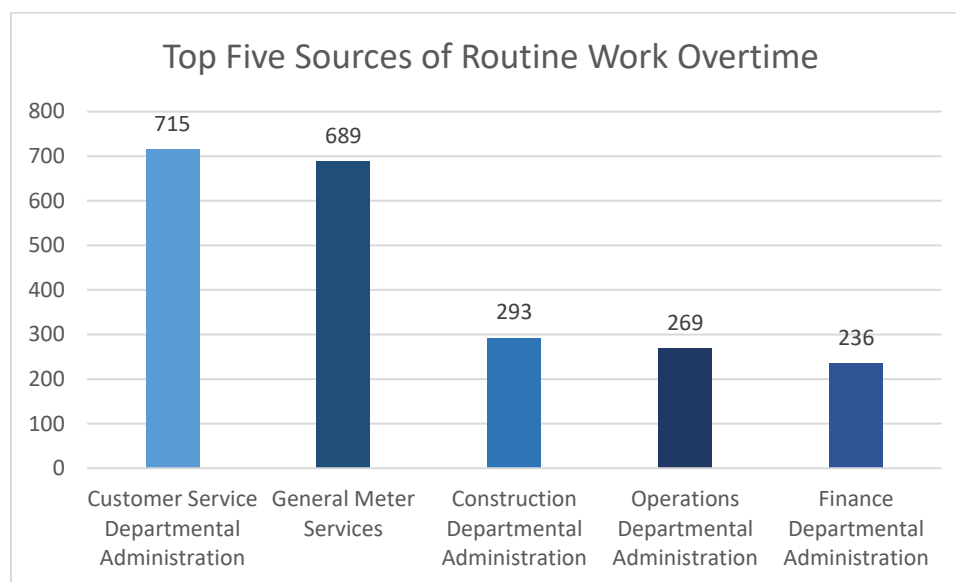
Despite overall high morale according to the survey, the lack of work-life balance for so many employees could have an impact on retention, especially for employees who have been unable to spend as much time with their families as they would like. With the unemployment rate projected to return to “normal” levels fairly quickly, employees who would like an improved work/life balance would have opportunities at other agencies.

DRIVERS OF OVERTIME

The 2020 overtime level is not sustainable. Aside from making the District more vulnerable to turnover, high overtime levels also increase the likelihood of errors, injuries, and burnout. It is important to look at the main drivers of overtime to determine whether it was a result of one-time events, or ongoing staffing levels to meet service demands. The following chart shows the primary sources of overtime in 2020.



The largest portion of overtime is made up of routine work orders. When looking more closely at the top five sources of overtime in this category, there are two departments that stand out: Customer Service and Meter Services. Both of these departments have added temporary staff to handle the additional workload related to the Water Service Upgrade Project (WSUP). Even with the additional staff, the workload has been heavy.



CUSTOMER SERVICE

Customer Service only has two Customer Service Representatives plus a Supervisor and receives backup phone coverage from the Billing Specialist and District Services Representative in Finance. The third Customer Service Representative was hired as a temporary resource for the anticipated increased call volume and data entry workload related to WSUP. Even with the additional Customer Service Representative, the department still used 715 hours of overtime to meet work volume demands. It will be important to closely monitor the call volume and workload at the conclusion of WSUP to determine if continuing with just two Customer Service Representatives will provide adequate staffing to meet service demands in the future.

METER SERVICES

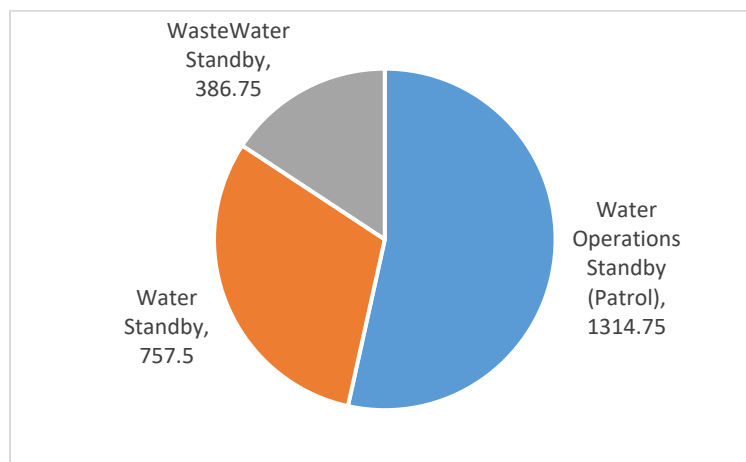
The Meters Department has also dedicated significant staffing resources to WSUP, leaving fewer remaining staff time to handle the routine workload. There was also turnover at the Supervisor level in 2020. Both of these factors drove overtime for hourly employees; since both conditions are temporary, overtime is expected to decline now that a new Supervisor is in place, and at the conclusion of WSUP.

COVID-19

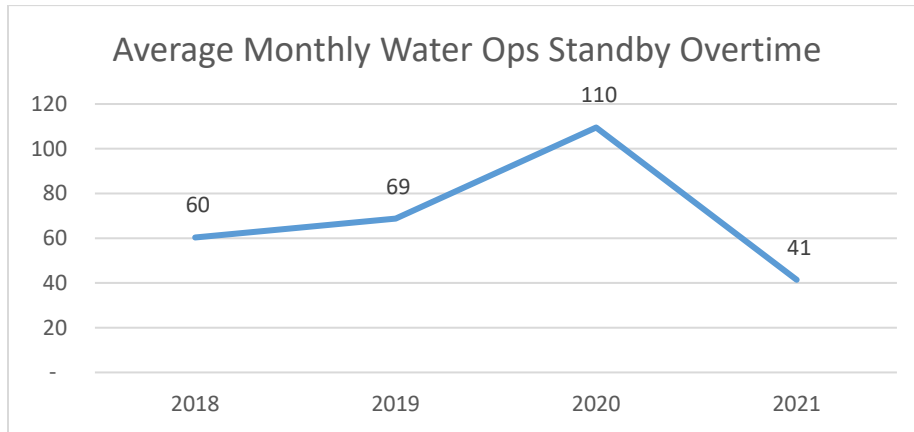
While only 78 overtime hours were booked to COVID-19 response, there were 3,771 total hours booked to COVID-19 Response in 2020, which diverted resources from routine work and had an indirect impact on overtime. Of the total hours booked to COVID-19 response, 80% was for paid leave while employees were on protected Families First Coronavirus Response Act (FFCRA) leave due to school and daycare closures or quarantined due to possible exposure to COVID-19, or a positive COVID-19 test.

