

An aerial photograph of a water treatment facility nestled in a valley. The facility features a large, circular, covered reservoir in the foreground, surrounded by various buildings and infrastructure. The background shows rolling green hills and rugged mountains under a cloudy sky. The text is overlaid on the center of the image.

Annual Operating & Capital Improvement Budget

For the Fiscal Year Ending June 30, 2018



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ANNUAL OPERATING CAPITAL & IMPROVEMENT BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2018



RAINBOW MUNICIPAL WATER DISTRICT

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COMMITTED TO EXCELLENCE

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RAINBOW MUNICIPAL WATER DISTRICT ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

For the Fiscal Year Ending June 30, 2018

Table of Contents

EXECUTIVE SUMMARY	3
MISSION STATEMENT AND CORE VALUES	4
CERTIFICATE OF AWARD	6
FISCAL YEAR 2018 BUDGET MESSAGE	7
RESOLUTION TO ADOPT	12
OFFICIALS	14
PROFILE OF RAINBOW MUNICIPAL WATER DISTRICT	17
EMPLOYEE COMPENSATION & BENEFITS	31
STRATEGIC PLAN	40
FINANCIAL POLICIES & GOALS.....	47
RESERVE SUMMARY	48
BASIS OF BUDGET AND ACCOUNTING	50
BUDGET CALENDAR.....	54
DESCRIPTION OF MAJOR FUNDS	55
REVENUE/EXPENSE ASSUMPTIONS.....	56
FUNDS STRUCTURE	62
WATER FUND BUDGETED REVENUES & EXPENSES	64
WATER FUND BUDGETED DETAILED REVENUES.....	65
WATER FUND BUDGETED DETAILED EXPENSES.....	67
WATER FUND DEBT SERVICE	74

WASTEWATER FUND BUDGETED DETAILED REVENUES.....	76
WASTEWATER FUND BUDGETED DETAILED EXPENSES.....	77
GENERAL FUND BUDGETED REVENUES & EXPENSES.....	80
LABOR TREND.....	91
WATER CAPITAL FUND BUDGETED REVENUES & EXPENSES.....	92
WASTEWATER CAPITAL FUND BUDGETED REVENUES & EXPENSES.....	93
FUND BALANCE HISTORY.....	94
CAPITAL ACQUISITION.....	95
CAPITAL PROJECTS OVERVIEW.....	97
FIVE-YEAR WATER CAPITAL IMPROVEMENT PLAN.....	99
SIGNIFICANT WATER CAPITAL PROJECTS.....	100
FIVE-YEAR WASTEWATER CAPITAL IMPROVEMENT PLAN.....	107
SIGNIFICANT WASTEWATER CAPITAL PROJECTS.....	108
PERSONNEL/DEPARTMENT SUMMARIES.....	111
PERSONNEL ANALYSIS.....	112
ADMINISTRATION DEPARTMENT.....	123
FINANCE DEPARTMENT.....	128
ENGINEERING DEPARTMENT.....	131
OPERATIONS DEPARTMENT.....	136
CONSTRUCTION & MAINTENANCE DEPARTMENT.....	140
WASTEWATER DEPARTMENT.....	143

EXECUTIVE SUMMARY

RAINBOW MUNICIPAL WATER DISTRICT MISSION STATEMENT AND CORE VALUES



“To provide high customers high quality water and sewer service at the most efficient cost.”

Background

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

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

Overview of the Excellence Coin Program

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



Innovation:

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



Integrity:

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



Responsibility:

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



Professionalism:

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



Teamwork:

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

RAINBOW MUNICIPAL WATER DISTRICT CERTIFICATE OF AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2016. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to the program standards set by the GFOA. The award is valid for a period of one year only. We believe the FY 2018 budget will meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.



FISCAL YEAR 2018 BUDGET MESSAGE

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

On behalf of the Rainbow Municipal Water District (RMWD), I am pleased to present for your consideration our 2017-2018 Fiscal Year Operating and Capital Improvement Budget. At Rainbow Municipal Water District, we take pride in providing our customers reliable, high-quality water and water reclamation service in a fiscally sustainable manner. Within this budget document, you will find detailed information regarding the District's forecasted revenues and expenditures. These are good faith estimates on what will be spent and received throughout the 2017-2018 fiscal year. It will also address some of the new initiatives, projects, and organizational priorities that will be the District's focus over the next fiscal year captured in our strategic plan. These priorities will help ensure the District's ability to continue to meet our customer's water supply, water quality, and service expectations.

Accomplishments in Current FY 2017

- Completion of the Pre-Design Report on Potential Water Reclamation Plant - In January 2016, the District entered a Professional Services Agreement with Dudek to prepare a pre-design report to evaluate the feasibility of and define the costs associated with a District-owned water reclamation plant and recycled water distribution system. The pre-design report analysis was completed and presented to the Board on August 2016 for their consideration. The report concluded that the construction of a water reclamation facility is feasible, and the costs are roughly equivalent to those associated with obtaining recycled water from the City of Oceanside. However there are lingering concerns about the recovery of the construction costs of the recycled water distribution system. Further market analysis is needed to understand projected future demands and to determine the impact of shifting demands in the future.
- Introduced three new health care plan options to offer employees more cost effective choices for the 2017 plan year. In alignment with the District's strategic focus area of fiscal responsibility and the specific goal of proactively managing sustainable employee benefits, the District added an Anthem Consumer Driven Health Plan in conjunction with a Health Savings Account, and two Kaiser HMO plans. The Human Resources Manager conducted enrollment education meetings with all staff members to help them make informed choices at open enrollment, resulting in a 25% voluntary enrollment shift to the lower cost plans. The enrollment shift mitigated the fiscal impact of the annual premium increases by 42% and is estimated to mitigate the District's benefits costs by approximately \$116,000 over the next five years.

- Conduct and approve Appraisal of the Water and Wastewater Systems – In March 2016, the District contracted with Willdan Financial Services to review and analyze the District’s capacity fees. A critical part of that process was to determine the actual market value of the District’s assets. The total value of the water and wastewater system was appraised at a valuation much higher than was currently included on the Districts Financial Statements. The appraisal was presented and approved by the Board in February 2017. This appraisal will be reviewed during our annual audit during late 2017 and once approved it should increase our net position from approximately \$80 Million to approximately \$440 Million.
- Awarded a Professional Services Contract for a Condition Assessment Program – the District prepared a Request for Proposals to select the most qualified consultant with expertise in condition assessments. The District received five proposals, and after careful review selected the firm HDR. The District maintains and operates over 375 miles of pipelines and other infrastructure assets valued at approximately \$395 million. The District is facing aging infrastructure, so effective asset management requires us to develop long-term rehabilitation programs. Condition assessments are tools to make planning decisions for pipeline rehabilitation projects that are essential for efficient operation of the system.
- Develop Annual Budget in compliance with GFOA standards – the Finance staff worked diligently on FY 16-17 budget to adhere to the criteria requirements of GFOA budget standards, in hopes of obtaining the Distinguished Budget Presentation Award. The report was submitted to GFOA for possible consideration, and we are proud to have met and received Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2016-17 budget.

Priorities for Fiscal Year 2018 include:

- Continue the process of developing a new local water supply through the Imported Return Water Recovery Project. This process will validate earlier work and move the project to the pre-design level. In addition, staff will develop alternative project delivery options to identify the optimal method to construct and operate the facility should it prove feasible.
- Work with a newly selected auditing firm to bring the annual financial statements in compliance to the GFOA Achievement for Excellence in Financial Reporting Program (CAFR Program).
- Implement District Wide Pressure Management Program – as part of the District’s Capital Improvement Plan, the District plans to increase system reliability by active pressure management. This initiative will install pressure regulation stations (PRS) in areas of high pressure to decrease pressure to manageable levels. High-pressure areas are prone to an increased frequency of pipe breaks and lower pipeline lifetime expectancy.

- Increase system reliability through installation of permanent pump stations for the SDCWA aqueduct shutdowns. Every year the SDCWA shuts down certain section of their aqueduct for systems for inspection and maintenance, cutting off our supply for at least 10 days. During these shut downs the District rents, installs and operates temporary pump stations. Preliminary calculations show that permanent pump stations would have a payback of less than 10 years and eliminate the labor and costs associated with setting up the temporary pumps. Permanent facilities are more reliable and eliminate risks associated with the temporary pump stations.
- Continue to implement workforce development programs designed to maximize the return on investment in labor. Next fiscal year's key initiatives will focus on continuous improvement, performance management, cross-training, and attracting highly qualified candidates during the recruitment process.
- Enhance payment options to our customers by implementing an Interactive Voice Response (IVR) payment system that automates payments by phone, satisfying the needs of the customers who prefer to pay by phone while reducing customer support expenses. The system will allow payments by ACH, debit and credit cards with the flexibility to make payments 24/7.

Revenue Assumptions

The development of the budget incorporates a multitude of decisions, from water sales assumptions to achieving the goals and objectives of the Strategic Plan, to consideration of funding for capital projects, to the future risks or financial commitments of the District. Each item is carefully considered to ensure that the District is focused on meeting its mission in providing our customers reliable, high-quality water and water reclamation service in a fiscally sustainable manner.

The “new normal” for water agencies has been showing declining consumption usage and increasing costs. The decreasing consumption by our customers is a normal trend that is occurring across the region. Lower water sales are attributed to a variety of factors including low-flow plumbing fixtures, conservation, socioeconomic factors such as a change in lot sizes and family sizes, weather patterns, and higher water prices. From a financial perspective, the decrease in demand of water has been unfavorable for funding of reserves for long-term sustainability.

In late 2015, the Board of Directors established the Rate Stabilization Fund to 10% of the annual water revenues and will be set aside to prevent rate hikes that are caused by unexpected changes in water revenues. This fund will be in place to transfer money into the Operating Fund to make up short-term shortfalls in revenue, thus preventing rate hikes which would otherwise be required. Since

the establishment of this fund, lower than forecasted water sales resulting in a situation where the District has been unable to set aside funds into reserves as the last few years. The cost of service study completed in mid-2015 had anticipated sales of greater than 18,000-acre feet. For the last two years, billable consumption usage to our ratepayers has been approximately 16,000-acre feet. As the last two years have demonstrated stagnant water sales, our outlook for water demand in the upcoming Fiscal Year 2017-2018 will remain the same with no projected increase. We are anticipating 16,000 acre feet of consumption.

Expense Assumptions

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA). Depending on the projections of volumetric sales, the cost can range from \$23M to \$25M including fixed fees assessed by SDCWA.

Operating expenses have remained fairly consistent from previous years, with labor cost constituting the second largest operating expense for the District. Two other cost components that are substantial is the quarterly tank maintenance estimated at \$600k for the year, and the electricity cost varies with consumption estimated at over \$500K.

Capital equipment purchases for all funds are slightly over \$600,000. About \$100K relates to equipment needed here on District premises, such as an upgrade to our security system and fuel management software. Most of the equipment purchases (\$285,000) are related to replacement of aging District vehicles that are beyond useful service life.

Additionally, there is approximately \$11.4 million of capital improvement projects included in this year’s budget. This amount represents the projects anticipated for the coming year that were scheduled on the District’s five-year Capital Improvement Plan (CIP) and as such have the appropriate dedicated funding sources. Following is a list of the major projects that are expected to be initiated or continued in the coming year.

<u>Major Projects for 2017-18</u>	<u>Allocation</u>	<u>Funding Source</u>
Gird to Monserate Hill Water Line	\$1,125,027	Water Capital Fund
Pump Station #1 Upgrades	\$1,800,000	Water Capital Fund
SDCWA Shutdown Pump Stations	\$1,000,000	Water Capital Fund
Weese WTP Permanent Interconnect	\$1,198,090	Water Capital Fund
Lift Station #1 Replacement	\$3,000,000	Sewer Capital Fund

The above reflects only the major projects that are to be initiated and/or continued in the coming year.

FUTURE OUTLOOK/CONCLUSION

This budget seeks to improve the quality of water and wastewater service levels provided to our residents, ensure public safety, participate in community events for public outreach, and deliver services efficiently. We face the same economic challenges confronting other water agencies, and through prudent planning, we are able to meet our needs. In FY18, we have again maintained our fiscal stability, spent within our means, and prudently planned for our financial future. Our tasks remain balancing the needs in our district, setting realistic priorities, and providing a climate for a quality of service that addresses needs and is cost efficient. We look forward to another year of meeting the Strategic Plan goals and objectives outlined in detail later in this document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Kennedy", with a long horizontal flourish extending to the right.

Tom Kennedy, General Manager

RESOLUTION TO ADOPT

RESOLUTION NO. 17-18

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018

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

WHEREAS, there has been presented to the Board of Directors a proposed Annual Operating and Capital Improvement Budget for The Fiscal Year Ending June 30, 2018 (“2017 Budget”); and

WHEREAS, on June 27, 2017, the Board of Directors received and considered all comments regarding the proposed 2018 Budget; and

WHEREAS, the proposed 2018 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District.

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

1. The 2018 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2018,” is hereby adopted. A copy of the 2018 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2017-2018, pursuant to the 2018 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated.
3. The proposed amount of the San Diego County Water Authority Rate pass-through, as allowed shall be increased effective 01/01/2018.
4. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
5. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such

provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

6. This Resolution will be effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED in Open Session at a meeting of the Board of Directors of the Rainbow Municipal Water District held on the 27th day of June, 2017 by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

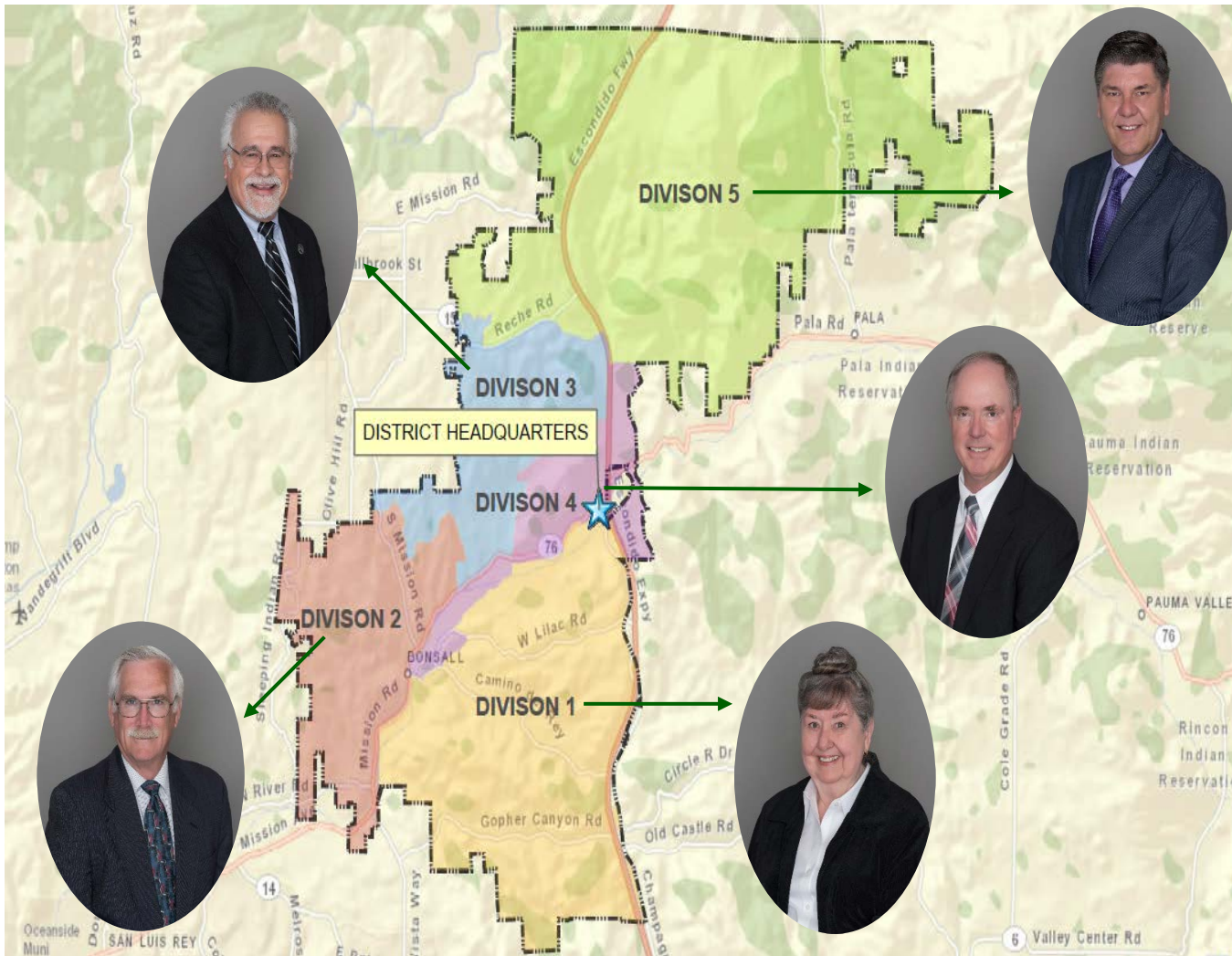
Helene Brazier, Board President

ATTEST:

Dawn Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT OFFICIALS

BOARD OF DIRECTORS



- Division 1: Director Helene Brazier
- Division 2: Director Hayden Hamilton
- Division 3: Director Miguel Gasca
- Division 4: Director Bill Stewart
- Division 5: Director Michael Mack

RAINBOW MUNICIPAL WATER DISTRICT OFFICIALS

DISTRICT MANAGEMENT



Tom Kennedy – General Manager



**Sherry Kirkpatrick
Engineering Manager**



**Vanessa Martinez
Finance Manager**

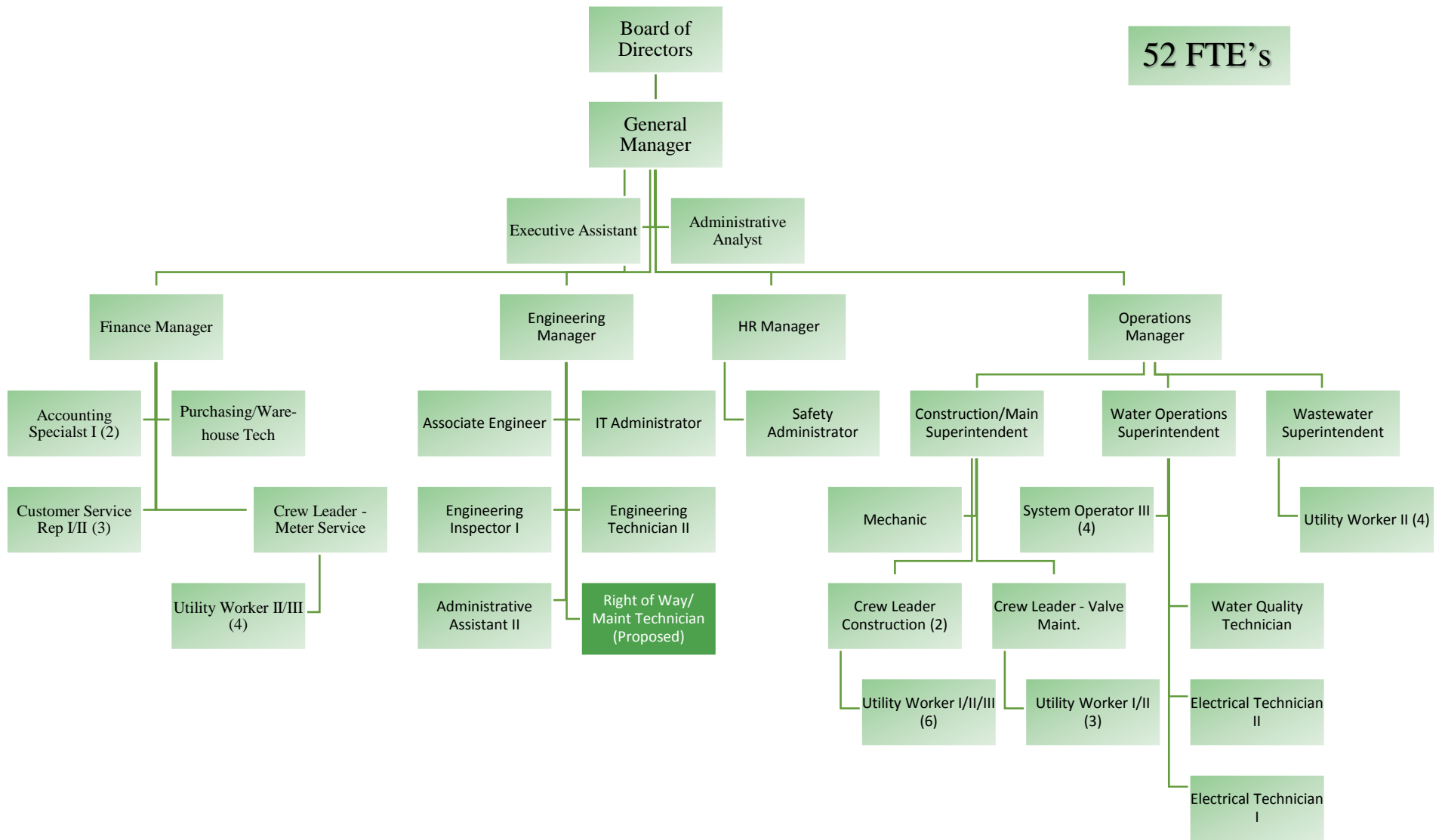


**Karleen Harp
HR Manager**



**Darren Milner
Operations Manager**

RAINBOW MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART



PROFILE OF RAINBOW MUNICIPAL WATER DISTRICT

THE DISTRICT

The Rainbow Municipal Water District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 52 full time employees under the direction of the General Manager, Thomas Kennedy.

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

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering potable water throughout the District. The District's area of service is predominantly agricultural and includes approximately 5,200 homes and a total metered service of 7,800. In addition to water service, the District provides sewerage collection and disposal service to approximately 2300 accounts. On February 13, 2002, Rainbow Municipal Water District entered into a contract with the City of Oceanside, California to provide for the construction, operation, maintenance, and replacement of a wastewater system to service the needs of both The City and the District. The City owns the wastewater conveyance, treatment, and disposal facilities and the District has the contractual right to discharge wastewater in to the City's system. The City and the District have previously entered into agreements on January 2, 1973 and September 10, 1989. This agreement reflects the planned expansion and rehabilitation of facilities built from those previous agreements. Under the agreement, the District's share of cost for planned expansion and rehabilitation of the facilities would be 10%.

DISTRICT POWERS

The District has broad general powers to perform all necessary or proper acts, including but limited to the authority to acquire, plan, construct, maintain, improve, operate and repair necessary works for the transmission and distribution of water for irrigation and other purposes and for reclamation of such water; the right of eminent domain; authority to levy taxes or, in lieu thereof, to fix and collect charges for water, including standby charges made to holders of title to land to which water may be made available, whether or not the water is actually used; authority to establish rules and regulations for the sale and distribution of water including rules for providing that water shall not be furnished to persons against whom there are delinquent water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.

WATER SUPPLY OPERATIONS

Since Rainbow Municipal Water District began water service in 1954, the District's source of supply has been water purchased from the San Diego County Water Authority ("SDCWA"). About 70% of the water used is for agricultural purposes; all water is of domestic quality.

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

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

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

The Metropolitan Water District is a regional wholesaler that delivers water to 26 member public agencies – 14 cities, 11 municipal water districts, one county water authority – which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. The Metropolitan Water District, to supplement its water supply from the Colorado River, has entered into a contract with the State of California for the delivery of water via the State Water Project. Metropolitan is governed by a 38-member board of directors who represent their respective member agencies ensuring each member agency is part of the governance of Metropolitan.

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

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

SYSTEM PRESSURES

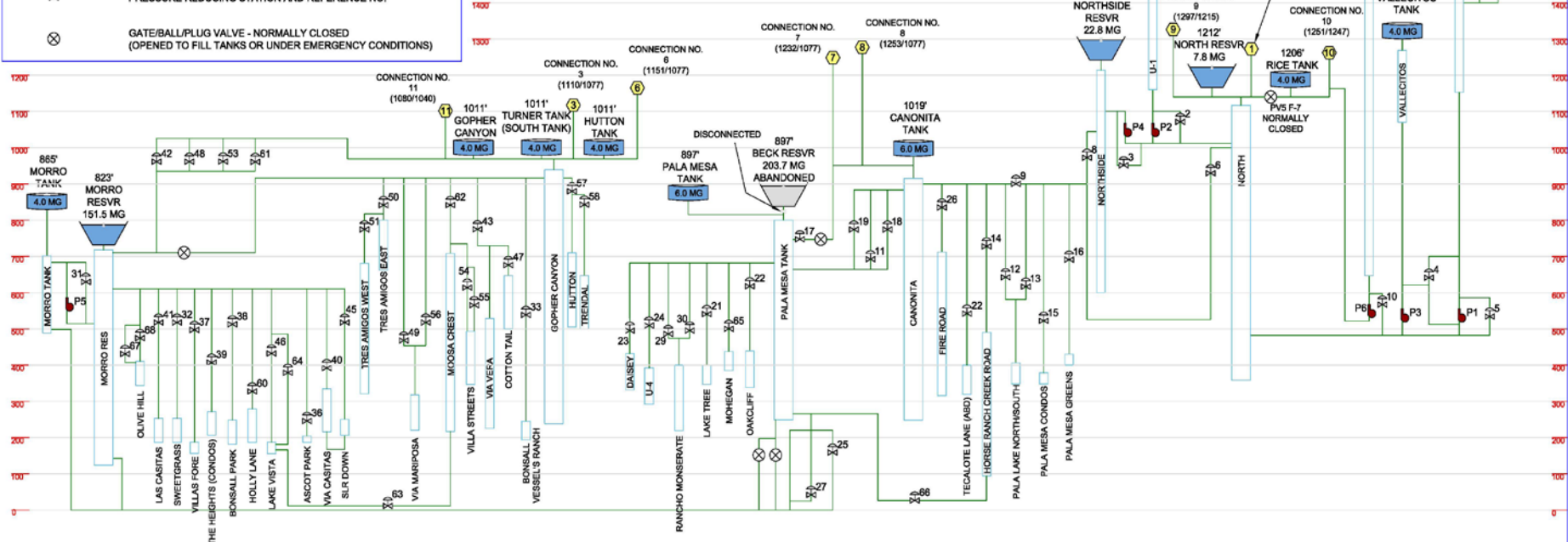
The range of water pressures experienced at any location is a function of the hydraulic grade and the service elevation. Within a specific pressure zone, the hydraulic grade is affected by the reservoir or tank water level and/or pressure reducing valve settings, friction losses in the distribution system, and the flow delivered through aqueduct connections, if applicable. The maximum static pressure within a pressure zone is based on the high-water level of the reservoir or highest pressure reducing valve setting and the elevation at any specific point in the zone. The system pressure ranges within the district between 20-400 pounds per square inch (psi). It is much more difficult to control the pressure in transmission pipelines as they must maintain the grade line of the zone and are typically less flexible in terms of installation locations. Despite the District's terrain, the vast majority of the District transmission system is within the desired maximum pressure.

LEGEND

- XX' RESVR
XX MG
 HIGH WATER ELEVATION
RESERVOIR NAME
RESERVOIR CAPACITY
- XX' TANK
XX MG
 HIGH WATER ELEVATION
TANK NAME
TANK CAPACITY
- PX
 BOOSTER PUMP STATION AND REFERENCE NO.
- XX
 SDCWA AQUEDUCT CONNECTION NO.
(MAXIMUM/MINIMUM HGL)
- XX
 ZONE DESIGNATION
(LENGTH OF SYMBOL REPRESENTS SERVICE ELEVATION RANGE)
- XX
 PRESSURE REDUCING STATION AND REFERENCE NO.
- XX
 GATE/BALL/PLUG VALVE - NORMALLY CLOSED
(OPENED TO FILL TANKS OR UNDER EMERGENCY CONDITIONS)

PRESSURE REDUCING STATION REFERENCE (HI/LOW) PSI

1	MAGEE PUMP STATION BYPASS (337/220) PSI	33	BONSALL VESSELS RANCH (350/120) PSI
2	U1 U2 PUMP STATION BYPASS (170/30) PSI	34	MOOSA CANYON LINE
3	BOOSTER STATION #4 BYPASS(100/50) PSI	35	WEST LILAC PR PRESSURE RELIEF (225/0) PSI
4	VALLECITOS BYPASS (PUMP STATION N) (240/45) PSI	36	ASCOT PARK (280/70) PSI
5	PUMP STATION 1 BYPASS SOUTH (355/60) PSI	37	VILLAS FORE (280/125) PSI
6	STEWART CANYON (220/150) PSI	38	BONSALL PARK
7	MOON RIDGE (200/107) PSI	39	THE HEIGHTS (CONDOS)
8	LOS ALSIOS (210/120) PSI	40	VIA CASITAS (280/110) PSI
9	GARRET RANCH (270/187) PSI	41	LAS CASITAS (225/95) PSI
10	HUNTLEY PUMP STATION BYPASS (240/143) PSI	42	WEST LILAC (300/220) PSI
11	ATKINS (124/100) PSI	43	VIA VERA (200/95) PSI
12	PALA LAKE NORTH (280/100) PSI	45	S/LR OWENS TRACK (285/125) PSI
13	PALA LAKE SOUTH (280/120) PSI	46	LAKE VISTA (280/100) PSI
14	HORSE RANCH CREEK (253/120)PSI	47	COTTON TAIL (220/110) PSI
15	PALA MESA CONDOS (300/75) PSI	48	CAMINO DEL REY (332/225) PSI
16	PALA MESA GREENS (289/120) PSI	49	VIA MARIPOSA WEST (285/95) PSI
17	WILT & CITRUS	50	TRES AMIGOS EAST (110/65) PSI
18	CANONITA (135/85) PSI	51	TRES AMIGOS WEST (110/70) PSI
19	LAKETREE EAST (230/110) PSI	52	VIA PUERTA DEL SOL PRESSURE RELIEF (240/0) PSI
20	BECK	53	DENTRO DE LOMAS (385/260) PSI
21	LAKE TREE WEST (230/100) PSI	54	VILLA MEDICI (140/80)PSI
22	OAKCLIFF (200/120) PSI	55	VILLA TOSCANA (110/73)PSI
23	DAISEY LANE (245/75) PSI	56	VIA MARIPOSA EAST (265/95) PSI
24	U-4 (210/70) PSI	57	HUTTON 4" (100/80) PSI
25	ESTERILINA (116/70) PSI	58	TRENDAL 4" (150/85) PSI
26	FIRE ROAD (105/55) PSI	59	OLD RIVER ROAD PRESSURE RELIEF (270/0) PSI
27	76 & GIRD (277/225)PSI	60	HOLLY LANE (250/70) PSI
28	VIA MONSERATE PRESSURE RELIEF (280/0) PSI	61	SAGEWOOD (320/273) PSI
29	RANCHO MONSERATE "M" (290/110) PSI	62	MOOSA CREST (H/ALFAH) (125/110) PSI
30	RANCHO MONSERATE "S" (280/110) PSI	63	LAKE VISTA TERRACE
31	MORRO BOOSTER STATION BYPASS (140/120) PSI	64	LAS ESTRELLAS
32	SWEETGRASS (248/90)PSI	65	MOHEGAN
		66	PANKEY
		67	OLIVE HILL ESTATES NORTH
		68	OLIVE HILL ESTATES SOUTH



EXISTING SYSTEM HYDRAULIC SCHEMATIC

SYSTEM DESCRIPTION

RMWD's existing water distribution system is comprised of 12 major pressure zones with storage facilities. Four of the major zones are supplied directly from SDCWA aqueduct connections and the remaining major zones are supplied through pressure reducing stations or booster pump stations. In addition to the major zones, there are 30 reduced pressure areas that are supplied from the major zones through pressure reducing stations. The RMWD hydraulic profile schematic showing the aqueduct connections, pressure zones, storage facilities, booster pump stations, pressure reducing stations and emergency supply interconnects.

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

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

The existing distribution system has over 320 miles of pipelines ranging in size from 4-inches to 42-inches in diameter. Most of the smaller diameter pipelines are constructed of asbestos cement pipe (ACP) or steel, although ductile iron pipe (DIP) is used in high pressure areas. Larger transmission mains are constructed of CMLC steel or DIP. Table below summarizes pipeline lengths by diameter.

