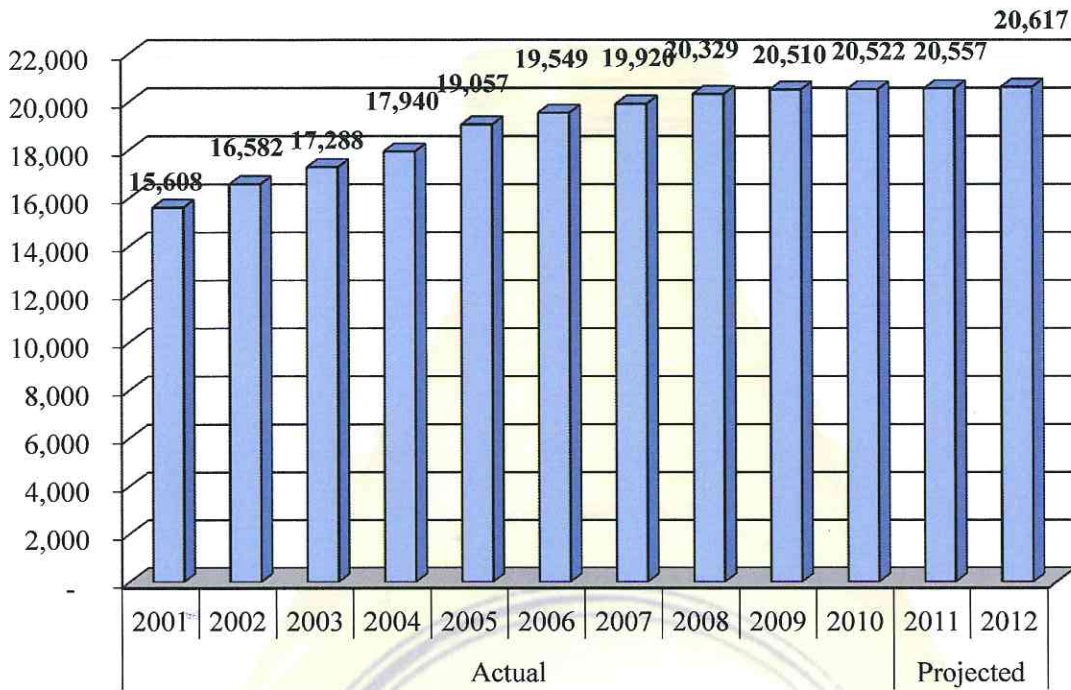


2011-2012 OPERATING BUDGET

WATER

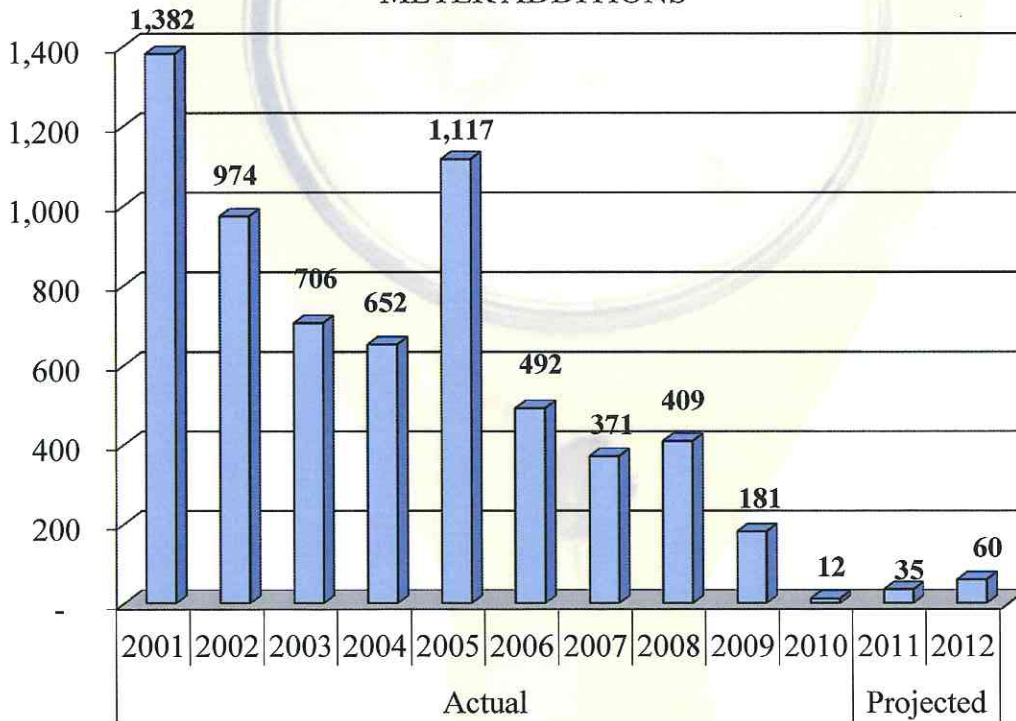


METERS IN SERVICE



Year End June 30,:

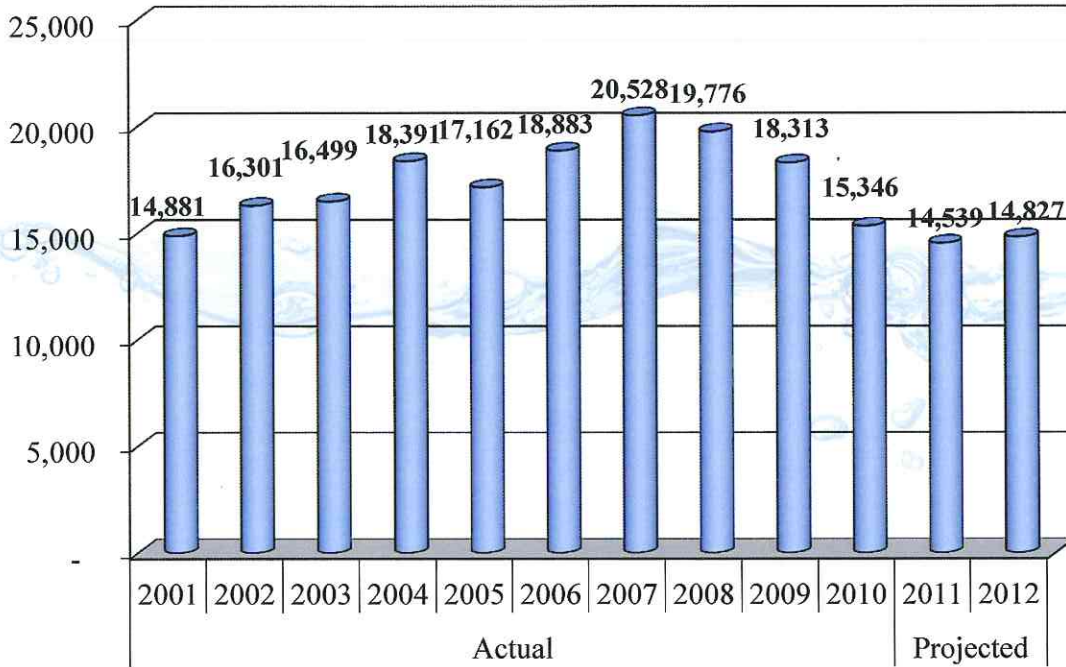
METER ADDITIONS



Year End June 30,:

