

Rainbow Municipal Water District

Annual Operating & Capital Improvement Budget



**Fiscal Year Ending
June 30, 2024
Fallbrook, CA**



ANNUAL OPERATING CAPITAL & IMPROVEMENT BUDGET

FOR FISCAL YEAR ENDING JUNE 30, 2024



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RAINBOW MUNICIPAL WATER DISTRICT ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR ENDING JUNE 30, 2024

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EXECUTIVE SUMMARY

FISCAL YEAR 2024 BUDGET MESSAGE

RAINBOW MUNICIPAL WATER DISTRICT

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

On behalf of the Rainbow Municipal Water District (RMWD), we are pleased to present for your consideration our 2023-24 Fiscal Year Operating and Capital Improvement Budget. The budget provides a forecast of the sources and uses of funds, it serves as a managerial tool for guiding the District towards achieving its goals outlined in the Strategic Plan. Our Strategic Plan is used to set priorities, focus energy and resources, strengthen operations, ensure that employees are working towards common goals, and assess and adjust the District's direction in response to the changing environment. This plan defines the priorities and influences the development of the budgetary commitments needed in the upcoming fiscal year. The budget message will highlight some of the significant goals and priorities accomplished in the current budget year and highlight priorities for the coming year.

Challenges

Declining sales over the past 10 years have had a significant impact on the revenue of the district. Despite the wet winter we experienced, long-term drought in the West threatens water supply and energy production. Further restrictions by the State Water Resource Control Board could affect the water demands in our region. The District has budgeted sales conservatively due to the continued concerns with drought and the decades-long decline in demand.

Water Affordability

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

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

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

As a result, the district increased rates in August 2021 for the first time in almost 3 years. The increase in rates covers infrastructure replacement and operating cost increases that have been passed on to us by our vendors. Unfortunately, since the detachment process is still being delayed by SDCWA actions we have no option but to increase rates again for FY24.

On July 10, 2023, LAFCO voted in favor of the District to proceed with detachment from SDCWA. There are still legal and logistical hurdles to clear, but this was a huge step towards future rate relief for our rate payers once the change in wholesale water providers is complete.

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

Accomplishments in Current FY 2022-23

- The District secured financing of \$10M at 4.02% interest just before the federal reserve started raising interest rates: These funds are being used on the Wholesale water efficiency projects the \$189/acre-foot transportation cost charged by SDCWA and minimize the use of loud temporary pumps during an emergency shutdown.
- Completed the Programmatic Environmental Impact Report (PEIR) for ongoing pipeline rehabilitation and replacement projects. To avoid emergency repairs, the District must replace aging infrastructure at a consistent level every year to maintain all pipelines are in a state of good condition. Prior to the start of any project, the District is required by State law to comply with the California Environmental Quality Act (CEQA). This process can take up to 6-months and can delay the start date of critical projects. The intent of the PEIR is to expedite the environmental permitting and mitigation process upfront. The PEIR identifies all known projects and will allow the District to complete small rehabilitation and replacement projects in a more cost effective and time efficient manner.
- Completed the Rice Canyon 18-inch Waterline project. Once complete, the new 18-inch waterline will convey potable water from the existing Rice Tank to the Horse Ranch Creek and Citro developments. With the addition of this waterline, the District is able to purchase potable water from its northerly connections and reduce the transportation charge assessed by the San Diego County Water Authority.
- The District was recognized as a Top Workplace by the San Diego Union-Tribune for the second consecutive year. The recognition is based on responses from a third-party, anonymous employee survey relating to the workplace culture and employee engagement.
- The District Completed a Full Cost of Service Study to update rates for FY 24 through FY 28 ensuring financial solvency into the future.
- Wastewater staff conducted a warranty inspection of the wastewater land outfall, lined ten manholes and started the first-ever district-wide odor control for the wastewater system.
- Construction installed 302 feet of new water line, 38 new valves, and 2 pressure-reducing stations.

- Meters consolidated the reading schedule to the first two weeks of the month, completed the successful testing of all backflows in the District. Sent out failure notices and lock-off notices. All backflow testing was in sourced saving the District \$100k per year.
- System operations and valve maintenance replaced the isolation valves in 12 EFI stations, replaced Moody cover pumps and replaced with less expensive Wacker pumps and successfully chloraminated Morro reservoir up to 30 feet. Provided 140 GeoViewer corrections/redlines and replaced over 30 fire hydrants.
- Completed the District's annex to San Diego County's Multi-Jurisdictional Hazard Mitigation Plan, which will allow the District to be eligible for grant funding for hazard mitigation activities through 2028.
- The District developed a Comprehensive Annual Financial Report for FY 2021-22. The report was compiled in compliance with the Government Finance Officers Association (GFOA) standards. The Finance staff worked diligently on the FY 2021-22 Comprehensive Annual Financial Report to adhere to the criteria requirements of GFOA for the Comprehensive Annual Financial Report Certificate of Achievement for Excellence award. Staff submitted the report to GFOA for possible consideration, and again received the award.
- The District developed the Annual Budget in compliance with GFOA standards (7th consecutive year). The Finance staff worked diligently on the FY 22-23 budget to adhere to the criteria requirements of GFOA budget standards. Staff submitted the Budget to GFOA for possible consideration, and we are proud to have received the Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2022-23 budget.
- The District achieved a clean and timely audit for FY 2021-22.
- The District was awarded the District of Distinction Accreditation by the Special District Leadership Foundation (SDLF) for its sound governance and fiscal management practices and policies in both 2017 and 2020, and again in 2023. To receive the award, a special district must undergo regular financial audits and have no major deficiencies. Board members, the general manager, and other executive staff as identified by the Board must undergo extensive training in sound governance practices and management. Their operations must conform to all statutes and regulations under state law as reflected in a clear and robust set of policies and procedures. They must also have completed SDLF's District Transparency Certificate of Excellence requirements to receive accreditation which was originally awarded every other year (now every third) and was presented to Rainbow MWD in 2015, 2017, 2019 and 2021. To receive the Transparency Certificate of Excellence, a special district must demonstrate the completion of essential governance transparency requirements, including conducting ethics training for all board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

Priorities for Fiscal Year 2023-24 include:

- Continue implementing district-wide Pressure Management Program – as part of the District's Capital Improvement Plan; the District plans to increase system reliability by active pressure management. This initiative will install pressure regulation stations (PRS) in high

pressure areas to decrease pressure to manageable levels. High-pressure areas are prone to an increased frequency of pipe breaks and lower pipeline lifetime expectancy.

- Continue the development process of a new local water supply through the San Luis Rey Imported Return Flow Recovery Project. This project proposes to expand on previous feasibility studies to identify a groundwater recovery project. The project will identify the necessary steps to develop a local groundwater supply to diversify the district's water supply.
- Complete the wastewater Lift Station 1 project. The \$15 million project will provide needed sewer infrastructure to meet the demands of current development. The project started construction in mid-January. This is a multi-phase project where a new sewer lift station will be constructed off Thoroughbred Lane and new gravity and force main sewer lines. The District continues to coordinate with the County, Cal Trans, and the tenants of the affected shopping centers to minimize impact to traffic delays. All shopping centers will remain open during construction and detour signage will direct vehicles around the work zone(s).

Revenue Assumptions

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

This year water sales have decreased from the prior two years due to a particularly wet winter. It is predicted to be 12,500-acre feet in sales. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY23, sales are predicted to be just under 12,500 acre-feet. Increased revenues from new service connections as a result of development can help soften the reduction in water sales, new service connections increased by 413 in FY23, compared to 251 new water meters in FY22, 113 in FY21, 265 in FY20, along with 213 new wastewater EDUs in FY23 compared to 430 in FY22, and 72 in the previous year.

Since the inception of the District, the last few years were among the lowest in terms of water sales. At these reduced volumetric sales levels, prior to the five-year rate increase approved in June 2023, the District could not appropriately contribute to capital reserve levels for much-needed pipeline replacement projects. While delaying capital improvements may be acceptable for a short period, over time there are significant consequences to our ability to replace our aging infrastructure. The Board of Directors made the difficult decision to approve a multi-year rate increase that will get minimum reserve levels funded and contribute to the capital improvement plan.

Revenues in the FY 24 budget include a 9% revenue adjustment for water. Due to multiple years of low sales, this budget has been calculated based on sales of 12,700 acre-feet. The prior year's sales were 15,000 acre-feet and are projected to be just under 12,700 acre-feet in FY23.

A cost-of-service study was completed in FY 23 to assess the wastewater rates as the fund was operating at a loss. Rates had not been increased in over 5 years. The current budget includes an increase of 35% for wastewater, which brings the District rates closer to, but still below neighboring districts.

Expense Assumptions

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 60% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 12,500 acre-feet of sales plus an estimated 8% of water loss to arrive at an estimated cost of \$24.8M of purchased water including fixed fees assessed by SDCWA.

Operating expenses have remained consistent as a percentage of total costs compared to previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365. However, all costs have increased due to hyperinflation, supply chain issues, and increased energy costs.

Capital equipment purchases for operating funds are \$200,000 for the replacement of aging vehicles required to provide service in our rural service area.

Additionally, approximately \$9.2M of capital improvement projects are included in this year's proposed Water capital budget, and \$5M in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.

Future Outlook/Conclusion

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

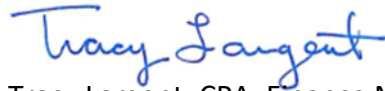
The staff at the District pride themselves on high level of service and transparency. The budget and rate setting process is an iterative process over multiple months. This is done through our rate payer led committee meetings that meet monthly. The public is encouraged to attend and be part of the process.

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

Respectfully submitted,



Tom Kennedy, General Manager



Tracy Largent, CPA, Finance Manager

RESOLUTION TO ADOPT

RESOLUTION NO. 23-12

RESOLUTION OF THE BOARD OF DIRECTORS OF RAINBOW MUNICIPAL WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2024

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, 2024 (“2024 Budget”); and

WHEREAS, on June 27, 2023, the Board of Directors received and considered all comments regarding the proposed 2024 Budget; and

WHEREAS, the proposed 2024 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 2024 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year 2023/2024,” is hereby adopted. A copy of the 2024 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2023-2024, pursuant to the 2024 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 01/01/2024.
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 2023 by the following vote, to wit:

AYES: Directors Gasca, Hamilton, Johnson, Mack, and Townsend-Smith
NOES: None
ABSENT: None
ABSTAIN: None


Hayden Hamilton, Board President

ATTEST:


Dawn M. Washburn, Board Secretary

RAINBOW MUNICIPAL WATER DISTRICT OFFICIALS



Hayden Hamilton - President



Miguel Gasca – Vice President



**Patricia Townsend-Smith
Director**



**Michael Mack
Director**



**Julie Johnson
Director**



**Jake Wiley
General Manager**



**Ahmed Khattab
IT Manager**



**Tracy Largent
Finance Manager**



**Chad Williams
Engineering &
CIP Manager**



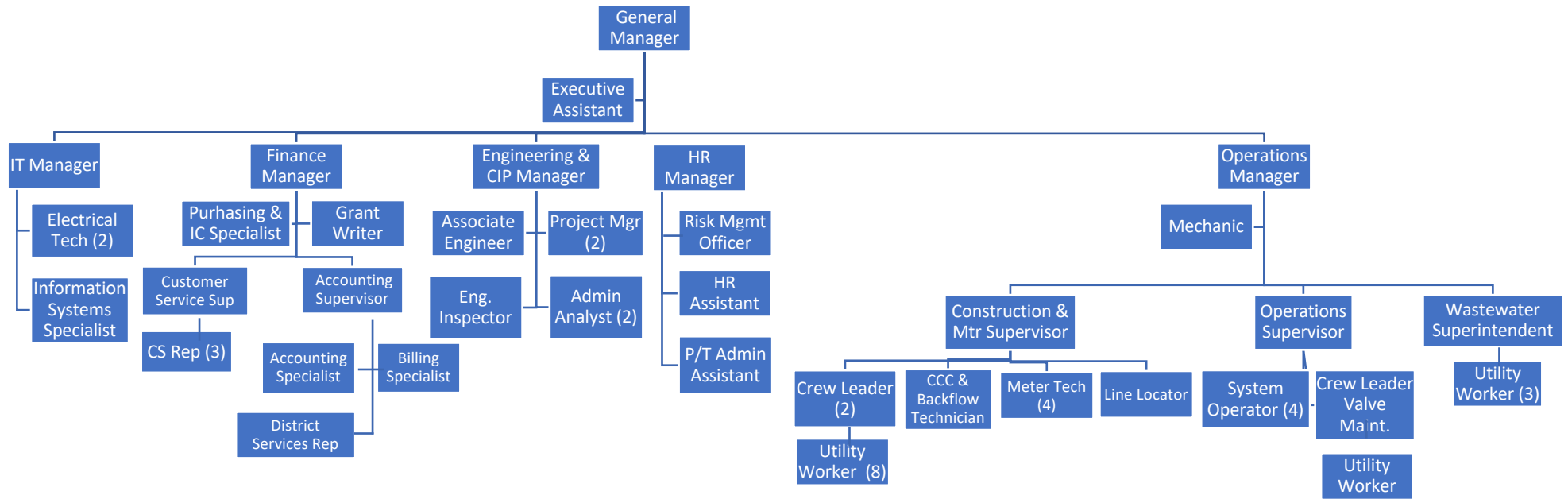
**Karleen Harp
HR Manager**



**Robert Gutierrez
Operations**

RAINBOW MUNICIPAL WATER DISTRICT ORGANIZATIONAL CHART

57.5 FTE's



RAINBOW MUNICIPAL WATER DISTRICT MISSION STATEMENT & CORE VALUES



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

Background

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

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

Overview of the Excellence Coin Program

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



Innovation:

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



Integrity:

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



Professionalism:

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



Responsibility:

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



Teamwork:

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

RAINBOW MUNICIPAL WATER DISTRICT CERTIFICATE OF AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to Rainbow Municipal Water District for the annual budget for the fiscal year beginning July 1, 2022. 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 2024 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.



PROFILE OF THE DISTRICT

THE DISTRICT

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

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

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

DISTRICT POWERS

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

water charges; authority to contract with the United States, the State and the agencies of either; and the power to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District.

WATER SUPPLY OPERATIONS

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

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

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

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

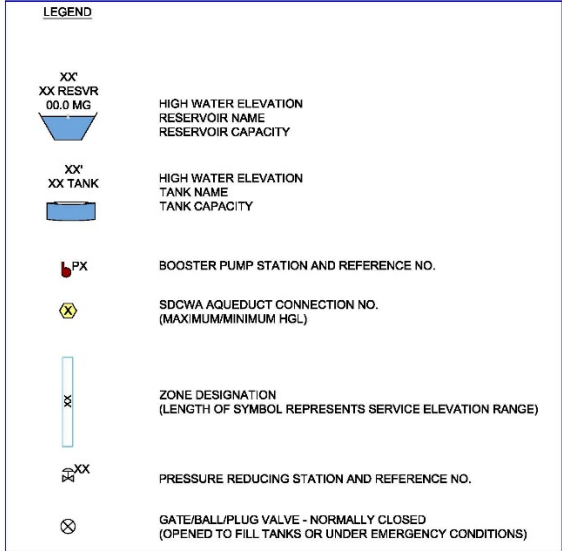
The Metropolitan Water District is a regional wholesaler that delivers water to 26-member public agencies 14 cities, 11 municipal water districts, one county water authority which in turn provides water to more than 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura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

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

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

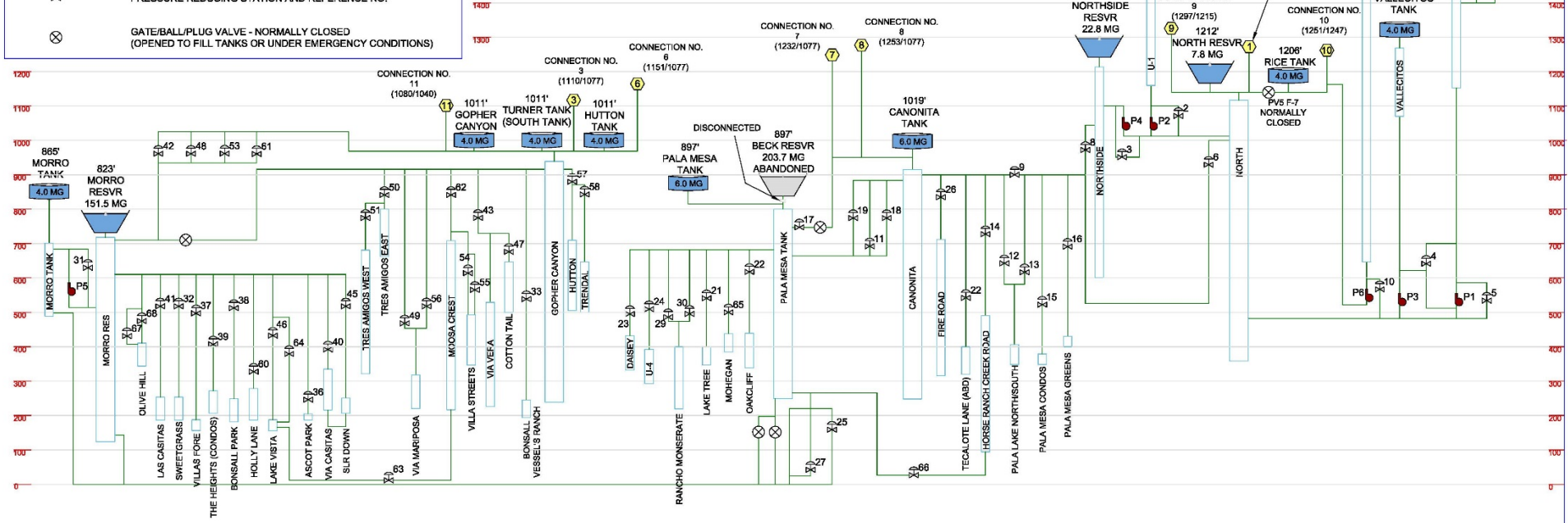
SYSTEM PRESSURES

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



PRESSURE REDUCING STATION REFERENCE (MILOY) PSI

1	MAGEE PUMP STATION BYPASS (337/220) PSI	33	BONSALL VESSELS RANCH (350/120) PSI
2	U1 U2 PUMP STATION BYPASS (170/30) PSI	34	MOOSA CANYON LINE
3	BOOSTER STATION #4 BYPASS (100/50) PSI	35	WEST LILAC PR PRESSURE RELIEF (225/0) PSI
4	VALLECITOS BYPASS (PUMP STATION N) (240/45) PSI	36	ASCOT PARK (260/70) PSI
5	PUMP STATION 1 BYPASS SOUTH (355/60) PSI	37	VILLAS FORE (260/125) PSI
6	STEWART CANYON (220/150) PSI	38	BONSALL PARK
7	MOON RIDGE (200/107) PSI	39	THE HEIGHTS (CONDOS)
8	LOS ALISOS (210/120) PSI	40	VIA CASITAS (260/110) PSI
9	GARRET RANCH (270/137) PSI	41	LAS CASITAS (225/95) PSI
10	HUNTLEY PUMP STATION BYPASS (240/143) PSI	42	WEST LILAC (300/220) PSI
11	ATKINS (124/100) PSI	43	VIA VERA (200/95) PSI
12	PALA LAKE NORTH (260/100) PSI	45	SLR DOWNS TRACK (285/125) PSI
13	PALA LAKE SOUTH (290/120) PSI	46	LAKE VISTA (260/100) 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 (285/120) PSI	49	VIA MARIPOSA WEST (295/95) PSI
17	WILT & CITRUS	50	TRES AMIGOS EAST (110/95) PSI
18	CANONITA (135/95) 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 (365/260) PSI
21	LAKE TREE WEST (230/100) PSI	54	VILLA MEDICI (140/60) PSI
22	OMKLIFF (200/120) PSI	55	VILLA TOSCANA (110/73) PSI
23	DAISEY LANE (245/75) PSI	56	VIA MARIPOSA EAST (295/95) PSI
24	U-4 (210/70) PSI	57	HUTTON 4" (100/60) PSI
25	ESTERILINA (116/70) PSI	58	TRENDAL 4" (150/85) PSI
26	FIRE ROAD (105/65) 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 "W" (290/110) PSI	62	MOOSA CREST (HIALEAH) (125/110) PSI
30	RANCHO MONSERATE "E" (290/110) 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 twelve major pressure zones with storage facilities. Four of the significant zones are supplied directly from SDCWA aqueduct connections, and the remaining zones are supplied through pressure-reducing stations or booster pump stations. In addition to the multiple zones, 45 reduced pressure areas are supplied from the major zones through pressure-reducing stations. The RMWD hydraulic profile schematic shows the aqueduct connections, pressure zones, storage facilities, booster pump stations, pressure reducing stations, and emergency supply interconnects.

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

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

The existing distribution system has over 320 miles of pipelines ranging from 4-inches to 42-inches in diameter. The majority of pipe material in the system is CMLC. However, there are

areas in the distribution system that have ductile iron and Transite pipes. In areas fed by pressure regulating station C-9000 is most prevalent.

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

SYSTEM OPERATIONS

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

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

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

WASTEWATER FACILITIES

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

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

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

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

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

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

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

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

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

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

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

HISTORICAL WATER DEMAND AND RECENT TRENDS

Calendar Year	Deliveries (AF)
1985	28,886
1986	29,298
1987	27,382
1988	32,028
1989	34,828
1990	34,920
1991	24,567
1992	26,460
1993	22,997
1994	22,832
1995	20,872
1996	23,223
1997	24,906
1998	19,924
1999	28,721
2000	29,203
2001	26,803
2002	32,125
2003	30,472
2004	30,336
2005	28,911
2006	29,929
2007	31,865
2008	24,128
2009	26,894
2010	18,322
2011	19,276
2012	21,918
2013	21,526
2014	22,625
2015	17,868
2016	18,151
2017	18,123
2018	17,910
2019	13,720
2020	15,373
2021	15,838
2022	16,348

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

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

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

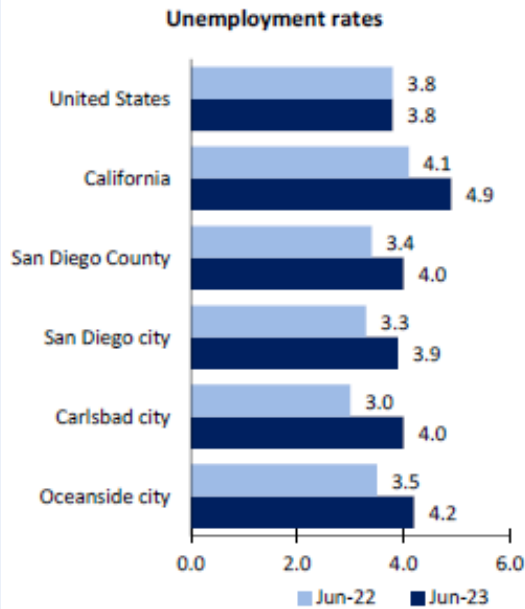


San Diego Area Economic Summary

Updated August 07, 2023

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

Unemployment rates for the nation and selected areas



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

Average weekly wages for all industries by county

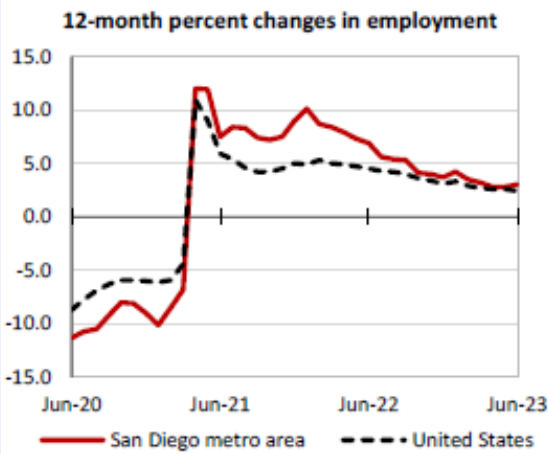
San Diego metro area, fourth quarter 2022

(U.S. = \$1,385; Area = \$1,531)



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

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



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

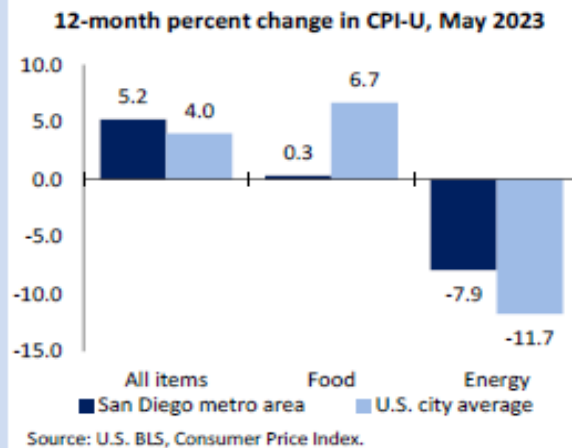
San Diego metro area employment (number in thousands)	Jun. 2023	Change from Jun. 2022 to Jun. 2023	
		Number	Percent
Total nonfarm	1,583.8	46.5	3.0
Mining and logging	0.4	0.0	0.0
Construction	89.7	1.7	1.9
Manufacturing	117.7	0.4	0.3
Trade, transportation, and utilities	222.2	1.3	0.6
Information	22.1	0.0	0.0
Financial activities	78.9	1.4	1.8
Professional and business services	287.0	4.3	1.5
Education and health services	240.9	15.6	6.9
Leisure and hospitality	210.6	13.8	7.0
Other services	60.1	5.9	10.9
Government	254.2	2.1	0.8

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

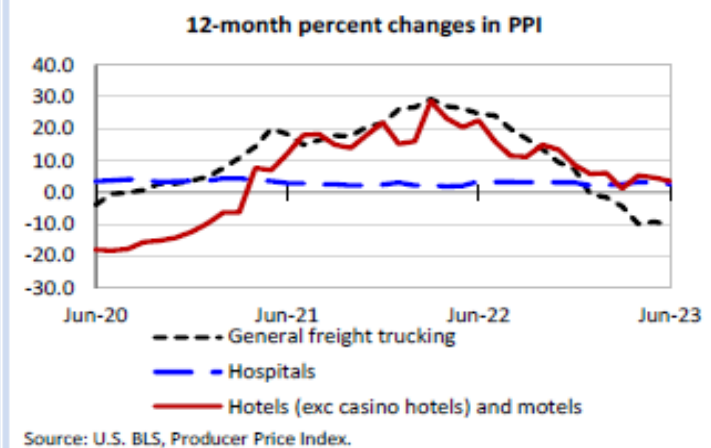
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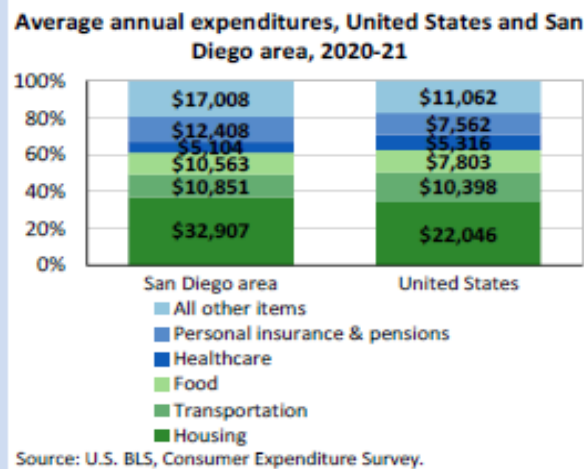
Over-the-year change in the prices paid by urban consumers for selected categories



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



Average annual spending and percent distribution for selected categories



Average hourly wages for selected occupations

Occupation	San Diego metro area	United States
All occupations	\$34.17	\$29.76
Human resources managers	75.84	70.07
Registered nurses	56.65	42.80
Accountants and auditors	43.86	41.70
Electricians	33.63	31.39
Construction laborers	26.98	22.29
Hotel, motel, and resort desk clerks	17.48	14.57

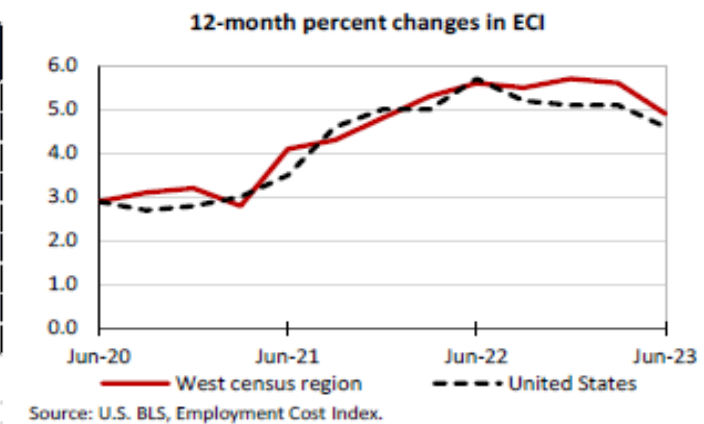
Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2022.

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

Private Industry, March 2023	West census region	United States
Total compensation	\$44.30	\$40.79
Wages and salaries	31.36	28.76
Total benefits	12.93	12.02
Paid leave	3.32	3.04
Vacation	1.67	1.55
Supplemental pay	1.48	1.52
Insurance	3.19	3.01
Retirement and savings	1.47	1.39
Legally required benefits	3.48	3.06

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

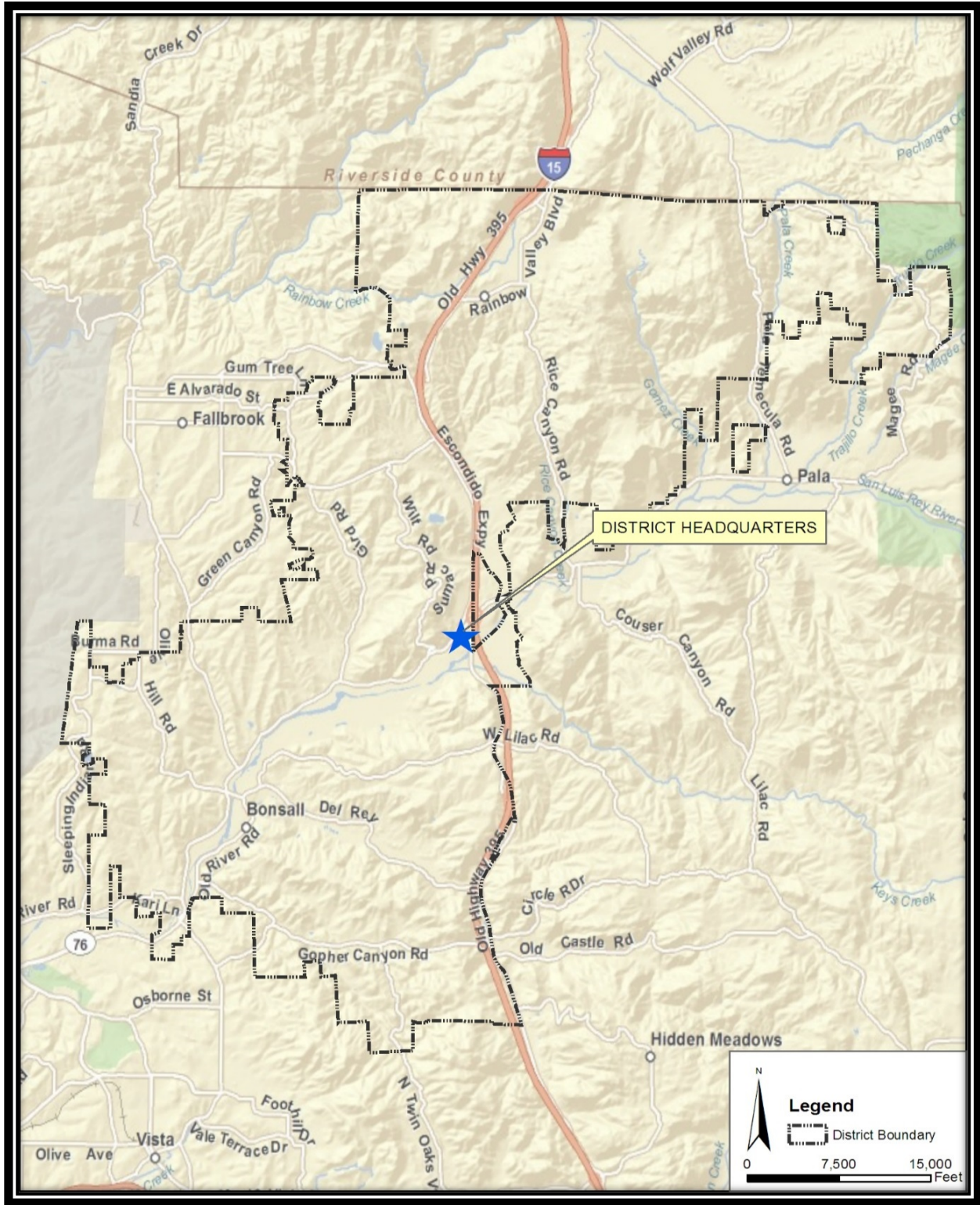
Over-the-year changes in wages and salaries



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MAP OF DISTRICT SERVICE AREA



EMPLOYEE COMPENSATION AND BENEFITS

Deferred Compensation Programs

401(a) Plan

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

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

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

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

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

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

457(b) Plan

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

Life And Disability Insurance

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

Public Employees' Retirement System

The District participates in the California Public Retirement System (CalPERS). All employees hired at the District before January 1, 2013, are under the CalPERS miscellaneous formula of 2.5%

@ 55. The final compensation is the highest average pay rate and special compensation during any consecutive one-year period. The employees contribute 8% of their annual salary.