Pipeline Summary			
Pipeline Diameter (inches)	Total Pipeline Length (miles)	Pipeline Diameter (inches)	Total Pipeline Length (miles)
4	4.5	20	10.9
6	65.1	22	1
8	114.7	24	5.8
10	17.7	27	0.3
12	42.2	30	0.6
14	20.3	36	0.4
16	27	42	0.6
18	11.7		
Total Length of Pipe			323

SYSTEM OPERATIONS

Operation of the RMWD water distribution system is very complex due to the large number of pressure zones, supply locations, and large capacity storage facilities which require frequent cycling or turnover to maintain water quality. Furthermore, the water distribution system is flexible in that supply from the eight aqueduct connections can be routed to different parts of the distribution system by making changes to several key valve settings. Reservoir water levels are connected to the RMWD SCADA system such that the water operators are able to monitor the system throughout the day at the water operations center. However, system operation relies upon a number of manual changes that are made from operator judgment rather than automation such as adjusting the flow orders from FCF connections based on tank levels.

The large storage capacity of Morro reservoir requires special operation of the distribution system to maintain water quality. The distribution system is operated in either a Morro fill or Morro drain mode, with the duration of each mode varying seasonally but typically lasting two weeks or more. Changing between modes requires the manual closing and opening of several pressure stations in addition to a number of operational changes. Tank water levels in several pumped zones are also operated in a fill/drain mode with water levels set low to improve the turnover rate. In addition to normal supply operations, system operators have several documented procedures for alternative supplies to zones in the event that pump stations fail, tanks need to be removed from service, or when aqueducts are shut down for service. During planned shutdowns of the SDCWA Second Aqueduct (Connections 3, 6, 7, 8, 9, and 11), water from the North and Northside Reservoirs is supplied down to the Canonita Zone through bypass valves and pressure reducing stations. The remaining zones normally supplied from the Second Aqueduct are supplied from excess storage capacity in the Morro Reservoir via temporary diesel powered pumps. Four portable pumps are utilized to pump water from the Morro Zone to the South Zone. Supply to the South Zone can also be supplemented from the City of Oceanside's Weese Water Filtration Plant from a portable pump. The Northside Zone, North Zone, and all zones that are pumped from the North Zone are normally supplied from Connections 1 and 10 on the First Aqueduct and Connection 9 on the Second Aqueduct. During a shutdown of both aqueducts, these zones rely on water from in-zone tank storage, the North and Northside Reservoirs, and additional supply from FPUD's Red Mountain Reservoir, which is pumped into the North Reservoir. An emergency pump station at the Beck Reservoir site can also be utilized during a shutdown of both aqueducts to supply the Canonita Zone from the Pala Mesa Zone.



WASTEWATER FACILITIES

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

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

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

- Lift Station 1. This station is located just south of the intersection of Golf Club Drive and Old River Road on the south side of the San Luis Rey River. It consists of a Smith and Loveless packaged lift station with three 5-hp wet well/drywell pumps and a 3,000 gallon working volume wet well. The existing pumps were rated at 625 gpm each and there is a backup generator in case of a power failure. The District replaced the pumps at this station in kind in 1994. Lift Station 1 is currently under design for replacement which will expand the station's capacity to serve peak wet weather and future projected sewer flow. The replacement design has considered relocating the station to the north side of the San Luis Rey River in order to abandon the siphon crossing beneath the river and replacing it with a force main. In addition, the new design will strive to move the station further away from nearby residences.
- Lift Station 2. This station is located at the intersection of Little Gopher Canyon Road and Old River Road, in the southwest corner of the District. The station is a Flygt/Xylem packaged lift station consisting of three 70-hp wet well/drywell pumps and a 14,000 gallon working volume wet well. The existing pumps are rated at 1,500 gpm each. There is also a backup generator in case of a power outage. This station was replaced in 2010 due to a history of problems with overflows. Capacity was increased from 1,000 gpm per pump to the current 1,500 gpm per pump to allow significant capacity to serve the ultimate projected sewer flow.
- Plant B Lift Station. This station is located south of the District offices on Old Highway 395. This station is a Smith & Loveless prefabricated station consisting of two 5-hp wet well/dry well pumps and an 800 gallon working volume wet well. The pumps are each rated at 320 gpm. The station has a standby generator to run the lift station in the case of a power failure. This is the District's oldest lift

station and is located in a sub-basin subject to high infiltration. Abandonment of this station is planned to coincide with the construction of the Pankey Sewer Lift Station.

■ **Rancho Monserate Lift Station.** Wastewater generated at the Rancho Monserate Mobile Home Park is tributary to this station, located north of the park off Dulin Road. Collected wastewater is conveyed north via forcemain for approximately 1,740 feet where it intercepts the Rancho Viejo Forcemain. The Rancho Viejo Forcemain transports the wastewater an additional 2,350 feet before it discharges into Manhole No. 20L-M020 at the intersection of Old Highway 395 and Pala Road. The Rancho Monserate lift station is a Flygt/Xylem lift station consisting of two 5-hp wet well/dry well pumps with a 300 gallon working volume wet well. The pumps are each rated at 320 gpm. The station also has a backup power generator in the case of a power failure.

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

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

HISTORICAL WATER DEMAND AND RECENT TRENDS

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

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

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

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

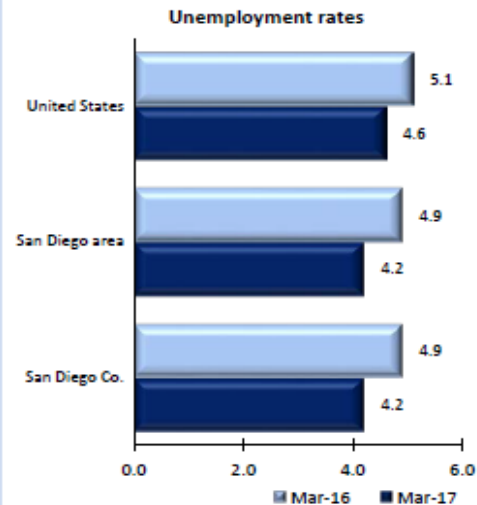


San Diego Area Economic Summary

Updated May 03, 2017

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

Unemployment rates for the San Diego area, selected area counties, and the nation



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

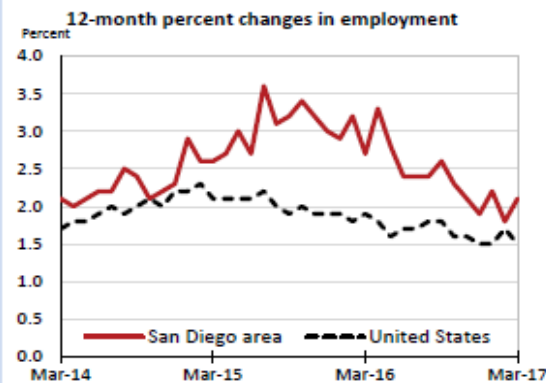
Average weekly wages for all industries by county

San Diego area, 3rd quarter 2016
(U.S. = \$1,027; Area = \$1,130)



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

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

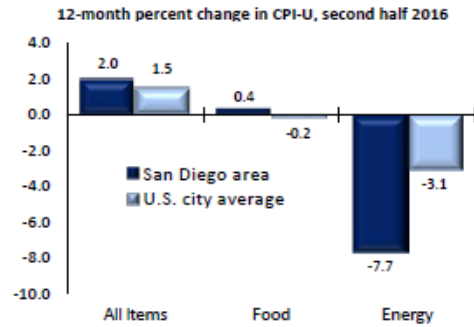


Source: U.S. BLS, Current Employment Statistics.

San Diego area employment (numbers in thousands)	Mar. 2017	Change from Mar. 2016 to Mar. 2017	
		Number	Percent
Total nonfarm	1,433.7	29.6	2.1
Mining and logging	0.3	0.0	0.0
Construction	79.5	5.7	7.7
Manufacturing	107.1	-0.1	-0.1
Trade, transportation, and utilities	217.8	0.4	0.2
Information	23.6	0.2	0.9
Financial activities	74.8	3.5	4.9
Professional and business services	235.8	4.0	1.7
Education and health services	203.2	6.2	3.1
Leisure and hospitality	185.3	-0.2	-0.1
Other services	56.7	3.2	6.0
Government	249.6	6.7	2.8

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

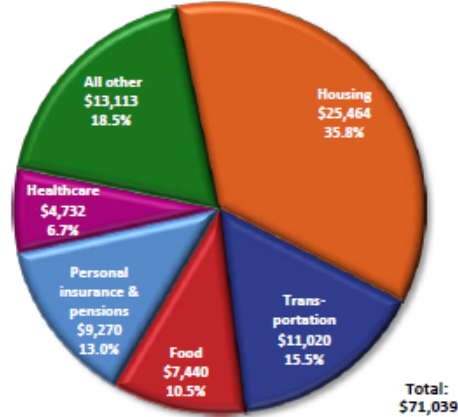
Over-the-year change in the prices paid by urban consumers for selected categories



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

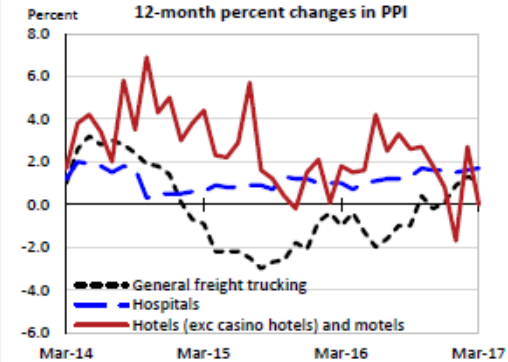
Average annual spending and percent distribution for selected categories

San Diego area average annual expenditures 2014-15



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

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



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

Average hourly wages for selected occupations

Occupation	San Diego area	United States
Total, all occupations	\$26.68	\$23.86
Financial managers	68.64	67.17
Registered nurses	44.46	34.70
Chemists	40.71	38.86
Accountants and auditors	37.49	36.89
Electro-mechanical technicians	27.69	27.82
Sailors and marine oilers	20.19	22.20
Medical secretaries	19.27	16.85
Construction laborers	19.04	18.22
Security guards	14.82	14.29
Retail salespersons	14.41	13.07
Maids and housekeeping cleaners	12.51	11.46
Cooks, fast food	11.31	9.89

Source: U.S. BLS, Occupational Employment Statistics, May 2016.

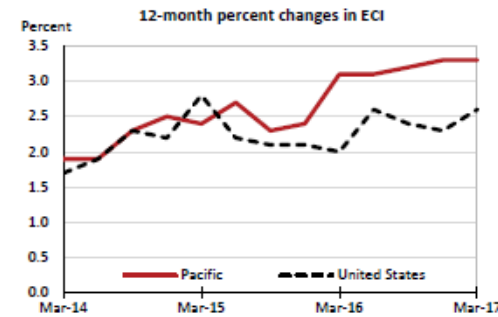
Employer costs per hour worked for wages and selected employee benefits by geographic division

Private industry, December 2016	Pacific (1)	United States
Total compensation	\$36.35	\$32.76
Wages and salaries	25.46	22.83
Total benefits	10.89	9.93
Paid leave	2.48	2.28
Vacation	1.24	1.17
Supplemental pay	0.92	1.15
Insurance	2.84	2.63
Retirement and savings	1.60	1.31
Legally required benefits	3.05	2.56

(1) Pacific includes AK, CA, HI, OR, and WA.

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

Over-the-year changes in wages and salaries



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

CLIMATE AND TOPOGRAPHY

The Fallbrook, Bonsall and Rainbow region has an average year-round temperature of 61 degrees. Due to the prevailing ocean breezes, the humidity is relatively low and constant. The average daytime high in Fallbrook is 76 degrees, although in the summer, temperatures sometimes exceed 90 degrees. Most of the area is frost-free; during the coldest periods the average nighttime temperature is about 42 degrees. Due to its proximity to the ocean, days often start with early morning fog; afternoons can be breezy.

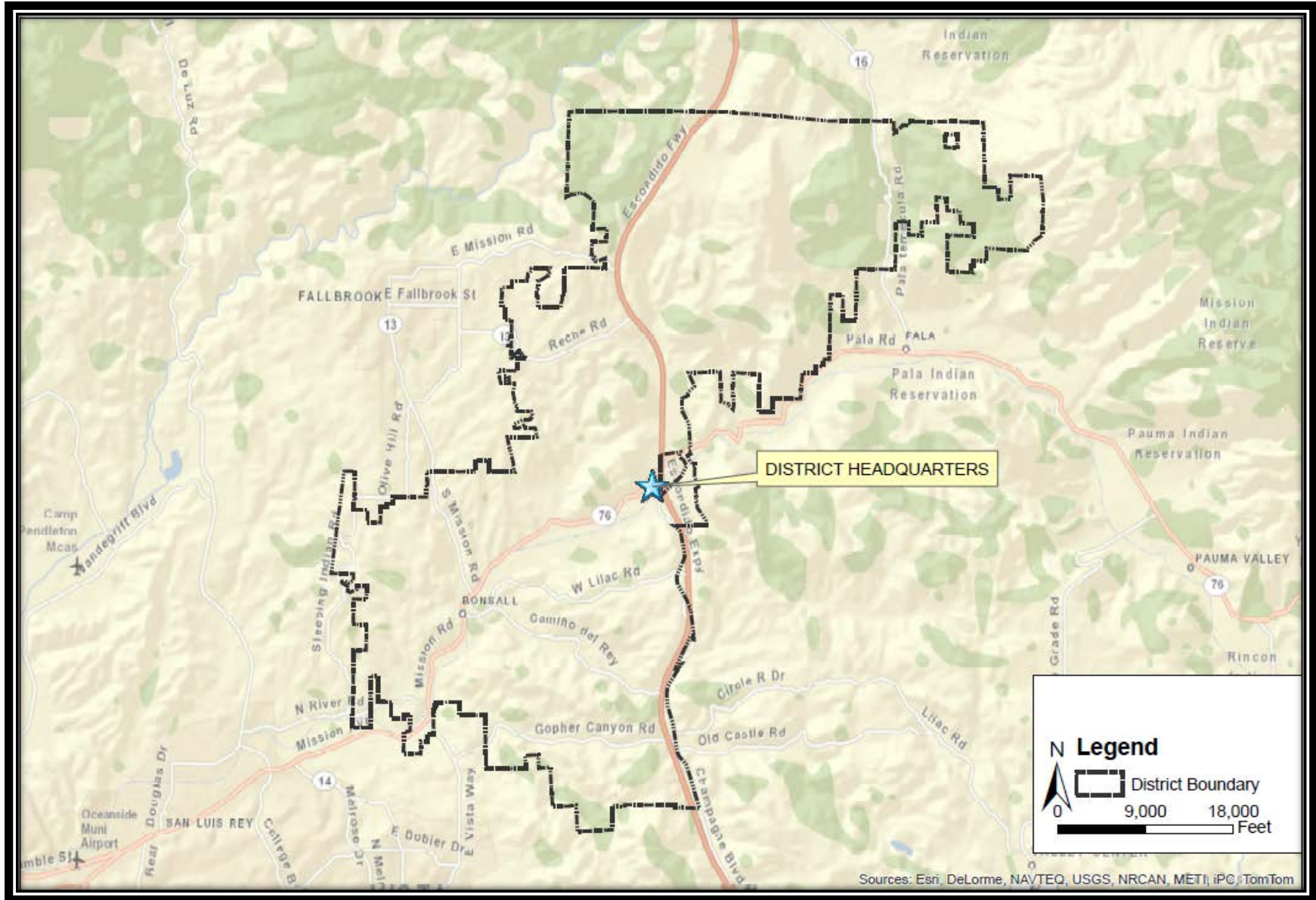
Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers.

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

THE DISTRICT OFFICE



DISTRICT'S SERVICE AREA MAP



EMPLOYEE COMPENSATION & BENEFITS

Deferred Compensation Programs:

401(a) PLAN

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

Employees hired after July 1, 2012 will receive a one-time deposit of \$50 for each pay period the employee has worked between their hire date and January 1, 2018.

Employees hired before July 1, 2012 may elect to participate in the 401(a)-matching program instead of the Retirement Health Care Contribution program. No employee may participate in both programs.

The District will match employee contributions to the 401(a) account per the following terms:

0 – 5 years of service: \$50 per pay period

5-10 years of service: \$75 per pay period

10-20 years of service: \$100 per pay period

Over 20 years of service: \$125 per pay period

Employee contributions to the 401(a) account will be on a post-tax basis, and the employee may contribute additional funds subject to IRS annual limits. The District's matching funds will be tax deferred.

The District's initial deposit and matching funds will be tax deferred, and will become vested per the following vesting schedule:

1 year of service = 20% vested

2 years of service = 40% vested

3 years of service = 60% vested

4 years of service = 80% vested

5 years of service = 100% vested

If an employee leaves the District's employment before the District's contributions to the 401(a) account have become 100% vested, then the unvested funds will be forfeited and returned to the District.

Employee contributions to the 401(a) account will be on a post-tax basis, and the employee may contribute additional funds subject to IRS annual limits.

457(b) PLAN

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

Lump Sum Merit Awards:

When an employee’s pay rate is at the top of their position’s Non-Exempt Pay Grade, the employee will not be eligible for a base pay merit increase. However, the employee may be eligible for a lump sum merit award based on their ratings on the Annual Performance Review.

Lump sum merit awards will be calculated by averaging the merit award percentages that correspond with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Exceptional	7%
Above Satisfactory	2.5%
Satisfactory	0%
Needs Improvement	0%
Unsatisfactory	Disqualified

Employees who receive an unsatisfactory rating in any Performance Factor, or who are on a Performance Improvement Plan, will not be eligible for a lump sum merit award.

Compensatory Time:

When any non-exempt employee works overtime, the employee may elect to accrue Compensatory Time Off in lieu of cash payment for the overtime worked. The amount of Compensatory Time Off will be based on the applicable overtime rate (one and one half or double the regular rate of pay as specified in the Overtime Section).

No employee shall be allowed to accumulate over 50 hours of compensatory time. Any time over 50 hours shall not be eligible for accumulation and shall be included as hours paid in the employee's paycheck for the pay period earned.

Compensatory time shall be granted at such times and in such time blocks as are mutually agreed upon between the employee and his/her Superintendent or Manager; permission to utilize compensatory time off shall not be unreasonably denied if operating requirements will not be adversely affected.

All unused compensatory time will be paid out on the last pay date in December of each year. Employees will have the option to cash out Compensatory Time Off on the last pay date in June of each year.

Upon separation from the District employees shall be paid 100% of their accumulated compensatory time balance at their present rate of pay.

Paid Time Off:

Accrual Rate

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

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

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

If a PTO request has been previously approved by the District, and through no fault of the employee the leave request is cancelled by the District and an employee reaches the maximum accrual, then the District will compensate the employee for additional hours accumulated beyond the maximum accrual until the requested leave can be granted.

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

Paid Time Off Buy Back

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

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

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

Holidays:

The District will provide the following paid holidays. Compensation for paid holidays will be for the entire length of the regular scheduled shift.

Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday.

If a holiday falls on an employee's regularly scheduled Friday off, then 8 hours of Holiday Bank will be credited to the employee for that day at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

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

Medical, Dental and Vision Insurance

Medical Insurance:

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

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

- If the health plans the District offers become unavailable due to factors outside the District's control.
- If premium costs for an offered plan increase by more than 20% in a single year.
- If the District and Association both desire to seek comparable plans with lower premium costs from other insurance carriers.

If any of these conditions occur, the District will notify Association in writing of the District's intent to renegotiate this Section of this Article no later than August 15 for changes to be effective in the following plan year.

Employee Only Coverage

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 100% of the premium costs for employee-only coverage, up to the amount of the Anthem HMO employee-only rate. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

For example, if the HMO premium for employee-only coverage is \$700 per month, and the employee enrolls in plan with premiums of \$800 per month, then the employee would contribute \$100 per month through two payroll deductions of \$50 each.

Dependent Care Coverage

Dependent Care Coverage on Anthem Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 82% of the total premium costs for the Employee + 1 or Family coverage tiers, up to a maximum of 82% of the HMO premium rates for those tiers. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

The employee will contribute 18% of the total premium costs for the Employee + 1 or Family coverage tiers for the HMO or lower cost plans.

The following example illustrates how dependent care coverage will be calculated for Anthem plans (note these are not actual premium rates, only sample calculations):

Anthem Plan	Monthly Premium	District Contribution (82% up to HMO max)	Employee Contribution (18%)	Payroll Deduction (2x per month)
Classic PPO	\$1,750	\$1,148 (HMO max)	\$602	\$301
CalCare HMO	\$1,400	\$1,148	\$252	\$126
Consumer Driven Health Plan (CDHP)	\$1,300	\$1,066	\$234	\$117

Dependent Care Coverage on Kaiser Permanente Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will cover 100% of the premium costs for employees and dependents enrolled in the Kaiser Consumer Driven Health Plan (CDHP).

For employees who enroll dependents in the traditional Kaiser HMO plan, the District will contribute up to \$3,000 per year above the annual premium rate for the Kaiser CDHP plan.

The following example illustrates how dependent care coverage will be calculated for Kaiser plans (note these are not actual premium rates, only sample calculations):

Kaiser Plan	Annual Premium	District Annual Contribution	Employee Annual Contribution	Payroll Deduction (2x per month)
HMO	\$13,080	\$12,000	\$1,080	\$45.00
CDHP	\$9,000	\$9,000	None	None

Health Savings Accounts

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

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

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
Anthem CDHP	\$1,500	\$2,600	\$2,600
Kaiser CDHP	\$1,500	\$3,000	\$3,000

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

Dental and Vision Insurance:

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

Retirement Health Care Contribution:

Employees hired before July 1, 2012 will be eligible for Retirement Medical Contributions if they elect not to participate in the District's 401(a) retirement savings plan. Upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to reimburse eligible retired employees and their retired spouses for part of the cost of health and dental insurance plans. The District's contribution will be \$363.00 per month for the retired employee or \$726.00 per month for the retired employee and retired spouse until each reach their respective ages for full Medicare coverage. If the retired employee or retired spouse reaches the eligible age, the contribution for the retired employee or retired spouse will be \$363.00 per month until reaching the eligible age. The assistance period for either will be for a maximum of ten (10) years.

Employees hired after July 1, 2012 will not be eligible for Retirement Health Care Contributions.

Life and Disability Insurance:

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

Public Employees' Retirement System:

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

A full time new employee hired on or after January 1, 2013 will be subject to the Public Employees' Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62. The final compensation is the highest average pay rate and special compensation during any consecutive three-year period. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Pursuant to the PEPRA, a "New Member" is defined as:

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

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

Retirement Notice Bonus:

To encourage and reward advance notice of an employee's intent to retire, the District will pay a \$500 Retirement Bonus for employees who give more than six months' notice of the intended retirement date in writing. For employees who give one full year's notice in writing, the District will pay a \$1,000 bonus.

The bonus shall be paid on the employee's last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

Tuition Reimbursement Program:

The District will refund tuition fees and educational material costs incurred by regular employees for approved courses of study and completion with a “C” grade or higher. A “pass” will be accepted for classes where a pass/fail grading system is used. The amount of reimbursement will be as follows:

- For employees who have worked 0-3 years, the District will reimburse up to \$2,500.00 per calendar year for attendance at an accredited college or institution, provide the employee is pursuing a course of study leading to attainment of a degree or accreditation, or providing the course of study is pertinent to the employee’s employment with the District.
- For employees who have worked three years or more the District will reimburse employees up to \$5,250.00 per calendar year for attendance at an accredited college or institution, providing the employee is pursuing a course of study leading to attainment of a degree or accreditation, or providing the course of study is pertinent to the employee’s employment with the District.

For the purpose of determining eligibility, the end date of the class will be the date used to calculate the employee’s length of service and in which calendar year the reimbursement will be applied.

Employees are required to submit applications to their immediate Superintendent or Manager and get approval from their Superintendent or Manager before starting courses for which educational assistance is requested.

Requests for reimbursement must be submitted within 30 days after completion of the course. If an employee leaves District employment before completion of the approved course, the District will not reimburse the employee for the course.

No assistance will be made until after the completion of the course and no assistance will be made if the employee utilizes other sources (i.e. GI Bill) to pay for the course or portions of the course.

Dependent Care Flex Accounts:

By January 1, 2018, the District shall establish a qualified Flexible Spending Account (FSA) for Dependent Care expenses in accordance with IRS regulations. The FSA is an employee funded pre-tax benefit account used to pay for dependent care services, such as preschool, summer day camp, before or after school programs, and child or elder daycare.

STRATEGIC PLAN

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
1	Water Resources					
1A	Bonsall Imported Return Flow Project					See sub-objectives
1A.1	Complete analysis on water rights and availability	Engineering	Spring 2018			Analysis completed
1A.2	Validate West Yost model using local firm	Engineering	Spring 2018			Model validated
1A.3	Perform pump testing on new or existing wells	Engineering	6/1/2018			Testing performed
1A.4	Confirm West Yost legal opinion	Engineering	12/1/2017			Opinion confirmed
1B	Perform detailed site planning for Bonsall Imported Return Flow Project					See sub-objectives
1B.1	Validate sites identified in earlier planning	Engineering	12/1/2017			Sites validated
1B.2	Evaluate cost options	Engineering	3/1/2018			Opinion validated
1B.3	Identify environmental issues	Engineering	12/1/2017			Issues identified
1B.4	Obtain property cost estimates	Engineering	3/1/2018			Estimates obtained
1C	Identify project delivery mechanism for Bonsall Imported Return Flow Project					See sub-objectives
1C.1	Identify funding sources	Engineering/Finance	12/1/2017			Sources identified
1C.2	Evaluate contract options: conventional design and bid-out construction with in-house operation, design build with in-house operation, design - build - operate	Engineering	5/31/2018			Options evaluated
1D	Weese Filtration Plant Interconnect					See sub-objectives
1D.1	Determine feasibility of the interconnect with Weese Filtration Plant	Engineering	8/15/2017			Feasibility determined
1D.2	Develop terms of contract for purchasing water from the City of Oceanside	Engineering	10/15/2017			Terms determined
1D.3	Complete the Pre-Design Report evaluating hydraulics, project alternatives and return on investment	Engineering	3/1/2018			Report completed
1E	Additional Water Connection with SDCWA (Formerly Valley Center's Connection VC #4)	Engineering				See sub-objectives
1E.1	Determine feasibility of the interconnect with the SDCWA	Engineering	9/1/2017			Feasibility determined
1E.2	Develop terms of contract for purchasing water from the SDCWA	Engineering/GM	12/1/2017			Terms developed
1E.3	Complete the Pre-Design Report evaluating hydraulics, project alternatives and return on investment	Engineering	3/1/2018			Report completed

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
2	Asset Management					
2A	Implement Asset Management System		Ongoing	Ongoing		
2B	Effectively utilize the District's Enterprise Asset Management System (EAM) as a management tool for optimizing RMWD activities	All	Ongoing	Ongoing		Development of meaningful KPIs for all departments and the implementation of PM Schedules for all major operational systems
2C	Complete Condition Assessment Program Development					See sub-objectives
2C.1	Document asset condition through continuous condition assessment	Engineering/Operations	3/1/2018			Complete work with HDR developing the Condition Assessment program including initial assessments and ongoing data collection requirements
2D	Develop long-term asset rehabilitation schedules	Engineering/Operations	6/1/2018			Based on completed work by HDR, develop an initial long term rehabilitation and replacement schedule with provisions to revise as additional data is collected over time
2E	District Wide Pressure Management					See sub-objectives
2E.1	Evaluate locations where pressure reducing stations can isolate an area with high pressure without affecting transmission main hydraulics	Engineering/Operations	12/31/2017			Create a complete list of high pressure areas where pressure control stations would be beneficial. Identify potential sites for placements of stations and installation schedule
2E.2	Install at least two pressure stations to manage high pressure areas	Operations	6/1/2018			Coordinate with Engineering Department with the planning, easement rights, and installation of two pressure stations
2F	District Wide System Reliability					See sub-objectives
2F.1	Continue process of design and installation of permanent pump station for SDCWA shutdowns	Engineering/Operations	6/1/2018			As the design process continues, the return on investment of each site shall be re-evaluated prior to construction. The ability to complete all projects may vary, depending on environmental constraints present for each project
2G	Pursue maintenance on existing facilities that meets/exceeds industry standards					See sub-objectives
2G.1	Evaluate maintenance level of service standards	Operations	12/31/2017			Conduct thorough review with all Operations Staff of District and industry standards. Familiarize ourselves with the recommended maintenance on all District-owned assets
2G.2	Develop maintenance standards in the maintenance program	Operations	6/30/2018			Maintenance schedules will be set up within the EAM System and progress will be tracked through KPIs. All maintenance performed on District-owned assets will be documented within the EAM System
2H	Continue process of developing cost effective options for rehabilitation or replacement of district headquarters facility	GM	6/1/2018			Identify possible sites, identify development partners

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
3	Workforce Management					
3A	Maintain education and training opportunities to ensure continuous improvement and learning for all staff					See sub-objectives
3A.1	Continue ACWA/JPIA Professional Development Training for Managers, Crew Leaders, UWIII's and Superintendents. Staff to attend quarterly education days to receive credit towards PDP program until complete	HR	12/1/2017			Completion of training sessions with at least 85% attendance from named groups
3A.2	Expand tuition reimbursement program to employees in new MOU	HR	7/31/2017			As Described
3A.3	Complete the development of and implement a cross training program to help build internal capacity.	HR	12/31/2017			Complete program and roll out to employees. Enroll at least four employees in initial round of cross training with schedules established to optimize operational needs
3A.4	Identify high-potential employees to participate in cross training and leadership development program	HR	11/31/2017			Employees identified
3A.5	Promote Target Solutions and other online training solutions for computer skills training	HR	Ongoing	Ongoing		At least 25% of workforce to complete Target Solutions or other computer training
3B	Obtain SDRMA credit for attendance at various safety training workshops and conferences held by SDRMA					See sub-objectives
3B.1	Safety Administrator or Human Resources Manger to earn SDRMA Safety Specialist Certification	HR	3/31/2018			Certification obtained
3B.2	HR Manager to attend CSDA HR Boot Camp in August 2017	HR	8/31/2017			Training completed
3B.3	At least 25% of workforce to complete four modules of Target Solutions safety training	HR	3/31/2018			Training completed
3B.4	One or more management staff to attend CSDA sponsored training and annual conference in September 2017	HR	9/30/2017			Training completed
3C	Conduct performance evaluation training for superintendents and managers.	HR	1/31/2018			Advanced training to be provided to all managers and superintendents in the use of the new NEOGOV Perform module
3D	Implement a succession planning process to identify, assess and develop employees who exhibit potential in alignment with the Five-Year Staffing Analysis	HR				See sub-objectives
3D.1	Identify high-priority positions for succession planning through five-year staffing analysis	HR	7/1/2017			Positions identified
3D.2	Develop and implement a career development survey to support alignment of employees' interests with future labor demands	HR	9/30/2017			Survey developed and implemented

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
3	Workforce Management					
3E	Continue the cost-effective employee recognition program to acknowledge performance, encourage development and improve morale					See sub-objectives
3E.1	Solicit continuous nominations for the Excellence Coin program and award coins to employees - monthly	HR/GM	Ongoing	Ongoing		At least one nomination per month
3E.2	Recognize employees for cumulative nominations and honorable mentions at the annual Award Banquet	HR/GM	1/31/2018			Track monthly nominations and recognize as described
3E.3	Employee Recognition Banquet	HR/GM	1/31/2018	Annually		Conduct employee survey to get feedback regarding next event, conduct event planning committee meetings, secure approval from Board of Directors and select venue
3E.4	Employee Anniversary Award Recognition	HR/GM	Ongoing	Ongoing		Recognize employees by years of service milestones as defined in the Admin. Code
3E.5	Annual Employee Appreciation Lunch	HR/GM	10/31/2017	Annually		Lunch provided by the District to show its appreciation to all employees in conjunction with health fair in October
3F	Complete revision of Job Descriptions					See sub-objectives
3F.1	Get input from management and employees	HR/GM	7/31/2017			Managers and Superintendents to complete Position Description Questionnaires
3F.2	Redraft descriptions as needed to accurately reflect work performed - 10 job descriptions per quarter, then ongoing	HR/GM	5/31/2018			Descriptions redrafted and approved by DREAM team
3F.3	Reevaluate qualifications for jobs as updated to ensure alignment with essential functions	HR/GM	Ongoing	Ongoing		Job qualifications reevaluated as part of job description updates
3F.4	Upload new job descriptions to NEOGOV as they are updated	HR/GM	Ongoing	Ongoing		New job descriptions uploaded within 2 weeks of approval
3G	Implement performance management module of NEOGOV system					See sub-objectives
3G.1	Design enhanced performance evaluation system for all employees	HR/GM	7/31/2017			Performance evaluation system designed
3G.2	Align performance objectives with both job specific competencies and District values	HR/GM	8/31/2017			Performance objectives aligned
3G.3	Configure NEOGOV with new appraisals, train managers and employees and go-live	HR	10/31/2017			Configuration completed
3H	Create a safety culture for the District workforce and promote safe work practices.					See sub-objectives
3H.1	Conduct mandatory internal and external safety training	HR/Safety	Ongoing	Ongoing		Completion of training sessions with at least 85% attendance
3H.2	Yearly Safety Recognition BBQ	HR/Safety	Annually	Annually		As Described
3I	Improve organizational effectiveness					See sub-objectives
3I.1	Message boards/monitors installed in buildings 1 & 2	HR/Safety/IT	11/30/2017			Electronic message boards installed and running messages
3I.2	Track and evaluate overtime trends	HR/GM	Ongoing	Ongoing		Create KPIs in EAM and begin reporting monthly by 8/31/17
3J	Improve overall quality of education & safety-related training for all employees					See sub-objectives
3J.1	Provide more hands-on training opportunities across all fields	HR/GM	Ongoing	Ongoing		Incorporate safety training into cross training program