STANDBY

Standby overtime, representing 23% of all overtime, is built into the District's operations, so that staff is available to respond to after-hours calls and emergencies. The amount of overtime worked Water Watch/Construction and Wastewater Standby Duties depends on how many after-hours emergencies occur, so leaks are a driver of overtime hours.



Water Operations Standby requires scheduled overtime to perform flow changes before and after hours each day. There were two new System Operators in training in 2020, so overtime was higher than usual because it required two System Operators to work overtime together during the training period. The average overtime in 2020 was 60% higher than in 2019, and for the first five months of 2021, it has already been reduced to more routine levels.



EMERGENCY REPAIRS

The third highest driver of overtime was emergency repairs, at 20% of all overtime. There were 1,361 hours of regular overtime and 864 hours of double-time used to respond and repair main line breaks, leaks, and make other unplanned repairs to the District’s infrastructure. The approximate cost of this overtime was more than \$150,000. While this is equivalent to the cost of adding a full-time employee, additional headcount will not necessarily reduce this overtime because leaks and main line breaks will still occur after hours until the District’s aging infrastructure is rehabilitated or replaced.

CIP PROJECTS

Overtime used for Capital Improvement Projects was slightly lower than emergency repairs, representing 18% of all overtime. Of the 1,925 overtime hours in this category, 79% was for just two projects: the Water Service Upgrade Project (WSUP), at 995 hours, and the North River Road Land Outfall Rehabilitation Project, at 526 hours. Crews have been working on their flex Fridays and on Saturdays to keep the WSUP project on track, and the North River Road project was done at night, shifting the time worked from regular time to overtime for the project. Once these projects are complete, this source of overtime will not continue.

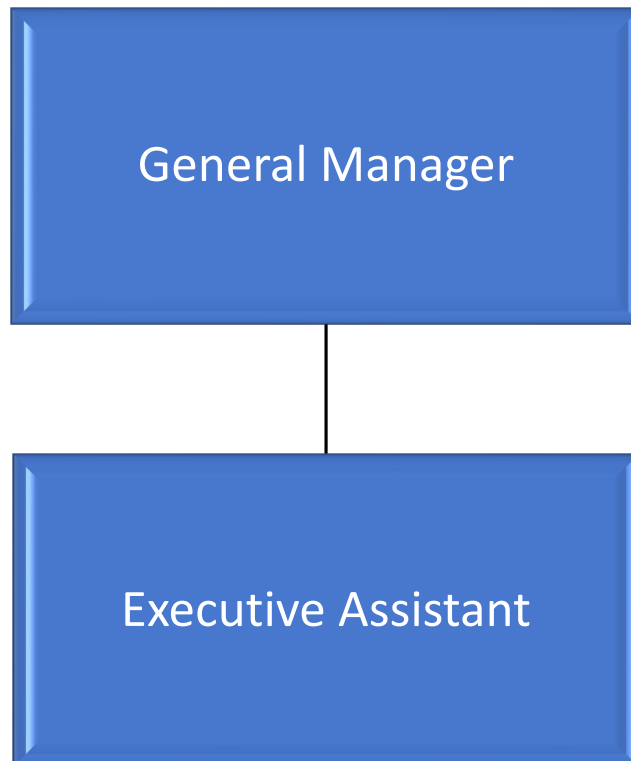
CLOSING THE GAP: SUMMARY OF RECOMMENDATIONS

In support of the District’s Strategic Plan, continuing workforce development will be integral to meeting future labor and skills demands. The impact of COVID-19 is still largely unknown when it comes to recruitment and retention. Historically, high unemployment reduces turnover. However, District employees are part of the “essential worker” labor pool, which is affected differently than other sectors. While there are no recommendations for additional staff during this fiscal year, staff recommends focusing on the following priorities:

1. **CULTURE:** Continue the ongoing work related to developing a culture of excellence that positions the District as an employer of choice in the region. Maintaining work life balance, competitive compensation and benefits, offering employees career development opportunities, and positive workplace relationships will be key success factors in this area.
2. **SUCCESSION PLANNING:** The management team should review and update staffing plans annually to prepare employees for promotional opportunities as other employees retire or leave the District. This plan will be used to prioritize cross-training needs across the District to ensure staff can fill in where they may be needed.
3. **WORKFOCE DEVELOPMENT:** Resume in-person training and implement Lunch and Learn Events with management panelists to aid with cross training as well as increase transparency and employee understanding of District processes and procedures outside of an employee’s home department.
4. **WORKFORCE PLANNING:** While overtime in 2020 was impacted by several factors including COVID-19, turnover, training, and one-time CIP projects, the 2020 level is unsustainable in the long-term. Work volume, overtime, and labor resources should be closely monitored in 2021 and beyond to ensure that staffing levels are adequate to deliver essential services to the rate payers while mitigating the risk of burnout and turnover that is increased with excessive overtime.

ADMINISTRATION DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
General Manager	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	0.00	0.00	0.00
IT Analyst	1.00	0.00	0.00	0.00
Department Total	4.00	2.00	2.00	2.00



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 2020-2021

- New and existing Board Members were elected and/or re-elected by their respective constituents as their official representatives.
- 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.
- Created a comprehensive 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.
- Implemented and continue 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.
- Started the process of negotiating successor Memorandum of Understandings (MOUs) with all three employee bargaining units.

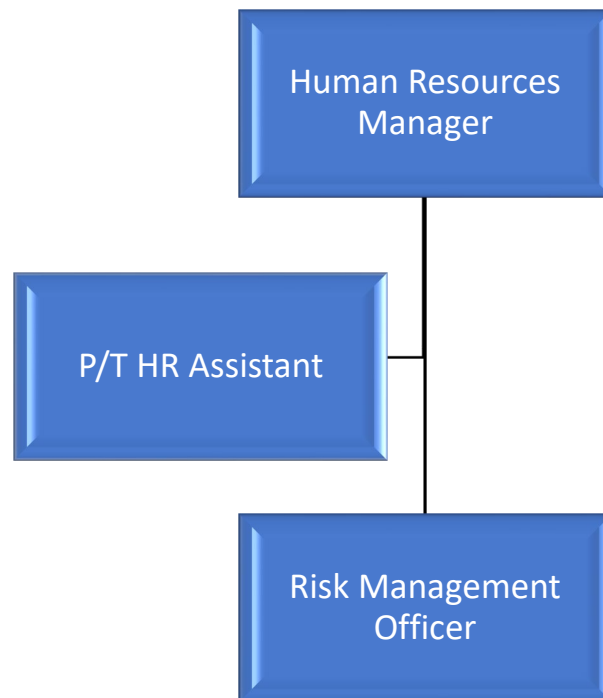
Objectives: Fiscal Year 2021-2022

- Implement provisions of the Meadowood (now Citro) Annexation Agreement with Pardee (now TriPointe)
- Work toward the completion of the SDLAFCO process for detachment from SDCWA, although the timing of the process may extend beyond FY21
- 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.