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

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

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

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

Medical, Dental, and Vision Insurance

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

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

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

Health Savings Account Deposits

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

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

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

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

One-Time Enrollment Incentive HSA Contribution

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

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

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

Employee Only Coverage

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

Calculation example for employee-only coverage is as follows:

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

Dependent Care Coverage

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

Plan Ranking	District Contribution to Total Costs	Employee Cost Share
First plan (least expensive)	100%	FREE
Second Plan	85%	15%
Third Plan (middle plan)	85%	15%
Fourth Plan	80%	20%
Fifth Plan (most expensive)	80%	20%

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

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

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

Dental and Vision Insurance

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

PAID TIME OFF

Accrual Rate

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

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

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

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

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

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

Paid Time Off Buy Back

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

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

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

OTHER LEAVES

Holidays

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

Holiday Bank

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

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

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

Holiday Overtime

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

Education Assistance Program

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

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

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

To determine eligibility, the following requirements must be met:

- Courses taken during employment must be pre-approved courses of study leading to attaining a degree or accreditation or providing the course of study is pertinent to the employee's position at the District.

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

FY23 STRATEGIC PLAN & PERFORMANCE MEASUREMENTS

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
1	Water Resources	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
1A	Promote and participate in the development of sensible direct or indirect potable reuse regulations					See sub-objectives
1A.1	Participate in WaterReuse legislative/regulatory efforts	Tom	Ongoing			As Described
1A.2	Monitor regulatory process	Tom	Ongoing			As Described
1.B	Identify and obtain water rights in the San Luis Rey Valley and develop feasible water production strategies					See sub-objectives
1B.1	Identify water rights holders and make contact regarding potential transfer of rights	Tom		75%		As Described
1B.2	Identify legal issues surrounding water rights transfer and develop appropriate legal framework for acquisition of rights	Tom		75%		As Described
1B.3	Develop a method to determine safe yield for groundwater extraction	Tom/Chad	Ongoing	5%	PSA Executed w/ Consultant	As Described
1B.4	Identify potential location of groundwater treatment facility including brine disposal	Tom/Chad	Ongoing	5%	PSA Executed w/ Consultant	As Described
1.C	Participate fully and actively in the San Luis Rey Groundwater Sustainability Agency (SLRGSA)					See sub-objectives
1C.1	Negotiate and enter into an MOU with SLRGSA agencies for initial groundwater studies	Tom		100%		MOU entered into with SLRGSA agencies
1C.2	Participate in all SLRGSA meetings and workshops	Tom		100%		Meeting and workshops participated in

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
2	Asset Management	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
2A	Implement proactive system-wide pressure management	Chad/Robert	2025	25%		See sub-objectives
2A.1	Identify and prioritize high pressure areas to receive additional pressure mitigation strategies		Nov-19	100%	Contract with HDR to develop a prioritization program completed in Jan. 2020.	Contract amendment signed with HDR to develop a prioritization.
2A.2	Develop standard plans for pressure regulation stations as well as cost effective contracting/construction methods			100%	Completed in Aug. 2020. Completed standard plans and determined that in-house design and construction was most cost effective.	New standard plans developed, and more in-house designs completed.
2A.3	Commence installation of high priority pressure regulation stations		On-going	60%	Some of the installed stations were not part of the original prioritization list. Sarah Ann, Thoroughbred, Aqueduct Rd, Nella Ln, Rose, Hialeah, Almendra, Stewart Canyon, Dentro de Lomas and Vallecitos , Pala Mesa installed.	Sarah Ann, Thoroughbred, Aqueduct Rd, Vallecitos installed.
2B	Perform Continuous Condition Assessment	Chad/Robert	On-going		Visual inspection and assessment of cause	See sub-objectives
2B.1	Recalibrate condition assessment model every three-years with current condition data			100%	This objective is not to be conducted annually and instead once every three-years.	The report is updated and a new map created with the new data.
2B.2	Integrate condition assessment data collection seamlessly into EAM workflows for field crews		May-20	100%		Data is easily accessible through EAM by managers.
2B.3	Continue development of in-pipe data gathering using video inspection		On-going			Additional videos are taken.
2B.4	Identify potential methods for pipeline rehabilitation using point repairs or in-situ methods	Robert		100%	Working with Sanexen to develop a new pipe lining solution(s). In pipe demonstrations with Sanexen and Primus completed.	In pipe demonstration.
2.C	Develop a System-wide Corrosion Protection System	Chad/Robert	On-going			
2C.1	Commence corrosion protection study to evaluate current status and prescribe remedies		20-Jul	100%	Contract and report with HDR completed.	Contract signed with consultant.
2C.2	Begin implementation of mitigation strategies when they are identified		On-going	10%	One test station installed, anodes installed for every main break. 100% design for Rainbow Valley Blvd Impressed. Current project completed August, 2022.	Reduction of mainbreaks due to corrosion.
2D	Develop a Programmatic EIR for Pipeline Replacement Work	Chad				See sub-objectives
2D.1	Issue an RFP for consultant to develop Programmatic EIR		19-Jan	100%	Complete	
2D.2	Award contract for Programmatic EIR		19-Jun	100%	Contract awarded to Helix Environmental Planning & consultant is working on PEIR.	Board approves PSA with recommended firm.
2D.3	Identify possible real property for acquisition to meet mitigation requirements			20%	PEIR to evaluate required acreage.	District has a list of available parcels for mitigation land.
2E	Execute Proactive Right-of-Way Management	Chad				See sub-objectives
2E.1	Develop cost effective mechanisms to survey and stake right-of-way boundaries			100%	Utilize As-needed survey contracts.	Cost-effective mechanism in place.
2E.2	Enhance Right-of-Way policies in Administrative Code			100%	Items approved by the Board.	The Board an Ordinance on October 23, 2018.
2E.3	Develop mechanisms for efficient identification of encroachments and a method to issue encroachment permits		On-going	65%	Improvements made	Increasing number of encroachment permits being issued.
2F	Commence meter/service replacement and upgrade program	Tom, Tracy, Mark & Robert	Jul-22	100%		See sub-objective

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
3A	Conduct regular needs analysis to ensure adequate staffing levels, succession planning, and proper labor allocation to meet operational needs.	Karleen	Annual updates	100%		See sub-objectives
3A.1	Develop annual assessment of high-priority positions for succession planning through five-year staffing analysis.	Karleen and Mgmt Staff	By June of each year	100%	Presented to Budget & Finance Committee & Board in March & May 2022	Develop written analysis & recommendations; present information to the Board.
3B	Position the District as an employer of choice in this industry and this region	HR & Mgmt Staff				See sub-objectives
3B.1	Develop and implement employee survey	Karleen	At least biannually	100%	Achieved Top Workplace designation from San Diego Union Tribune based on 2021 employee survey results	Administer survey & communicate results with staff & Board.
3B.2	Convene "Employee Ambassador Action Team" to address areas of concern from employee survey	Karleen and Claudia	Within 6 mos after survey	80%	Action Team convened in 2019 and has updated plan annually based on results	Employee ambassadors meet and create an Action Plan to present to management for approval.
3B.3	Continue to promote Rainbow career opportunities on social media	Karleen or Claudia	As Needed	Ongoing	Continuing; promoted social media pages at job fairs and water expo events	Post each job opportunity on District's Facebook, Instagram or LinkedIn page.
3B.4	Maintain at least 1500 subscriptions to interest list on NEOGOV	Karleen or Claudia	Ongoing	90%	742 as of June 30 2022	1500 job interest card subscriptions.
3C	Implement effective Performance Management programs including performance assessments, employee recognition, and continuous feedback.	Karleen				See sub-objectives
3C.1	Administer effective annual performance evaluation program	All Managers & Supervisors	Annually	Ongoing	96% on-time delivery	Deliver performance reviews within one pay period of due date.
3C.2	Conduct regular one-on-one meetings between supervisors and their direct reports	All Managers & Supervisors	Biweekly	Ongoing		
3C.3	Continue cost-effective employee recognition program to acknowledge performance and express appreciation	Karleen or Claudia	Monthly	Ongoing		Seek Excellence coin nominations & award coins monthly.
3C.4	Host employee events to foster workplace relationships, recognize staff and improve morale	HR & Events Committee	Annually	Ongoing	Deferred in 2020 due to COVID restrictions; resumed in 2021	Annual employee banquet, health fair & luncheons.
3D	Maintain education and training opportunities to ensure continuous improvement, leadership development and learning for all staff.	Karleen	Ongoing	Ongoing		See sub-objectives
3D.1	Implement effective onboarding programs for new hires, new supervisors, and new managers that covers District structure, culture, and policies.	Karleen and Claudia	Ongoing	50%	New hire onboarding program exists; supervisory program in development	Begin onboarding program within first week in new role; conduct follow up meetings with employees at 30, 90 & 180 days.
3D.2	Offer clear career pathways that fulfill the District's succession planning needs	Karleen and Claudia with mgmt staff	June 2022	0%		Define job competencies at each level, add promotional readiness to performance evaluation form, create training checklists, and promotional assessments for each job level.
3D.3	Conduct quarterly Lunch N Learn events	Mgmt staff	Quarterly	0%	First event scheduled for July 17, 2021	Event takes place quarterly.
3D.5	Conduct leadership 360 assessments to identify development needs	Karleen	Ongoing	70%	Conducted for all leaders in early 2020; ongoing for new leaders	Conduct assessments and create individualized development plan for each leader within 6 months of starting position; update annually.
3E	Create a culture of excellence where we embody safe & efficient work practices	Karleen and Charmaine	Ongoing	Ongoing		See sub-objectives
3E.1	Measure safety awareness and attitudes in employee culture survey	Karleen	Ongoing	100%	Dec. 2020 showed strong improvement from 2018	Include safety in survey and monitor improvement.
3E.2	Develop and implement a new safety incentive program	Charmaine		25%	Deprioritized during COVID	Program roll out.
3E.3	Update Emergency Response Plan and conduct staff training	Charmaine		75%	Key staff members have been sent to emergency training through the San Diego Urban Area Security Initiative	Document has been created & distributed & key staff have been trained.
3F	Ensure Continuous Board development and participation in industry-related activities	Board				See sub-objectives
3F.1	Each Board member to attend governance training, ethics training, and harassment prevention training	Board	Ongoing	95%	Dir. Moss to attend in 2021	Each Board member to attend training as required by law.
3F.1	Board members to attend water industry conferences	Board	Annually	0%	Events deferred in 2002 during COVID	At least one Board member to attend ACWA & CSDA conference each year.

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
4	Fiscal Responsibility	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
4A	Receive GFOA award for budgeting	Tracy		100%		See sub-objective
4A.1	Create a GFOA compliant budget document		Completed Annually	100%		By the end of this process a budget format will be developed & the budget document completed in a GFOA compliant manner.
4B	CAFR - Submit for consideration for award	Tracy	Completed	100%		See sub-objective
4B.1	If no award given this year, take feedback to prepare for next year					The FY 20 CAFR was submitted for award.
4C	Develop Cost-Effective contracting methods for pipeline replacement	Chad	On-going			See sub-objectives
4C.1	Develop contractor prequalification system			100%		As Described
4C.2	Develop streamlined contracting package that will encourage better pricing by the District assuming certain risks			100%	Implemented on the Via Ararat project. Process requires significant Staff time. Consultants to	See sub-objectives
4C.3	Recruit and retain high quality inspectors, both in house and contract			100%		As Described
4D	Complete conversion of UB software	Ahmed/Tracy		100%		As Described
4E	Convert payroll system to 3rd party vendor	Tracy	Completed	100%	Completed Jan-19	As Described
4F	Commence implementation of financial software conversion	Tracy	Completed	100%	Completed Sep-19	As Described
4G	Obtain District of Distinction Accreditation	All		100%		Meet all requirements & training & demonstrate having sound policies in the areas of governance, board conduct, district finances, transparency and reserves and submit application and supporting documentation in a timely manner.
4H	Identify and obtain grant funding for various projects	All				See sub-objectives
4H.1	Identify requirements for successful grant applications.			100%	Cal EOS grant received.	As Described
4H.2	Adapt current and proposed projects to grant requirements to ensure likelihood of approval			On-going	Gomez and Magee Pump Stations and Sumac Radio Tower projects adapted for grant proposal.	As Described
4H.3	Identify requirements for reporting to grant agency on progress of projects and develop systems to facilitate this reporting.			On-going		As Described
4I	Establish a Rate Structure That is Less Reliant on Volumetric Sales	Tom/Tracy			In Progress	See sub-objectives
4I.1	Conduct a study that shows what the optimum level of fixed revenues would be	Tom/Tracy	Jan-23	50%	New Rate Model under development, implement with detachment.	Completion of study
4I.2	Develop a financial plan and water rate forecast to reach the optimal level of fixed revenues over time.					As Described
4J	Identify Opportunities for Stable Revenue Streams Apart from Volumetric Sales	All				See sub-objectives
4J.1	Develop a range of options for Board consideration related to possible expansion of property tax assessments					As Described
4K	Proactively manage and maintain sustainable employee benefits	Karleen				See sub-objectives
4K.1	Negotiate employee health insurance cost sharing terms that encourage voluntary enrollment in lower cost plans	Karleen	Nov-21	50%	New terms agreed to in MOU terms effective July 1 2021; open enrollment is in October	Gain bargaining unit agreement to new terms and see employee enrollment shifts at open enrollment.
4K.2	Monitor annual premium escalations for District paid dental, short-and long-term disability, Life & AD&D plans	Karleen	Annually	Ongoing	Policies renew in November each year	Seek competitive quotes to mitigate cost escalations

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
5	Customer Service	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
5A	Complete integration of UB software to iPad application/GeoViewer	Tracy/Robert	Jun-19		In Progress	As Described
5B	Create a Customer Service Based Culture	Tracy		90%	In Progress	See sub-objectives
5B.1	Identify traits of great customer service organizations and bring those traits into the RMWD organization					Organizations need to be specifically identified
5B.2	Enhance training for staff on customer service excellence			90%		Training requested to HR will be scheduled & completed
5B.3	Create an annual recognition program for customer service excellence			90%		Tracking call volume by cs representative
5C	Develop a System for Documenting All Customer Contacts	Tracy				See sub-objectives
5C.1	Identify range of customer contact types			90%		Anything beyond a quick question is documented
5C.2	Identify appropriate method to document each of these contacts					All customer contact is recorded in IPS notes
5D	Develop Opportunities for Improved Customer Water Use Information	Tom/Tracy				See sub-objectives
5D.1	Ensure that water meter data logging systems are capable of providing data during customer interactions					As Described
5D.2	Complete Flume pilot project and evaluate performance of the Flume System			90%		As Described
5D.3	Bring options to Board to consider once Flume pilot is completed					As Described

Rainbow Municipal Water District						
Strategic Plan Goals and Objectives for July 2022 to June 2023						
6	Communications	Assigned To	Estimated Completion	% Completed	Comments	Measurement of Success
6A	Develop Consistent Messaging Throughout the Organization	All				See sub-objectives
6A.1	Create a regular employee communications newsletter to provide background information on topics that may come up in customer contacts			On-Going		As Described
6A.2	Install digital employee information panels in key areas to reinforce messaging			0%		Digital messaging devices installed and operational
6B	Upgrade Printed Collateral to Enhance Readability and Impact	Tom				See sub-objectives
6B.1	Identify cost effective ways to obtain graphic arts services			On-Going	In progress	As Described
6B.2	Work with Communications and Customer Service Committee to develop ways to improve look/feel/impact of regular communications			On-Going	Partnership with CSUSM for communication plan	As Described
6C	Enhance Community Outreach Methods	Tom				See sub-objectives
6C.1	Participate in as many local community events as possible			On-Going		As Described
6C.2	Develop branded outreach systems with logos for major projects (water service upgrades, PR station installations, Pipeline			25%	In progress	As Described
6D	Develop Improved Methods for Delivering Information About Field Operations on Website	Tom/Robert	Jun-22	100%	Complete	See sub-objectives
6D.1	Identify technical and financial requirements to include information from EAM on public website		Dec-19	0%		Requirements Identified
6E.2	Provide options for consideration to Communications and Customer Service Committee and Board			0%		As Described
6E.3	Implement selected option on website			0%		Options Implemented
6E	Develop useful and engaging internal communication methods to keep staff educated about the District's plans, challenges, and successes	Management staff	Ongoing			See sub-objectives
6E.1	Conduct regular All-Hands meetings	Tom, Kalreen, and Claudia	Ongoing	100%	Conducted 11 times a year	All-Hands meeting takes place monthly to review Board actions, provide HR updates, and recognize employees
6E.2	Publish regular employee newsletter with updates about District activities, staff changes, and safety	Claudia & Employee Ambassadors	Ongoing	100%	Currently published monthly	Publish Under the Rainbow at least every other month

STRATEGIC PLAN

PLANNING PROCESS

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

COMMUNICATION & INVOLVEMENT



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

Phase I - Planning to Plan

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

Phase II - Analyze the Situation

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

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

Phase III - Set Strategic Direction

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

Phase IV - Complete and Monitor the Plan

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

STRATEGIC FOCUS AREA ONE:

WATER RESOURCES

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

WATER RESOURCES GOAL:

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



OBJECTIVES:

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

STRATEGIC FOCUS AREA TWO:

ASSET MANAGEMENT



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

ASSET MANAGEMENT GOAL:

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

OBJECTIVES:

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

STRATEGIC FOCUS AREA THREE:

WORKFORCE DEVELOPMENT



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

WORKFORCE DEVELOPMENT GOAL:

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

OBJECTIVES:

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

STRATEGIC FOCUS AREA FOUR:

FISCAL RESPONSIBILITY

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

FISCAL RESPONSIBILITY GOAL:

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



OBJECTIVES:

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

STRATEGIC FOCUS AREA FIVE:

CUSTOMER SERVICE



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

CUSTOMER SERVICE GOAL:

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

OBJECTIVES:

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

STRATEGIC FOCUS AREA SIX:

COMMUNICATION

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

COMMUNICATION GOAL:

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



OBJECTIVES:

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

CONTRIBUTORS

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

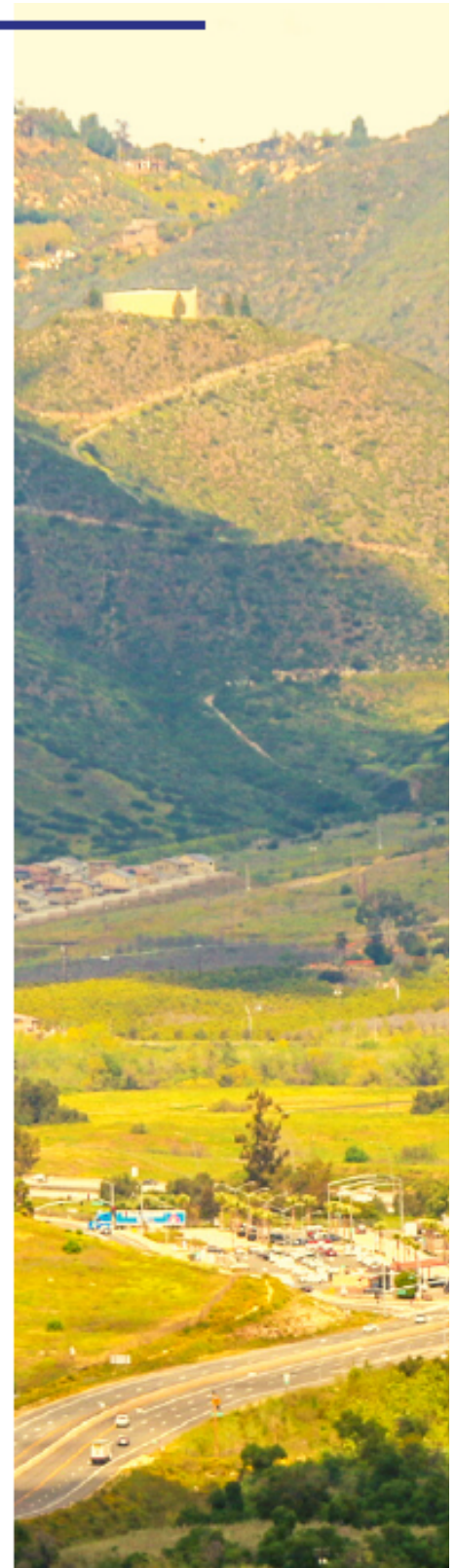
MEMBERS INCLUDED:

BOARD OF DIRECTORS

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

STRATEGIC PLANNING COMMITTEE:

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



STAFF

ADMINISTRATION OFFICE

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

FINANCE

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

CUSTOMER SERVICE

Supervisor: Cynthia Gray
Customer Service Reps: Leslie Mondragon
Corynn Stalker
Katherine Kilmer
Joshua Cruz

ENGINEERING

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

INFORMATION TECHNOLOGY

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

FIELD OPERATIONS

Operations Manager: Robert Gutierrez
Fleet Mechanic: Rene Del Rio

CONSTRUCTION & MAINTENANCE

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

WATER OPERATIONS

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

WASTEWATER

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

METERS

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

FINANCIAL POLICIES

RESERVE SUMMARY

RATE STABILIZATION RESERVE

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

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

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

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

OPERATING RESERVE

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

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

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

Capital Reserve

The District maintains five Capital Reserve Funds: New Water Sources Reserve (Fund 26), Water Capital Projects (Fund 60), Wholesale Water Efficiency Capital Projects (Fund 62), Wastewater Replacement (Fund 52), and Wastewater Expansion (Fund 53). The Board took action on 9/7/2005 to discontinue the funding of the Water Replacement and Water Expansion funds and combine those funds into the Water Capital Projects Fund. Capital Reserves will be used to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Capital Budget as well as the Water and Wastewater Master Plans. Capital Reserves are funded by cash collected from water and sewer capacity charges (new connections). The Capital Reserves receive additional funding from surpluses generated by water and wastewater operations (excess of revenues over expenses before depreciation). Anticipated Capital reserve deficiencies will be funded by transfers of budgeted surplus which may result from increased rates. Amounts accumulated in excess of both the Operating Reserve limits and Capital Reserve needs may be used, subject to Board approval and public hearing, to lower rates to curtail increasing trends in the reserve funds.

Liability Self Insurance Reserve

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

Debt Service Reserve

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

New Water Sources Reserve

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

BASIS OF BUDGET AND ACCOUNTING

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

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

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

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

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

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

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

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

between goals and financial planning is critical to effective budgeting and enhances the evaluation of budgetary and accountability.

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

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

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

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

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

ACCOUNTING POLICIES

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

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

the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow took place.

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

DEPOSITS AND INVESTMENTS

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

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

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

INVENTORY AND CAPITAL ASSETS

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

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

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

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

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

BUDGET CALENDAR

2023/2024

<u>Date</u>	<u>Task</u>
March	Calculate projections of Wage & Benefits for all personnel, including COLA's and merit increases. Preliminary staffing analysis.
03/14/23	Review the budget calendar with the Budget and Finance Committee.
04/10/23	Discuss the budget process and distribute the budget calendar at the Senior Staff Meeting.
04/17/23	Distribute YTD departmental expense report and schedule budget meetings with the Departments for late-April. Worksheets provided to departments for proposal of expenditure budget with justification for proposed expenditures.
04/19/23	Implement fiscal impacts associated with annual updates to the Strategic Plan into the Operating and Capital Budgets. Implement fiscal impacts associated with annual updates to the Staffing Analysis and Negotiations into the Operating and Capital Budgets.
04/24/23	Budget meetings with Senior Staff begin. <i>(Managers-verify your staff comes prepared to these meetings with FY 22/23 budget amounts and justification.)</i>
4/24/23-4/28/23	Update Department worksheets with Salaries & Operating Costs.
5/01/23-5/12/23	Update Rate Model with Preliminary Operating & Capital Budgets.
05/03/23	Review preliminary 5-year Capital Improvement Plan (CIP) with the Engineering & Operations Committee .
05/16/23	Review preliminary budget status/assumptions and 5-year CIP with the Budget & Finance Committee .
05/26/23	Departmental Narrative Summaries, Staffing Analysis, and any other budget related documents due from Department Managers.
06/13/23	Draft of the Budget is reviewed by the Budget & Finance Committee. After budget is reviewed and updated, per input received from discussion, a copy of the draft is provided to the Board of Directors.
06/27/23	Final budget recommendation is presented to Board of Directors for adoption.

DESCRIPTION OF MAJOR FUNDS

<u>Fund Name</u>	<u>Fund</u>	<u>Description</u>
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Water Operating Fund - 01

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

Sewer Operating Fund - 02

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

General Operating Fund - 03

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

Rate Stabilization Fund - 05

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

Wastewater Replacement Capital Fund - 52

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

Wastewater Expansion Capital Fund - 53

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

Water Capital Fund - 60

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

Wholesale Water Efficiency Capital Fund - 62

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

REVENUE AND EXPENSE ASSUMPTIONS

Water Revenue Assumptions

Water Operating Fund sales are the largest source of District revenues, with the majority of sales, approximately 60%, for agricultural use, 34% for residential customers, and 6% for commercial and construction customer classes.

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

TABLE 1-1

Water Fixed Charges														
Single Family, Multi-Family, Commercial, & Institutional					Agricultural, AG w/ Residence					PSAWR				
Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges	Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges	Capacity Class	Meter Size	RMWD O & M	SDCWA Fixed Through	Total Fixed Charges
A	5/8"	\$61.29	\$28.30	\$89.59	A	5/8"	\$113.87	\$28.30	\$142.17	A	5/8"	\$113.87	\$13.60	\$127.47
B	3/4"	\$61.29	\$28.30	\$89.59	B	3/4"	\$113.87	\$28.30	\$142.17	B	3/4"	\$113.87	\$13.60	\$127.47
C	1"	\$98.26	\$47.17	\$145.42	C	1"	\$185.89	\$47.17	\$233.06	C	1"	\$185.89	\$22.67	\$208.56
D	1 1/2"	\$190.67	\$94.33	\$285.01	D	1 1/2"	\$365.94	\$94.33	\$460.27	D	1 1/2"	\$365.94	\$45.33	\$411.27
E	2"	\$301.57	\$150.93	\$452.51	E	2"	\$582.00	\$150.93	\$732.93	E	2"	\$582.00	\$72.53	\$654.53
F	3"	\$652.76	\$330.17	\$982.92	F	3"	\$1,266.19	\$330.17	\$1,596.36	F	3"	\$1,266.19	\$158.67	\$1,424.86
G	4"	\$1,170.29	\$594.30	\$1,764.59	G	4"	\$2,274.47	\$594.30	\$2,868.77	G	4"	\$2,274.47	\$285.60	\$2,560.07
H	6"	\$2,408.67	\$1,226.33	\$3,635.01	H	6"	\$4,687.14	\$1,226.33	\$5,913.47	H	6"	\$4,687.14	\$589.33	\$5,276.47

TABLE 1-2

Water Variable Charges		Water Pumping Charges**	
Customer Class	Total Rate/Unit*	Customer Class	Total Rate/Unit*
Single Family Residential	\$5.53	Agriculture w/Residence	\$4.53
Multi Family	\$5.53	Agriculture	\$4.53
Commercial	\$5.53	PSAWR Domestic Tier 1 (1-22 Units)	\$4.53
Institutional	\$5.53	PSAWR Domestic Tier 2 (22+ Units)	\$4.00
Construction	\$5.53	PSAWR Commercial	\$4.00

Fixed Pumping Charges	
Pumping Zones	Rate/Unit*
All Pumping Zones	\$8.39
Variable Pumping Charges	
Pumping Zones	Rate/Unit*
1 Rainbow Heights	\$2.60
2 ID U-1	\$1.39
3 Vallecitos	\$0.26
4 Northside	\$0.13
5 Morro Tank	\$0.35
6 Huntley	\$1.40
7 Magee Tank	\$0.71

*1 unit of water = 748 gallons

** Pumping Charges apply to those customers who live at higher elevations that require the water to be pumped in order to provide service.

This year water sales have decreased from the prior two years due to a particularly wet winter. It is predicted to be 12,500-acre feet in sales. Water sales have continued the years-long pattern of decline. The loss of agricultural production due to high water costs and increased irrigation efficiency has continued to impact sales. For FY23, sales are predicted to be just under 12,500 acre-feet. Increased revenues from new service connections as a result of development

can help soften the reduction in water sales, new service connections increased by 413 in FY23, compared to 251 new water meters in FY22, 113 in FY21, 265 in FY20, along with 213 new wastewater EDUs in FY23 compared to 430 in FY22, and 72 in the previous year.

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

Fixed revenue estimated for FY 2023-24 includes the increase that was passed at the June 27, 2023 rate hearing, as well as additional growth; they also include the pass-through water rate increases from the San Diego Water Authority (SDCWA) effective January 2023. The SDCWA pass-through increases scheduled for January 2024 will be added at midyear as an increase in revenue and an increase in the cost of water with a net zero impact on the budget. The prior three years' sales ranged between 12,000 and 16,000-acre feet, and as a conservative approach, 12,700-acre feet has been projected for the upcoming budget year.

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

The SDCWA O&M Monthly Fixed Charge is a pass-through fixed charge from SDCWA and MWD as a separate 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 1, in which the District will be passing through all increases to the customer.

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

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

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

Water Expense Assumptions

The largest expense of the District is purchased water from San Diego County Water Authority (SDCWA) at 60% of the total Water Operating budget. Water cost is dependent on volumetric sales. In this forecast the cost of water, we will be using the 12,700 acre-feet of sales plus an estimated 8% of water loss to arrive at an estimated cost of \$24.8M of purchased water including fixed fees assessed by SDCWA.

Operating expenses have remained consistent as a percentage of total costs compared to previous years, with the cost of water being by far the largest component, followed by the cost of our dedicated team members who deliver services to our community 24/7/365. Under the current organizational structure, the span of control of the leadership team ranges from one direct report to fifteen direct reports. However, all costs have increased due to hyperinflation, supply chain issues, increased energy costs.

Capital equipment purchases for operating funds are \$200,000 for the replacement of aging vehicles required to provide service in our rural service area.

Additionally, approximately \$9.2M of capital improvement projects are included in this year's proposed Water capital budget and \$5M in the proposed Wastewater capital budget. This amount represents the projects anticipated for the coming year that are scheduled on the District's five-year Capital Improvement Plan (CIP). A detailed list of planned CIP projects is included in the Capital section of this document.

Purchased Water includes the cost at the point of delivery of water purchased for resale. SDCWA fixed charges are the following categories: Readiness-to-Serve charge, Infrastructure Access Charge, Customer Service Charge, Capacity Reservation Charge, Emergency Storage, and Supply Reliability Charge. The total amount of SDCWA assessed fixed charges for the Fiscal Year 2023-24 is estimated to be at \$4.7M. In addition to the fixed charges there is the commodity rate for the water purchase and transportation cost. SDCWA is proposing a melded increase to their rates that will take effect January 2024. During the District's noticing under the Proposition 218 compliance, language was included to allow the District to pass through to its customers any increase imposed on the District by SDCWA to avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe, reliable water supply. Due to the planned detachment, the Rainbow board choose to hold the line on a rate increase since relief was on the way – even though SDCWA had raised fixed rates 6% for calendar year 2020. As of June 30, 2021, RMWD had absorbed approximately \$1M of rate increases that would have been passed through to customers. While our small but prudent reserves allowed us to provide this rate relief in the short term, it was not sustainable for multiple years. The Board of Directors approved a five-year rate increase in June of 2023. Should detachment occur during this five-year period, it is anticipated that the district will be able to pass multi-year rate decreases. This will be dependent on the parameters placed on the detachment by LAFCO.

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

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

cost center by various staff members when they are assigned to perform work in maintaining the pumping equipment. For budget purposes a 0.5 FTE staffing equivalent is calculated into the labor cost. The single largest expense item is the cost of the electricity and gas used by the pumps.

Water Operations is responsible for the 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 Service Group Water Solutions (USG). The tank maintenance program ensures the tanks will remain in good operating condition for decades to come. Annually, Metropolitan and SDCWA schedule shutdowns for the major repair or upgrade of their pipelines. Shutdowns are scheduled but will not require Rainbow to shut down any of our systems due to the use of temporary pumps that are rented by the district. The Wholesale water efficiency projects budgeted over the next two years will eliminate the need for temporary pumps. This avoids significant costs and inconvenience for the district. In addition, the limited use of SDCWA connections saves the district from paying the Transportation Cost of water, which is a significant savings of over \$750,000 per year.

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

Water Distribution is responsible for the administration, construction and maintenance of 350 miles of water mainlines.

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

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

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

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

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

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

Finance is responsible for the monitoring of overall financial stability of the District, audits, financial reporting, accounts payable, payroll, budgeting, billing, new meter connections, and inventory.