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
4	Fiscal Responsibility					
4A	Receive GFOA award for budgeting					See sub-objectives
4A.1	Create a GFOA compliant Comprehensive Annual Financial Report (CAFR)	Finance	Annually	Annually		By the end of this process a budget format will be developed and the budget document completed in a GFOA compliant manner
4A.2	Submit for consideration for award	Finance	10/1/2017			As described
4A.3	If no award given this year, take feedback to prepare for next year	Finance				As described
4B	Develop Continuous Improvement Program for all district operations					See sub-objectives
4B.1	Identify appropriate systems - Malcom Baldrige, In-House, other	HR/GM/Finance	12/31/2017			System identified
4B.2	Identify resources needed to implement system	HR/GM/Finance	3/1/2018			Resources identified
4B.3	Present findings to B&F Committee and BOD for consideration	HR/GM/Finance	4/1/2018			As described
4C	Evaluate transition to new Financial and UB software	Finance	10/1/2017			Springbrook system is not meeting expectations, so an evaluation will need to be made on options for rehabilitation or replacement of the system
4D	Obtain District of Distinction Accreditation	GM/All	6/30/2018	Annually		Meet all requirements and training and demonstrate having sound policies in the areas of governance, board conduct, district finances, transparency and reserves and submit application and supporting documentation in a timely manner
4E	Evaluate consideration for a perpetual inventory system.	Finance/GM	10/1/2018			A perpetual system keeps track of inventory continuously with updates made automatically whenever an inventory part is taken. This will require the District purchasing a barcode system using digital technology to track inventory in real time updates sent electronically to the system database. The evaluation of the Springbrook system may factor into this project as it may lack the capability of doing so

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
5	Customer Service					
5A	Complete ABM meter testing and revenue enhancement project	Finance	10/1/2017			ABM Project is underway and should be completed by the end of the summer. Results will be brought to Engineering and Budget & Finance Committees for review before coming to Board for action
5B	Complete SDG&E/ITRON AMI pilot	Finance/GM	4/1/2018			Complete deployment of new endpoints in testing areas and evaluate performance. Once piloting is complete, bring results back to committees and Board for consideration of full scale project. This may be done in conjunction with the ABM project as well. SDG&E system integrity testing has delayed the project but has also corrected some hardware issues
5C	Complete integration of finance software to iPad application/GeoViewer	Finance	12/31/2017			This project has been hindered by Springbrook and may be delayed further if Springbrook must be replaced.
5D	Implement an IVR payment system, to improve efficiency and lower overall customer service costs	Finance	10/31/2017			The IVR system will automate payments by phone, satisfying the needs of the customers who prefer to pay by phone while reducing customer support expenses

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2017 to June 2018						
Strategic Focus Area	Description	Assigned To	Estimated Completion	% Complete	Comments	Measurement of Success
6	Public Communications / Outreach					
6A	Expand public outreach, information and education					See sub-objectives
6A.1	Complete re-design of monthly billing statement	Finance/GM	11/1/2017			Working with Finance and Communications committees to identify desired information on bill and work through several options. Present final options for Board approval. Implement outreach effort to explain new format to customers
6A.2	Publish one News Release quarterly	ADMIN	Ongoing	Quarterly		As described.
6A.3	Secure a booth at Avocado Festival and one other regional event per year	ADMIN	4/1/2018	Annually		Secured booth for 2018 Avocado Festival and looking into local events within district boundaries
6B	Ensure District website is a valuable resource that meets the needs of customers					See sub-objectives
6B.1	Improve FAQ section	ADMIN	11/1/2017			Add videos on FAQ's and a list of things to know about customer's on-site water systems
6C	Enhance education program in local school system					See sub-objectives
6C.1	Actively encourage participation in 4th Grade poster/calendar contest	ADMIN	Ongoing	Annually		Schedule class presentations with both local elementary schools
6C.2	Connect with local high school to partner with on water use efficiency programs/events	ADMIN	Ongoing	Ongoing		Includes water audit program and high school video contest
6D	Implement District facility tours for interested members of the public					See sub-objectives
6D.1	Establish District tours and publicize on website and through newsletter	ADMIN	10/1/2017			Prepared staff and selected facilities. Created schedule of events, sent out invitations, and posted on website
6E	Improve customer notifications					See sub-objectives
6E.1	Provide detailed information to include map location of leak and affected customers on the District website for all planned water interruptions/emergency shutdowns	ADMIN	12/1/2017			Provide up-to-date information to all District customers via District website for all water-related matters. To include detailed information and status updates related to scheduled/emergency repairs to water outages
6F	Communicate with and engage our community on water matters of importance to the region	ADMIN				See sub-objectives
6F.1	Continue to provide customers with informative articles about District activities	ADMIN	Ongoing	Ongoing		Provide information and pictures on current activities and projects throughout the District
6F.2	Provide outreach to customers who may be impacted by RMWD-related projects	ADMIN	Ongoing	Ongoing		Customer notification through posting of message boards related to project information
6F.3	Expand management staff involvement with local chambers and community groups	ADMIN	Ongoing	Ongoing		Strive to attend all scheduled meetings. If absent, provide flexibility and have an alternate staff member attend. Involve staff by rotating different meetings on a routine basis

FINANCIAL POLICIES & GOALS

RESERVE SUMMARY

RATE STABILIZATION RESERVE

As part of the District's Potable Water Cost of Service Study, an evaluation was made as to whether it would be beneficial to ratepayers to establish a Rate Stabilization Fund. The Rate Stabilization Fund will be equal to 10% of the annual water revenues and will be set aside to prevent rate hikes that are caused by unexpected changes in water revenues. The policy would provide five fiscal years to bring the reserve fund from a zero balance to the target balance in order to reduce the rate impact of creating this reserve fund. This policy is typical to mitigate the disruption of a rapid decline in revenues: utilities with higher risk of revenue vulnerability due to the potential loss of customers or the rapid reduction in service purchases establish reserves (also sometimes called contingency reserves) to cover sudden un-forecasted revenue shortfalls. The term "rainy day fund" has been given new meaning for water districts that have grown accustomed to revenue from residential irrigation and are at risk of experiencing significant declines in revenue during a particularly naturally wet and rainy weather season. These reserves may also be labeled "rate stabilization reserves" in the sense that they protect against rates to adapt to sudden unexpected usage reductions.

Some "rate stabilization reserves" however are much more about planned revenue smoothing than contingency planning. Water districts with robust finance plans and rate models sometimes look towards the future and identify when rate increases are needed to meet costs. In some cases, the future can look quite bumpy with large projects going on line at the same time a large temporary whole purchaser may be planning to reduce usage. In an effort to smooth out the road ahead, many water districts are turning towards "rate stabilization reserves" to mitigate the size of a rate increase in a given year.

Fiscal Year 2015-2016, has been one of the sharpest declines in water demand for the District since inception. The culprits to the reduction of demand is two folds, one being the conservation restriction and second being the colder climate this year. It was planned to start funding the rate stabilization fund in Fiscal Year 2015-16, however there wasn't a sufficient amount of funds to transfer to this reserve. On the other hand, it is as if by not transferring funds, funds were utilized to smooth the sudden unexpected usage reduction. The future success of funding the rate stabilization reserve will be relying on a boost of demand with moderate rate increases.

OPERATING RESERVE

Operating reserves are essentially the accumulation of unrestricted surpluses that are liquid (as opposed to invested in fixed assets) and thus available for use at the discretion of our Board of Directors. It is used to stabilize finances by providing a “rainy day savings account” for unexpected cash flow shortages, expense or losses. These might be caused by delayed payments, unexpected building repairs, or economic conditions.

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

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

BASIS OF BUDGET AND ACCOUNTING

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

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

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

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

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

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES

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

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

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

DEPOSITS AND INVESTMENTS

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

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

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

INVENTORY AND CAPITAL ASSETS

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

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

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

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

BUDGET CALENDAR

2017/2018

<u>Date</u>	<u>Task</u>
03/15/17	Senior Management Group meets to discuss general philosophy, assumptions, goals and objectives of the Operating Budget.
3/23/17	Senior Managers meet to discuss projected staffing plans. YTD Departmental expense report is distributed.
3/30/17	Senior Managers meet to review all departmental expenditures.
4/13/17	Senior Management meets to review Capital Budget submitted by Engineering Department.
4/27/17	Rough draft of Operating and Capital Budgets is reviewed by Senior Managers.
5/09/17	First Draft of the Budget receives additional review by the Budget/Finance Committee and Senior Managers. After budget reviewed by Committee and refined per input received from discussion copy of draft is sent to RMWD Board.
6/13/17	Second draft is presented to Senior Managers and Budget/Finance Committee for review and additional discussion. Full Board and the public may attend.
6/27/17	Final draft is presented to Board of Directors for adoption.

DESCRIPTION OF MAJOR FUNDS

<u>Fund Name</u>	<u>Fund #</u>	<u>Description</u>
Water Operating Fund -	01	The purpose of this fund is to ensure cash resources are available to pay for day to day water related operations, including water purchases, to provide funding in case of water related operating emergencies and unforeseen circumstances. It includes the following cost center water operations, valve maintenance, pumping, distribution, and meters.
Sewer Operating Fund -	02	The purpose of this fund is to ensure cash resources are available to pay for day to day sewer related operations, including contractual payments to the City of Oceanside for treatment of sewage, and to provide funding in case of sewer related operating emergencies and unforeseen circumstances. This fund only includes the Sewer cost center.
General Operating Fund -	03	The purpose of this fund is used to account for general operations and activities not requiring the use of other funds. This includes the cost centers that provide day to day administrative duties for the District such as safety, human resources, finance, information technology, engineering, and the executive administration.
Rate Stabilization Fund -	05	The purpose of this fund is used to mitigate rate impacts from changes in water demand. The reserve should equal to 10% of annual water revenues. The fund was established on January 1, 2016 and will be brought to its target balance over a five year period. Funds for this reserve will come from water rates and charges.
Sewer Capital Fund -	53	The purpose of this fund is used to provide funding for the District's long term sewer related capital improvement projects. It is funded by the cash collected for sewer capacity charges and surpluses generated by sewer operations (excess of revenue over expense before depreciation). Reserves will be used for fund for infrastructure repair, rehabilitations, and replacement projects.
Water Capital Fund -	60	The purpose of this fund is used to provide funding for the District's long term water related capital improvement projects. It is funded by the cash collected for water capacity charges and by surpluses generated by water operations (excess of revenue over expenses before depreciation). Reserves will be used to fund infrastructure expansion, repairs, rehabilitations, and replacement projects.

REVENUE/EXPENSE ASSUMPTIONS

Water Revenue Assumptions

Water Operating Fund Commodity water sales are the largest source of District revenues, with the majority of sales approximately 70% for agricultural use and 20% for residential customers and the other customer classes make up the remaining 10%.

The current water rate structure of the District consists of two main components: a monthly meter charge and variable water commodity charges. The rates for the monthly meter charge vary by meter size, whereas the commodity charges vary by customer class and water usage. The following tables summarize the current rate structure of the District. Table 1-1 below- identifies the current monthly meter charges, by meter size. Table 1-2 identifies the current commodity charges by customer class. As shown in Table 1-2, the District’s current commodity rate structure is comprised of inclining tiers for single-family residential customers and agriculture with a residence, a flat or uniform rate for commercial, institutional, and multi-family customers.

TABLE 1-1

Single Family, Multi-Family, Commercial, & Institutional

AGRICULTURAL

TSAWR

Fixed Charges				Fixed Charges				Fixed Charges			
Meter Size	RMWD O & M	SDCWA		Meter Size	RMWD O & M	SDCWA		Meter Size	RMWD O & M	SDCWA	
		Fixed	Through			Fixed	Through			Fixed	Through
5/8"	\$ 24.40	\$ 36.74	\$ 61.14	5/8"	\$ 44.32	\$ 36.74	\$ 81.06	5/8"	\$ 44.32	\$ 17.05	\$ 61.37
3/4"	\$ 24.40	\$ 36.74	\$ 61.14	3/4"	\$ 44.32	\$ 36.74	\$ 81.06	3/4"	\$ 44.32	\$ 17.05	\$ 61.37
1"	\$ 38.11	\$ 61.24	\$ 99.35	1"	\$ 71.29	\$ 61.24	\$ 132.53	1"	\$ 71.29	\$ 28.42	\$ 99.71
1 1/2"	\$ 72.37	\$ 122.48	\$ 194.85	1 1/2"	\$ 138.75	\$ 122.48	\$ 261.23	1 1/2"	\$ 138.75	\$ 56.84	\$ 195.59
2"	\$ 113.49	\$ 195.96	\$ 309.45	2"	\$ 219.70	\$ 195.96	\$ 415.66	2"	\$ 219.70	\$ 90.94	\$ 310.64
3"	\$ 243.68	\$ 428.68	\$ 672.36	3"	\$ 476.01	\$ 428.68	\$ 904.69	3"	\$ 476.01	\$ 198.93	\$ 674.94
4"	\$ 435.56	\$ 771.63	\$ 1,207.19	4"	\$ 853.76	\$ 771.63	\$ 1,625.39	4"	\$ 853.76	\$ 358.08	\$ 1,211.84
6"	\$ 894.68	\$ 1,592.26	\$ 2,486.94	6"	\$ 1,757.62	\$ 1,592.26	\$ 3,349.88	6"	\$ 1,757.62	\$ 738.90	\$ 2,496.52

TABLE 1-2

Variable Charges			Variable Charges		
Customer Class	Rate/Unit		Customer Class	Rate/Unit	
Single Family Residential			Agriculture w/Residence		
Tier 1 = ≥ 10	\$	3.42	Tier 1 = ≥ 10	\$	3.42
Tier 2 = 11 to 26	\$	3.60	Tier 2 = 11 to 26	\$	3.60
Tier 3 = 27 +	\$	3.94	Tier 3 = 27 +	\$	3.35
Multi Family	\$	3.52	Agriculture w/o Resi	\$	3.35
Commercial	\$	3.63	TSAWR Domestic		
Institutional	\$	3.70	Tier 1 = ≥ 10	\$	3.42
Construction	\$	4.44	Tier 2 = 11 to 26	\$	3.60
			Tier 3 = 27 +	\$	2.87
			TSAWR Commercial	\$	2.87

*1 unit of water = 748 gallons

Fiscal Year 2016-2017 had an unexpectedly wetter winter weather season that negatively impacted the upward early trend of higher water demand realized in the first quarter of the fiscal year. Prior to the wet season, the District water sales were more than 10% higher than forecasted sales to date. After the winter months, usage fell below budgeted revenues at 98% level to budget. The bulk of our revenues are generated from volumetric sales, careful consideration is made when determining its sales assumptions. Staff reviewed past history, monitored the San Diego County Water Agency position, discussed impacts and also reviewed its current projects to assess where an appropriate assumption is anticipated for water sales. As the last two years have demonstrated stagnant water sales, our outlook for water demand in the upcoming Fiscal Year 2017-2018 will remain the same with no projected increase, anticipating 16,000 acre feet of consumption.

We will be recommending a new cost of service study in FY 17-18, as water demand projections are an important factor in the financial model as they directly impact the District's estimated expenses for purchased water, which are the largest portion of the District's budget, and the projected revenues from water sales. The rates in the cost of service study report that was conducted early 2015 and were developed prior to the State's drought-mandated actions, and built upon baseline usage in Fiscal Year (FY) 2013/14. The District believes these dramatic demand cutbacks are not sustainable and therefore, in the following years, forecasts to demands will be conservative.

The volumetric commodity estimated sales by customer class will be based on current demand with no projected increase per customer class for the upcoming Fiscal Year. For the agricultural customers that are not on the TSAWR program, it is estimated for them to consume 1,506,000 units in Fiscal Year 2017-2018. The agricultural customers that are on the TSAWR program, we are estimating their usage to be at 3,435,000 units. For both Single Family and Multi-Family combined, projections are at 1,660,000 units. Lastly, for the Commercial, Construction, and Institutional users estimates are at 368,500.

Rainbow O&M Fixed Charge – is a service fixed charge per meter to recovery some of the fixed costs such as meter related costs, customer related costs, a portion of the capacity related cost to provide a stable source of revenue independent of water consumption. The monthly fixed charge varies by customer class and by meter size. A minimal rate increase is reflective in this group representing the annual automatic consumer price index inflation allowance.

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

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

Rental and Lease Revenues are projected based upon contract agreements with various entities for use of the District’s vacant land, as well as a lease agreement with Sprint Communication for use of space on facility grounds for their communication equipment. Interest Income for the water and sewer operating funds is projected based on an average yield of for LAIF investments and 1.00% for the balance of our investment portfolio.

Purchased Water Include the cost at the point of delivery of water purchased for resale. SDCWA fixed charges are the following categories Readiness-to-Serve charge, Infrastructure Access Charge, Customer Service Charge, Capacity Reservation Charge, Emergency Storage, and lastly Supply Reliability Charge. The total amount of fixed charges for the Fiscal Year 2017-18 is estimated to be at \$5.7M. Additionally to the fixed charges there is the commodity rate for the water purchase and transportation cost, it is proposed to be an increase in the variable rate for water and that will be passed through to the customer. SDCWA is proposing a melded increase to their rates that will take effect January 2018. During the District’s noticing under the Proposition 218 compliance, language was included to allow the District to pass through to its customers any increase imposed on the District by SDCWA to avoid

operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply.

Board of Directors: The District Board receives compensation for attendance at regular and board approved special meetings. The budget estimates that each director will be compensated for the eleven regular meetings and two special meetings. It is also budgeted for training and travel for educational purposes.

Pumping: The Pumping costs are maintained in a separate cost center in order to identify the specific costs of operating and maintaining the pumping equipment that pushes water to higher elevations within the district. The district identifies seven pumping zones to account for the cost and develop a discrete charge for customers in each zone.

Labor expenses are charged to this cost center by various staff members when they are assigned to perform work in maintaining the pumping equipment. For budget purposes a 1.0 FTE staffing equivalent is calculated into the labor cost.

The single largest expense item is the cost of the electricity and gas used by the 17 pumps. A 5% inflation factor has been added to the utility cost for the budget year, but as water demand is reduced overall the cost appear lowers as a result.

Water Operations: The Operations Department is responsible for maintenance and testing of water quality with the six reservoirs and twelve water tanks. The water tanks are maintained by a long term contract with Utility Services. The tank maintenance program insures the tanks will remain in good operating condition for decades to come.

Annually, Metropolitan and SDCWA schedule shutdowns for the major repair or upgrade of their pipelines. Shutdowns are scheduled but will not require Rainbow to shut down any of our systems. This avoids significant cost and inconvenience for RMWD.

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

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

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

Garage Services: performs the maintenance and repair of all district fleet vehicles. The district vehicles are typically kept in service for approximately 200,000 miles.

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

Finance: responsible for the overall financial stability of the District, majority of expense is labor related in this department.

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

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

Capital equipment purchases for all funds are slightly over \$600,000. About \$100K relates to equipment needed here on District premises, such as an upgrade to our security system and fuel management software (Gasboy). Most of the equipment purchases \$285,000 are related to replacement of District vehicles that are beyond useful service life.

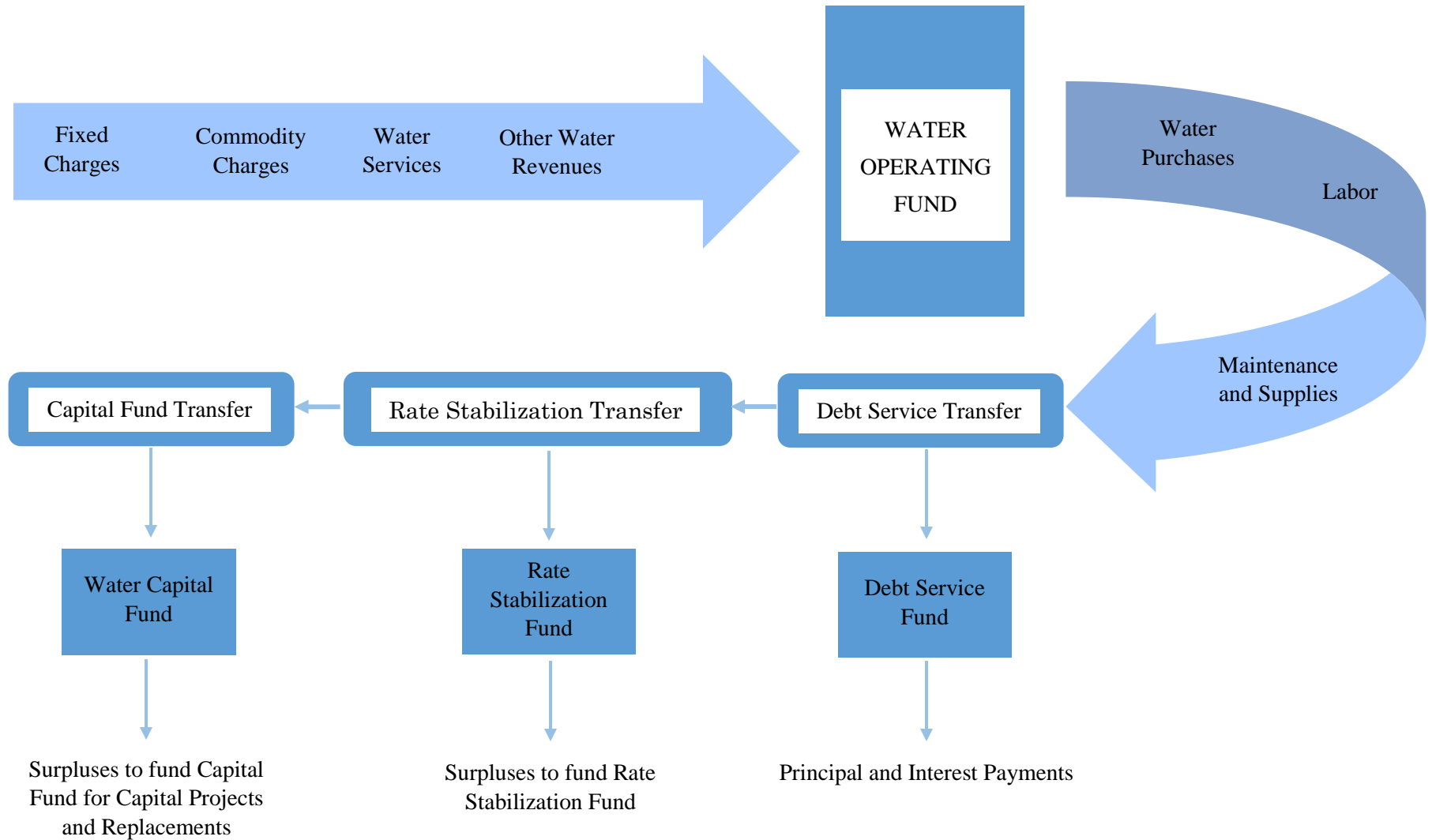
Wastewater Revenue Assumptions

Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 5,296.6 Equivalent Dwelling Units (EDUs), a total of 2,340 wastewater accounts compared to approximate 7,800 water accounts. Wastewater revenue rate is based on the lowest wet month of water consumption during the months of December through April. As this past winter season had several months of wet weather, there is a slight decline of revenues due to lower usage of water during the timeframe of December through April. The units consume will dictate the monthly fixed rate for Wastewater based on the Wastewater Rate Table. Also included in projections in this category is a possible increase to the District's wastewater service rate. A cost of service study was budgeted in the upcoming fiscal year, as rates have not increased in over four years.

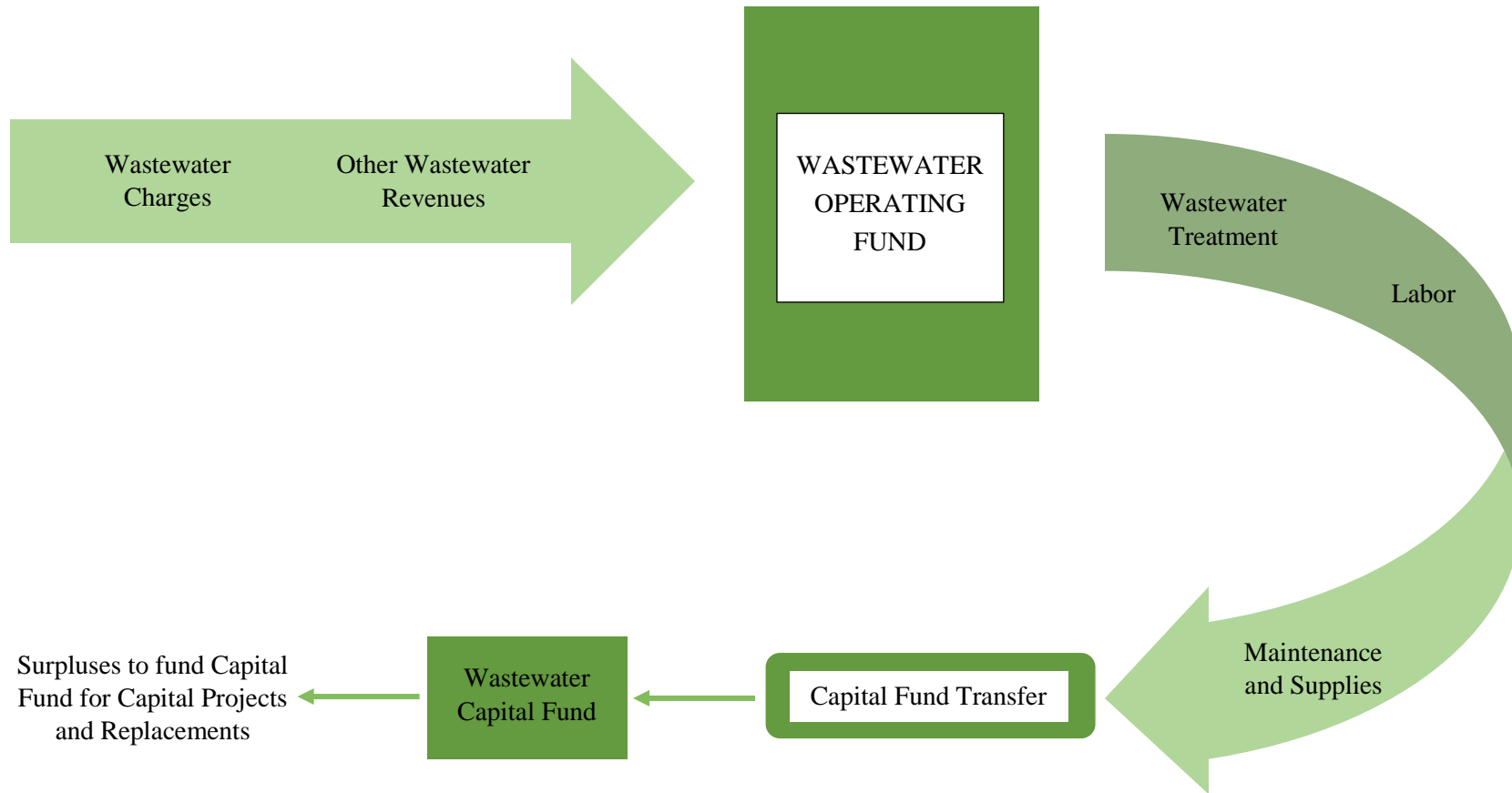
Wastewater: Responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.

FUNDS STRUCTURE

WATER OPERATING FUND



WASTEWATER OPERATING FUND



WATER FUND BUDGETED REVENUES & EXPENSES

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	FY 2018 Requested	% Change From FY17
<i>Operating Revenues</i>						
Water Sales	\$ 34,003,831	\$ 32,102,609	\$ 34,662,964	\$ 32,493,982	\$ 35,176,092	1%
Other Water Services	\$ 328,219	\$ 348,581	\$ 310,436	\$ 701,727	\$ 486,275	57%
Total Operating Revenues	\$ 34,332,049	\$ 32,451,190	\$ 34,973,400	\$ 33,195,709	\$ 35,662,367	2%
<i>Operating Expenses</i>						
Purchased Water	\$ 24,541,845	\$ 22,312,212	\$ 23,427,592	\$ 22,735,283	\$ 24,197,523	3%
Pumping	\$ 618,387	\$ 631,056	\$ 779,488	\$ 565,001	\$ 733,993	-6%
Operations	\$ 1,828,674	\$ 1,933,481	\$ 2,133,307	\$ 1,984,146	\$ 2,035,155	-5%
Valve Maintenance	\$ 561,326	\$ 618,413	\$ 617,741	\$ 456,636	\$ 618,528	0%
Distribution	\$ 1,234,488	\$ 1,701,591	\$ 1,956,663	\$ 1,722,268	\$ 2,031,860	4%
Meters	\$ 855,604	\$ 1,030,928	\$ 1,129,483	\$ 1,074,731	\$ 1,241,087	10%
Cost Allocation Expense	\$ 3,498,946	\$ 3,949,492	\$ 4,089,550	\$ 3,825,000	\$ 3,843,297	0%
Total Operating Expenses	\$ 33,139,271	\$ 32,177,174	\$ 34,133,824	\$ 32,363,066	\$ 34,701,443	2%
<i>Non-Operating Revenues</i>						
Investment Income	\$ -	\$ 524	\$ -	\$ -	\$ -	0%
Property Tax Revenue	\$ 328,836	\$ 346,226	\$ 315,000	\$ 324,957	\$ 315,000	0%
Other Non-Operating Revenue	\$ 102,274	\$ 20,956	\$ 26,500	\$ 58,866	\$ 51,500	100%
Total Non-Operating Revenues	\$ 431,110	\$ 367,706	\$ 341,500	\$ 383,823	\$ 366,500	7%
<i>Non-Operating Expenses</i>						
Debt Service	\$ 1,120,142	\$ 1,120,132	\$ 1,120,143	\$ 1,120,143	\$ 1,120,142	0%
Total Non-Operating Expenses	\$ 1,120,142	\$ 1,120,132	\$ 1,120,143	\$ 1,120,143	\$ 1,120,142	0%
Net Income become Transfers	\$ 503,746	\$ (478,410)	\$ 60,933	\$ 96,324	\$ 207,282	240%

WATER FUND BUDGETED DETAILED REVENUES

Water Revenues

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	Requested	From FY17
Water Revenue							
6,238,216	5,400,915	7,232,786	6,534,453	41110	Water Sales-SF, MF, CM, IS	7,210,100	0%
(460,773)	283,136	0	(484,520)	41115	Water Sales-Domestic-Unbilled	0	0%
2,745,706	1,899,202	1,049,500	1,139,065	41120	Water Sales-Agriculture Dom	1,086,300	4%
1,158,844	(208,605)	0	(110,785)	41125	Water Sales-AD Noncert Unbilled	0	0%
3,157,582	3,408,268	4,207,195	4,912,632	41160	Water Sales- Agriculture	4,120,500	-2%
(249,978)	514,570	0	(478,604)	41165	Water Sales-AG Non-Discount Unbilled	0	0%
114,748	154,532	216,282	251,105	41170	Water Sales-Construction	224,700	4%
2,287	(5,838)	0	(6,215)	41175	Water Sales-Construction-Unbilled	0	0%
5,157,234	3,939,420	4,106,205	3,935,113	41180	Water Sales - TSAWR Com	4,162,600	1%
(403,095)	111,817	0	(369,169)	41185	Water Sales-Sawr Ag Unbilled	0	0%
7,229,564	5,878,262	6,081,872	6,087,329	41190	Water Sales- TSAWR Dom	6,164,200	1%
(493,694)	202,233	0	(578,176)	41195	Water Sales Sawr Ag/D Unbilled	0	0%
4,609,460	4,953,472	5,542,712	5,423,981	42120	Monthly O&M Charges - Rainbow	5,593,500	1%
4,496,777	4,868,139	5,389,049	5,388,809	42121	Monthly O&M Charges - CWA	5,744,570	7%
294,617	294,348	300,000	256,870	42130	Readiness-To-Serve Rev Id#1	290,000	-3%
406,335	408,740	537,363	592,096	42140	Pumping Charges	579,622	8%
6,275	7,750	5,000	2,475	43101	Operating Inc Turn On/Off Fees	5,000	0%
228,222	228,062	231,936	236,644	43104	Operating Inc. R.P. Charges	273,775	18%
390	1,550	500	0	43106	Operating Inc Water Letter Fee	0	-100%
31,997	38,250	20,000	461,956	43109	Operating Inc Inspections	100,000	400%
0	650	1,000	0	43110	Operating Inc Plans And Specs	1,000	0%
5,249	4,085	3,500	2,760	43111	Operating Inc Install Fees, Hydrant	3,500	0%
5,236	9,321	5,000	(26,333)	43114	Operating Inc-Miscellaneous	8,000	60%
7,850	20,265	8,500	6,165	43116	New Meter Sales/Install Parts	55,000	547%
43,000	38,648	35,000	18,060	43117	Notice Delivery Revenue	40,000	14%
34,332,049	32,451,190	34,973,400	33,195,709		Total Water Revenues	35,662,367	2%

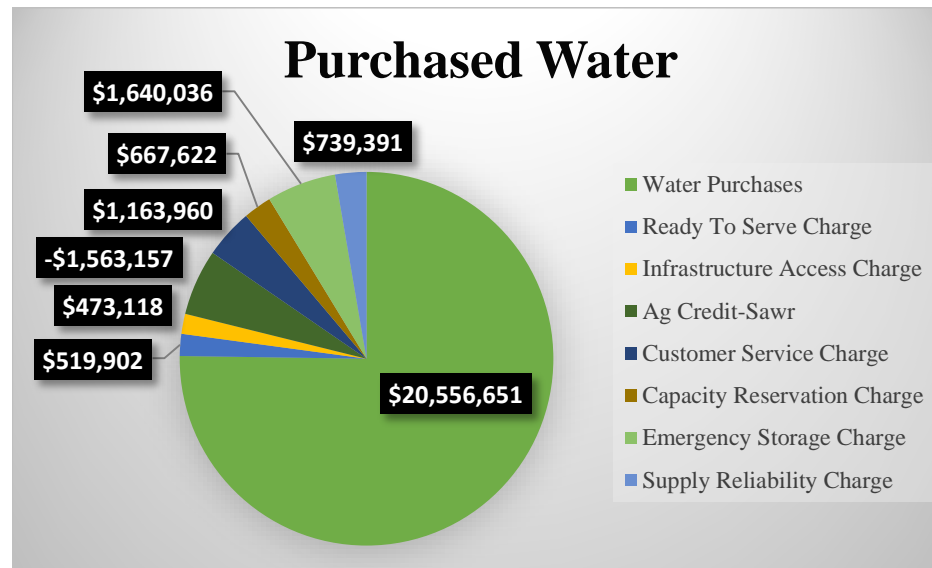
Water Revenues cont.

FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	Account	Description	FY 2018 Requested	% Change From FY17
					Interest Income		
0	524	0	0	49201	Interest Revenues-Water Fund	0	0%
0	524	0	0		Total Interest Income	0	0%
					Other Revenue		
1,650	1,680	1,500	1,260	49102	Non-Operating Income-NSF Check Fees	1,500	0%
100,624	19,276	25,000	57,606	49109	Non-Operating Income-Miscellaneous	50,000	100%
328,836	346,226	315,000	324,957	49301	Property Tax Revenue - Ad Valorem	315,000	0%
431,110	367,182	341,500	383,823		Total Other Revenues	366,500	7%
34,763,159	32,818,896	35,314,900	33,579,532		Total Revenues	36,028,867	2%

WATER FUND BUDGETED DETAILED EXPENSES

Purchased Water

FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	Account	Description	FY 2018 Requested	% Change From FY17
Cost of Water Sold							
21,073,480	18,914,618	19,938,700	19,127,039	50001	Water Purchases	20,556,651	3%
114,847	(59,388)	0	(466,979)	50003	Water In Storage	0	0%
516,825	527,584	518,268	508,954	50005	Ready To Serve Charge	519,902	0%
426,000	435,546	468,102	452,379	50006	Infrastructure Access Charge	473,118	1%
(1,202,115)	(1,481,905)	(1,592,850)	(1,092,264)	50008	AG Credit-SAWR	(1,563,157)	-2%
1,203,398	1,204,947	1,177,944	1,191,681	50010	Customer Service Charge	1,163,960	-1%
514,390	622,443	563,046	610,400	50011	Capacity Reservation Charge	667,622	19%
1,895,021	1,778,480	1,652,034	1,683,199	50012	Emergency Storage Charge	1,640,036	-1%
0	369,888	702,348	720,875	50013	Supply Reliability Charge	739,391	5%
3,498,946	3,949,492	4,089,550	3,825,000	52176	Overhead Transfer To General Fund	3,843,297	-6%
28,040,791	26,261,705	27,517,142	26,560,283		Total Cost of Water Sold	28,040,820	2%



Pumping (31) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
63,164	75,182	89,429	40,505	56101	Regular Salaries	1	91,676	3%
170	549	500	99	56103	Overtime Paid, Comp Time Earned	0	500	0%
4,136	4,512	5,545	2,334	56501	Employer's Share FICA SSI	0	5,684	3%
1,069	910	1,297	585	56502	Employer's Share FICA Medicare	0	1,329	2%
12,026	18,495	17,465	6,446	56503	Medical Insurance ACWA Health Ben	0	19,206	10%
1,318	1,686	1,687	241	56504	Dental Insurance	0	1,830	8%
181	245	228	127	56505	Vision Insurance ACWA	0	236	4%
922	1,214	1,357	0	56506	Life, S/T,L/T Disability Insurance	0	1,392	3%
10,148	7,703	14,935	3,922	56507	Retirement-CalPERS	0	15,310	3%
0	0	0	0	56512	Employee Training/Tuition Reimbursed	0	0	0%
1,637	1,786	3,393	3,435	56515	Worker's Compensation Insurance	0	3,478	3%
236	117	252	54	56516	State Unemployment Insurance, E.T.T.	0	252	0%
1,568	2,429	2,600	660	56520	Deferred Comp-Employer Contribution	0	2,600	0%
96,576	114,829	138,688	58,409		Total Payroll Expenses	1	143,493	3%
Maintenance & Supply Expenses								
30,673	45,674	61,000	5,239	63100	Equipment Maintenance/Repair		59,000	-3%
63	2,350	1,500	0	63401	Building Maintenance		1,500	0%
10,487	14,943	20,000	1,352	72000	Supplies & Services		10,000	-50%
0	1,600	5,000	0	72150	Regulatory Permits		4,000	-20%
0	0	1,000	0	73000	Small Tools And Equipment		1,000	0%
480,588	451,661	552,300	500,000	78000	Utilities - Electricity		515,000	-7%
521,811	516,227	640,800	506,592		Total Maintenance & Supply Expenses		590,500	-8%
618,387	631,056	779,488	565,001		Total Pumping Expenses	1	733,993	-6%

Operations (32) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
490,836	603,559	631,710	778,685	56101	Regular Salaries	6.5	631,710	0%
50,713	58,077	50,000	46,881	56103	Overtime Paid, Comp Time Earned	0	50,000	0%
37,266	39,164	39,166	47,461	56501	Employer's Share FICA SSI	0	39,166	0%
9,636	9,874	9,160	12,052	56502	Employer's Share FICA Medicare	0	9,160	0%
108,544	127,916	121,278	135,396	56503	Medical Insurance ACWA Health Ben	0	127,948	5%
11,809	11,802	10,964	9,495	56504	Dental Insurance	0	11,894	8%
1,630	1,397	1,484	1,439	56505	Vision Insurance ACWA	0	1,535	3%
8,161	7,553	9,181	0	56506	Life, S/T,L/T Disability Insurance	0	9,258	1%
91,229	61,480	105,496	65,991	56507	Retirement-CalPERS	0	105,496	0%
2,059	3,501	13,000	15,587	56512	Employee Training/Tuition Reimbursed	0	13,000	0%
15,432	17,216	23,967	24,266	56515	Worker's Compensation Insurance	0	23,967	0%
2,089	1,315	1,638	2,859	56516	State Unemployment Insurance, E.T.T.	0	1,638	0%
12,600	14,036	13,000	12,375	56518	Duty Pay	0	13,000	0%
13,975	15,322	16,900	16,014	56520	Deferred Comp-Employer Contribution	0	14,040	-17%
855,979	972,212	1,046,944	1,168,503		Total Payroll Expenses	6.5	1,051,812	0%

Operations (32) Expenses cont.

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
					Maintenance & Supply Expenses			
6,958	13,885	29,500	50,000	60000	Electronics		8,500	-71%
7,246	16,529	13,500	1,058	63100	Equipment Maintenance/Repairs		17,800	32%
11,057	17,546	38,000	1,177	63102	Equipment Maintenance Contract		48,000	26%
268	198	1,000	0	63401	Building Maintenance		1,000	0%
103,339	226,029	257,000	82,738	72000	Supplies And Services		222,000	-14%
794,816	647,186	664,643	629,943	72010	Tank Maintenance		599,043	-10%
35,453	12,327	41,000	11,843	72150	Regulatory Permits		43,000	5%
0	5,220	0	19,217	72400	Dues & Subscriptions		0	0%
0	5,522	5,000	0	72700	Printing & Reproductions		6,000	20%
1,241	566	1,000	1,194	73000	Small Tools And Equipment		7,500	650%
408	2,377	2,000	1,044	75300	Travel/Conference/Training		2,000	0%
11,910	13,438	12,600	8,737	78000	Utilities		13,500	7%
972,695	960,824	1,065,243	806,950		Total Maintenance & Supply Expenses		968,343	-9%
					Capital Expenses			
0	445	21,120	8,693	82000	Capital Equipment		15,000	-29%
0	445	21,120	8,693		Total Capital Expenses		15,000	-29%
1,828,674	1,933,481	2,133,307	1,984,146		Total Operations Expense	6.5	2,035,155	-5%

Valve Maintenance (33) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
282,372	321,926	309,284	266,678	56101	Regular Salaries	4	317,813	3%
1,800	9,562	4,500	13,876	56103	Overtime Paid, Comp Time Earned	0	5,000	11%
19,375	19,791	19,176	15,821	56501	Employer's Share FICA SSI	0	19,704	3%
5,002	4,977	4,485	4,032	56502	Employer's Share FICA Medicare	0	4,608	3%
56,088	72,565	72,669	59,939	56503	Medical Insurance ACWA Health Ben	0	79,241	9%
6,044	6,168	6,747	4,019	56504	Dental Insurance	0	7,319	8%
844	971	913	722	56505	Vision Insurance ACWA	0	944	3%
4,225	3,767	4,675	0	56506	Life, S/T,L/T Disability Insurance	0	4,808	3%
47,479	33,176	51,650	25,348	56507	Retirement-CalPERS	0	53,075	3%
601	442	2,000	669	56512	Employee Training/Tuition Reimbursed	0	2,000	0%
7,498	7,886	11,734	11,881	56515	Worker's Compensation Insurance	0	12,058	3%
1,194	749	1,008	969	56516	State Unemployment Insurance, E.T.T.	0	1,008	0%
7,245	7,685	10,400	7,176	56520	Deferred Comp-Employer Contribution	0	8,450	-19%
439,767	489,665	499,241	411,129		Total Payroll Expenses	4	516,028	3%
Maintenance & Supply Expenses								
77,967	81,232	66,500	45,099	72000	Supplies And Services		50,000	-25%
0	163	1,000	0	73000	Small Tools And Equipment		1,500	50%
95	0	1,000	0	75300	Travel/Conferences/Training		1,000	0%
78,062	81,395	68,500	45,099		Total Maintenance & Supply Expenses		52,500	-23%
Capital Expenses								
43,497	47,353	50,000	40,797	82000	Shop And Field Equipment		50,000	0%
43,497	47,353	50,000	40,797		Total Capital Expenses		50,000	0%
561,326	618,413	617,741	497,025		Total Valve Maintenance Expenses	4	618,528	0%

Water Distribution (34) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
572,636	854,576	903,611	673,863	56101	Regular Salaries	10.5	938,806	4%
66,862	66,010	80,000	121,580	56103	Overtime Paid, Comp Time Earned	0	140,000	75%
43,659	52,918	56,024	46,212	56501	Employer's Share FICA SSI	0	58,206	4%
11,276	13,570	13,102	11,617	56502	Employer's Share FICA Medicare	0	13,613	4%
125,289	152,063	165,590	152,098	56503	Medical Insurance ACWA Health Ben	0	195,337	18%
13,781	15,288	16,584	10,678	56504	Dental Insurance	0	17,991	8%
1,902	2,352	2,397	1,990	56505	Vision Insurance ACWA	0	2,479	3%
9,627	9,547	13,286	0	56506	Life, S/T,L/T Disability Insurance	0	13,551	2%
106,212	74,348	150,903	53,567	56507	Retirement-CalPERS	0	156,781	4%
2,520	2,328	7,000	5,501	56512	Employee Training/Tuition Reimbursed	0	7,000	0%
16,298	20,427	35,220	34,724	56515	Worker's Compensation Insurance	0	36,490	4%
2,054	2,315	2,646	3,446	56516	State Unemployment Insurance, E.T.T.	0	2,646	0%
12,600	13,285	13,000	12,804	56518	Duty Pay	0	13,000	0%
16,208	19,128	24,700	21,088	56520	Deferred Comp-Employer Contribution	0	24,960	1%
1,000,923	1,298,155	1,484,063	1,149,168		Total Payroll Expenses	10.5	1,620,860	9%
Maintenance & Supply Expenses								
0	0	0	120	63100	Equipment Rental		0	0%
232,675	403,136	353,000	415,608	72000	Supplies And Services		403,000	14%
394	0	2,000	1,268	73000	Small Tools And Equipment		4,000	100%
496	300	3,000	1,848	75300	Travel/Conferences/Meetings		4,000	33%
233,565	403,436	358,000	418,844		Total Maintenance & Supply Expenses		411,000	15%
Capital Expenses								
0	0	114,600	154,256	82000	Shop And Field Equipment		0	-100%
0	0	114,600	154,256		Total Capital Expenses		0	-100%
1,234,488	1,701,591	1,956,663	1,722,269		Total Water Distribution Expenses	10.5	2,031,860	4%

Meter Services (35) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
319,674	470,160	429,602	395,037	56101	Regular Salaries	5.5	443,481	3%
1,865	18,777	3,000	37,513	56103	Overtime Paid, Comp Time Earned	0	3,000	0%
21,464	28,283	26,635	24,977	56501	Employer's Share FICA SSI	0	27,496	3%
5,545	7,177	6,229	6,281	56502	Employer's Share FICA Medicare	0	6,430	3%
62,364	67,087	72,699	68,316	56503	Medical Insurance ACWA Health Ben	0	88,794	22%
6,926	7,880	9,277	6,004	56504	Dental Insurance	0	10,064	8%
940	1,213	1,027	989	56505	Vision Insurance ACWA	0	1,298	26%
4,816	4,634	6,496	0	56506	Life, S/T,L/T Disability Insurance	0	6,720	3%
52,391	47,004	71,743	36,875	56507	Retirement-CalPERS	0	74,061	3%
1,996	1,339	2,000	819	56512	Employee Training/Tuition Reimbursed	0	2,000	0%
8,578	10,314	18,751	19,008	56515	Worker's Compensation Insurance	0	19,357	3%
1,059	1,176	1,386	2,141	56516	State Unemployment Insurance, E.T.T.	0	1,386	0%
7,980	11,218	14,300	11,105	56520	Deferred Comp-Employer Contribution	0	13,000	-9%
0	0	3,788	0	56524	Other Post-Employment Benefits	0	0	-100%
495,598	676,263	666,933	609,065		Total Payroll Expenses	5.5	697,087	5%
Maintenance & Supply Expenses								
179,736	227,796	230,050	168,492	63404	Backflow Expenses	0	280,000	22%
84,449	126,368	95,000	173,167	72000	Supplies & Services	0	125,000	32%
377	502	2,000	1,763	73000	Small Tools And Equipment	0	3,000	50%
100	0	500	0	75300	Replacement Reserve-Oceanside	0	1,000	100%
264,662	354,666	327,550	343,422		Total Maintenance & Supply Expenses	0	409,000	25%
Capital Expenses								
95,345	0	135,000	122,244	82000	Shop And Field Equipment	0	135,000	0%
95,345	0	135,000	122,244		Total Capital Expenses		135,000	0%
855,604	1,030,928	1,129,483	1,074,731		Total Meter Services Expenses	5.5	1,241,087	10%

WATER FUND DEBT SERVICE

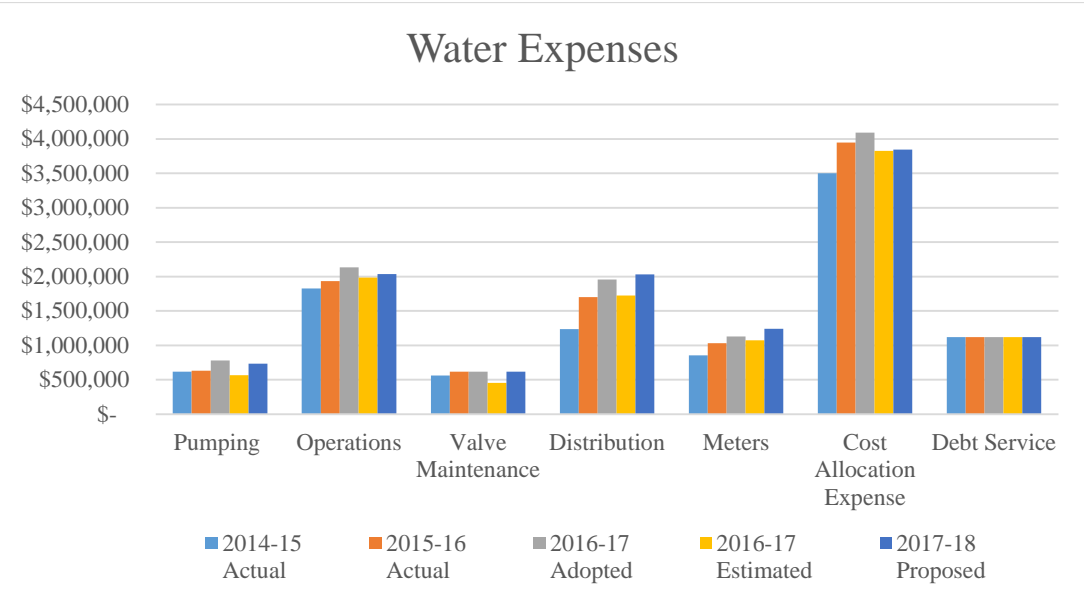
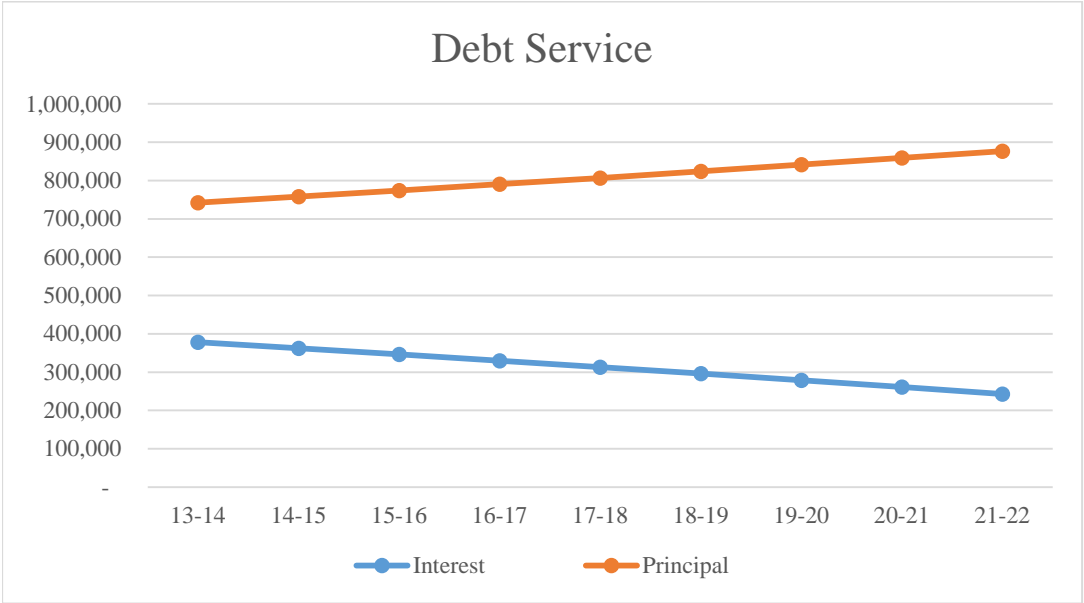
2012 State Revolving Fund Loan 2.09% - 20 year Term

Beck

	Interest Due	Principal Due	Total Annual Debt Service
2013-14	\$ 164,194	\$ 322,757	\$ 486,951
2014-15	\$ 157,403	\$ 329,549	\$ 486,952
2015-16	\$ 150,468	\$ 336,483	\$ 486,951
2016-17	\$ 143,388	\$ 343,564	\$ 486,952
2017-18	\$ 136,158	\$ 350,793	\$ 486,951
2018-19	\$ 128,777	\$ 358,175	\$ 486,952
2019-20	\$ 121,240	\$ 365,712	\$ 486,952
2020-21	\$ 113,544	\$ 373,407	\$ 486,951
2021-22	\$ 105,687	\$ 381,265	\$ 486,952
2023-2032	\$ 594,093	\$ 4,762,371	\$ 5,356,464
Total	\$ 1,814,952	\$ 7,924,076	\$ 9,739,028

Morro

	Interest Due	Principal Due	Total Annual Debt Service
2013-14	\$ 213,505	\$ 419,686	\$ 633,191
2014-15	\$ 204,673	\$ 428,517	\$ 633,190
2015-16	\$ 195,656	\$ 437,525	\$ 633,191
2016-17	\$ 186,449	\$ 446,742	\$ 633,191
2017-18	\$ 177,049	\$ 456,142	\$ 633,191
2018-19	\$ 167,450	\$ 465,740	\$ 633,190
2019-20	\$ 157,650	\$ 475,541	\$ 633,191
2020-21	\$ 147,643	\$ 485,547	\$ 633,190
2021-22	\$ 137,426	\$ 495,764	\$ 633,190
2023-2032	\$ 772,509	\$ 6,192,590	\$ 6,965,099
Total	\$ 2,360,010	\$ 10,303,794	\$ 12,663,814



WASTEWATER FUND BUDGETED DETAILED REVENUES

Wastewater Revenues

FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	Account	Description	FY 2018 Requested	% Change From FY17
Wastewater Revenue							
2,522,081	2,474,858	2,350,000	2,467,286	41110	Sewer Charges-Established Acct	2,250,000	-4%
149,764	130,129	150,000	108,695	41210	Sewer Charges-Developing Accts	100,000	-33%
3,327	9,129	5,000	2,925	43101	Sewer-Oak Crest Service Charges	20,000	300%
450	950	500	675	43106	Operating Income-Sewer Letter Fee	500	0%
0	17,836	0	39,200	43110	Operating Income-Plan Check/Inspection Fee	10,000	-
1,508	0	0	14,173	49109	Non-Operating Revenue	5,000	-
2,677,130	2,632,901	2,505,500	2,632,955		Total Wastewater Revenues	2,385,500	-5%
Other Revenue							
45,952	48,894	40,000	45,830	49301	Property Tax Rev - Ad Valorem	35,000	-13%
0	0	0	0	49401	Gains/Losses	0	
45,952	48,894	40,000	45,830		Total Other Revenues	35,000	-13%
2,723,082	2,681,795	2,545,500	2,678,785		Total Revenues	2,420,500	-5%
(59,099)	5,537	(318,439)	81,766		Net Income	(639,084)	101%

WASTEWATER FUND BUDGETED DETAILED EXPENSES

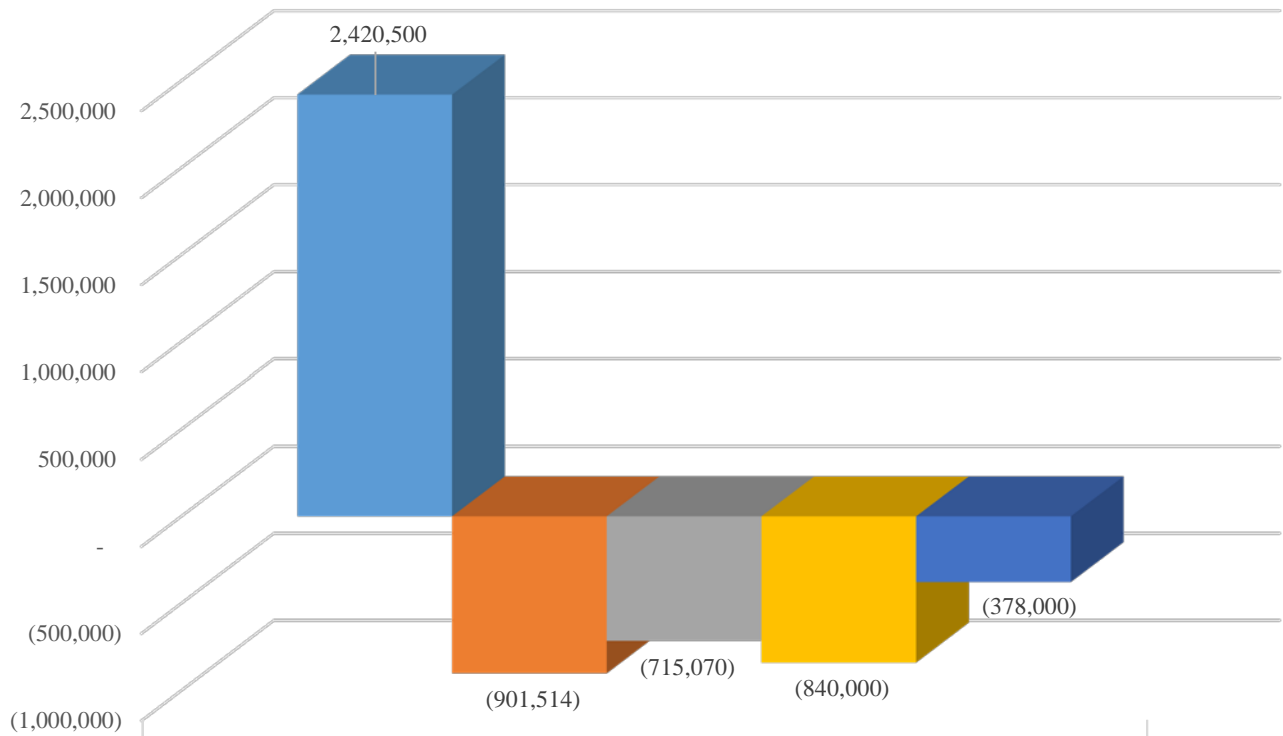
Wastewater (61) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
320,977	391,658	410,215	377,651	56101	Regular Salaries	5	414,843	1%
33,760	25,171	35,000	31,409	56103	Overtime Paid, Comp Time Earned	0	35,000	0%
24,257	24,941	25,433	23,589	56501	Employer's Share FICA SSI	0	25,720	1%
6,264	6,282	5,948	5,977	56502	Employer's Share FICA Medicare	0	6,015	1%
70,568	93,217	93,310	86,576	56503	Medical Insurance ACWA Health Ben	0	100,059	7%
7,717	8,429	8,433	5,699	56504	Dental Insurance	0	9,149	8%
1,061	1,211	1,141	965	56505	Vision Insurance ACWA	0	1,180	3%
5,349	4,745	6,145	0	56506	Life, S/T,L/T Disability Insurance	0	6,182	1%
59,231	40,230	68,506	35,070	56507	Retirement-CalPERS	0	69,279	1%
1,824	1,728	3,000	2,877	56512	Employee Training/Tuition Reimbursed	0	3,000	0%
9,818	10,183	19,117	19,356	56515	Worker's Compensation Insurance	0	19,333	1%
1,331	1,051	1,260	1,928	56516	State Unemployment Insurance, E.T.T.	0	1,260	0%
12,600	12,783	13,000	10,875	56518	Duty Pay	0	13,000	0%
9,056	10,743	13,000	9,902	56520	Deferred Comp-Employer Contribution	0	11,050	-15%
0	0	3,481	0	56524	Other Post-Employment Benefits	0	0	-100%
563,814	632,372	706,989	611,873		Total Payroll Expenses	5	715,070	1%

Wastewater Expenses cont.