HUMAN RESOURCES & SAFETY DEPARTMENT

Personnel Level:

<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</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	0.50
Department Total	2.50	2.50	2.50	2.50



Responsibilities

The Human Resources Department's primary function is to ensure the District has highly qualified people, in the right roles, who are inspired 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 2020-2021

Culture Development

The District conducted a follow up employee culture survey to measure progress after implementation of the recommendations from the Employee Action Team. 87% of employees responded to the survey, and the results indicated substantial improvement in most areas, including 100% of respondents agreeing that *"I am inspired to do my best as often as I can when I'm at work."*

- **EMPLOYEE SATISFACTION:** The survey results revealed a dramatic increase, with 96% of respondents saying they would recommend Rainbow MWD as a good place to work, up from 78% in 2018.
- **STRENGTHENING RELATIONSHIPS:** Questions relating to workplace relationships revealed stellar improvement. *"I feel acknowledged for a job well done"* improved by 22%; 96% of respondents are satisfied with workplace relationships; 96% agreed they can resolve conflicts respectfully and professionally; 92% trust co-workers and 82% trust top management.
- **EMPLOYEE ENGAGEMENT:** Every question that was an opportunity for improvement in 2018 showed strong improvement in 2020. 92% of respondents agreed the District has a

positive work environment, up from 72%; 90% agreed that the culture is improving, up from 58%; and 90% said they feel valued at the District, up from 62% in 2018.

- **PERFORMANCE MANAGEMENT:** Several areas that had been an opportunity for improvement in 2018 showed greater than 20% improvement in 2020. For example, *“Performance expectations are realistic and fair”* improved from 64% to 94%; *“I am given adequate time and resources to do the job well”* improved from 69% to 88%; and *“I have received feedback about my progress in the past six months”* improved from 62% to 84%.
- **DIVERSITY AND INCLUSION:** All questions related to diversity and inclusion received an 86% or higher positive response, and 100% of respondents agreed that *“Employees from different backgrounds, ages, gender, religion and cultures are treated equitably at the District.”*

Recruitment and Selection

- Adjusted selection and interview process to include video interviews and created virtual “interview binders” for efficient collection of panelists’ interview notes and scoring.
- Recruitment marketing efforts for eight requisitions between May 2020 and May 2021 resulted in over 33,000 job posting views, over 616 applications received, and 6 new hires, with an average fill time of 54 days.

Employee Recognition and Appreciation

- Adapted employment anniversary recognition program from quarterly breakfast events to monthly interactive activities during the All-Hands meetings.
- Continued to promote the Excellence Coin Recognition and created an online nomination form that can be completed from employees’ mobile phones, resulting in 38 Excellence Coin awards for calendar year 2020.
- Although the employee banquet was cancelled due to the pandemic, the first employee to receive all five Excellence Coins was recognized at the All-Hands meeting and the employee newsletter in February 2021.

Pandemic Response

- Developed and implemented a COVID-19 Prevention Plan in response to Cal/OSHA’s Emergency Standards.
- Partnered with Information Technology Manager to develop four custom apps to track COVID-19 contacts, work locations, symptom checks, and hazards.
- Responded to ten positive COVID-19 cases throughout the year, successfully avoiding any known workplace transmission or outbreak status by careful social distancing, contact tracing, location tracking, testing, and isolating employees who were in close contact with a COVID-19 case.

- Coordinated employee vaccinations as soon as they were available, achieving 45% vaccination rate within 5 weeks after they were available to employees.
- Implemented a Safe Reopening Plan to keep employees and customers as protected as possible from COVID-19 while complying with state and county health orders.

Risk Management

- A total of 52 employees completed at least one online learning class from Target Solutions, representing 90 unique classes and 454 safety and water operations training classes completed. Completing Target Solutions training earns the District a discount on the worker's compensation insurance premiums as well as increasing safety knowledge and awareness.
- Completed over 540 hours of safety training for the year, averaging 9 hours per employee.
- The Risk Management Officer and Operations Manager partnered to conduct a training workshop with Operations leaders to effectively respond to emergency situations.
- Adapted training plan to online format and conducted in-house OSHA-10 training for all Safety Advisory Group Members with app-based interactive sessions.

Workforce Development

- DIVERSITY AND INCLUSION TRAINING: Conducted training for all staff and leaders that covers implicit bias and strategies to foster a workplace that inclusive and positive for employees of all races, religions, sexual orientation, and gender identities or expressions.
- HARASSMENT PREVENTION TRAINING: Delivered bi-annual training to online format so all employees could participate safely.

Labor Relations

- LABOR AGREEMENT RENEWALS: The District renegotiated terms for successor memoranda of understanding with all three bargaining units, balancing a competitive rewards package against the constraints of budgetary limitations as a result of historically low water sales. Highlights of changes include:
 - Reduced maximum Cost-of-Living-Adjustments for the first three years due to budgetary constraints.
 - Redesigned health insurance cost sharing provisions to encourage enrollment shifts to the most cost-effective plans.
 - Combined lump sum and base pay merit awards into a single matrix.
 - Added student loans to the existing Education Assistance program.
 - Added bilingual pay stipend for customer-facing positions.
- REMOTE WORK POLICY: The management team and bargaining units agreed to implement a post-pandemic, cost-neutral remote work policy that will allow some

employees to continue working remotely some of the time. This policy will keep the District competitive with recruitment and retention, as well as maintaining productivity for employees who have proven to be highly productive when working remotely.