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

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

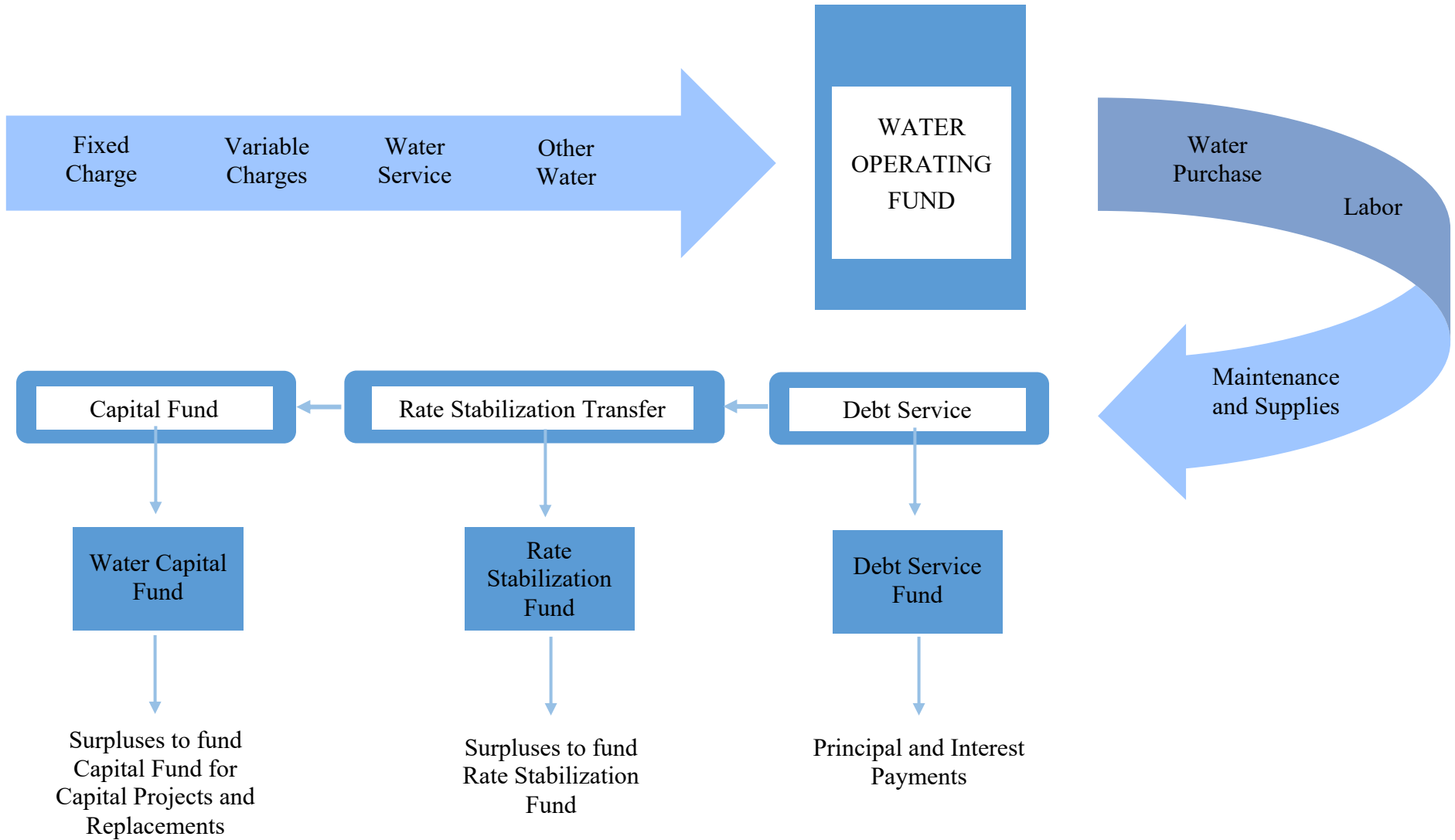
Wastewater Revenue Assumptions

Wastewater revenues are based on wastewater collection and treatment services provided to our customers. Wastewater Service Revenues are projected based upon a total of 5,617.22 Equivalent Dwelling Units (EDUs), a total of 3,198 wastewater accounts compared to approximately 8,778 water accounts. For wastewater rates, we changed the way the rates are calculated. In the past, we used the lowest winter water consumption to set wastewater rates. When we reviewed this data, we found that there was not a strong correlation between our costs to provide service and the lowest winter water consumption. It turns out that low winter consumption is based more on weather than the cost to provide wastewater service. In the revised structure, for residential use there is a flat fee per home, or equivalent dwelling unit (EDU). A cost-of-service study was completed in FY 23 to assess the wastewater rates as the fund was operating at a loss. Rates had not been increased in over 5 years. The current budget includes an increase of 35%, which brings the District rates closer to but still below neighboring districts.

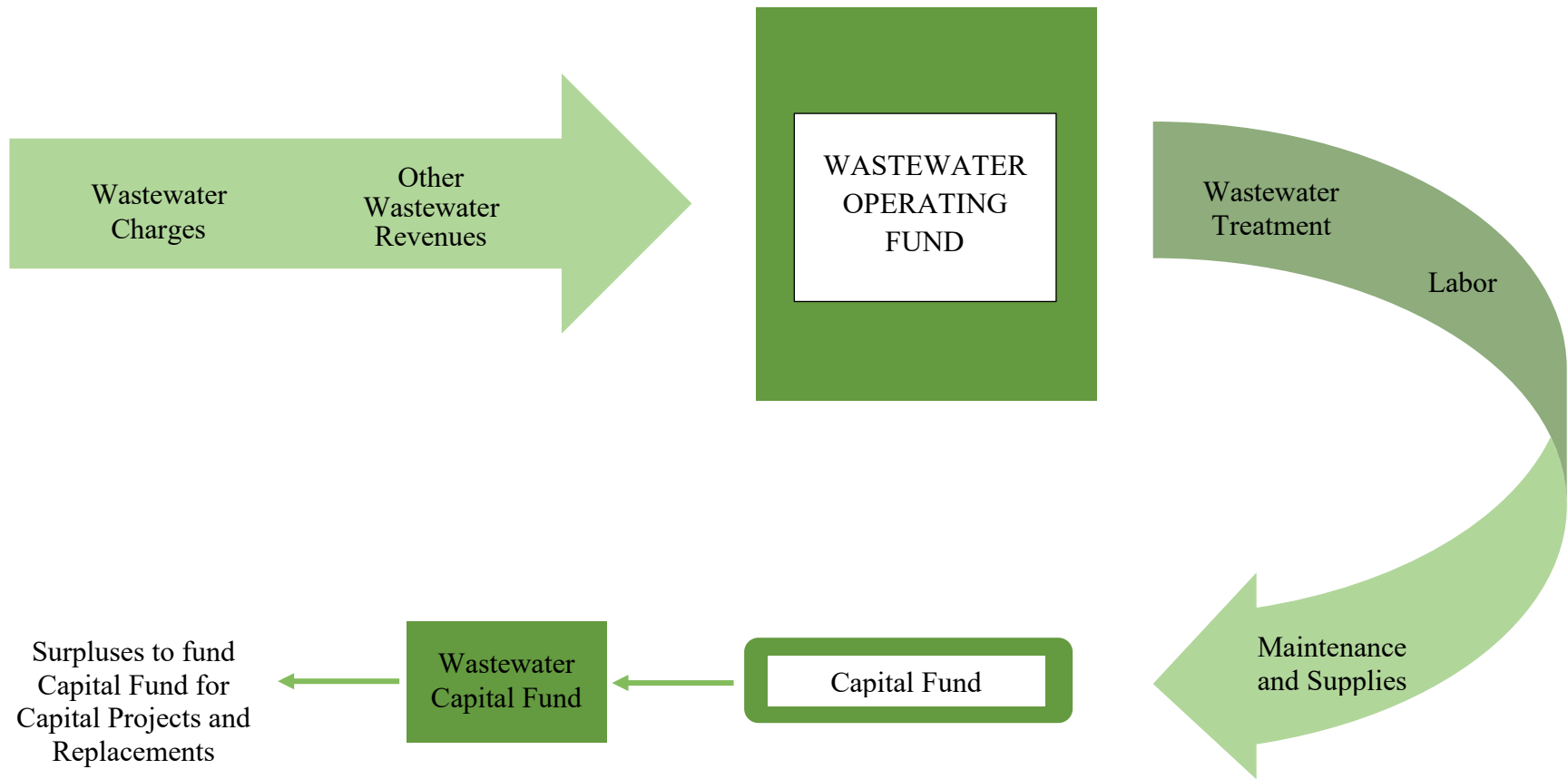
Wastewater is responsible for maintenance and repair of all 60 miles of wastewater lines and pumping systems. The contract with the City of Oceanside for the treatment and discharge of the wastewater is the primary cost factor for this department.

FUNDS STRUCTURE

WATER OPERATING FUND



WASTEWATER OPERATING FUND



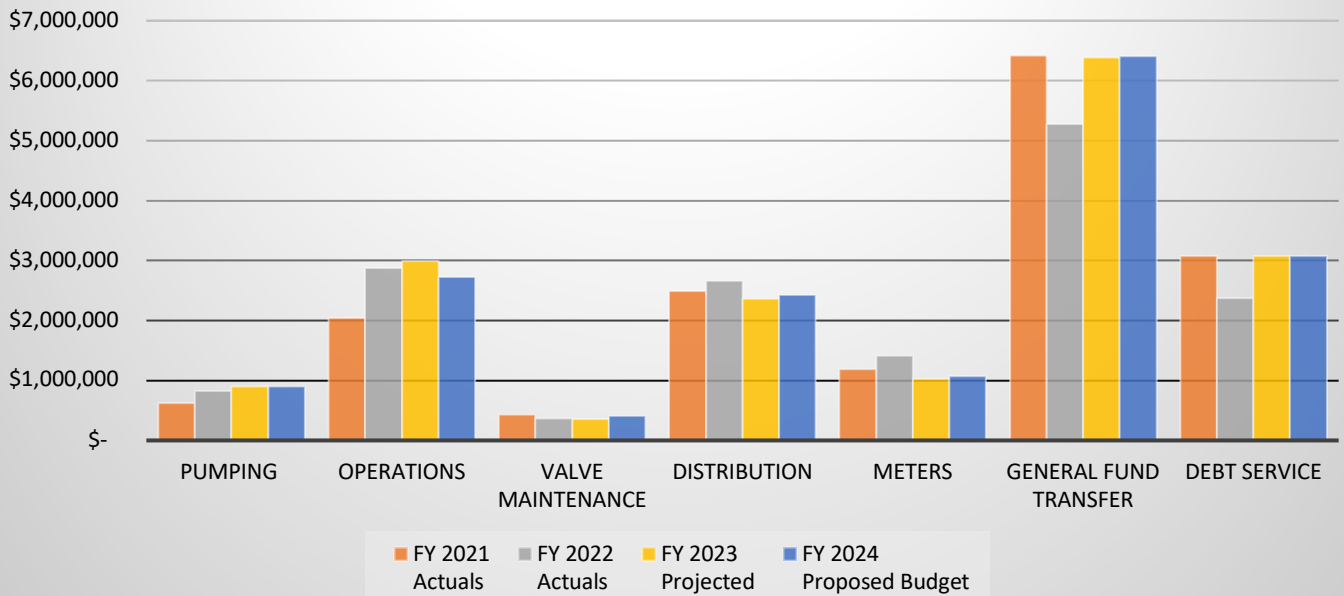
OPERATING BUDGET

WATER FUND BUDGET SUMMARY

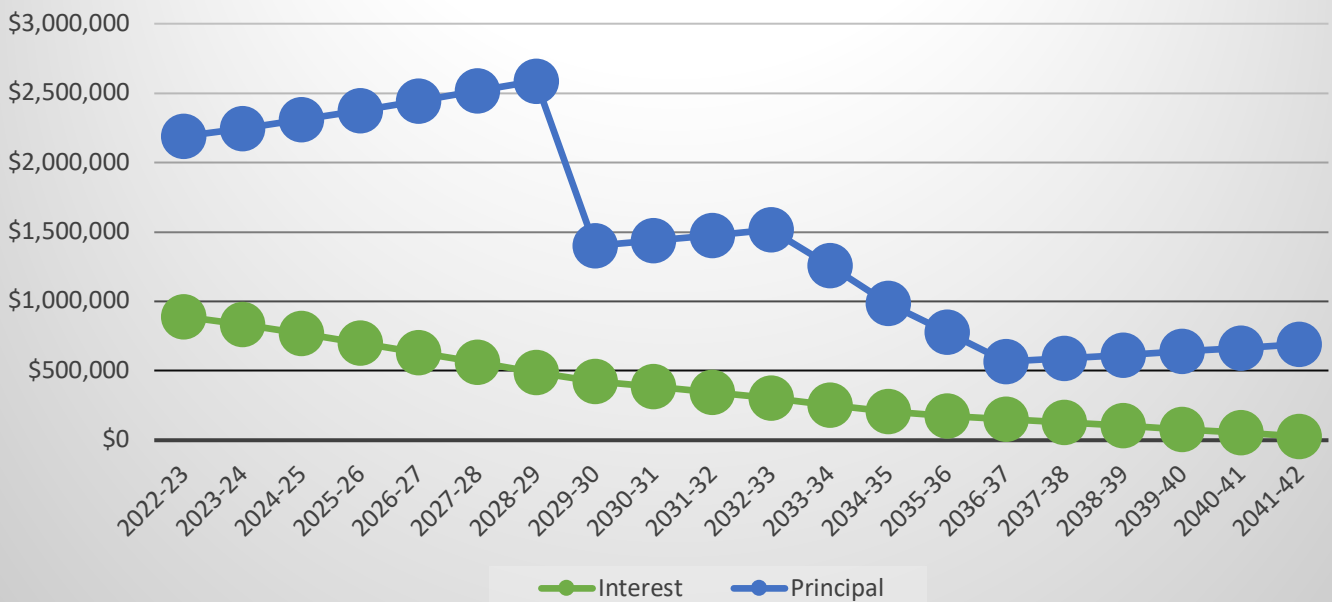
Water Net

Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adjusted Budget	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
Operating Revenues						
Water Sales	\$41,766,896	\$42,730,516	\$43,655,604	\$41,306,374	\$43,769,565	0%
Other Water Services	139,218	333,344	324,664	351,736	324,665	0%
Total Operating Revenues	\$41,906,114	\$43,063,860	\$43,980,268	\$41,658,110	\$44,094,230	0%
Operating Expenses						
Purchased Water	25,916,888	26,032,842	23,701,080	22,607,889	24,886,134	5%
Pumping	627,399	823,195	915,164	899,299	903,529	-1%
Operations	2,039,649	2,875,983	2,767,699	2,993,345	2,723,668	-2%
Valve Maintenance	434,169	369,755	368,077	356,577	407,508	11%
Construction	2,493,042	2,657,242	2,405,684	2,361,141	2,427,196	1%
Meters	1,190,147	1,407,166	1,029,243	1,030,001	1,073,218	4%
General Fund Transfer	6,418,308	5,273,618	6,873,382	6,386,159	6,402,607	-7%
Total Operating Expenses	\$39,119,602	\$39,439,802	\$38,060,330	\$36,634,410	\$38,823,860	2%
Non-Operating Revenues						
Investment Income	458	-	100,000	273,504	100,000	0%
Property Tax Revenue	438,511	466,808	650,000	564,941	650,000	0%
Other Non-Operating Revenue	1,351,637	6,793	106,000	20,840	106,000	0%
Total Non-Operating Revenues	\$1,790,606	\$473,601	\$856,000	\$859,285	\$856,000	0%
Non-Operating Expenses						
Debt Service	3,076,084	2,374,594	3,077,414	3,077,414	3,077,165	0%
Total Non-Operating Expenses	\$3,076,084	\$2,374,594	\$3,077,414	\$3,077,414	\$3,077,165	0%
CHANGE IN NET POSITION	\$1,501,035	\$1,723,065	\$3,698,525	\$2,805,571	\$3,049,205	-18%

Water Operating Expenses



Debt Service



WATER FUND BUDGETED REVENUES

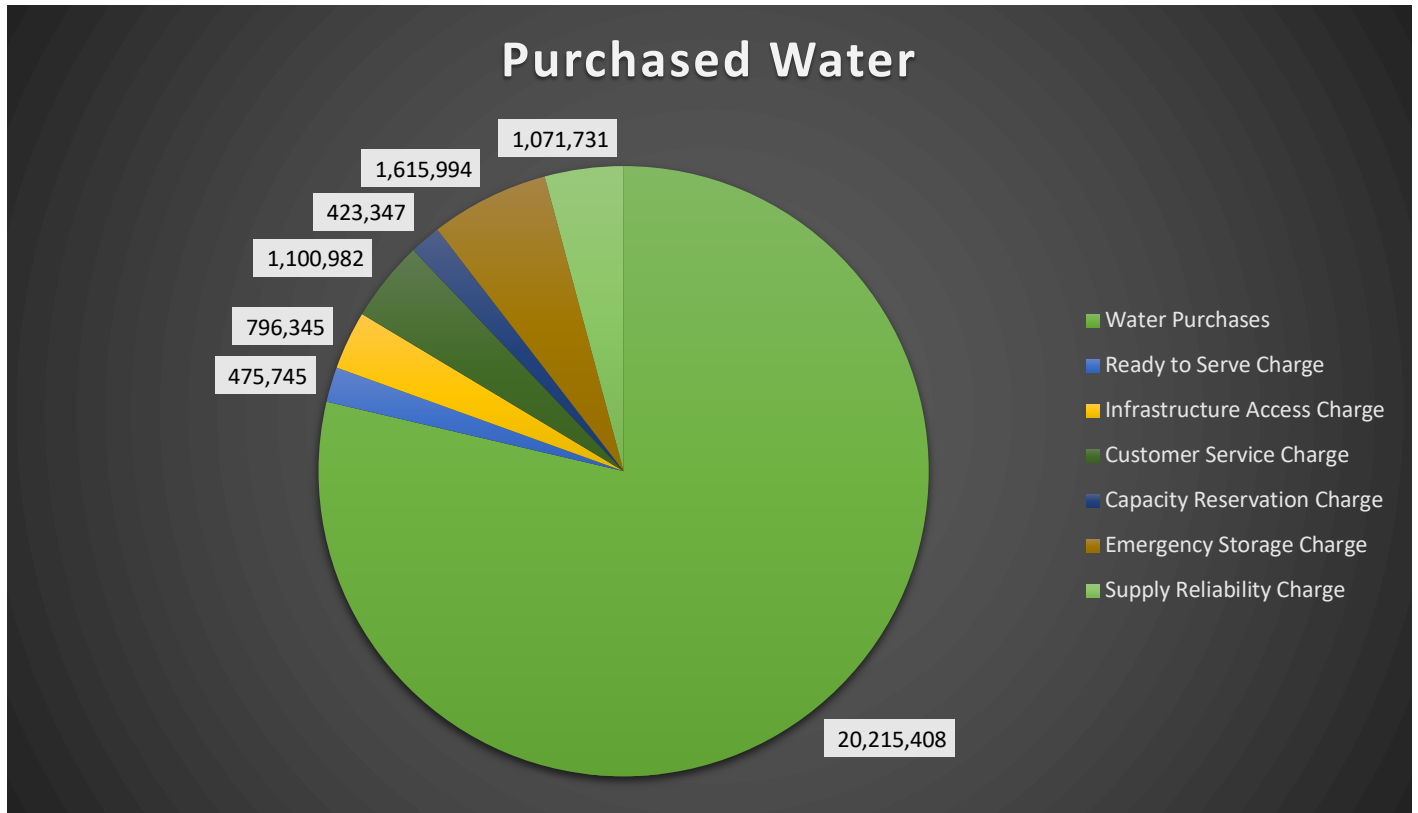
WATER REVENUE

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
01-99-41110	Water Sales-SF, MF, CM, IS	\$9,919,500	\$10,240,318	\$10,427,223	\$10,291,583	\$11,163,504	8%
01-99-41120	Water Sales-Ag. Domestic	1,412,186	3,715,937	4,018,492	3,754,099	4,188,365	12%
01-99-41160	Water Sales- Agriculture	4,141,221	5,360,819	5,745,822	5,532,447	5,668,472	2%
01-99-41170	Water Sales-Construction	584,430	497,314	542,306	386,002	109,400	-72%
01-99-41180	Water Sales - TSAWR Com	4,676,021	3,079,038	2,535,668	2,253,650	2,424,911	8%
01-99-41190	Water Sales- TSAWR Dom	6,109,637	3,643,950	3,063,630	2,742,045	2,892,449	5%
01-99-42120	O&M Charges-RMWD	8,668,323	9,876,454	10,574,720	10,124,052	10,574,720	4%
01-99-42121	O&M Charges-CWA	5,238,813	5,402,987	5,846,502	5,321,252	5,846,502	10%
01-99-42130	Readiness-To-Serve Rev	296,550	297,716	295,130	295,130	295,130	0%
01-99-42140	Pumping Charges	720,215	615,983	606,112	606,112	606,112	0%
01-99-43101	Operating Inc Unlock Fees	50	1,650	5,000	5,000	5,000	0%
01-99-43104	Operating Inc. RP Charges	28,414	269,091	245,665	277,737	245,665	-12%
01-99-43110	Operating Inc Inspections	67,215	19,797	20,000	20,000	20,000	0%
01-99-43111	Operating Inc Install-Hyd	5,175	4,830	2,000	2,000	2,000	0%
01-99-43114	Operating Inc-Misc.	4,910	7,664	7,000	7,000	7,000	0%
01-99-43116	New Meter/Install Parts	32,035	30,525	40,000	40,000	40,000	0%
01-99-43117	Notice Delivery Revenue	1,419	(213)	5,000	-	5,000	0%
Total Operating Revenues		\$41,906,114	\$43,063,860	\$43,980,269	\$41,658,111	\$44,094,230	6%
01-99-49102	Non-Operating Inc-NSF	-	-	3,000	-	3,000	0%
01-99-49107	Recycling Revenue	12,901	24,636	8,000	20,840	8,000	-62%
01-99-49109	Miscellaneous Revenue	1,338,736	(17,844)	95,000	-	95,000	0%
01-99-49200	Interest Revenues	458	-	100,000	273,504	100,000	-63%
01-99-49201	Grant Revenue	-	-	-	36,965	-	0%
01-99-49301	Property Tax Revenue	438,511	466,808	650,000	564,941	650,000	15%
Total Non-Operating Revenues		\$1,790,606	\$473,601	\$856,000	\$896,250	\$856,000	-4%
TOTAL WATER REVENUES		\$43,696,720	\$43,537,461	\$44,836,269	\$42,554,361	\$44,950,230	6%

WATER FUND BUDGETED EXPENSES

PURCHASED WATER

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adjusted Budget	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
01-99-50001	Water Purchases	\$21,771,163	\$21,531,519	\$19,252,770	\$18,097,603	\$20,215,408	12%
01-99-50003	Water in Storage	136,725	(19,285.79)	-	-	-	
01-99-50005	Ready to Serve	493,806	439,855	453,090	453,090	475,745	5%
01-99-50006	Infrastructure Access	694,944	751,044	758,424	758,424	796,345	5%
01-99-50008	Ag Credit-TSAWR	(1,241,399)	(725,307)	(774,683)	(712,709)	(813,418)	14%
01-99-50010	Customer Service	1,091,801	1,066,052	1,048,554	1,048,554	1,100,982	5%
01-99-50011	Capacity Reservation	419,928	461,472	403,188	403,188	423,347	5%
01-99-50012	Emergency Storage	1,603,377	1,545,710	1,539,042	1,539,042	1,615,994	5%
01-99-50013	Supply Reliability	946,543	981,783	1,020,696	1,020,696	1,071,731	5%
Total Purchased Water		\$25,916,888	\$26,032,842	\$23,701,080	\$22,607,889	\$24,886,134	10%



PUMPING EXPENSE

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adjusted Budget	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
01-31-56101	Regular Salaries	\$27,498	\$11,493	\$29,864	\$14,944	\$31,529	-50%
01-31-56103	Overtime & Comp Time	2,646	1,471	1,000	55	500	-95%
	Total Payroll Expenses	\$30,144	\$12,964	\$30,864	\$14,999	\$32,029	-51%
01-31-63100	Equipment Maint/Repair	72,577	47,306	57,000	57,000	37,000	0%
01-31-63401	Building Maintenance	15,149	20,299	4,000	4,000	7,000	0%
01-31-72000	Supplies & Services	36,332	78,645	33,000	33,000	17,000	0%
01-31-73000	Small Tools & Equipment	-	1,962	300	300	500	0%
01-31-78000	Utilities - Electricity	473,197	662,019	790,000	790,000	810,000	0%
	Total Maint./Supply	\$597,255	\$810,231	\$884,300	\$884,300	\$871,500	0%
	TOTAL PUMPING EXPENSES	\$627,399	\$823,195	\$915,164	\$899,299	\$903,529	-2%

OPERATIONS EXPENSE

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023	FY 2024	FY23 %
				Adjusted Budget	Forecast	Adopted	Change
01-32-56101	Regular Salaries	\$713,272	\$754,094	\$548,660	\$744,876	\$732,593	-2%
01-32-56103	Overtime & Comp Time	128,312	111,936	100,000	118,979	120,000	1%
01-32-56501	Employer's Share SSI	38,621	39,674	35,057	40,616	37,511	-8%
01-32-56502	Employer's Share Medicare	9,969	9,747	8,389	10,181	8,905	-13%
01-32-56503	Medical Insurance	96,285	90,530	88,449	84,893	89,084	5%
01-32-56504	Dental Insurance	9,482	9,233	9,695	9,622	10,271	7%
01-32-56505	Vision Insurance	1,132	1,090	1,130	1,100	1,130	3%
01-32-56506	Life, S/T, L/T Disability Ins.	5,297	5,041	6,626	5,574	7,042	26%
01-32-56507	Retirement-CalPERS	57,694	60,035	66,449	59,322	80,307	35%
01-32-56512	Tuition Reimbursement	440	-	1,000	606	1,000	65%
01-32-56515	Worker's Comp. Insurance	18,157	31,460	30,025	21,336	31,873	49%
01-32-56516	State Unemployment Ins, E.T.T.	1,295	1,102	1,085	1,132	910	-20%
01-32-56518	Duty Pay	13,600	19,690	20,644	9,266	20,644	123%
01-32-56520	Deferred Compensation	17,195	18,622	18,200	8,920	20,800	133%
	Total Payroll Expenses	\$1,110,750	\$1,152,254	\$935,409	\$1,116,422	\$1,162,068	4%
01-32-60000	Electronics	5,071	14,699	13,000	13,000	11,000	-15%
01-32-63100	Equipment Maint. & Repairs	7,143	12,679	13,000	13,000	10,000	-23%
01-32-63102	Equipment Maint. Contract	31,989	23,627	33,500	33,500	31,500	-6%
01-32-63200	Equipment Rental	41,356	42,627	42,000	42,000	42,000	0%
01-32-63401	Building Maintenance	44,956	25,596	22,000	22,000	22,000	0%
01-32-72000	Supplies & Services	309,600	395,527	238,000	317,633	198,000	-38%
01-32-72010	Tank Maintenance	416,189	1,056,557	1,327,690	1,327,690	1,110,000	-16%
01-32-72150	Regulatory Permits	52,149	67,417	58,600	58,600	78,600	34%
01-32-72700	Printing & Reproductions	-	-	1,000	1,000	-	-100%
01-32-73000	Small Tools & Equipment	5,226	14,237	7,500	7,500	7,500	0%
01-32-75300	Travel/Conferences/Training	-	1,536	1,000	1,000	1,000	0%
01-32-78000	Utilities	15,220	69,227	75,000	40,000	50,000	25%
	Total Maint./Supply	\$928,899	\$1,723,729	\$1,832,290	\$1,876,923	\$1,561,600	-17%
TOTAL OPERATIONS EXPENSES		\$2,039,649	\$2,875,983	\$2,767,699	\$2,993,345	\$2,723,668	-9%

VALVE MAINTENANCE EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
01-33-56101	Regular Salaries	\$203,285	\$229,195	\$202,860	\$208,699	\$213,850	2%
01-33-56103	Overtime & Comp Time	3,010	7,885	7,000	2,616	3,000	15%
01-33-56501	Employer's Share SSI	17,767	17,684	12,577	12,031	13,259	10%
01-33-56502	Employer's Share Medicare	4,276	4,172	2,941	2,814	3,101	10%
01-33-56503	Medical Insurance	58,936	52,594	34,970	31,178	35,263	13%
01-33-56504	Dental Insurance	5,890	5,203	3,878	3,530	4,108	16%
01-33-56505	Vision Insurance	687	607	452	403	452	12%
01-33-56506	Life, S/T, L/T Disability Ins.	2,992	2,556	2,317	1,826	2,445	34%
01-33-56507	Retirement-CalPERS	32,586	29,424	24,769	20,308	30,067	48%
01-33-56512	Tuition Reimbursement	473	443	1,000	674	1,000	48%
01-33-56515	Worker's Comp. Insurance	10,682	14,977	10,528	5,943	11,099	87%
01-33-56516	State Unemployment Ins, E.T.T.	777	603	434	450	364	-19%
01-33-56520	Deferred Compensation	8,350	8,284	5,850	6,706	6,500	-3%
	Total Payroll Expenses	\$349,712	\$373,627	\$309,577	\$298,077	\$324,508	9%
01-33-72000	Supplies & Services	75,800	(4,445)	55,000	55,000	80,000	45%
01-33-73000	Small Tools & Equipment	8,658	573	3,500	3,500	3,000	-14%
01-33-75300	Travel/Conferences/Training	-	-	-	-	-	
	Total Maint./Supply	\$84,457	(\$3,872)	\$58,500	\$58,500	\$83,000	42%
	TOTAL VALVE MAINT. EXPENSES	\$434,169	\$369,755	\$368,077	\$356,577	\$407,508	14%

CONSTRUCTION EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
01-34-56101	Regular Salaries	\$547,133	\$609,118	\$824,580	\$720,436	\$912,146	27%
01-34-56103	Overtime & Comp Time	163,828	171,883	140,000	152,214	160,000	5%
01-34-56501	Employer's Share SSI	48,684	54,563	46,883	63,892	52,114	-18%
01-34-56502	Employer's Share Medicare	12,143	13,512	11,956	16,130	13,226	-18%
01-34-56503	Medical Insurance	184,125	186,717	150,151	170,971	143,614	-16%
01-34-56504	Dental Insurance	19,212	17,465	14,069	17,242	14,553	-16%
01-34-56505	Vision Insurance	2,431	2,400	1,863	2,315	1,863	-20%
01-34-56506	Life, S/T, L/T Disability Ins.	10,915	9,338	9,414	13,444	10,437	-22%
01-34-56507	Retirement-CalPERS	100,035	89,693	80,240	90,036	96,306	7%
01-34-56512	Tuition Reimbursement	8,572	6,286	5,000	6,965	7,000	1%
01-34-56515	Worker's Comp. Insurance	40,757	52,205	42,796	28,015	47,340	69%
01-34-56516	State Unemployment Ins, E.T.T.	3,620	2,674	1,788	3,222	1,500	-53%
01-34-56518	Duty Pay	13,600	19,998	20,644	17,635	20,644	17%
01-34-56520	Deferred Compensation	27,213	27,988	21,801	24,125	16,952	-30%
	Total Payroll Expenses	\$1,182,267	\$1,263,841	\$1,371,184	\$1,326,641	\$1,497,696	13%
01-34-72000	Supplies & Services	1,141,087	1,221,150	804,500	804,500	754,500	-6%
01-34-72001	Easement Maintenance	159,202	151,016	200,000	200,000	150,000	-25%
01-34-73000	Small Tools & Equipment	10,486	5,801	20,000	20,000	20,000	0%
01-34-75300	Conferences/Training	-	15,435	10,000	10,000	5,000	-50%
	Total Maint./ Supply	\$1,310,774	\$1,393,402	\$1,034,500	\$1,034,500	\$929,500	-10%
	TOTAL CONST. EXPENSES	\$2,493,042	\$2,657,242	\$2,405,684	\$2,361,141	\$2,427,196	3%

METERS EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
01-35-56101	Regular Salaries	\$536,321	\$466,982	\$431,494	\$454,715	\$459,113	1%
01-35-56103	Overtime & Comp Time	50,120	43,846	40,000	41,062	45,000	10%
01-35-56501	Employer's Share SSI	36,894	30,651	26,753	27,232	28,465	5%
01-35-56502	Employer's Share Medicare	8,633	7,168	6,257	6,368	6,657	5%
01-35-56503	Medical Insurance	159,311	117,163	104,000	101,198	105,455	4%
01-35-56504	Dental Insurance	13,678	10,364	9,695	9,590	10,271	7%
01-35-56505	Vision Insurance	1,726	1,210	1,130	1,097	1,130	3%
01-35-56506	Life, S/T, L/T Disability Ins.	6,424	4,991	4,908	4,942	5,230	6%
01-35-56507	Retirement-CalPERS	66,707	41,182	44,877	44,877	53,409	19%
01-35-56512	Tuition Reimbursement	545	232	1,000	1,290	1,000	-22%
01-35-56515	Worker's Comp. Insurance	23,728	26,215	22,395	574	23,828	4051%
01-35-56516	State Unemployment Ins, E.T.T.	2,569	1,419	1,085	1,134	910	-20%
01-35-56520	Deferred Compensation	17,120	13,111	13,650	13,922	16,250	17%
	Total Payroll Expenses	\$923,777	\$764,535	\$707,243	\$708,001	\$756,718	7%
01-35-63404	Backflow Expenses	172,192	144,394	23,500	23,500	8,500	-64%
01-35-72000	Supplies & Services	89,631	487,781	250,000	250,000	300,000	20%
01-35-73000	Small Tools & Equipment	4,547	8,353	43,500	43,500	5,000	-89%
01-35-75300	Conferences/Travel	-	2,102	5,000	5,000	3,000	-40%
	Total Maint./Supply	\$266,370	\$642,631	\$322,000	\$322,000	\$316,500	-2%
	TOTAL METER EXPENSES	\$1,190,147	\$1,407,166	\$1,029,243	\$1,030,001	\$1,073,218	4%

