



FALLBROOK PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING

NOTICE AND AGENDA

MONDAY, JANUARY 30, 2017
12:00 P.M. (NOON)

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 728-1125, ext. 1130 for assistance so the necessary arrangements can be made.

Writings that are public records and are distributed during a public meeting are available for public inspection at the meeting if prepared by the local agency or a member of its legislative body or after the meeting if prepared by some other person.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL / ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA PER GC § 54954.2(b)

APPROVAL OF AGENDA

PUBLIC COMMENT

Members of the public are invited to address the Board of Directors on any item that is within the subject matter jurisdiction of the legislative body. The Board President may limit comments to three (3) minutes.

A. RESOLUTION NO. 4902 OF COMMENDATION AND APPRECIATION TO WILLIAM "BILL" STEELE, SOUTHERN CALIFORNIA AREA MANAGER OF THE BUREAU OF RECLAMATION

II. ACTION CALENDAR-----(ITEMS B - C)****

B. LANDSCAPE MAINTENANCE DISTRICT / COUNTY OF SAN DIEGO PARKS & RECREATION

Recommendation: Staff supports the Board's direction.

C. BUDGET FORMAT

Recommendation: Staff supports the Board's direction.

III. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

I, Mary Lou Boultinghouse, Secretary of the Board of Directors of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 24 hours prior to the meeting in accordance with Government Code § 54956.

I, Mary Lou Boultinghouse, further declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

January 27, 2017
Dated / Fallbrook, CA

Mary Lou Boultinghouse
Secretary, Board of Directors

RESOLUTION NO. 4902

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FALLBROOK PUBLIC UTILITY DISTRICT OF COMMENDATION AND APPRECIATION OF WILLIAM "BILL" J. STEELE, SOUTHERN CALIFORNIA AREA MANAGER

* * * * *

WHEREAS, the Fallbrook Public Utility District (District) has undertaken the announcement of William "Bill" J. Steele's, Area Manager for the Bureau of Reclamation's Southern California Area Office, retirement after 39 years of service in federal water resources planning and management, and 45 years overall since he entered the water sector from Clemson University; and

WHEREAS, Bill has been that Area Manager in Southern California for the past 14 years; and

WHEREAS, Bill has been a major player in helping the District and other Southern California water agencies with development of Title XVI water-reuse and recycling resources projects, water conservation projects and programs, and other water and related resources planning programs; and

WHEREAS, Bill has been a champion of water conservation and water education programs throughout Southern California; and

WHEREAS, Bill has been a leader in building collaborative efforts with all 140 water districts in and throughout Southern California and with the state of California's Department of Water Resources, Department of Natural Resources, and other state and Federal agencies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does recognize and commend Bill upon his retirement and wholeheartedly thanks him for his tireless efforts to help preserve and protect Southern California's water and related resources. We congratulate Bill and wish him and his family the very best in his retirement.


PASSED AND ADOPTED by the Board of Directors of the Fallbrook Public Utility District at a special meeting of the Board held on the 30th day of January, 2017, by a unanimous vote:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

M E M O

TO: Board of Directors
FROM: Brian J. Brady, General Manager 
DATE: January 30, 2017
SUBJECT: San Diego County Parks and Recreation
Workshop: Landscape Maintenance District Formation

Summary

On March 17, 2017, the County Parks and Recreation Department will conduct an informational workshop to explain the procedural steps and costs to establish a Landscape Maintenance District in the Fallbrook area. The workshop will be held in FPUD's boardroom.

It is important, from the County's perspective, to assess local interest and support for the establishment of such a district. FPUD staff has compiled the attached list of community organizations which will be contacted and encouraged to attend the March 17th workshop. Staff is interested in contacting additional local groups which Board members may believe would have interest in attending the workshop. Staff will add these groups to the attached list for contact.

Recommendation

Staff supports the Board's direction.

Community organizations to notify of SDC P&R workshop on March 17, 2017

- Fallbrook Community Forum - Vince Ross's group (Don McDougal)
- Revitalization Committee - Roy Moosa's group
- Fallbrook Beautification Alliance (Noelle)
- Fallbrook Village Rotary (Jack)
- Fallbrook Rotary (Brian)
- Fallbrook Planning Group (Donna Gebhart)
- CSA 81 (Al Gebhart)
- Live Oak Park Coalition/Trail's Council (Al Gebhart)
- Save Our Forest
- Fallbrook Regional Health District (Gordon Tinker)
- Woman's Club (Noelle)
- Garden Club (Noelle)
- Chamber of Commerce
- Fallbrook Conservancy
- Mission Resource Conservation District

MEMO

TO: Board of Directors
FROM: Marcie Eilers, Administrative Services Manager *ME*
DATE: January 30, 2017
SUBJECT: Present New Budget Format

Purpose

To present to the Board the budget format that the Fiscal Policy and Insurance Committee has reviewed. Staff is presenting the Rincon del Diablo Water District format and modifications to it for the FPUD FY17-18 budget format.

Summary

The Fiscal Policy & Insurance Committee directed staff to look into different budget formats which would simplify the current budget format while presenting the budget with additional transparency.

After meeting several times to look at alternative formats, the Fiscal Policy & Insurance Committee indicated that the full Board should review the Rincon Del Diablo Water District budget format and make appropriate changes to customize it to FPUD's needs. While the summary information still needs to be updated with FPUD's information, the format is presented for review.

Recommended Action

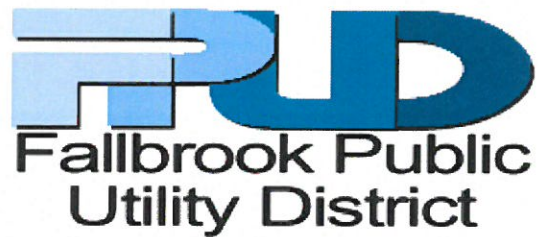
Staff supports Board recommendation.

FALLBROOK PUBLIC UTILITY DISTRICT

Operating & Capital Budget

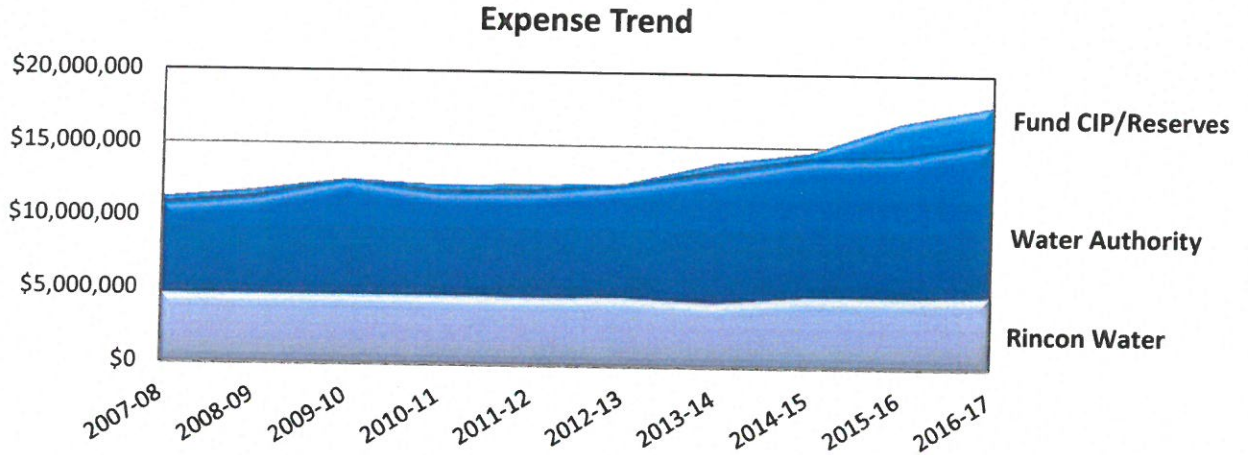
Fiscal Year 2017-18

1/27/2017



Overview

The Rincon del Diablo Municipal Water District has worked effectively to manage costs within our control while maintaining the infrastructure necessary to service our customers.



The cost of purchased water is the largest expense in the overall budget. As a result, rate increases have been necessary in order to cover increases in purchased water costs as well as other operating expenses. Rate increases have been managed in order to minimize the impact to ratepayers, as much as possible.

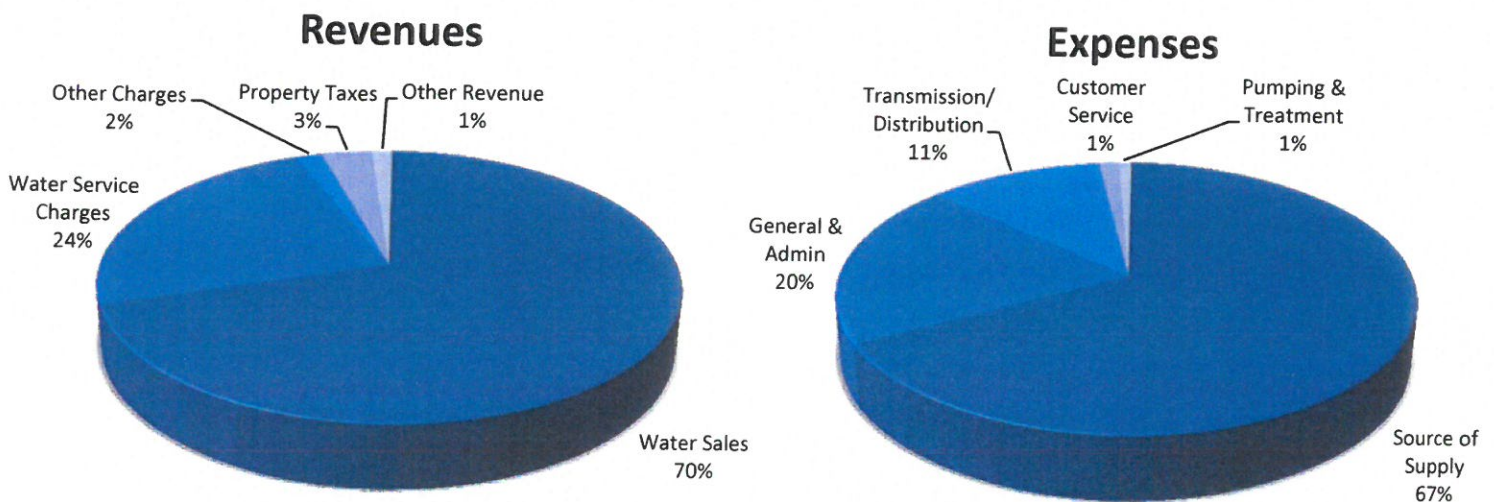
In order to control the impact of rate increases to our customers, Rincon Water kept District expenses flat for more than seven years by actively and aggressively managing costs. Cost pressures for the goods and services necessary to deliver water, however, have continued to increase. Inflation over the nine years shown in the graph above is estimated to be more than 15 percent. As a result of keeping District costs flat for the first seven of those years, Rincon Water is considering a nine-year increase of less than seven percent. This rate is well below the estimated inflationary rate for that same time period.

Introduction

Each Year, the Board of Directors (Board) of the Rincon del Diablo Municipal Water District (District) conducts a review of the District’s operational revenue and expense requirements, holds a public hearing to receive the community’s comments and adopts a Budget. These actions have resulted in this document’s development. The Budget also provides direction for implementation of the funded projects and programs, pending appropriate authorizations as developed in District Policies.

The Fiscal years (FY) 2015–16 and 2016–17 Budgets are the result of program requirements developed from policy guidance and priorities established by the Board to provide the resources necessary to operate and maintain the system’s infrastructure and respond to emergencies as needed. The framework is intended to achieve the legal and fiduciary obligations incurred to operate a district committed to promoting high levels of customer service and embracing keen financial accountability.

The Budget is a planning tool, which is significantly influenced by water-related sales and expenses. Approximately 69 percent of the District’s revenue is derived from water sales, while nearly 66 percent of the expenditures are for water purchases. The FY 2015–16 and FY 2016–17 Budgets assume an increase in operating expenses of five percent per year.



Potable and Recycled Water Services

Potable Water – Purchases

Water purchases are the single largest component of the budget. Previous assumptions and customer use have changed; therefore, water usage projections and purchased water rates require extensive analysis before the budgets can be completed. For FY 2015–16 and FY 2016–17, the District calculated water purchases based on an estimation of customer-use patterns, pricing and conservation influences. Actual purchases are significantly affected by weather.

Proposed rate increases to District customers for potable and recycled water will be effective September 1, 2015. The proposed increase in the San Diego County Water Authority (SDCWA) Infrastructure Access Charge (IAC) will be effective January 1, 2016.

The Metropolitan Water District (MWD) and SDCWA billing structures include variable rate charges (Supply and Transportation) as well as fixed costs (MWD's Capacity Reservation and Readiness to Serve Charges and SDCWA's Customer Service, Emergency Storage and IAC). Components of the District's water-purchase expenses are outlined below.

Variable Charges

- SDCWA – Melded Supply and Treatment charges include MWD supply and Imperial Irrigation District (IID) transfer water costs.
- SDCWA – Transportation for the conveyance of water.

Fixed Charges

- SDCWA – Customer Service is based on a three-year rolling average of water purchases.
- SDCWA – Emergency storage is based on a three-year rolling average.
- SDCWA – Infrastructure Access Charges are a direct pass-through of the funds collected from water sales for active potable water meters in the District's system. Current charges are per Equivalent Meter Unit (EMU).
- MWD – Readiness to Serve is based on a 10-year rolling average of water purchases.
- MWD – Capacity Reservation Charges are based on averaged five-year flow data.

Other

- MWD/SDCWA – TSAWR Agricultural Credits will be passed through to the end user as received. These credits will fluctuate depending on the per-acre foot cost of water and the timing of water cost increases. The Board has approved the automatic pass-through of any additional program credits received from MWD or SDCWA.
- Budget-Based Billing – The District provides conservation-focused, multitiered pricing water budgets for landscape and agriculture customers using the California Department of Water Resources' Maximum Applied Water Allowance.

Potable Water – Sales

The District-calculated water sales are based on projections from the 2014 Master Plan and Updated 2013 Urban Water Management Plan. As with water purchases, actual water sales can be significantly affected by weather, conservation efforts and the possible implementation of stringent drought related restrictions. In addition, sales trends are expected to fluctuate depending on customer-use patterns and offsets from the distribution of recycled water.

Revenue from water sales has been calculated using the tiered rate schedules approved following the June 9, 2015, Public Rate Hearing. Actual revenues collected are closely monitored to ensure that the rate structure provides adequate resources to fund the District's operations and equitable distribution of costs.

Recycled Water - Purchases and Sales

The Recycled Water Project has been online since October 2004, with recycled water provided to the District from the City of Escondido's (City) Hale Avenue Resource Recovery Facility. The Recycled Water System consists of approximately 6.7 miles of distribution pipeline and two pump stations. Currently, there are 72 customers receiving recycled water, the largest of which is the SDG&E 500-megawatt Palomar Energy Center cooling tower.