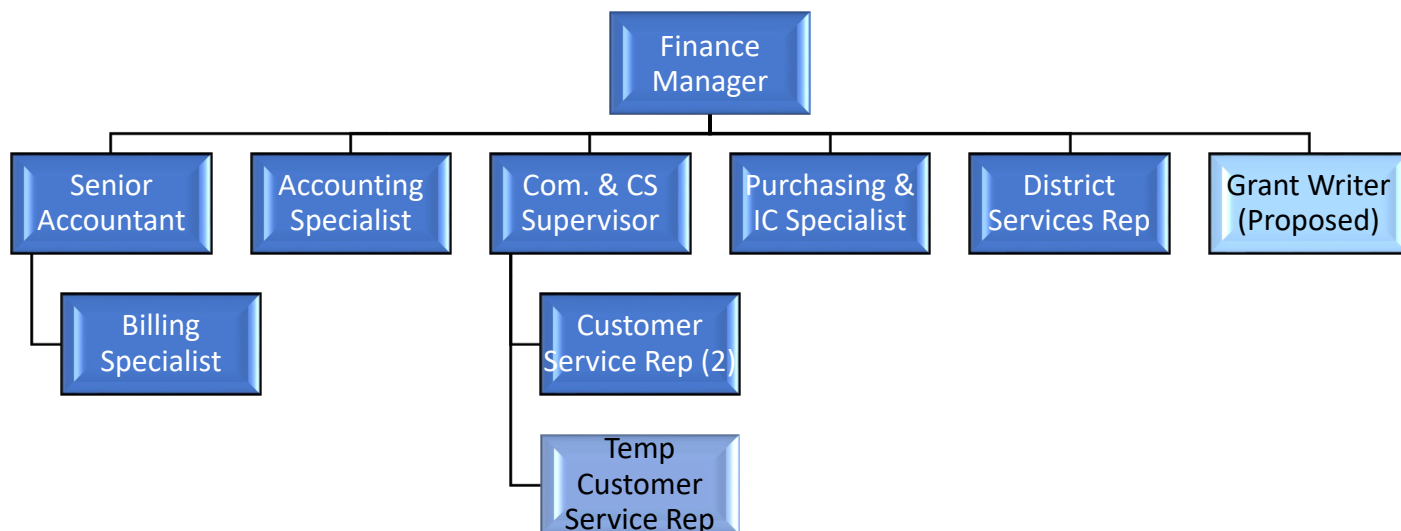
Objectives: Fiscal Year 2021-2022

- **ONBOARDING:** Design an onboarding education program that includes more District procedures, 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.
- **CULTURE DEVELOPMENT:** Work with Employee Ambassador team to develop and implement a new Action Plan to address areas for improvement identified in the 2020 employee survey.
- **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.
- **WORKFOCE DEVELOPMENT:** Resume in-person training and implement Lunch and Learn Events with management panelists to increase transparency and employee understanding of District processes and procedures outside of an employee's home department.
- **RISK MANAGEMENT:** Complete the application process and obtain competitive quotes for the District's property and Liability insurance lines.
- **EMERGENCY PREPARATION:** Conduct District-wide training on the Emergency Response Plan and quarterly exercises to keep workforce well prepared for disaster events.
- **SAFETY:** Conduct in-house OSHA-30 training for all supervisory staff.

FINANCE DEPARTMENT

Personnel Level:

<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Finance Manager	1.00	1.00	1.00	1.00
Senior Accountant	0.00	1.00	1.00	1.00
Accounting Specialist	1.00	1.00	1.00	1.00
Purchasing & IC Specialist	1.00	1.00	1.00	1.00
Customer Service Supervisor	1.00	0.00	0.00	0.00
Communications & CS Supervisor	0.00	1.00	1.00	1.00
Customer Service Rep.	3.00	3.00	2.00	2.00
(Temp) Customer Service Rep.	0.00	1.00	1.00	1.00
District Services Rep.	0.00	1.00	1.00	1.00
Billing Specialist	0.00	0.00	1.00	1.00
Grant Writer(Proposed)	0.00	0.00	0.00	1.00
Department Total	7.00	10.00	10.00	11.00



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.

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 2020-21

Accounting

- Received a clean audit for FY 19-20.
- Finance developed the Comprehensive Annual Financial Report in compliance with GFOA standards
- Finance developed Annual Budget in compliance with GFOA standards (5th consecutive year) – the Finance staff worked diligently on FY 20-21 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 2020-21 budget.
- Completed a Full Cost of Service Study to update rates for FY 21-22 through FY 25-26.
- Presented a 5-year Financial Plan that uses a stepped approach to get reserves to target.
- Presented a Uniform Rate structure for consideration at the upcoming rate hearing.

Customer Service

- Customer Service worked with the IT Department to implement a new payment portal, Infosend. Go-live date was January 19, 2021.
- Performed extensive outreach to transition customers from temporary to permanent Special Agriculture Water Rates
- Performed Customer Outreach with monthly Newsletters

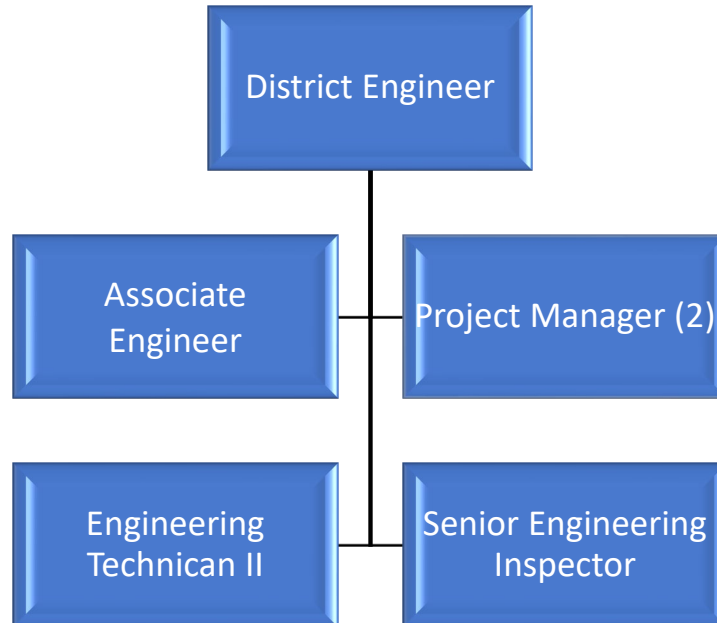
Objectives: Fiscal Year 2021-22

- Continue to create budget in compliance with GFOA standards, for the 6th consecutive year.
- Continue to create the Comprehensive Annual Financial Report in compliance with GFOA standards.
- 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.