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Maintenance & Supply Expenses								
6,318	37,381	18,300	23,064	60000	Equipment		7,300	-60%
5,805	9,182	22,000	16,294	63100	Equipment Maintenance-Sewer		39,400	79%
112	0	6,000	1,158	63401	Building Maintenance		10,000	67%
0	0	0	12,375	70000	Professional Services		60,000	
0	10,716	10,000	0	70300	Legal Services		0	-100%
96,530	61,568	87,000	76,059	72000	Supplies And Services-Sewer		127,000	46%
4,442	5,480	5,000	9,377	72150	Regulatory Permits		18,000	260%
226	0	300	0	72200	Books And Resources		500	67%
116	538	800	807	72400	Dues And Subscriptions		800	0%
80,884	28,817	35,000	1,519	72600	Sewer Line Cleaning		25,000	-29%
1,889	1,985	3,000	1,466	73000	Small Tools And Equipment		5,000	67%
864	749	2,000	203	75300	Travel/Conferences/Training		2,000	0%
848,589	677,631	900,000	890,219	77000	Sewage Treat.-Oceanside Plant		840,000	-7%
0	0	331,100	0	77100	Replacement Reserve-Oceanside		200,00	-40%
52,161	57,218	58,000	46,051	78000	Utilities		65,000	12%
11,070	9,090	12,000	7,395	78300	Hazardous Waste Material Disposal		12,000	0%
334	4,967	6,000	1,445	78700	Utilities-Propane		6,000	0%
1,109,339	905,321	1,496,500	1,087,431		Total Maintenance & Supply Expenses		1,418,000	-5%
Capital Expenses								
17,498	21,096	20,000	570	82000	Shop And Field Equipment		25,000	25%
17,498	21,096	20,000	570		Total Capital Expenses		25,000	25%
Transfers								
546,078	616,395	640,450	897,145	52176	Overhead Transfer to General Fund		901,514	41%
545,451	501,254	0	0	57100	Depreciation Expenses - Current Year		0	0%
1,091,529	1,117,649	640,450	897,145		Total Transfers		901,514	41%
2,782,181	2,676,438	2,863,939	2,597,019		Total Wastewater Expenses	0	3,059,584	7%

Wastewater Net Position

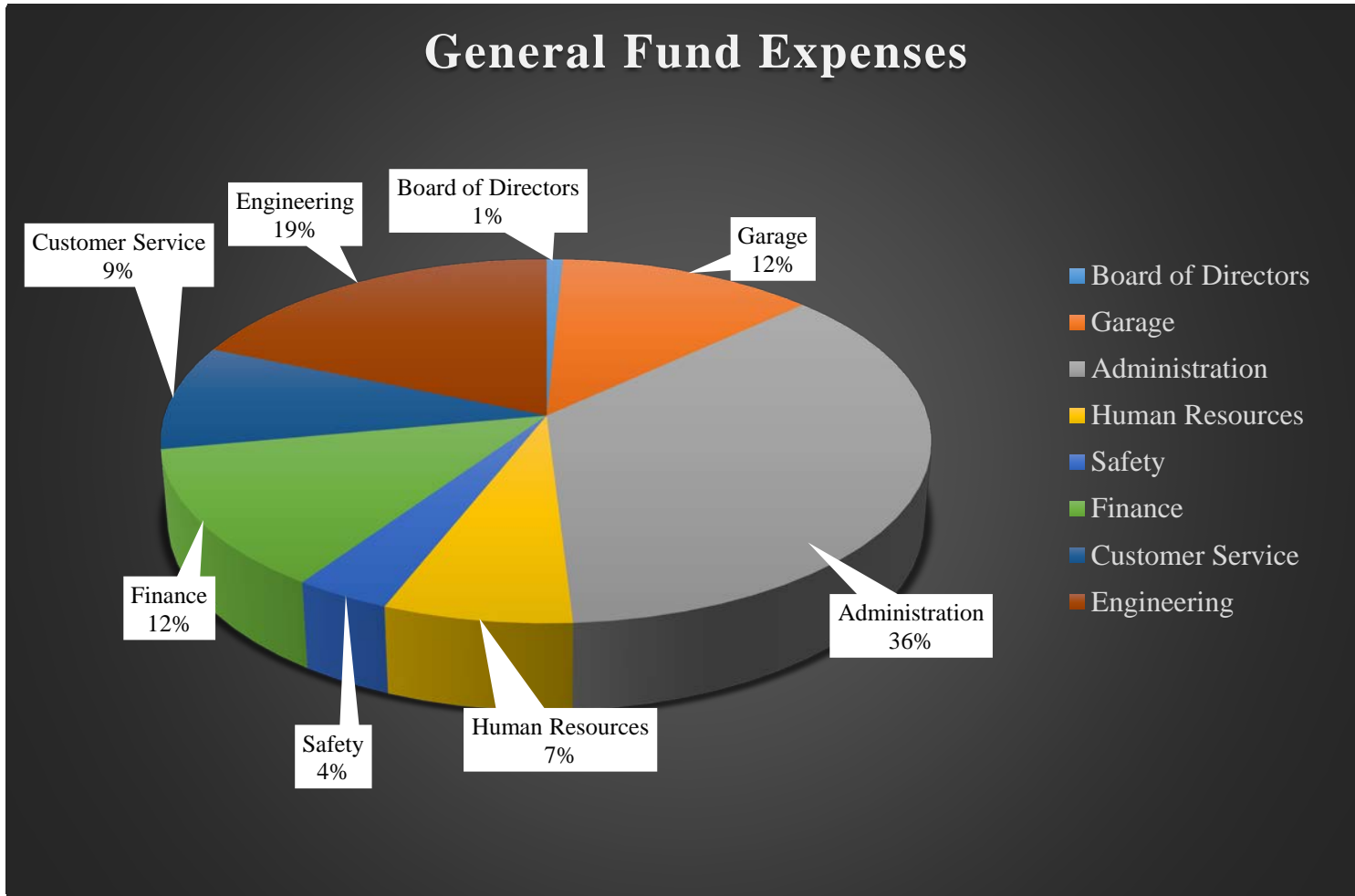


■ Revenues	2,420,500
■ Overhead	(901,514)
■ Payroll	(715,070)
■ Oceanside	(840,000)
■ Other	(378,000)

GENERAL FUND BUDGETED REVENUES & EXPENSES

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	FY 2018 Requested	% Change From FY17
Operating Revenues						
Overhead Transfers From Water, Sewer	4,045,025	4,565,887	4,730,000	4,722,145	4,744,811	0%
Other General Fund Revenue	411,405	416,043	332,000	411,347	428,470	29%
Total Operating Revenues	4,456,430	4,981,930	5,062,000	5,133,492	5,173,281	2%
Operating Expenses						
Board of Directors	11	14,119	27,288	12,852	39,913	46%
Garage	338,073	368,847	636,091	510,112	638,509	0%
Administration	2,018,914	2,077,921	2,030,879	1,946,663	1,859,196	-8%
Human Resources	0	0	0	0	359,947	-
Safety	139,728	153,823	181,806	154,140	183,425	1%
Finance	418,740	609,389	636,708	472,481	647,194	2%
Customer Service	374,072	336,892	423,684	403,227	482,359	14%
Engineering	627,273	977,908	1,118,315	983,001	962,738	-14%
Total Operating Expenses	3,916,810	4,538,898	5,054,771	4,482,475	5,173,281	2%
Net Income	539,620	443,032	7,229	651,017	0	-100%

General Fund Expenses



Board of Director (20) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
0	11,400	13,500	6,075	56202	Board Member Expenses	5	13,500	0%
0	614	837	377	56501	Employer's Share FICA SSI	0	837	0%
0	144	196	88	56502	Employer's Share FICA Medicare	0	196	0%
0	0	80	0	56515	Worker's Compensation Ins.	0	80	0%
0	12,158	14,613	6,540		Total Payroll Expenses	5	14,613	0%
Supply & Travel Expenses								
11	22	300	46	72000	Supplies And Services	0	300	0%
0	1,939	12,375	6,266	75300	Travel/Conferences/Training	0	25,000	102%
11	1,962	12,675	6,312		Total Supply & Travel Expenses	0	25,300	100%
11	14,119	27,288	12,852		Total Director's Expenses	5	39,913	46%

Garage (36) Expenses

FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	Account	Description	FY 2018 FTE	FY 2018 Requested	% Change From FY17
Payroll Expenses								
67,219	86,959	87,250	74,742	56101	Regular Salaries	1	87,250	0%
262	0	1,000	2,105	56103	Overtime Paid, Comp Time Earned	0	1,500	50%
4,638	4,846	5,410	4,307	56501	Employer's Share FICA SSI	0	5,410	0%
1,199	1,226	1,265	1,094	56502	Employer's Share FICA Medicare	0	1,265	0%
13,410	18,674	18,402	16,605	56503	Medical Insurance ACWA Health Ben	0	16,619	-10%
1,455	1,686	1,687	1,189	56504	Dental Insurance	0	1,830	8%
202	241	228	195	56505	Vision Insurance ACWA	0	236	4%
1,015	997	1,323	0	56506	Life, S/T,L/T Disability Insurance	0	1,323	0%
11,327	8,272	14,571	7,451	56507	Retirement-CalPERS	0	14,571	0%
1,792	2,047	3,603	3,648	56515	Worker's Compensation Insurance	0	3,603	0%
257	206	252	326	56516	State Unemployment Insurance, E.T.T.	0	252	0%
1,737	788	2,600	605	56520	Deferred Comp-Employer Contribution	0	650	-75%
104,513	125,942	137,591	112,268		Total Payroll Expenses	1	134,509	-2%
Maintenance & Supply Expenses								
2,782	4,270	2,500	2,263	63000	Equipment		3,000	20%
31,866	80,640	25,000	20,438	63100	Equipment Maintenance		34,000	36%
98,354	75,639	100,000	78,489	63421	Fuel And Oil		100,000	0%
87,551	70,706	65,000	81,597	63422	Repair, Supplies, Auto		70,000	8%
8,178	8,664	5,500	5,324	72000	Supplies And Services		5,500	0%
4,304	1,541	3,000	3,087	72150	Regulatory Permits		4,000	33%
524	1,444	1,500	539	73000	Small Tools And Equipment		2,000	33%
0	0	1,000	0	75300	Travel/Conferences/Training		1,000	0%
233,560	242,905	203,500	191,736		Total Maintenance & Supply Expenses		219,500	8%
Capital Expenses								
0	0	295,000	206,108	83000	Vehicles		284,500	-4%
0	0	295,000	206,108		Total Capital Expenses		284,500	-4%
338,073	368,847	636,091	510,112		Total Garage Expenses	1	638,509	0%

Administration (41) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
482,751	623,133	550,985	539,975	56101	Regular Salaries	3	404,272	-27%
7,248	8,908	3,100	6,910	56103	Overtime Paid, Comp Time Earned	0	10,000	223%
32,821	28,344	34,161	24,232	56501	Employer's Share FICA SSI	0	25,065	-27%
8,478	8,889	7,989	7,932	56502	Employer's Share FICA Medicare	0	5,862	-27%
94,996	57,891	60,027	44,647	56503	Medical Insurance ACWA Health Ben	0	31,672	-47%
10,390	6,330	5,621	4,564	56504	Dental Insurance	0	4,268	-24%
1,433	947	913	889	56505	Vision Insurance ACWA	0	708	-22%
7,235	5,052	6,556	899	56506	Life, S/T,L/T Disability Insurance	0	4,786	-27%
80,122	58,134	92,015	44,524	56507	Retirement-CalPERS	0	67,513	-27%
13,082	14,433	16,000	11,633	56511	Employee Uniform Allowance	0	16,000	0%
0	1,335	950	3,849	56512	Employee Training/Tuition Reimbursed	0	4,000	321%
13,218	13,293	22,170	21,353	56515	Worker's Compensation Insurance	0	16,204	-27%
1,720	1,647	1,008	1,578	56516	State Unemployment Insurance, E.T.T.	0	756	-25%
12,222	6,960	10,400	8,102	56520	Deferred Comp-Employer Contribution	0	5,200	-50%
0	0	6,413	0	56524	Other Post-Employment Benefits	0	0	-100%
765,716	835,296	818,308	721,088		Total Payroll Expenses	3	596,306	-27%

Administration (41) Expenses cont.

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Maintenance & Supply Expenses								
5,766	8,515	12,675	15,276	56513	Employee Relations		0	-100%
240,123	228,760	225,000	265,268	60100	Computers		230,000	2%
(510)	0	2,500	0	63102	Equipment Maintenance Contract		2,700	8%
28,909	39,536	37,000	37,090	63200	Equipment Rental		40,200	9%
2,139	3,571	3,000	2,152	63400	Kitchen Supplies		3,000	0%
120,672	110,652	91,400	143,732	63401	Building Maintenance		82,600	-10%
169,293	197,449	200,000	289,640	65000	Property/Liability Insurance		225,000	13%
9,041	5,260	20,000	8,293	65100	District Paid Insurance Claims		20,000	0%
201,584	200,019	195,000	47,582	70000	Professional Services		120,000	-38%
281,908	190,684	200,000	148,666	70300	Legal Services		200,000	0%
23,317	35,188	27,050	27,926	72000	Supplies And Services		17,050	-37%
0	46	250	0	72200	Books And Resources		250	0%
34,104	54,739	50,000	85,450	72400	Dues And Subscriptions		62,840	26%
4,995	430	1,000	469	72702	Public Notices/Advertising		1,000	0%
28,207	31,067	25,000	17,259	72900	Stationary & Office Supplies		25,000	0%
7,153	13,638	12,000	11,758	74000	Communications & Phone Bills		0	-100%
28,911	47,514	27,476	47,739	74100	Phone Bill		53,400	94%
18,377	23,382	23,220	22,329	75300	Travel/Conferences/Training		15,050	-35%
42,888	46,105	50,000	42,439	78000	Utilities-Electricity		50,400	1%
189	0	4,000	7,378	78700	Utilities -Propane		8,000	100%
6,129	6,072	6,000	5,129	78900	Trash Pick-Up		6,400	7%
1,253,198	1,242,625	1,212,571	1,225,575		Total Maintenance & Supply Expenses		1,162,890	-4%
Capital Expenses								
0	0	0	0	82000	Capital Expenditures		100,000	-
0	0	0	0		Total Capital Expenses		100,000	-
2,018,914	2,077,921	2,030,879	1,946,663		Total Administration Expenses	3	1,859,196	-8%

Human (42) Resources Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
0	0	0	0	56101	Regular Salaries	1	141,788	-
0	0	0	0	56501	Employer's Share FICA SSI	0	8,791	-
0	0	0	0	56502	Employer's Share FICA Medicare	0	2,056	-
0	0	0	0	56503	Medical Insurance ACWA Health Ben	0	0	-
0	0	0	0	56504	Dental Insurance	0	1,830	-
0	0	0	0	56505	Vision Insurance ACWA	0	236	-
0	0	0	0	56506	Life, S/T, L/T Disability Insurance	0	1,799	-
0	0	0	0	56507	Retirement - CalPERS	0	23,679	-
0	0	0	0	56512	Employee Training/Tuition Reimbursed	0	2,000	-
0	0	0	0	56515	Worker's Compensation Insurance	0	5,766	-
0	0	0	0	56516	State Unemployment Insurance, E.T.T.	0	252	-
0	0	0	0	56520	Deferred Comp-Employer Contribution	0	2,600	-
0	0	0	0		Total Payroll Expenses	1	190,797	-
Maintenance & Supply Expenses								
0	0	0	0	56513	Employee Relations		11,950	-
0	0	0	0	60100	Computer		16,500	-
0	0	0	0	70000	Professional Services		80,000	-
0	0	0	0	70300	Legal Services		20,000	-
0	0	0	0	72000	Supplies and Services		3,000	-
0	0	0	0	72200	Books and Resources		100	-
0	0	0	0	72400	Dues and Subscriptions		1,100	-
0	0	0	0	75300	Workforce Development		36,500	-
0	0	0	0		Total Maintenance & Supply Expenses		169,150	-
0	0	0	0		Total Human Resources Expenses	1	359,947	-

Safety (43) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
56,273	66,888	71,615	65,868	56101	Regular Salaries	1	71,615	0%
274	812	300	255	56103	Overtime Paid, Comp Time Earn.	0	300	0%
3,807	4,732	4,440	3,862	56501	Employer's Share FICA SSI	0	4,440	0%
984	1,198	1,038	990	56502	Employer's Share FICA Medicare	0	1,038	0%
11,022	9,163	9,344	9,601	56503	Medical Insurance ACWA Health Ben	0	12,662	36%
1,169	1,686	1,687	1,230	56504	Dental Insurance	0	1,830	8%
166	241	228	203	56505	Vision Insurance ACWA	0	236	4%
820	858	1,080	0	56506	Life, S/T, L/T Disability Insurance	0	1,080	0%
9,330	8,806	11,960	6,517	56507	Retirement - CalPERS	0	11,960	0%
0	135	350	180	56512	Employee Training/Tuition Reimbursed	0	350	0%
1,518	1,786	2,912	2,775	56515	Worker's Compensation Insurance	0	2,912	0%
221	210	252	342	56516	State Unemployment Insurance, E.T.T.	0	252	0%
1,421	2,716	2,600	2,454	56520	Deferred Comp-Employer Contribution	0	2,600	0%
87,007	99,230	107,806	94,277		Total Payroll Expenses	1	111,275	3%
Maintenance & Supply Expenses								
2,456	5,973	8,000	3,070	63100	Equipment Maintenance		6,500	-19%
10,863	13,694	21,200	17,374	63102	Equipment Maintenance Contract		19,300	-9%
13,104	9,397	16,500	16,065	72000	Supplies And Services		14,500	-12%
0	0	200	0	72200	Books And Resources		200	0%
754	754	800	420	72400	Dues And Subscriptions		2,300	188%
24,364	24,040	25,000	21,534	72500	Safety Supplies		25,550	2%
0	252	300	0	73000	Small Tools And Equipment		0	-100%
1,180	483	2,000	1,401	75300	Travel/Conferences/Training		3,800	90%
52,720	54,593	74,000	59,863		Total Maintenance & Supply Expenses		72,150	-3%
139,728	153,823	181,806	154,140		Total Safety Expenses	1	183,425	1%

Finance (51) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
202,559	369,786	350,641	280,390	56101	Regular Salaries	4	354,607	1%
614	2,459	200	5,465	56103	Overtime Paid, Comp Time Earn.	0	6,000	2900%
13,601	22,500	21,740	16,733	56501	Employer's Share FICA SSI	0	21,986	1%
3,509	5,623	5,084	4,256	56502	Employer's Share FICA Medicare	0	5,142	1%
39,588	33,109	33,446	27,761	56503	Medical Insurance ACWA Health Ben	0	46,007	38%
4,285	4,621	4,494	2,238	56504	Dental Insurance	0	3,654	-19%
595	947	913	681	56505	Vision Insurance ACWA	0	944	3%
2,967	4,135	5,136	0	56506	Life, S/T, L/T Disability Insurance	0	5,154	0%
33,382	31,053	58,557	24,026	56507	Retirement - CalPERS	0	59,219	1%
0	279	2,400	0	56512	Employee Training/Tuition Reimbursed	0	3,000	25%
5,554	7,264	13,421	13,589	56515	Worker's Compensation Insurance	0	13,573	1%
830	1,116	1,008	1,768	56516	State Unemployment Insurance, E.T.T.	0	1,008	0%
5,140	9,307	10,400	8,326	56520	Deferred Comp-Employer Contribution	0	10,400	0%
0	0	3,168	0	56524	Other Post-Employment Benefits	0	0	-100%
312,624	492,199	510,608	385,232		Total Payroll Expenses	4	530,694	4%
Maintenance & Supply Expenses								
44,941	44,145	46,500	37,351	69000	Postage		46,500	0%
12,081	18,270	15,000	16,495	70100	Annual Audit Services		20,000	33%
46,313	44,595	60,000	32,072	70400	Bank Service Charges		45,000	-25%
0	7,133	100	0	72000	Supplies And Services		0	-100%
1,749	1,110	2,000	186	72700	Printing And Reproductions		2,000	0%
1,032	1,936	2,500	1,146	75300	Travel/Conferences/Training		3,000	20%
106,116	117,190	126,100	87,249		Total Maintenance & Supply Expenses		116,500	-8%
418,740	609,389	636,708	472,481		Total Finance Expenses	4	647,194	2%

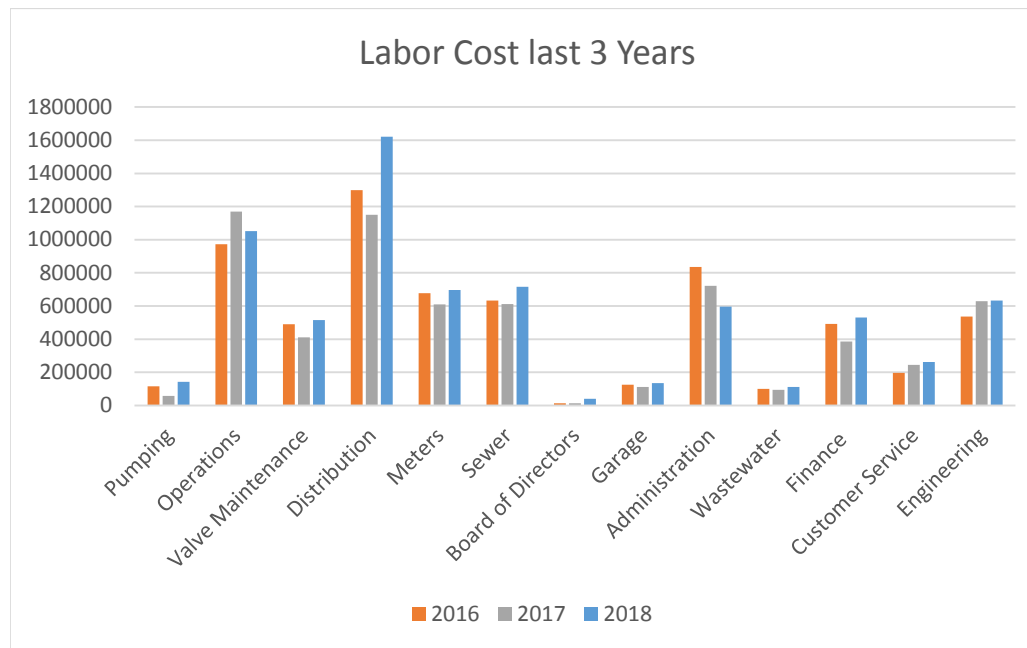
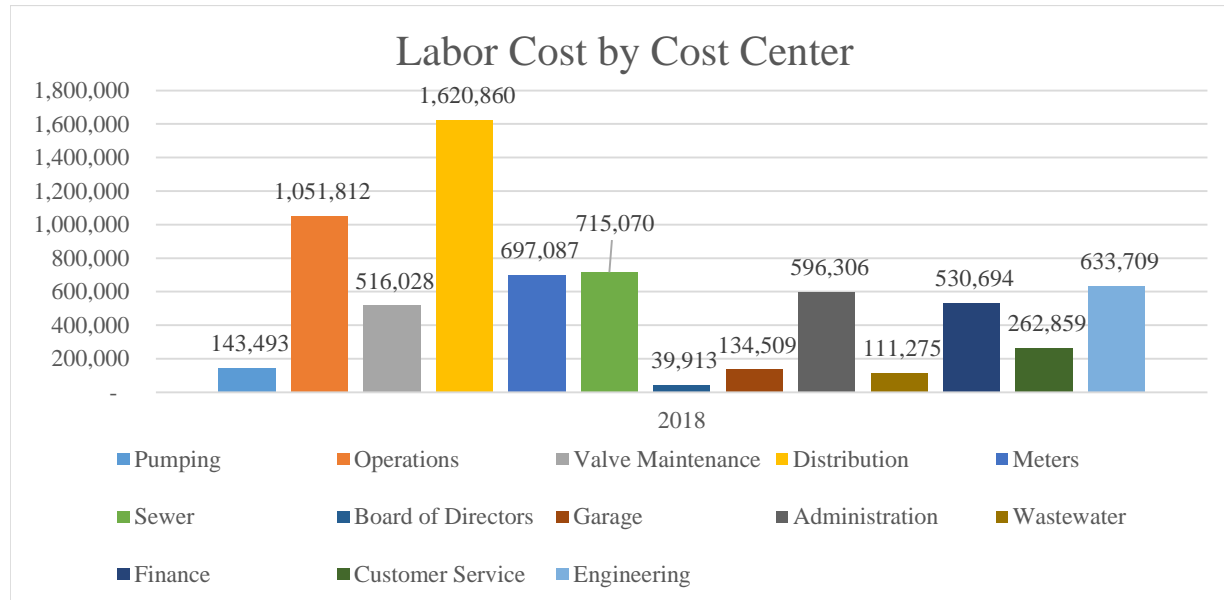
Customer Service (52) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
141,642	140,620	155,878	159,304	56101	Regular Salaries	3	158,596	2%
3,279	3,094	3,500	7,967	56103	Overtime Paid, Comp Time Earn.	0	5,000	43%
9,882	9,256	9,664	9,784	56501	Employer's Share FICA SSI	0	9,833	2%
2,535	2,213	2,260	2,478	56502	Employer's Share FICA Medicare	0	2,300	2%
28,054	18,229	35,779	37,426	56503	Medical Insurance ACWA Health Ben	0	39,304	10%
3,151	2,246	5,060	2,940	56504	Dental Insurance	0	4,268	-16%
424	371	685	756	56505	Vision Insurance ACWA	0	708	3%
2,197	1,145	2,321	0	56506	Life, S/T, L/T Disability Insurance	0	2,363	2%
23,823	12,781	26,032	12,338	56507	Retirement - CalPERS	0	26,486	2%
0	0	1,000	0	56512	Employee Training/Tuition Reimbursed	0	1,000	0%
3,391	2,047	5,966	6,041	56515	Worker's Compensation Insurance	0	6,070	2%
537	1,199	756	1,064	56516	State Unemployment Insurance, E.T.T.	0	756	0%
3,606	3,273	7,800	5,000	56520	Deferred Comp-Employer Contribution	0	6,175	-21%
0	0	1,683	0	56524	Other Post-Employment Benefits	0	0	-100%
222,521	196,472	258,384	245,098		Total Payroll Expenses	3	262,859	2%
Maintenance & Supply Expenses								
0	0	300	0	63100	Equipment Maintenance		0	-100%
19,810	5,066	20,000	487	69110	Bad Debt Expense/Billing Adjustments		10,000	-50%
129,587	132,560	141,000	156,393	72000	Supplies And Services		205,500	46%
1,956	2,794	3,000	1,249	72700	Printing And Reproductions		3,000	0%
198	0	1,000	0	75300	Travel/Conferences/Training		1,000	0%
151,551	140,420	165,300	158,128		Total Maintenance & Supply Expenses		219,500	33%
374,072	336,892	423,684	403,227		Total Customer Service Expenses	3	482,359	14%

Engineering (91) Expenses

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	FTE	Requested	From FY17
Payroll Expenses								
273,992	379,204	518,020	444,414	56101	Regular Salaries	6.5	411,773	-21%
5,045	2,267	4,000	266	56103	Overtime Paid, Comp Time Earn.	0	4,000	0%
18,961	21,050	32,117	25,224	56501	Employer's Share FICA SSI	0	25,690	-20%
4,905	5,334	7,511	6,423	56502	Employer's Share FICA Medicare	0	6,081	-19%
55,011	60,926	81,688	71,375	56503	Medical Insurance ACWA Health Ben	0	73,130	-10%
6,131	7,030	8,151	5,631	56504	Dental Insurance	0	6,809	-16%
830	1,057	1,027	1,229	56505	Vision Insurance ACWA	0	998	-3%
4,247	4,711	6,963	0	56506	Life, S/T, L/T Disability Insurance	0	5,602	-20%
46,403	36,637	86,509	39,575	56507	Retirement - CalPERS	0	68,826	-20%
0	0	1,200	293	56512	Employee Training/Tuition Reimbursed	0	2,000	67%
7,804	6,080	20,734	20,075	56515	Worker's Compensation Insurance	0	16,742	-19%
823	1,106	1,386	1,983	56516	State Unemployment Insurance, E.T.T.	0	1,138	-18%
6,844	10,925	14,300	12,390	56520	Deferred Comp-Employer Contribution	0	10,920	-24%
430,996	536,328	783,606	628,877		Total Payroll Expenses	6.5	633,709	-19%
Maintenance & Supply Expenses								
0	0	5,000	0	63000	Equipment		4,000	-20%
(1,938)	105,500	102,310	72,706	63102	Equipment Maintenance Contract		96,500	-6%
180,224	183,794	200,000	253,071	70000	Professional Services		200,000	0%
15,814	151,263	21,134	25,742	72000	Supplies And Services		16,134	-24%
0	0	500	322	72200	Books And Resources		500	0%
712	50	765	0	72400	Dues And Subscriptions		895	17%
16	70	0	1,309	72700	Printing And Reproductions		6,000	
1,448	902	5,000	975	75300	Travel/Conferences/Training		5,000	0%
196,277	441,579	334,709	354,124		Total Maintenance & Supply Expenses		329,029	-2%
627,273	977,908	1,118,315	983,001		Total Engineering Expenses	6.5	962,738	-14%

LABOR TREND



WATER CAPITAL FUND BUDGETED REVENUES & EXPENSES

Water Capital (Fund 60) Expense

FY 2015	FY 2016	FY 2017	FY 2017			FY 2018	% Change
Actual	Actual	Adopted	Estimated	Account	Description	Requested	From FY17
Revenues							
(4,342)	13,869	0	0	49201	Interest Revenues – LAIF	0	0%
19,144	59,476	25,000	0	49202	Interest Rev Long Term Investment	0	-100%
13,067	1,009,484	1,100,000	0	49920	Capacity Fees	2,600,000	136%
27,868	1,082,829	1,125,000	0		Total Water Capital Revenues	2,600,000	131%
Payroll Expenses							
20,860	45,504	0	45,625	56101	Regular Salaries	180,000	-
0	2,327	0	2,711	56501	Employer's Share FICA SSI	11,000	-
0	590	0	678	56502	Employer's Share FICA Medicare	2,500	-
0	5,569	0	9,115	56503	Medical Insurance ACWA Health Ben	30,000	-
0	0	0	932	56504	Dental Insurance	3,000	-
0	190	0	122	56505	Vision Insurance ACWA	425	-
0	0	0	0	56506	Life, S/T, L/T Disability Insurance	2,400	-
0	3,646	0	4,473	56507	Retirement - CalPERS	30,000	-
0	67	0	313	56516	State Unemployment Insurance, E.T.T	500	-
0	0	0	1,161	56520	Deferred Comp-Employer Contribution	4,680	-
20,860	57,893	0	65,130		Total Payroll Expenses	264,505	-
Other Expenses							
0	0	500,000	0	52176	Overhead Transfer	0	-100%
0	0	4,150,000	0	82000	Shop and Field Equipment	7,778,165	87%
0	0	4,650,000	0		Total Other Expenses	7,778,165	67%
20,860	57,893	4,650,000	65,130		Total Water Capital Expenses	8,042,670	73%

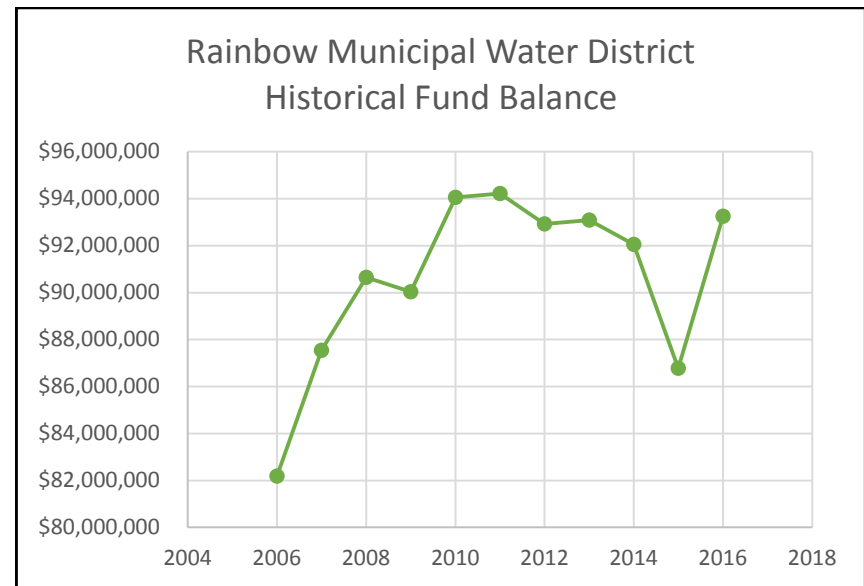
WASTEWATER CAPITAL FUND BUDGETED REVENUES & EXPENSES

Wastewater Capital (Fund 53) Expense

FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2017 Estimated	Account	Description	FY 2018 Requested	% Change From FY17
Revenues							
8,953	16,265	0	0	49201	Interest Revenue: LAIF, UBOC	0	-
150,731	90,942	80,000	0	49202	Interest Inc-Long Term Invest	0	-100%
0	116,389	0	0	49203	Change In Investment Valuation	0	-
263,900	70,629	0	0	49920	Connection Fees-Sewer Capital Improvement	0	-
423,584	294,225	80,000	0		Total Sewer Capital Revenues	0	-100%
Expenses							
9,378	10,952	0	5,735	56101	Regular Salaries	0	0%
0	0	2,230,000	0	82000	Shop and Field Equipment	3,634,227	63%
9,378	10,952	2,230,000	5,735		Total Sewer Capital Expenses	3,634,227	63%

FUND BALANCE HISTORY

Rainbow Municipal Water District			
Consolidated Fund Balance History			
For the Fiscal Year Ending June 30, 2016			
Fiscal Year	Beginning Fund Balance	Change in Net Position	Ending Fund Balance
2006	\$ 80,719,248	\$ 1,464,090	\$ 82,183,338
2007	\$ 82,183,338	\$ 5,351,755	\$ 87,535,093
2008	\$ 87,535,093	\$ 3,114,067	\$ 90,649,160
2009	\$ 90,649,160	\$ (608,122)	\$ 90,041,038
2010	\$ 90,041,038	\$ 4,019,165	\$ 94,060,203
2011	\$ 94,060,203	\$ 155,103	\$ 94,215,306
2012	\$ 94,215,306	\$ (1,296,760)	\$ 92,918,546
2013	\$ 92,918,546	\$ 174,582	\$ 93,093,128
2014	\$ 93,093,128	\$ (1,045,057)	\$ 92,048,071
2015	\$ 92,048,071	\$ (5,275,926)	\$ 86,772,145
2016	\$ 86,772,146	\$ 6,481,905	\$ 93,254,051
***2016 PPA of \$6,827,952			
GASB 68 Recording Net Pension Liability			



CAPITAL ACQUISITION

CAPITAL ACQUISITION IS DEFINED AS A SINGLE UNIT ITEM COST GREATER THAN \$10,000			
WORK CENTER #	DESCRIPTION	JUSTIFICATION	BUDGET
32	Gomez Tank Electrical Upgrade	Replacing: Tank needs electrical upgrade for SCADA.	\$15,000
33	Replace Valves and Appurtances throughout District	Replacing: Annual program to replace needed valves & appurtances throughout District.	\$50,000
35	Replace Meters and Appurtances throughout District	Replacing: Annual program to replace needed meters & appurtances throughout District.	\$135,000
36	2017-2018 Chevrolet Silverado Double Cab 2500HD 6.0 Gas V8 4X4 Includes Cab/Chassis, rehab steel weld utility bed. Prep, paint & install Vise Mount, ladder protection boxes for 4 ft. & 6 ft. ladders.	New: Operator has to borrow a 4x4 often. Purchase of new vehicle will eliminate any downtime during an emergency. This function needs 4X4 to access all Tank/Reservoir facilities with electricity and solar for SCADA maintenance. This truck will be assigned a new vehicle number. #18 for the PRV/PRS Maintenance Program.	\$55,000
36	2017-2018 Chevrolet Silverado Double Cab 4x4 V6 Gasoline Engine	Replacing: Unit # 4 2008 Ford F-150 Super Cab 4X4 V8 135,494 Miles	\$31,000
36	2017-2018 Chevrolet Silverado Double Cab 4x4 V6 Gasoline Engine	Replacing: Unit # 10 2007 Chevrolet Silverado Reg. Cab 4X4 V8 141,702 Miles	\$31,000
36	2017-2018 Chevrolet Silverado Double Cab 4x4 V6 Gasoline Engine	Replacing: Unit # 20 2008 Ford F-150 Super Cab 4X4 V8 163,388 Miles	\$31,000
36	2017-2018 Chevrolet Silverado Double Cab 4x4 V6 Gasoline Engine	Replacing: Unit # 53 2003 Chevrolet Silverado Regular Cab 150,528 Miles	\$31,000
36	2017-2018 Ford F-650 Regular Cab	New: Dump truck GVW Under 26,000 Lbs.	\$94,000
36	Emergency Response Trailer Enclosed Tandem Axle 7 X 16 FT	New: Trailer will be utilized for storing & delivering shoring & emergency equipment to job sites such as Pumps, lights etc.	\$6,500
36	Emergency High Line Trailer 6 X 12 Tandem Axle Enclosed	Replacing: Current trailer that has water damage. Trailer is used for storage and delivery of High Line Hoses	\$5,000
41	Upgrade District's Security System	Replacing: Current security system to provide better coverage of monitoring grounds throughout District.	\$60,000
41	Upgrade Gasboy Fuel Software	Replacing: Current fuel management software. Current system is starting to fail on reading personnel gas cards, needs to be upgraded soon.	\$40,000
61	Lift Station 6 Panel upgrade configuration & programming	Replacing: Current panel is obsolete. Upgrade needed so that panel will be compatible with the new system in place.	\$10,000
61	Generator Quick Disconnect Lift Stations #4 & #6	New: Keeps the lift stations up and running during power failures.	\$15,000
			\$609,500

CAPITAL PROJECTS

CAPITAL PROJECTS OVERVIEW

The recommended CIP identifies facilities or programs, which are recommended for a variety of reasons, primarily to provide the District's customers with a system that meets the District's capacity criteria, is in good condition and can be operated efficiently and reliably. Should demands and flows forecasted to develop during the planning horizon not materialize, there may be opportunities to defer or eliminate some projects. Contrarily, some projects are needed immediately. Phasing is provided along with the proposed projects, with Phase 1 being projects recommended to be completed within the next five years (by 2020) due to an existing need, Phase 2 projects are those needed within ten years (by 2025) and Phase 3 projects are those recommended to be addressed within the planning horizon (by 2035). Due to the rapid development planned for the District as well as potential "rebound" from mandatory and voluntary water use restrictions, another master plan should be conducted in five years, at which point demands, flows and phasing can be revisited.