Recycled Water Sales revenue for the estimated 3,600 acre-feet contractually available for SDG&E is addressed in a specific agreement. The District's Recycled Water Fund revenue forecasts sales to customers other than SDG&E at 185 acre-feet. The agreement with SDG&E is to pay a monthly take-or-pay amount, which is adjusted annually.

Financial Operations

Rates, Fees and Charges

Information used for developing the District's rates, fees and charges is derived from various sources, including the current and historic revenue and expenditure data, future projection for infrastructure replacement and refurbishment (R&R) costs and water purchases and sales.

The District diligently employs strict financial controls. The Board concluded that rate increases are necessary to fund vital District services, including continued maintenance of the water system and to fulfill the objectives of our financial plan.

For the current year, water purchases are anticipated to increase slightly, while water supply costs are estimated to increase by approximately five percent. SDCWA and MWD notified the District that increases are projected to continue over the next several years due to fixed obligations (debt service) and increased cost of additional diversified water supplies

On May 12, 2015, a Proposed Budget was presented to the Board that included forecasted operational expenses, capital projects and anticipated revenue requirements. As required by Proposition 218, notices were distributed on April 24, 2015, advising District customers that the Board would be conducting a Public Rate Hearing on June 9, 2015, to consider rate adjustments for up to a five-year period. On April 14, 2015, the Board discussed rate alternatives and the impact each would have on the District's current billing structure. At this meeting, the Board directed staff to prepare the final budget.

Restricted and Unrestricted Appropriated Fund Balances

The District has a Restricted and Unrestricted Appropriated Fund Balance Policy (reserves) that details the purpose, targeted balance, approved use and funding methodology for those funds. The Board has placed minimum and maximum funding levels to maintain operational, administrative and infrastructural project functions.

Each year, as part of the Budget process, the Board reviews and approves transfers to and from the District's Restricted and Unrestricted Appropriated Fund Balances. This year's District's Restricted and Unrestricted Appropriated Fund Balance Schedule incorporates approved categories and projected balances. Per Resolutions 13-31.1 and 13-913.1, the Board resolved that the District will use operational savings associated with paying off debt to replenish the Infrastructure Planning Fund; this amount is \$505,000 annually.

Interest Revenue

The majority of the District's liquid funds are deposited with the Local Agency Investment Fund and the California Asset Management Program. The interest rates for each of these pooled funds have dropped steadily over the last four years and are anticipated to maintain a low level during the course of this budget. In addition, the District's portfolio contains government-sponsored securities and Certificates of Deposit maturing at various times up to four years.

The District deliberately maintains a conservative portfolio that adheres to our fundamental investment strategy, with the primary objectives of safety, liquidity and yield. All cash funds are pooled for investment purposes in order to attain the highest return while maximizing security and meeting cash-flow requirements.

For the coming years, financial analysts are forecasting that the Federal Reserve will maintain current interest rates with prime rate increases or decreases dependent upon the fluctuating economic environment and inflationary trends. Due to the variables anticipated, the interest revenue is projected at a rate of 0.5 percent to 1.0 percent.

Property Taxes

In 2004 the State shifted \$350 million of property tax revenues from local governments to the State to pay for schools and community colleges for FY 2003–04 and FY 2004–05. In exchange, cities, counties and special districts received constitutional protection through the passing of Proposition 1A for local property taxes, sales taxes and vehicle license fees revenue beginning in 2006. However, the proposition contained a provision that property taxes could be “borrowed” by the State with repayment required before additional borrowing could occur.

During each of the past several years, the State has borrowed or considered some shift of local funds that has made budgeting of these funds unpredictable. Relying on this money to fund operations is dubious; however, not including these funds within a budget might be interpreted to mean these funds are not needed. For FY 2015–16 and FY 2016–17 the District has budgeted for the receipt of property tax revenue with decreases applied for multiple foreclosures and assessed-value reductions.

Property taxes received for the Fire Protection District were included in the Proposition 1A Securitization Program and are paid to the City of Escondido for fire services contracted in accordance with the Cooperative Merger Agreement executed in 1989.

Debt Service

In 2013, the District paid off three outstanding long-term debts:

- 1998 – A \$4,095,000, 18-year Water Revenue Refunding Bond for water improvements
- 2004 – A \$2,000,000, 4.5 percent 20-year loan. This was a private placement loan to fund various capital refurbishment and replacement projects
- CalPERS Side Fund – A \$682,572, 7.5 percent side fund maturing in 2020. This side fund was created in 2003 to cover the costs associated with a CalPERS mandated move into the Risk Pool.

Presently, the District has no debt. Per Resolutions 13-31.1 and 13-913.1, the Board resolved that the District will use operational savings associated with paying off debt to replenish the Infrastructure Planning Fund; this amount is \$505,000 annually. However, the District anticipates acquiring approximately \$10 million in debt within this budgetary period for the Capital Improvement Program.

Administrative Operations

District Compensation Plan

The District strives to maintain an effective and efficient workforce through the balance of performance measures, employee development and recognition. Employees whose performances result in exceeding expectations during this period are eligible for a merit salary adjustment based on such criteria as measurable achievement during their annual performance evaluation and regional/organizational economic conditions. In addition to the performance-based merit adjustments, the District provides a bonus incentive program designed to recognize employee contributions that meet District strategic goals through individual and collaborative efforts.

The District's goal is to maintain a balanced benefit program structured to manage costs while remaining competitive in recruiting and retaining quality employees. In 2010 the Board completed a comprehensive review of the current program. The two largest components of this package are the District's retirement and health insurance plans.

California Public Employees Retirement System (CalPERS) is the administrator of the District's retirement benefit program. Recent efforts by CalPERS such as agency pooling and modifications to their investment return smoothing formula have minimized the rate fluctuations that the District previously experienced. The District does not participate in Social Security, which allows an off-setting contribution for the employee into CalPERS at an overall savings to the District.

The District's health care insurance plan is contracted with CalPERS. This partnership allows the District to benefit from the larger purchasing pool afforded by CalPERS' statewide membership and minimizes costs associated with a self-administered program. The District's contribution to employee and retiree health care is capped per Resolution 14-543.2.

The District is subject to the Governmental Accounting Standards Board Pronouncement 45(GASB 45) which requires financial recognition of other post-employment benefits (OPEB) such as health and dental costs for retirees. The District participates in the California Employers Retiree Benefit Trust Fund (CERBT) administered by CalPERS to manage the Annual Required Contributions (ARC) for OPEB costs.

Emergency Planning

Preparation for emergencies is a priority of the Board. Therefore, each year as part of the Budget process, the District assigns the resources required to ensure that programs relating to safety and emergency planning are appropriately funded. The District program conducts regular emergency drills and one annual major exercise.

Fire Protection Services

Revenues received from property taxes, special assessment fees and mitigation fees are paid to the City of Escondido for contracted fire services as specified in the 1989 Co-operative Merger Agreement. In January 2012, Rincon Fire Protection District customers in the State Response Area became subject to an additional fee imposed by the State of California.

Capital Asset Management

This year's Capital Outlay requests have been submitted and evaluated in accordance with the District's anticipated needs. Note that in accordance with the District's administrative policy, items under \$5,000 are considered operational expenses and are listed for informational purposes only.

The Asset Management Program consists of various construction, rehabilitation and replacement projects based on the result of the 2014 Water Master Plan Update. District Capital improvements are typically scheduled and prioritized on the basis of water quality concerns, growth, regulatory requirements, component reliability, system benefit and financial resources. Estimated project costs are determined by using the latest price indexes and/or actual quotes, material availability, equipment and current labor rates.

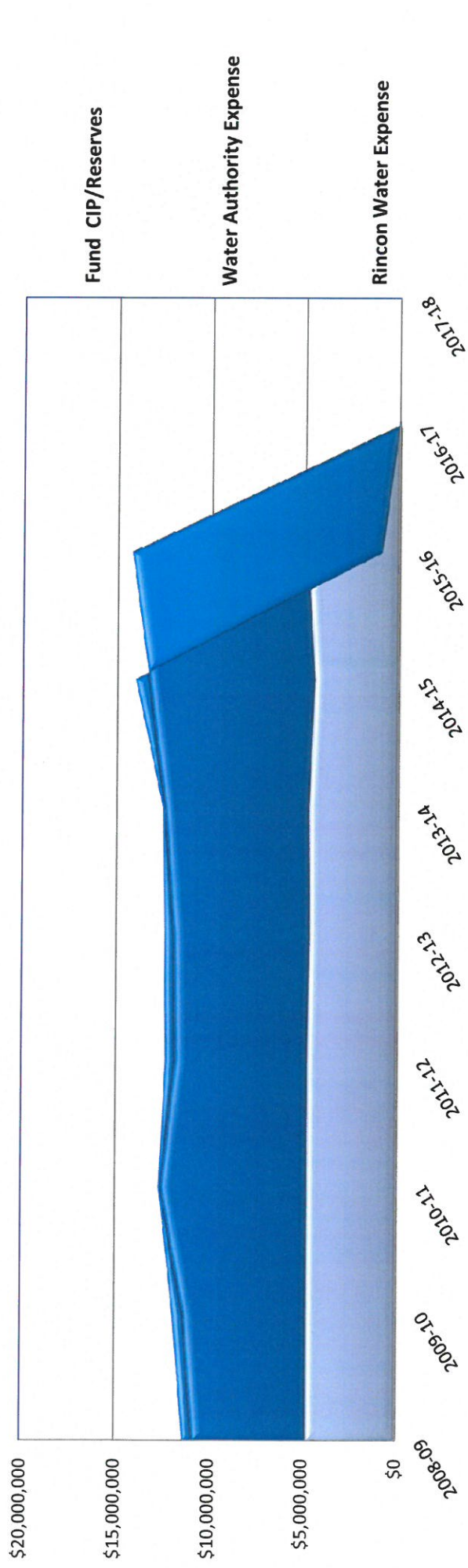
Investing in infrastructure replacement and improvements is the highest priority of the District's Capital program. Each year personnel identify critical assets of the distribution system and review processes that improve operations efficiency or extend their life cycle. This year a series of hydraulic modeling scenarios will be developed to further understand, evaluate and prioritize assets for replacement. Water system assets are typically prioritized by default decisions based on material type, age and failure rates. By performing discrete modeling scenarios, it is expected that replacement priorities can be modified and associated risk values can be applied to adjust the replacement frequencies.

Expansion of the recycled water system remains a priority for the District. As the need for water reuse expands, regional coordination becomes more important. Rincon Water continues efforts toward identifying viable solutions to minimize the capital burden while promoting and ensuring the most effective use of available resources.

Budget Trend Overview

These are Rincon's figures

| | Adopted 2008-09 | Adopted 2009-10 | Adopted 2010-11 | Adopted 2011-12 | Adopted 2012-13 | Adopted 2013-14 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 | Proposed 2017-18 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|------------------|
| Operations Revenue | | | | | | | | | | |
| Potable Water Revenue | 11,336,542 | 11,871,171 | 12,647,080 | 12,329,217 | 12,413,217 | 12,495,287 | 13,921,002 | 753,007 | - | - |
| Recycled Water Revenue | - | 229,907 | 228,232 | 184,621 | 195,931 | 229,520 | 279,349 | 367,897 | - | - |
| Operations Revenue | 11,336,542 | 12,101,078 | 12,875,312 | 12,513,838 | 12,609,148 | 12,724,807 | 14,200,351 | 1,120,904 | - | - |
| Operations Expense | | | | | | | | | | |
| Water Authority Expense | 6,055,362 | 6,552,754 | 7,776,957 | 7,015,113 | 7,199,165 | 7,658,869 | 8,811,267 | 9,336,148 | - | - |
| Rincon Water Expense | 4,740,306 | 4,753,297 | 4,747,896 | 4,755,033 | 4,667,217 | 4,725,233 | 4,440,755 | 4,864,012 | - | - |
| Recycled Water Expense | - | 229,908 | 228,232 | 184,621 | 195,931 | 201,080 | 212,029 | 248,685 | - | - |
| Operations Expense | 10,795,668 | 11,535,959 | 12,753,085 | 11,954,767 | 12,062,313 | 12,585,182 | 13,464,051 | 14,448,845 | - | - |
| Revenues to Fund CIP/Reserves | 540,874 | 565,119 | 122,227 | 559,071 | 546,835 | 139,625 | 736,300 | (13,327,941) | - | - |



**Fallbrook Public Utility District
2016-17 Budget Overview-Through 12/31/16**

| | 2016-2017 Adopted Budget | 2016-2017 Actual YTD | 2016-17 Projected | Change from Projected to Adopted Budget | Percent Change from Prior Budget |
|---|-----------------------------|-------------------------|----------------------|---|--|
| REVENUES: | | | | | |
| Water and Recycled Sales | 9,740 | 5,522 | 8,935 | (805) | -8.3% |
| Operating Revenues: | | | | | |
| Water Sales | 15,650,735 | 8,511,060 | 13,771,941 | (1,878,794) | -12.0% |
| Meter Service Charges | 5,338,784 | 2,539,941 | 5,079,881 | (258,903) | -4.8% |
| Wastewater Service Charges | 5,804,379 | 2,763,827 | 5,527,653 | (276,726) | -4.8% |
| Overuse Penalties | 0 | 0 | 0 | - | 0.0% |
| Sundry Other Revenue | 306,100 | 121,864 | 243,728 | (62,373) | -20.4% |
| CWA Rebates | 148,000 | 71,380 | 115,502 | (32,498) | -22.0% |
| Total Operating Revenue | 27,247,998 | 14,008,071 | 24,738,705 | (2,509,293) | -9.2% |
| Non Operating Revenues: | | | | | |
| Capital Improvement Charge | 2,282,000 | 1,109,814 | 2,219,627 | (62,373) | -2.7% |
| Property Taxes | 1,814,077 | 688,651 | 1,814,077 | - | 0.0% |
| Water Standby/Availability Charge | 203,000 | 37,496 | 203,000 | - | 0.0% |
| Water/Wastewater Capacity Charges | 107,315 | 96,468 | 107,315 | - | 0.0% |
| Portfolio Interest | 175,000 | 87,798 | 175,595 | 595 | 0.3% |
| Pumping Charge | 60,000 | 28,296 | 56,592 | (3,408) | -5.7% |
| Prop 84 & 50 Funds | 0 | 109,755 | 109,755 | 109,755 | 100.0% |
| SRF Loan Proceeds | 0 | 0 | 0 | - | 0.0% |
| CSI Rebate | 251,362 | 363,930 | 363,930 | 112,568 | 44.8% |
| Facility Rents & Other Non Operating Revenues | 255,000 | 122,543 | 245,085 | (9,915) | -3.9% |
| Total Non Operating Revenues | 5,147,754 | 2,644,751 | 5,294,977 | 147,223 | 2.9% |
| Total Budgeted Revenues | 32,395,752 | 16,652,821 | 30,033,682 | (2,362,070) | -7.3% |
| EXPENDITURES: | | | | | |
| Operating Expenses: | | | | | |
| Purchased Water Expense | 13,060,217 | 6,851,861 | 12,103,623 | (956,594) | -7.3% |
| Production-Water Quality & Treatment | 1,270,610 | 420,839 | 841,678 | (428,932) | -33.8% |
| Distribution | 2,047,562 | 928,577 | 1,857,154 | (190,408) | -9.3% |
| Customer Service | 1,290,347 | 477,179 | 954,358 | (335,989) | -26.0% |
| General Administration | 5,182,798 | 2,308,264 | 4,616,527 | (566,271) | -10.9% |
| Collection, Treatment & Disposal | 2,818,664 | 1,438,813 | 2,877,627 | 58,963 | 2.1% |
| Total Operating Expenses | 25,670,198 | 12,425,533 | 23,250,968 | (2,419,230) | -9.4% |
| Capital Project Expenses-completed and ongoing projects | 5,966,928 * | 3,435,925 | 5,966,928 | 0 | 0.0% |
| Debt Service Expenses | 2,105,240 ** | 378,346 | 2,105,240 | - | 0.0% |
| Total Budgeted Expenditures | 33,742,366 | 16,239,805 | 31,323,136 | (2,419,230) | -7.2% |
| NET REVENUES & EXPENDITURES | (1,346,614) | 413,017 | (1,289,454) | (57,160) | -4.2% |
| Estimated Reserves as of 7/1/16 | 15,308,265 | 15,308,265 | 15,308,265 | 15,308,265 | 0.0% |
| FUNDING FROM (TO) RESERVES | 1,346,614 | (413,017) | 1,289,454 | 57,160 | -4.2% |
| | 0 | 0 | 0 | 0 | 0.0% |