ENGINEERING DEPARTMENT

Personnel Level:

<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Engineering & CIP Manager	1.00	1.00	1.00	1.00
Engineering Manager	1.00	1.00	0.00	0.00
Associate Engineer	1.00	1.00	1.00	1.00
Project Manager	1.00	1.00	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
Administrative Technician II	0.50	0.00	0.00	0.00
Right of Way/Facilities	1.00	0.00	0.00	0.00
Department Total	6.50	5.00	6.00	6.00



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 inquiries 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 2020-2021

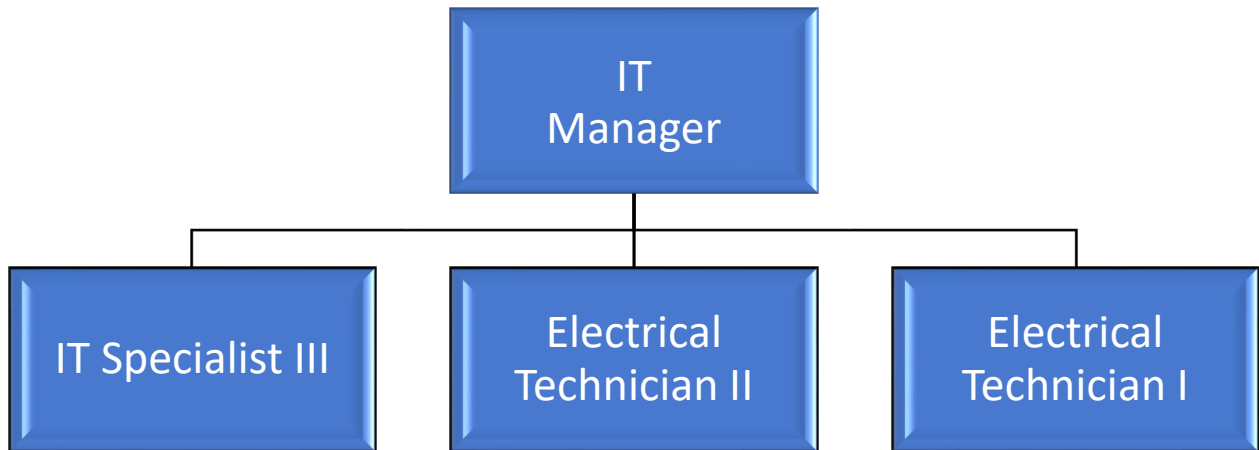
- Completed construction of the Rainbow Heights Pump Station project
- Completed construction of the Olive Hill Estates Transmission Line Reconnection Project
- Completed the Dentro De Lomas Paving Project to repair extensive damage to the street cause by a second major waterline break and coordinated with Operations to install a Pressure Reducing Station on this street
- Finalized the design of the Rice Canyon Transmission Pipeline Project
- Process and shuttle several developer projects through design and or construction phases including the following: Golf Green Estates (Rio Estrellas), Horse Creek Ridge, Palomar College, Pala Mesa Highlands, and recently, Citro (F.K.A. Meadowood). Meadowood is an 844-unit subdivision and Fairview a 73 unit development.
- Processed San Diego County availability letters and new water meter installs
- Cleared heavy brush, tress and other vegetation on District easements
- Completed the Beck Dam Inundation Study and cleared all vegetation from dam slopes
- Delineated several large, difficult easements
- Continued working on the Programmatic Environmental Impact Report for rehabilitation and replacement of existing facilities, and new construction
- Completed three phases of Sewer rehabilitation to the existing 16-inch Vitrified Clay Pipe in North River Road
- Completed design & construction of Sagewood Road Water Pipeline Improvement, Nella Lane Water Main Replacements, Vista Valley Pressure Reducing Station.
- Completed design review and construction inspections of Helling, Malek, McDowell and Wiestling waterline extensions.

Objectives: Fiscal Year 2021-2022

- Design and implement a District wide Corrosion Protection Plan
- Construct trunk-line sewer system improvements need to accommodate additional development
- Begin the construction of the Rice Canyon Transmission Pipeline Project
- Complete the Programmatic Environmental Impact Report
- Implement a multi-year District wide weed abatement program
- Implement a new multi-year janitorial contract
- Update the District's Water and Wastewater Master Plan
- Procure and construct two (2) emergency generators for critical pump stations
- Determine whether a solar photovoltaic system can be constructed within the District and if so, if it is feasible to construct.

IT DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
IT Manager	0.00	1.00	1.00	1.00
IT Specialist III	0.00	1.00	1.00	1.00
Electrical Technician II	0.00	1.00	1.00	1.00
Electrical Technician I	0.00	1.00	1.00	1.00
Department Total	0.00	4.00	4.00	4.00



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, manage and maintain the districts cloud and local infrastructure. They also oversee the development of Information Technology policies for the District. Provide guidance for the department on how to resolve issues with SCADA, users' issues, and deployment plans. Assists the Information Systems Specialist and SCADA and Electrical Service technician with day to day operations. Manages the department's budget and finds solutions that are more technically feasible and fiscally responsible.

The Information Systems Specialist performs information systems support related to end users, desktop and network computer systems, hardware and software installation, as well as troubleshoots and maintains the District computer systems. This role directs 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 as well as 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 2020-2021

Information Technology

- Mobilized our workforce to work remotely during the pandemic by allowing them to answer incoming customer calls from home, providing them with laptops, phones and tablets as needed.
- Installed tools that allowed us to remotely assist our users on their desktop and mobile devices while they were working from home.
- Switched the district over to faster internet, while keeping all remotely working employees connected to the District, with minimal service interruption.
- Virtualized our SCADA servers
- Implemented Infor ION to synchronize data between Cloudsuite Financials and EAM.
- Implemented Infor Mingle to pull data from EAM
- Installed a network monitoring tool (SolarWinds) to allow us to find issues with our network and resolve them.

- Migrated the District's online payment portal from Infor's Dynamic Portal to InfoSend's payment portal.
- Implement Single Sign-On for KnowBe4 and GoToConnect.
- Cyber Security has been a major focus for us, we've worked on securing Office 365, securing our network with the new Firewall, and making improvements to the security of our SCADA network. We've improved the Passwords to our network, made sure that all of our Board Members have MFA
- Upgraded all District PCs to Windows 10
- Programmed in-house COVID apps, so that our users can report their systems and do their contact tracing from anywhere.

Electrical Services

- Relocated SCADA and installed a new Chlorine Analyzer at Rainbow Heights Tank
- Installed new radios at Rainbow Heights Tank
- Relocated SCADA equipment at Gomez Tank, so that it can be tied into the newly installed utility electric service.
- Upgraded power to Buildings 4 and 5 in the District Yard to allow more power consuming tools to be used.
- Installed a Ring Camera to allow District staff to see and talk to vendors from their desks.
- Replaced hardwired fuel management system to wireless to avoid live wires running in the vicinity of the gas tank.
- Upgraded Morro Reservoir Radio
- Upgraded battery backup panel at Magee Tank
- Upgraded Radios and Cameras at Old River Road Lift Station
- Built Shade Covers for Turner Tank SCADA and Gomez Tank SCADA Panel's to keep equipment from overheating due to direct sunlight.
- Installed battery backup at Pala Mesa and converted all of the equipment from AC to DC, this was done to avoid installing generators during outages.
- Calibrated flow meters at Gopher and Turner tanks.
- Assisted district staff in resolving multiple emergency pump station and lift station repairs.
- Assisted operations in deploying generators during multiple power outages.
- Installed new radio link between Gopher Tank to Morro Chlorination station
- Upgraded uninterrupted power supply and panels at Gopher Tank.
- Installed new transfer switch at Rainbow Hills Pumpstation
- Installed a new larger uninterrupted power supply at Rancho Viejo Lift Station
- Worked with Engineering to finalize plans for the interconnect with the Weese Filtration Plant.