DEBT SERVICE

Beck

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

Morro

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

Meter Replacement Project

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

Water Service Upgrade Project

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

Wholesale Water Efficiency

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

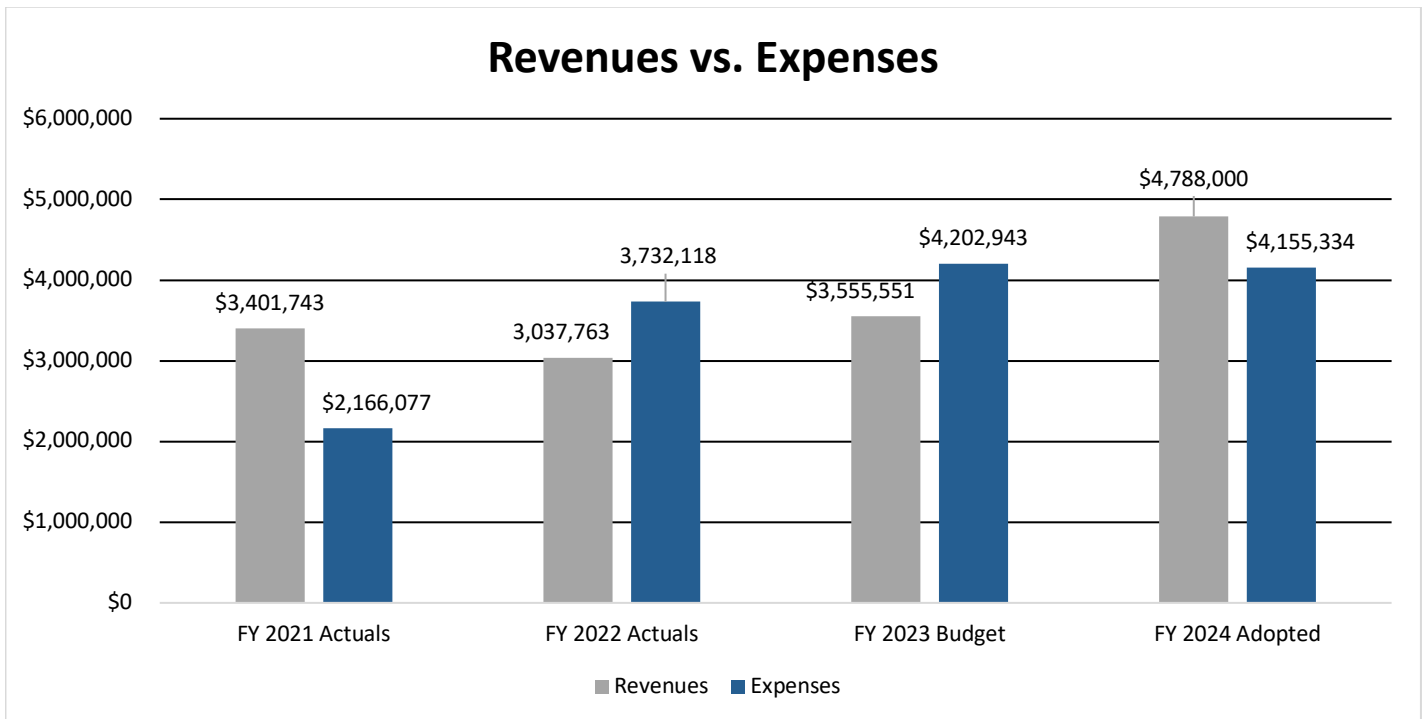
Total Debt Service

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

WASTEWATER FUND BUDGET SUMMARY

Wastewater Operating

Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
			Adjusted Budget			
Operating Revenues						
Wastewater Revenues	\$3,314,743	\$2,989,535	\$3,489,551	\$3,056,657	\$4,711,000	35%
Other Revenues	111,000	48,227	66,000	85,694	77,000	17%
Total Wastewater Revenues	\$3,425,743	\$3,037,763	\$3,555,551	\$3,142,351	\$4,788,000	35%
Operating Expenses						
Total Payroll Expenses	644,213	651,751	678,835	754,982	734,888	8%
Total Maintenance & Supply	16,335	1,843,345	2,116,772	2,116,772	1,918,600	-9%
General Fund Transfer	1,505,529	1,237,022	1,407,335	1,497,988	1,501,846	7%
Total Wastewater Expenses	\$2,166,077	\$3,732,118	\$4,202,943	\$4,369,741	\$4,155,334	-1%
CHANGE IN NET POSITION	\$1,259,666	(\$694,355)	(\$647,392)	(\$1,227,390)	\$632,666	-198%



WASTEWATER FUND BUDGETED REVENUES

WASTEWATER REVENUES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023		FY 2024 Adopted	FY23 % Change
				Adjusted Budget	FY 2023 Forecast		
02-99-41112	Sewer Charges-Established Acct	3,314,743	2,989,535	3,489,551	3,056,657	4,711,000	35%
02-99-43106	Operating Inc-Sewer Letter	2,000	1,400	1,000	1,260	1,000	0%
02-99-43108	Op. Inc - Plan Ck./Inspection	25,000	-	5,000	-	5,000	0%
02-99-49109	Miscellaneous Revenue	5,000	(23,500)	5,000	-	1,000	-80%
02-99-49301	Property Tax Revenue	55,000	70,327	55,000	84,434	70,000	27%
Total Wastewater Revenues		3,401,743	3,037,763	3,555,551	3,142,351	4,788,000	35%

WASTEWATER FUND BUDGETED EXPENSES

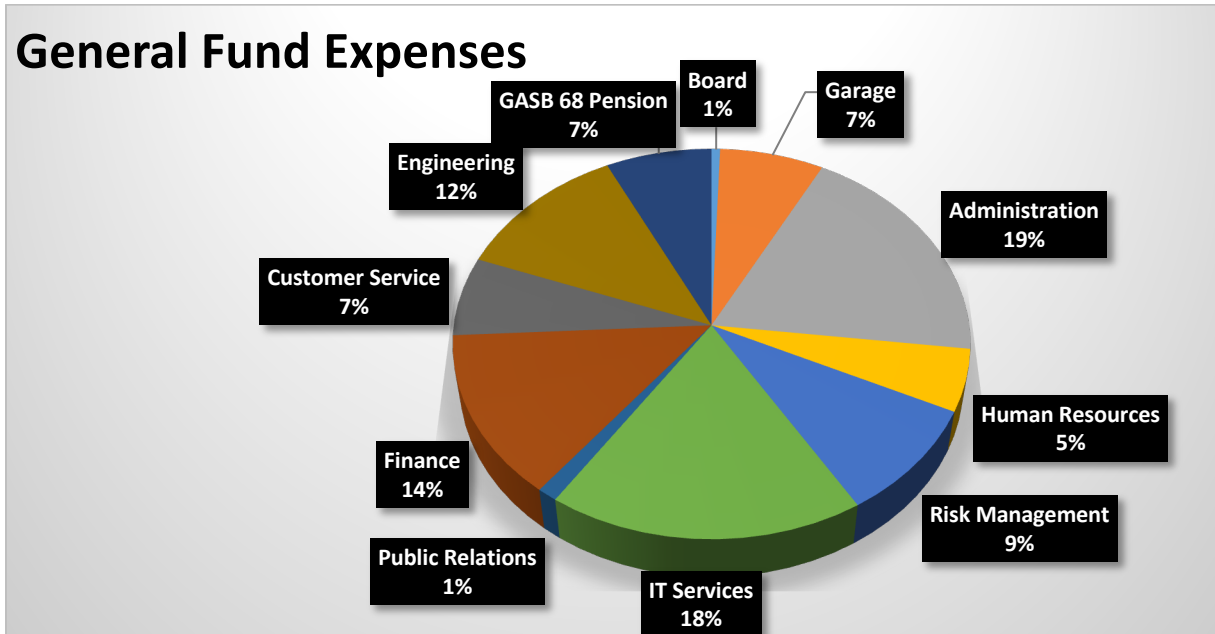
WASTEWATER EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
02-61-56101	Regular Salaries	\$367,120	\$412,821	\$389,619	\$409,975	\$412,014	6%
02-61-56103	Overtime & Comp Time	49,723	75,126	55,000	96,661	90,000	64%
02-61-56501	Employer's Share SSI	25,508	30,354	24,156	31,594	25,545	6%
02-61-56502	Employer's Share Medicare	5,971	7,133	5,649	7,388	5,974	6%
02-61-56503	Medical Insurance	92,686	4,349	85,946	92,719	80,859	-6%
02-61-56504	Dental Insurance	7,412	7,440	6,884	7,768	7,292	6%
02-61-56505	Vision Insurance	891	881	803	888	803	0%
02-61-56506	Life, S/T, L/T Disability Ins.	3,893	3,568	4,457	4,092	4,719	6%
02-61-56507	Retirement-CalPERS	46,894	47,915	47,572	47,380	57,929	22%
02-61-56512	Tuition Reimbursement	1,420	970	2,000	833	1,000	-50%
02-61-56515	Worker's Comp. Insurance	19,010	31,646	26,104	26,104	18,233	-30%
02-61-56516	State Unemployment Ins, E.T.T.	1,036	858	770	958	646	-16%
02-61-56518	Duty Pay	14,200	19,316	20,644	18,533	20,644	0%
02-61-56520	Deferred Compensation	8,450	9,375	9,230	10,090	9,230	0%
	Total Payroll Expenses	\$644,213	\$651,751	\$678,835	\$754,982	\$734,888	8%
02-61-60000	Electronics	12,749	-	12,000	-	1,000	-92%
02-61-63100	Equipment Maint. & Repairs	56,698	36,324	58,972	65,356	48,000	-19%
02-61-63200	Equipment Rental	1,497	27,503	40,000	38,813	40,000	0%
02-61-70000	Professional Services	106,014	(79,075)	40,000	41,886	40,000	0%
02-61-72000	Supplies & Services	129,513	166,659	214,100	77,223	70,000	-67%
02-61-72150	Regulatory Permits	6,074	9,694	8,000	13,527	13,000	63%
02-61-72200	Books & Resources	840	-	500	-	-	-100%
02-61-72400	Dues & Subscriptions	538	1,076	600	-	600	0%
02-61-72600	Sewer Line Cleaning/Maint.	58,867	160,549	150,000	126,556	110,000	-27%
02-61-73000	Small Tools & Equipment	3,127	6,427	4,000	7,681	5,000	25%
02-61-75300	Travel/Conferences/Training	185	591	600	-	-	-100%
02-61-77000	Sewage Treatment Oceanside	(443,656)	1,434,500	1,500,000	-	1,500,000	0%
02-61-78000	Utilities	79,298	75,439	75,000	77,645	80,000	7%
02-61-78300	Hazardous Waste Disposal	4,590	3,659	10,000	13,385	10,000	0%
02-61-78700	Utilities-Propane	-	-	3,000	131	1,000	-67%
	Total Maintenance & Supply	\$16,335	\$1,843,345	\$2,116,772	\$462,203	\$1,918,600	-9%
02-99-52176	Overhead Transfer to Gen Fund	1,505,529	1,237,022	1,612,275	1,497,988	1,501,846	-7%
	Total Transfers	\$1,505,529	\$1,237,022	\$1,612,275	\$1,497,988	\$1,501,846	-7%
	TOTAL WASTEWATER EXPENSES	\$2,166,077	\$3,732,118	\$4,407,882	\$2,715,173	\$4,155,334	-6%

GENERAL FUND BUDGET SUMMARY

General Operating

Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adjusted Budget	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
Operating Revenues						
Water Overhead Transfer	\$7,175,896	\$5,273,618	\$6,873,382	\$6,386,159	\$6,402,607	-7%
Wastewater Overhead Transfer	1,505,529	1,237,022	1,612,275	1,497,988	1,501,846	-7%
Other General Fund Revenue	273,862	1,851,653	680,000	1,046,596	1,060,000	56%
Total Operating Revenues	\$8,955,286	\$8,362,293	\$9,165,657	\$8,930,742	\$8,964,453	-2%
Operating Expenses						
Board of Directors	\$16,843	\$38,442	\$50,101	\$50,126	\$52,560	5%
Garage	500,159	574,271	632,322	644,282	638,585	1%
Administration	2,151,451	1,925,625	2,006,342	1,962,658	1,722,303	-14%
Human Resources	380,374	302,789	446,674	432,333	460,174	3%
Risk Management	960,458	889,125	940,192	934,443	826,989	-12%
IT Services	954,149	1,267,083	1,604,844	1,473,666	1,626,617	1%
Public Relations	-	-	-	-	104,522	
Finance	807,353	926,380	1,169,321	1,098,392	1,218,191	4%
Customer Service	701,148	624,732	594,822	603,904	585,884	-2%
Engineering	1,624,692	1,131,447	1,078,629	1,088,527	1,078,629	0%
GASB 68 Pension	1,036,365	642,412	642,412	642,412	650,000	1%
Total Operating Expenses	\$9,132,992	\$8,322,307	\$9,165,657	\$8,930,742	\$8,964,453	-2%
CHANGE IN NET POSITION	(\$177,706)	\$39,986	\$-	\$-	\$-	



GENERAL FUND BUDGETED REVENUES

GENERAL FUND REVENUES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023	FY 2024	FY23 %
				Adjusted Budget	Forecast	Adopted	Change
03-99-42200	Water Transfer	\$7,175,896	\$5,273,618	\$6,873,382	\$6,257,529	\$6,402,607	2%
03-99-42200	Wastewater Transfer	1,505,529	1,237,022	1,612,275	1,467,815	1,501,846	2%
03-99-43102	Op. Inc Penalty Charges	93,116	296,104	500,000	556,503	550,000	-1%
03-99-43108	Op. Inc Plan Check Rev.	15,964	195,924	100,000	150,000	150,000	0%
03-99-49108	Non-Op. Inc-Rents & Leases	58,794	3,366	-	81,540	80,000	-2%
03-99-49109	Miscellaneous Revenue	101,020	1,347,509	75,000	84,411	75,000	-11%
03-99-49114	Misc. Revenue-Eng. Services	4,968	8,750	5,000	4,740	5,000	5%
03-99-49200	Interest Revenues	327,752	145,776	100,000	328,205	200,000	-39%
Total Gen. Fund Revenues		\$8,955,286	\$8,362,293	\$9,165,657	\$8,602,538	\$8,964,453	4%

GENERAL FUND BUDGETED EXPENSES

BOARD OF DIRECTOR EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
03-20-56202	Board Member Expenses	\$12,750	\$16,950	\$14,000	\$16,105	\$16,000	14%
03-20-56501	Employer's Share SSI	814	1,051	868	999	1,000	15%
03-20-56502	Employer's Share Medicare	202	246	203	234	250	23%
03-20-56515	Worker's Comp Insurance	(48)	84	-	51	100	
	Total Payroll Expenses	\$13,718	\$18,331	\$15,071	\$17,389	\$17,350	0%
03-20-72000	Supplies & Services	-	176	120	264	300	150%
03-20-75300	Travel/Conferences/Training	3,125	19,935	34,910	11,354	34,910	0%
	Total Supplies Expenses	\$3,125	\$20,111	\$35,030	\$11,618	\$35,210	1%
	TOTAL BOARD EXPENSES	\$16,843	\$38,442	\$50,101	\$29,007	\$52,560	5%

GARAGE EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
03-36-56101	Regular Salaries	\$102,887	\$91,012	\$105,460	\$105,698	\$111,542	6%
03-36-56103	Overtime & Comp Time	8,511	17,499	12,000	26,032	27,000	125%
03-36-56501	Employer's Share SSI	6,645	6,780	6,539	7,751	6,916	6%
03-36-56502	Employer's Share Medicare	1,554	1,586	1,529	1,813	1,617	6%
03-36-56503	Medical Insurance	18,917	18,949	19,866	19,584	20,363	3%
03-36-56504	Dental Insurance	1,910	1,857	1,939	1,948	2,054	6%
03-36-56505	Vision Insurance	223	217	226	223	226	0%
03-36-56506	Life, S/T, L/T Disability Ins.	988	906	1,205	1,025	1,276	6%
03-36-56507	Retirement-CalPERS	10,675	11,158	12,877	11,714	15,683	22%
03-36-56512	Tuition Reimbursement	-	-	100	-	100	0%
03-36-56515	Worker's Comp. Insurance	3,789	6,839	6,264	4,247	6,626	6%
03-36-56516	State Unemployment Ins, E.T.T.	259	224	217	227	182	-16%
03-36-56520	Deferred Compensation	2,600	2,700	2,600	2,520	2,600	0%
	Total Payroll Expenses	\$158,958	\$159,725	\$170,822	\$182,782	\$196,185	15%
03-36-60000	Equipment	15,315	17,749	15,000	15,000	5,000	-67%
03-36-63100	Equipment Maintenance	18,944	26,523	40,000	40,000	40,000	0%
03-36-63421	Fuel & Oil	162,040	198,295	200,000	200,000	180,000	-10%
03-36-63422	Repair, Supplies, Auto	86,345	90,117	80,000	80,000	90,000	13%
03-36-72000	Supplies & Services	52,083	75,464	120,000	120,000	120,000	0%
03-36-73000	Small Tools & Equipment	6,474	6,398	6,000	6,000	7,000	17%
03-36-75300	Travel/Conferences/Training	-	-	500	500	500	0%
	Total Maintenance & Supply	\$341,201	\$414,546	\$461,500	\$461,500	\$442,500	-4%
	TOTAL GARAGE EXPENSES	\$500,159	\$574,271	\$632,322	\$644,282	\$638,685	1%

ADMINISTRATION EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
03-41-56101	Regular Salaries	\$361,300	\$399,790	\$431,882	\$420,648	\$447,563	4%
03-41-56103	Overtime & Comp Time	11,412	6,190	7,500	4,656	6,500	-13%
03-41-56501	Employer's Share SSI	28,834	15,153	17,655	15,010	19,081	8%
03-41-56502	Employer's Share Medicare	7,989	5,325	6,262	5,524	6,490	4%
03-41-56503	Medical Insurance	57,315	28,495	30,838	24,696	28,002	-9%
03-41-56504	Dental Insurance	4,748	2,116	2,583	2,113	2,737	6%
03-41-56505	Vision Insurance	798	405	452	386	452	0%
03-41-56506	Life, S/T, L/T Disability Ins.	3,911	2,755	4,993	2,986	5,176	4%
03-41-56507	Retirement-CalPERS	64,589	48,821	52,733	45,559	62,927	19%
03-41-56511	Employee Uniform Allowance	21,328	28,605	28,000	23,435	28,000	0%
03-41-56512	Tuition Reimbursement	-	-	1,000	-	500	-50%
03-41-56515	Worker's Comp. Insurance	41,233	31,982	16,064	11,380	16,426	2%
03-41-56516	State Unemployment Ins, E.T.T.	1,129	495	434	400	364	-16%
03-41-56520	Deferred Compensation	7,675	2,700	2,600	2,521	2,600	0%
Total Payroll Expenses		\$612,261	\$572,834	\$602,997	\$559,313	\$626,818	4%
03-41-63200	Equipment Rental	45,542	47,507	49,000	49,000	49,000	0%
03-41-63400	Kitchen Supplies	14,729	16,047	15,000	15,000	15,000	0%
03-41-63401	Building Maintenance	106,514	113,887	90,100	90,100	100,100	11%
03-41-70000	Professional Services	603,036	431,100	540,000	540,000	390,000	-28%
03-41-70300	Legal Services	480,874	387,591	355,000	355,000	200,000	-44%
03-41-72000	Supplies & Services	31,454	79,302	56,800	56,800	23,800	-58%
03-41-72400	Dues & Subscriptions	64,694	64,920	66,145	66,145	72,785	10%
03-41-72702	Public Notices/Advertising	510	734	750	750	750	0%
03-41-72900	Stationary & Office Supplies	3,970	4,585	4,000	4,000	4,500	13%
03-41-74000	Communications	11,876	11,803	13,000	13,000	14,000	8%
03-41-74100	Phone Bill	101,081	102,019	108,000	108,000	112,000	4%
03-41-75300	Travel/Conferences/Training	2,359	7,817	16,550	16,550	16,550	0%
03-41-78000	Utilities-Electricity	52,254	62,403	62,000	62,000	75,000	21%
03-41-78700	Utilities -Propane	9,312	6,006	9,000	9,000	8,000	-11%
03-41-78900	Trash Pick-Up	10,986	17,071	18,000	18,000	14,000	-22%
Total Maintenance & Supply		\$1,539,190	\$1,352,791	\$1,403,345	\$1,403,345	\$1,095,485	-22%
TOTAL ADMIN. EXPENSES		\$2,151,451	\$1,925,625	\$2,006,342	\$1,962,658	\$1,722,303	-14%

Human Resources Expenses

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023		FY 2024 Adopted	FY23 % Change
				Adjusted Budget	FY 2023 Forecast		
03-42-56101	Regular Salaries	\$284,403	\$215,789	\$236,495	\$231,329	\$262,962	11%
03-42-56103	Overtime & Comp Time	456	42	2,000	521	1,000	-50%
03-42-56501	Employer's Share SSI	11,736	9,892	12,365	11,047	14,166	15%
03-42-56502	Employer's Share Medicare	3,292	3,141	3,429	3,337	3,813	11%
03-42-56503	Medical Insurance	10,602	7,188	27,444	29,744	39,599	44%
03-42-56504	Dental Insurance	952	604	2,583	2,930	4,108	59%
03-42-56505	Vision Insurance	223	212	452	421	452	0%
03-42-56506	Life, S/T, L/T Disability Ins.	1,579	1,447	2,124	1,811	2,248	6%
03-42-56507	Retirement-CalPERS	12,917	12,243	14,000	12,794	16,461	18%
03-42-56512	Tuition Reimbursement	535	1,660	3,000	-	2,500	-17%
03-42-56515	Worker's Comp. Insurance	696	968	1,372	1,025	1,525	11%
03-42-56516	State Unemployment Ins, E.T.T.	518	383	434	454	364	-16%
03-42-56520	Deferred Compensation	3,520	4,638	8,450	4,394	4,550	-46%
Total Payroll Expenses		\$331,429	\$258,208	\$314,149	\$299,808	\$353,749	13%
03-42-56513	Employee Relations	5,084	14,400	17,650	17,650	21,150	20%
03-42-70000	Professional Services	6,190	2,295	11,000	11,000	6,000	-45%
03-42-70300	Legal Services	-	-	10,000	10,000	10,000	0%
03-42-72000	Supplies & Services	694	3,048	2,500	2,500	2,000	-20%
03-42-72200	Books & Resources	-	-	100	100	-	-100%
03-42-72400	Dues & Subscriptions	1,390	3,629	1,575	1,575	1,925	22%
03-42-75300	Travel/Conferences/Training	-	-	4,500	4,500	4,500	0%
03-42-75400	Workforce Development	19,522	5,592	38,350	38,350	24,000	-37%
03-42-75500	Recruitment	16,065	15,618	46,850	46,850	36,850	-21%
Total Maintenance & Supply		\$48,945	\$44,581	\$132,525	\$132,525	\$106,425	-20%
TOTAL HR EXPENSES		\$380,374	\$302,789	\$446,674	\$432,333	\$460,174	3%

RISK MANAGEMENT EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023		FY 2024 Adopted	FY23 % Change
				Adjusted Budget	FY 2023 Forecast		
03-43-56101	Regular Salaries	\$195,800	\$182,513	\$126,509	\$120,889	\$132,393	5%
03-43-56103	Overtime & Comp Time	2,503	1,033	1,500	1,991	2,000	33%
03-43-56501	Employer's Share SSI	33,625	10,530	7,844	7,096	8,208	5%
03-43-56502	Employer's Share Medicare	2,834	2,493	1,834	1,662	1,920	5%
03-43-56503	Medical Insurance	16,714	22,749	14,101	14,599	14,677	4%
03-43-56504	Dental Insurance	1,681	2,356	1,939	1,964	2,054	6%
03-43-56505	Vision Insurance	223	299	226	227	226	0%
03-43-56506	Life, S/T, L/T Disability Ins.	1,175	1,078	1,935	1,218	1,520	-21%
03-43-56507	Retirement-CalPERS	8,692	12,078	6,602	8,507	10,168	54%
03-43-56512	Tuition Reimbursement	-	-	-	1,678	2,000	0%
03-43-56515	Worker's Comp. Insurance	4,014	7,101	4,587	2,619	6,871	50%
03-43-56516	State Unemployment Ins, E.T.T.	259	741	217	227	182	-16%
03-43-56520	Deferred Compensation	-	2,521	4,550	3,419	3,510	-23%
	Total Payroll Expenses	\$267,520	\$245,492	\$171,844	\$166,095	\$185,729	8%
03-43-63100	Equipment Maintenance	2,940	2,460	5,200	1,390	3,500	-33%
03-43-63102	Equipment Maint. Contract	3,988	2,638	7,625	4,720	3,675	-52%
03-43-65000	Property Liability Insurance	402,599	487,586	450,000	358,025	450,000	0%
03-43-65100	District-Paid Claims	167,045	77,684	200,000	12,488	80,000	-60%
03-43-70000	Professional Services	-	-	-	-	25,000	0%
03-43-72000	Supplies & Services	54,930	16,477	27,000	22,792	25,000	-7%
03-43-72200	Books & Resources	570	565	1,000	663	750	-25%
03-43-72400	Dues & Subscriptions	372	2,749	3,923	44	35	-99%
03-43-72500	Safety Supplies	60,469	51,945	68,100	39,735	51,300	-25%
03-43-75300	Travel/Conferences/Training	25	1,530	5,500	63	2,000	-64%
	Total Maintenance & Supply	\$692,938	\$643,633	\$768,348	\$439,920	\$641,260	-17%
	TOTAL RISK MGMT. EXPENSES	\$960,458	\$889,125	\$940,192	\$606,015	\$826,989	-12%

IT EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023	FY 2024	FY23 %
				Adjusted Budget	Forecast	Adopted	Change
03-44-56101	Regular Salaries	\$375,203	\$427,333	\$527,967	\$440,765	\$553,939	5%
03-44-56103	Overtime & Comp Time	4,573	4,976	15,000	5,616	7,000	-53%
03-44-56501	Employer's Share SSI	25,482	28,967	30,108	27,368	32,302	7%
03-44-56502	Employer's Share Medicare	6,451	7,220	7,656	7,135	8,032	5%
03-44-56503	Medical Insurance	56,362	61,270	60,354	53,794	56,957	-6%
03-44-56504	Dental Insurance	3,712	4,933	5,167	4,890	5,473	6%
03-44-56505	Vision Insurance	817	884	904	835	904	0%
03-44-56506	Life, S/T, L/T Disability Ins.	4,231	4,624	6,062	5,597	6,365	5%
03-44-56507	Retirement-CalPERS	40,815	43,080	46,306	38,507	54,597	18%
03-44-56512	Tuition Reimbursement	293	7,750	10,500	3,470	5,250	-50%
03-44-56515	Worker's Comp. Insurance	14,446	30,675	29,830	20,949	31,298	5%
03-44-56516	State Unemployment Ins, E.T.T.	1,036	886	868	836	728	-16%
03-44-56520	Deferred Compensation	6,355	7,425	7,150	6,930	7,150	0%
	Total Payroll Expenses	\$539,774	\$630,024	\$747,871	\$616,693	\$769,996	3%
03-44-60000	Electronics	-	3,200	25,000	19,257	25,000	0%
03-44-60100	Computers	73,147	109,372	100,500	38,601	100,500	0%
03-44-70000	Professional Services	14,779	9,000	50,000	41,399	115,000	130%
03-44-72000	Supplies & Services	15,111	37,771	119,500	46,979	66,500	-44%
03-44-72400	Dues & Subscriptions	311,338	470,592	532,973	483,527	533,621	0%
03-44-73000	Small Tools & Equipment	-	7,094	17,000	9,026	10,000	-41%
03-44-75300	Conferences/Meetings	-	30	12,000	1,640	6,000	-50%
	Total Maintenance & Supply	\$414,375	\$637,059	\$856,973	\$640,430	\$856,621	0%
	TOTAL IT EXPENSES	\$954,149	\$1,267,083	\$1,604,844	\$1,257,122	\$1,626,617	1%

PR EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023		FY 2024 Adopted	FY 23 % Change
				Adjusted Budget	FY 2023 Forecast		
03-45-56101	Regular Salaries	\$ -	\$ -	\$ -	\$ -	\$34,370	0%
03-45-56103	Overtime & Comp Time	-	-	-	-	2,000	0%
03-45-56501	Employer's Share SSI	-	-	-	-	2,131	0%
03-45-56502	Employer's Share Medicare	-	-	-	-	498	0%
03-45-56503	Medical Insurance	-	-	-	-	-	0%
03-45-56504	Dental Insurance	-	-	-	-	2,054	0%
03-45-56505	Vision Insurance	-	-	-	-	226	0%
03-45-56506	Life, S/T, L/T Disability Ins.	-	-	-	-	375	0%
03-45-56507	Retirement-CalPERS	-	-	-	-	2,640	0%
03-45-56512	Tuition Reimbursement	-	-	-	-	-	0%
03-45-56515	Worker's Comp. Insurance	-	-	-	-	546	0%
03-45-56516	State Unemployment Ins, E.T.T.	-	-	-	-	182	0%
03-45-56520	Deferred Compensation	-	-	-	-	-	0%
	Total Payroll Expenses	\$ -	\$ -	\$ -	\$ -	\$45,022	0%
03-45-70000	Professional Services	-	-	-	-	25,000	0%
03-45-72000	Supplies & Services	-	-	-	-	32,500	0%
03-45-72200	Small Tools & Equipment	-	-	-	-	500	0%
03-45-72400	Dues & Subscriptions	-	-	-	-	500	0%
03-45-75300	Conferences/Meetings	-	-	-	-	1,000	0%
	Total Maintenance & Supply	\$ -	\$ -	\$ -	\$ -	\$59,500	0%
	TOTAL PR EXPENSES	\$ -	\$ -	\$ -	\$ -	\$104,522	0%

FINANCE EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
				Adjusted Budget			
03-51-56101	Regular Salaries	\$429,514	\$534,685	\$733,371	\$670,316	\$793,693	8%
03-51-56103	Overtime & Comp Time	11,195	5,583	5,000	7,524	7,500	50%
03-51-56501	Employer's Share SSI	29,915	37,449	41,969	39,572	45,631	9%
03-51-56502	Employer's Share Medicare	7,606	9,458	10,634	10,274	11,509	8%
03-51-56503	Medical Insurance	78,643	90,749	100,775	105,767	106,210	5%
03-51-56504	Dental Insurance	6,610	8,325	9,689	10,745	10,953	13%
03-51-56505	Vision Insurance	1,206	1,378	1,582	1,468	1,582	0%
03-51-56506	Life, S/T, L/T Disability Ins.	4,375	5,479	8,381	6,348	9,086	8%
03-51-56507	Retirement-CalPERS	35,339	42,734	49,667	44,366	55,437	12%
03-51-56512	Tuition Reimbursement	6,737	11,496	8,030	5,250	5,250	-35%
03-51-56515	Worker's Comp. Insurance	5,316	5,915	10,542	8,604	9,471	-10%
03-51-56516	State Unemployment Ins, E.T.T.	1,345	2,061	1,519	1,544	1,274	-16%
03-51-56520	Deferred Compensation	17,840	20,960	23,920	21,968	23,660	-1%
	Total Payroll Expenses	\$635,641	\$776,272	\$1,005,081	\$933,748	\$1,081,256	8%
03-51-69000	Postage	46,653	40,685	46,500	46,500	41,500	-11%
03-51-70000	Professional Services	-	-	-	404	500	0%
03-51-70100	Annual Audit Services	30,200	31,392	37,840	37,840	35,000	-8%
03-51-70400	Bank Service Charges	61,472	57,356	60,000	60,000	40,000	-33%
03-51-72000	Supplies & Services	32,703	1,058	1,000	1,000	750	-25%
03-51-72400	Dues & Subscriptions	258	345	400	400	685	71%
03-51-72700	Printing & Reproductions	-	2,676	3,500	3,500	3,500	0%
03-51-75300	Travel/Conferences/Training	425	16,596	15,000	15,000	15,000	0%
	Total Maintenance & Supply	\$171,712	\$150,108	\$164,240	\$164,644	\$136,935	-17%
	TOTAL FINANCE EXPENSES	\$807,353	\$926,380	\$1,169,321	\$1,098,392	\$1,218,191	4%

CUSTOMER SERVICE EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023		FY 2024 Adopted	FY23 % Change
				Adjusted Budget	FY 2023 Forecast		
03-52-56101	Regular Salaries	\$339,012	\$335,920	\$295,820	\$316,457	\$275,693	-7%
03-52-56103	Overtime & Comp Time	28,799	20,855	21,000	14,682	18,000	-14%
03-52-56501	Employer's Share SSI	19,047	17,647	18,341	19,708	17,093	-7%
03-52-56502	Employer's Share Medicare	4,454	4,127	4,289	4,609	3,998	-7%
03-52-56503	Medical Insurance	57,234	57,403	57,949	60,184	81,086	40%
03-52-56504	Dental Insurance	5,620	5,726	6,461	5,563	6,845	6%
03-52-56505	Vision Insurance	1,039	891	904	890	904	0%
03-52-56506	Life, S/T, L/T Disability Ins.	3,172	2,385	3,349	2,554	1,534	-54%
03-52-56507	Retirement-CalPERS	25,502	24,816	27,625	21,986	21,173	-23%
03-52-56512	Tuition Reimbursement	218	-	1,000	1,050	1,000	0%
03-52-56515	Worker's Comp. Insurance	934	1,155	1,716	1,332	1,531	-11%
03-52-56516	State Unemployment Ins, E.T.T.	1,483	895	868	1,450	728	-16%
03-52-56520	Deferred Compensation	7,150	6,750	6,500	4,440	7,800	20%
	Total Payroll Expenses	\$493,665	\$478,571	\$445,822	\$454,904	\$437,384	-2%
03-52-66000	Bad Debt Expense/Billing Adj.	137	-	-	-	-	0%
03-52-72000	Supplies & Services	207,108	146,105	147,000	147,000	147,000	0%
03-52-72700	Printing & Reproductions	239	-	1,000	1,000	500	-50%
03-52-75300	Travel/Conferences/Training	-	57	1,000	1,000	1,000	0%
	Total Maintenance & Supply	\$207,483	\$146,162	\$149,000	\$149,000	\$148,500	0%
	TOTAL CS EXPENSES	\$701,148	\$624,732	\$594,822	\$603,904	\$585,884	-2%