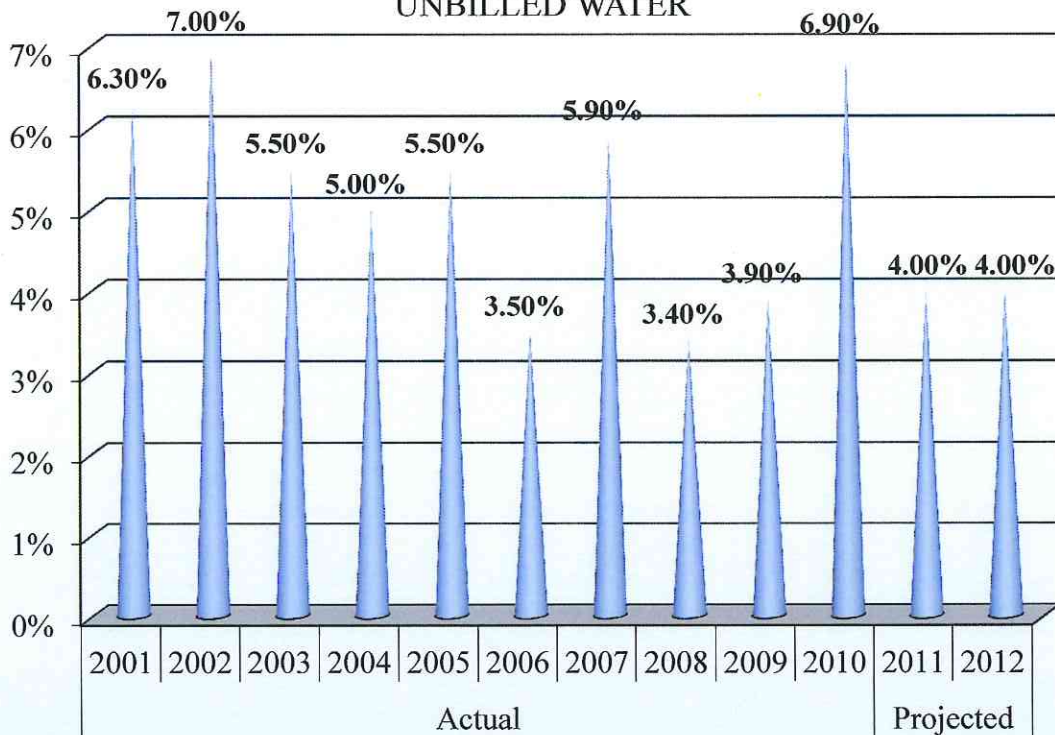
VALLECITOS WATER DISTRICT

WATER SALES IN ACRE FEET



Year End Jun 30,:

UNBILLED WATER



Year End June 30,:

Unbilled Water includes use acquired with one-day permits, tie-ins, operational use, fire hydrant damage and use, meter malfunctions, and leaks.

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WATER OPERATIONS

REVENUES

Water Sales: Monthly charges to cover the wholesale cost of water, with a minimal markup targeted to cover some operating costs and provide funds for capital improvements and replacement.

Ready To Serve: Monthly charge to cover fixed costs, regardless of water sales. Examples include maintenance of reservoirs and transmission lines, meter reading and administrative costs such as insurance.

Pumping Charges: Charges to customers at high elevations, to cover the power costs required to deliver water.

Interest and Other: Interest revenue, late charges, backflow fees, engineering fees and other miscellaneous revenues.

OPERATING EXPENSES

Pumping: To move water to various elevations, and to provide adequate pressure and storage to higher service connections. Includes maintenance of ten pump stations, readings, and power costs.

Water Quality: To monitor incoming water in accordance with federal and state regulations. Includes collecting samples and reporting results, and maintenance of monitoring equipment.

Water Treatment: To treat water in tanks, handle chemicals, and use and maintain injection equipment for pipelines.

Tanks and Reservoirs: Maintenance of 19 tanks and 2 reservoirs. Includes corrosion control, security, and water level monitoring.

Transmission and Distribution: Maintenance of pipeline system within 45 square miles, consisting of 329 miles of pipes. Includes 25 pressure reducing stations, all air releases/blow-offs, fire hydrants (buried portion), cross-tie valves with other districts, and valve exercising.

Services: Maintenance of all service lines located from main lines to meters.

Meters: Maintenance of all customer meters. Includes lens and/or complete meter replacement for slow or non-operating meters.

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WATER OPERATIONS (Continued)

Backflow Prevention: Ensures compliance with Title 17, requiring backflow devices for specific connections to protect quality of water in our system.

Meter Reading: Reading of approximately 20,500 meters on a monthly basis for billing purposes.

Customer Accounts: Costs related to opening and closing accounts, response to customer concerns, billing costs (statements, mailing), and uncollectible accounts.

Equipment and Vehicles: Maintenance of District equipment. Includes all construction equipment, water and administrative vehicles, and miscellaneous tools and equipment.

Buildings and Grounds: Maintenance of administrative and operations buildings, warehouse, and shops. Also includes power costs, alarmed security system, landscape service, janitorial, and pest control.

Engineering: All costs of engineering services. Includes review and monitoring of development to ensure compliance with standard design practices, impact on existing system and environment, and orderly planning to provide adequate water and sewer service as demand dictates.

Safety and Regulatory Affairs: Program to control unnecessary risks, hazardous conditions, and unsafe practices, and minimize physical losses, personnel injuries, and district liability, and to provide for regulatory compliance in environmental, public health and other mandated areas.

Information Technology: Centralization of the District's technology to maintain hardware, software, servers, networks, and interfaces.

General and Administrative

Salaries include administrative and conservation personnel salaries and all vacation, sick leave, and holiday time for administrative and water personnel.

Group Insurance is health, vision, and dental costs for all administrative and water personnel.

Workers' Compensation Insurance costs for all administrative and water personnel.

Public Employees Retirement System (PERS) participation costs for all administrative and water personnel.

Social Security costs for all administrative and water personnel.

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WATER OPERATIONS (Continued)

General and Administrative (continued)

Other Taxes/Benefits includes unemployment and other miscellaneous employee taxes and benefits such as annual luncheon, picnic, and awards for all personnel.