- Worked with Engineering on the CIP project to install a backup generator at each of the pump stations to provide power during utility outages. The goal is to complete a station each year.

Objectives: Fiscal Year 2021-2022

Information Technology

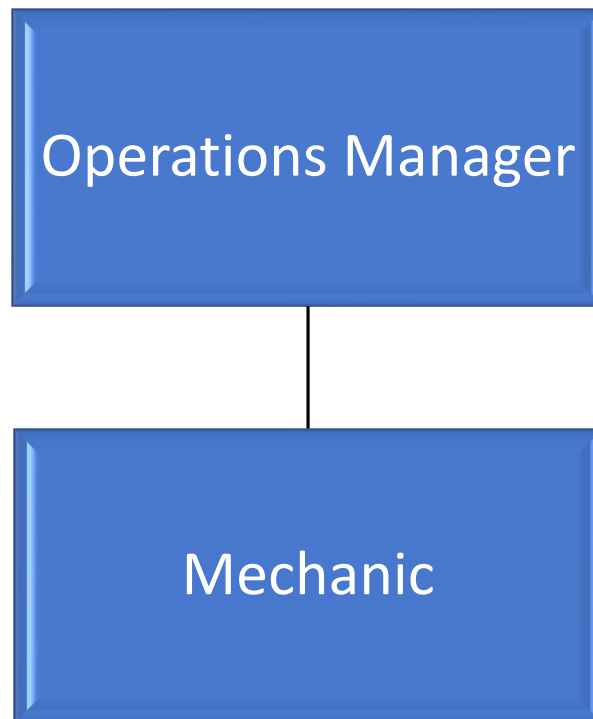
- Install a new camera system at the District
- Setup Infor ION integrations, to transfer data between the different systems of Infor.
- Get IPS setup with Single Sign On.
- Setup up the Mingle Environment, so that it can become the central hub of where employees can find different data.
- Replace the camera system in the District, to improve quality, get better coverage, and reduce costs of adding cameras or making any repairs to the existing system.
- Install new cameras at different remote sites and connect them to the SCADA network.
- Setup full system backups for our virtual environment.
- Install Cellular backup connectivity for SCADA network, to avoid network outages during repairs or power shutdowns.
- Install new wireless network to accommodate the increase in wireless users at the District.

Electrical Services

- Add battery backup panel to Lookout Mountain and Gopher tank SCADA repeater sites, to avoid having to deploy generators during prolonged power outages.
- Add battery backup with solar to the District's main relay station at Sumac.
- Install new flow meters at Canonita tank, Gomez tank, Rice tank.
- Provide power to new chlorine analyzer at Gomez tank and connect to SCADA.
- Install remote cameras at Gomez tank,
- Relocate SCADA equipment into the Sheriff's building at the Cement Tank repeater site.
- Replace motor controls for Rainbow Hills Pump Station
- Coordinate with contractor on the SCADA implementation project.

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
Department Total	4.00	4.00	1.00	1.00



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 2020-2021

- 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

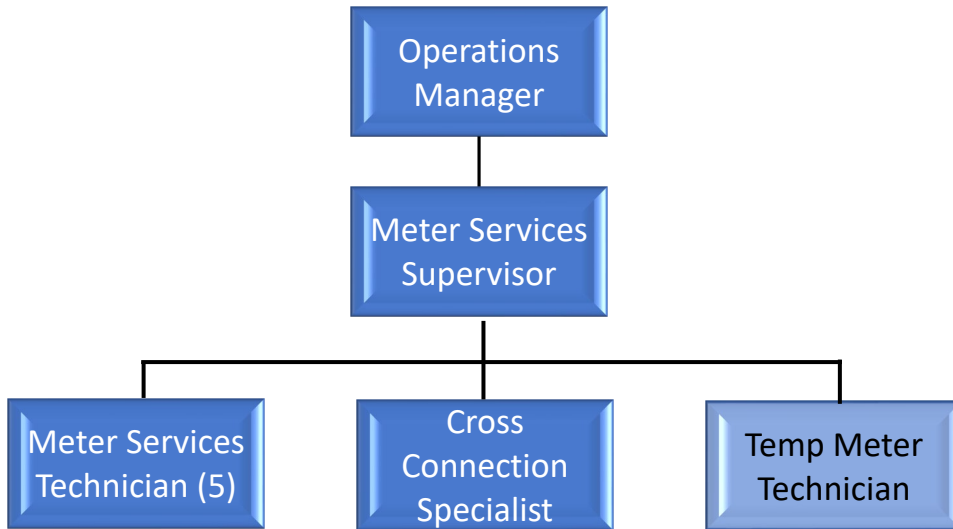
Objectives: Fiscal Year 2021-2022

- 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>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Meter Supervisor	1.00	1.00	1.00	1.00
Crew Leader – Meter Service	0.00	0.00	0.00	0.00
Meter Technician(s)	5.00	5.00	5.00	5.00
Cross-Connection Specialist	1.00	1.00	1.00	1.00
Temporary Meter Technician	1.00	1.00	1.00	1.00
Department Total	8.00	8.00	8.00	8.00



Responsibilities:

Meter Services' primary function is to ensure timely and accurate meter readings monthly. This Department continually maintains the District's 8,500 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 95% of the District's meters; the other 5% 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. The other 5% remaining meters are manually read.

When meters are broken or functioning inefficiently, staff will either repair, replace, and test the water meters; clean and replace surrounding meter boxes. The Department applies District procedures when investigating and reviewing with customers on a variety of 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 report service information corrections and respond to service orders issued by the customer service staff.