** Large payment of \$1,845,745 due in March for WWTP SRF

**Fallbrook Public Utility District
2016-17 Budget Overview-Through 12/31/16**

| | 2016-2017 Adopted Budget | 2016-2017 Actual YTD | 2016-17 Projected | Change from Projected to Adopted Budget | Percent Change from Prior Budget |
|---|-----------------------------|-------------------------|----------------------|---|--|
| Labor Costs: | | | | | |
| Annual Wages | 5,698,680 | - | - | (5,698,680) | |
| Direct Benefits: | | | | | |
| Medical/Dental/Vision | 964,259 | 0 | 0 | (964,259) | |
| Other Post Employment Benefits (OBEB) contribution | 150,000 | 0 | 0 | (150,000) | |
| Life Insurance/Long Term Disability | 38,418 | 0 | 0 | (38,418) | |
| Uniforms/Safety Equipment | 38,317 | 0 | 0 | (38,317) | |
| Auto Allowance & Rec Fund | 18,700 | 0 | 0 | (18,700) | |
| 0 | 0 | 0 | 0 | - | |
| Total Direct Benefits | 1,209,694 | 0 | 0 | (1,209,694) | |
| Indirect Benefits: | | | | | |
| CalPERS/401A* | 897,630 | 0 | 0 | (897,630) | |
| CalPERS Side Fund Payoff** | 485,000 | 0 | 0 | (485,000) | |
| CalPERS Unfunded Liability contribution | 100,000 | 0 | 0 | (100,000) | |
| FICA/Social Security | 419,177 | 0 | 0 | (419,177) | |
| Workers Comp Premiums | 130,558 | 0 | 0 | (130,558) | |
| *Employer Contribution X% for Misc Members and Y% for PEPRAs Members | | 0 | 0 | - | |
| **Reimburse Reserves for 6/30/14 Side Fund Payoff | | 0 | 0 | - | |
| ***Actuarial Unfunded Liability of \$7.1M | | 0 | 0 | - | |
| 0 | 0 | 0 | 0 | - | |
| Total Indirect Benefits | 2,032,365 | 0 | 0 | (2,032,365) | |
| Total Labor and Benefits: | 3,242,059 | 0 | 0 | (3,242,059) | |
| Total Wages and Fringe Benefits | 8,940,739 | | | | |

Capital Asset Management

| | Budget 2015-16 | Projected 2015-16 | Budget 2016-17 | Outyear 2017-18 | Outyear 2018-19 | Outyear 2019-20 |
|--|-------------------|----------------------|-------------------|--------------------|--------------------|--------------------|
| <u>Water Capital Improvement Projects</u> | | | | | | |
| Field Equipment | 601,000 | 419,088 | 543,500 | 183,500 | 183,500 | 533,500 |
| Reservoirs | 696,853 | 940,747 | 333,950 | 1,234,697 | 703,443 | 530,812 |
| Seismic Retrofit | 30,000 | - | 0 | 0 | 0 | 0 |
| Pipelines | 1,478,602 | 765,152 | 1,785,401 | 1,180,174 | 1,170,383 | 1,404,917 |
| Yard/SCADA/Facility | 221,000 | 27,805 | 196,000 | 50,000 | 0 | 150,000 |
| DLSA Improvements | 100,000 | 289,093 | 100,000 | 50,000 | 100,000 | 100,000 |
| Pressure Stations | 38,000 | 30,645 | 38,000 | 48,000 | 90,000 | 20,000 |
| Santa Margarita Conj. Use | 1,500,000 | 1,065,815 | 50,000 | 20,940,000 | 20,940,000 | 20,000 |
| Santa Margarita Water Rights | 122,140 | 185,234 | 139,630 | 215,112 | 140,867 | 141,910 |
| Pump Stations | 720,000 | 982,177 | 400,000 | 300,000 | 195,000 | 50,000 |
| Water Supply Facilities | 80,000 | 17,300 | 70,000 | 50,000 | 50,000 | 90,000 |
| Meter Service Replacement | 445,000 | 289,500 | 445,000 | 400,000 | 400,000 | 400,000 |
| Meter Installations | 59,334 | 14,000 | 75,702 | 92,070 | 108,438 | 108,438 |
| Facility Upgrades & Security | 113,000 | - | 116,000 | 118,000 | 104,000 | 104,000 |
| Total Water Capital Improvement | 6,204,929 | 5,026,556 | 4,293,183 | 24,861,553 | 24,185,631 | 3,653,578 |

Wastewater Capital Improvement Projects

| | | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Collection System | 431,395 | 98,717 | 679,173 | 533,048 | 607,039 | 661,151 |
| Treatment Works | 3,316,000 | 4,812,256 | 260,000 | 130,000 | 150,000 | 150,000 |
| Outfall | 450,000 | 313,906 | 200,000 | 200,000 | 200,000 | 100,000 |
| Minor System Improvements | | | | | | |
| Developer | 50,000 | - | 50,000 | 143,333 | 143,333 | 143,333 |
| Total Wastewater Capital Improvement | 4,247,395 | 5,224,879 | 1,189,173 | 1,006,381 | 1,100,373 | 1,054,484 |

Recycled Capital Improvement Projects

| | | | | | | |
|------------------------------------|-----------|-----------|--------|---------|--------|---------|
| New Services | | | 10,000 | 5,000 | 5,000 | - |
| Improvements/Extensions | 1,725,000 | 1,945,300 | - | - | - | 100,000 |
| Out of District Connections | | | | | | |
| Tertiary Treatment Rehab: | | | | | | |
| Total Recycled Capital Improvement | 2,304,000 | 1,915,080 | 70,000 | 160,000 | 85,000 | 10,000 |
| | 4,029,000 | 3,860,380 | 80,000 | 165,000 | 90,000 | 110,000 |

Admin Capital Improvement Projects

| | | | | | | |
|-----------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| System & Server Upgrades | 181,500 | 241,000 | 234,570 | 20,000 | 25,000 | 25,000 |
| CADD/GIS/GPS | 30,000 | 10,000 | 5,000 | 105,000 | 55,000 | 30,000 |
| Fac Improve/Upgrades/Security | 40,000 | 104,540 | 110,000 | 45,000 | 45,000 | 35,000 |
| Total Admin Capital Improvement | 251,500 | 355,540 | 349,570 | 170,000 | 125,000 | 90,000 |
| Total Capital Improvements | 14,732,824 | 14,467,355 | 5,911,925 | 26,202,934 | 25,501,004 | 4,908,061 |

Departmental Budget

| | Actual 2016-17 | Projected 2016-17 | Adopted 2017-18 |
|--|---------------------------|------------------------------|----------------------------|
| <u>Potable Water Operations</u> | | | |
| Operating Revenue | | | |
| Water Sales | 14,658,292 | | |
| Service Charges | 5,268,977 | | |
| Sundry | 300,000 | | |
| | <hr/> | | |
| Total Revenues | 20,227,269 | - | - |
| | | | |
| Expenses | | | |
| Production | 13,769,497 | | |
| Customer Service | 1,290,347 | | |
| Distribution | 1,928,202 | | |
| Allocated Admin Expenses | 2,591,400 | | |
| | <hr/> | | |
| Total Expenses | 19,579,446 | | - |
| Net Revenue/(Expense) | 647,823 | | |

Departmental Budget

| | Actual 2016-17 | Projected 2016-17 | Adopted 2017-18 |
|-------------------------------------|-------------------|----------------------|--------------------|
| <u>Wastewater Operations</u> | | | |
| Operating Revenue | | | |
| Service Charges | 5,804,379 | | |
| Class A Biosolids Sales | 100 | | |
| Sundry | 1,000 | | |
| | | | |
| Total Revenues | 5,805,479 | - | - |
| | | | |
| Expenses | | | |
| Collection | 996,761 | | |
| Treatment | 842,693 | | |
| Disposal/Regulatory Compliance | 979,210 | | |
| Allocated Admin Expenses | 2,280,432 | | |
| | | | |
| Total Expenses | 5,491,097 | | |
| | | | - |
| Net Revenue/(Expense) | 314,382 | | |

Departmental Budget

| | Actual 2016-17 | Projected 2016-17 | Adopted 2017-18 |
|-----------------------------------|---------------------------|------------------------------|----------------------------|
| <u>Recycled Operations</u> | | | |
| Operating Revenue | | | |
| Water Sales | 992,443 | | |
| Service Charges | 69,807 | | |
| MWD/CWA Incentive | 148,000 | | |
| Sundry * | 5,000 | | |
| Total Revenues | 1,215,250 | | |
| Expenses | | | |
| Production | 561,330 | | |
| Distribution | 119,360 | | |
| Allocated Admin Expenses | 310,968 | | |
| Total Expenses | 991,658 | | |
| Net Revenue/(Expense) | 223,592 | | |

Departmental Budget

| | Account No. | Adopted 2016-17 | Projected 2016-17 | Proposed 2014-15 |
|---|-----------------|--------------------|----------------------|---------------------|
| Potable Water Operating Expenses | | | | |
| Production | | | | |
| Purchased Water | 30-54010 | 13,060,217 | | |
| Pumping-DeLuz & toyon | 30-30-400-53002 | 215,600 | | |
| Water Quality/Treatment | 101 | 219,220 | | |
| Red Mtn UV Plant O&M | 325 | 274,460 | | |
| Customer Service | | | | |
| Meter Repairs | 416 | 97,391 | | |
| Backflow Inspection | 424 | 126,263 | | |
| Detector Check Maint | 425 | 14,702 | | |
| Service Line Repairs | 428 | 394,142 | | |
| Meter Reading | 510 | 99,711 | | |
| Standby | 511 | 60,160 | | |
| Customer Requests | 512 | 246,823 | | |
| Delinquent Accounts | 515 | 66,996 | | |
| Billing | 611 | 182,158 | | |
| Distribution | | | | |
| Fallbrook Systems | 100 | 356,907 | | |
| DeLuz Systems | 102 | 110,571 | | |
| Exercise Valves | 410 | 174,281 | | |
| Valve Maintenance | 411 | 277,181 | | |
| Control Valve Maintenance | 413 | 36,646 | | |
| Right of Way Maintenance | 415 | 69,090 | | |
| Pipeline Repair | 421 | 628,817 | | |
| Water Supply & Storage Facilities | 423 | 107,346 | | |
| Fire Hydrant Repairs | 430 | 30,201 | | |
| Telemetry Equipment | 479 | 137,162 | | |
| Total Water Operating Expenses | | 16,986,045 | | |
| Wastewater Operating Expenses | | | | |
| Collections | | | | |
| Mains/Video/Unscheduled Repairs | 810 | 229,414 | | |
| Manholes/Clean Outs/Laterals | 812 | 157,344 | | |
| Lift Station O&M | 813 | 347,629 | | |
| Collection System Cleaning | 814 | 262,374 | | |
| Treatment | | | | |
| Main Plant Ops | 820 | 758,325 | | |
| Solar Plant Maintenance | 836 | 40,403 | | |
| Wastewater Telemetry | 879 | 43,965 | | |
| Disposal & Regulatory Compliance | | | | |
| Lab Services & Process Control | 801 | 152,296 | | |
| Fats/Oils/Grease (FOG) | 804 | 21,797 | | |
| Regulatory Compliance & Monitoring | 805 | 176,080 | | |
| Outfall Right of Way Maintenance | 807 | 123,022 | | |
| Main Plant Solids Handling | 825 | 506,014 | | |
| Total Wastewater Operating Expenses | | 2,818,663 | | |

Departmental Budget

| | Account No. | Adopted 2016-17 | Projected 2016-17 | Proposed 2014-15 |
|--|--------------------|----------------------------|------------------------------|-----------------------------|
| Recycled Operating Expenses | | | | |
| Production | | | | |
| Laboratory | 803 | 125,232 | | |
| Main Plant Tertiary | 824 | 436,097 | | |
| Distribution | | | | |
| Recycled Monitoring & Testing | 115 | 68,675 | | |
| Recycled Valve Maintenance | 711 | 19,583 | | |
| Control Valve Maintenance | 713 | 9,118 | | |
| Pipe & Meter Maintenance | 716 | 14,323 | | |
| Recycled Telemetry | 779 | 7,662 | | |
| Total Recycled Operating Expenses | | <u>680,690</u> | | |

Authorized Personnel Listing

| | FY 2016-17 Current | FY 2017-18 Add/(Delete) | Total |
|--|-----------------------|----------------------------|-------|
| Administration | | | |
| General Manager | 1 | | 1 |
| Administrative Services Manager/Treasurer | 1 | | 1 |
| Human Resources Manager | 1 | | 1 |
| Public Affairs Specialist | 0.8 | | 0.8 |
| Secretary | 1 | | 1 |
| Accounting Supervisor | 1 | | 1 |
| Accounting/Customer Service Assistant I/II | 2 | | 2 |
| Information Systems Technician | 1 | | 1 |
| Customer Service Specialist | 1 | | 1 |
| Customer Service Representative I/II | 2 | | 2 |
| Administration | 11.8 | 0 | 11.8 |
| Engineering | | | |
| Assistant General Manager | 1 | | 1 |
| Engineering Supervisor | 1 | | 1 |
| Engineering Technician I/II/III | 3 | | 3 |
| GIS Specialist | 1 | | 1 |
| Administrative Office Specialist | 1 | | 1 |
| Drought Management Coordinator | 1 | | 1 |
| Operations Specialist | 1 | | 1 |
| Engineering | 9 | 0 | 9 |
| Collections | | | |
| Collections Supervisor | 1 | | 1 |
| Utility Technician | 2 | | 2 |
| Utility Worker I/II/III | 5 | | 5 |
| Collections | 8 | 0 | 8 |
| Construction/Maintenance | | | |
| Construction/Maintenance Supervisor | 1 | | 1 |
| Utility Technician | 2 | | 2 |
| Utility Worker I/II/III | 5 | | 5 |
| Construction/Maintenance | 8 | 0 | 8 |
| System Services | | | |
| System Service/Shop Supervisor | 1 | | 1 |
| Utility Technician | 2 | | 2 |
| Backflow/Cross-Connection Tech | 1 | | 1 |
| Equipment Technician | 1 | | 1 |
| Equipment Mechanic | 1 | | 1 |
| Utility Worker I/II/III | 4 | | 4 |
| System Services | 10 | 0 | 10 |
| System Operations | | | |
| System Operations Manager | 1 | | 1 |
| Lead System Operator | 1 | | 1 |
| System Operator I/II | 3 | | 3 |
| Utility Tech | 1 | | 1 |
| Instrumentation & Controls Specialist | 1 | | 1 |
| Utility Worker I/II/III | 1 | | 1 |
| Maintenance Electrician | 1 | | 1 |
| System Operations | 9 | 0 | 9 |