District Insurance premium costs protect District assets, such as buildings and vehicles, and provide liability coverage for potential claims.

Outside Services are provided by consultants and temporary help.

Legal costs are incurred for general legal counsel (presence at board meetings, contracts, employment issues, etc.)

Auditing is conducted by a certified public accounting firm to provide an opinion on the annual financial report.

Banking Services are provided to maintain the District's general and payroll accounts.

Office Supplies are purchased for necessary administration of the District including office equipment costing less than the capitalization threshold.

Postage not related to public relations or customer billing includes notifications, such as shutdowns and hearing notification mailings.

Office Equipment Repair covers maintenance contracts on computer system, billing equipment, copiers, telephone system, and other repairs as needed.

Telephone costs are for service of 46 lines with 100 extensions at administration and water operations, long distance, data lines, and cellular phone service for field and key personnel.

Travel costs are for administrative and water personnel.

Meetings and Seminars for administrative and water personnel provide District representation and professional development.

Dues and Subscriptions are for memberships and periodicals to various organizations, such as American Water Works Association (AWWA).

Public Awareness/Conservation is the "image and information" arm of the District, utilizing publications, special events, the speakers' bureau, and the VWD School Program to present Vallecitos as the "Water Specialist" and promote effective water conservation programs

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WATER OPERATIONS (Continued)

General and Administrative (continued)

Regulatory Fees are incurred for renewal fees for personnel certifications such as water distribution and treatment, notary, and professional memberships, state regulatory agencies, and other compliance matters.

Election and Annexations facilitation costs are assessed by the County.

Director Fees are paid for attendance of board meetings, professional conferences, and other District-sanctioned organizations.

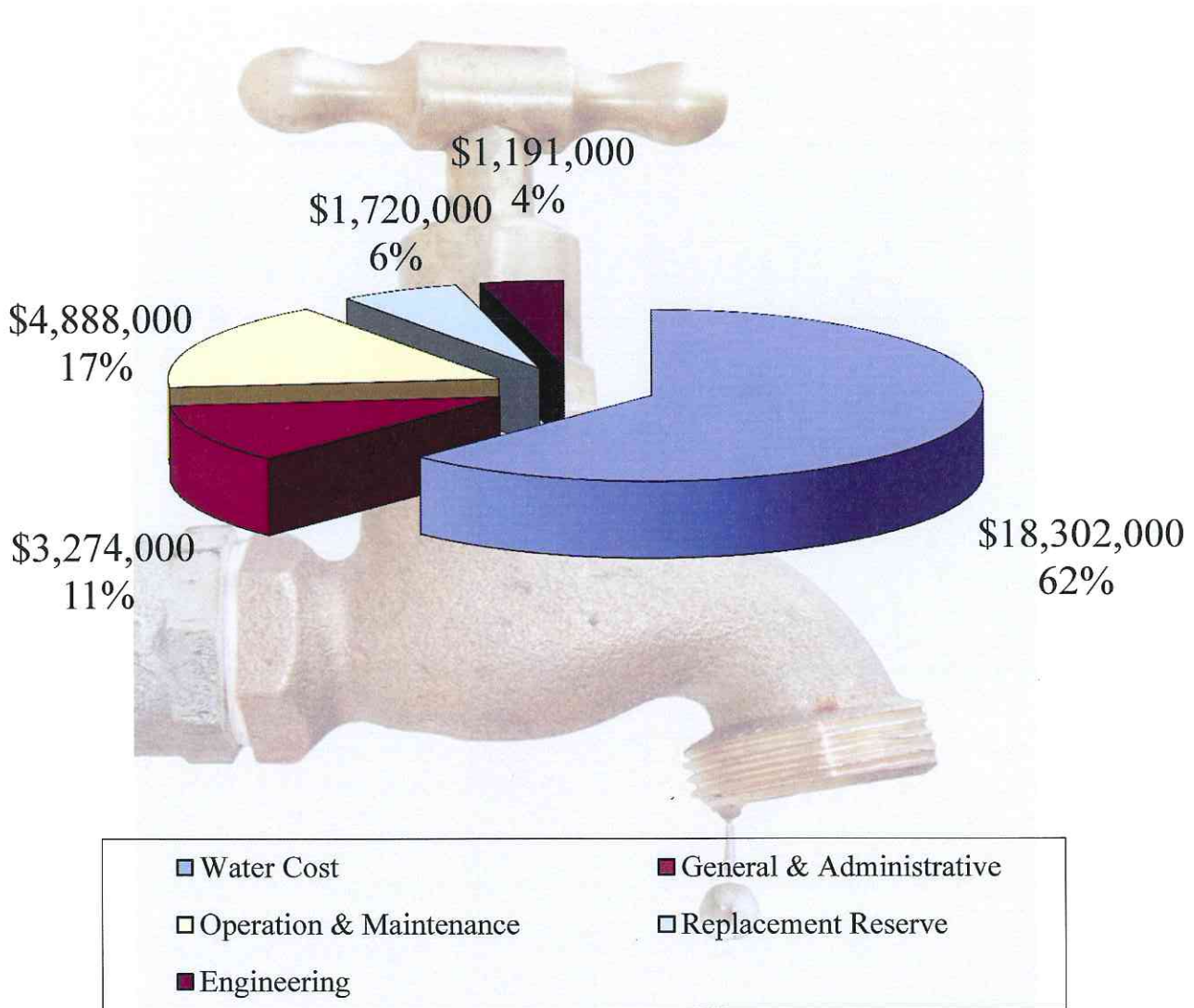
Director Expenses include all costs incurred by Directors, such as travel reimbursement and conference fees.

Other/Mandated Reimbursements include miscellaneous expenses that do not specifically apply to any of the above-referenced categories less mandated cost reimbursements due from the State.

Transfers to Sewer are for overall administrative costs attributable to sewer.

Administrative Credit Transfer is a collection or recovery of overhead costs that are applied to all construction work orders.