ENGINEERING EXPENSES

GL Account	Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023	FY 2023	FY 2024	FY 23 %
				Adjusted Budget	Forecast	Adopted	Change
03-91-56101	Regular Salaries	\$428,871	\$470,756	\$505,928	\$485,635	\$594,856	18%
03-91-56103	Overtime & Comp Time	9,103	7,646	6,000	5,507	6,000	0%
03-91-56501	Employer's Share SSI	20,502	28,511	28,923	29,843	35,199	22%
03-91-56502	Employer's Share Medicare	5,525	6,873	7,186	7,206	8,625	20%
03-91-56503	Medical Insurance	71,564	74,410	79,712	56,166	72,386	-9%
03-91-56504	Dental Insurance	7,117	6,984	7,897	5,365	6,802	-14%
03-91-56505	Vision Insurance	1,021	1,049	1,044	858	1,044	0%
03-91-56506	Life, S/T, L/T Disability Ins.	5,248	6,019	6,956	6,480	6,827	-2%
03-91-56507	Retirement-CalPERS	56,789	61,064	52,459	48,532	70,499	34%
03-91-56512	Tuition Reimbursement	-	1,379	2,000	144	1,000	-50%
03-91-56515	Worker's Comp. Insurance	6,331	11,559	12,216	7,728	12,872	5%
03-91-56516	State Unemployment Ins, E.T.T.	1,036	1,196	1,003	1,212	841	-16%
03-91-56520	Deferred Compensation	14,120	17,063	16,240	12,751	8,528	-47%
	Total Payroll Expenses	\$627,225	\$694,510	\$727,563	\$667,427	\$825,479	13%
03-91-60000	Equipment	704	1,374	1,500	1,500	1,500	0%
03-91-70000	Professional Services	850,909	246,508	250,000	250,000	125,000	-50%
03-91-70300	Legal Expenses	58,701	104,334	105,000	105,000	75,000	-29%
03-91-72000	Supplies & Services	83,663	81,146	45,000	45,000	38,000	-16%
03-91-72200	Books & Resources	749	-	1,000	1,000	500	-50%
03-91-72400	Dues & Subscriptions	1,205	2,935	7,600	7,600	6,650	-13%
03-91-72700	Printing & Reproductions	-	-	500	500	500	0%
03-91-72702	Public Notices & Advertising	811	208	500	500	1,000	100%
03-91-75300	Travel/Conferences/Training	725	432	10,000	10,000	5,000	-50%
	Total Maintenance & Supply	\$997,467	\$436,937	\$421,100	\$421,100	\$253,150	-40%
	TOTAL ENGINEERING EXPENSES	\$1,624,692	\$1,131,447	\$1,148,663	\$1,088,527	\$1,078,629	-6%

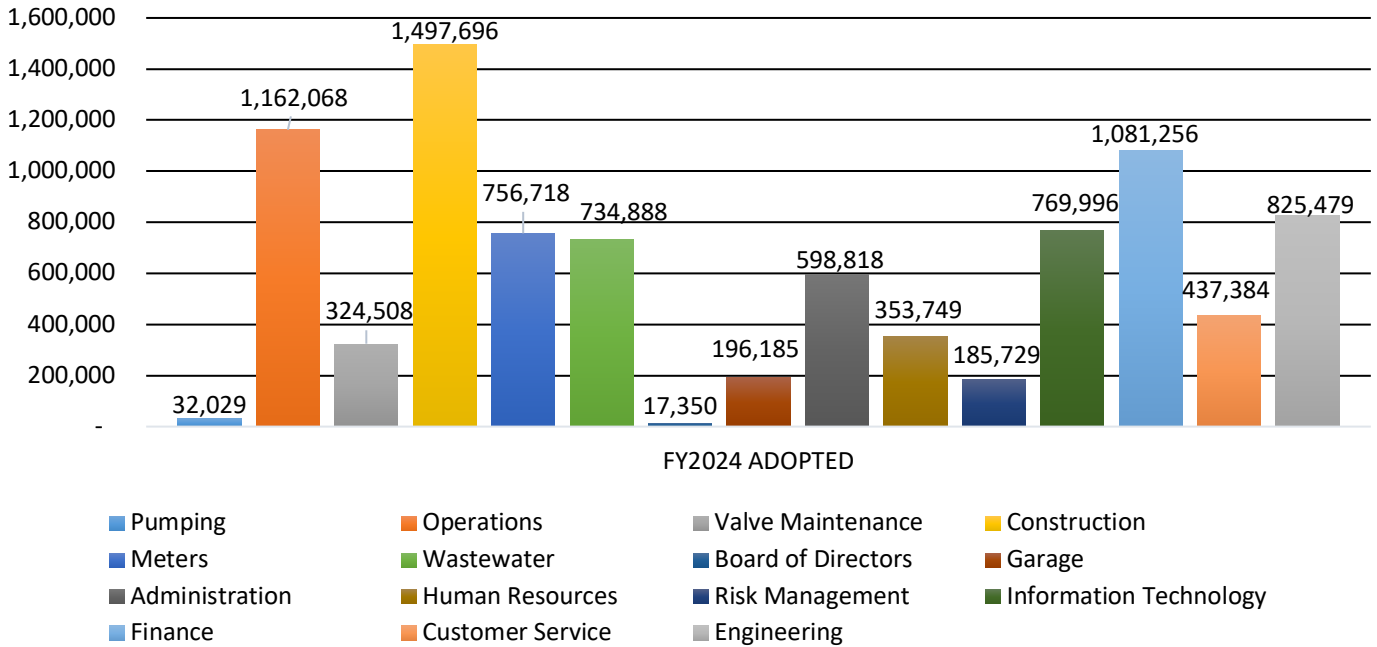
OPERATING FUNDS SUMMARY

NET OPERATING INCOME

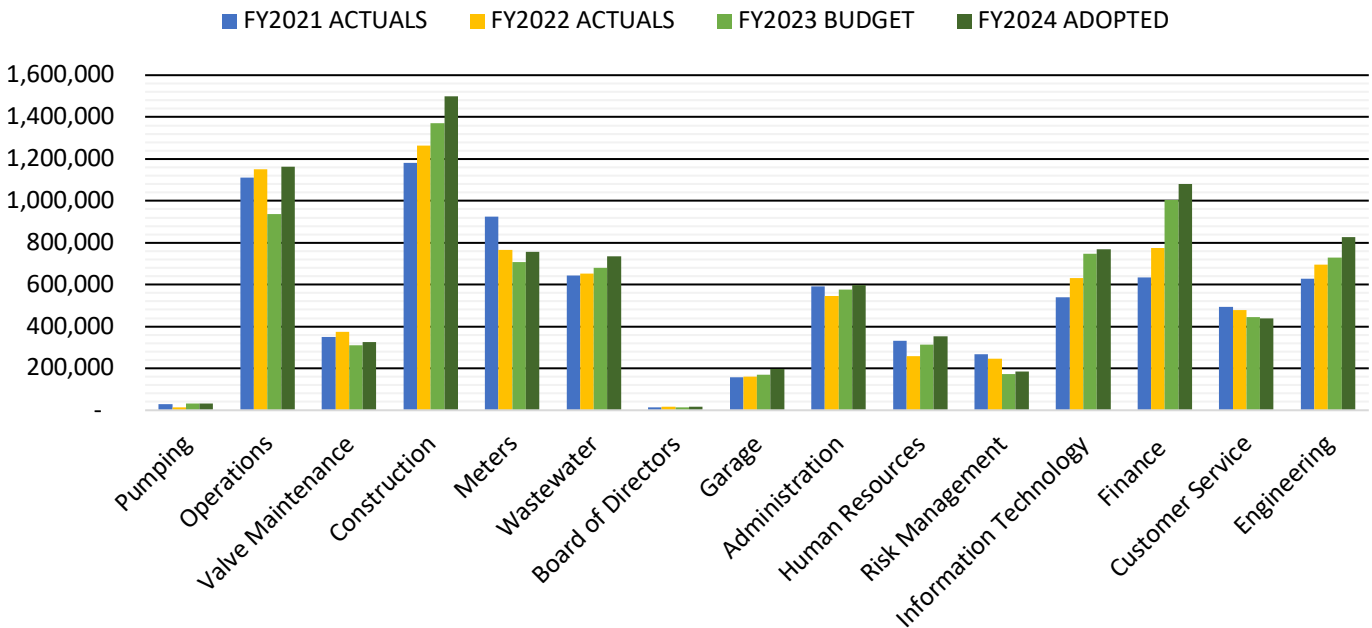
Description	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adjusted Budget	FY 2023 Forecast	FY 2024 Adopted	FY23 % Change
<u>Water Operating Fund</u>						
Water Revenues	\$43,696,720	\$43,537,461	\$44,836,269	\$42,554,361	\$44,950,230	0%
Water Expenses	42,195,685	41,814,396	41,137,744	39,124,662	41,901,107	2%
Water Fund Net Income	\$1,501,035	\$1,723,065	\$3,698,525	\$3,429,699	\$3,049,123	
<u>Wastewater Operating Fund</u>						
Wastewater Revenues	3,401,743	3,037,763	3,555,551	3,142,351	4,788,000	35%
Wastewater Expenses	2,166,077	3,732,118	4,202,943	2,577,443	4,155,353	-1%
Wastewater Fund Net Income	\$1,235,666	(\$694,355)	(\$647,392)	\$564,908	\$632,647	
<u>General Operating Fund</u>						
General Revenues	8,955,286	8,362,293	9,165,657	8,364,652	8,964,553	-2%
General Expenses	9,132,992	8,322,307	9,165,657	8,364,652	8,964,553	-2%
General Fund Net Income	(\$177,706)	\$39,986	\$ -	\$ -	\$ -	
CHANGE IN NET POSITION	\$2,558,995	\$1,068,696	\$3,051,133	\$3,994,607	\$3,681,770	

LABOR TREND

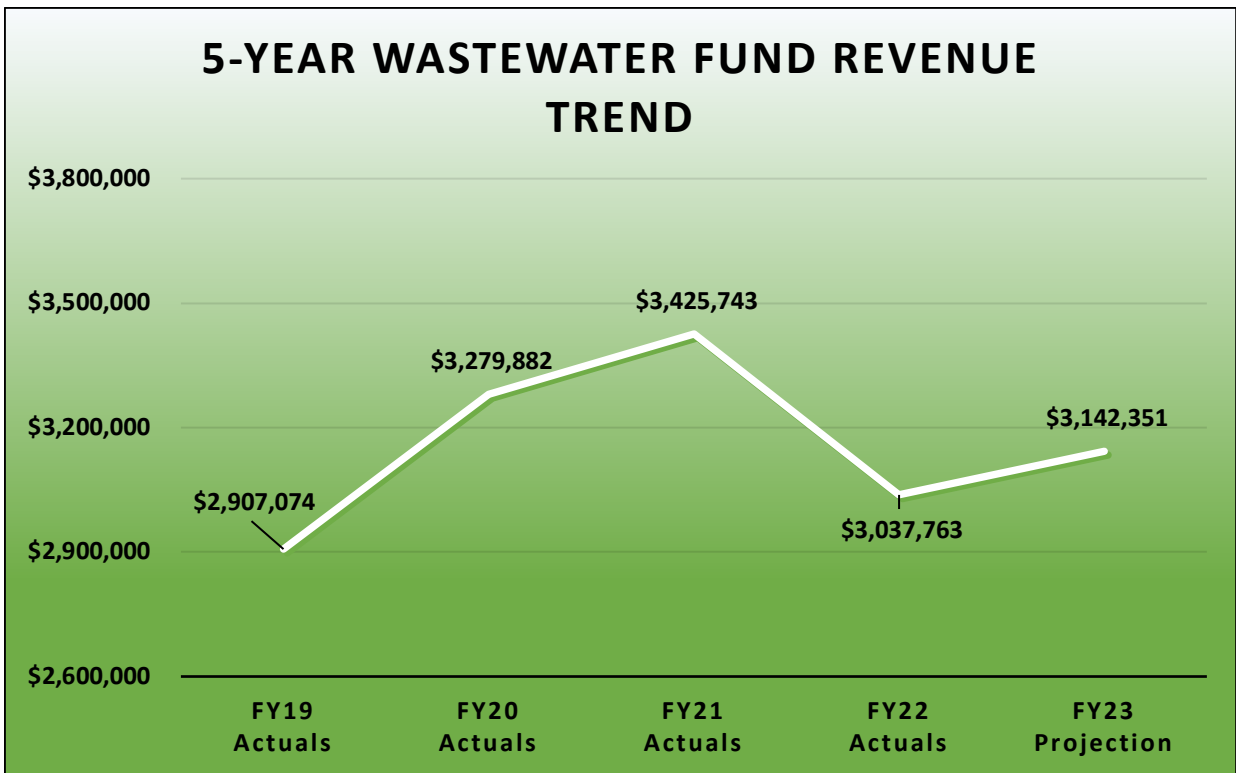
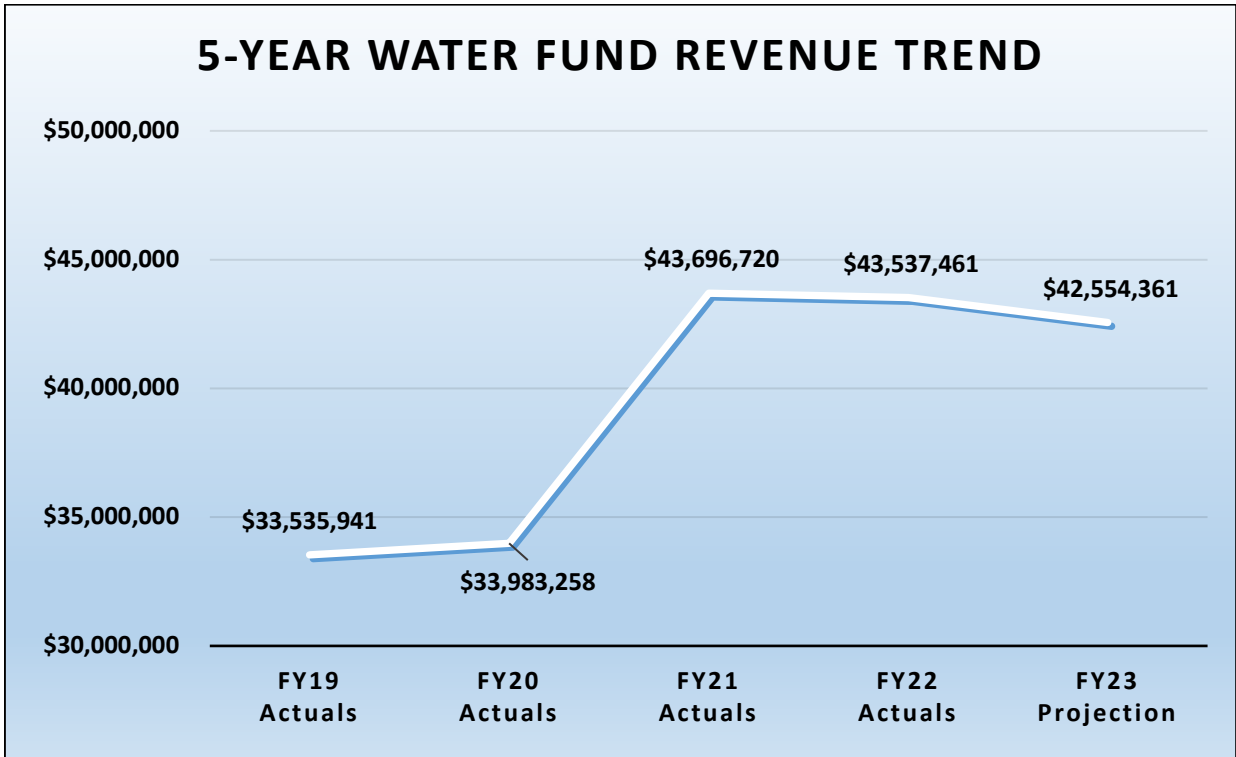
Labor Cost by Cost Center



Labor Costs 5 Years



REVENUE TREND



OPERATING FUND BALANCE

Operating & Debt Service Fund Balances

Fund Balances:	Water Operating	Wastewater Operating	General Operating	Rate Stabilization	New Water Sources	Debt Service	TOTAL
	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 22/23
Beginning Available Balance	\$2,314,196	\$719,913	\$1,524,713	\$3,308,176	\$1,722,262	\$847,692	\$10,436,952
Budgeted Operating Surplus (Loss)	2,805,571	(1,227,390)			200,000		1,778,181
Budgeted Transfer to Water Capital*				(3,308,176)	(473,934)		(3,782,110)
Transfer to/from Rate Stabilization							
Transfers In/(Out)							
Projected Ending Available Balance	\$5,119,767	(\$507,477)	\$1,524,713	(\$0)	\$1,448,328	\$847,692	\$8,433,022

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

CAPITAL BUDGET

CAPITAL FUND BALANCE

	<i>Adjusted Budget</i>	Year 1 <i>Approved Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Year 5 Planned Budget</i>
Capital Fund Balances:	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Beginning Available Balance	\$13,067,355	\$7,012,603	(\$73,161)	\$1,920,817	\$4,314,035	\$6,101,036
Budgeted Transfer from Operating		1,539,236	8,188,978	9,243,859	6,972,000	7,870,731
New Water Sources Funds	600,000	600,000				
Capacity Fees	430,994					
Total Available Funding	14,098,349	9,151,839	8,115,817	11,164,676	11,286,036	13,971,766
Less Water & Wholesale Water Capital Projects	(13,706,420)	(9,225,000)	(6,195,000)	(6,850,641)	(5,185,000)	(5,700,000)
Projected Ending Capital Balance	\$391,929	(\$73,161)	\$1,920,817	\$4,314,035	\$6,101,036	(\$5,700,000)

All Water Balances:

Projected Ending Capital Balance	\$391,929	(\$73,161)	\$1,920,817	\$4,314,035	\$6,101,036	(\$5,700,000)
Water Operating Reserve Balance*	5,119,767	7,235,836	7,400,055	7,545,099	16,714,506	29,645,265
Rate Stabilization				2,798,000	251,800	274,450
Total Water Funds Balance	\$5,511,696	\$7,162,674	\$9,320,872	\$14,657,134	\$23,067,342	\$24,219,715

*FY 24-28 based on Proposed 5-year July 1, 2023 Cost of Service Study

Wastewater Capital Fund Balance

	<i>Approved Budget</i>	Year 1 <i>Approved Budget</i>	<i>Year 2 Planned Budget</i>	<i>Year 3 Planned Budget</i>	<i>Year 4 Planned Budget</i>	<i>Year 5 Planned Budget</i>
Capital Fund Balances:	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 25/27	FY 25/28
Beginning Available Balance	\$634,288	\$1,523,540	\$4,023,540	\$4,023,540	\$11,223,540	\$8,348,540
Restricted CFD Funds (Citro)	8,000,000	2,500,000				
Debt Financing		5,000,000		9,500,000		
Transfer from (to) Operating Reserves						330,158
Forecasted Sewer Connections	16,951					
Total Available Funding	8,651,239	9,023,540	4,023,540	13,523,540	11,223,540	8,678,698
Less: Capital Projects- Wastewater	(10,911,452)	(5,000,000)		(2,300,000)	(2,875,000)	(2,800,000)
Projected Ending Capital Balance	(\$2,260,213)	\$4,023,540	\$4,023,540	\$11,223,540	\$8,348,540	\$5,878,698

All Wastewater Balances:

Projected Ending Capital Balance		\$4,023,540	\$4,023,540	\$11,223,540	\$8,348,540	\$5,878,698
Projected Ending Operating Reserve Balance		58,016	225,405	109,535	489,665	1,116,636
Total Wastewater Funds		\$4,081,556	\$4,248,945	\$11,333,075	\$8,838,205	\$6,995,334

CAPITAL PROJECTS

CAPITAL PROJECTS OVERVIEW

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

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

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

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

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

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

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

FIVE-YEAR WATER CIP PLAN

Water Capital Project Budgets:

Project #	Project Name	Year 1	Year 2	Year 3	Year 4	Year 5
		Approved Budget FY 23/24	Planned Budget FY 24/25	Planned Budget FY 25/26	Planned Budget FY 26/27	Planned Budget FY 27/28
300007	Programatic EIR for Existing Easements	\$ -	\$ -	\$ -	\$ -	\$ -
300008	New District Headquarters	20,000	520,000	500,000	500,000	500,000
600003	San Luis Rey Imported Return Flow Recovery	600,000				
600007	Pressure Reducing Stations		150,000			
600009	Isolation Valve Installation Program					
600019	Water System Monitoring Program	25,000				
600026	Camino Del Rey Waterline Reloaction	25,000	25,000			
600030	Corrosion Prevention Program Development and Implementation	100,000	600,000	600,000		
600034	Rice Canyon Tank Transmission PL to I-15/SR76 Corridor	1,500,000				
600035	Morro Mixing					
600037	Live Oak Park Road Bridge Replacement	200,000				
600040	Vallecitos PS Relocation			500,000	1,400,000	
600043	Eagles Perch Water Pipeline Improvements (PUP)			300,000	300,000	1,000,000
600047	Community Power Resiliency Generator Grant	375,000				
600048	Northside Zone Supply Redundancy					150,000
600050	Lookout Mountain Electrical Upgrade					1,000,000
600051	North Feeder and Rainbow Hills Water Line Replacements			150,000	1,850,000	
600058	Electrical Panel Switches	130,000				
600067	Pala Mesa Fairways 383 A and C					250,000
600068	Sarah Ann Drive Line 400 A				35,000	1,500,000
600069	Wilt Road (1331)			150,000	350,000	
600070	Katie Lendre Drive Line (PUP)					250,000
600071	Del Rio Estates Line Ext 503					250,000
600072	East Heights Line 147L					150,000
600073	East Heights Line 147A					250,000
600074	Via Zara - PUP			125,000	250,000	
600075	Roy Line Ext					250,000
600077	Rainbow Water Quality Improvement					
600080	Los Alisos South 243					150,000
600081	Heli-Hydrant on Tank					
600085	Gird to West Lilac Pipeline Rehabilitation	50,000				
N/A	Department Level Capital Expenses	200,000	500,000	500,000	500,000	
Total		\$ 3,225,000	\$ 1,795,000	\$ 2,825,000	\$5,185,000	\$5,700,000

THREE-YEAR WHOLESAL WATER EFFICIENCY CIP PLAN

Wholesale Water Efficiency Capital Project Budgets:

Funded by Western Alliance Loan @ 4.02% interest

Project #	Project Name	Year 1	Year 2	Year 3
		<i>Approved Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>
		FY 23/24	FY 24/25	FY 25/26
600008	Weese WTP Permanent Emergency Interconnect Pump Station	\$ -	\$ -	\$ 1,725,000
600013	Hutton/Turner/Dentro Pump Stations (SDCWA Shutdowns)	6,000,000	4,400,000	
600084	Morro Pump Station			1,225,000
600078	Wilt Road Feeder (18 inch Water Line)			1,075,641
600079	Gird Road 1,600' upsize from 12" to 18" or larger			
Total Spending:		\$6,000,000	\$4,400,000	\$4,025,641

FIVE-YEAR WASTEWATER CIP PLAN

Wastewater Capital Fund Project Budgets:

Project #	Project Name	Year 1	Year 2	Year 3	Year 4	Year 5
		<i>Approved Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>	<i>Planned Budget</i>
		FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
530001	Thoroughbred Lane Lift Station and Pipeline Repair (LS1 Replacement)	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -
530018	Fallbrook Oaks Forcemain and Manhole Replacement				150,000	1,650,000
530019	CIPP 500' of line 8" VCP line near Pala Mesa/Palomar				100,000	
530020	Rancho Viejo LS Wet Well Expansion			500,000	1,000,000	
530023	Replace Rancho Monserate LS Emergency Generator				125,000	
XXXXX	HQ B-Plant Dry Well			250,000	1,000,000	
XXXXX	HQ B-Plant Generator Replacement			250,000	500,000	50,000
XXXXX	Pala Mesa Sewer CIPP Lining			650,000		50,000
XXXXX	Oakcliff Sewer CIPP Lining			650,000		50,000
XXXXX	Old River Road between LS#1 & LS#2					1,000,000
N/A	Department Level Capital Expenses					
Total		\$ 5,000,000	\$ -	\$ 2,300,000	\$ 2,875,000	\$ 2,800,000

CAPITAL IMPROVEMENT PROJECTS



Capital Improvement Program

Camino Del Rey Waterline Relocation, Division 1

Project Number: 600026

DESCRIPTION: This project proposes to relocate existing water and sewer infrastructure as a result of a County road improvement project. The project will ensure continuity of service during the County initiated construction project and upgrade water facilities.

STATUS: The project is unfunded as the County is liable for costs to design and relocate the District's facilities. The project's anticipated completion is to be determined on County's construction schedule



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$25,000
CONSTRUCTION	\$25,000
CONSTRUCTION ADMIN.	\$25,000
CONTINGENCY	\$0
TOTAL	\$75,000

WATER FUND

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

Corrosion Prevention Program Development and Implementation

Project Number: 600030

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

STATUS: This is an ongoing program that has scheduled funding for FY 24/25 and FY 25/26.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$500,000
CONSTRUCTION	\$2,000,000
CONSTRUCTION ADMIN.	\$250,000
CONTINGENCY	\$250,000
TOTAL	\$3,000,000

WATER

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

Del Rio Estates Line Extension 503, Division 2

Project Number: 600071

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$60,000
CONSTRUCTION	\$480,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$60,000
TOTAL	\$600,000

WATER

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

Eagles Perch Water Pipeline Improvements, Division 1

Project Number: 600043

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

STATUS: The project has scheduled funding for FY 25/26, FY 26/27 and FY 27/28 and is in the design phase. The project's anticipated completion is Q4 FY 27/28.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$40,000
CONSTRUCTION	\$1,440,000
CONSTRUCTION ADMIN.	\$40,000
CONTINGENCY	\$80,000
TOTAL	\$1,600,000

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

East Heights Line 147A, Division 5

Project Number: 600073

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$53,000
CONSTRUCTION	\$424,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$53,000
TOTAL	\$530,000

WATER

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

East Heights Line 147L, Division 5

Project Number: 600072

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

STATUS: The project has scheduled funding for FY27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$105,000
CONSTRUCTION	\$840,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$105,000
TOTAL	\$1,050,000

WATER

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

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

Project Number: 600047

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

STATUS: The project has scheduled funding for FY 23/24 and is in the construction phase. The project's anticipated completion is Q4 FY 23/24.



FUNDS REQUESTED	
DESIGN	TOTAL PROJECT BUDGET
CONSTRUCTION	\$35,000
CONSTRUCTION ADMIN.	\$539,000
CONTINGENCY	\$47,100
TOTAL	\$53,900

WATER

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

Headquarters B-Plant Dry Well Improvements, Division 1

Project Number: TBD

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

STATUS: The project has scheduled funding for FY 25/26 and FY 26/27 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	75,000
CONSTRUCTION	1,000,000
CONSTRUCTION ADMIN.	25,000
CONTINGENCY	150,000
TOTAL	1,250,000

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

Headquarters B-Plant Generator Replacement, Division 1

Project Number: TBD

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

STATUS: The project has scheduled funding for FY 25/26, FY 26/27 and FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	60,000
CONSTRUCTION	600,000
CONSTRUCTION ADMIN.	50,000
CONTINGENCY	90,000
TOTAL	800,000

SEWER

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

Katie Lendre Drive Line, Division 3

Project Number: 600070

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

STATUS: The project has scheduled funding for FY27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$60,000
CONSTRUCTION	\$480,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$60,000
TOTAL	\$600,000

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

Live Oak Park Bridge Replacement, Division 5

Project Number: 600037

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

STATUS: The project has scheduled funding for FY 23/24 and is in the construction phase. The project's anticipated completion is Q4 FY23/24.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$60,000
CONSTRUCTION	\$580,000
CONSTRUCTION ADMIN.	\$20,000
CONTINGENCY	\$20,000
TOTAL	\$680,000

<p> ◆Water Resources ◆Asset Management ◆Workforce Development ◆Fiscal Responsibility ◆Customer Service ◆ Communication </p>
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Lookout Mountain Pump Station Upgrades, Division 5

Project Number: 600050

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$200,000
CONSTRUCTION	\$1,600,000
CONSTRUCTION ADMIN.	\$40,000
CONTINGENCY	\$160,000
TOTAL	\$2,000,000

WATER

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

Los Alisos South 243, Division 5

Project Number: 600080

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$120,000
CONSTRUCTION	\$960,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$120,000
TOTAL	\$1,200,000

WATER

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

Manual Transfer Switches, District-wide

Project Number: 600058

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

STATUS: The project has scheduled funding for FY 23/24 and design is complete. The project's anticipated completion is Q4 FY23/24.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$30,000
CONSTRUCTION	\$160,000
CONSTRUCTION ADMIN.	\$20,000
CONTINGENCY	\$40,000
TOTAL	\$250,000

<p> ◆Water Resources ◆Asset Management ◆Workforce Development ◆Fiscal Responsibility ◆Customer Service ◆ Communication </p>
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New District Headquarters, Division 1

Project Number: 300008

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

STATUS: The project has schedule funding from FY 23/24—FY 27/28 and is in the planning phase. The project’s anticipated completion is to be determined.



FUNDS REQUESTED	
DESIGN	TOTAL PROJECT BUDGET
CONSTRUCTION	\$2,600,000
CONSTRUCTION ADMIN.	\$15,000,000
CONTINGENCY	TBD
	\$1,000,000
TOTAL	\$18,600,000

GENERAL FUND ♦Water Resources ♦Asset Management ♦Workforce Development ♦Fiscal Responsibility ♦Customer Service ♦ Communication
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North Feeder and Rainbow Hills Water Line Replacements , Division 5

Project Number: 600051

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

STATUS: The project has scheduled funding for FY 25/26 and FY 26/27 and is in the planning phase. The project's anticipated completion is Q4 FY26/27.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$200,000
CONSTRUCTION	\$1,600,000
CONSTRUCTION ADMIN.	\$40,000
CONTINGENCY	\$160,000
TOTAL	\$2,000,000

WATER

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

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

Project Number: 600048

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$50,000
CONSTRUCTION	\$400,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$80,000
TOTAL	\$500,000

WATER

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

Oakcliff Sewer CIPP Lining, Division 3

Project Number: TBD

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

STATUS: The project has scheduled funding for FY25/26 and FY 7/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$50,000
CONSTRUCTION	\$550,000
CONSTRUCTION ADMIN.	\$45,000
CONTINGENCY	\$55,000
TOTAL	\$700,000

SEWER

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

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

Project Number: TBD

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED

	TOTAL PROJECT BUDGET
DESIGN	\$100,000
CONSTRUCTION	\$800,000
CONSTRUCTION ADMIN.	\$20,000
CONTINGENCY	\$80,000
TOTAL	\$1,000,000

SEWER

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

Pala Mesa Fairways 383 A and C, Division 4

Project Number: 600067

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED

	TOTAL PROJECT BUDGET
DESIGN	\$60,000
CONSTRUCTION	\$480,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$60,000
TOTAL	\$600,000

WATER

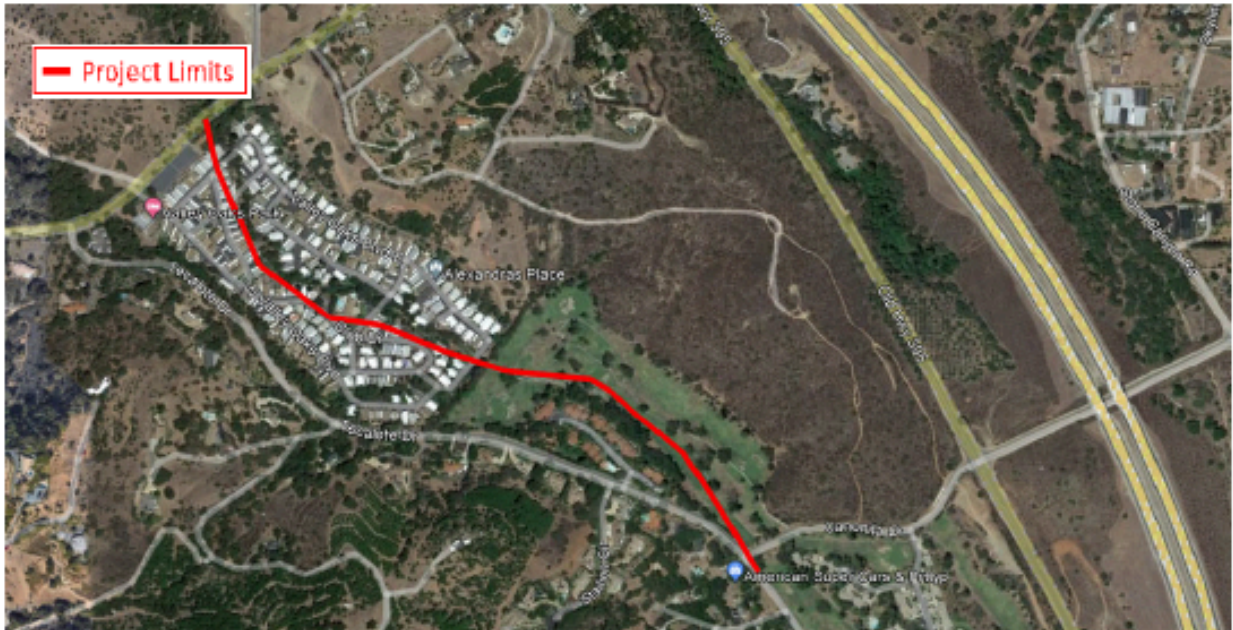
- ◆Water Resources ◆Asset Management ◆Workforce Development
- ◆Fiscal Responsibility ◆Customer Service ◆Communication

Pala Mesa Sewer CIPP Lining, Division 3 & 5

Project Number: TBD

DESCRIPTION: This project proposes to install 4,000 feet of cure-in-place (CIPP) lining on an existing 10-inch vitrified clay pipe (VCP). The project will extend the useful life of the facility, reduce on-going maintenance costs and reduce inflow and infiltration.