The recommended projects are largely the result of the hydraulic analysis completed. Projects identified fell into various improvement categories including: hydraulic capacity, pressure regulation, operations, redundancy and reliability, and fire flow capacity. The water system CIP consists of 61 projects that are listed in tables below. Additional detail regarding the nature of the various recommendation categories follows below:

- **Hydraulic Capacity** – consists primarily of pipeline upsizing to correct deficiencies in capacity caused by excessive velocity and headloss under peak demand conditions. Pump stations and storage reservoirs were also reviewed for appropriate capacity
- **Pressure Regulation** – recommend potential reduced pressure service zones by constructing pressure reducing stations to protect pipelines, laterals and appurtenances
- **Operations, Redundancy and Reliability** – includes a diverse set of construction, implementation, maintenance and assessment projects to add and improve emergency supplies, increase the system and supply reliability for vulnerable or future service areas, improve operating efficiencies, upgrade and/or replace facilities that don't meet current standards and assist with strategic planning and replacement of critical facilities
- **Fire Flows** – upsizing of small diameter pipelines to increase fire flows at critically deficient areas
- **Water Supply** – consists of projects for construction of facilities to deliver new water supplies under normal or emergency conditions.

The total estimated cost of the water CIP based on planning level costs estimates is \$49.8M.

The wastewater system CIP generated from the baseline wastewater system hydraulic analysis are listed in detail following water CIP listing below. The District made the decision to move forward with the assumption of a WRP as the baseline case for the wastewater system for Masterplan study. The District has commissioned additional study into the development of a water reclamation plant to assist in determining which of the available alternatives, if any, is the most beneficial option. Were that additional study to find that a WRP and recycled water system are not viable and/or feasible, it is important the District be aware of and understand the implications to its wastewater system CIP. For that reason, an alternative wastewater system CIP for the wastewater system alternative condition, which is the “No Project Alternative.” Also included in the table are the CIP required should the WRP study show that a plant at the LS 2 site is the most beneficial, as well as the CIP required to serve the Out of District developments, Meadowood and Warner Ranch.

The total estimated cost of the wastewater CIP which includes the District-owned WRP based on planning level costs estimates is \$49.7M.

The projects and programs recommended by the Master Plan study is for the next 20 years for the water and wastewater systems are shown in the preceding tables. Phasing of proposed projects and programs is also presented in the tables and the total estimated cost by Phase for each system is presented in summary after the water and wastewater detailed project listing. Project cost estimates shall be retained, updated by observed inflation on an annual basis and replaced with more detailed and accurate cost estimates as they become available.

The District’s next step will include the update of District-wide water and wastewater capacity fees to help fund expansion projects. The District’s water and wastewater rates paid by existing customers will be used to fund replacement, rehabilitation and betterment projects.

Capital Improvement Plan by Phase		
Phase	Program Description	Total Cost
1 (2016-2020)	Water System CIP	\$ 17,221,000
	Wastewater System CIP (Baseline)	\$ 46,517,000
	Phase 1 CIP Total	\$ 63,738,000
2 (2021-2025)	Water System CIP	\$ 22,487,000
	Wastewater System CIP (Baseline)	\$ 3,300,000
	Phase 2 CIP Total	\$ 25,787,000
3 (2026-2035)	Water System CIP	\$ 3,646,000
	Wastewater System CIP (Baseline)	\$ -
	Phase 3 CIP Total	\$ 3,646,000
Combined Baseline CIP Total		\$ 93,171,000

* Project Commenced

√ Project Completed

FIVE-YEAR WATER CAPITAL IMPROVEMENT PLAN

Existing Water CIP	Total Project Cost	Remaining Budget FY 16/17	Projected Budget FY 17/18	Projected Budget FY 18/19	Projected Budget FY 19/20	Projected Budget FY 20/21	Projected Budget FY 21/22
Gird to Monserate Hill Water Line	\$1,320,000	\$1,125,027	\$1,125,027	---	---	---	---
San Luis Rey Imported Return Flow Recovery	\$900,000	\$96,160	\$450,000	---	---	---	---
Knottwood Road Loop and PRS	\$150,000	\$130,459	\$180,000	---	---	---	---
PS #1 Upgrades	\$1,800,000	\$31,839	\$1,800,000	---	---	---	---
Water System Condition Assessment Program	\$1,500,000	\$145,508	\$145,508	\$300,000	\$300,000	\$300,000	---
Pressure Reducing Stations	\$510,000	\$36,437	\$240,000	\$142,874	---	---	---
SDCWA Shutdown Pump Stations	\$1,000,000	\$497,836	\$1,000,000	---	---	---	---
Capital Meter Replacement	\$300,000	\$300,000	\$300,000				---
Water System Billing Meter- System wide AMI Conversion	\$2,700,000	\$700,000	\$500,000	\$500,000	---	---	---
Water System Monitoring Program	\$875,000	\$0	\$300,000	\$400,000	\$175,000	---	---
Weese WTP Permanent Emergency Interconnect and PS	\$1,200,000	\$238,090	\$1,198,090	---	---	---	---
Morro Tank Zone Permanent FPUD Interconnection	\$150,000	\$149,540	\$149,540	---	---	---	---
On Going Water Projects							
Isolation Valve Installation Program	\$750,000	\$88,125	\$150,000	\$150,000	\$150,000	\$150,000	---
Pressure Reducing Station Replacement Program	\$800,000	\$160,000	\$240,000	\$160,000	\$160,000	\$160,000	---
Proposed Water Projects (Phase 2)							
Pressure Reducing Stations (Phase 2)	\$75,000	---	---	---	---	---	\$464,000
North Feeder and Rainbow Hills Water Line Replacements	\$2,000,000	---	---	---	---	---	\$2,000,000
Northside Emergency Pump Station Connection and Pipeline at Reche Road	\$1,050,000	---	---	---	---	---	\$200,000
Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	\$450,000	---	---	---	---	---	\$450,000
Loop Pipelines in Via Ararat Drive to West Lilac Road	\$89,000	---	---	---	---	---	\$89,000
Loop Pipelines in Magee Lane to Disney Lane	\$30,000	---	---	---	---	---	\$30,000
Upsize 4-inch to 8-inch on Lupine Lane	\$109,000	---	---	---	---	---	\$109,000
Total Expenditure (Water):	\$17,758,000	\$3,699,021	\$7,778,165	\$1,652,874	\$785,000	\$610,000	\$3,342,000

SIGNIFICANT WATER CAPITAL PROJECTS

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
Water System Existing Improvement Projects									
WE1	Canonita	Gird to Monserate Hill Water Line	Loop dead end system and shift demand off of the Canonita Zone		12-inch	2,150 ft	1	--	* \$950,000
WE2	South	Wrightwood to Cottontail PRS	Replaced broken pipe. Install PRS to re-constitute previously looped system	Pipeline is complete, need to install PRS to allow connection to operate	8-inch	1	1	--	\$100,000
WE3 200950	South	Lake Vista Estates Loop and PRS	Improve water quality by eliminating dead ends and improve fire flow	Short segment of pipeline and PRS to connect Morro and South Zones	-	-	1	--	√ \$144,000
WE4 201573	South	Tarek Terrace Water Line	Replace old pipe to have fewer service outages and resources spent on repairs		8-inch	500 ft	1	--	√ \$143,000
WE5 201359	South	Rancho Amigos Pressure Station Replacement	Improve maintenance access	Improve safety and lessen staff required for maintenance	8-inch	-	1	\$75,000	√ \$75,000
Hydraulic Capacity Projects									
WH1	South	Upsize 12" to 16" along Dentro de Lomas/Paseo Grande Rd	Increase system pressures, increase emergency [or permanent] pump performance	Downstream of Dentro De Lomas Emergency Pump Station	16-inch	2,100 ft	1	\$335	\$704,000
WH2	Canonita	Upsize 6" to 10" along Wilt Road	Increase system pressures, improve function of Wilt & Citrus PRV into Pala Mesa Tank	Only first ~2,200 feet fails criteria	10-inch	5,200 ft	3	\$195	\$1,010,000
WH3	Morro	Remove Bottleneck, Upsize 8-inch to 12-inch on Mission Road & North River Road	Reduce headlosses through bottleneck, increase flow capacity during Morro filling		12-inch	3,500 ft	3	\$310	\$1,090,000
Pressure Regulation Projects									
WP1	Pala Mesa	Install PRSs at Intersections of Knottwood Way and Staghorn Lane / Gird Road	Reduce local pressure, reduce risk of pipe and lateral breaks	Install two PRVs on Knottwood Way, close valves GV145 and PV231. 90 psi+ reduction possible	6-inch 4-inch	1 1	1 1	\$75,000 \$35,000	* \$75,000 \$35,000
WP2	Northside	Install PRSs at Brooke Hollow Rd and Ranger Road	Reduce local pressure to large geographical service area, reduce risk of pipe/lateral breaks	95 psi+ reduction possible	8-inch 6-inch	1 1	1 1	\$100,000 \$75,000	\$100,000 \$75,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WP3	Gomez	Install PRS at Alex Road and gate valve at Jeremy Way	Reduce extremely high [400+] local pressures, reduce risk of pipe and lateral breaks	Install PRV after PV25 and install gate valve at intersection with Jeremy Way. 200 psi+ reduction possible	6-inch	2	1	\$75,000	\$150,000
WP4	North	Install PRS to serve Rice Canyon Road South of Pala Mesa Heights Drive	Reduce extremely high [300+] local pressures, reduce risk of pipe and later breaks	Install PRV after PV23. 175 psi+ reduction possible	6-inch	1	1	\$75,000	\$75,000
WP5	South	Install PRS to serve South Fork Area along Vista Valley Drive	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRVs at Vista Valley Drive intersections with Gopher Canyon Road and Laurel Valley Drive. Close PV35. 100 psi+ reduction possible	8-inch	2	2	\$100,000	\$200,000
WP6	Morro	Install PRS on Baja Mission Road	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV at intersection of Baja Mission Rd and La Canada Road. Close GV 28. 100 psi+ reduction possible	6-inch	1	2	\$75,000	\$75,000
WP7	Morro	Install PRS on Limber Pine Road	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV on Limber Pine Road Flowerwood Lane and close valve PV127. 90 psi+ reduction possible	6-inch	2	2	\$75,000	\$150,000
WP8	Morro	Install PRS Club Vista East on Lake Vista Drive	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV directly east of Ex. Club Vista PRV east of intersection with Club Vista Lane. 90 psi+ reduction possible	6-inch	1	2	\$75,000	\$75,000
WP9	Pala Mesa	Install PRSs at Diego Estates Drive and Sarah Ann Drive	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRVs at Gird Road intersections with Diego Estates Drive and Sarah Ann Drive. Close PV65. 130 psi+ reduction possible	6-inch	2	2	\$75,000	\$150,000
WP10	South	Install PRS at Via Maria Elena	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV after GV23. 60 psi+ reduction possible	6-inch	1	2	\$75,000	\$75,000
WP11	Morro	Install PRS at Intersection of Mission Road and East Vista Way	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV after PV51. 140 psi+ reduction possible. Serves very small area	6-inch	1	2	\$75,000	\$75,000
WP12	South	Install PRS to serve Champagne Boulevard	Reduce local pressure, reduce risk of pipe and lateral breaks	Install PRV after PV20. 100 psi+ reduction possible. Serves very small area	6-inch	1	2	\$75,000	\$75,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WP13	Morro	Connect and Install PRS to serve Orange Hill, Estate Drive and Rio Vista Drive	Reduce local pressure, provide redundancy and reduce risk of pipe and lateral breaks	Install PRV after PV145. Close valve GV16 and PV42. Install 1,300 ft of 8-inch pipe to connect dead ends. 100 psi+ reduction possible	6-inch 8-inch	1 1,300 ft	2 2	\$75,000 \$145	\$75,000 \$189,000
WP14	Morro	Install PRS on Thoroughbred Lane	Reduce local pressure [~300] reduce risk of pipe and lateral breaks	Install PRV after PV4. 180 psi+ reduction possible. Serves very small area	6-inch	1	2	\$75,000	\$75,000
WP15	Morro	Install PRS to serve River Village	Reduce local pressure [250+] reduce risk of pipe and lateral breaks	Install PRV after GV19. 150 psi+ reduction possible. Serves very small area	6-inch	1	2	\$75,000	\$75,000
WP16	Morro	Install PRS to serve Ascot Park Area	Reduce local pressure [220+] reduce risk of pipe and lateral breaks	Install PRV after PV17 and PV70. 100 psi+ reduction possible. Serves very small area. 6" pipe, cannot reduce pressure too far	6-inch	2	2	\$75,000	* \$150,000
WP17	Rainbow Heights	Install PRS at Rainbrook	Reduce local pressure, reduce risk of pipe and lateral breaks		6-inch	1	2	\$75,000	\$75,000
Operations, Redundancy and Reliability Projects									
WR1	Morro	Line NN Transmission Upgrades	Provide transmission flow path to allow better utilization of Dentre de Lomas PRV through new Line NN during Morro Filling		16-inch	9000 ft	1	\$315	\$2,800,000
WR2	Vallecitos	Pump Station #3 [Vallecitos] Replacement	Improved efficiency and reliability to pressure zone	Increase discharge size from 6-inch. Provide at least 2 pumps for redundancy	75 HP	600 gpm	1	--	\$1,030,000
WR3	U-1	U-1 Transmission Pipeline Replacement to Ranchbrook Road	Replace aging pipeline, fewer service outages and resources spent on repairs	Replace aging pipeline that is the sole transmission source into zone	12-inch	3200 ft	1	\$235	\$752,000
WR4	Northside	Northside Zone Supply Redundancy. Upsize Rainbow Hills Road Pipeline to 12-inch and Install New PRS	Provides an emergency supply connection to service large, critical zone	Replace 6-inch pipe on Rainbow Hills Road with 12-inch. Could provide emergency service during a pump station outage. Only ~70' difference between North and Northside zones.	12-inch	2200 ft	1	\$235	\$517,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WR5	South/Pala Mesa	Hutton Tank to Pala Mesa Zone Emergency Connection	Provide redundant supply and increased looping for emergency support	PL along Old Highway 395 to Pala Road. Similar zone connection through the Vessels development also possible	16-inch	9,900	2	\$400	\$4,000,000
WR6	South	Moosa Permanent Emergency Pump Station	Permanent Station to provide emergency supply to South Zone	Assumed at existing location. Additional study necessary to confirm pump flow/size	200 HP	2000 gpm	2	--	* \$2,500,000
WR7	North	North Feeder and Rainbow Hills Water Line Replacements	Fewer service outages and resources spent on repairs	Replace corroded pipelines which have suffered several breaks	30-inch 27-inch	3788 ft	2	\$515	\$2,000,000
WR8	Pala Mesa	76 & Gird Permanent Emergency Pump Station	Improved zone reliability during outage or transmission main break scenarios	At same site as 76 & Gird PRV Station	100 HP	2000 gpm	2	--	\$1,600,000
WR9	South	Line P Permanent Emergency Pump Station	Permanent Station to provide emergency supply to South Zone	Assumed at existing location. Additional study necessary to confirm pump flow/size	100 HP	2000 gpm	2	--	* \$1,600,000
WR10	South	Camino Del Rey Emergency Pump Station	Permanent Station to provide emergency supply to South Zone	Assumed at existing location. Additional study necessary to confirm pump flow/size	100 HP	2000 gpm	2	--	\$1,600,000
WR11	South	Dentro De Lomas Permanent Emergency Pump Station	Permanent Station to provide emergency supply to South Zone	Assumed at existing location. Additional study necessary to confirm pump flow/size	100 HP	2000 gpm	2	--	\$1,600,000
WR12	Northside	Northside Emergency Pump Station Connection and Pipeline at Reche Road	Provide emergency supply to Northside zone in case of transmission failure	Upsize ex pipeline rather than providing a new parallel. Pump station similar to other emergency PSs proposed.	16-inch	3700 ft	2	\$285	\$1,050,000
WR13	Northside	Northside Emergency Pump Station Connection and Pipeline at Reche Road	Provide emergency supply to Northside zone in case of transmission failure	Upsize ex pipeline rather than providing a new parallel. Pump station similar to other emergency PSs proposed.	50 HP	1000 gpm	2	--	\$980,000
WR13	North	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	Improve cycling of Rice Canyon tank and serve new development	Project will likely be developer funded	12-inch	3000 ft	2	\$150	\$450,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WR14	Rainbow Heights	Pump Station #1 [Rainbow Heights] Natural Gas Motor Replacements	Improved efficiency and reliability to pressure zone	Cost provided by District, 196k, exclusive of SDG&E requirements and contingencies.	250 HP	2	1	\$150,000	\$300,000
WR15	South	Loop Pipelines In Via Ararat Drive to West Lilac Road	Provide redundant supply and increased looping	Reliability Connection to provide additional looping for increased system pressures.	8-inch	615 ft	2	\$145	\$89,000
WR16	South	Loop Pipelines in Magee Lane to Disney Lane	Loop lines for redundancy and improved fire flow	Could be combined with FF4	8-inch	300 ft	2	\$100	\$30,000
WR18	Morro	Improve Flow Path to Morro Reservoir, Install Parallel 10-inch pipeline on Karl Lane	Provide additional flow path and reduced resistance during Morro filling	Parallel existing pipeline on Karl Lane	10-Inch	2800 ft	3	\$180	\$504,000
WR19	Pala Mesa	Lake Rancho Viejo Permanent Connection	Provide redundant supply to reduced zone	Not shown on Figure 7-1A	8-Inch	150 ft	3	\$145	\$22,000
WR20	South	Integrity Court, connect dead end lines	Provide redundant supply and increased looping		8-inch	1000 ft	3	\$145	\$145,000
WR21	Districtwide	Water System Condition Assessment Program	Provide the District with an accounting of the characteristics of its water system	Integral part of the implementation of an Asset Management Program	–	–	1	--	* \$1,500,000
WR22	Districtwide	Pressure Reducing Station Replacement Program	Replace valves that are aging, under designed and lacking redundancy	Old and small valves and valves with no PR station should be replaced, assumed 20	–	20	1	\$40,000	* \$800,000
WR23	Districtwide	Isolation Valve Installation Program	Reduce shutdowns of service to any area serving 50+ persons	Allow District to serve during Isolated emergencies, assume 50 installations	–	50	1	\$15,000	* \$750,000
WR24	Districtwide	Water System Billing Meter - Systemwide AMI Conversion	Replace existing meters with AMI technology	Instantaneous sales history access. Identify and control leaks and other water losses. Cost estimate provided by District staff	–	–	1	--	* \$3,000,000
WR25	Districtwide	Water System Monitoring Program	Install measuring devices to track flow balance into system and through zones	Identify and control leaks and other water losses, assume 25 installations	–	25	1	\$35,000	\$875,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WR26	Districtwide	New District Headquarters	Construct new District Headquarters to appropriately house staff	Replace aging buildings and provide room for new staff as development occurs	—	—	2	--	\$3,000,000
WR27	Districtwide	Install Permanent Emergency Generators at Pump Stations	Provide system reliability in cases of extended power outage	Include update of all stations to include transfer switches and soft start motors	—	7	3	\$125,000	\$875,000
Fire Flow Projects									
FF1	Pala Mesa	Upsize 6-inch to 8-inch in Via San Alberto	Increase available fire flow	Available flow less than 500 gpm	8-Inch	1,000 ft	1	\$155	\$155,000
FF2	Morro Tank	Upsize 4-inch and 6-inch to 8-inch and 10-inch along Sleeping Indian, Conejo and Caroline Roads	Increase available fire flow	Available fire flow is less than 500 gpm	10-inch 8-inch	1,300 ft 2,000 ft	1 1	\$195 \$155	\$254,000 \$310,000
FF3	North	Upsize 6-inch to 8-inch on Chica Road	Increase available fire flow	Available flow less than 600 gpm	8-inch	1,300 ft	1	\$155	\$202,000
FF4	Canonita	Upsize 4-inch to 8-inch on Lupine Lane	Increase available fire flow	Available flow less than 700 gpm	8-inch	700 ft	2	\$155	\$109,000
FF5	South	Upsize 4-inch and 6-inch to 8-inch at Magee Lane	Increase available fire flow	Available flow less than 700 gpm	8-inch	1,500 ft	2	\$155	\$233,000
FF6	Northside	Upsize 4-inch on Via Chaparral	Increase available fire flow	Available flow less than 700 gpm	8-inch	850 ft	2	\$155	\$132,000
Water Supply Projects									
WS1	South	Weese WTP Permanent Emergency Interconnect and Pump Station	Provide permanent connection to emergency supply source to serve South zone during 2nd Aqueduct outage		50	1,000	1	--	* \$1,200,000
WS2	Northside	Northside Permanent FPUD Emergency Interconnection	Provide emergency supply to Northside zone in case of transmission failure & additional supply during 2nd Aqueduct outage		—	—	1	--	\$150,000

Project No.	Water Pressure Zone	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
								Unit Cost	Total Cost
WS3	Morro Tank	Morro Tank Zone Permanent FPUD Emergency Interconnection	Provide emergency supply to Morro Tank zone in case of fire as portions of the zone do not meet fire flow criteria without increased HGL		-	-	2	--	* \$150,000
Water System CIP Total Cost									\$49,700,000

FIVE-YEAR WASTEWATER CAPITAL IMPROVEMENT PLAN

Existing Wastewater CIP	Total Project Cost	Remaining Budget FY 16/17	Projected Budget FY 17/18	Projected Budget FY 18/19	Projected Budget FY 19/20	Projected Budget FY 20/21	Projected Budget FY 21/22
Hwy 76 Realignment - Caltrans UPSIZE	\$3,200,000	\$97,065	\$404,227	---	---	---	---
Lift Station #1 Replacement, San Luis Rey Interceptor from Mission to LS1, and San Luis Rey Interceptor From LS1 to LS2	\$14,400,000	\$548,378	\$3,000,000	\$6,000,000		---	---
Sewer System Permanent Flow Monitoring	\$130,000	\$130,000	\$130,000	---	---	---	---
On Going Wastewater Projects							
Sewer System Rehabilitation Program	\$2,400,000	\$350,000	\$100,000	\$100,000	\$500,000	\$500,000	---
Sewer System Condition Assessment Program	\$400,000	\$200,000	---	\$200,000	---	---	---
Total Expenditure (Wastewater):	\$20,530,000	\$1,325,443	\$3,634,227	\$6,300,000	\$500,000	\$500,000	---

SIGNIFICANT WASTEWATER CAPITAL PROJECTS

Project No.	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
							Unit Cost	Total Cost
Sewer Projects Recommended Under All Alternatives								
S1	Plant B List Station [LS3], Forcemain and Horse Creek Sewer Abandonment	Abandon old, low, high infiltration sewer and aging LS with deficient wet well capacity	Replaced by Pankley LS and FM & Horse Creek Ridge sewer. 850 ft of FM and approximately 13,650 ft of gravity sewer abandoned	–	–	1	–	\$350,000
S2	Lake Garden Sewer Rehabilitation	Reduce inflow and infiltration, thereby reducing maintenance and treatment costs	3,475 of pipe and 12 manholes to be rehabilitated	8-inch –	3,475 ft 12	1 1	\$80 \$5,250	✓ \$280,000 \$63,000
S3	Rancho Viejo LS [LS5] Wet Well Expansion	Provide 6 hours PWWF storage at Rancho Viejo LS to protect against sewer spills	New wet well should be at least 1400 gal	–	1,400 gal	1	–	\$150,000
S4	Almendra Court Sewer Rehabilitation, I-15 Crossing, Structural Pipe Lining	Rehabilitate freeway sewer crossing which is corroding	Provide system reliability	8-inch	938 ft	1	\$80	\$80,000
S5	Fallbrook Oaks LS [LS6] Rehabilitation and Forcemain Replacement	Rehabilitate existing LS and FM and extend useful life	Replace 6" forcemain with 8"	– 8-inch	– 252 ft	1 1	– \$155	\$200,000 \$39,000
S6	Replace Rancho Monserate LS Emergency Generator	Prevent sewage spill in the case of a power outage	--	–	1	1	–	\$125,000
S7	Sewer System Condition Assessment Program	Provide the District with an accounting of the characteristics of its sewer system	Integral part of the implementation of an Asset Management Program	–	–	1	–	\$400,000
S8	Sewer System Permanent Flow Monitoring	Allow the District to monitor and predict system flows and performance	Greater understanding of sewer generation and control of system	–	5	1	25000	* \$130,000
Sewer Projects – Baseline, District Office Plant Location								
S9	Construct 0.9 MGD Water Reclamation Plant [WRP] at District Office Location	Provide a reliable local water source and water supply offset. Provide sewer outfall within District to avoid exceeding interceptor capacity	Cost per TM #1	0.9 MGD	–	1	–	\$37,000,000
S10 201040	Lift Station 1 Replacement	Replace critical station reaching useful life and wet well with deficient capacity	Cost per TM #1	–	700 ft	2	–	* \$3,300,000

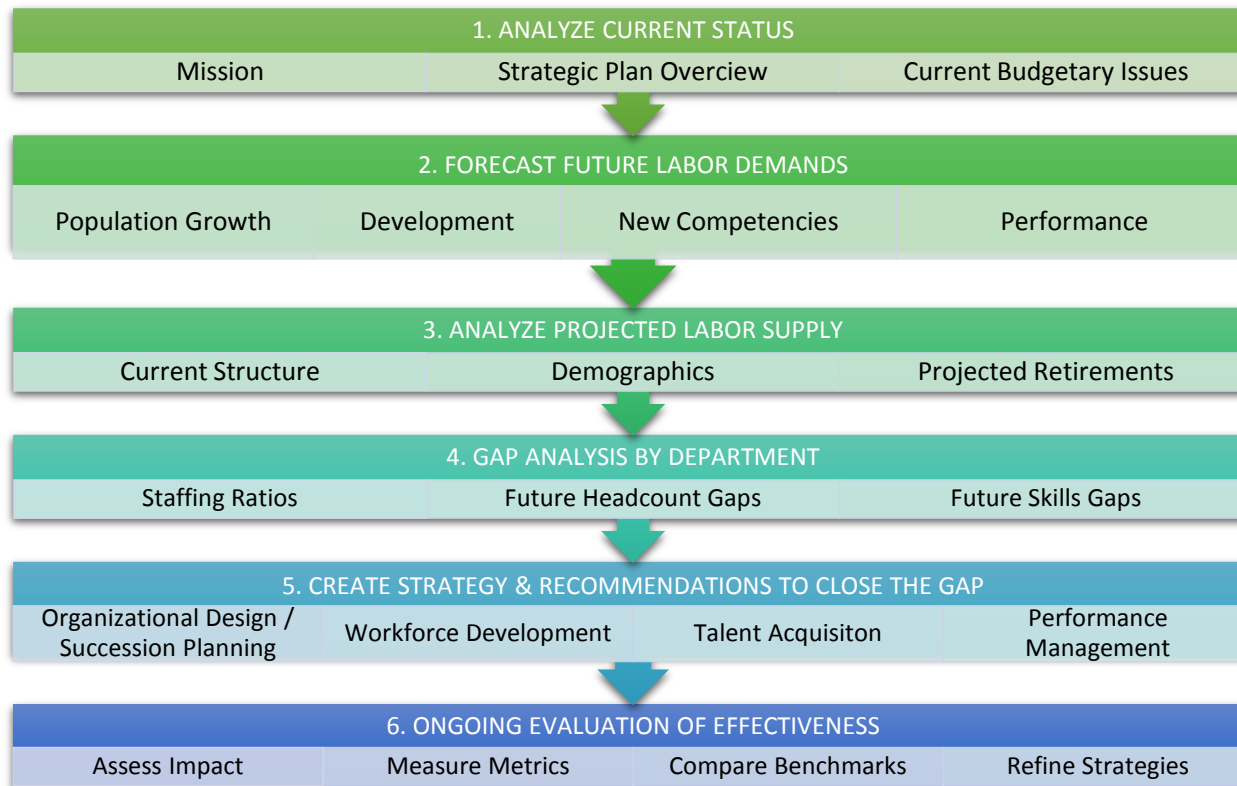
Project No.	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
							Unit Cost	Total Cost
S11	WRP Conveyance [Pump Station and Pipeline] and Failsafe Storage [Beck Reservoir Rehab and Raw Water Connection]	Provide conveyance to storage and storage for treated wastewater	Cost per TM #1	0.9 MGD	–	1	–	\$3,200,000
S12	Sewer System Rehabilitation Program	Rehabilitate and repair existing sewer trunk infrastructure	Keep aging pipes and manholes with no capacity deficiencies in good condition	12-inch 15-inch	–	1	–	\$4,500,000
Baseline Sewer CIP Total Cost								\$49,800,000
Sewer Projects – Baseline, District Office Plant Location								
S9A 201040	Lift Station 1 Replacement and Upgrade	Replace and expand critical station reaching useful life	Cost per TM #1	–	1,800 gpm	1	–	* \$8,200,000
S10A 201260	San Luis Rey Interceptor Replacement from Mission Road to LS 1	Provide adequate conveyance capacity	Cost per District Budget, Highway 76 Realignment - CalTrans UPSIZE	18-inch	7,100 ft	1	–	* \$3,200,000
S11A	San Luis Rey Interceptor Replacement from LS 1 to LS 2	Provide adequate conveyance capacity	Cost per TM #1	18-inch	7,500 ft	1	–	* \$3,000,000
S12A 201266	Sewer Outfall Line RMWD Replacement	Provide adequate conveyance capacity	Previously recommended as a 30-inch pipe. Recommended to be reduced to 24-inches. Unit cost for previous project retained	24-inch	16,000 ft	2	\$27/in-ft	\$10,400,000
S13A	Sewer Capacity Purchase	Provide conveyance and treatment capacity to District customers	Unit Cost per TM #1, Additional flow per MP recommendation of maximum ADF of 1.25 MGD and total forecasted flow of 1.39 MGD	–	0.14 MGD	2	\$20/gpd	\$2,800,000
No Project Alternative Sewer CIP Total Cost								\$29,300,000
Sewer Projects – LS 2 Plant Location (Not shown on Figure 7-2)								
S9B	Construct 1.6 MGD Water Reclamation Plant [WRP] at LS 2 Location	Provide reliable local water source & water supply offset. Provide sewer outfall within District to avoid exceeding outfall capacity	Cost per TM #1	0.9 MGD	–	1	–	\$66,000,000
S10B	WRP Conveyance [Pump Station and Pipeline] and Failsafe Storage [Beck Reservoir Rehab and Raw Water Connection]	Provide conveyance to storage and storage for treated wastewater	Cost per TM #1	0.9 MGD	–	1	–	\$13,900,000