2011-2012 WATER OPERATING BUDGET
\$29,375,000



VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Estimated</u>
		<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>
OPERATING REVENUES						
Water Sales	4001	\$16,798,224	\$21,850,000	\$17,560,000	\$18,894,000	\$21,951,000
Ready to Serve	4003	7,833,940	9,101,000	9,045,000	9,776,000	10,469,000
Pumping Charges	4002	194,907	310,000	198,000	197,000	177,000
Interest	4401	12,019	11,000	7,000	7,000	7,000
Other	Various	518,893	506,000	491,000	501,000	511,000
Total Revenue		<u>25,357,983</u>	<u>31,778,000</u>	<u>27,301,000</u>	<u>29,375,000</u>	<u>33,115,000</u>
OPERATING EXPENSES						
Water Purchases	1010	15,603,958	19,730,000	15,965,000	18,302,000	20,598,000
Pumping	2010	395,716	474,000	318,000	324,000	437,000
Water Quality	2020	220,717	197,000	118,000	165,000	184,000
Water Treatment	2030	90,001	138,000	184,000	139,000	143,000
Tanks & Reservoirs	2040	519,649	537,000	364,000	434,000	411,000
Transmission & Dist.	2050	1,079,479	1,071,000	1,016,000	967,000	999,000
Services	2060	175,570	182,000	157,000	190,000	201,000
Meters	2070	545,029	317,000	511,000	494,000	513,000
Backflow Prevention	2080	69,936	54,000	67,000	37,000	39,000
Customer Accounts	4010	717,939	696,000	707,000	742,000	774,000
Equipment & Vehicles	4210	283,220	306,000	234,000	297,000	311,000
Building & Grounds	4110	372,590	304,000	376,000	346,000	371,000
Engineering	5010	1,173,328	852,000	1,448,000	1,191,000	1,227,000
Safety & Reg. Affairs	5210	159,367	177,000	188,000	207,000	214,000
Information Technology	6230	449,617	395,000	480,000	546,000	564,000
General & Admin.	6xxx	2,866,477	3,992,000	3,085,000	3,274,000	3,161,000
Total Expense		<u>24,722,593</u>	<u>29,422,000</u>	<u>25,218,000</u>	<u>27,655,000</u>	<u>30,147,000</u>
OPERATING INCOME		635,390	2,356,000	2,083,000	1,720,000	2,968,000
LESS TRANSFERS TO						
REPLACEMENT RESERVE		<u>635,390</u>	<u>2,356,000</u>	<u>2,083,000</u>	<u>1,720,000</u>	<u>2,968,000</u>
NET INCOME		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual FY 09-10</u>	<u>Budget FY 10-11</u>	<u>Projected FY 10-11</u>	<u>Budget FY 11-12</u>	<u>Estimated FY 12-13</u>
WATER PURCHASES	5001	\$15,603,958	\$19,730,000	\$15,965,000	\$18,302,000	\$20,598,000
PUMPING						
Cost of Labor	2010xxx.51xx	101,415	134,000	83,000	77,000	87,000
Materials & Supplies	" .53xx	8,835	17,000	8,000	11,000	11,000
Outside Repair/Service	" .54xx	7,835	9,000	10,000	9,000	9,000
Power	" .5306	277,631	314,000	217,000	227,000	330,000
Total Pumping		<u>395,716</u>	<u>474,000</u>	<u>318,000</u>	<u>324,000</u>	<u>437,000</u>
WATER QUALITY						
Cost of Labor	2020000.51xx	173,893	164,000	82,000	125,000	143,000
Material & Supplies	" .53xx	12,514	11,000	11,000	11,000	11,000
Outside Repair/Service	" .54xx	34,310	22,000	25,000	29,000	30,000
Total Water Treatment		<u>220,717</u>	<u>197,000</u>	<u>118,000</u>	<u>165,000</u>	<u>184,000</u>
WATER TREATMENT						
Cost of Labor	2030000.51xx	61,888	94,000	157,000	111,000	115,000
Material & Supplies	" .53xx	15,788	28,000	10,000	11,000	11,000
Outside Repair/Service	" .54xx	12,325	15,000	16,000	16,000	16,000
Power	" .5306	-	1,000	1,000	1,000	1,000
Total Water Treatment		<u>90,001</u>	<u>138,000</u>	<u>184,000</u>	<u>139,000</u>	<u>143,000</u>
TANKS & RESERVOIRS						
Cost of Labor	2040xxx.51xx	426,427	445,000	311,000	307,000	322,000
Materials & Supplies	" .53xx	31,106	29,000	15,000	76,000	37,000
Outside Repair/Service	" .54xx	59,249	53,000	35,000	48,000	49,000
Power	" .5306	2,867	10,000	3,000	3,000	3,000
Total Tanks & Reservoirs		<u>519,649</u>	<u>537,000</u>	<u>364,000</u>	<u>434,000</u>	<u>411,000</u>
TRANSMISSION & DISTRIBUTION						
Cost of Labor	2050xxx.51xx	814,549	783,000	789,000	719,000	744,000
Materials & Supplies	" .53xx	122,936	122,000	131,000	129,000	133,000
Outside Repair	" .54xx	132,285	158,000	87,000	110,000	113,000
Power	" .5306	9,709	8,000	9,000	9,000	9,000
Total Trans. & Dist.		<u>1,079,479</u>	<u>1,071,000</u>	<u>1,016,000</u>	<u>967,000</u>	<u>999,000</u>
SERVICES						
Cost of Labor	2060xxx.51xx	117,970	127,000	93,000	119,000	128,000
Materials & Supplies	" .53xx	33,652	30,000	38,000	42,000	43,000
Outside Repair	" .54xx	23,948	25,000	26,000	29,000	30,000
Total Services		<u>175,570</u>	<u>182,000</u>	<u>157,000</u>	<u>190,000</u>	<u>201,000</u>

VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual FY 09-10</u>	<u>Budget FY 10-11</u>	<u>Projected FY 10-11</u>	<u>Budget FY 11-12</u>	<u>Estimated FY 12-13</u>
METERS						
Cost of Labor	2070xxx.51xx	\$ 508,440	\$ 296,000	\$ 468,000	\$ 456,000	\$ 474,000
Material & Supplies	" .53xx	30,945	15,000	38,000	33,000	34,000
Outside Service/Repair	" .54xx	5,644	6,000	5,000	5,000	5,000
Total Meters		<u>545,029</u>	<u>317,000</u>	<u>511,000</u>	<u>494,000</u>	<u>513,000</u>
BACKFLOW PREVENTION						
Cost of Labor	2080000.51xx	68,516	54,000	66,000	36,000	38,000
Materials & Supplies	" .53xx	1,420	-	1,000	1,000	1,000
Total Backflow		<u>69,936</u>	<u>54,000</u>	<u>67,000</u>	<u>37,000</u>	<u>39,000</u>
CUSTOMER ACCOUNTS						
Cost of Labor	4010000.51xx	500,447	504,000	513,000	544,000	568,000
Materials & Supplies	" .53xx	91,001	50,000	78,000	78,000	80,000
Outside Service/Repair	" .54xx	34,965	48,000	24,000	30,000	31,000
Uncollectible Accts.	" .5703	91,526	94,000	92,000	90,000	95,000
Total Cust. Accts.		<u>717,939</u>	<u>696,000</u>	<u>707,000</u>	<u>742,000</u>	<u>774,000</u>
EQUIPMENT & VEHICLES						
Cost of Labor	4210000.51xx	119,551	103,000	88,000	103,000	108,000
Material & Supplies	" .53xx	39,250	104,000	41,000	66,000	68,000
Fuel	" .5307	112,597	89,000	98,000	110,000	116,000
Outside Repair	" .54xx	11,822	10,000	7,000	18,000	19,000
Total Equip. & Vehicles		<u>283,220</u>	<u>306,000</u>	<u>234,000</u>	<u>297,000</u>	<u>311,000</u>
BUILDING & GROUNDS						
Cost of Labor	4110000.51xx	225,536	151,000	243,000	195,000	215,000
Materials & Supplies	" .53xx	42,775	50,000	29,000	41,000	42,000
Outside Services	" .54xx	73,898	73,000	79,000	80,000	82,000
Power	" .5306	30,381	30,000	25,000	30,000	32,000
Total Bldg. & Grnd.		<u>372,590</u>	<u>304,000</u>	<u>376,000</u>	<u>346,000</u>	<u>371,000</u>
ENGINEERING						
Cost of Labor	5010000.51xx	1,139,524	792,000	1,361,000	1,150,000	1,185,000
Materials & Supplies	" .53xx	7,692	18,000	79,000	10,000	10,000
Outside Services	" .54xx	26,112	42,000	8,000	31,000	32,000
Total Engineering		<u>1,173,328</u>	<u>852,000</u>	<u>1,448,000</u>	<u>1,191,000</u>	<u>1,227,000</u>

VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

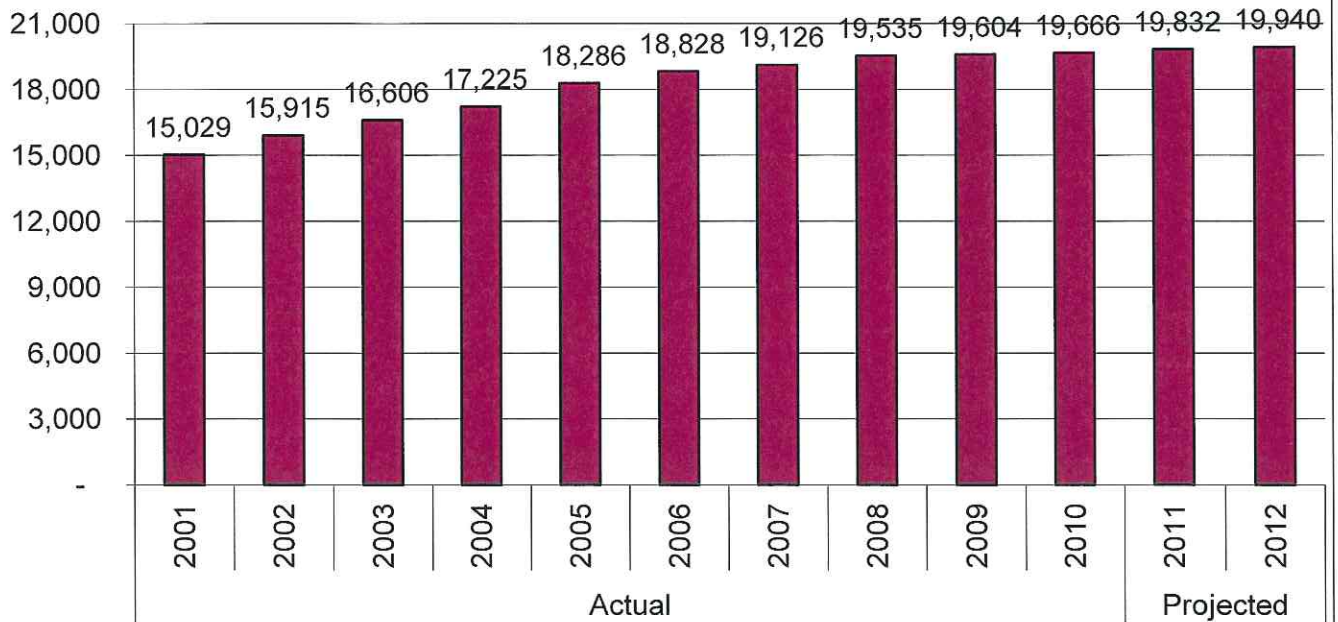
		<u>Actual FY 09-10</u>	<u>Budget FY 10-11</u>	<u>Projected FY 10-11</u>	<u>Budget FY 11-12</u>	<u>Estimated FY 12-13</u>
SAFETY & REG. AFFAIRS						
Cost of Labor	5210000.51xx	\$ 147,343	\$ 147,000	\$ 174,000	\$ 180,000	\$ 187,000
Materials & Supplies	" .53xx	1,946	12,000	8,000	11,000	11,000
Safety Support	" .54xx	10,078	18,000	6,000	16,000	16,000
Total Safety		<u>159,367</u>	<u>177,000</u>	<u>188,000</u>	<u>207,000</u>	<u>214,000</u>
INFORMATION TECHNOLOGY						
Cost of Labor	6230000.51xx	236,349	191,000	235,000	239,000	248,000
Computers & supplies	" .53xx	63,095	27,000	96,000	78,000	80,000
Computer Consulting	" .54xx	<u>150,173</u>	<u>177,000</u>	<u>149,000</u>	<u>229,000</u>	<u>236,000</u>
Total Information Tech		<u>449,617</u>	<u>395,000</u>	<u>480,000</u>	<u>546,000</u>	<u>564,000</u>
GENERAL & ADMINISTRATION						
Cost of Labor	6xxxxxx.51xx	2,449,587	3,311,000	2,505,000	2,301,000	2,391,000
Directors Fees	" .5101	33,855	92,000	67,000	70,000	72,000
District Insurance	" .5201	128,127	173,000	92,000	165,000	173,000
Travel	" .5202	5,702	6,000	4,000	6,000	6,000
Meetings & Seminars	" .5203	15,358	19,000	12,000	30,000	22,000
Dues & Subscriptions	" .5204	46,298	43,000	63,000	59,000	61,000
Directors Expenses	" .5205	16,073	19,000	35,000	35,000	36,000
Office Supplies	" .5301	49,586	14,000	46,000	58,000	39,000
Awareness/Conservation	" .5303	143,028	104,000	94,000	175,000	180,000
Postage	" .5304	3,720	13,000	5,000	9,000	9,000
Telephone	" .5305	-	15,000	-	-	-
Outside Services	" .5401	36,643	66,000	73,000	254,000	83,000
Legal	" .5402	133,888	140,000	95,000	120,000	124,000
Auditing	" .5403	8,741	22,000	24,000	21,000	22,000
Bank/Investment Svcs	" .5501	28,908	33,000	23,000	26,000	27,000
Regulatory Fees	" .5502	-	35,000	20,000	20,000	21,000
Election & Annexation	" .5503	-	7,000	5,000	5,000	5,000
Other/Reimbursements		14,492	-	5,000	10,000	-
Transfer to Sewer	N/A	(136,374)	-	-	-	-
Admin Credit Transfer.	4702	<u>(111,155)</u>	<u>(120,000)</u>	<u>(83,000)</u>	<u>(90,000)</u>	<u>(110,000)</u>
Total Gen. & Admin.		<u>2,866,477</u>	<u>3,992,000</u>	<u>3,085,000</u>	<u>3,274,000</u>	<u>3,161,000</u>
TOTAL EXPENSES		<u><u>\$24,722,593</u></u>	<u><u>\$29,422,000</u></u>	<u><u>\$25,218,000</u></u>	<u><u>\$27,655,000</u></u>	<u><u>\$30,147,000</u></u>