STATUS: The project has scheduled funding for FY 25/26 and FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$65,000
CONSTRUCTION	\$550,000
CONSTRUCTION ADMIN.	\$30,000
CONTINGENCY	\$55,000
TOTAL	\$700,000

SEWER

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

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

Project Number: 530019

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

STATUS: The project has scheduled funding for FY 26/27 and is in the planning phase. The project's anticipated completion is Q4 FY 26/27.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$10,000
CONSTRUCTION	\$120,000
CONSTRUCTION ADMIN.	\$5,000
CONTINGENCY	\$15,000
TOTAL	\$150,000

SEWER

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

Pressure Reducing Stations, District-wide

Project Number: 600007

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

STATUS: The project has scheduled funding for FY 24/25 and is in the planning and construction phases. This is an ongoing program with no completion date.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$0
CONSTRUCTION	\$1,400,000
CONSTRUCTION ADMIN.	\$50,000
CONTINGENCY	\$0
TOTAL	\$1,450,000
WATER	
♦Water Resources ♦Asset Management ♦Workforce Development ♦Fiscal Responsibility ♦Customer Service ♦Communication	

Rancho Monserate Emergency Generator, Division 1

Project Number: 530023

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

STATUS: The project has scheduled funding for FY 26/27 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$35,000
CONSTRUCTION	\$250,000
CONSTRUCTION ADMIN.	\$25,000
CONTINGENCY	\$35,000
TOTAL	\$345,000
SEWER	
♦Water Resources ♦Asset Management ♦Workforce Development ♦Fiscal Responsibility ♦Customer Service ♦ Communication	

Rice Canyon Tank Transmission Pipeline, Division 4 & 5

Project Number: 600034

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

STATUS: The project has scheduled funding for FY 23/24 and is in the construction phase. The project's anticipated completion is Q2 FY23/24.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$210,000
CONSTRUCTION	\$5,600,000
CONSTRUCTION ADMIN.	\$45,000
CONTINGENCY	N/A
TOTAL	\$5,855,000

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

Roy Line Extension, Division 2

Project Number: 600075

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

STATUS: The project has scheduled funding for FY 27/28 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$60,000
CONSTRUCTION	\$480,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$60,000
TOTAL	\$600,000

WATER

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

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

Project Number: 530018 and 600068

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

STATUS: The project has scheduled funding for FY 26/27 and FY 27/28 and is in the design phase. The project's anticipated completion is Q4 FY 27/28.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$180,000
CONSTRUCTION	\$1,440,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$180,000
TOTAL	\$1,800,000

SEWER & WATER

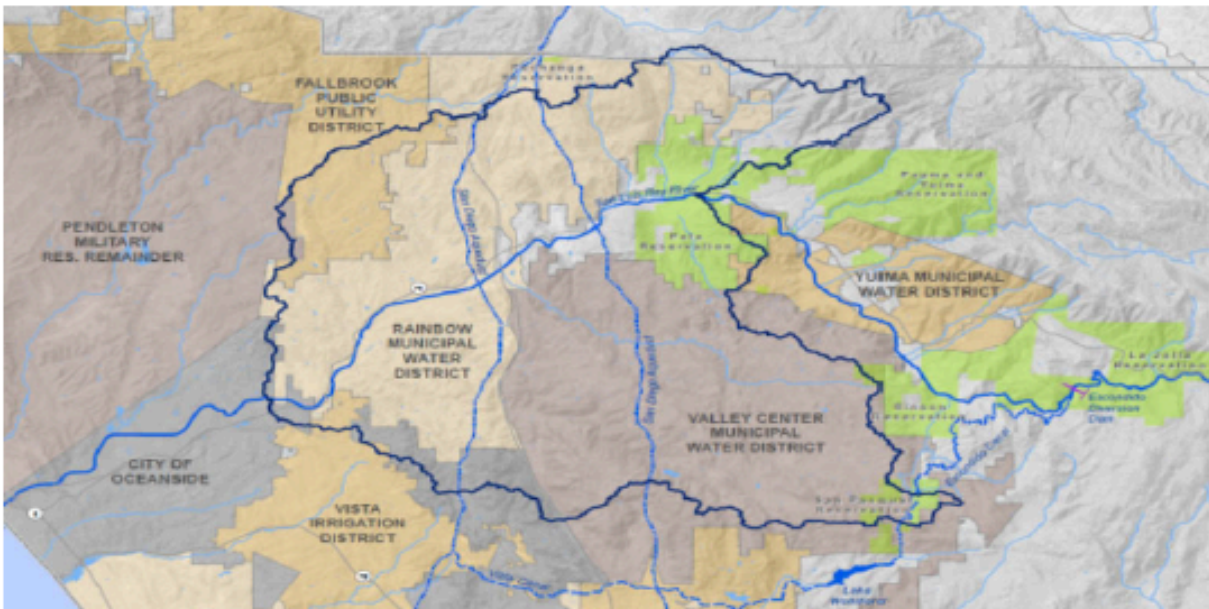
♦Water Resources ♦Asset Management ♦Workforce Development
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

San Luis Rey Groundwater Recovery, District-wide

Project Number: 600003

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

STATUS: The project has scheduled funding for FY 23/24 and is in the planning phase. The project's anticipated completion is to be determined.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	TBD
CONSTRUCTION	TBD
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	TBD
TOTAL	\$600,000

WATER

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

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

Project Number: 530001

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

STATUS: The project has scheduled funding for FY 23/24 and is in the construction phase. The project's anticipated completion is Q4 FY 23/24.



FUNDS REQUESTED

	TOTAL PROJECT BUDGET
DESIGN	\$1,596,762
CONSTRUCTION	\$12,774,095
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$1,596,762
TOTAL	\$15,967,619

SEWER

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

Vallecitos Pump Station Replacement, Division 5

Project Number: 600040

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

STATUS: The project has scheduled funding for FY 25/26 and FY 26/27 and is in the planning phase. The project's anticipated completion is Q4 FY 26/27.



FUNDS REQUESTED	
DESIGN	TOTAL PROJECT BUDGET
CONSTRUCTION	\$210,000
CONSTRUCTION ADMIN.	\$1,680,000
CONTINGENCY	\$42,000
TOTAL	\$2,100,000

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

Via Zara, Division 5

Project Number: 600074

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

STATUS: The project has scheduled funding for FY 25/26 and FY 26/27 and is in the planning phase. The project's anticipated completion is Q4 FY 26/27.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$30,000
CONSTRUCTION	\$240,000
CONSTRUCTION ADMIN.	TBD
CONTINGENCY	\$30,000
TOTAL	\$300,000

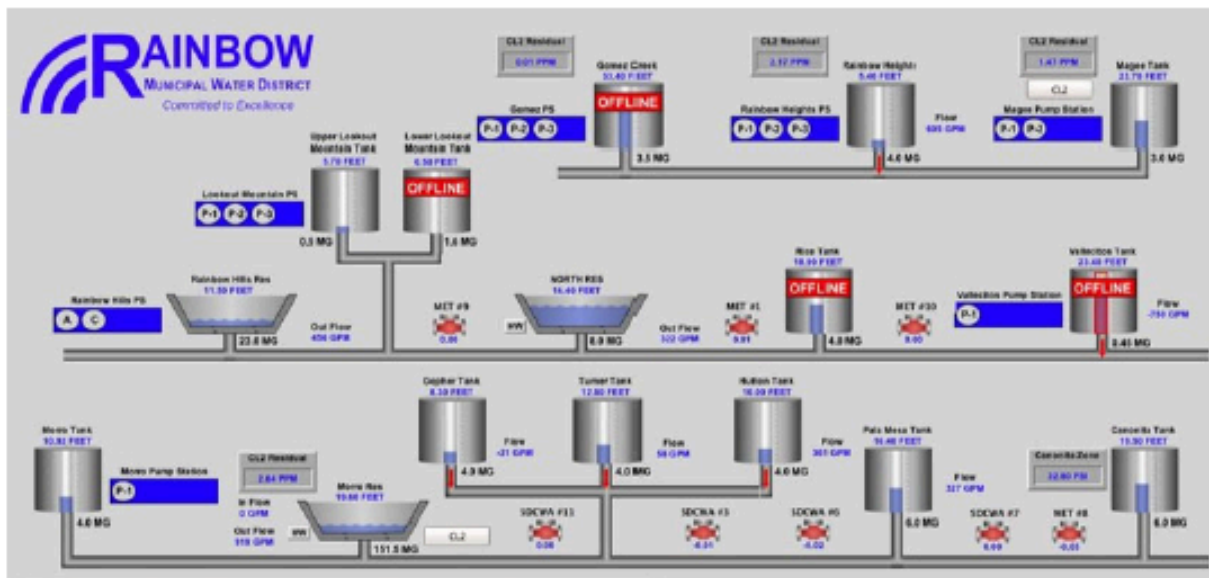
WATER ♦Water Resources ♦Asset Management ♦Workforce Development ♦Fiscal Responsibility ♦Customer Service ♦ Communication

Water System Monitoring, District-wide

Project Number: 600019

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

STATUS: The project has scheduled funding for FY 23/24 and is in the construction phase. The project's anticipated completion is Q4 FY 23/24.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$0
CONSTRUCTION	\$180,000
CONSTRUCTION ADMIN.	\$12,000
CONTINGENCY	\$18,000
TOTAL	\$210,000

WATER

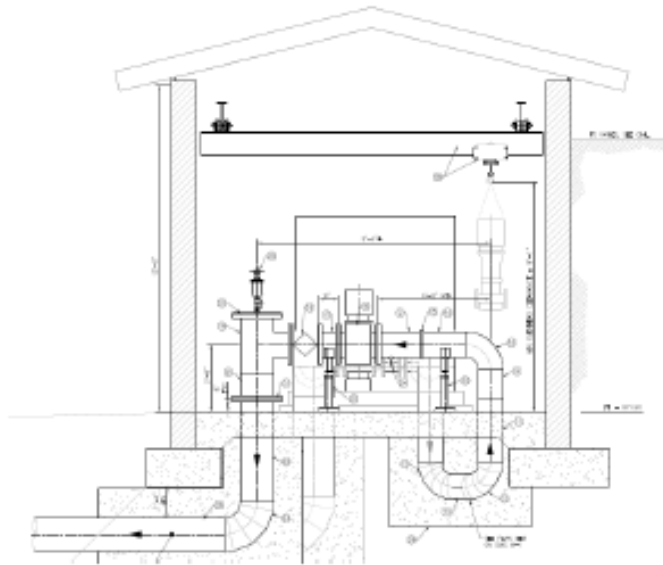
♦Water Resources ♦Asset Management ♦Workforce Development
 ♦Fiscal Responsibility ♦Customer Service ♦ Communication

Weese WTP Permanent Emergency Interconnect and Pump Station, Division 1

Project Number: 600008

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

STATUS: The project has scheduled funding for FY 25/26 and design is complete. The project's anticipated completion is Q4 FY 25/26.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$70,000
CONSTRUCTION	\$1,550,000
CONSTRUCTION ADMIN.	\$50,000
CONTINGENCY	\$155,000
TOTAL	\$1,825,000

WATER

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

West Lilac, Rancho Amigos & Dentro De Lomas Pump Stations, Div 1

Project Number: 600013

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

STATUS: The project has scheduled funding for FY 23/24 and FY 24/25 and is in the design phase. The project’s anticipated completion is Q4 of FY 24/25.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$625,000
CONSTRUCTION	\$10,400,000
CONSTRUCTION ADMIN.	\$975,000
CONTINGENCY	TBD
TOTAL	\$12,000,000

WATER

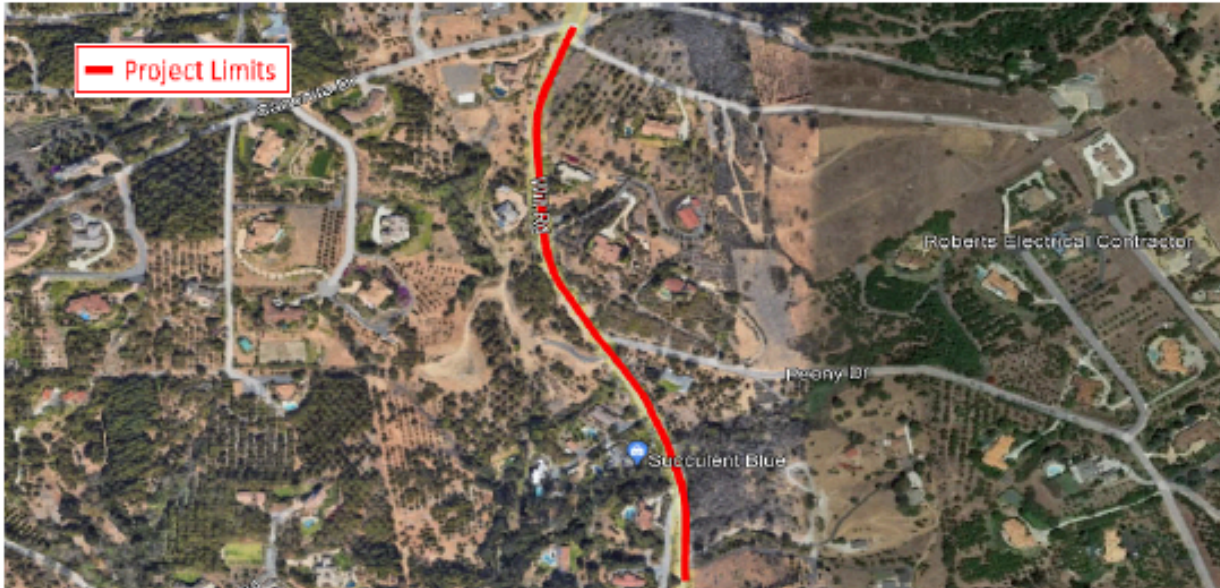
♦Water Resources ♦Asset Management ♦Workforce Development
 ♦Fiscal Responsibility ♦Customer Service ♦Communication

Wilt Road (1331), Division 3

Project Number: 600069

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

STATUS: The project has scheduled funding for FY 25/26 and FY 26/27 and is in the planning phase. The project's anticipated completion is to be determined.



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

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

Project Number: 600078

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

STATUS: The project has scheduled funding for FY 25/26 and is in the planning phase. The project's anticipated completion is Q4 of FY 25/26.



FUNDS REQUESTED	
	TOTAL PROJECT BUDGET
DESIGN	\$50,000
CONSTRUCTION	\$750,000
CONSTRUCTION ADMIN.	\$135,000
CONTINGENCY	\$115,000
TOTAL	\$1,050,000

WATER

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

PERSONNEL SUMMARIES

STAFFING ANALYSIS

EXECUTIVE SUMMARY

This report will analyze staffing conditions in 2022 and early 2023 and projections for staffing needs in the 2023-24 fiscal year and beyond. The annual staffing analysis process consists of reviewing the following data:

- **Past trends:** turnover rates, unemployment, overtime labor allocation by department, and organizational changes approved for the 2022-23 fiscal year.
- **Present Staffing Conditions:** current organizational structure, midyear changes, workforce demographics, and retirement eligibility.
- **Future Projections:** needs analysis, anticipated retirements, staffing continuity planning, and labor allocation projections.

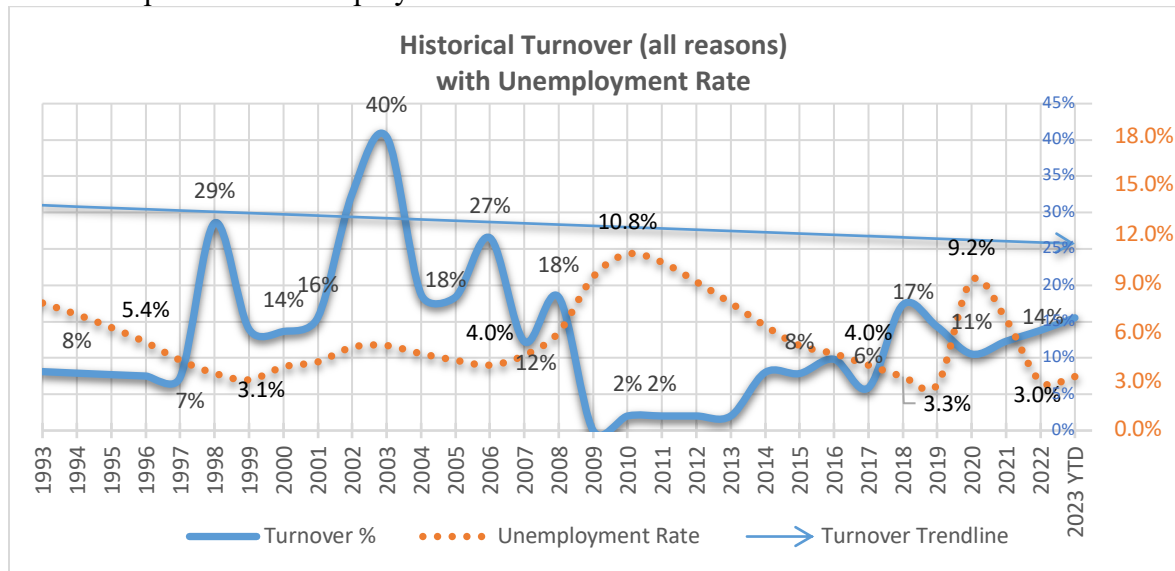
PAST TRENDS

LABOR MARKET TRENDS

According to the Bureau of Labor Statistics, the unemployment rate in San Diego County averaged 3% in 2022. In recent years, many employers experienced unprecedented turnover rates that some experts called “the Great Resignation.” The low unemployment rate created a more competitive hiring and retention talent market. The District strategically implemented creative benefits programs and a remote work policy as a recruitment and retention tool.

HISTORICAL TURNOVER

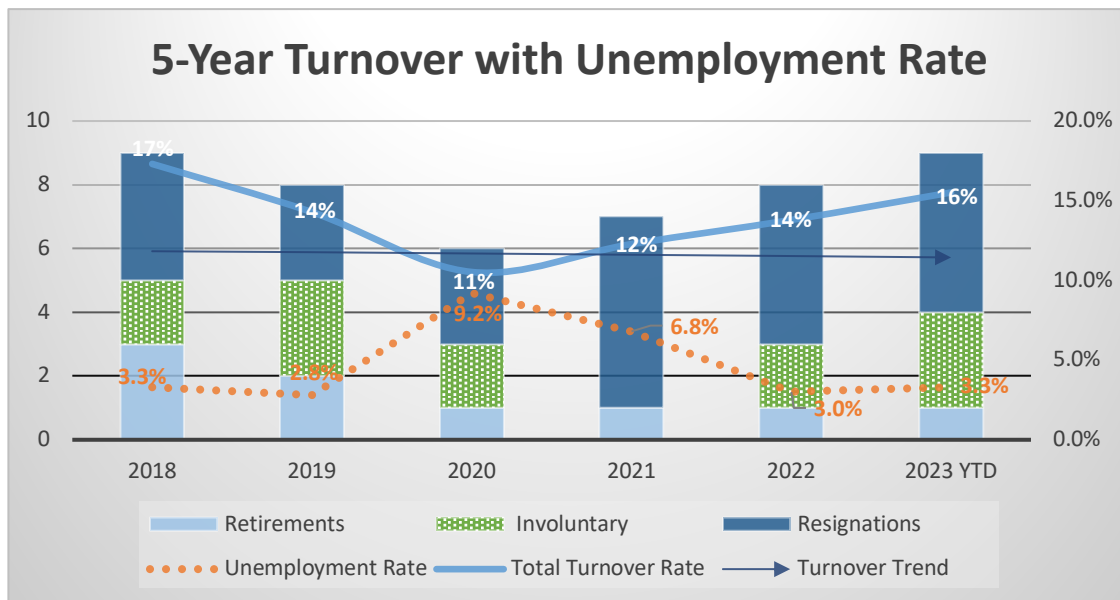
In addition to retirement eligibility, the District expects some non-retirement employment separations each year. Historical turnover analysis shows several high turnover points that resulted from the organizational conditions at the time and labor market factors like the unemployment rate, with a historical average of 13% per year. The following charts display historical turnover in conjunction with the unemployment rate. It is easy to see the inverse relationship between unemployment rates and total turnover.



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

RECENT TURNOVER

The District's approach to employee retention has focused on developing a culture of excellence, ensuring that the District's compensation and benefits are competitive, and implementing flexible work arrangements like 9/80 schedules. In 2021 the District added a remote work option to remain attractive to applicants considering or coming from other employers who offer this option. So far, this strategy has been mostly successful: the District was named a Top Workplace by the San Diego Union-Tribune in 2021 and 2022. However, while the 30-year average turnover is holding steady at 13%, the first half of 2023 trended higher than usual with 16% at the end of the fiscal year. Total turnover for the 2023 calendar year could reach 19%.



QUIT RATES

When looking at turnover, it can be useful to look at voluntary quit rates in addition to total turnover. The total number of resignations for the first six months of 2023 was equal to the total number of resignations for all of calendar year 2022. While this could be related to the low unemployment rate, this is an important metric that will be closely monitored.

DISTRICT-LEVEL STAFFING CHALLENGES

Staffing challenges over the past fiscal year included total departmental turnover in the customer service department due to a combination of retirement, internal promotions, an involuntary separation, and the early resignation of temporary staff. The Department was fully staffed with a promoted Supervisor and new team members in May 2023, and in less than a month, the new team reduced the average customer hold time from nearly 90 seconds to less than 30 seconds and is performing very well overall.

There was also some turnover in the Construction department due to long commute times and the availability of similar jobs in Southwest Riverside County, where many District employees live.

STAFFING CHANGES APPROVED FOR THIS FISCAL YEAR:

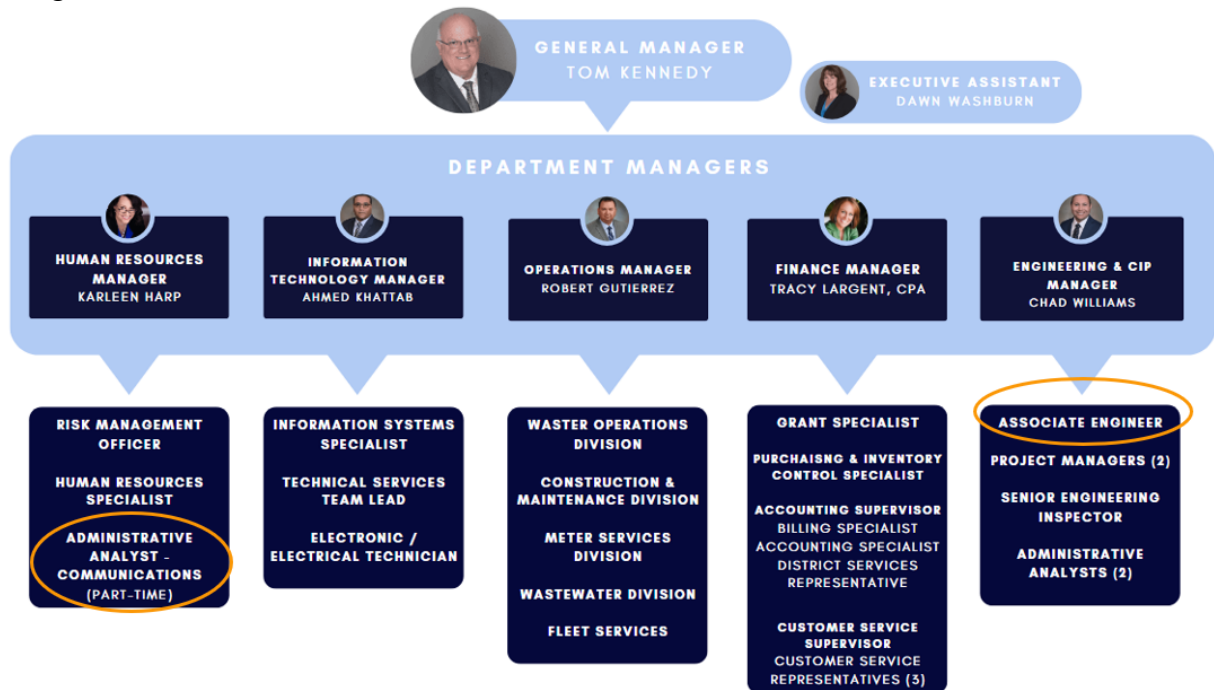
As a result of last year's staffing analysis, the following changes were approved:

- Human Resources Assistant part-time position upgraded to Human Resources Specialist, with an increased work schedule to $\frac{3}{4}$ of full time.

- The Senior Accountant position was upgraded to an Accounting Supervisor position, which oversees the Billing Specialist, Accounting Specialist, and District Services Representative.
- An Administrative Analyst position was added to the Engineering Department to assist with knowledge transfer in advance of an anticipated retirement.
- Two additional Utility Workers were approved for the Construction Department to address overtime issues, and to increase capacity to complete in-house CIP projects.

PRESENT STAFFING CONDITIONS

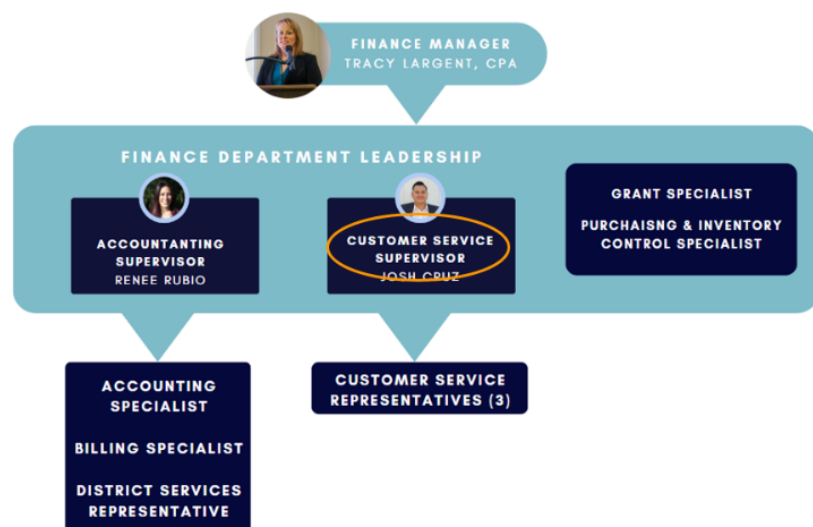
The current workforce comprises 58 full-time and one part-time position to carry out the activities necessary to accomplish the District’s mission. In addition to the pre-approved changes at the beginning of the fiscal year, several mid-year changes were implemented, as depicted in the organizational charts below.

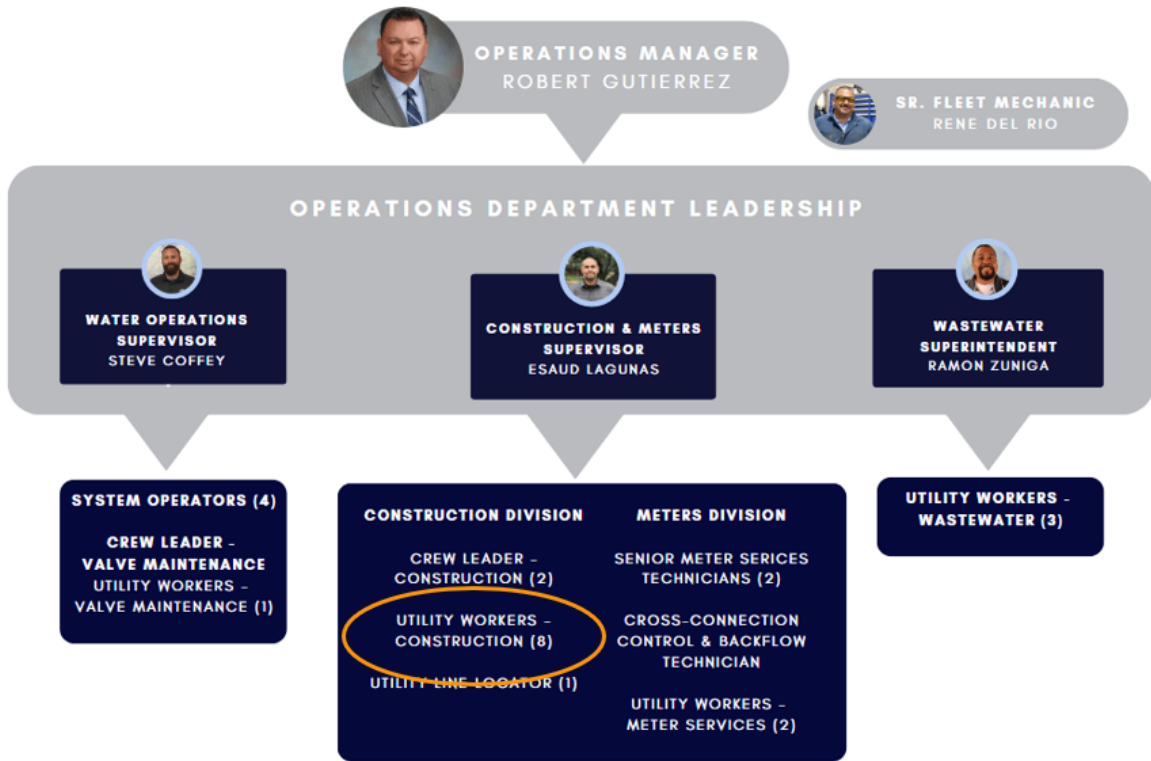


The resignation of the Associate Engineer in September of 2022 coincided with a decrease in developer activity. Although the position is still an approved classification, the District has left it vacant, instead outsourcing developer plan checks. The outsourced checks are charged to the developers, eliminating the Associate Engineer's employment expense from the District’s operating budget.

After the retirement of the Customer Service and Communications Supervisor, the position was restructured; the communications function was pulled into a separate part-time position, and the supervisor was replaced as a Customer Service Supervisor, which made the position easier to fill with an internal promotion.

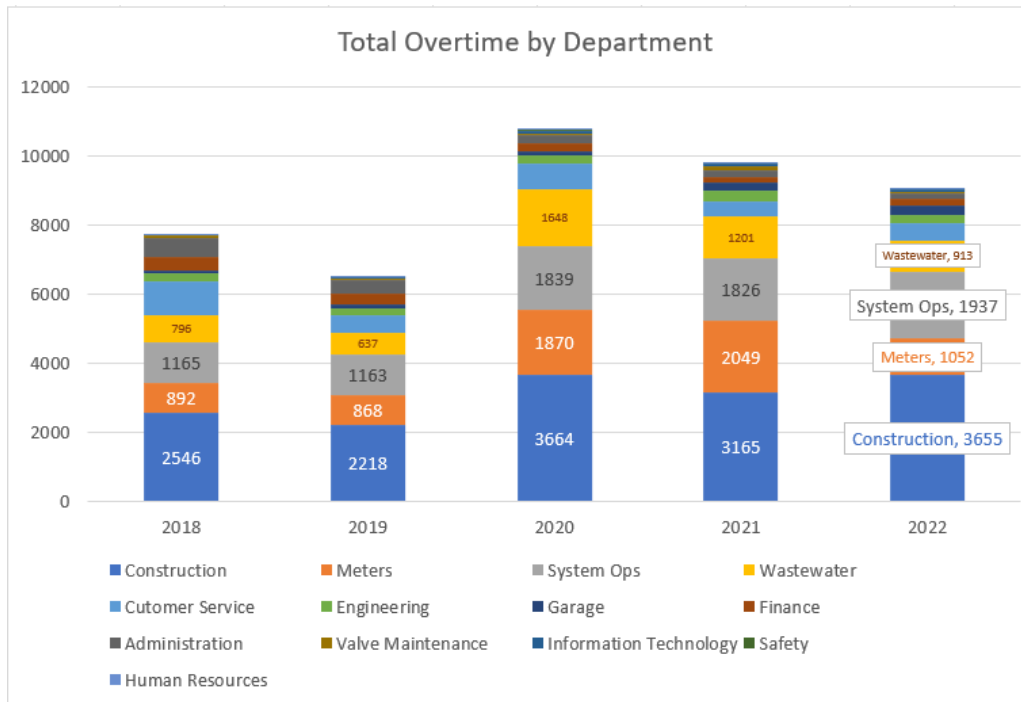
The Operations Department includes the Manager, three supervisors, and a team of 25 individual contributors. While the headcount in Construction had been increased by two people to accommodate anticipated CIP projects that could be completed in-house, CIP work was lower than anticipated. Therefore, one position was intentionally left vacant through attrition.