Authorized Personnel Listing

Operations Support

| | | | |
|---------------------------------|---|---|---|
| Safety & Risk Administrator | 1 | | 1 |
| Warehouse Supervisor | 1 | | 1 |
| Warehouse/Purchasing Specialist | 1 | | 1 |
| Operations Support | 3 | 0 | 3 |

Wastewater Plant Operations

| | | | |
|-------------------------------|---|---|---|
| Chief Plant Operator | 1 | | 1 |
| Lead Plant Operator | 2 | | 2 |
| Environmental Compliance Tech | 1 | | 1 |
| Plant Operator I/II | 2 | | 2 |
| Mechanical Technician | 1 | | 1 |
| Laboratory Technician I | 1 | | 1 |
| Plant Maintenance Worker I/II | 1 | | 1 |
| Wastewater Plant Operations | 9 | 0 | 9 |

Total District

| | | |
|-------------|----------|-------------|
| 67.8 | 0 | 67.8 |
|-------------|----------|-------------|



ADOPTED MULTIYEAR
Operating and Capital Budget
Fiscal Years 2015–16 and 2016–17

Rincon del Diablo Municipal Water District, Escondido, California

Our Mission

Rincon Water exists to reliably deliver quality water to meet the needs of Rincon Water's residents, business, municipalities, and fire response services. We execute this civic responsibility with professionalism, striving always to improve the value our customers experience for the rates they pay.



Top row, left to right: David Drake, Diana Towne, Greg Thomas
Bottom row, left to right: Dr. Gregory Quist, James Murtland, Erin Lump

Board of Directors

David Drake – President
Diana Towne – Vice President
James Murtland – Treasurer
Dr. Gregory Quist – Director
Erin Lump – Director

Management

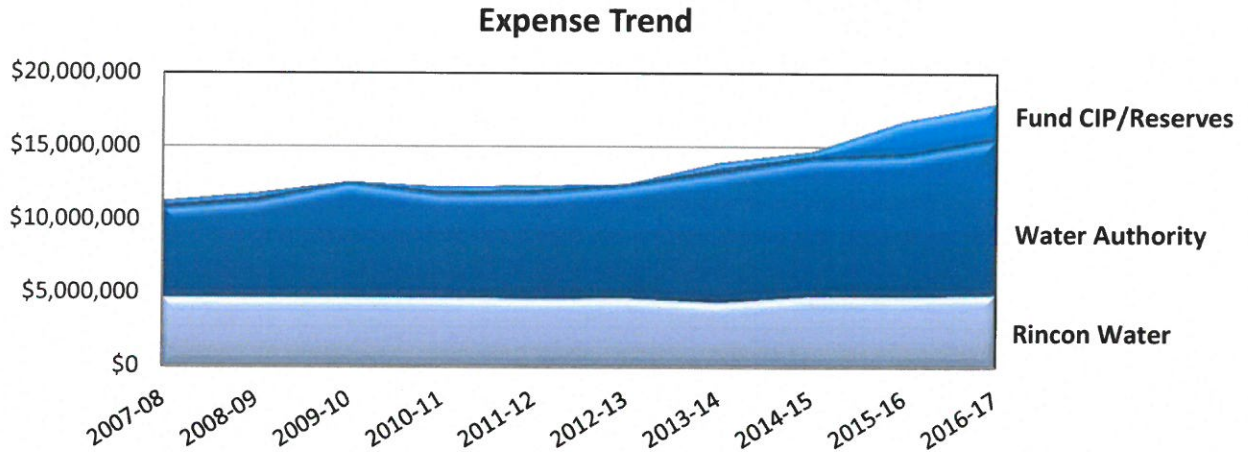
Greg Thomas, General Manager
Tish Berge, Director of Finance & Administration
Clint Baze, Director of Engineering & Operations

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Overview

The Rincon del Diablo Municipal Water District has worked effectively to manage costs within our control while maintaining the infrastructure necessary to service our customers.



The cost of purchased water is the largest expense in the overall budget. As a result, rate increases have been necessary in order to cover increases in purchased water costs as well as other operating expenses. Rate increases have been managed in order to minimize the impact to ratepayers, as much as possible.

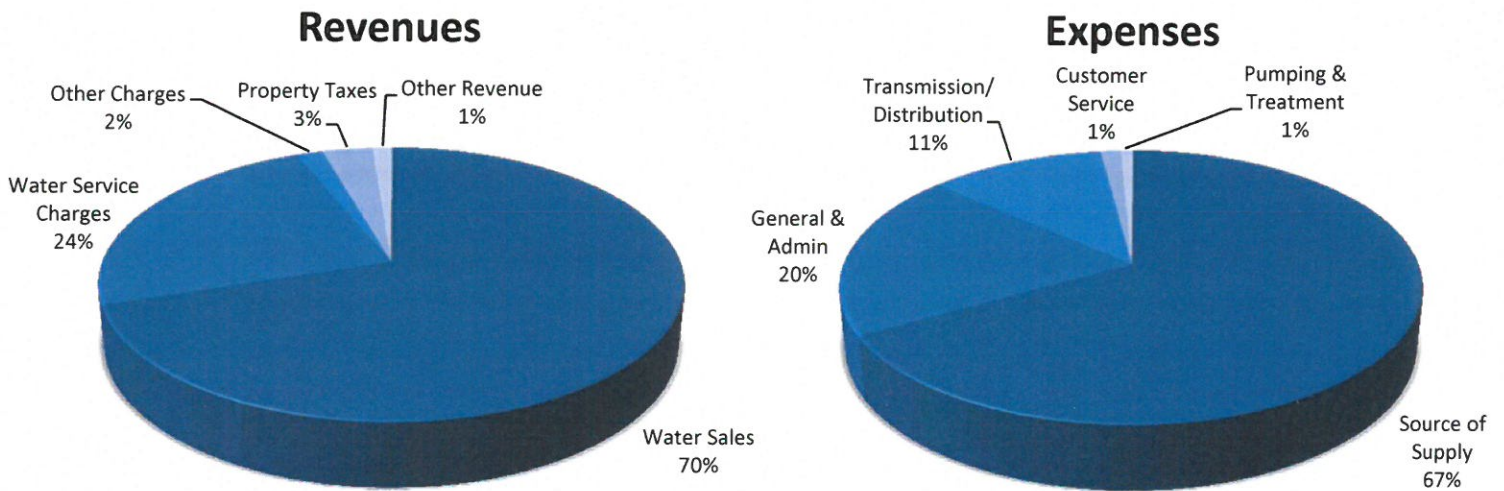
In order to control the impact of rate increases to our customers, Rincon Water kept District expenses flat for more than seven years by actively and aggressively managing costs. Cost pressures for the goods and services necessary to deliver water, however, have continued to increase. Inflation over the nine years shown in the graph above is estimated to be more than 15 percent. As a result of keeping District costs flat for the first seven of those years, Rincon Water is considering a nine-year increase of less than seven percent. This rate is well below the estimated inflationary rate for that same time period.

Introduction

Each Year, the Board of Directors (Board) of the Rincon del Diablo Municipal Water District (District) conducts a review of the District’s operational revenue and expense requirements, holds a public hearing to receive the community’s comments and adopts a Budget. These actions have resulted in this document’s development. The Budget also provides direction for implementation of the funded projects and programs, pending appropriate authorizations as developed in District Policies.

The Fiscal years (FY) 2015–16 and 2016–17 Budgets are the result of program requirements developed from policy guidance and priorities established by the Board to provide the resources necessary to operate and maintain the system’s infrastructure and respond to emergencies as needed. The framework is intended to achieve the legal and fiduciary obligations incurred to operate a district committed to promoting high levels of customer service and embracing keen financial accountability.

The Budget is a planning tool, which is significantly influenced by water-related sales and expenses. Approximately 69 percent of the District’s revenue is derived from water sales, while nearly 66 percent of the expenditures are for water purchases. The FY 2015–16 and FY 2016–17 Budgets assume an increase in operating expenses of five percent per year.



Potable and Recycled Water Services

Potable Water – Purchases

Water purchases are the single largest component of the budget. Previous assumptions and customer use have changed; therefore, water usage projections and purchased water rates require extensive analysis before the budgets can be completed. For FY 2015–16 and FY 2016–17, the District calculated water purchases based on an estimation of customer-use patterns, pricing and conservation influences. Actual purchases are significantly affected by weather.

Proposed rate increases to District customers for potable and recycled water will be effective September 1, 2015. The proposed increase in the San Diego County Water Authority (SDCWA) Infrastructure Access Charge (IAC) will be effective January 1, 2016.

The Metropolitan Water District (MWD) and SDCWA billing structures include variable rate charges (Supply and Transportation) as well as fixed costs (MWD’s Capacity Reservation and Readiness to Serve Charges and SDCWA’s Customer Service, Emergency Storage and IAC). Components of the District’s water-purchase expenses are outlined below.

Variable Charges

- SDCWA – Melded Supply and Treatment charges include MWD supply and Imperial Irrigation District (IID) transfer water costs.
- SDCWA – Transportation for the conveyance of water.

Fixed Charges

- SDCWA – Customer Service is based on a three-year rolling average of water purchases.
- SDCWA – Emergency storage is based on a three-year rolling average.
- SDCWA – Infrastructure Access Charges are a direct pass-through of the funds collected from water sales for active potable water meters in the District’s system. Current charges are per Equivalent Meter Unit (EMU).
- MWD – Readiness to Serve is based on a 10-year rolling average of water purchases.
- MWD – Capacity Reservation Charges are based on averaged five-year flow data.

Other

- MWD/SDCWA – TSAWR Agricultural Credits will be passed through to the end user as received. These credits will fluctuate depending on the per-acre foot cost of water and the timing of water cost increases. The Board has approved the automatic pass-through of any additional program credits received from MWD or SDCWA.
- Budget-Based Billing – The District provides conservation-focused, multitiered pricing water budgets for landscape and agriculture customers using the California Department of Water Resources’ Maximum Applied Water Allowance.

Potable Water – Sales

The District-calculated water sales are based on projections from the 2014 Master Plan and Updated 2013 Urban Water Management Plan. As with water purchases, actual water sales can be significantly affected by weather, conservation efforts and the possible implementation of stringent drought related restrictions. In addition, sales trends are expected to fluctuate depending on customer-use patterns and offsets from the distribution of recycled water.

Revenue from water sales has been calculated using the tiered rate schedules approved following the June 9, 2015, Public Rate Hearing. Actual revenues collected are closely monitored to ensure that the rate structure provides adequate resources to fund the District's operations and equitable distribution of costs.

Recycled Water - Purchases and Sales

The Recycled Water Project has been online since October 2004, with recycled water provided to the District from the City of Escondido's (City) Hale Avenue Resource Recovery Facility. The Recycled Water System consists of approximately 6.7 miles of distribution pipeline and two pump stations. Currently, there are 72 customers receiving recycled water, the largest of which is the SDG&E 500-megawatt Palomar Energy Center cooling tower.

Recycled Water Sales revenue for the estimated 3,600 acre-feet contractually available for SDG&E is addressed in a specific agreement. The District's Recycled Water Fund revenue forecasts sales to customers other than SDG&E at 185 acre-feet. The agreement with SDG&E is to pay a monthly take-or-pay amount, which is adjusted annually.

Financial Operations

Rates, Fees and Charges

Information used for developing the District's rates, fees and charges is derived from various sources, including the current and historic revenue and expenditure data, future projection for infrastructure replacement and refurbishment (R&R) costs and water purchases and sales.

The District diligently employs strict financial controls. The Board concluded that rate increases are necessary to fund vital District services, including continued maintenance of the water system and to fulfill the objectives of our financial plan.

For the current year, water purchases are anticipated to increase slightly, while water supply costs are estimated to increase by approximately five percent. SDCWA and MWD notified the District that increases are projected to continue over the next several years due to fixed obligations (debt service) and increased cost of additional diversified water supplies

On May 12, 2015, a Proposed Budget was presented to the Board that included forecasted operational expenses, capital projects and anticipated revenue requirements. As required by Proposition 218, notices were distributed on April 24, 2015, advising District customers that the Board would be conducting a Public Rate Hearing on June 9, 2015, to consider rate adjustments for up to a five-year period. On April 14, 2015, the Board discussed rate alternatives and the impact each would have on the District's current billing structure. At this meeting, the Board directed staff to prepare the final budget.

Restricted and Unrestricted Appropriated Fund Balances

The District has a Restricted and Unrestricted Appropriated Fund Balance Policy (reserves) that details the purpose, targeted balance, approved use and funding methodology for those funds. The Board has placed minimum and maximum funding levels to maintain operational, administrative and infrastructural project functions.

Each year, as part of the Budget process, the Board reviews and approves transfers to and from the District's Restricted and Unrestricted Appropriated Fund Balances. This year's District's Restricted and Unrestricted Appropriated Fund Balance Schedule incorporates approved categories and projected balances. Per Resolutions 13-31.1 and 13-913.1, the Board resolved that the District will use operational savings associated with paying off debt to replenish the Infrastructure Planning Fund; this amount is \$505,000 annually.

Interest Revenue

The majority of the District's liquid funds are deposited with the Local Agency Investment Fund and the California Asset Management Program. The interest rates for each of these pooled funds have dropped steadily over the last four years and are anticipated to maintain a low level during the course of this budget. In addition, the District's portfolio contains government-sponsored securities and Certificates of Deposit maturing at various times up to four years.

The District deliberately maintains a conservative portfolio that adheres to our fundamental investment strategy, with the primary objectives of safety, liquidity and yield. All cash funds are pooled for investment purposes in order to attain the highest return while maximizing security and meeting cash-flow requirements.

For the coming years, financial analysts are forecasting that the Federal Reserve will maintain current interest rates with prime rate increases or decreases dependent upon the fluctuating economic environment and inflationary trends. Due to the variables anticipated, the interest revenue is projected at a rate of 0.5 percent to 1.0 percent.