Project No.	Description	System Benefit	Notes	Size	Quantity	Phase	Construction Costs	
							Unit Cost	Total Cost
\$11B 201040	Lift Station 1 Replacement and Upgrade	Replace and expand critical station reaching useful life	Cost per TM #1	–	1,800 gpm	1	–	* \$8,200,000
\$12B 201260	San Luis Rey Interceptor Replacement from Mission Road to LS 1	Provide adequate conveyance capacity	Cost per District Budget, Highway 76 Realignment - CalTrans UPSIZE	18-inch	7,100 ft	1	–	* \$3,200,000
\$13B	San Luis Rey Interceptor Replacement from LS 1 to LS 2	Provide adequate conveyance capacity	Cost per TM #1	18-inch	7,500 ft	1	–	* \$3,000,000
\$14B	Sewer System Rehabilitation Program	Rehabilitate and repair existing sewer trunk infrastructure	Keep aging pipes and manholes with no capacity deficiencies in good condition	15-inch	–	1	–	\$2,400,000
LS 2 Plant Location Alternative Sewer CIP Total Cost								\$98,400,000
Sewer Projects – Changes to Serve Out of District Developments (Not shown on Figure 7-2)								
\$9C	San Luis Rey Interceptor Replacement from LS 1 to LS 2	Provide adequate conveyance capacity	Additional cost per VCMWD Meadowood Memo	21-inch	7,500 ft	1	–	* \$280,000
\$10C 201260	San Luis Rey Interceptor Replacement from Mission Road to LS 1	Provide adequate conveyance capacity	Additional cost per VCMWD Meadowood Memo	21-inch	7,100 ft	1	–	* \$260,000
\$11C	Lift Station 1 Replacement	Provide adequate conveyance capacity	Additional cost per VCMWD Meadowood Memo	–	–	1	–	* \$177,000
Out of District Sewer CIP Additional Cost								\$700,000
¹⁴ RMWD Job Number also listed for existing projects ¹² Includes costs for existing sewer projects and projects recommended under all alternatives ¹³ New facilities required to serve the developments, such as Pankey SLS, to be paid for by developers. Cost participation in other projects, such as the Sewer Outfall Line Replacement, will be required								

PERSONNEL/DEPARTMENT SUMMARIES

PERSONNEL ANALYSIS

Staffing Analysis Process Overview



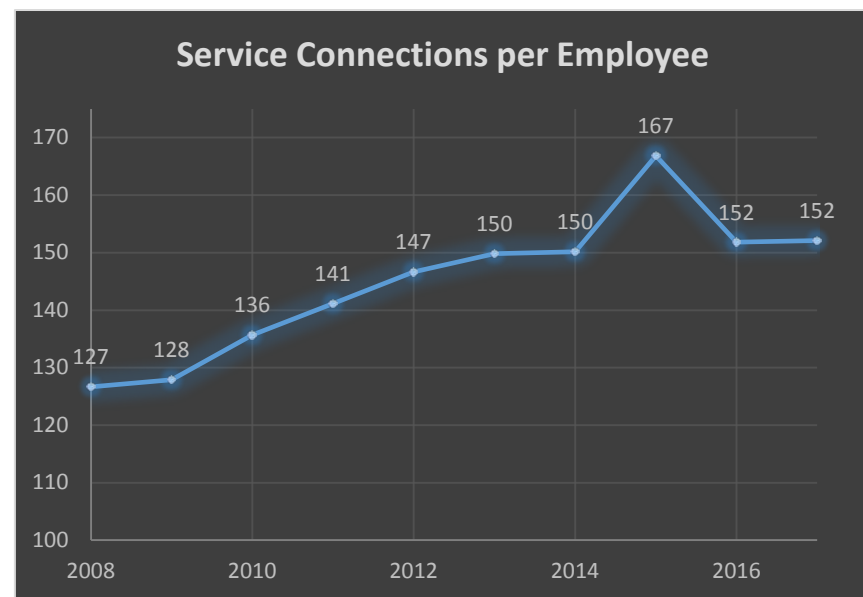
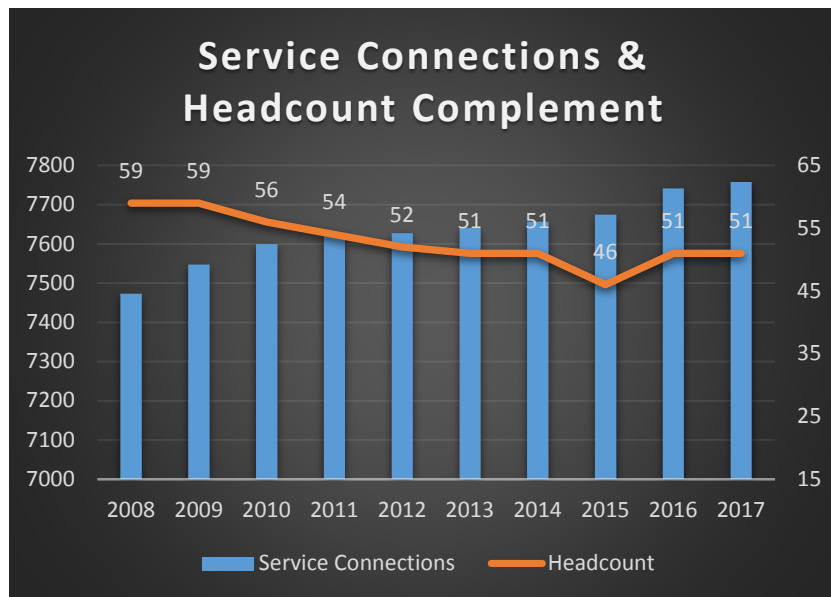
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CURRENT ISSUES

Beginning in 2008, water demands began to decline sharply in response to economic recession, price increases, a new round of drought restrictions, and increased adoption of water conservation measures. These factors have combined to produce a fundamental downward shift in per capita water use. The mandatory water use restrictions in 2015 and 2016 resulted in the lowest water consumption rate since the 1960s at 16,814 acre feet consumed in calendar year 2016.

The number of service connections within the District have increased modestly over the past 10 years, growing 3.8% from 7,473 in 2008 to 7,758 in 2017. Though recent increases were modest, the District projects a dramatic increase in residential development over the next five years.

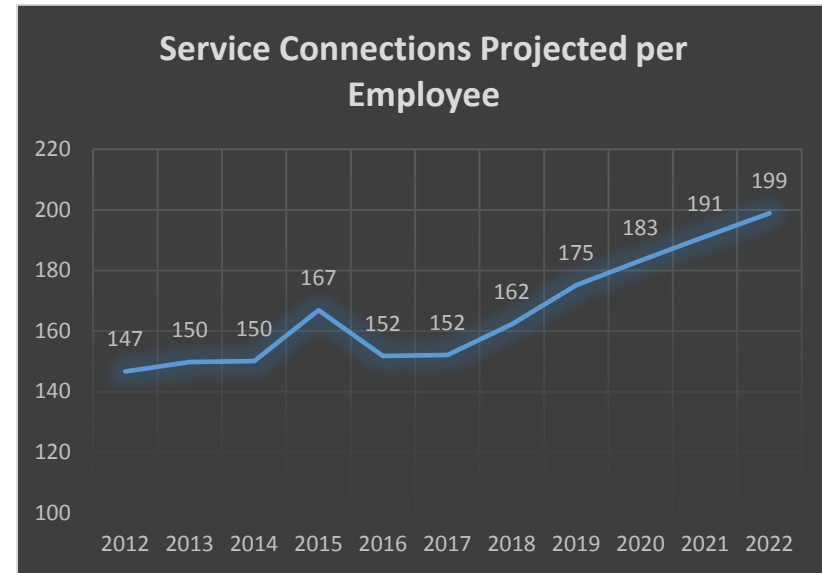
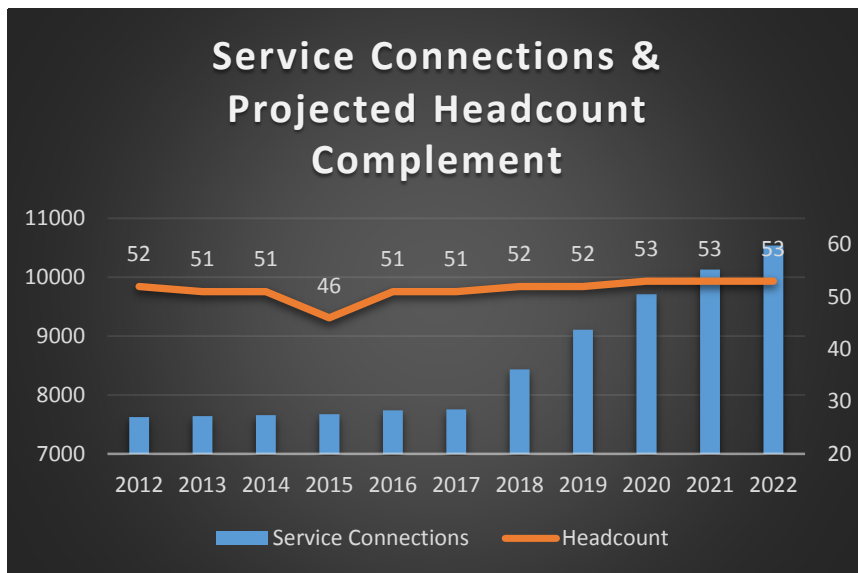
In response to the projected new service connections, the District needs to become more efficient with staff time. The implementation of the Enterprise Asset Management (EAM) system to track labor will help identify opportunities to improve efficiencies, and this Staffing Analysis will outline some additional strategies to address these issues within the constraints of the current headcount.



FORECASTED CHANGES IN DRIVERS OF LABOR DEMANDS

DEVELOPER PROJECTIONS

New housing development had been steady at an average of about 75 new meters per year through 2008, then the recession prompted a dramatic decline. However, several developments have begun building already, and building is anticipated to remain high from the FY 17-18 through the next five years, with total new meter installations exceeding 2,700. As the number of service connections grows, the District will be able to serve more connections per employee by leveraging technology to use labor and other assets more efficiently.



ANALYSIS OF LABOR SUPPLY

CURRENT ORGANIZATION STRUCTURE

The Rainbow Municipal Water District is governed by a Board of Directors composed of five members who are elected by divisions of the District for four-year alternating terms, with the President being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in water issues and financial planning. Operation, maintenance, and administration of the system is carried out under the direction of the General Manager, Tom Kennedy.

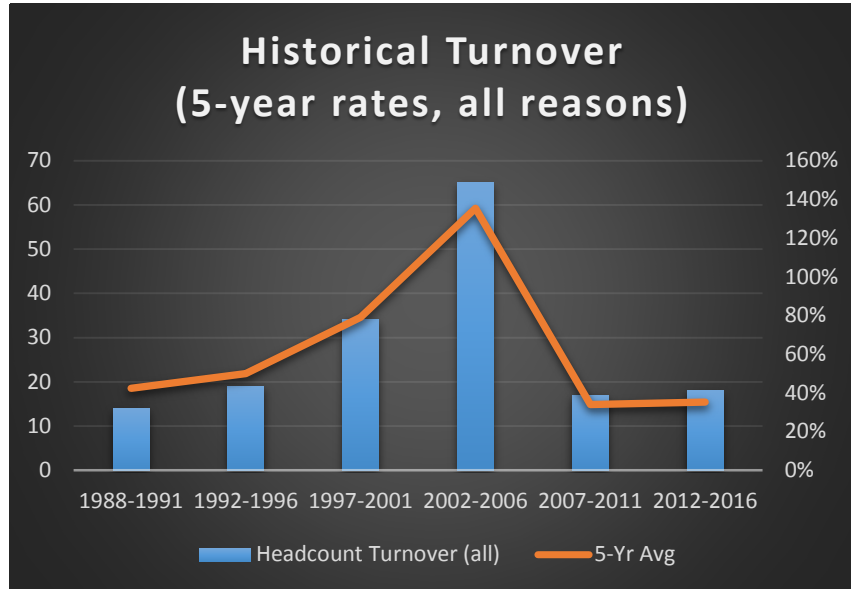
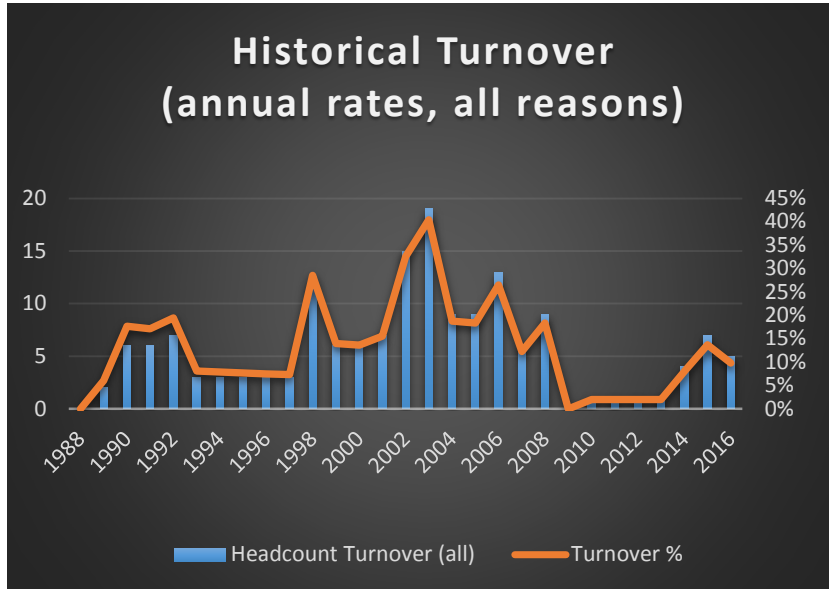
DEPARTMENT / POSITION	FY 15-16 FTEs	FY 16-17 FTEs	FY 17-18 FTEs Recommended
ADMINISTRATION			
General Manager	1	1	1
Executive Assistant/Board Secretary	1	1	1
Administrative Analyst	1	1	1
Human Resources Manager	1	1	1
Human Resources Technician	1	0	0
Safety Administrator	1	1	1
Administration Total	6	5	5
ENGINEERING			
Engineering Manager	1	1	1
Associate Engineer	1	1	1
Information Technology Administrator	1	1	1
Engineering Technician	1	1	1
Engineering Inspector	1	1	1
Administrative Assistant	0.5	0.5	0.5
Facilities and Right of Way Technician	0	0	1
Engineering Total	5.5	5.5	6.5

DEPARTMENT / POSITION	FY 15-16 FTEs	FY 16-17 FTEs	FY 17-18 FTEs Recommended
FINANCE			
Finance Manager	1	1	1
Accounting Specialists	2	2	2
Purchasing / Warehouse Technician	1	1	1
Customer Service Representatives	3	3	3
Meters Crew Leader	1	1	1
Utility Workers - Meters	4	4	4
Finance Total	12	12	12
OPERATIONS			
Operations Manager	1	1	1
Administrative Assistant	0.5	0.5	0.5
System Operations Superintendent	1	1	1
System Operators	4	4	4
Electrical / Electronics Technicians	2	2	2
Water Quality Technician	1	1	1
Wastewater Superintendent	1	1	1
Utility Workers - Wastewater	4	4	4
Construction & Maintenance Superintendent	1	1	1
Fleet Mechanic	1	1	1
Crew Leaders - Construction	2	2	2
Utility Workers - Construction	6	6	6
Crew Leader - Valve Maintenance	1	1	1
Utility Workers - Valve Maintenance	3	3	3
Operations Total	28.5	28.5	28.5
DISTRICT TOTAL	52	51	52

HISTORICAL TURNOVER

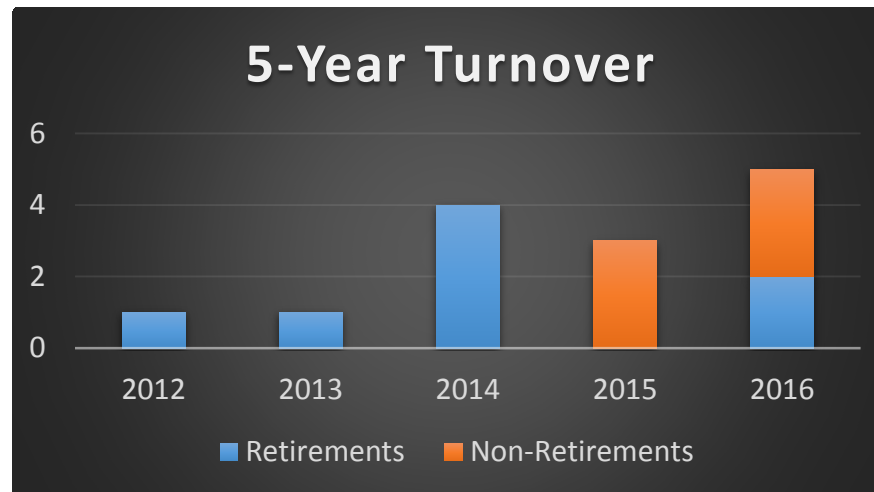
In addition to retirement eligibility, the District should be prepared for some level of non-retirement turnover each year. Historical turnover analysis shows several points of high turnover that were a result of the compensation practices and leadership at the time. The following charts display historical turnover since 1988, the oldest year for which data could be found. Since 1988, the District’s average annual turnover rate has been 6%, and this number can be used as a baseline to anticipate future turnover.

There were two significant spikes in turnover in 1998 and 2003, with one year peaking at 40%. Turnover dropped dramatically during the Great Recession and remained low until after the end of the possible LAFCO merger with Fallbrook Public Utility District.



RECENT TURNOVER

Over the past several years, turnover has stabilized. However, with a complete turnover of the Management team in the past 2 ½ years and a new strategic plan in place, the District is in the process of a culture transformation that includes new values and technology. Organizational shifts of this nature commonly trigger some turnover from employees who may struggle with shifting with the organization. The District has already experienced both non-retirement and retirement turnover in response to the District’s new direction.



ORGANIZATIONAL DESIGN CHANGES

Under the current organizational structure, the span of control of the leadership team ranges from one direct report to 13 direct reports. This creates challenges related to the amount of time each Superintendent or Manager must spend managing teams and writing performance reviews for the larger work groups, and a resource constraint for the smaller groups.

Key recommendations in this staffing analysis includes a shift in reporting structures and departmental organization to balance the span of control more evenly and give high-potential employees more opportunities to develop leadership skills as part of an overall succession planning and retention strategy. The primary shifts would be in the Operations Department, moving the Valve Maintenance division from Construction & Maintenance to Water System Operations, and creating a new division for Technical Services. The impact of the recommended design changes is depicted in the charts below and in the proposed new organizational charts.

Current 2017 organizational span of control by position:

	Supervisory / Lead Direct Reports	Individual Contributor Directs	Indirect Reports
Senior Leaders			
General Manager	4	2	45
Finance Manager	1	10	0
Engineering Manager	0	5	0
Human Resources Manager	0	1	0
Operations Manager	3	0	25
Construction Superintendent	3	10	0
Water Operations Superintendent	0	7	0
Wastewater Superintendent	0	4	0

Impact of recommended 2017-2018 reporting structure changes on span of control by position:

	Supervisory / Lead Direct Reports	Individual Contributor Directs	Indirect Reports
Senior Leaders			
General Manager	4	2	45
Finance Manager	2	9	0
Engineering Manager	0	5	0
Human Resources Manager	0	1	0
Operations Manager	4	3	21
Construction Superintendent	2	7	0
Water Operations Superintendent	2	6	0
Wastewater Superintendent	0	4	0

NEW CLASSIFICATIONS

As a mechanism for filling in functional gaps, balancing span of control, building bench-strength of future leaders for succession planning, and employee retention, there are several new positions recommended to be created, but only one would add to total headcount. More details of each position are in the Department Summaries.

POSITION	BENEFIT TO DISTRICT
Right-of-Way / Facilities Maintenance Technician (1 new headcount)	<ul style="list-style-type: none"> • Maintain safe personnel access to our easements • Prevent and address obstructions to our infrastructure • Have a single position responsible for facilities maintenance, physical security and repairs
Lead Operator (no new headcount)	<ul style="list-style-type: none"> • First-level point of contact for troubleshooting and daily operational issues • Frees Water Operations Superintendent to handle more direct reports • Provide a bridge position for professional development
Technical Services Team Lead (no new headcount)	<ul style="list-style-type: none"> • First-level point of contact for new Technical Services division reporting to the Operations Manager • Helps balance span of control imbalances in other divisions • Provide a bridge position for professional development
Customer Service Team Lead (FY 2018-19; no new headcount)	<ul style="list-style-type: none"> • Provide second-tier support to customers • Train and mentor Customer Service Representatives • Free Meters Crew Leader to return to the field

WORKFORCE DEVELOPMENT

In support of the District's Strategic Plan, continuing workforce development will be integral to meeting future labor and skills demands. Staff recommends four key areas of focus:

1. **TUITION REIMBURSEMENT:** Expanding and promoting the tuition reimbursement benefit to encourage employees to further their education in water technology, technology, business, and other areas that will help prepare the workforce for the future.
2. **CROSS-TRAINING:** Full development and roll-out of a cross training program that creates a flexible workforce that can easily transition from one department to the next to meet fluctuating labor demands.
3. **TECHNOLOGY TRAINING:** Due to the increasing dependency on technology to increase operational efficiency and allow the District to serve a higher number of customers without a linear increase in staff headcount, current and future staff will need ongoing training in this area. Common software training is available through our online training provider, Target Solutions, and additional online or classroom training may also be necessary as technological needs evolve.
4. **LEADERSHIP DEVELOPMENT:** With several leadership positions currently held by incumbents who are now, or will be soon, eligible for retirement, developing a strong "bench" of future leaders will be important for success. In addition, our core values represent traits that are consistent with developing leadership skills at every level of the organization, regardless of position or supervisory status. Investing in "soft skills" and leadership programs at multiple levels of the organizational structure will be a key strategy for future success.

TALENT ACQUISITION

The best opportunity to ensure a highly qualified workforce is to ensure the hiring process is designed to identify and select candidates with the best qualifications to meet the needs of the position. Every step of the hiring process, from the advertising source, to the application and interview process should be designed to find and attract the right candidates. For some positions, starting with a temporary position may be a viable solution to evaluate the efficacy of the position design, as well as "test drive" possible future applicants for a full-time role.

The new applicant tracking software that was implemented earlier this year, NEOGOV's Insight, will facilitate better online advertising and pre-screening of applications with supplemental questionnaires and scheduling of pre-interview assessments. In addition, developing robust behavioral based and situational interview questions will help the hiring panels to evaluate each candidate's likely success in the role.

PERFORMANCE MANAGEMENT

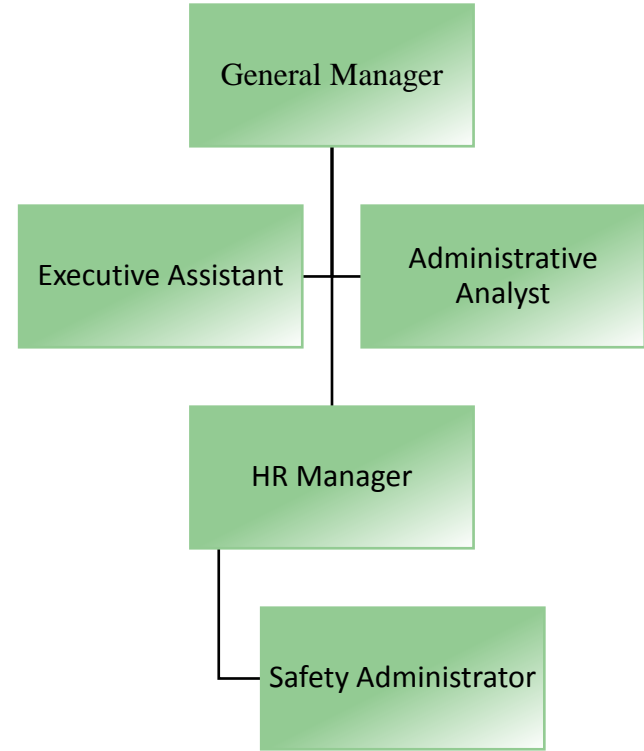
To meet the District's future service and performance needs, a focus on continuous improvement and efficiency will be essential. Staff recommendation is to redesign the Performance Evaluation metrics and process in fiscal 2017-2018. The new system should focus attention on operating in alignment with our strategic goals, our values, and specific performance criteria for each position in the organization.

ONGOING EVALUATION OF EFFECTIVENESS

In conclusion, this Staffing Analysis is designed to be a living document that will be updated annually. Each year, the District's leadership team will assess the impact and success of the organizational structure, workforce training and development plans, key performance indicators, and industry benchmarks to update the recommendations for the next five years.

ADMINISTRATION DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
General Manager	1.00	1.00	1.00	1.00
Human Resource Manager	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Administrative Analyst	0.00	1.00	1.00	1.00
Human Resource Tech.	0.00	1.00	0.00	0.00
Department Total	3.00	5.00	4.00	4.00



Responsibilities:

The Administration department encompasses the General Manager, Human Resource, Conservation, and the Executive Assistant.

The General Manager, Tom Kennedy has the overall responsibility for District policy development and activities, including water resources planning, water distribution, wastewater collection, treatment, disposal, fiscal management, administration, engineering, human resources, and overall operation of District functions and programs. The position is responsible for accomplishing District goals and objectives, advising and providing recommendations to the Board, and for implementing the policies of the Board on an ongoing basis. Develops and implements long and short-range plans to ensure attainment of District objectives. The General Manager works closely with the Board of Directors, organizations, and appropriate federal and state agencies regarding District programs. Coordinates the preparation and presentation of various agendas, reports, and written materials. Reviews and approves all District contracts and may negotiate contract terms.

Mr. Kennedy acts as the District Employee Relations Officer, meets and confers with employees for wages, benefits, and other working conditions. Prescribes the duties of employees; fixes and alters employee's compensation pursuant to Board policy. Holds regular management meetings to communicate expectations, receive feedback, resolve problems, discuss issues, develop trusting relationships, provide motivation and employee recognition, stay abreast of staff's work activities, and provide required resources for work assignments.

Additionally, the GM makes final interpretations of District regulations and ordinances, codes, and applicable laws with direction from legal. Directs the preparation and administration of the annual budget for the District. Ensures that the District is in compliance with all contractual and legal requirements regarding water supply and wastewater treatment. Determines staffing levels for the District. Responds to and resolves difficult citizen inquiries and complaints.

The Human Resource department's primarily responsibility is to provide information and interpretation to employees, other agencies, the public and others concerning District employment opportunities, requirements, benefits, policies, procedures, bargaining agreements, and related information. Understand, interpret and apply Federal, State, and District rules and regulations related to human resources such as the Uniform Guidelines on Employee Selection Procedures, Family Medical Leave Act, Americans with Disabilities Act, Fair Labor Standards Act, Consolidated Omnibus Budget Reconciliation Act, California Family Rights Act, California Pregnancy Disability Act, and California Labor Code. Plan and implement recruitment activities; conduct studies of selection procedures; and assist

in the analysis and improvement of employment practices with regard to equal opportunity and job relatedness. Conduct job analyses of various positions to establish job-related qualifications by gathering information through interviews, and through observation and analyses of duties and responsibilities. Conduct classification studies of individual classifications or series of classifications and develop or update classification specifications. Coordinate with the District's Safety and Risk Administrator on Workers' Compensation and safety matters. Conduct investigations into various personnel issues, reach conclusions, and make recommendations.

Conservation administrator researches and analyzes customer's water use records. Answers consumer inquiries in person and by telephone regarding water use and water conservation programs. Participates in a variety of water management and conservation programs, such as conducts interior and exterior water audits for a different types of character of service users. Prepares and distributes necessary correspondence, reports, and records to District customers and employees. Acts as the liaison between stakeholders and the District when a claim is made by a customer. If necessary will prepare and conduct water conservation presentations for the public.

The Executive Secretary to the General Manager performs a wide variety of secretarial, clerical and administrative duties. Receives and transcribes confidential dictation, acts as Secretary to the Board. Prepares, assembles and distributes agenda materials for regularly scheduled and special Board meetings. Attends Board meetings, takes notes, prepares accurate minutes of such meetings, and after review and approval, maintains official records of such minutes. Follows up after Board meetings to ensure that materials are distributed, actions are taken, and individuals or organizations are notified. Receives and screens visitors and provides factual information which may require the use of judgment or the knowledge and interpretation of the District's rules, regulations, policies and ongoing projects. Assigns resolution and contract numbers as required. Schedules appointments; prepares and keeps meeting calendars. Coordinates Board and management meetings and retreats and makes travel and conference arrangements. Protects the confidentiality of information privy to executive management.

Major Accomplishments: Fiscal Year 2016-17

- Awarded a professional services agreement with Nobel Systems, Inc. for Geoviewer online, Geoviewer mobile, Infor enterprise asset management integration, and Springbrook customer service software integration
- Issued an RFP for General Counsel Services and provided support to the Board in selection of a new General Counsel.
- Added new health plan options and fund health savings accounts for employees who elect high-deductible consumer driven health plans.
- Accepted a service level agreement with NeoGov for performance management, onboarding, and applicant tracking software
- Negotiated a series of agreements with San Diego Gas and Electric and Itron Inc for the procurement of advanced metering infrastructure (AMI) meter reading hardware, software, and implementation services for a pilot project to demonstrate feasibility of a ground breaking AMI system that would operate using San Diego Gas and Electric's meter network and save the District's ratepayers millions over traditional AMI deployment methods.
- The General Manager received the Special District Administrator Certification from the Special District Leadership Foundation following an application process and examination.

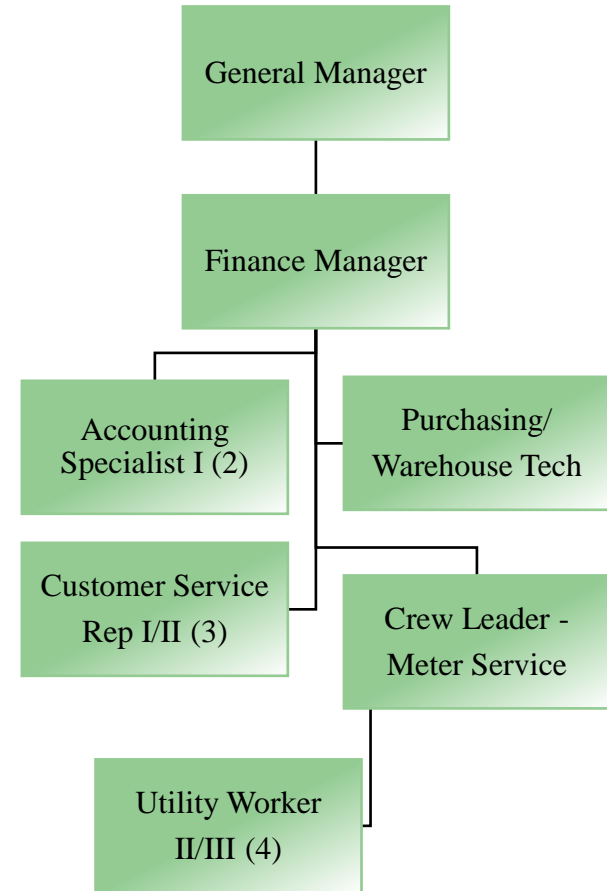
Objectives: Fiscal Year 2017-18

- Maintain education and training opportunities to ensure continuous improvement and learning for all staff.
- Promote tuition reimbursement program to employees.
- Conduct performance evaluation training for Superintendents and Managers.
- Develop a cross training program to help build internal capacity.
- Create a succession planning process to identify, assess and develop employees who exhibit potential.
- Implement cost effective employee recognition program to acknowledge performance, encourage development and improve morale.
- Employee Recognition Banquet, Anniversary Award Recognition, Quarterly Birthday Luncheon and Anniversary.
- Create a safety culture for the District workforce and promote safe work practices.
- Ensure continuous Board development and participation in industry-related activities.
- Conduct a salary/compensation survey.
- Meet with bargaining units for open negotiations.
- Implement Asset Management System, initiate use of System on day to day basis.