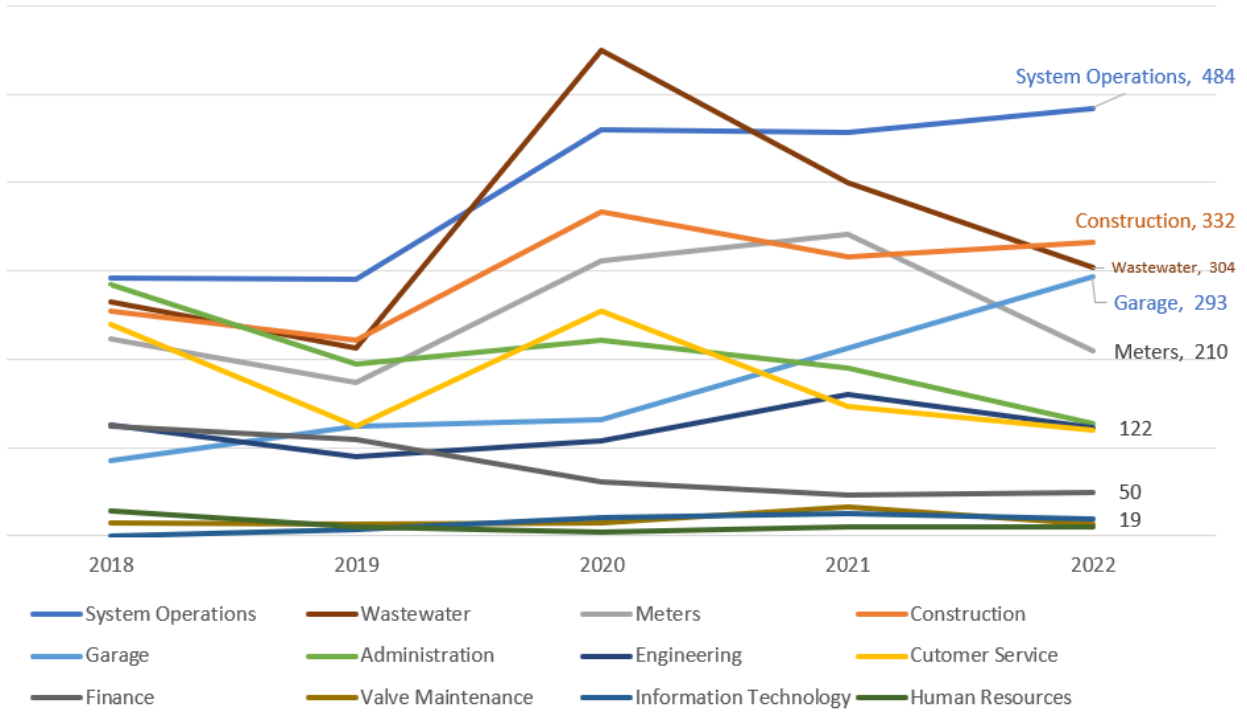
OVERTIME ANALYSIS

Overall overtime continues to be higher than the trend before 2020, but was down 8% in 2022. The Construction Department continues to be the largest source of total overtime, followed by Meters, System Operations, and Wastewater. Overtime in Meters declined by nearly 50% in 2022 due to the completion of the Water Service Upgrade project active in 2020 and 2021. However, System Operations remained high due to differences in the way the distribution system is being operated that require weekend work. Wastewater overtime was down by 24% in 2022 as well.



The impact of overtime on staff is different for each department because it is not distributed evenly, and some departments have more staff to share in the overtime workload. The average overtime hours worked in 2022 per full-time hourly employee in each department is shown in the chart below. The District average overtime per hourly employee was 215 hours, with System Operations working the most overtime with 484 hours each, on average, due to regularly scheduled evening and weekend work. The Construction crew averaged 332 overtime hours per person due to after-hours responses to leaks and other emergencies. The Garage is trending up, as maintenance on vehicles is often scheduled when other employees are not working to minimize vehicle downtime during regular working hours.

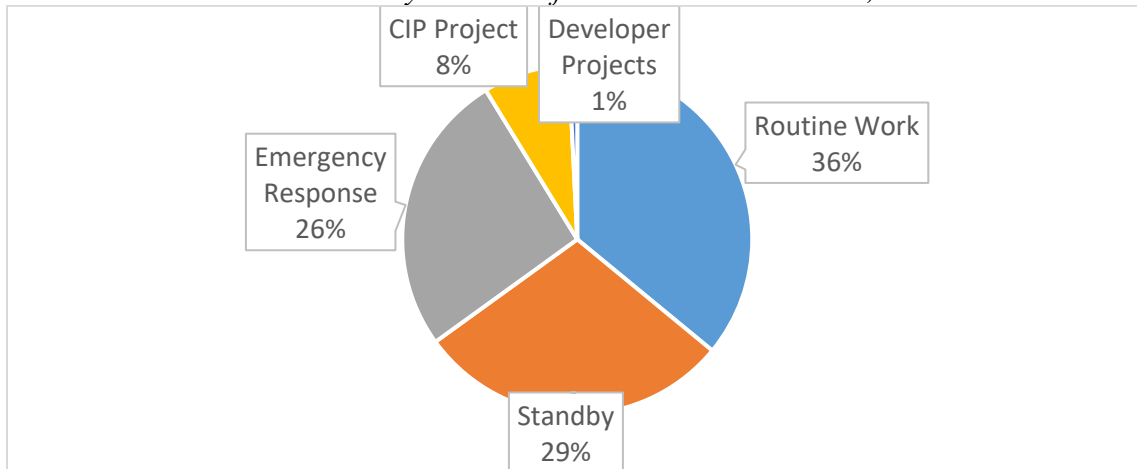
Average per Hourly FTE



DRIVERS OF OVERTIME

Although overtime has decreased slightly in the past two years, it remains unsustainable and significantly higher than before 2019. Aside from making the District more vulnerable to turnover, high overtime levels also increase the likelihood of errors, injuries, and burnout. The management team reviewed the overtime data to determine the sources of overtime for the District. While routine work was the largest reason for overtime District-wide, the drivers of overtime varied greatly by department for the four departments with the highest overtime per hourly employee, as shown on the following charts. There are five primary categories of overtime, including routine work, standby, emergency response, CIP projects and developer projects.

Primary Sources of Overtime District-wide, 2022



ROUTINE WORK OVERTIME

As in 2020 and 2021, the most significant portion of overtime comprises routine work orders. This is overtime related to routine job duties that could not be completed within the 40-hour workweek due to heavy workloads and short-term peaks in workload to meet a deadline.

STANDBY

Standby overtime represents 29% of all overtime and is built into the District’s operations so that staff can respond to after-hours calls and emergencies. There are always three people on Standby: one from System Operations, one from Wastewater, and one on Water Watch.

EMERGENCY REPAIRS

Emergency repairs were the third highest overtime driver, at 26% of all overtime, which is up from 19% the previous year. Most of this time is for the Construction Department to respond to and repair main line breaks and leaks and make other unplanned repairs to the District’s infrastructure.

CIP PROJECTS

Overtime used for Capital Improvement Projects decreased sharply from 19% of all overtime in 2021 to 8% in 2022. Most of this was related to the WSUP project in the Meters Department, which is now complete. Previous overtime projections were that overtime would return to fewer than 250 hours per hourly employee in Meters in 2022, but it fell to 210 hours per person.

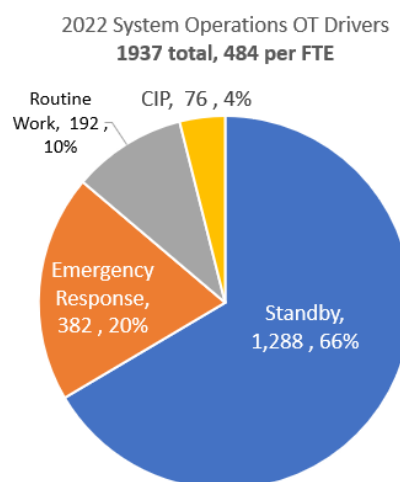
DEPARTMENTAL OVERTIME DRIVERS

In addition to looking at the overall drivers, it is helpful to look at the drivers of overtime on a departmental level as well. Below is an analysis of the drivers for System Operations and Construction overtime, the two departments that use the most overtime.

SYSTEM OPERATIONS

Emergency responses increased by 700% in 2022 for System Operations. The vast majority (64%) of this work was related to the Morro Reservoir Chloramine Mixer Circulation project, which is in a test phase that requires close monitoring and daily adjustments, including on weekends, which is when 42% of this work occurred.

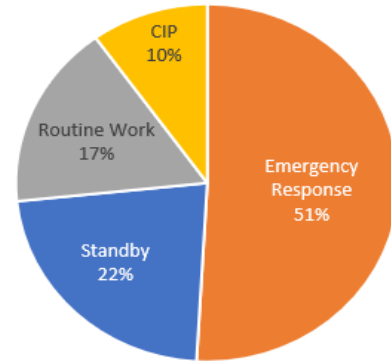
Two-thirds of the Standby overtime was for scheduled activities like routine flow changes, system checks and daily reports.



CONSTRUCTION

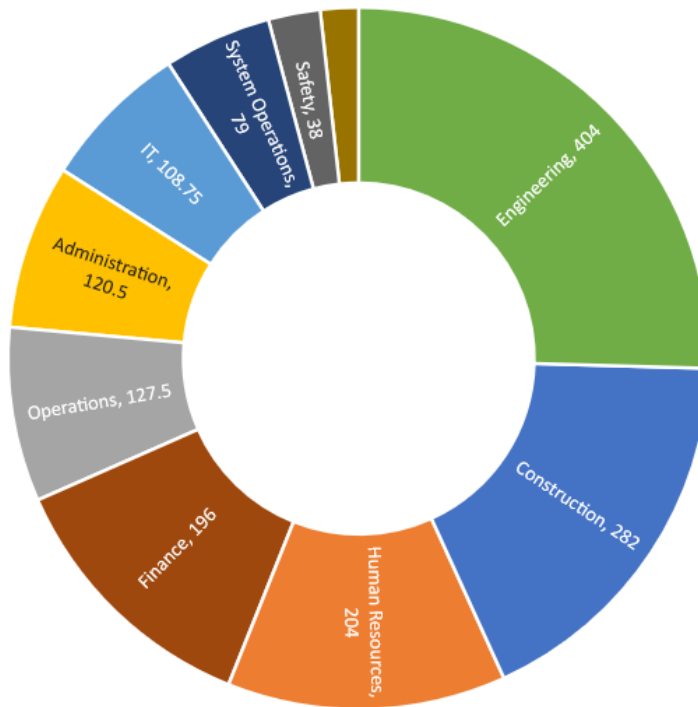
Construction overtime ratios remain fairly consistent with previous years with approximately half related to emergency response, a quarter related to Standby duties, and one-sixth related to routine work, and a tenth related to CIP projects.

Construction OT Drivers
3,655 total, 332 per FTE

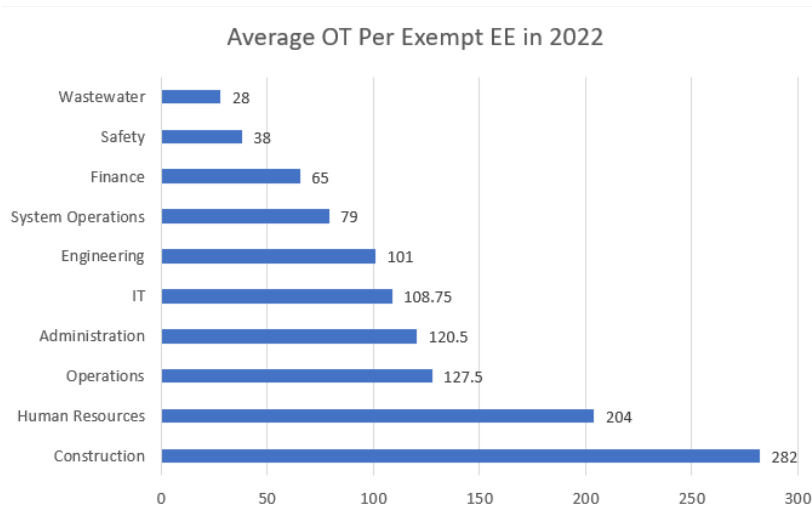


EXEMPT OVERTIME

This year, exempt overtime was also examined. Although exempt overtime is uncompensated, it indicates the workload in each department and could indicate where employees may be at risk of burnout. The following chart shows the total exempt overtime for each department. Engineering has the most total exempt overtime, because they have heavy workloads and the most exempt team members of any department at the District.

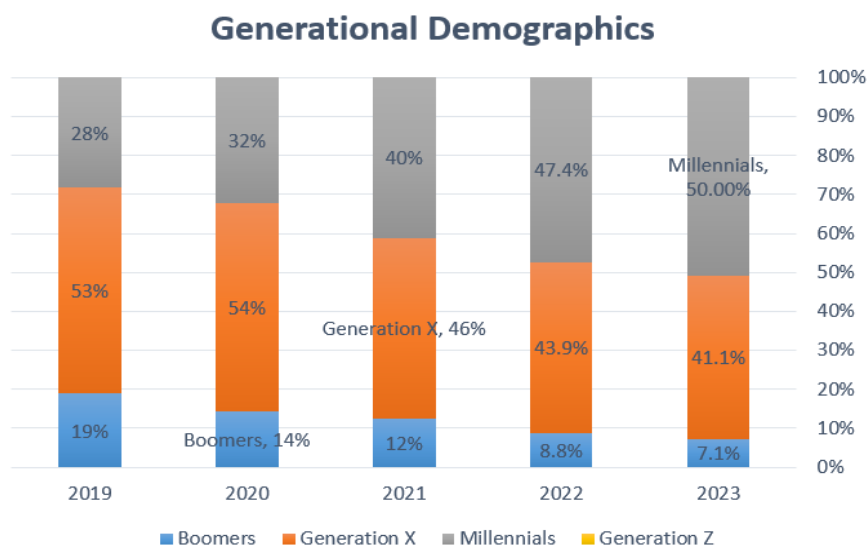


When evaluated per employee, the Engineering department is about average, with 101 hours per person. Construction and Human Resources exempt staff work the most overtime per person. The Construction and Meters Supervisor routinely responds to leaks and after-hours emergencies to supervise and support the Construction crew to safely perform repairs, so, logically, this position works a high level of overtime. The Human Resources Manager must also be responsive to unpredictable and time-sensitive events to promptly address issues and recruit for vacant positions.



WORKFORCE DEMOGRAPHICS AND RETIREMENT ELIGIBILITY

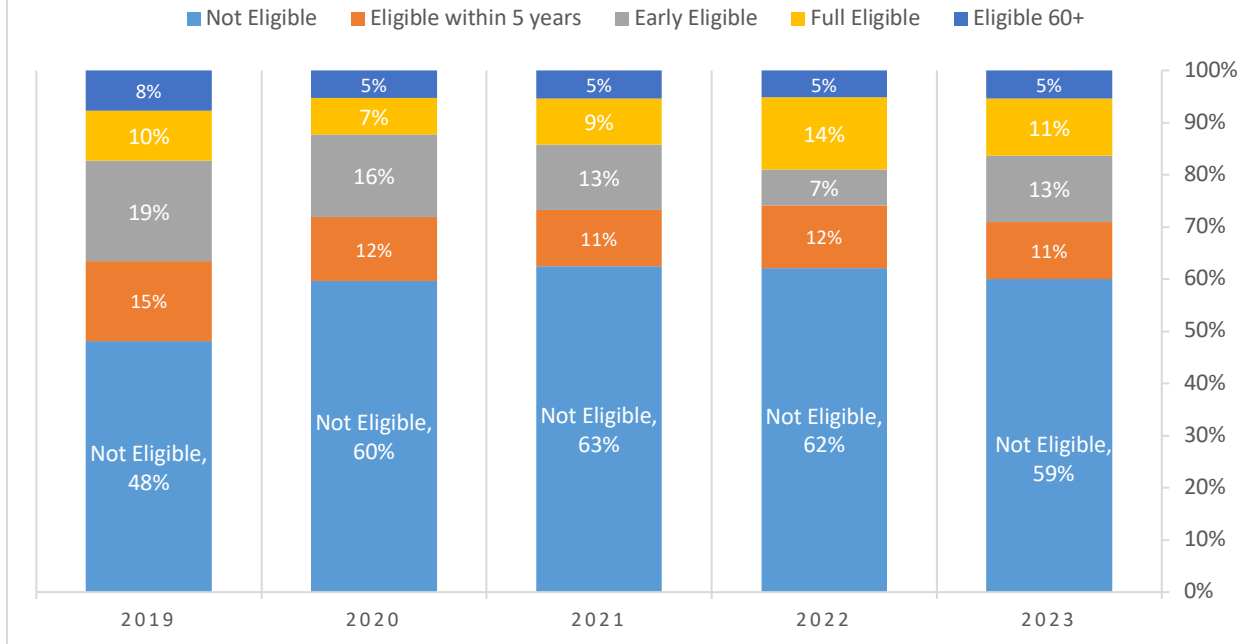
As long-term staff members have retired, along with turnover, the generational demographic of the workforce continues to shift towards younger generations. This year was the first year that 50% of the workforce was made up of Millennials.



RETIREMENT ELIGIBILITY

A critical factor in the projected turnover is the number of employees who are or will become eligible for retirement in the next five years. Currently, 16% of the workforce is eligible for full retirement; 29% are eligible to retire at either the full or reduced formula; an additional 11% will be eligible within the next five years.

RETIREMENT ELIGIBILITY IN 2023

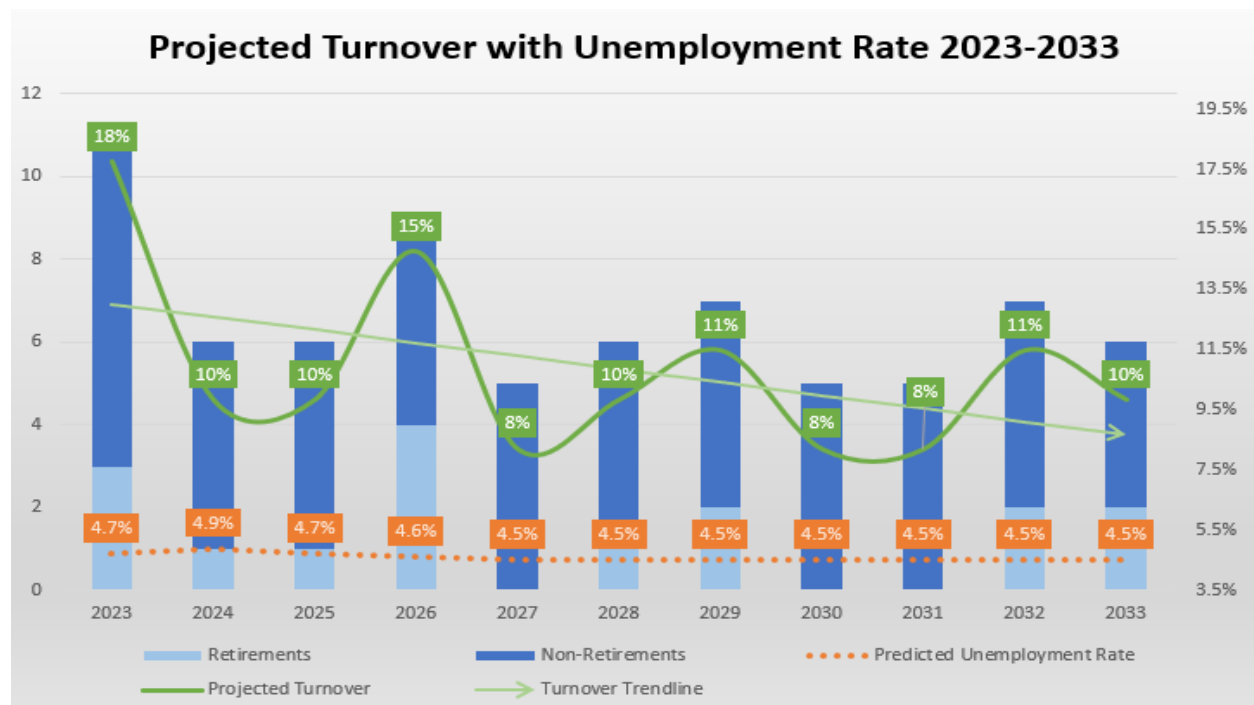


FUTURE STAFFING NEEDS

Several drivers of the anticipated future staffing needs, but this year’s recommendations are primarily focused on staffing continuity planning, and mitigating overtime.

PROJECTED TURNOVER

Before the pandemic began, unemployment rates had been at historic lows and expected to remain unusually low for several more years. Low unemployment typically drives voluntary turnover and competition for talent. The unemployment rate has recovered from its 2020 highs and is now close to pre-pandemic levels. The District’s quit rates in the future can be reasonably expected to be responsive to the low unemployment rate. The chart below illustrates the anticipated turnover based on unemployment projections from the Congressional Budget Office and anticipated retirements in the District. It should be noted that the 2023 unemployment projection is higher than the actual data reported by the Bureau of Labor Statistics.



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

STAFFING CONTINUITY PLANNING

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

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

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

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

Critical Positions are as follows:

PRIORITY ONE	KNOWLEDGE TRANSFER PLAN
General Manager	In place. Created General Manager position success profile with the Board to facilitate development plans and inform recruitment/selection process for successor; development plans in place for multiple internal aspiring successors and leaders who can aid in transition if successor is hired from outside the District.
Administrative Analyst - Engineering	In place. A second Administrative Analyst was hired in November 2022 to supplement staffing levels in the Engineering Department and receive knowledge transfer pending retirement of the Administrative Analyst.
Technical Services Lead (electrician)	There is currently no internal aspiring successor and no position with the bandwidth or electrical qualifications to receive knowledge transfer. Even electrical contractors cannot always perform this work, as some of the District’s infrastructure uses older technology that some electricians have never seen. The incumbent has over 35 years of institutional knowledge that will require significant overlap time to pass on to a successor. Staff recommends hiring an intended successor as soon as the District receives official written notice of intent to retire, which should offer approximately 4 months of overlap for knowledge transfer.
PRIORITY TWO	KNOWLEDGE TRANSFER PLAN
Construction and Meters Supervisor	In place. The incumbent is actively developing team members who are or aspire to be, in Lead roles within the Construction and Meters Departments, to ready aspiring leaders for promotion.
Construction Lead	In place. The incumbent has been working on developing several Utility Workers and transferring knowledge over the past two years.

Finance Manager	In place. The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.
Human Resources Manager	In place. The HR Specialist position is being actively mentored and trained to act interim and aid in a smooth transition to a qualified external successor should this position become vacant.
Electrical/Electronics (SCADA) Technician	In place. Other members of the Information Technology Department can temporarily cover this role, with assistance from an outside contractor, until a qualified successor is selected.
Operations Manager	In place. The incumbent has been actively developing department staff to expand knowledge and ensure continuity of leadership during a transition.
Board Secretary	In place. Cross-training has been taking place for the past year to ensure staffing coverage during vacations, leaves, or retirement.

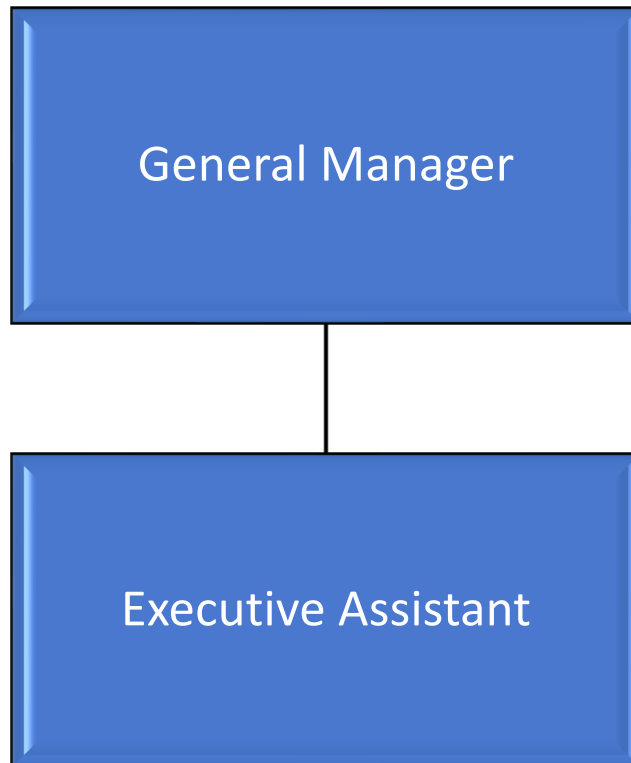
SUMMARY OF RECOMMENDATIONS

In support of the District’s Strategic Plan, staff recommends the following changes to the staffing plan for the 2023-24 fiscal year:

1. Headcount: No new headcount requested
 - a. Construction: Remove the vacant Utility Worker from approved headcount and reassess when ready to perform more in-house CIP work
 - b. Engineering: Leave the Associate Engineer position vacant, but do not remove it as an approved headcount. Reassess department staffing needs when retirement or attrition occurs or if workload changes.
2. Overtime: Explore alternative schedules to get scheduled work in System Operations performed with less overtime.
3. Knowledge Transfer: Approve up to a six-month overlap with the Technical Services Lead once retirement notice is given for knowledge transfer.
4. Turnover Mitigation: Conduct compensation analysis and stay interviews to ensure the District remains competitive and addresses employees’ concerns and career development needs.

ADMINISTRATION DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
General Manager	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Department Total	2.00	2.00	2.00	2.00



Administration Responsibilities:

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

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

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

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

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

Major Accomplishments: Fiscal Year 2022-2023

- Elected Board Members continued to participate in numerous conferences, training, and workshop as a means of keeping themselves apprised of current and relative matters related to or impacting both the water and wastewater industries, most of which were held virtually.
- Continued providing support through technical documentation and community outreach related to the application to the San Diego Local Agency Formation Commission (SDLAFCO) for the detachment of the District from the San Diego County Water Authority

and concurrent annexation to the Eastern Municipal Water District. This has culminated in a staff report that recommends approval of our detachment application.

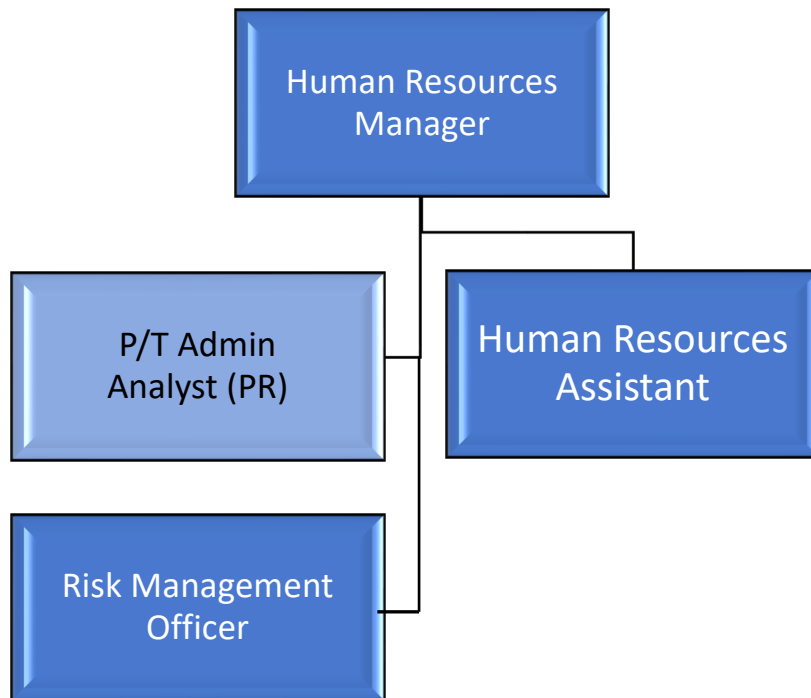
- Transitioned our successful work from home program and teleconference public meeting process (in response to the Government’s executive orders related to the COVID-19 pandemic outbreak in March 2020 through February 2023) to a hybrid work and public meeting process. This increases public participation, employee productivity, and enhances employee recruitment and retention.
- Assisted with the development and implementation of a records management system including the initiation of uploading permanent district records into an electronic database according to the District’s current record retention policies.

Objectives: Fiscal Year 2023-2024

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

ADMINISTRATIVE SERVICES DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Human Resource Manager	1.00	1.00	1.00	1.00
Risk Management Officer	1.00	1.00	1.00	1.00
Human Resource Assistant	0.50	0.50	1.00	1.00
P/T Admin Analyst (PR)	0.00	0.00	0.00	0.50
Department Total	2.50	2.50	3.00	3.50



Responsibilities

The Administrative Services Department plays a pivotal role in ensuring the smooth and efficient functioning of the organization by providing essential strategic and tactical support services. Comprised of three specialized divisions - Human Resources, Risk Management, and Public Information - the department collaboratively addresses the varying needs of the District's workforce and its stakeholders. The Administrative Services Department empowers the District to achieve its goals and objectives while promoting transparency, compliance, and effective communication by fostering a culture of excellence, professionalism, and innovation.

The Human Resources Division's primary function is to ensure the District has highly qualified people in the right roles who are inspired and equipped to accomplish the mission every day. This HR Division oversees a comprehensive range of HR functions, including recruitment and selection, employee onboarding, performance management, training and development, compensation and benefits administration, labor relations, and personnel policies and compliance. The Human Resources Division strives to create a supportive and inclusive workplace where employees can thrive, contributing to the District's overall success.

The Risk Management Division proactively identifies, assesses, and manages potential risks and liabilities to protect the organization's employees, assets, reputation, and operations. This department develops and implements risk management strategies, policies, and procedures. It conducts safety assessments, implements hazard mitigation measures, and ensures compliance with applicable environmental health and safety regulations and insurance requirements. The Risk Management Division also coordinates the organization's safety training programs, emergency preparedness efforts, and claims management activities, further promoting secure and resilient operations.

The Public Information Division is the primary communication liaison between the District and its stakeholders, including customers, the public, media, and community groups. This division manages the organization's public image, fosters positive relationships, and promotes effective communication. The Public Information Division oversees the development and implementation of communication strategies, media relations, public outreach initiatives, social media management, and the production of various informational materials. By providing accurate, timely, and transparent information, this department enhances the District's reputation and public trust while facilitating customer engagement and awareness.

Major Accomplishments: Fiscal Year 2022-2023

Human Resources

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

- **TOP WORKPLACE SELECTION:** As a result of an employee survey conducted by a third party, the District was named a Top Workplace for the second consecutive year in 2022 by the San Diego Union-Tribune.

- **RECRUITING AND SELECTION:** Continued networking and marketing the District’s open positions at industry events, social media, and through direct outreach, resulting in a 500% year-over-year increase in total job views for the District’s open positions; reduced time to fill to open positions from 57 to 51 days.
- **EMPLOYEE RECOGNITION:** Continued to promote the Excellence Coin Recognition Program, resulting in a 20% increase in nominations from the previous year. There were 82-coin nominations, and a total of 13 employees reached the milestone of receiving all five Excellence coins.
- **EMPLOYEE APPRECIATION:** Delivered a Languages of Appreciation in the Workplace Workshop with the Finance and Customer Service teams; hosted the annual Employee Awards banquet in April.
- **PEOPLE ANALYTICS:** Implemented ADP Analytics module, allowing management to see human resources metrics like, headcount, turnover, retention, retirement projections and turnover risk at a glance.
- **BENEFITS ADMINISTRATION:** Implemented several new software modules in ADP that streamline the employee onboarding and benefits enrollment process, as well as sending enrollment change data directly to insurance carriers to ensure timely processing of changes and accurate billing.

Risk Management

- **SAFETY TRAINING:** Delivered in-house OSHA-30 training to all Crew Leaders, Supervisors and Superintendents; A total of 33 employees completed at least one online learning class from Target Solutions, representing 86 unique classes and 239 hours of training in safety and water operations.
- **EMERGENCY PREPARATION:** Participated in the San Diego Countywide Emergency Event exercise in January 2023, which focused on Cybersecurity.
- **HAZARD MITIGATION PLAN:** Drafted the District’s Annex to the County of San Diego’s Multi-Jurisdictional Hazard Mitigation Plan and received plan approval from California Office of Emergency Services and the Federal Emergency Management Agency.

Public Information

- **NEWSLETTER:** Published a monthly newsletter to keep customers informed of what was happening within the District.
- **OUTREACH:** Participated in the Avocado Festival with a double-sized booth; and engaged the public and customers with a survey and promotional items.
- **COMMUNITY ENGAGEMENT:** Hosted a field trip of Bonsall High School students interested in science, technology, engineering, and math careers so they could learn how those disciplines are applied in the real world and water industry jobs.