Property Taxes

In 2004 the State shifted \$350 million of property tax revenues from local governments to the State to pay for schools and community colleges for FY 2003–04 and FY 2004–05. In exchange, cities, counties and special districts received constitutional protection through the passing of Proposition 1A for local property taxes, sales taxes and vehicle license fees revenue beginning in 2006. However, the proposition contained a provision that property taxes could be “borrowed” by the State with repayment required before additional borrowing could occur.

During each of the past several years, the State has borrowed or considered some shift of local funds that has made budgeting of these funds unpredictable. Relying on this money to fund operations is dubious; however, not including these funds within a budget might be interpreted to mean these funds are not needed. For FY 2015–16 and FY 2016–17 the District has budgeted for the receipt of property tax revenue with decreases applied for multiple foreclosures and assessed-value reductions.

Property taxes received for the Fire Protection District were included in the Proposition 1A Securitization Program and are paid to the City of Escondido for fire services contracted in accordance with the Cooperative Merger Agreement executed in 1989.

Debt Service

In 2013, the District paid off three outstanding long-term debts:

- 1998 – A \$4,095,000, 18-year Water Revenue Refunding Bond for water improvements
- 2004 – A \$2,000,000, 4.5 percent 20-year loan. This was a private placement loan to fund various capital refurbishment and replacement projects
- CalPERS Side Fund – A \$682,572, 7.5 percent side fund maturing in 2020. This side fund was created in 2003 to cover the costs associated with a CalPERS mandated move into the Risk Pool.

Presently, the District has no debt. Per Resolutions 13-31.1 and 13-913.1, the Board resolved that the District will use operational savings associated with paying off debt to replenish the Infrastructure Planning Fund; this amount is \$505,000 annually. However, the District anticipates acquiring approximately \$10 million in debt within this budgetary period for the Capital Improvement Program.

Administrative Operations

District Compensation Plan

The District strives to maintain an effective and efficient workforce through the balance of performance measures, employee development and recognition. Employees whose performances result in exceeding expectations during this period are eligible for a merit salary adjustment based on such criteria as measurable achievement during their annual performance evaluation and regional/organizational economic conditions. In addition to the performance-based merit adjustments, the District provides a bonus incentive program designed to recognize employee contributions that meet District strategic goals through individual and collaborative efforts.

The District's goal is to maintain a balanced benefit program structured to manage costs while remaining competitive in recruiting and retaining quality employees. In 2010 the Board completed a comprehensive review of the current program. The two largest components of this package are the District's retirement and health insurance plans.

California Public Employees Retirement System (CalPERS) is the administrator of the District's retirement benefit program. Recent efforts by CalPERS such as agency pooling and modifications to their investment return smoothing formula have minimized the rate fluctuations that the District previously experienced. The District does not participate in Social Security, which allows an off-setting contribution for the employee into CalPERS at an overall savings to the District.

The District's health care insurance plan is contracted with CalPERS. This partnership allows the District to benefit from the larger purchasing pool afforded by CalPERS' statewide membership and minimizes costs associated with a self-administered program. The District's contribution to employee and retiree health care is capped per Resolution 14-543.2.

The District is subject to the Governmental Accounting Standards Board Pronouncement 45(GASB 45) which requires financial recognition of other post-employment benefits (OPEB) such as health and dental costs for retirees. The District participates in the California Employers Retiree Benefit Trust Fund (CERBT) administered by CalPERS to manage the Annual Required Contributions (ARC) for OPEB costs.

Emergency Planning

Preparation for emergencies is a priority of the Board. Therefore, each year as part of the Budget process, the District assigns the resources required to ensure that programs relating to safety and emergency planning are appropriately funded. The District program conducts regular emergency drills and one annual major exercise.

Fire Protection Services

Revenues received from property taxes, special assessment fees and mitigation fees are paid to the City of Escondido for contracted fire services as specified in the 1989 Co-operative Merger Agreement. In January 2012, Rincon Fire Protection District customers in the State Response Area became subject to an additional fee imposed by the State of California.

Capital Asset Management

This year's Capital Outlay requests have been submitted and evaluated in accordance with the District's anticipated needs. Note that in accordance with the District's administrative policy, items under \$5,000 are considered operational expenses and are listed for informational purposes only.

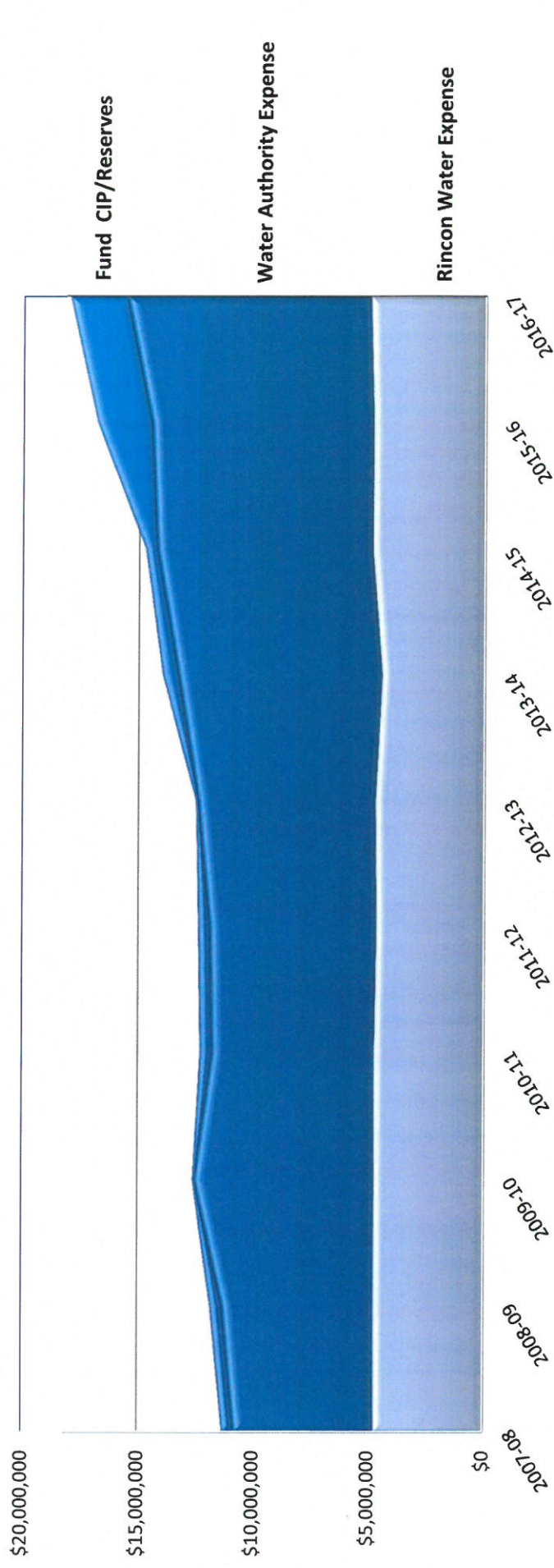
The Asset Management Program consists of various construction, rehabilitation and replacement projects based on the result of the 2014 Water Master Plan Update. District Capital improvements are typically scheduled and prioritized on the basis of water quality concerns, growth, regulatory requirements, component reliability, system benefit and financial resources. Estimated project costs are determined by using the latest price indexes and/or actual quotes, material availability, equipment and current labor rates.

Investing in infrastructure replacement and improvements is the highest priority of the District's Capital program. Each year personnel identify critical assets of the distribution system and review processes that improve operations efficiency or extend their life cycle. This year a series of hydraulic modeling scenarios will be developed to further understand, evaluate and prioritize assets for replacement. Water system assets are typically prioritized by default decisions based on material type, age and failure rates. By performing discrete modeling scenarios, it is expected that replacement priorities can be modified and associated risk values can be applied to adjust the replacement frequencies.

Expansion of the recycled water system remains a priority for the District. As the need for water reuse expands, regional coordination becomes more important. Rincon Water continues efforts toward identifying viable solutions to minimize the capital burden while promoting and ensuring the most effective use of available resources.

Budget Trend Overview

| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Operations Revenue | | | | | | | | | | |
| Potable Water Revenue | 11,336,542 | 11,871,171 | 12,647,080 | 12,329,217 | 12,413,217 | 12,495,287 | 13,921,002 | 14,627,687 | 16,476,043 | 17,639,579 |
| Recycled Water Revenue | - | 229,907 | 228,232 | 184,621 | 195,931 | 229,520 | 279,349 | 367,897 | 671,854 | 698,731 |
| Operations Revenue | 11,336,542 | 12,101,078 | 12,875,312 | 12,513,838 | 12,609,148 | 12,724,807 | 14,200,351 | 14,995,584 | 17,147,897 | 18,338,310 |
| Operations Expense | | | | | | | | | | |
| Water Authority Expense | 6,055,362 | 6,552,754 | 7,776,957 | 7,015,113 | 7,199,165 | 7,658,869 | 8,811,267 | 9,336,148 | 9,613,959 | 10,554,811 |
| Rincon Water Expense | 4,740,306 | 4,753,297 | 4,747,896 | 4,755,033 | 4,667,217 | 4,725,233 | 4,440,755 | 4,864,012 | 4,841,944 | 4,984,711 |
| Recycled Water Expense | - | 229,908 | 228,232 | 184,621 | 195,931 | 201,080 | 212,029 | 248,685 | 314,547 | 326,972 |
| Operations Expense | 10,795,668 | 11,535,959 | 12,753,085 | 11,954,767 | 12,062,313 | 12,585,182 | 13,464,051 | 14,448,845 | 14,770,450 | 15,866,494 |
| Revenues to Fund CIP/Reserves | 540,874 | 565,119 | 122,227 | 559,071 | 546,835 | 139,625 | 736,300 | 546,739 | 2,377,447 | 2,471,816 |



Budget Summary

| | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|---|-------------------------|------------------------|---------------------------|---------------------------|---------------------------|
| <u>Potable Water Operations</u> | | | | | |
| Operating Revenues | | | | | |
| Water Consumption Sales | 10,589,531 | 10,550,500 | 9,679,699 | 11,370,610 | 12,214,311 |
| Water Service Charges | 3,806,253 | 4,005,198 | 3,982,981 | 4,005,400 | 4,302,604 |
| Other Charges and Services | 290,413 | 276,302 | 212,000 | 279,984 | 290,748 |
| Operating Revenues | <u>14,686,197</u> | <u>14,832,000</u> | <u>13,874,680</u> | <u>15,655,994</u> | <u>16,807,663</u> |
| Nonoperating Revenues | | | | | |
| Property Taxes | 583,028 | 564,112 | 536,981 | 594,749 | 600,698 |
| Redevelopment Agency | 15,180 | 8,422 | - | 12,038 | 12,159 |
| Rental Income | 129,336 | 204,205 | 148,526 | 152,982 | 157,572 |
| Annexation Fees | 143,777 | - | - | - | - |
| Investment Earnings | 43,578 | 52,121 | 67,500 | 60,280 | 61,487 |
| Nonoperating Revenues | <u>914,899</u> | <u>828,860</u> | <u>753,007</u> | <u>820,049</u> | <u>831,916</u> |
| Total Revenues | <u>15,601,096</u> | <u>15,660,860</u> | <u>14,627,687</u> | <u>16,476,043</u> | <u>17,639,579</u> |
| Expenses | | | | | |
| Source of Supply | 9,402,569 | 9,205,994 | 9,336,148 | 9,613,959 | 10,554,811 |
| Pumping & Water Treatment | 73,221 | 73,111 | 82,489 | 100,564 | 103,063 |
| Transmission and Distribution | 1,501,658 | 1,300,567 | 1,501,262 | 1,638,548 | 1,681,217 |
| Customer Service | 216,605 | 99,797 | 152,572 | 198,984 | 205,939 |
| General and Administrative | 1,917,597 | 2,017,531 | 3,127,689 | 2,903,848 | 2,994,492 |
| Expenses | <u>13,111,650</u> | <u>12,697,000</u> | <u>14,200,160</u> | <u>14,455,903</u> | <u>15,539,522</u> |
| Revenues to Fund CIP/Reserves | <u>2,489,446</u> | <u>2,963,860</u> | <u>250,277</u> | <u>2,020,142</u> | <u>2,100,133</u> |
| <u>Recycled Water Operations</u> | | | | | |
| Revenues | | | | | |
| Water Consumption Sales | 488,766 | 559,870 | 311,216 | 582,265 | 605,556 |
| Water Service Charges | 60,100 | 64,210 | 56,681 | 62,506 | 65,008 |
| Other Charges and Services | 26,040 | 7,138 | - | 27,083 | 28,167 |
| Revenues | <u>574,906</u> | <u>631,218</u> | <u>367,897</u> | <u>671,854</u> | <u>698,731</u> |
| Expenses | | | | | |
| Source of Supply | 222,190 | 233,706 | 173,635 | 231,078 | 240,322 |
| Pumping & Water Treatment | 10,538 | 11,523 | 11,100 | 12,845 | 13,287 |
| Transmission and Distribution | 42,713 | 29,488 | 7,550 | 42,936 | 44,607 |
| Customer Service | - | - | 500 | - | - |
| General and Administrative | 25,895 | (11,002) | 55,900 | 27,688 | 28,756 |
| Expenses | <u>301,336</u> | <u>263,715</u> | <u>248,685</u> | <u>314,547</u> | <u>326,972</u> |
| Revenues to Fund CIP/Reserves | <u>273,571</u> | <u>367,503</u> | <u>119,212</u> | <u>357,307</u> | <u>371,759</u> |
| <u>Potable and Recycled Water Operations</u> | | | | | |
| Revenues to Fund CIP/Reserves | 2,763,017 | 3,331,363 | 369,489 | 2,377,449 | 2,471,892 |
| Capital Improvements | 648,814 | 3,410,102 | 4,469,995 | 7,196,796 | 3,633,065 |
| Net, Less Capital Improvements | <u>2,114,203</u> | <u>(78,739)</u> | <u>(4,100,506)</u> | <u>(4,819,347)</u> | <u>(1,161,173)</u> |

Budget Summary

| | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|-----------------------------------|---------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| <u>Fire District</u> | | | | | |
| Revenues | | | | | |
| Property Taxes | 1,560,172 | 1,601,900 | 1,444,000 | 1,622,581 | 1,687,486 |
| Voter-approved Tax | 308,000 | 300,000 | 315,000 | 308,000 | 308,000 |
| Charges for Services | 20,342 | 71,250 | 31,000 | 21,157 | 22,005 |
| Investment Earnings | 518 | 385 | 2,250 | 539 | 562 |
| Revenues | 1,889,032 | 1,973,535 | 1,792,250 | 1,952,277 | 2,018,053 |
| Expenses | | | | | |
| Fire Services Contract | 1,429,204 | 1,500,000 | 1,675,719 | 1,861,509 | 1,946,530 |
| General and Administrative | 58,809 | 59,708 | 92,781 | 82,607 | 63,034 |
| Expenses | 1,488,013 | 1,559,708 | 1,768,500 | 1,944,116 | 2,009,564 |
| Revenues to Fund CIP/Reserves | 401,019 | 413,827 | 23,750 | 8,161 | 8,489 |
| Capital Improvements | - | - | - | - | - |
| Net, Less Capital Projects | 401,019 | 413,827 | 23,750 | 8,161 | 8,489 |