- Develop long-term asset rehabilitation schedules.
- Expand public outreach, information and education. Complete re-design of monthly customer bills.
- Ensure that District website is a valuable resource that meets the needs of customers.
- Improve FAQ section.
- Improve customer access to information about district activities and shutdowns.
- Enhance education program in local school system.
- Implement district facility tours for interested members of the public.
- Create waiver forms for public attendees.
- Set up quarterly tours.
- Improve communications between Board advisory committees and Board of Directors.

FINANCE DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Finance Manager	1.00	1.00	1.00	1.00
Accounting Specialist	1.00	2.00	2.00	2.00
Purchase/Warehouse Tech	1.00	1.00	1.00	1.00
Customer Service Rep. I/II	3.00	3.00	3.00	3.00
Crew Leader – Meter Service	1.00	1.00	1.00	1.00
Utility Workers II/III	4.00	4.00	4.00	4.00
Department Total	10.00	11.00	12.00	12.00



Responsibilities:

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

The Finance section of the department is primarily responsible for developing and administering the District's fiscal policies and budget. Provides the General Manager and Board of Directors with periodic reports on the District's financial condition. Prepares monthly financial statements in accordance with generally accepted accounting principles and reporting standards. Manages a centralized function for the purchasing, warehousing, and inventory control of material and supplies. Coordinates the annual audit of the financial records by an independent accounting firm. Prepares invoices for amounts due; prepares correspondence regarding various accounts; classifies and verifies invoice charges to proper ledger and budget accounts. May consult with District personnel concerning accounting records and procedures. Calculates and reviews current and historical cash flow projections, determines excess District funds, and makes recommendations for allocation and investment. Provides technical assistance and guidance for the management related to financial matters; articulate financial concepts to the Board of Directors, staff and members of the public. Submits accounting reports required by the State Controller's Office and to other agencies. Prepares analyses of revenues, expenditures, water usage, CIP costs and other special projects as required. Provides internal control of District financial and accounting and procedures.

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

The Meter Service section of the department is primarily responsible for reads and records readings of water meters. Investigates and resolves meter maintenance and service problems and makes repairs. Monthly read meters on assigned routes according to predetermined schedules using an electronic, hand held meter reading device; repair, replace, and test water meters; clean and replace meter boxes. Applies District procedures when investigating and reviewing with customers a variety of water service problems. Perform flow and pressure tests as needed on customer services. Interpret and read maps, to locate services utilizing Geoviewer software. Maintain daily records of work performed, time, materials and equipment. Operate water system valves and hydrants as required; reports hazardous field conditions. Verifies and reports service information corrections; respond to service orders issued by the customer service staff update and record findings into Utility Billing software.

Major Accomplishments: Fiscal Year 2016-17

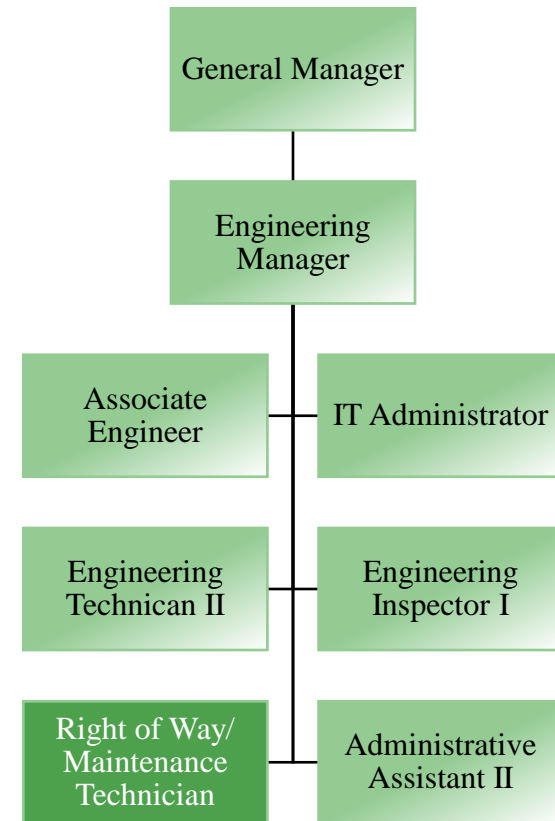
- Developed Annual Budget in compliance with GFOA standards – the Finance staff worked diligently on FY 16-17 budget to adhere to the criteria requirements of GFOA budget standards, in hopes of obtaining the Distinguished Budget Presentation Award. The report was submitted to GFOA for possible consideration, and we are proud to have met and received Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2016-17 budget.
- Transitioned the Utility Billing, Purchase Order, and Fixed Assets system to Springbrook.
- Switched Online Payment provider that has real time payment processing and posting into the utility billing software.
- Issued a Request for Proposal for auditing services for a term of three years starting in FY 2016-2017.
- Approved a resolution adopting water service increase for pass through water charges and annual inflation adjustment and increase the backflow fees for full cost recovery
- Awarded a Professional Services Agreement with Infosend, Inc., for document printing and mailing services of utility bills

Objectives: Fiscal Year 2017-18

- Continue to create budgets in compliance with GFOA standards, for the second consecutive year.
- Enhance payment options to our customers by implementing an Interactive Voice Response (IVR) payment system that automates payments by phone, satisfying the needs of the customers who prefer to pay by phone while reducing customer support expenses. The system will allow payments by ACH, debit and credit cards with the flexibility to make payments 24/7.
- Monitor other organizations/industries to identify innovations, best practices and ways to improve the customer experience.
- Ensure predictable rates that are aligned with community expectations, while maintaining fiscal responsibility.
- Cultivate a strong customer oriented mindset among all employees.
- Efficiently process utility bills and collections for approximately 7,800 utility accounts with minimal errors.
- Manage the routine water meter maintenance program to ensure accurate accounting of water in the distribution system and billing to customers
- Reduce water loss by scheduling tests and repairs on water meters as required or requested.
- Proactively manage and maintain sustainable employee benefits.
- Implement a Continuous Improvement Process for all district operations.
- Develop and present Management Guidelines for Quality Control Initiative (QCI) and commence management training.
- Create Quality Control Committee consisting of management and employees and kick off detailed departmental QA/QC planning.
- Complete QCI program development and commence implementation of program.
- Complete feasibility studies for enhancing the delivery of information to customers through technologies such as Advanced Metering Infrastructure.

ENGINEERING DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Engineering Manager	1.00	1.00	1.00	1.00
Associate Engineer	0.00	1.00	1.00	1.00
IT Administrator	0.00	1.00	1.00	1.00
Engineering Inspector I	1.00	1.00	1.00	1.00
Engineering Technician II	0.00	1.00	1.00	1.00
Administrative Technician II	1.50	0.50	0.50	0.50
Right of Way/Maint Technician	0.00	0.00	0.00	1.00
Department Total	3.50	5.50	5.50	6.50



Responsibilities:

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

Engineering is primarily responsible for the management and execution of the Capital Improvement Program for water and wastewater, the timely completion and sound financial management of such projects and development services and inspection of District infrastructure. Oversees and administers District and developer projects, including design and construction of water and wastewater facilities, construction specifications and engineering plans to assure conformance with District standards and requirements. Prepares monthly report of information regarding department workload, number of customers served, project update, and provides report to Board of Directors. Maintains accurate records, reviews and maintains base maps and construction drawings in support of engineering activities; updates maps, adding new facilities, and verifying and revising accuracy of facilities on maps. In the absence of a GIS technician onsite, contracts with a consultant for the majority of GIS work, which include adding new infrastructure, updating and hosting maps online and providing District records in easy to find geographical references. Develops and prepares complete procurement solicitation and schedules for Notice of Inviting Bids, Request for Proposals and Request for Quotes for Capital Improvement and other projects. Reviews and processes District contracts and invoices in compliance with District policy, the public contract code and contract terms. Processes improvement plans, grading plans, subdivision maps and engineering's cost estimates; prepares quantity and cost estimates for varied projects; prepares construction agreements, fee letters, contract documents and other related legal documents relating to District improvements and developer projects; acquire and reviews documents for conformance of District requirements. Maintains the District planning documents including water and wastewater master plans, Urban Water Management Plan and any other long range planning documents; capacity fees and engineering fees. Develops and updates policies and procedures and guidelines for the current and future development of District water and wastewater systems.

Engineering Customer service provides a wide variety of services to the public, which include San Diego County (County) Form processing, public inquires on facilities and projects, Geographical Information Systems (GIS), maps and record drawings. Responsible for performing a variety of direct customer contact and office support activities supporting the payment of appropriate capacity fees for water and wastewater and inspection of the installation of new water and sewer laterals; serves as a front-line customer support working with the public in person, over the phone and in response to website inquiries. Responsible for processing new service requests, downsizing or upsizing meters, and providing the public information regarding the process to complete the installation of a new service to District standards. Processes applications, fees and deposits for construction meters in coordination with the Customer Service Department. Reads and interprets improvement plans and facility maps for a variety of information for the public, engineers, consultants

and other departments. Processes County documents related to water and sewer availability, agency clearance forms and other documents related to developments. Explains regulations and policies and procedures to interested parties.

The Information Technology Administrator performs information systems support related to user support, desktop and network computer systems, hardware and software installation, troubleshooting and maintain the District's computer systems. Supervises the purchases, inventory, maintenance and disposition of computing and communication devices, hardware and software. Audits invoices and billing statements related to IT purchases. Makes recommendations and performs installation of a variety of equipment and software; upgrades and modifies existing systems in accordance with procedural guidelines. Schedules and completes work to move, connect, change, install, repair, test, or remove equipment such as personal computers, cables, and wires; modifies equipment in accordance with approved user requests. Provides technical assistance and support to users and demonstrates system operations or techniques as needed. Provides training for users in new technology, hardware and software. Maintains records of software licensing agreements and ensures compliance with licensing agreement; supports maintenance of management system. Directs the developing and maintaining of interfaces among District systems such as GIS, online and mobile GIS, Asset Management software, SCADA, finance software, Automated Metering Infrastructure, and updates District website. Maintains and updates software testing environments. Performs and monitors system backups and monitors server performance and system logs. Participates in researching and evaluating current and new network hardware and software. Prepares and maintains audio and visual equipment and sets up laptop computers in District's board meeting room and training room. Provides support for SCADA hardware, laptops and VPN. Provides support for mobile devices and management. Establishes network controls to reduce external risks to data and infrastructure.

Major Accomplishments: Fiscal Year 2016-17

- Completed Feasibility Study on Water Reclamation Plant.
- Updated the Water and Wastewater Standards Manual.
- Completed the Asset Valuation and Capacity fee Study. Present findings to the Engineering Committee and Board with close coordination with the Building Industry Association and recommend approval of updated capacity fees.
- Processed and coordinated various developer projects through design and or construction phases. Project managing and inspecting the following development jobs: Golf Green Estates (Rio Estrellas), Horse Creek Ridge and Pala Mesa Highlands.
- Organized, revised and updated language in the administrative code on Title 6 Engineering, Title 8 Water and Title 9 Sewer
- Processed and coordinated the installation and inspection of 18 meters
- Processed 20 San Diego County availability letters

Objectives: Fiscal Year 2017-18

- Complete the Knottwood Way Waterline Loop and Pressure Reducing Station. Complete the installation of the permanent SDCWA pump stations on West Lilac and Moosa Canyon.
- Complete the Weese Interconnect and Pump Station project.
- Complete the Pump Station #1 Upgrades.
- Complete the SR 76 widening and sewer upsize.
- Initiate recommended “next steps” from San Luis Rey Groundwater Supply Study.
- Finish developing a Condition Assessment program for water and wastewater.
- Finish developing long-term asset rehabilitation schedules.
- Finish projects on budgeted CIP list, which include permanent facilities for the San Diego County Water Authority shutdowns, system pressure regulation, and facility improvements for redundancy, reliability and expansion for new development.
- Engineering processes reviewed and streamlined to improve management of projects and development – On going
- Review current policies with the Engineering Committee and develop recommendations for Board consideration – On going

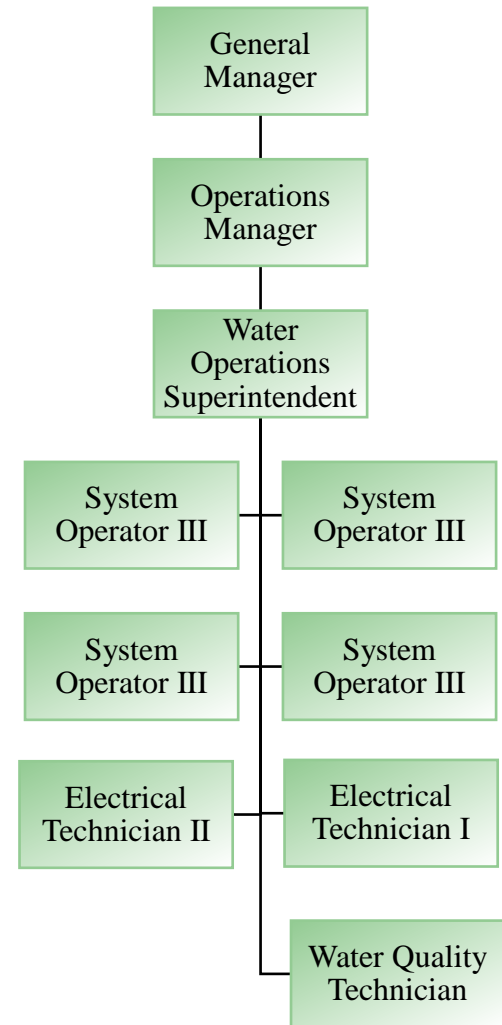
Performance Measures:

Activity	Criteria	Target
Administration		
Timely completion of the report packages and minutes for the Engineering Committee and report packages Board of Directors meetings	Completed within monthly scheduled deadlines	100%
Timely review and execution of contracts	Within 10 days	80%
Project Management		
Develop proposed FY Capital Improvement Program	FY CIP budget approval	June 2016
Completion of all assigned projects in a cost effective manner	% of actual cost compared to budgeted cost	Less than 110%
Complete assigned projects	% of assigned projects completed and timing of completion	80%
Timely update of Geoviewer once plans approved and once record drawings received for District CIP and developer projects	Within 2 weeks of receiving sent to consultant to update	100%

Customer Service		
Customer technical inquiries and request for information responded to in a timely manner (phone, maps, fees, new services, policy and procedures)	Within 2 business days	100%
Development Services		
Timely processing of San Diego County forms (water availability, agency clearance, and condition approval letters)	Within 1 week of receiving	100%
Timely completion of standard plan checks	Completed and returned within 2 weeks	100%
Timely review of submittal packages from contractors	Completed and returned within 2 weeks	100%
Detailed inspection reports for facility installations	Completed daily	100%
Percent of problems identified in the field and corrected	Contractors notified immediately to correct	100%
Information Systems		
Reliable and dependable network performance	Hours of network instability and downtime during business hours	Less than 9 hours
Help desk tickets completed in a timely manner	Resolve tickets within 2 days	80%
District functions secure from external malicious threats	% of threats blocked	100%
Website updated with latest Engineering Information and Updates to forms	Within 2 days of receiving information	100%

OPERATIONS DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Water Ops. Superintendent	1.00	1.00	1.00	1.00
System Operator II	4.00	4.00	4.00	4.00
Water Quality Technician II	1.00	1.00	1.00	1.00
Electrical Technician II	1.00	1.00	1.00	1.00
Electrical Technician I	1.00	1.00	1.00	1.00
Department Total	8.00	8.00	8.00	8.00



Responsibilities:

System Operations is responsible for the operating the potable water system in a manner that ensures reliable and sustainable deliveries to District customers. To accomplish this, Water Operations utilizes a Supervisor Control and Data Acquisition (SCADA) system that controls water flow and storage through the District's distribution system. Additionally this area performs various maintenance, monitoring, and evaluations of the District's storage reservoirs, tanks, pump stations, and chlorine booster and monitoring stations. Provide routine maintenance and repairs for all pumps in the distribution system. This enhances customer satisfaction by enabling the District to provide reliable and sustainable services to its customers by maintaining the system that keeps the services flowing.

Electrical and SCADA Services primary responsibility is to maintain all electrical, electronic, instrumentation, associated control data networks, and SCADA systems and their networks that are used to supply water to District customers as well as systems that treat water. This group also provides support to other departments as needed. Additionally, the electrical services group continues to revise operating systems for efficiency and ease of operation. Monitor District facilities for electrical violations and safety hazards to maintain an electrically safe environment.

Water Quality is responsible for protecting the public health while ensuring the District delivers high quality water to its customers. To accomplish this, Water Quality investigates and resolves water quality issues, customer inquiries, and complaints; maintains a system of sampling; completes analysis and regulatory reporting; operates and maintains systems for disinfection; and implements and supports District projects.

Major Accomplishments: Fiscal Year 2016-17

- Completed assessment of all the Districts Pressure Stations and established replacement priority for the top ones;
- Four new SCADA panels and communication panels installed;
- U-1 Pump Station #3 motor and Huntley pump station #1 motor were both serviced and rewound;
- Plan and implemented the three temporary pump stations for the SDCWA shutdown in February;
- Five inspections performed on water tanks and external repairs made as needed;
- Two tanks washed out and disinfected; two covers cleaned at reservoir sites;
- Pala Mesa Tank seismic valve serviced and tested (bi-annually).

Objectives: Fiscal Year 2017-18

STRATEGIC FOCUS AREA	FISCAL YEAR 2017-18 INITIATIVES
1	<ul style="list-style-type: none"> • Determine feasibility of the interconnect with the Weese Filtration Plant; • Determine feasibility of the interconnect with the SDCWA (Formerly Valley Center’s Connection VC #4); • Complete installation of two permanent pump stations for SDCWA shutdowns (Moosa Crest & Line P); • Complete rehabilitation of Pump Station #1.
2	<ul style="list-style-type: none"> • Develop Preventative Maintenance schedules in Enterprise Asset Management system (EAM) for water facilities; • Pursue maintenance on existing facilities that meets/exceeds industry standards; • Effectively utilize the District’s EAM system as a management tool for optimizing RMWD activities.
3	<ul style="list-style-type: none"> • Assist HR in the revision of Job Descriptions; • Assist HR in the configuration and implementation of NeoGov.
5	<ul style="list-style-type: none"> • Maintain the highest level of water quality within RMWD’s water distribution system.
6	<ul style="list-style-type: none"> • Establish and facilitate district facility tours of water facilities for interested members of the public.

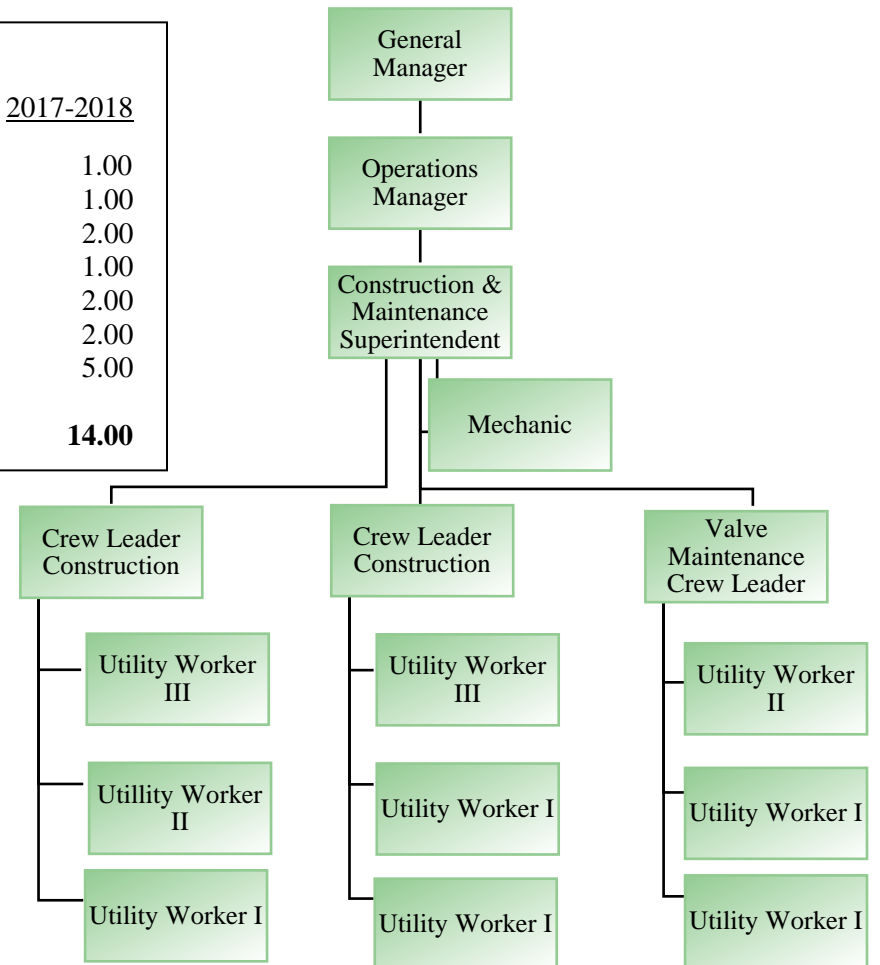
Performance Measurement Indicators:

ACTIVITY	CRITERIA	TARGET 2017-18
Respond to system alarms in a timely manner.	Check system within 5 minutes of alarm and respond within 30-minute requirement.	90%
Prompt reporting to Department of Health Services; Timely completion of SWRCB-DDW Reports and monthly scheduled maintenance.	By deadline required under state regulations; Reports submitted by the 10 th day of the following month.	100%
Compliance with SWRCB-DDW discharges.	Prevent discharge order violations.	100%
Prompt collection of water quality samples.	By deadline required under state regulations.	100%
Timely response to customer calls and cross-connection inspection requests.	Return phone call within 12hrs or next business day; 5 days for inspection requests.	100%

Effectively and efficiently maintain District-owned assets and specialized equipment.	Complete 95% of preventative maintenance on schedule.	100%
Ensure adequate water supply is maintained to meet the needs of our customers and to satisfy fire requirements.	Assure all tanks and reservoirs are maintained at an adequate level in order to meet the demands of the District.	100%
Complete all preventative maintenance including monthly dead-end flushing activities throughout the District.	Plan and execute monthly preventative maintenance and dead-end flushing activities with customer outreach/notification.	100%

CONSTRUCTION & MAINTENANCE DEPARTMENT

Personnel Level:				
Position(s):	<u>2014- 2015</u>	<u>2015 – 2016</u>	<u>2016 – 2017</u>	<u>2017-2018</u>
Const./Maint. Superintendent	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00
Crew Leader - Construction	2.00	2.00	2.00	2.00
Crew Leader - Valve Maint.	1.00	1.00	1.00	1.00
Utility Worker III	2.00	2.00	2.00	2.00
Utility Worker II	2.00	2.00	2.00	2.00
Utility Worker I	5.00	5.00	5.00	5.00
Department Totals:	14.00	14.00	14.00	14.00



Responsibilities:

Construction and Valve Maintenance Services is dedicated to accomplishing its mission in a cooperative team-oriented environment that emphasizes quality, safety, and customer service. The most critical function of the Construction & Maintenance is to maintain and repair the infrastructure of the District. This department is responsible for the repair and maintenance of the District's water distribution system, ensuring the District provides reliable and sustainable services to its customers along with responding to emergency calls 24 hours per day is critical to providing uninterrupted service to our customers.

The Mechanic Maintenance Function falls under the Construction and Maintenance Department, known as the District Garage provides maintenance and recordkeeping of all District vehicles and heavy equipment, which keeps the fleet running and ready to respond. Additionally, this area also maintains and makes repairs to all other miscellaneous small hand tools and field equipment.

The timely completion of these functions enables responsive customer service and reliable water and sewer services.

Major Accomplishments: Fiscal Year 2016-17

- Worked with Engineering to complete the installation of the PRV on Laurel Valley Drive;
- Replaced 100' of 12" water main on Sleeping Indian;
- Continue supporting the updates for Geoviewer;
- Strive for higher education and attend training opportunities to satisfy State Certification requirements;
- Respond to 100% of service and water mains leaks with minimal interruption to customers;
- Implemented a Standard Operating Procedure to properly and efficiently shut off meters prior to de-energizing water mains and thoroughly flush the distribution system prior to re-energizing the water main;
- Received a satisfactory rating for BIT inspections;
- Began constructive use of the Enterprise Asset Management (EAM) system by entering data for water mains and service leaks in the EAM;
- Valve Maintenance crew averaged 300 valves exercised per month.

Objectives: Fiscal Year 2017-18

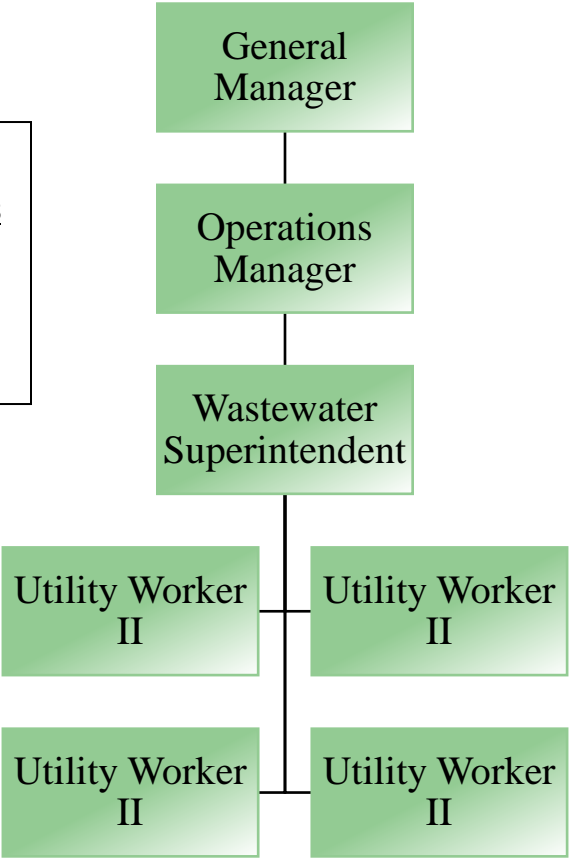
STRATEGIC FOCUS AREA	FISCAL YEAR 2017-18 INITIATIVES
2	<ul style="list-style-type: none"> • Develop Preventative Maintenance schedules in EAM for water infrastructure; • Pursue maintenance on existing facilities that meets/exceeds industry standards; • Effectively utilize the District’s EAM system as a management tool for optimizing RMWD activities; • District Wide Pressure Management – Install two pressure stations to manage high pressure areas.
3	<ul style="list-style-type: none"> • Assist HR in the revision of Job Descriptions; • Assist HR in the configuration and implementation of NeoGov.
5	<ul style="list-style-type: none"> • Improve overall level of customer service during planned water interruptions/emergency shutdowns.
6	<ul style="list-style-type: none"> • Improve customer notifications.

Performance Measurement Indicators:

ACTIVITY	CRITERIA	TARGET 2017-18
Respond to all water distribution system water leaks in a timely manner that meets or exceeds District standards.	Repair of water mains and service leaks with minimal impact to customers.	100%
Stay consistent with valve exercising/mapping.	Exercise and updating Geoviewer map with an average of 300 valves per month.	100%
Planned/unplanned water interruptions and shutdowns due to main or service leak repairs, valve installation and/or replacements.	Properly, appropriately and efficiently notify affected customers, shutoff water meters prior to de-energizing water main and thoroughly disinfecting/flushing distribution system prior to re-energizing water main and putting back in service.	100%
Complete preventative maintenance on all water distribution system appurtenances (fire hydrants/air-vac/blow-offs).	Complete EAM monthly routine schedule for all water distribution system appurtenances.	90%
Timely completion of permanent asphalt/concrete pavement due to major water main repairs/replacement (piping/valves).	Complete permanent asphalt/concrete pavement within 15 days of water distribution infrastructure repair/replacement.	90%
Coordinate with Engineering on the completion of assigned Capital Improvement Projects	Meet completion dates and budget for assigned Valve Installations and Pressure Station CIP Projects and assist Engineering as needed.	90%
Maintain heavy duty trucks and equipment to DOT standards	Receive a satisfactory rating for the 2017 CHP BIT Inspection	100%

WASTEWATER DEPARTMENT

Personnel Level:				
Position(s):	<u>2014 – 2015</u>	<u>2015 – 2016</u>	<u>2016 – 2017</u>	<u>2017-2018</u>
Wastewater Superintendent	1.00	1.00	1.00	1.00
Utility Worker II	4.00	4.00	4.00	4.00
Department Totals:	5.00	5.00	5.00	5.00



Responsibilities:

Wastewater Division is responsible for protection of public health and the environment. Providing reliable and sustainable wastewater collection and pumping services to its District’s customers. Additionally, this area is responsible for accomplishing its duties in prudent manner by completing its tasks using effective management practices and ensuring and environmentally responsible operation.

Major Accomplishments: Fiscal Year 2016-17

- 2016-2017 Worked in conjunction with Caltrans and Ames Construction in the removal, bypass of sewer lines and manhole infrastructure upgrades along Highway 76;
- 2016-2017 sewer line cleaned 33.50 miles of gravity sewers lines from 8’’ to 15’’ and inspected 555 sewer manholes for root problems, vandalism, road hazard;
- Provide and maintain preventative maintenance to six sewage lift stations and (1) flow meter station. Wastewater department went from a biweekly routine to a weekly routine allowing more time for sewer line cleaning and maintenance operation;
- 2016-2017 – Added four new Smart-Cover sewer system monitoring units. RMWD went from 9 to 13 owned units in helping reduce in Sanitary Sewer Overflows.

Objectives: Fiscal Year 2017-18

STRATEGIC FOCUS AREA	FISCAL YEAR 2017-18 INITIATIVES
1	<ul style="list-style-type: none">• Assist Engineering Department with completion of ongoing Capital Improvement Projects (Lift Station #1A & #1B);• Support Engineering Department with Bonsall Imported Return Flow Project.
2	<ul style="list-style-type: none">• Develop Preventative Maintenance schedules in EAM system for wastewater infrastructure;• Pursue maintenance on existing facilities that meets/exceeds industry standards;• Effectively utilize the District’s EAM system for optimizing RMWD activities.
3	<ul style="list-style-type: none">• Assist HR in the revision of Job Descriptions;• Assist HR in the configuration and implementation of NeoGov.
5	<ul style="list-style-type: none">• Maintain the highest level of wastewater service to RMWD customers by installing additional Smart-Cover units to efficiently monitor sewer collection system and percent potential sanitary sewer overflows.
6	<ul style="list-style-type: none">• Improve customer notifications;• Establish and facilitate district facility tours of wastewater facilities for interested members of the public.

Performance Measurement Indicators:

ACTIVITY	CRITERIA	TARGET 2017-18
Timely completion of reports and monthly scheduled maintenance; Compliance with CRWQCB Region 9.	Prevent discharge order violations.	100%
Eliminate Sewer Overflows.	Install Smart-Cover sewer system monitoring units to manage and prevent potential overflows before they occur.	100%
Prevent wastewater backups into private property from RMWD system.	Identify all properties that have a house pad elevation relative to the wastewater collection system that could result in wastewater backups into the property.	100%
Effectively and efficiently maintain all existing Lift Station Equipment.	Complete all existing Lift Station preventative and corrective maintenance tasks on schedule.	100%