Significant Accomplishments: Fiscal Year 2020-2021

- Consolidated the monthly read cycle to two days per cycle.
- Implemented a new SOP to manually pick up failed reads during the read cycle to avoid unnecessary check bill service requests.
- Outfitted each truck with the proper tools to perform any meter-related job assignment.
- Organized lower yard and developed rotating three-month recycle bins for old meters pulled out of the ground for WSUP.
- Trained each member of the Department on how to upload the handhelds for the monthly read cycle.
- Took over the monthly IPS meter export responsibility, which previously was performed each month by the IT Department.
- Purchased & installed the District's first 6" TCM for the new DR Horton development in Bonsall.
- Assisted with WSUP Project to 53% completion

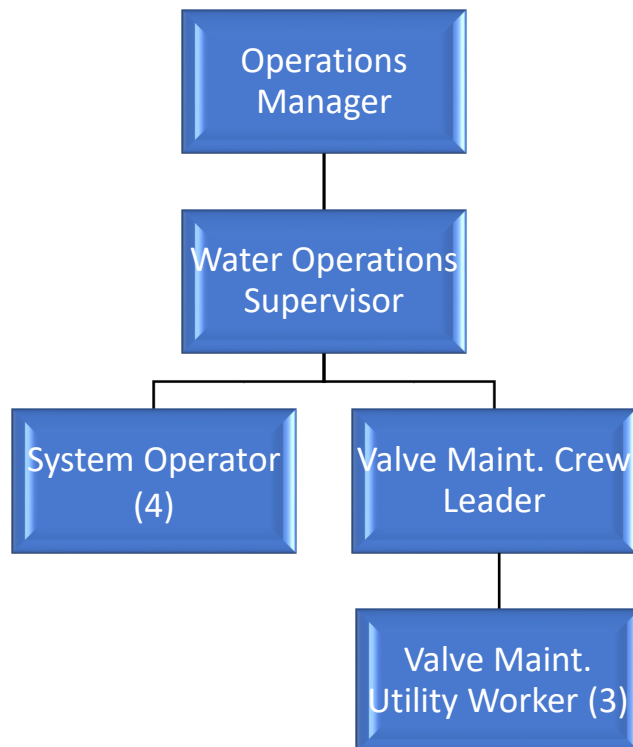
Objectives: Fiscal Year 2021-2022

- Complete WSUP.
- Complete upgrades on route 49 to become 100% drive-by meter reading, eliminating all manually read meters
- Lower the monthly check bill counts to under 50 for all three reading cycles.
- Complete all 3", 4" Large Meter Replacements.
- Complete all 5,006 Backflow Tests.
- Upon completion of WSUP, consolidate the read cycle to one day per cycle.
- Implement extensive meter testing program.

WATER SYSTEM OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Personnel Level:

<u>Position(s)</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Water Ops. Superintendent	1.00	1.00	0.00	0.00
Water Ops. Supervisor	0.00	0.00	1.00	1.00
Lead System Operator	1.00	1.00	0.00	0.00
System Operator(s)	3.00	3.00	4.00	4.00
Administrative Assistant	0.50	0.00	0.00	0.00
Valve Maint. Crew Leader	1.00	1.00	1.00	1.00
Valve Maint. Utility Worker(s)	3.00	3.00	3.00	3.00
Department Total	9.50	9.00	9.00	9.00



Responsibilities:

System Operations is responsible for operating the potable water system to ensure reliable and sustainable deliveries to District customers. 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 provide routine maintenance and repairs for all pumps in the distribution system.

Water Quality is 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 unique 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, and 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. This includes the repair, replacement, painting, and 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.

Significant Accomplishments: Fiscal Year 2020-2021

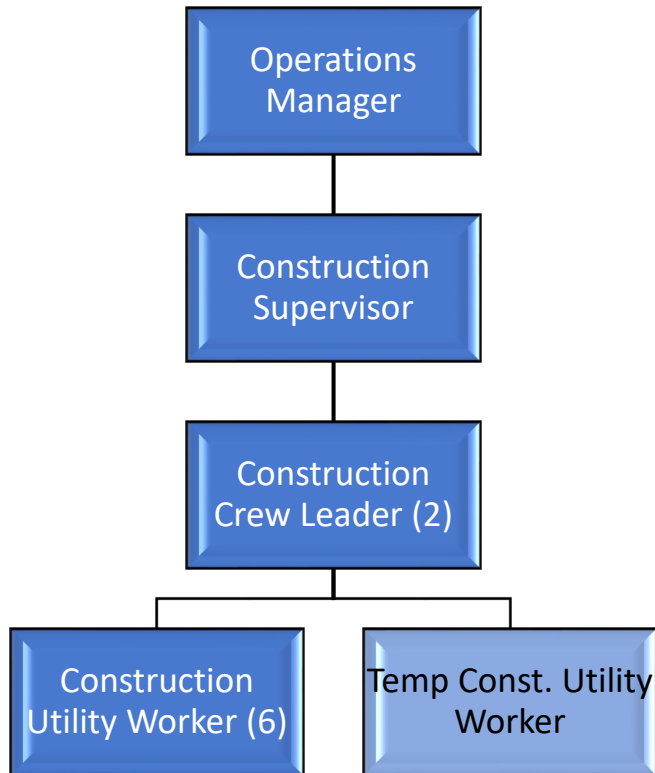
- Inflated/cleaned district three (3) reservoirs.
- Upgraded the District's outdated fire flow reports to a modern and comprehensive software program.
- Redesigned and upgraded Vallecitos pressure station to run in series.
- We installed a new CL-10 chlorine analyzer at the Gomez tank.
- Six (6) tanks were washed out and disinfected.
- Replaced one (1) pressure station CLA-VAL and one (1) pump station pump control valve.
- Installed (5) new above-ground pressure stations, upsized one (1).
- Performed 2020 SWRCB Sanitary Survey.
- Collected distribution system asbestos samples required by SWRCB.
- Nine (9) Casco mixers were installed at Morro reservoir.
- Ammonia skid and test injection plumbing installed at Morro reservoir.
- Motor and pump replaced at Vallecitos pump station.

Objectives: Fiscal Year 2021-22

- Work with Engineering to finalize plans for the interconnect with the Weese Filtration Plant.
- Complete installation of two permanent pump stations for SDCWA shutdowns.
- Continue working with Engineering to develop system pressure controls.
- Complete rehabilitation of Rainbow Heights Pump Station.
- Complete permanent injection plumbing and programming for Morro Chloramination injection system.
- Continue to evaluate and prove the newly upgraded and up-sized Stewart pressure station and other existing PRV's can feed and cycle Pala Mesa and Canonita tanks during peak summertime demand without the supplemental use of MET/SDCWA connections.
- 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 and reduce our SDCWA usage.