Authorized Personnel Listing

| | FY 2014-15 Current | FY 2015-16 Add/(Delete) | FY 2015-16 Total | FY 2016-17 Add/(Delete) | FY 2016-17 Total |
|--|-----------------------|----------------------------|---------------------|----------------------------|---------------------|
| Administration & Finance | | | | | |
| Director of Administration & Finance | 1 | | 1 | | 1 |
| Management Analyst | 1 | | 1 | | 1 |
| Office Assistant | 0.25 | | 0.25 | | 0.25 |
| Utility Accounting Representative | 1 | | 1 | | 1 |
| Accountant | 1 | | 1 | | 1 |
| Accounting Technician | 1 | | 1 | | 1 |
| Administration & Finance | <u>5.25</u> | <u>0</u> | <u>5.25</u> | <u>0</u> | <u>5.25</u> |
| Engineering & Operations | | | | | |
| Director of Engineering & Operations | 1 | | 1 | | 1 |
| Senior Engineer | 1 | | 1 | | 1 |
| Engineering Technician | 0.5 | | 0.5 | | 0.5 |
| Engineering Assistant | 0 | 0.5 | 0.5 | | 0.5 |
| Operations Superintendent | 1 | | 1 | | 1 |
| Scada/Instrumentation Technician | 1 | | 1 | | 1 |
| Senior Water Service Technician/Backflow | 1 | | 1 | | 1 |
| Senior Water Service Technician | 1 | | 1 | | 1 |
| Water Service Technician I/II | 4 | | 4 | | 4 |
| Facilities/Landscape Maintenance Worker | 1 | | 1 | | 1 |
| Engineering & Operations | <u>11.5</u> | <u>0.5</u> | <u>12</u> | <u>0</u> | <u>12</u> |
| Office of General Manager | | | | | |
| General Manager | 1 | | 1 | | 1 |
| Public Services Information Officer | 1 | | 1 | | 1 |
| Assistant to the GM/Executive Secretary | 1 | | 1 | | 1 |
| Office of General Manager | <u>3</u> | <u>0</u> | <u>3</u> | <u>0</u> | <u>3</u> |
| Total District | <u>19.75</u> | <u>0.5</u> | <u>20.25</u> | <u>0</u> | <u>20.25</u> |

Capital Asset Management

| | Adopted 2014-19 | Estimated 2014-15 | Adopted 2015-16 | Adopted 2016-17 | Adopted 2017-18 | Adopted 2018-19 |
|---|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Improvement Projects | | | | | | |
| 100 Enterprise Resource System | \$ 1,835,502 | \$ 821,370 | \$ 1,014,132 | \$ - | \$ - | \$ - |
| 351 Northwest Recycled Water Line Expansion | 1,274,932 | 600,000 | 674,932 | - | - | - |
| 352 Advanced Metering Infrastructure System | 300,000 | 300,000 | - | - | - | - |
| 363 Multiagency Recycled Project | 142,000 | 10,000 | 33,000 | 33,000 | 33,000 | 33,000 |
| 369 Ground Water Exploration and Development | 145,000 | 25,000 | 35,000 | 35,000 | 25,000 | 25,000 |
| 371 North Broadway Pipeline Extension | 2,200,000 | 1,100,000 | 1,100,000 | - | - | - |
| 373 Lawrence Lane Exposed Pipe (IDA) | 542,000 | 100,000 | 442,000 | - | - | - |
| 375 Interstate 15 Crossings | 80,000 | - | - | 80,000 | - | - |
| 377 Citracado Bridge Pipeline Replacement | 850,000 | - | 300,000 | 300,000 | 250,000 | - |
| 379 Citracado Bridge Recycled Water Line | 650,000 | - | 200,000 | 200,000 | 250,000 | - |
| 381 Andreasen Pipeline (Fire Flow Upgrade) | 290,000 | - | - | 40,000 | 250,000 | - |
| 391 Surrey Lane Replacement | 300,000 | 25,000 | 275,000 | - | - | - |
| 392 R&R Miscellaneous Pipeline | 800,000 | - | 200,000 | 200,000 | 200,000 | 200,000 |
| 401 Fire Flow Upgrade | 1,000,000 | - | 250,000 | 250,000 | 250,000 | 250,000 |
| 402 W-1 New 3 MG R-7 Reservoir (ID1) | 2,200,000 | - | 200,000 | 200,000 | 1,800,000 | - |
| 404 W-2 New 16-inch R-7 Supply Pipeline (ID1) | 200,000 | - | 200,000 | - | - | - |
| 405 W-4 New 24-inch SDCWA Connection No.1 and 3 (ID1) | 750,000 | 300,000 | 450,000 | - | - | - |
| 406 W-5 R-5 Isolation Valve 3 - Fire Flow Check Valve (ID1) | 75,000 | - | 75,000 | - | - | - |
| 407 W-6 Pressure Zone Modifications (ID1) | 100,000 | - | - | 50,000 | 50,000 | - |
| 408 W-8 New 12-in ID-1 S to ID-A Interconnect pipeline & control valve (ID1, IDA) | 250,000 | - | 250,000 | - | - | - |
| 411 W-11 VID Flume Supply Expansion (ID1) | 690,000 | - | - | 230,000 | 230,000 | 230,000 |
| 412 W-12 Rockoff Pump Station Upgrade (ID1) | 1,200,000 | - | 600,000 | 600,000 | - | - |
| 413 NLS-A New 8-inch RW Extension (ID1) | 1,552,000 | - | - | 517,333 | 517,333 | 517,333 |
| 414 NLS-B New 8-inch RW Extension to Agricultural User (ID1) | 538,000 | - | 269,000 | 269,000 | - | - |
| 418 NLS-F Miscellaneous RW Extensions/Retrofits | 2,000,000 | - | 500,000 | 500,000 | 500,000 | 500,000 |
| 500 Allocation of Labor and Benefit Costs | 643,660 | 128,732 | 128,732 | 128,732 | 128,732 | 128,732 |
| Capital Improvement Projects | \$ 20,608,094 | \$ 3,410,102 | \$ 7,196,796 | \$ 3,633,065 | \$ 4,484,065 | \$ 1,884,065 |