2011-2012 OPERATING BUDGET
WASTEWATER

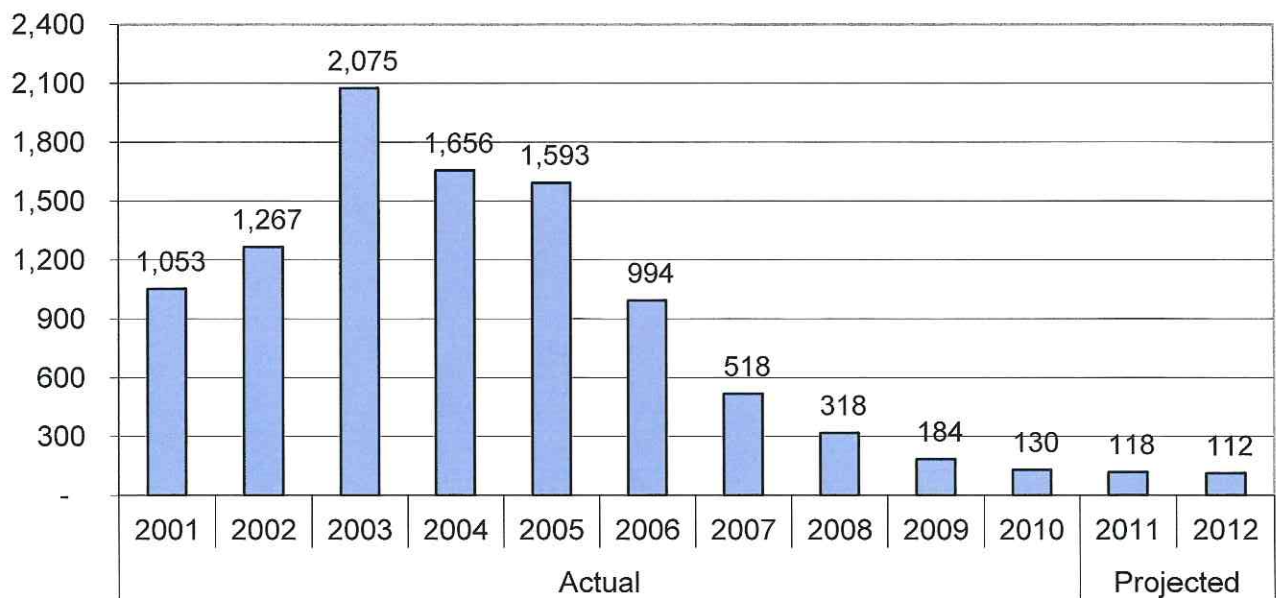


VALLECITOS WATER DISTRICT

Active Sewer Accounts At Fiscal Year End

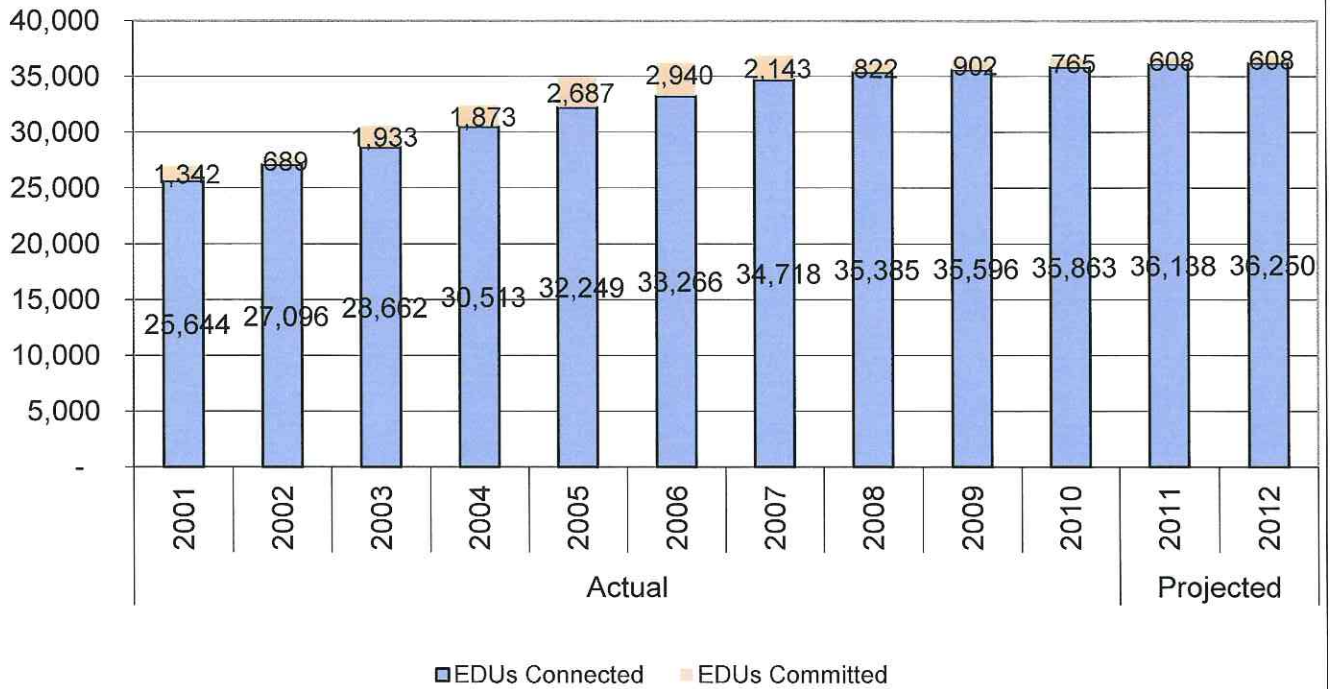


EDUs Added Each Fiscal Year



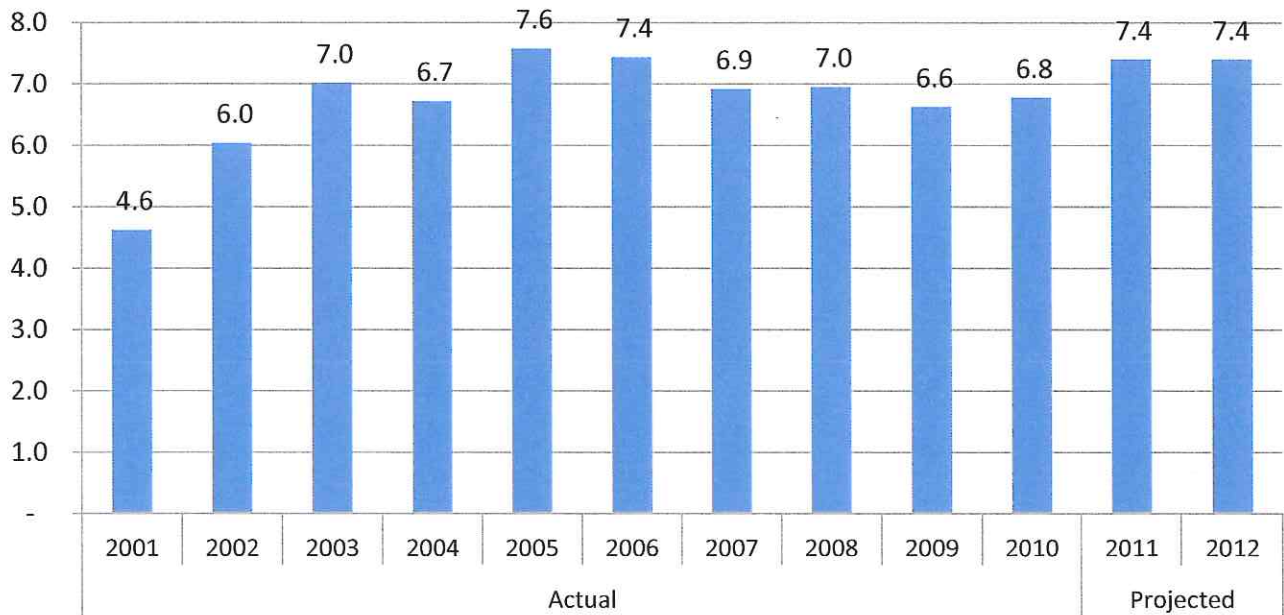
VALLECITOS WATER DISTRICT

Sewer EDU's At Fiscal Year End



■ EDUs Connected ■ EDUs Committed

Sewer Flow in MGD*



*Based on average flow each April.

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WASTEWATER OPERATIONS

REVENUES

Sewer Service: Monthly charges to cover the cost to collect, treat and dispose of wastewater, and to maintain the various wastewater facilities.

Reclaimed Water Sales: Revenue generated from contractual sale of reclaimed water.

Other: Interest revenue, late charges, engineering fees and other miscellaneous revenues.

OPERATING EXPENSES

Collection and Conveyance: Maintaining flow in 249 miles of District sewer lines. Includes blockage removal, television inspection, and maintenance of pipeline system and manholes.

Lift Stations: Cost of lifting sewage flows at the Montiel Lift Station, Lake San Marcos Lift Station and Questhaven sewer lift station. Includes maintenance and power costs of the pumping systems.

Peroxide Station: Odor control by injection of hydrogen peroxide at outfall line on El Camino Real. Includes monitoring, maintenance, and chemicals. This site has been decommissioned, but continues to be maintained for potential future use.

Industrial Waste: Costs to ensure compliance with federal, state, and local regulations as administered through the Encina Wastewater Authority.

Encina Disposal: Cost reimbursement to the Encina Wastewater Authority for processing wastewater and returning clean water to the environment.