CONSTRUCTION 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	0.00	1.00	1.00	1.00
Project Manager	0.00	1.00	1.00	0.00
Construction Superintendent	1.00	1.00	0.00	0.00
Construction Supervisor	0.00	0.00	1.00	1.00
Construction Crew Leader	2.00	2.00	2.00	2.00
Construction Utility Worker	6.00	6.00	6.00	6.00
Temp Const. Utility Worker	0.00	1.00	1.00	1.00
Department Totals:	9.00	12.00	12.00	12.00



Responsibilities:

The Construction Department is dedicated to conducting its mission in a cooperative, collaborative environment that emphasizes quality, safety, and supplies high-quality customer service. The most critical function of Construction is to support and repair the infrastructure of the district. 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 24 hours per day, year-round to prevent uninterrupted service to our customers.

Significant Accomplishments: Fiscal Year 2020-2021:

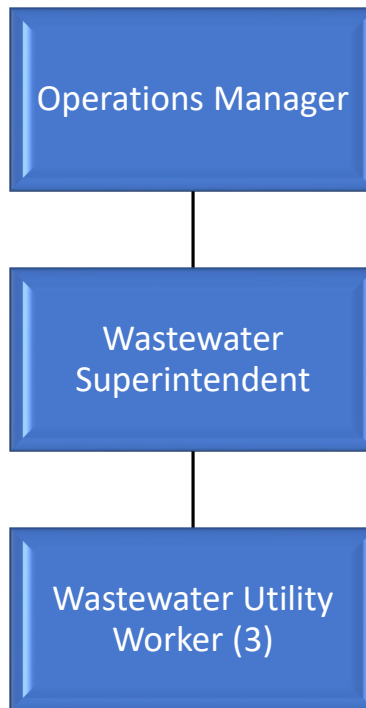
- Installed 200' feet of 12" c900 new line at Rice Canyon.
- Installed 120' feet of 12" CMLC new line at Pala Mesa Creek.
- Installed 2000' feet of 8" c900 new line at Rainbow Heights / Cal Fire.
- Assisted with Water Service Upgrade Project (WSUP) to surpass 50% completion.
- Assisted Operations with the cleaning of Morro Reservoir.
- Finished Vallecitos Pressure Reducing Station (PRS); installed six PRS' (Nella, Rose, Hialeah, Almendra, Stewart Canyon, Dentro de Lomas); and started Pala Lake North, South, and Pala Mesa Condos
- Trained all Construction staff to pass and obtain Commercial Class A driver's license.
- Responded to winter storms and assisted the County with drainage issues on Old River.
- Organized the lower yard.
- Introduced Flange Coupling Adapters as a form to repair nozzles.
- Introduced the use of service saddles to repair rotted main around service connections.
- Introduced angled meter stops.
- Introduced flare and compression fittings for copper.
- Introduced Break Away Hydrant check valves to prevent water loss and property damage.
- Introduced Asphalt Zipper as a tool to grind out a trench.
- Reintroduced Zinc Anodes for cathodic protection on Copper Service lines.
- Continued to use Magnesium Anodes for cathodic protection on steel main lines.

Objectives: Fiscal Year 2021-2022

- Continue with District-Wide Pressure Management by installing ten PRS' within the fiscal year.
- Finish Water Service Upgrade Project.
- Close all open work orders requiring asphalt repair and maintain a maximum of five "completed pending pavement" open work orders.
- 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 Heli-Hydrant at Pala Mesa Tank
- Implement Break Away Hydrant Check-in standards drawing and as approved part.
- Install new pipe segments per engineering plans which are in design

WASTEWATER DEPARTMENT

Personnel Level:				
<u>Position(s):</u>	<u>2018 – 2019</u>	<u>2019 – 2020</u>	<u>2020 – 2021</u>	<u>2021-2022</u>
Wastewater Superintendent	1.00	1.00	1.00	1.00
Utility Worker	3.00	3.00	3.00	3.00
Department Totals:	4.00	4.00	4.00	4.00



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.

Significant Accomplishments: Fiscal Year 2020-2021

- Work in conjunction with Engineering review & provide operations feedback on plans for Thoroughbred lift Station, up-size 12-18inch and force main under highway 76
- Completed 9.03 miles/47,678' 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 6.93 miles/36,590' of closed-circuit televised (CCTV) sewer mains 8" - 24".
- Provided and maintained preventative maintenance to seven sewage lift stations and one flow meter station.
- Removed and replaced worn flow meter and updated flow meter program.
- Preventative maintenance root control. Dukes Root control provided chemical treatment in controlling roots from the public sewer system and private homeowner sewer laterals.
- Maintained and kept 25 Smart-Cover sewer system District-owned monitoring units operational in helping reduce notifications and Sanitary Sewer Overflows (SSOs).
- Horse Creek Ranch – Abandoned 8" sewer line vcp 1,000' (Includes five cement pumper trucks, cement pumps, and easement clearing).
- USP technologies odor control (Hwy 76, Horsecreek, Rancho Viejo locations).
- CPM – Rancho Monserate 3-month utility box, scrubber odor demonstration trial.

North River Road 15" vcp sewer line repairs:

- Spot repair# 1 to 15" VCP sewer line North River Road and Holly Lane.
- Spot repair # 2 PO_12 -PO_11 North River Road
- Spot repair # 6 PO_12 – PO_11 North River Road
- Spot repair # 3 Q_07 – Q_08 North River Road
- North River Road Phase II punch list repairs to 15" vcp sewer line.

Objectives: Fiscal Year 2021-2022

- Provide and maintain preventative maintenance to seven sewage lift stations and one flow meter station.
- Provide Odalog sewer odor reading assessments on the collection system.
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to Food Service establishments (FSE) and residents.
- Install (5 additional Smart-floe Cover units) to efficiently monitor sewer collection system and potential sanitary sewer overflows.
- Cure in place sewer line repairs as needed through CCTV inspections.

- Sewer manhole interior rehabilitation repairs.
- 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.
- Secure sewer manholes along Moosa Creek river add rock boulders.
- Maintain sewer easements provide weed abatement for emergency response.
- Assist Engineering Department with completion of upcoming Capital Improvement Projects:
 - Thoroughbred Lift station review plans and comments.
 - Review Meadowood Development sewer system plans and comment.
 - Review Fairview Development sewer system plans and comment.
 - Review Ocean Breeze Development plans and comment.
 - Work alongside Sancon in rehabilitating manholes frame, covers, and lining manholes lining North River Road.
 - Hwy 76 12" sewer line upgrade from Sweetgrass Ln to Thoroughbred Lane.
 - Rehabilitate Golf Club Drive lift station wet well (includes bypassing wet well, contractor wet well repairs bottom of wet well to top of wet well).
 - Fallbrook Oak's rehab lift station force main and vault.

APPENDIX A

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.