Departmental Budget

| Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 | |
|--|-------------------|----------------------|--------------------|--------------------|--------------------|-------------------|
| Potable Water Operations | | | | | | |
| Operating Revenue | | | | | | |
| Water Consumption Sales | | | | | | |
| Domestic | 05-4110001 | 8,528,601 | 8,580,000 | 8,044,411 | 9,040,919 | 9,711,756 |
| Frugal User's Discount | 05-4110010 | (167,195) | (195,000) | (251,657) | - | - |
| Business | 05-4120001 | 2,219,987 | 2,070,000 | 1,487,142 | 2,244,191 | 2,410,710 |
| Industrial | 05-4130001 | - | - | - | - | - |
| Agriculture | 05-4140001 | 322,011 | 110,000 | 399,303 | 100,000 | 107,420 |
| Agriculture Rebate | 05-4140010 | (40,900) | (15,000) | - | (15,000) | (16,113) |
| Resale- City of Escondido | 05-4150031 | 543 | 500 | 500 | 500 | 538 |
| Unbilled Water | 05-4150050 | (273,516) | - | - | - | - |
| Water Consumption Sales Subtotal | | 10,589,531 | 10,550,500 | 9,679,699 | 11,370,610 | 12,214,311 |
| Water Service Charges | | | | | | |
| Domestic | 05-4110002 | 2,794,681 | 2,925,000 | 2,971,120 | 2,925,000 | 3,142,035 |
| Business | 05-4120002 | 584,543 | 656,510 | 617,078 | 656,500 | 705,213 |
| Agriculture | 05-4140002 | 20,545 | 19,602 | 22,411 | 19,500 | 20,947 |
| Pumping, Rockoff | 05-4110003 | 17,142 | 16,806 | 15,357 | 16,800 | 18,047 |
| Pumping, Rancho Verde | 05-4110004 | 48,256 | 48,250 | 35,833 | 48,250 | 51,831 |
| Pumping, Candelight Hills | 05-4110005 | 5,889 | 8,934 | 3,072 | 9,000 | 9,668 |
| Pumping, Citracado/Hamilton | 05-4110006 | 29,408 | 22,346 | 10,238 | 22,350 | 24,009 |
| SDCWA Infrastructure Access Charge | 05-4150005 | 305,789 | 307,750 | 307,872 | 308,000 | 330,854 |
| Unbilled Service | | - | - | - | - | - |
| Water Service Charges Subtotal | | 3,806,253 | 4,005,198 | 3,982,981 | 4,005,400 | 4,302,604 |
| Other Charges & Services | | | | | | |
| Meter Installations-ID1 | 05-42000 | 4,245 | 5,950 | 5,000 | 4,592 | 4,776 |
| Meter Installations-IDA | 05-42001 | 3,300 | - | - | - | - |
| Administrative Fee- Fire District (ID E) | 05-49500 | 40,829 | 42,500 | 50,000 | 42,462 | 44,161 |
| Reconnection Charge | 05-4960004 | 25,772 | 26,450 | 25,000 | 27,875 | 28,990 |
| Returned Check Charge | 05-4960005 | 3,246 | 3,408 | 2,500 | 3,511 | 3,652 |
| After Hours Charge | 05-4960007 | 2,150 | 1,200 | 1,500 | 2,326 | 2,420 |
| Illegal Water Use | 05-4960008 | (22) | 20 | - | (24) | (25) |
| Late Charge | 05-4960010 | 137,778 | 134,978 | 100,000 | 149,021 | 154,982 |
| New Account Fee | 05-4960011 | - | 8,468 | - | 10,000 | 10,000 |
| Lock Off Processing | 05-4960014 | 30,747 | 17,116 | 20,000 | 33,256 | 34,587 |
| Pull/Reinstall Meter Charge | 05-4960016 | 90 | - | - | - | - |
| Bad Debt Recovery | 05-4960018 | - | 1,410 | - | - | - |
| Cash Over/Short | 05-4960029 | - | - | - | - | - |
| Discounts Earned | 05-4965050 | 81 | 62 | - | - | - |
| Insurance Related Revenue | 05-4965060 | - | - | - | - | - |
| Collection Charges | 05-4965066 | 959 | 240 | - | 250 | 250 |
| Sale of Property & Equipment | 05-4965097 | - | - | 2,500 | - | - |
| Miscellaneous | 05-4965098 | 34,974 | 30,000 | - | - | - |
| Engineering Service Revenue | 05-49701 | 3,426 | 3,750 | 4,500 | 3,706 | 3,855 |
| Plan Check Fees | 05-49707 | 750 | 750 | 1,000 | 750 | 750 |
| Inspection Fees | 05-49708 | 2,088 | - | - | 2,259 | 2,350 |
| Other Charges & Services Subtotal | | 290,413 | 276,302 | 212,000 | 279,984 | 290,748 |
| Total Operating Revenue | | 14,686,197 | 14,832,000 | 13,874,680 | 15,655,994 | 16,807,663 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|-------------------------------------|------------------------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Potable Water Operations | | | | | | |
| Nonoperating Revenue | | | | | | |
| Property Taxes | | | | | | |
| Taxes, Current Secured | 05-4981010 | 547,811 | 525,000 | 536,981 | 558,822 | 564,411 |
| Taxes, Current Unsecured | 05-4981011 | 23,133 | 25,433 | - | 23,598 | 23,834 |
| Taxes, Delinquent Secured | 05-4981012 | 3,286 | 4,703 | - | 3,353 | 3,387 |
| Homeowners' Property Tax Relief | 05-49850 | 8,798 | 8,976 | - | 8,976 | 9,066 |
| | Property Taxes Subtotal | 583,028 | 564,112 | 536,981 | 594,749 | 600,698 |
| Redevelopment Agency | 05-4965096 | 15,180 | 8,422 | - | 12,038 | 12,159 |
| Rental Income | | | | | | |
| Rental income (Hubbard Hill) | 05-4965055 | 91,542 | 74,263 | 74,263 | 76,491 | 78,786 |
| Cell Site Rental | 05-4965057 | 37,794 | 129,942 | 74,263 | 76,491 | 78,786 |
| | Rental Income Subtotal | 129,336 | 204,205 | 148,526 | 152,982 | 157,572 |
| Annexation Fees | | | | | | |
| Annexation Fees - ID1 | 05-49302 | 138,623 | - | - | - | - |
| Annexation Fees - IDA | 05-49303 | - | - | - | - | - |
| Annexation Fees - Parent | 05-49301 | 5,154 | - | - | - | - |
| | Annexation Fees Subtotal | 143,777 | - | - | - | - |
| Investment Earnings | | | | | | |
| General | 05-49201 | 57,818 | 71,008 | 62,500 | 60,154 | 61,358 |
| Facility Fees | 05-49202 | - | - | 5,000 | - | - |
| COP Funds | 05-49205 | - | - | - | - | - |
| Investment Income Fair Market Value | 05-49209 | (14,360) | (19,000) | - | - | - |
| Interest | 05-4981007 | 120 | 113 | - | 126 | 129 |
| | Investment Earnings Subtotal | 43,578 | 52,121 | 67,500 | 60,280 | 61,487 |
| Total Nonoperating Revenue | | 914,899 | 828,860 | 753,007 | 820,049 | 831,916 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|---|---------------------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Potable Water Operations | | | | | | |
| Expenses | | | | | | |
| Source of Supply | | | | | | |
| Valley Center MWD | 05-5130190 | 6,998 | 6,516 | 4,500 | 4,725 | 4,962 |
| Transportation Charges | 05-5130192 | 666,469 | 644,350 | 655,490 | 655,490 | 655,490 |
| Water Supply Charges | 05-5130193 | 6,932,716 | 6,682,656 | 6,762,580 | 6,762,580 | 6,762,580 |
| SDCWA IAC | 05-5130195 | 306,324 | 307,872 | 320,208 | 320,208 | 320,208 |
| MWD Readiness-to-Serve Charge | 05-5130196 | 213,943 | 226,896 | 226,897 | 226,897 | 226,897 |
| MWD Capacity Reservation Charge | 05-5130198 | 105,024 | 114,788 | 147,521 | 147,521 | 147,521 |
| SDCWA Customer Service Charge | 05-5130199 | 350,561 | 350,630 | 362,820 | 362,820 | 362,820 |
| SDCWA Emergency Storage Charge | 05-5130200 | 863,111 | 881,432 | 915,498 | 915,498 | 915,498 |
| Imported Water Pass Through | | - | - | - | 218,220 | 1,158,835 |
| SAWR Credit | 05-5130202 | (42,577) | (9,146) | (59,366) | - | - |
| Source of Supply Subtotal | | 9,402,569 | 9,205,994 | 9,336,148 | 9,613,959 | 10,554,811 |
| Pumping & Treatment | | | | | | |
| Pumping: | | | | | | |
| District Labor | 05-5150001, 101, 201, 301 | 437 | - | - | 450 | 464 |
| Employee Benefits | 05-5150006, 106, 206, 306 | 374 | - | - | 385 | 397 |
| Overtime-Pumping | 05-5150010, 110, 210, 310 | 2,447 | 2,288 | - | 2,521 | 2,597 |
| Transportation - Rockoff PS | 05-5150003 | 51 | 51 | 161 | 53 | 55 |
| Material/Supplies - Rockoff PS | 05-5150031 | - | - | 1,000 | 1,030 | 1,061 |
| Utilities- Rockoff PS | 05-5150049 | 14,322 | 15,982 | 11,000 | 15,000 | 15,000 |
| Miscellaneous - Rockoff PS | 05-5150098 | - | - | 300 | 309 | 319 |
| Transportation - Rancho Verde PS | 05-5150103 | 51 | - | 161 | 53 | 55 |
| Material/Supplies - Rancho Verde PS | 05-5150131 | - | - | 500 | 515 | 531 |
| Utilities - Rancho Verde PS | 05-5150149 | 8,938 | 9,138 | 6,500 | 9,500 | 9,500 |
| Miscellaneous - Rancho Verde PS | 05-5150198 | - | - | 200 | 206 | 213 |
| Transportation - Candlelight Hills PS | 05-5150203 | 51 | - | 161 | 53 | 55 |
| Material/Supplies - Candlelight Hills PS | 05-5150231 | - | - | 1,000 | 1,030 | 1,061 |
| Utilities - Candlelight Hills PS | 05-5150249 | 3,230 | 2,838 | 3,000 | 3,500 | 3,500 |
| Miscellaneous - Candlelight Hills PS | 05-5150298 | - | - | 200 | 206 | 213 |
| Transportation - Citracado/Hamilton PS | 05-5150303 | 51 | - | 162 | 53 | 55 |
| Material/Supplies - Citracado/Hamilton PS | 05-5150331 | - | - | 2,500 | 2,575 | 2,653 |
| Utilities - Citracado/Hamilton PS | 05-5150349 | 6,732 | 6,414 | 6,500 | 7,500 | 7,500 |
| Miscellaneous - Citracado/Hamilton PS | 05-5150398 | - | - | 200 | 206 | 213 |
| Treatment: | | | | | | |
| Transportation - Water Quality | 05-5160003 | 235 | - | 64 | 243 | 251 |
| Overtime - Water Quality | 05-5160010 | 3,666 | 3,208 | 3,480 | 3,776 | 3,890 |
| Quality Control Testing (Sampling) | 05-5160030 | 18,132 | 16,934 | 24,000 | 30,000 | 32,000 |
| Testing Material & Supplies | 05-5160032 | - | - | 500 | 500 | 500 |
| Health Services Annual Fee | 05-5160035 | 13,935 | 15,742 | 20,000 | 20,000 | 20,000 |
| Utilities - Water Supply | 05-560049 | 569 | 516 | 500 | 600 | 680 |
| Miscellaneous - Water Supply | 05-5160098 | - | - | 400 | 300 | 300 |
| Pumping Subtotal | | 73,221 | 73,111 | 82,489 | 100,564 | 103,063 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|---|------------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Transmission & Distribution | | | | | | |
| Operations: | | | | | | |
| District Labor - Operations | 05-5170001 | 262,930 | 217,054 | 257,250 | 270,818 | 278,943 |
| Backflow Costs | 05-5170002 | 15,558 | 16,256 | 18,280 | 18,829 | 19,394 |
| Transportation - Operations | 05-5170003 | 21,828 | 19,570 | 31,740 | 32,693 | 33,674 |
| Employee Benefits | 05-5170006 | 224,970 | 186,382 | 220,110 | 231,720 | 238,672 |
| Overtime - Operations | 05-5170010 | 13,815 | 13,648 | 17,120 | 14,230 | 14,657 |
| Labor - Standby | 05-5170011 | 9,729 | 10,094 | 10,000 | 10,022 | 10,323 |
| Underground Service Alert | 05-5170047 | 1,332 | 1,418 | 1,250 | 1,500 | 1,500 |
| Utilities - Operations | 05-5170049 | 3,601 | 3,170 | 4,500 | 4,000 | 4,000 |
| Property Taxes - R5 | 05-5170050 | 858 | 934 | 900 | 900 | 900 |
| Emergency Preparedness | 05-5170060 | 852 | 1,337 | 3,500 | 2,500 | 3,000 |
| Miscellaneous - Operations, Wildfires | 05-5170070 | 11,232 | 206 | 50 | 250 | 250 |
| Maintenance: | | | | | | |
| District Labor - Maintenance | 05-5170101 | 228,796 | 206,722 | 183,750 | 235,661 | 242,731 |
| Transportation - Maintenance | 05-5170103 | 24,583 | 27,220 | 21,390 | 25,321 | 26,081 |
| Equipment Rental | 05-5170104 | 201 | - | 1,000 | 600 | 600 |
| Employee Benefits | 05-5170106 | 195,765 | 176,878 | 157,222 | 201,638 | 207,688 |
| Overhead - Maintenance | 05-5170109 | - | - | 1,000 | 1,000 | 1,000 |
| Overtime - Maintenance | 05-5170110 | 5,884 | 11,482 | 4,500 | 6,061 | 6,243 |
| Outside Labor | 05-5170130 | 3,820 | 724 | 25,000 | 20,000 | 20,000 |
| Material and Supplies | 05-5170131 | 83,349 | 67,478 | 110,000 | 90,000 | 100,000 |
| Utilities - Maintenance | 05-5170149 | 109 | 70 | 500 | 200 | 200 |
| Water Loss Investigation | 05-5170155 | 5,999 | 6,000 | 6,000 | 10,000 | 10,000 |
| Telemetry Maintenance | 05-5170160 | 768 | 2,298 | 5,000 | 5,000 | 5,000 |
| Equipment Repair | 05--5170161 | 1,113 | 1,126 | 2,500 | 2,000 | 2,000 |
| Waste Removal/Permits | 05-5170162 | 1,895 | 870 | 1,250 | 600 | 600 |
| Reservoir Maintenance | 05-5170165 | 373,285 | 342,177 | 394,449 | 417,500 | 417,500 |
| Cost Recovery - Maintenance | 05-5170195 | (17,446) | (18,162) | - | - | - |
| Miscellaneous - Maintenance | 05-5170198 | - | - | 500 | 500 | 500 |
| Safety Equipment | 05-5170228 | 145 | - | 1,500 | 2,000 | 2,000 |
| Operating Supplies | 05-5170231 | 687 | 286 | 500 | 600 | 700 |
| Welding Supplies | 05-5170233 | 949 | 121 | 500 | 1,000 | 1,000 |
| Small Tools | 05-5170234 | 2,032 | 1,070 | 2,000 | 2,000 | 2,000 |
| Meter Install & Maintenance: | | | | | | |
| Meters & Service Supplies | 05-5175302 | 11,097 | 3,881 | 10,000 | 11,431 | 11,774 |
| Transportation-Meter Install | 05-5175303 | - | - | 419 | 432 | 445 |
| Equipment Rental | 05-5175304 | - | - | 200 | 200 | 200 |
| Outside Labor - Meter Install | 05-5170330 | - | - | 150 | 150 | 150 |
| District Labor - Meter Maintenance | 05-5175301 | 4,881 | 293 | - | 5,028 | 5,179 |
| Meter Replacement - Meter Maint. | 05-5170402 | 2,104 | - | 3,000 | 3,000 | 3,000 |
| Transportation - Meter Install | 05-5170303, 5303 | 642 | 13 | 32 | 662 | 682 |
| Employee Benefits - Meter Maint. | 05-5170306, 5306 | 4,176 | 251 | - | 4,302 | 4,431 |
| Meter Testing & Calibration | 05-5170430 | 315 | - | 3,000 | 3,000 | 3,000 |
| Maintenance Supplies | 05-5170431 | - | - | 1,000 | 1,000 | 1,000 |
| Cost Recovery - Meter Maintenance | 05-5170495 | (196) | (300) | - | - | - |
| Miscellaneous - Meter Maintenance | 05-5170498 | - | - | 200 | 200 | 200 |
| Transmission & Distribution Subtotal | | 1,501,658 | 1,300,567 | 1,501,262 | 1,638,548 | 1,681,217 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|---|---------------------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Customer Service | | | | | | |
| District Labor - Meter Install & Transport. | 05-5176301, 5250003 | 561 | 210 | - | 579 | 597 |
| Outside Labor & Materials - Transp. | 05-5200231 | 8,662 | 7,108 | 12,000 | 8,922 | 9,190 |
| Gas & Oil - Transportation | 05-5200236 | 39,358 | 34,157 | 35,500 | 40,539 | 41,756 |
| Tires - Transportation | 05-5200237 | 5,415 | 755 | 4,000 | 5,578 | 5,746 |
| Miscellaneous - Transportation | 05-5200298 | 637 | 191 | 600 | 656 | 676 |
| Cost Allocation -Transportation | 05-5200299 | (52,274) | (55,097) | - | - | - |
| District Labor - Billing | 05-5250001 | 15,409 | 8,017 | - | 15,871 | 16,348 |
| Transportation | 05-5176303 | 1,597 | 893 | 4,172 | 1,646 | 1,696 |
| Employee Benefits - Billing & Transp. | 05-5250006 | 13,256 | 6,693 | - | 13,654 | 14,064 |
| Customer Service Billing | 05-5250032 | 53,718 | 50,610 | 57,600 | 62,500 | 64,375 |
| Uncollectible Accounts | 05-5250066 | 41,548 | 106 | - | - | - |
| Banking Fees/Processing Fees | 05-5250075 | 82,909 | 46,154 | 38,200 | 47,539 | 49,916 |
| Miscellaneous | 05-5250098 | 5,809 | - | 500 | 1,500 | 1,575 |
| | Customer Service Subtotal | 216,605 | 99,797 | 152,572 | 198,984 | 205,939 |
| General & Administrative | | | | | | |
| Building Structures & Grounds: | | | | | | |
| District Labor - Building Maintenance | 05-5300001 | 8,244 | 8,980 | 10,839 | 8,492 | 8,747 |
| District Labor - Janitorial | 05-5300002 | 21,244 | 23,000 | 23,094 | 21,881 | 22,538 |
| Transportation - Janitorial | 05-5300003 | 1,379 | 1,500 | 3,250 | 1,421 | 1,464 |
| District Labor - Landscape | 05-5300004 | 7,343 | 6,046 | 8,324 | 7,563 | 7,790 |
| Employee Benefits - Bldg Maintenance | 05-5300006 | 7,054 | 7,250 | 9,274 | 7,266 | 7,484 |
| Overtime - Building Maintenance | 05-5300010 | 29 | - | 500 | 250 | 250 |
| Maintenance Supplies | 05-5300031 | 3,991 | 6,644 | 3,900 | 4,000 | 4,000 |
| Janitorial Supplies | 05-5300032 | 2,040 | 1,692 | 3,100 | 2,500 | 2,500 |
| Shop Supplies | 05-5300035 | 1,543 | 1,662 | 1,000 | 1,000 | 1,000 |
| District Security Improvements | 05-5300039 | 1,806 | 4,060 | 1,750 | 2,000 | 2,000 |
| Building Repair/Painting | 05-5300045 | 1,294 | 40 | 2,200 | 2,000 | 2,000 |
| Landscape Supplies | 05-5300047 | 1,954 | 369 | 1,500 | 2,000 | 2,000 |
| Maintenance: | | | | | | |
| Office Equipment/Lease | 05-5300069 | 17,730 | 7,637 | 18,325 | 18,262 | 18,810 |
| Printer Maintenance | 05-5300075 | 34 | - | 800 | 500 | 515 |
| IT Support/Software | 05-5300081 | 36,468 | 40,467 | 41,000 | 42,230 | 43,497 |
| Air Conditioning | 05-5300083 | 1,015 | 1,338 | 1,500 | 1,046 | 1,078 |
| Fire Extinguishers | 05-5300084 | 1,312 | - | 900 | 1,352 | 1,393 |
| Computer Hardware | 05-5300085 | 1,627 | 5,286 | 7,500 | 4,000 | 4,120 |
| Alarm System | 05-5300092 | 3,331 | 466 | 2,300 | 3,432 | 3,535 |
| Telephone System Maintenance | 05-5300095 | 2,180 | - | 2,500 | 2,246 | 2,314 |
| Radix Computer Hardware | 05-5300096 | 2,694 | - | - | 2,775 | 2,859 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|---|-------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Public Information: | | | | | | |
| Dues & Subscriptions | 05-5300151 | 32,674 | 34,845 | 30,000 | 33,655 | 34,665 |
| Public Information & Notices | 05-5300152 | 1,171 | 1,013 | 10,000 | 14,000 | 14,000 |
| Meetings & Conferences | 05-5300153 | 51,223 | 35,697 | 50,000 | 52,760 | 54,343 |
| Brochure/Information | 05-5300154 | - | 1,827 | 4,900 | 5,000 | 5,000 |
| Water Awareness | 05-5300155 | 424 | 106 | 3,200 | 3,000 | 3,000 |
| Drought Management/Implementation | 05-5300156 | - | 9,138 | 10,000 | 10,000 | 10,000 |
| Conservation Mgmt/Resource Planning | 05-5300158 | 6,400 | 8,056 | 7,000 | 7,000 | 7,000 |
| Regulatory Compliance | 05-5300160 | - | - | 2,000 | 2,000 | 2,000 |
| Customer Notification | 05-5300168 | - | - | 7,400 | 9,550 | 9,550 |
| Community Engagement | 05-5300170 | 251 | 98 | 5,000 | 6,000 | 7,000 |
| Miscellaneous - 2014 Boil Alert | 05-5300180 | 427 | 37,500 | 1,500 | 1,500 | 1,000 |
| Utilities: | | | | | | |
| Gas & Electric | 05-5300440 | 15,611 | 17,710 | 12,000 | 20,000 | 20,600 |
| Telephone | 05-5300441 | 23,878 | 17,164 | 19,200 | 24,000 | 24,720 |
| Water | 05-5300442 | 1,494 | 1,292 | 1,700 | 1,680 | 1,731 |
| Trash Disposal/Sewer | 05-5300443 | 3,908 | 3,949 | 3,800 | 4,000 | 4,120 |
| Services & Rentals: | | | | | | |
| Answering Service | 05-530444 | 1,714 | 1,174 | 1,500 | 1,900 | 1,957 |
| Payroll & HR Service | 05-55011 | 2,607 | 5,214 | - | 5,000 | 5,150 |
| Radio Repeater | 05-5300571 | 1,260 | 1,260 | 1,380 | 1,298 | 1,337 |
| Kitchen Equipment | 05-5300572 | 162 | - | 400 | 167 | 173 |
| Administration: | | | | | | |
| District Labor - Administrative | 05-54100 | 619,418 | 630,000 | 681,031 | 638,001 | 657,142 |
| Temporary Labor - Administrative | 05-5410002 | 6,934 | 4,438 | 58,154 | 56,500 | 42,500 |
| Internship Program | 05-5410003 | 792 | 1,000 | 6,000 | 5,000 | 5,000 |
| Award Program | 05-5410004 | 10,000 | 10,000 | 10,000 | 10,250 | 10,250 |
| Safety Services/Programs | 05-5410005 | 9,725 | 3,542 | 5,000 | 10,017 | 10,318 |
| Overtime - Administrative | 05-5410010 | 2,103 | 5,000 | 8,000 | 7,500 | 7,500 |
| Engineering: | | | | | | |
| District Labor - Engineering | 05-5410301 | 53,859 | 38,633 | 16,380 | 85,475 | 88,040 |
| Transportation - Inspection | 05-54103031 | - | - | 645 | 650 | 650 |
| Employee Benefits, Engineering | 05-5410306 | 45,580 | 22,234 | 14,015 | 22,901 | 23,589 |
| Overhead - Inspection | 05-5410309 | - | - | 3,000 | 3,000 | 3,000 |
| Construction Deposit Interest | 05-5410320 | 120 | 28 | 200 | 200 | 200 |
| Mapping Service & Updates | 05-5410330 | 18,467 | 6,072 | 30,000 | 35,000 | 35,000 |
| Materials and Supplies | 05-5410331 | 403 | 132 | 500 | 500 | 500 |
| General Engineering Consultants | 05-5410333 | 18,944 | - | 40,500 | 40,000 | 40,000 |
| Miscellaneous | 05-5410398 | 85 | - | 500 | 500 | 500 |
| Insurance: | | | | | | |
| Property & Liability | 05-54200 | 52,857 | 78,497 | 75,000 | 82,872 | 91,160 |
| Claim Payments | 05-54201 | 4,967 | - | 2,000 | 5,000 | 5,000 |
| Professional Services: | | | | | | |
| Legal Fees | 05-55001 | 51,676 | 39,695 | 65,000 | 65,000 | 66,950 |
| Administrative Consultant | 05-55002 | 15,000 | 20,687 | 20,000 | - | 15,000 |
| Compensation/Benefits Consultant | 05-55003 | 2,600 | - | 19,500 | 5,500 | 15,000 |
| Auditor | 05-55004 | 19,565 | 18,254 | 19,000 | 20,153 | 20,758 |
| Election Costs/Redistricting Services | 05-55006 | - | 3,575 | 10,000 | - | 7,500 |
| Filing System/Admin Projects Consultant | 05-55007 | 1,750 | - | 2,900 | 2,987 | 3,077 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|--|-------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Office Services & Supplies: | | | | | | |
| Personal Computers/Printers | 05-5600302 | 6,279 | 6,692 | 7,500 | 7,000 | 5,000 |
| Travel | 05-5630060 | 3 | - | 250 | 250 | 258 |
| Printing | 05-5630063 | 513 | 567 | 500 | 1,545 | 1,592 |
| General Office Supplies/Equipment | 05-5630064 | 7,877 | 5,500 | 5,500 | 8,114 | 8,358 |
| Postage | 05-5630065 | 4,579 | 318 | 4,000 | 4,717 | 4,859 |
| Computer Supplies/Software | 05-5630066 | 6,165 | 3,024 | 3,500 | 10,000 | 10,000 |
| Computer Program Changes | 05-5630069 | 12,882 | 2,976 | 15,000 | 15,450 | 5,000 |
| Reproductions/Storage | 05-5630070 | 3,369 | 556 | 5,000 | 3,471 | 3,576 |
| Miscellaneous | 05-5630098 | - | - | 1,000 | 1,000 | 1,000 |
| Presentation Equipment | 05-56003129 | 11,755 | - | 8,000 | 1,500 | 500 |
| Office Fixtures | 05-56003130 | - | - | 3,000 | 3,090 | 3,183 |
| Website Development | 05-56003131 | 276 | - | 5,000 | 5,000 | 1,000 |
| Overhead: | | | | | | |
| Uniforms | 05-5640009 | 4,259 | 3,180 | 3,500 | 4,387 | 4,519 |
| Vision Care | 05-5640012 | 3,950 | 5,200 | 5,100 | 5,253 | 5,411 |
| Vacation Conversion | 05-5640011 | 41,085 | 57,984 | 27,139 | 42,318 | 43,588 |
| Holidays | 05-5640013 | 67,100 | 72,001 | 73,236 | 75,434 | 77,698 |
| Vacations | 05-5640014 | 39,205 | 41,300 | 37,638 | 45,000 | 46,350 |
| Sick Leave | 05-5640015 | 52,614 | 29,500 | 30,396 | 42,289 | 43,558 |
| Sick Leave Conversion | 05-5640016 | 14,272 | 4,380 | 32,567 | 33,545 | 34,552 |
| Bereavement Leave | 05-5640017 | 922 | 2,038 | 2,678 | 2,785 | 2,869 |
| Jury Duty | 05-5640018 | 1,167 | 675 | 2,142 | 2,228 | 2,295 |
| Dental Insurance | 05-5640019 | 34,349 | 41,642 | 36,750 | 37,853 | 38,989 |
| Health Insurance | 05-5640020 | 340,565 | 310,374 | 420,085 | 432,688 | 445,669 |
| PERS Retirement/CalPERS | 05-5640021 | 256,223 | 320,327 | 287,639 | 296,269 | 316,676 |
| State Unemployment Insurance | 05-5640022 | 1,714 | 471 | 1,500 | 1,766 | 1,819 |
| Workers' Compensation | 05-5640023 | 36,989 | 31,233 | 43,113 | 44,407 | 45,740 |
| Life/Disability Insurance | 05-5640024 | 28,195 | 31,294 | 34,790 | 35,834 | 36,910 |
| Hospital Insurance Tax (Medicare) | 05-5640026 | 20,835 | 23,496 | 22,500 | 23,175 | 23,871 |
| Physical/Respirator Exams | 05-5640027 | 1,540 | 496 | 1,200 | 1,587 | 1,635 |
| Special Events/Employee Awards | 05-5640028 | 1,225 | 988 | 5,400 | 1,263 | 1,301 |
| D.O.T. Drug/Alcohol Testing | 05-5640031 | 620 | - | 1,000 | 640 | 800 |
| Kitchen | 05-5300572 | 4,291 | - | - | 4,420 | 4,553 |
| Miscellaneous | 05-5460098 | 4,869 | 2,962 | 2,500 | 2,500 | 2,575 |
| Education Reimbursement Program | 05-5640529 | 1,443 | 399 | 4,000 | 4,120 | 4,244 |
| Employee Assistance Program | 05-5640565 | 600 | 516 | 725 | 747 | 770 |
| Employee Training | 05-5640598 | 25,327 | 25,063 | 25,000 | 26,087 | 26,870 |
| Post Employment Benefits (ARC) | 05-5640032 | 97,371 | 138,074 | 280,000 | 64,592 | 59,963 |
| Retiree Health Insurance | 05-5640025 | 149,776 | 141,926 | 266,085 | 154,270 | 158,899 |
| Retiree Dental Insurance | 05-5640029 | 18,184 | 16,972 | 20,895 | 21,522 | 22,168 |
| Charged to Other Accounts | 05-5640099 | (587,152) | (478,860) | - | - | - |
| General & Administrative Subtotal | | 1,917,597 | 2,017,531 | 3,127,689 | 2,903,848 | 2,994,492 |
| Total Expenses | | 13,111,650 | 12,697,000 | 14,200,160 | 14,455,903 | 15,539,522 |
| Capital Outlay - Vehicle | | 78,530 | 80,533 | 80,000 | 70,000 | 65,000 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|--|--------------------------------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Recycled Water Operations | | | | | | |
| Revenue | | | | | | |
| Water Consumption Sales | 07-4170001 | 488,766 | 559,870 | 311,216 | 582,265 | 605,556 |
| Water Service Charges | | | | | | |
| Service Charges | 07-4120002 | 33,437 | 35,100 | 45,777 | 34,775 | 36,166 |
| Pumping | 07-4170005 | 7,073 | 8,398 | 10,904 | 7,356 | 7,651 |
| Service Charge Business | 07-4170002 | 4,801 | 4,832 | - | 4,994 | 5,194 |
| Pumping, Beethoven | 07-4170006 | 6,154 | 6,674 | - | 6,400 | 6,656 |
| Sempra System Maintenance Charge | 07-4170008 | 8,635 | 9,206 | - | 8,981 | 9,341 |
| | Water Service Charges Subtotal | 60,100 | 64,210 | 56,681 | 62,506 | 65,008 |
| Other Charges and Services | | | | | | |
| Meter Installations-Recycled | 07-42003 | 8,856 | 600 | - | 9,211 | 9,580 |
| Late Charge, Lock Off Processing | 07-4960010, 14 | 17,184 | 6,538 | - | 17,872 | 18,587 |
| | Other Charges and Services Subtotal | 26,040 | 7,138 | - | 27,083 | 28,167 |
| Total Revenues | | 574,906 | 631,218 | 367,897 | 671,854 | 698,731 |
| EXPENSES | | | | | | |
| Source of Supply | 07-5130192 | 222,190 | 233,706 | 173,635 | 231,078 | 240,322 |
| Pumping & Treatment | | | | | | |
| Labor-Allocated | 07-5150101 | 434 | - | - | 452 | 471 |
| Transportation - North Iris PS | 07-5150103 | 17 | 56 | 400 | 400 | 400 |
| Labor - Benefits | 07-5150106 | 1,097 | - | - | 1,142 | 1,188 |
| Labor - Overtime | 07-5150110 | 663 | 544 | 1,700 | 690 | 718 |
| Materials & Supplies | 07-5150131 | - | 1,205 | 2,000 | 1,500 | 1,500 |
| Utilities | 07-5150149 | 7,194 | 9,098 | 7,000 | 7,482 | 7,782 |
| Labor - Beethoven PS | 07-5150201 | 202 | - | - | 210 | 219 |
| Transportation - Beethoven PS | 07-5150203 | 18 | 12 | - | 19 | 20 |
| Employee Benefits | 07-5150206 | 372 | 128 | - | 387 | 403 |
| Overtime - Beethoven PS | 07-5150210 | 541 | 480 | - | 563 | 586 |
| | Pumping & Treatment Subtotal | 10,538 | 11,523 | 11,100 | 12,845 | 13,287 |
| Transmission & Distribution | | | | | | |
| Labor | 07-5170101 | 18,190 | 14,826 | - | 17,169 | 17,856 |
| Transportation | 07-5170103 | 1,174 | 1,762 | - | 1,200 | 1,248 |
| Employee Benefits | 07-5170106 | 14,552 | 12,686 | - | 14,164 | 14,731 |
| Overtime | 07-5170110 | 66 | - | - | 69 | 72 |
| Material & Supplies | 07-5170131 | - | - | 1,700 | 1,000 | 1,000 |
| Utilities | 07-5170149 | 308 | 214 | 350 | 321 | 334 |
| Testing & Sampling | 07-5170163 | 3,182 | - | 1,500 | 3,310 | 3,443 |
| Equipment Maintenance & Repair | 07-5170161 | 25 | - | 500 | 27 | 29 |
| Health Services Fees | 07-5170165 | 5,216 | - | 3,000 | 5,426 | 5,644 |
| Outside Services | 07-5170130 | - | - | 500 | 250 | 250 |
| | Transmission & Distribution Subtotal | 42,713 | 29,488 | 7,550 | 42,936 | 44,607 |
| General & Administrative | | | | | | |
| Legal Fees | 05-55001 | 234 | - | 1,500 | 1,000 | 1,000 |
| G&A Allocation and Transportation | | 25,661 | (11,002) | 54,900 | 26,688 | 27,756 |
| | General & Administrative Subtotal | 25,895 | (11,002) | 56,400 | 27,688 | 28,756 |
| Total Expenses | | 301,336 | 263,715 | 248,685 | 314,547 | 326,972 |