Meadowlark Plant: All costs attributed to treating wastewater and for production and sale of reclaimed water to Carlsbad MWD, including operation and maintenance of the plant, No. 1 Lift Station, and Mahr Reservoir.

Customer Accounts: Responses to customer problems, billing costs, and uncollectible accounts.

Equipment and Vehicles: Maintenance of sewer vehicles and equipment and transfer of a portion of administrative and water operations vehicle costs attributable to sewer.

Buildings and Grounds: A transfer of costs attributable to sewer.

Engineering: A transfer of engineering costs attributable to sewer.

VALLECITOS WATER DISTRICT

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

FUNCTION DEFINITIONS - WASTEWATER OPERATIONS (Continued)

Safety and Compliance: A transfer of safety and regulatory affairs costs attributable to sewer operations.

General and Administrative

Salaries include all vacation, sick leave, and holiday time for sewer personnel.

Group Insurance is health, vision, and dental costs for all sewer personnel.

Workers' Compensation Insurance covers all sewer personnel.

Public Employees Retirement System (PERS) participation costs for all sewer personnel.

Social Security cost for all sewer personnel.

Other Taxes include unemployment and other miscellaneous employee taxes for sewer personnel.

Travel costs for sewer personnel.

Meetings and Seminars fees for sewer personnel are to provide District representation and professional development.

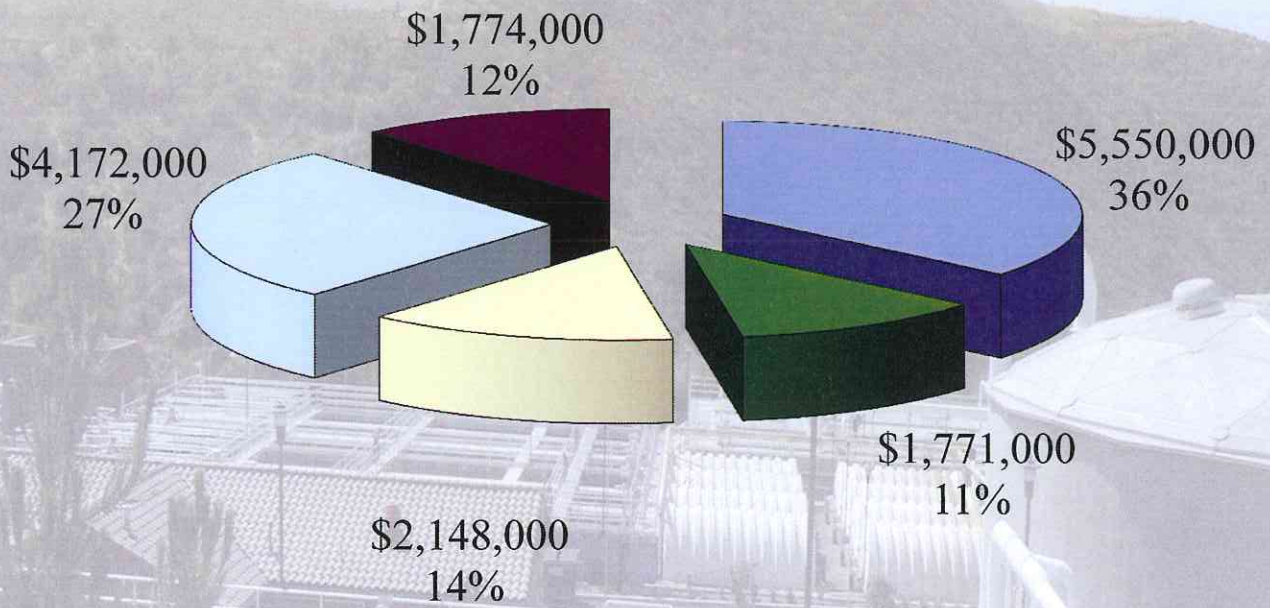
Dues and Subscriptions and periodical costs are for sewer-related activities.