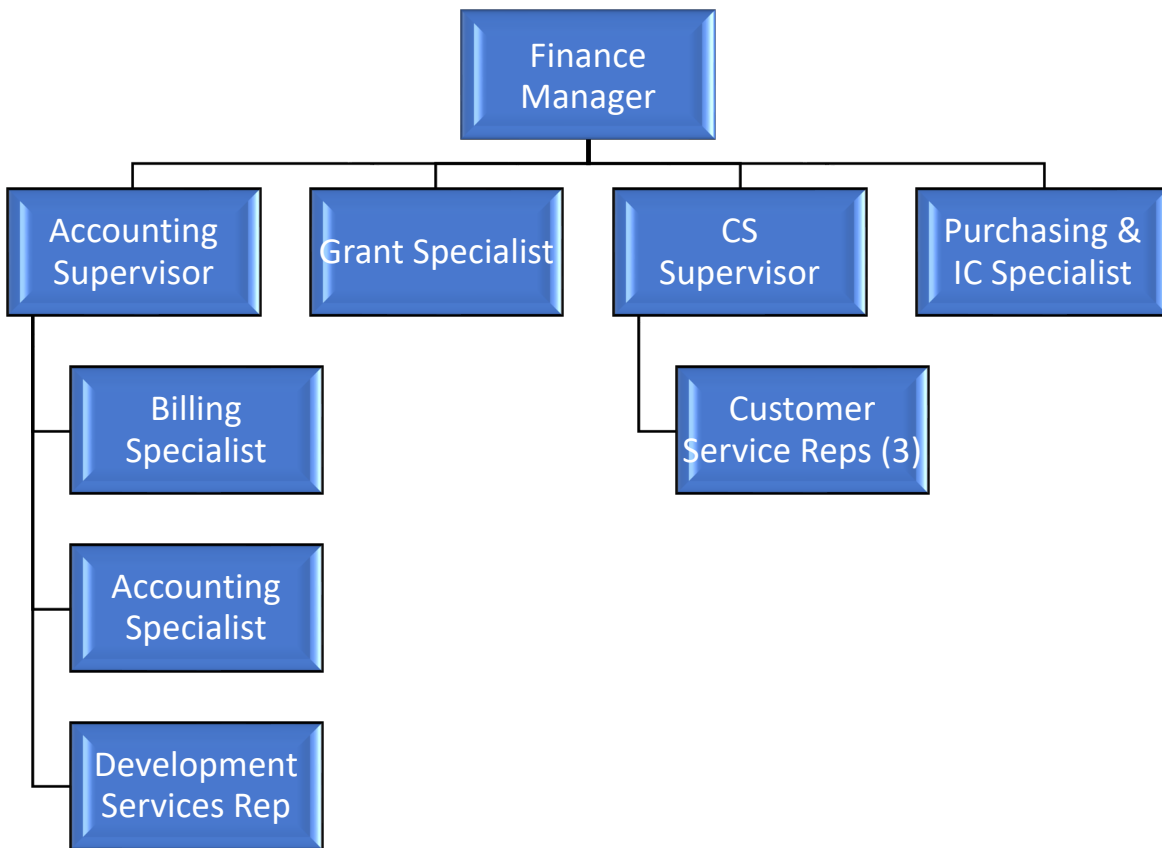
- **DIRECT MAILERS:** Designed and sent direct mailers to ensure District residents were informed of important events, including a Board vacancy in Division One and a Notice of Rate Hearing, which was sent to all property owners and tenants in the District.

Objectives: Fiscal Year 2023-2024

- **ONBOARDING:** Expand upon onboarding education program to include improved District software training, water industry education, tours, and connecting with team members across the District.
- **LEADERSHIP DEVELOPMENT:** Create a leadership development program for our supervisory staff members that covers their role in complying with important legal and policy requirements and their role in upholding the core values and the District's inclusive culture.
- **EMERGENCY PLANNING:** Train appropriate District staff on San Diego County's new WebEOC system, which will be rolled out in July 2023.
- **SAFETY:** Draft a new Safety section of the District's Administrative Code for the Board's approval.
- **COMMUNICATIONS:** Develop a Strategic Communications Plan that includes target audiences, key messages, and communication channels.
- **70TH ANNIVERSARY:** Plan and execute events to celebrate the District's 70th anniversary.

FINANCE DEPARTMENT

Personnel Level: Position(s)	2020-2021	2021-2022	2022-2023	2023-2024
Finance Manager	1.00	1.00	1.00	1.00
Accounting Supervisor	0.00	0.00	1.00	1.00
Senior Accountant	1.00	1.00	0.00	0.00
Accounting Specialist	1.00	1.00	1.00	1.00
Purchasing & IC Specialist	1.00	1.00	1.00	1.00
Communications & CS Supervisor	1.00	1.00	0.00	0.00
Customer Service Supervisor	0.00	0.00	1.00	1.00
Customer Service Rep.	2.00	2.00	3.00	3.00
(Temp) Customer Service Rep.	1.00	1.00	0.00	0.00
District Services Rep.	1.00	1.00	1.00	1.00
Billing Specialist	1.00	1.00	1.00	1.00
Grant Specialist	0.00	1.00	1.00	1.00
Department Total	10.00	11.00	11.00	11.00



Responsibilities:

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

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

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

Major Accomplishments: Fiscal Year 2022-23

Finance

- Received a clean audit for FY 21-22.
- Secured financing of \$10M at 4.02% interest just before the federal reserve started raising interest rates: These funds are being used on the Wholesale water efficiency projects that will eliminate the \$175/acre-foot transportation cost charged by SDCWA.
- The District drafted an Annual Comprehensive Financial Report (ACFR) for FY 2021-22. The report was compiled in compliance with the Government Finance Officers Association (GFOA) standards. The Finance staff worked diligently on the FY 2021-22 ACFR to adhere to the criteria requirements of GFOA for the ACFR Certificate of Achievement for Excellence award. Staff submitted the report to GFOA for possible consideration, and again received the award.
- Compiled Annual Budget in compliance with GFOA standards (7th consecutive year) – the Finance staff worked diligently on FY 22-23 budget to adhere to the criteria requirements of GFOA budget standards. The report was submitted to GFOA for possible consideration, and we are proud to have met and received the Recognition of Distinguished Budget Presentation Award for the Fiscal Year 2022-23 budget.
- Completed a Full Cost of Service Study to update rates for FY 24 through FY 28.
- Implemented a Board Approved 5-year Financial Plan that uses a stepped approach to get reserves to target levels by FY28 and contribute to the Capital Improvement Plan.

Customer Service

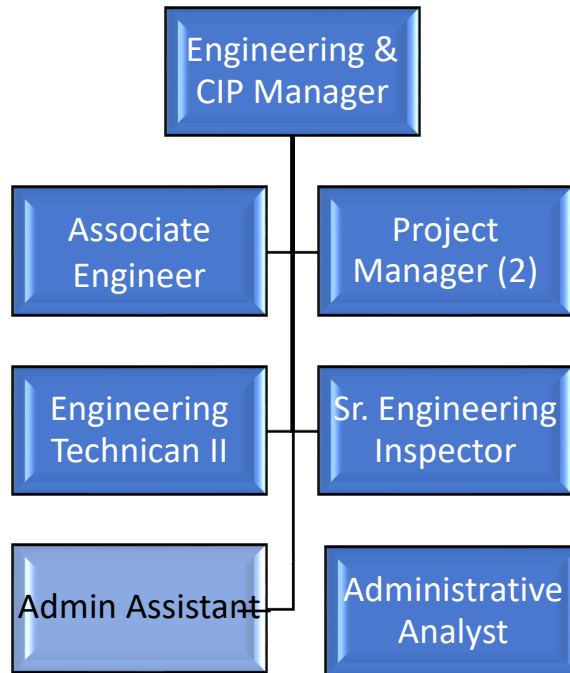
- Customer Service restarted the Customer Shutoff process after the state lifted the moratorium on shut-offs.
- Performed Customer Outreach with monthly Newsletters

Objectives: Fiscal Year 2023-24

- Continue to create a budget in compliance with GFOA standards, for the 8th consecutive year.
- Continue to create the Annual Comprehensive Financial Report in compliance with GFOA standards for the 4th consecutive year.
- Fully migrate into the new Infor Utility Billing and Financial software. Add functionality and integrations within utility billing, asset management, purchase orders, and utility billing modules. These integrations will include a 3-way match between Purchase Order, Accounts Payable, and Receipt of Goods.
- Implement a perpetual system that keeps track of inventory continuously with updates made automatically whenever an inventory part is taken. This will require the District to purchase a barcode system using digital technology to track inventory in real-time updates sent electronically to the system database.
- Record Fixed Assets and Depreciation in the Infor Financial software (CSF).

ENGINEERING DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Engineering & CIP Manager	1.00	1.00	1.00	1.00
Associate Engineer	1.00	1.00	1.00	1.00
Project Manager	2.00	2.00	2.00	2.00
Senior Engineering Inspector	1.00	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00
Management Analyst	0.00	0.00	1.00	1.00
Department Total	6.00	6.00	7.00	8.00



Responsibilities:

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

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

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

Major Accomplishments: Fiscal Year 2022-2023

- Completed construction of the Rice Canyon Pipeline Project, Sumac Communications Tower PV and Back-Up Battery System, Rainbow Valley Boulevard Cathodic Protection, Rainbow Water Quality Improvement project, Installed two (2) emergency generators for critical pump stations

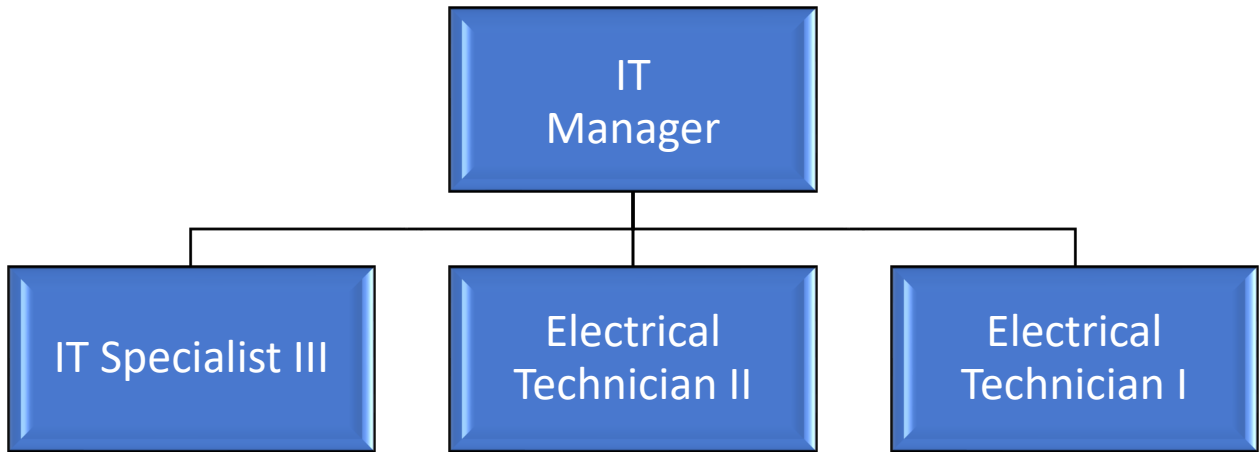
- Projects in construction, Lift Station No. 1 Replacement Project, Live Oak Park Bridge-water main relocation project
- Process and shuttle several developer projects through design and or construction phases including the following: Pala Mesa Highlands, Citro (F.K.A. Meadowood), Bonsall Oaks, Campus Park West, Cameron Development, Malabar Ranch, Ocean Breeze Ranch, San Luis Rey Training Center, Vista Valley Country Club Pool Center.
- Processed San Diego County availability letters and new water meter installs
- Cleared heavy brush, tress and other vegetation on District easements
- Completed Annual Water Loss Audit
- Advertised for design and construction services of: San Luis Rey Return Flow Recovery Project,
- Issued encroachment permits and acquired easements (ongoing)
- Resolved over 50+ facilities maintenance tickets
- Identified Wholesale Water Efficiency Projects and commenced with design

Objectives: Fiscal Year 2023-2024

- Complete design for all Wholesale Water Efficiency Projects and commence bidding process
- Continue to construct trunk-line sewer system improvements needed to accommodate additional development (LS No. 1 Replacement project)
- Finalize an analysis of the District sewer collection system and develop recommendations for infrastructure improvements to increase capacity
- Update the Water and Waster Water Master Plans
- Comprehensive Districtwide Hydraulic Model
- Install manual transfer switches at Morro Hills, Rainbow Hills and Vallecitos Pump Stations
- Relocate utility conflicts on County-initiated projects, Bonsall Regional Park Project

IT DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
IT Manager	1.00	1.00	1.00	1.00
IT Specialist III	1.00	1.00	1.00	1.00
Electrical Technician II	1.00	1.00	1.00	1.00
Electrical Technician I	1.00	1.00	1.00	1.00
Department Total	4.00	4.00	4.00	4.00



Responsibilities:

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

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

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

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

Major Accomplishments: Fiscal Year 2022-2023

Information Technology

- Completed the setup and rollout of Infor Document Management.
- Automated the process of adding documents from different applications to Infor Document Management.
- Increased Cybersecurity hygiene by adding Multi-Factor Authentication to VPN, Office, and Computer Access.
- Developed reports to report to the State on our Water and Wastewater Systems.
- Configured inspection tools for our APCD inspections.
- Developed tools to analyze our water consumption analysis.
- Analysis of our phone system and customer call usage.
- Upgraded our Billing System software.
- Implemented new AI-centric email phishing software.
- Developed reports for financial data.
- Implemented cost-effective internet solution.

Electrical Services

- Created multiple redundancies within our SCADA network to prevent single points of failure.
 - Installed and manage a new Camera System at HQ in-house.
 - Upgraded our security badge system.
 - Assisted in the installation of the Sumac Solar System.
 - Wired and configured flow meters at various tanks.
 - Diagnosed and repaired issues with pump motors and electronics.
 - Provided power to the storage area to run compressors for vehicle tires.
 - Assisted in installing Digital to Ethernet converter for alarm system.
 - Installed multiple radios at various sites.
- Built an automated control for the Heli-Hydrant

Objectives: Fiscal Year 2023-2024

Information Technology

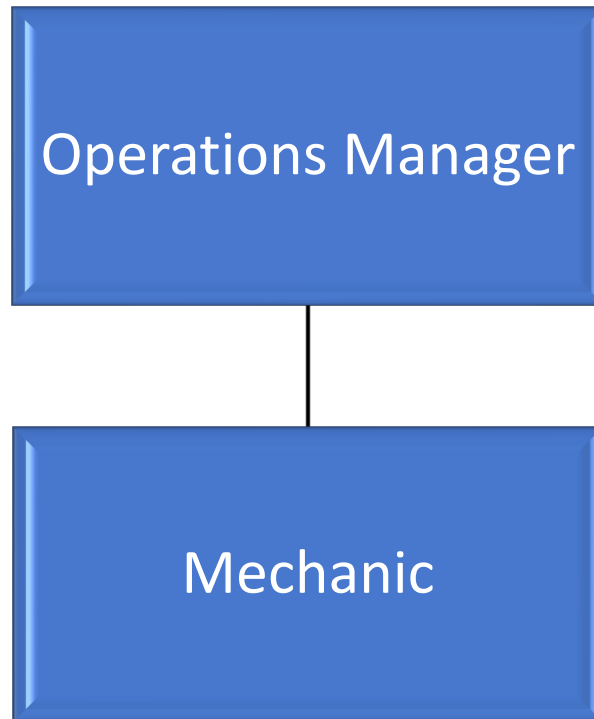
- Continue implementing Mingle with all the Infor Suite of Products.
- Continue enhancing the District's cybersecurity and implement the District's Cyber Security Initiative.
- Implement more CSF, IPS, and EAM integrations with IDM with other document types.
- Continue assisting the SCADA vendor with the installation of radios and switches.
- Enhance Cybersecurity on the SCADA network.
- Find cost-effective solutions for SCADA implementations.

Electrical Services

- Add additional cameras at our sites.
- Relocate SCADA equipment for protection from the environments at Canonita Tank.
- Add Battery backup panels for sites to ensure power resiliency.
- Add additional radios at Rice Canyon Tank for Redundancy.
- Assist in implementing a new Rapid Aerial Water Supply (RAWS) at Gomez Tank.
- Install and connect additional Chlorine Analyzers at our tanks.
- Install and Calibrate new Flow Meters at our Tanks.

TECHNICAL SERVICES DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Operations Manager	0.00	0.00	0.00	0.00
Electrical Technician II	0.00	0.00	0.00	0.00
Electrical Technician I	0.00	0.00	0.00	0.00
Mechanic	1.00	1.00	1.00	1.00
Department Total	1.00	1.00	1.00	1.00



Responsibilities:

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

Major Accomplishments: Fiscal Year 2022-2023

- Arranged and monitored the surplus auction of vehicles and equipment that were to be replaced using GOVDEALS and recovered \$85,320.
- Involved with specifications to equip & upgrade many vehicles with improved tool & equipment storage systems.
- Arranged and upfitted vehicles with updated safety lighting.
- Met all requirements for Bureau of Automotive Repair, California Resources Board and Cal Recycle on Site Inspection
- Met all requirements for California Periodic Smoke Inspection for Diesel Powered ON ROAD Vehicles
- Acquired CDET (California Council on Diesel Education and Technology) Certification to perform Diesel engine emissions testing in house and purchased test equipment.
- Involved with specifications, purchase and upfitting of new Crew truck with Crane for Wastewater department.

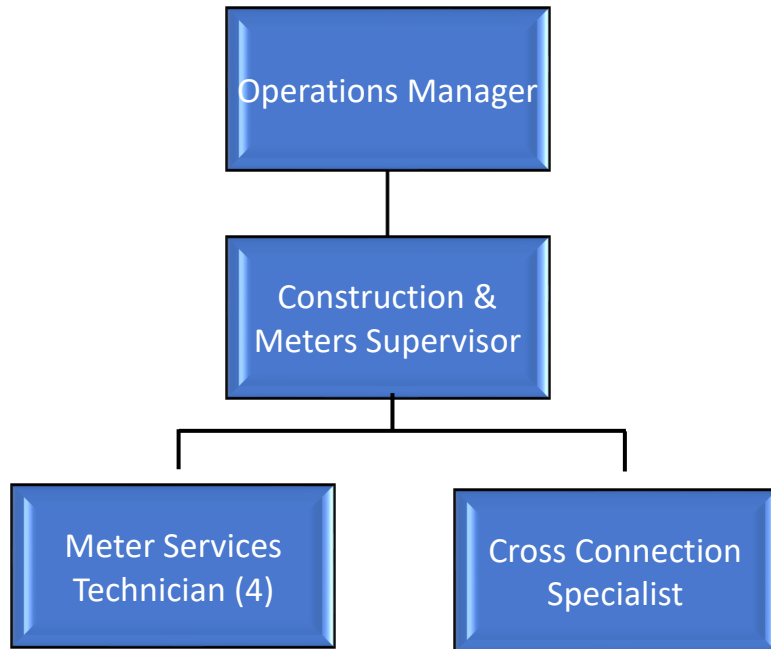
Objectives: Fiscal Year 2023-2024

- Add additional shelf storage to parts rooms and keep them stocked and orderly.
- Arrange and monitor Diesel Particulate Filter cleanings. and perform Opacity & Smoke testing per California Air Resources Board in house.
- Purchase and install improved storage for Waste oil & antifreeze cage spill kits and major clean up equipment.
- Continue to maintain an On-Road & Off-Road Fleet vehicles as well as small equipment in good working order and ensure they are safe & efficient.
- Work with District Electrician on installing Electric Vehicle Charging systems for future vehicles that will be required by CARB (California Air Resources Board) also to work with my immediate supervisor on a pilot test of vehicles within the district. We will assure that the District Infrastructure and the Emergency back up generators will and can sustain a major power outage without failure during the outage.
- Gather all data on mileage range needed by vehicles selected per department.
- Work with my immediate supervisor on the best vehicles to start the transition into Electrification.

- Seek Manufacturers Training on Safety and Troubleshooting of Electric Vehicles and Charging Stations.
- Work with my Immediate supervisor on ways and locations for Emergency or satellite charging stations within the district.

METERS DEPARTMENT

Personnel Level:				
<u>Position(s)</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Meter Supervisor	1.00	1.00	0.00	0.00
Meter Technician(s)	5.00	5.00	4.00	4.00
Cross-Connection Specialist	1.00	1.00	1.00	1.00
Temporary Meter Technician	1.00	1.00	0.00	0.00
Department Total	8.00	8.00	5.00	5.00



Responsibilities:

Meter Services' primary function is to ensure timely and accurate meter readings monthly. This Department maintains the District's 8,915 water meters and meter reading infrastructure, including annual testing of 4,933 Backflow devices. The Department investigates and resolves meter service problems and questions, such as read discrepancies or customer inquiries. Meter reading occurs monthly, starting on the first working day of the month. The district meters are assigned to three cycles totaling fifty-five routes. The meters are read using a mobile electronic collector and a laptop that stores the readings. The Automatic Meter Reading (AMR) system makes up the entire District's meters. A meter reader collects the meter reading consumption in an AMR system by driving a district vehicle with a truck-mounted radio and the "Mobile Collector." The meter reader can quickly pick up the read data rather than walking and manually reading those routes.

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

Major Accomplishments: Fiscal Year 2022 - 2023

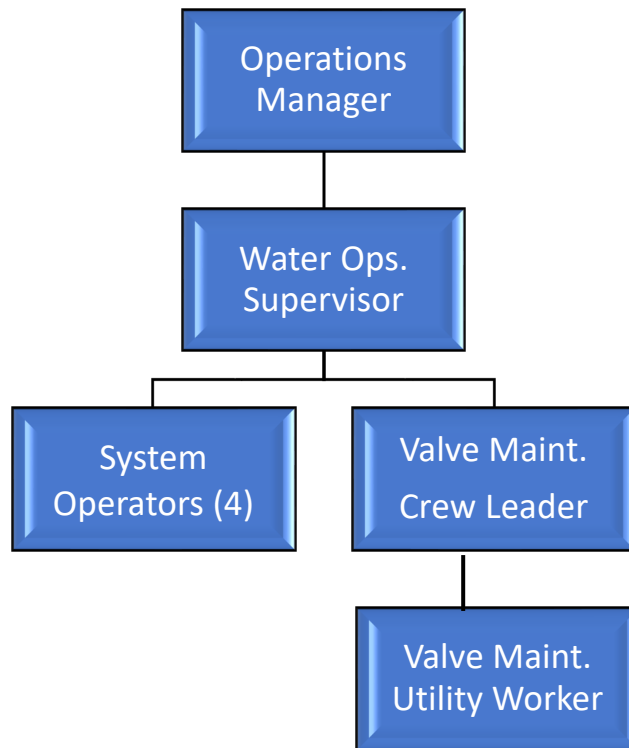
- Tested all backflow devices in the District during the calendar year 2022.
- Established a successful Cross Connection Control Program to a level where the Meters Department now sends out 30-day failure notifications to repair backflow devices, thus ensuring ratepayer compliance.
- Consolidated the reading schedule to one day per cycle.
- Proved the ability to complete all meter readings and check bills within the first two weeks of a month.
- Trained all Meter's staff to be successful certified backflow testers, contributing to backflow testing and eliminating the need for contracted backflow testing services.

Objectives: Fiscal Year 2023 - 2024

- Maintain a successful Cross Connection Control Program by testing all backflow devices in the District annually. Send out failure notifications and stop service to non-compliant customers.
- During this Fiscal year and moving forward, the Meters Department will take on the responsibility for sending out backflow failure notifications.
- Conduct a study to determine the feasibility of potentially insourcing backflow repairs as a service to the ratepayers.
- Research to resolve meters that are under registering. Develop a systematic approach to replacing registers and/or meters.
- Strive to consistently complete all meter readings and check bills within the first two weeks of a month.

WATER SYSTEM OPERATIONS AND VALVE MAINTENANCE DEPARTMENT

Personnel Level:				
Position(s)	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Water Ops. Supervisor	1.00	1.00	1.00	1.00
System Operator(s)	4.00	4.00	4.00	4.00
Valve Maint. Crew Leader	1.00	1.00	1.00	1.00
Valve Maint. Utility Worker(s)	3.00	3.00	1.00	1.00
Department Total	9.00	9.00	7.00	7.00



Responsibilities:

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

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

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

Major Accomplishments: Fiscal Year 2022-2023

- Industrial painted four (4) sites/pump stations.
- Industrial painted one (1) pressure stations.
- inlet/outlet Flow meter installed at Canonita tank.
- Seven (4) tanks were cleaned/washed out and disinfected.
- Replaced twelve (12) EFI pressure station isolation valves with new EFI warranty replacement valves.
- Installed (4) new above-ground pressure stations.
- Installed new Hach CL-10 analyzer at Lower Lookout tank.
- Installed SCADA/Analyzer building at Canonita tank.
- Valve maintenance turned/exercised over 1,450 valves.
- Valve maintenance staff inputted over 140 geo-viewer mapping corrections in our distribution mapping software.
- Removed nine (9) failed Moody cover pumps from the three (3) reservoirs and replaced with a cost-effective alternative pump by Wacker brand.
- System Ops successfully installed over 900ft of injections lines at Morro reservoir for the chloramination process. The process injects chlorine directly into the body of the

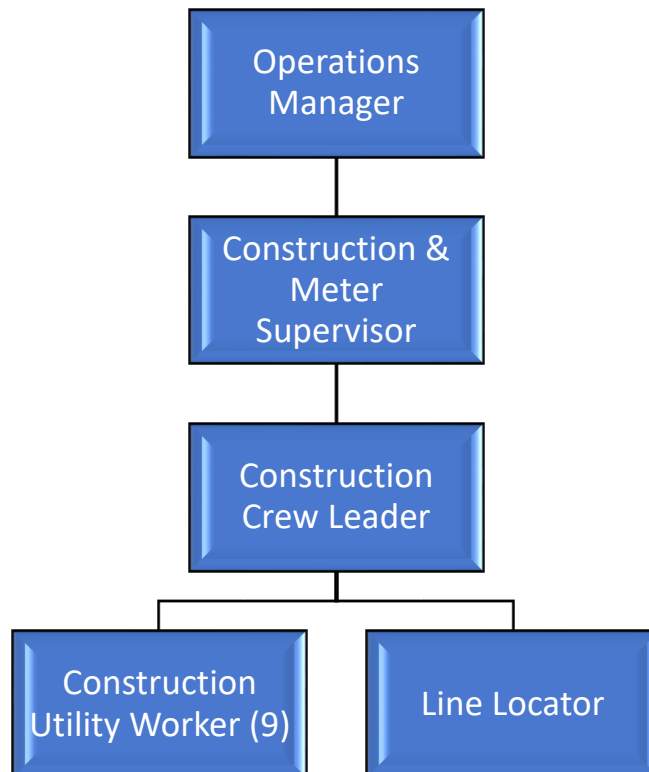
reservoir. District system operators have been able to achieve chloramine residual levels of up to 3.0ppm at 22ft in the body of the reservoir, numbers that haven't been observed before.

Objectives: Fiscal Year 2023-2024

- Assist Engineering with Finalizing the installation of the three permanent pump stations for Hutton and Turner zones for the Water Use efficiency separation.
- Continue working with Engineering and construction to develop system pressure controls with the installation of above ground pressure stations.
- Construction and System ops work together to install new Heli-Hydrant in the Gomez area.
- Continue testing on the chloramination injection process for Morro injection system to ultimately obtain over 3.0ppm residual at full reservoir capacity.
- System operations to continue to brainstorm and manipulate the distribution system in search of additional ways to get extra Metropolitan water to the southern region of the District to reduce and or eliminate our reliance on SDCWA connection water.
- Install new flow meter at Upper Lookout tank.
- Install an additional two (2) new Hach CL-10's chlorine analyzers at two distribution system storage tanks.

CONSTRUCTION DEPARTMENT

Personnel Level:				
Position(s):	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Operations Manager	1.00	1.00	1.00	1.00
Project Manager	1.00	0.00	0.00	0.00
Construction Supervisor	1.00	1.00	0.00	0.00
Const. & Meter Supervisor	0.00	0.00	1.00	1.00
Construction Crew Leader	2.00	2.00	1.00	1.00
Construction Utility Worker	6.00	6.00	9.00	9.00
Line Locator	0.00	0.00	1.00	1.00
Temp Const. Utility Worker	1.00	1.00	0.00	0.00
Department Totals:	12.00	11.00	13.00	13.00



Responsibilities:

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

Significant Accomplishments: Fiscal Year 2022 - 2023:

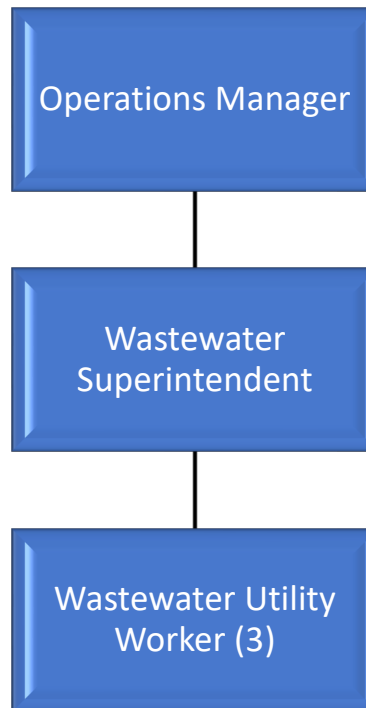
- Installed a new pressure-reducing station at N. River RD.
- Upgraded and expanded the reduced pressure zone in and around the Pala Mesa community.
- Installed 200 feet of 8-inch pipe, connecting the Sarah Anne & Knottwood pressure zones.
- Eliminated three nozzles and valves on the Gird Rd 18-inch water line to minimize potential leak points.
- Repaired 30 main breaks throughout the district.
- Instructed Inter-agency training, Trench and Shoring with North County Fire Protection District.
- Installed 82 ft of new line at Holly Lane & Kari Lane to loop the system.
- Installed a new flow meter at Canonita tank and replaced 20 ft of corroded pipe.
- Assisted with the Bonsall High School STEM program field trip.
- Installed and or replaced 36 valves.

Objectives: Fiscal Year 2023 - 2024:

- Continue with District-Wide Pressure Management by installing six pressure-reducing stations within the fiscal year.
- Continue installing sacrificial anodes when opportunities arise (ex. leaks and breaks).
- Install and/or replace 40 valves to minimize the number of future service interruptions.
- Clean and maintain the lower yard to promote professionalism and a safe workspace.
- Train all department staff to be proficient with pipe welding.
- Train all department staff to operate heavy equipment.

WASTEWATER DEPARTMENT

Personnel Level:				
Position(s):	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Wastewater Superintendent	1.00	1.00	1.00	1.00
Utility Worker	3.00	3.00	3.00	3.00
Department Totals:	4.00	4.00	4.00	4.00



Responsibilities:

Wastewater Division protects public health and the environment by providing customers with reliable and sustainable wastewater collection and pumping services. This area is responsible for prudently accomplishing its duties by completing its tasks using effective management practices and ensuring an environmentally responsible operation.

Major Accomplishments: The fiscal Year 2022-2023

- Assist the Engineering Dept with the completion of Capital Improvement Projects:
 - Thoroughbred Lift station review plans and comments.
 - Hwy 76 12" sewer line upgrade from Sweetgrass Ln to Thoroughbred Lane.
 - Campus Park Development review plans and comments.
 - San Luis Rey Downs Horse track review plans and comments.
- Provide preventative maintenance to seven sewage lift stations and one flow meter station.
- Increase Odalog sewer odor reading assessments on the collection system.
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 42 Food Service establishments (FSE) and residents.
- Install two Multi start pump control modules at the horse creek lift station and Old River Road to accurately provide needed operating functions.
- Cure in place sewer line repairs as needed through CCTV inspections.
- Through the contract, provide cleaning services using FPUD vactor to Rainbow MWD wet wells and sewer lines.
- Manhole interior rehabilitation repairs. Budgeted for (12) manholes to be repaired.
- Manage and maintain collection sewer easements.
- Continue preventative maint. of Dukes Root control treatment in the collection system.
- Continue preventative maintenance of Golden Bell products Insecta treatment to sewer manholes to control cockroaches.
- Atmospheric River rain event February 2023- April 2023 Infiltration & Intrusion Mitigation.

Date	Loads transferred	Total Gallons
1/14/2023	1.50	8,000
2/12/2023	2	11,000
2/25/2023	5.50	24,000
2/25/2023	10	20,000
2/26/2023	6	60,500
2/28/2023	15	82,500
3/14/2023	12	66,000
3/15/2023	12	66,000
3/16/2023	8	44,000
3/18/2023	8	44,000
3/21/2023	11	99,000
3/22/2023	11	60,500
3/22/2023	15 1/2	85,700

Total sewer flows transferred: 671,200 Gallons.

Objectives: Fiscal Year 2023-2024

- Assist the Engineering Department with the completion of upcoming Capital Improvement Projects:
 - Thoroughbred Lift station review final plans 2023.
 - Wastewater department to receive training on VFDs and automation controls in 2023.
 - Campus Park Development review plans and provide feedback.
 - Operate Thoroughbred lift station & emergency storage to its fullest potential 2023-2024.

- New Statewide waste/discharge requirements general order wq 2022-0103-DWQ for sanitary sewer systems. Effective June 05, 2023, into new implementation.
 - Regulatory Coverage transfer - 4-11-2023 certified District continuing coverage.
 - Six year sewer system management plan update
 - System resilience
 - System performance analysis
 - Electronic Sanitary Sewer System service area boundary Map
 - Unintended failure to report
 - Duty to report to Waterboards
 - Enforcement provisions
 - Entry & Inspections

- Air Pollution Control District (APCD) - Data for EIS.
- USP Technologies treating Rainbow collection system with SulFeLox per odor control.
- Continue Odalog sewer odor reading assessments on the collection system. Control H2S buildup and minimize odor complaints.
- Provide and maintain preventative maintenance to seven sewage lift stations and one flow meter station. (1- New additional lift station coming online January 2024 Thoroughbred).
- Fats, oils, and grease (FOG) inspections. Provide outreach practices to 43 Food Service establishments (FSE) and residents.
- Manhole interior rehabilitation repairs. Budgeted (10) manholes for rehab. repairs.
- Manage and maintain collection sewer easements.
- Rancho Viejo generator rebuild cylinder heads, and new engine bolts.
- Mutual Services Agreement between Fallbrook Public Utility District and Rainbow Municipal Water District. (FPUD Sewer combination truck vector usage).
- 15" VCP warranty inspection North River Road - Sewer line cleaning and CCTV inspections 3 miles.
- Contractor provides 25% CCTV Inspections of the collection system, minimizing exfiltration and infiltrating sewer manholes and sewer lines.
- Maximize sewer trailer jetter cleaner under 12" sewer pipes along residential areas.
- Continue with confined space rescue training in house and outside agencies for emergency preparations.

APPENDIX A

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GFOA – Government Finance Officers Association

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

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

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