Departmental Budget

| | Account No. | Actual 2013-14 | Estimated 2014-15 | Adopted 2014-15 | Adopted 2015-16 | Adopted 2016-17 |
|------------------------------------|-------------|-------------------|----------------------|--------------------|--------------------|--------------------|
| Fire District | | | | | | |
| Revenues | | | | | | |
| Interest Income | 03-49200 | 193 | 35 | 2,250 | 201 | 210 |
| Interest Income - Mitigation Fees | 03-49210 | - | - | - | - | - |
| Interest Taxes | 03-4951005 | 325 | 350 | - | 338 | 352 |
| General Taxes | 03-4951007 | 1,470,511 | 1,500,000 | 1,444,000 | 1,529,332 | 1,590,506 |
| Taxes, Current Unsecured | 03-4951010 | 55,810 | 66,000 | - | 58,043 | 60,365 |
| Taxes, Delinquent Secured | 03-4951011 | 8,721 | 10,900 | - | 9,070 | 9,433 |
| Homeowners' Property Tax Relief | 03-49550 | 25,130 | 25,000 | - | 26,136 | 27,182 |
| Special Tax | 03-49570 | 308,000 | 300,000 | 315,000 | 308,000 | 308,000 |
| Weed Abatement | 03-49590 | 2,622 | 22,000 | 5,000 | 2,728 | 2,838 |
| Mitigation Fees | 03-49595 | 7,654 | 36,000 | 15,000 | 7,960 | 8,279 |
| Miscellaneous | 03-49600 | - | - | 250 | - | - |
| Annexation Fees | 03-49700 | - | - | - | - | - |
| Plan Check Fees | 03-49707 | - | 3,000 | 750 | - | - |
| County Medical Fees | 03-49705 | 10,066 | 10,250 | 10,000 | 10,469 | 10,888 |
| Total Revenues | | 1,889,032 | 1,973,535 | 1,792,250 | 1,952,277 | 2,018,053 |
| Expenses | | | | | | |
| Fire Services Contract | 03-50001 | 1,429,204 | 1,500,000 | 1,675,719 | 1,861,509 | 1,946,530 |
| Weed Abatement | 03-51702 | - | - | 2,500 | - | - |
| Station #1 Rent | 03-53005 | - | - | - | - | - |
| Fire Consultant | 03-53150 | - | 3,000 | 25,000 | 22,000 | - |
| Legal Fees | 03-55001 | 874 | 250 | 500 | 750 | 780 |
| Public Info - Community Engagement | 03-55001 | 6,631 | 4,750 | 2,000 | 6,500 | 6,760 |
| Auditor | 03-55004 | 3,854 | 3,900 | 3,900 | 4,008 | 4,169 |
| Retiree Health Insurance | 03-5640025 | 4,649 | 3,928 | 6,534 | 4,835 | 5,029 |
| Retiree Dental Insurance | 03-5640029 | 591 | 624 | 847 | 615 | 640 |
| Dues & Meetings | 03-5300151 | 1,381 | 1,256 | 1,500 | 1,437 | 1,495 |
| Insurance - Property & Liability | | - | - | - | - | - |
| Administrative Fee | | 40,829 | 42,000 | 50,000 | 42,462 | 44,161 |
| Total Expenses | | 1,488,013 | 1,559,708 | 1,768,500 | 1,944,116 | 2,009,564 |