Other includes miscellaneous expenses that do not specifically apply to any of the above-referenced categories.

Transfer From Water is overall administrative costs attributable to sewer.

Administrative Credit Transfer is the collection or recovery of overhead costs that apply to all construction work orders.

2011-2012 WASTEWATER OPERATING BUDGET
\$15,415,000



- | | |
|---------------------------|----------------------------|
| ■ Treatment | ■ General & Administrative |
| □ Operation & Maintenance | □ Replacement Reserve |
| ■ Collection & Conveyance | |

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual</u> <u>FY 09-10</u>	<u>Budget</u> <u>FY 10-11</u>	<u>Projected</u> <u>FY 10-11</u>	<u>Budget</u> <u>FY 11-12</u>	<u>Estimated</u> <u>FY 12-13</u>
OPERATING REVENUES						
Sewer Service	4101	\$12,013,152	\$12,507,000	\$12,781,000	\$13,528,000	\$14,430,000
Reclaimed Water Sales	4102	2,151,145	1,722,000	1,722,000	1,809,000	1,840,000
Other	Various	81,710	91,000	76,000	78,000	80,000
Total Revenue		<u>14,246,007</u>	<u>14,320,000</u>	<u>14,579,000</u>	<u>15,415,000</u>	<u>16,350,000</u>
OPERATING EXPENSES						
Collection & Conveyance	3010000	1,664,388	1,347,000	1,772,000	1,774,000	2,000,000
Lift Stations	3020000	217,061	202,000	209,000	284,000	310,000
Peroxide Station	3050000	3,388	8,000	5,000	6,000	7,000
Industrial Waste	3060000	66,844	132,000	65,000	82,000	146,000
Encina Disposal	3070000	2,162,753	2,478,000	2,399,000	2,302,000	2,394,000
Meadowlark Plant	3410000	3,456,133	3,025,000	2,954,000	3,248,000	3,346,000
Customer Accounts	4010000	291,403	326,000	319,000	350,000	374,000
Equipment & Vehicles	4210000	155,138	144,000	121,000	163,000	170,000
Buildings & Grounds	4110000	208,924	128,000	154,000	190,000	210,000
Engineering	5010000	833,597	478,000	609,000	579,000	597,000
Safety & Compliance	5210000	112,937	82,000	110,000	133,000	138,000
Information Technology	6230000	331,792	263,000	280,000	361,000	374,000
General & Admin.	6xxx000	1,992,482	2,798,000	1,305,000	1,771,000	1,673,000
Total Expense		<u>11,496,840</u>	<u>11,411,000</u>	<u>10,302,000</u>	<u>11,243,000</u>	<u>11,739,000</u>
OPERATING INCOME		2,749,167	2,909,000	4,277,000	4,172,000	4,611,000
LESS: TRANSFERS TO REPLACEMENT RESERVE						
		<u>2,749,167</u>	<u>2,909,000</u>	<u>4,277,000</u>	<u>4,172,000</u>	<u>4,611,000</u>
NET INCOME		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual FY 09-10</u>	<u>Budget FY 10-11</u>	<u>Projected FY 10-11</u>	<u>Budget FY 11-12</u>	<u>Estimated FY 12-13</u>
COLLECTION/CONVEYANCE						
Cost of Labor	3010xxx.51xx	\$ 1,363,157	\$ 1,040,000	\$ 1,399,000	\$ 1,426,000	\$ 1,639,000
Materials & Supplies	" .53xx	52,780	62,000	61,000	95,000	98,000
Chemicals	" .5350	165,635	171,000	248,000	156,000	161,000
Outside Repair/Power	" .5xxx	82,816	74,000	64,000	97,000	102,000
Total Collection/Conveyance		<u>1,664,388</u>	<u>1,347,000</u>	<u>1,772,000</u>	<u>1,774,000</u>	<u>2,000,000</u>
LIFT STATIONS						
Cost of Labor	3020xxx.51xx	128,605	108,000	113,000	110,000	130,000
Materials & Supplies	" .53xx	42,645	45,000	53,000	54,000	56,000
Outside Repair/Service	" .54xx	6,753	8,000	15,000	72,000	74,000
Power	" .5306	39,058	41,000	28,000	48,000	50,000
Total Lift Stations		<u>217,061</u>	<u>202,000</u>	<u>209,000</u>	<u>284,000</u>	<u>310,000</u>
PEROXIDE STATION						
Cost of Labor	3050000.51xx	3,174	7,000	3,000	4,000	5,000
Outside Repair/Power	" .5xxx	214	1,000	2,000	2,000	2,000
Total Peroxide Sta.		<u>3,388</u>	<u>8,000</u>	<u>5,000</u>	<u>6,000</u>	<u>7,000</u>
SOURCE CONTROL						
Cost of Labor	3060000.51xx	29,037	100,000	24,000	40,000	103,000
Materials & Supplies	" .53xx	37,807	32,000	41,000	42,000	43,000
Total Industrial Waste		<u>66,844</u>	<u>132,000</u>	<u>65,000</u>	<u>82,000</u>	<u>146,000</u>
ENCINA DISPOSAL	3070000.551	<u>2,162,753</u>	<u>2,478,000</u>	<u>2,399,000</u>	<u>2,302,000</u>	<u>2,394,000</u>
MEADOWLARK LIFT STATION						
Cost of Labor	3710000.51xx	96,632	94,000	136,000	119,000	134,000
Material & Supplies	" .53xx	60,019	61,000	38,000	53,100	55,000
Chemicals	" .5350	180,054	140,000	169,000	234,000	222,000
Outside Repair	" .54xx	49,841	25,000	16,000	19,900	20,000
Power	" .5306	76,225	65,000	65,000	70,000	74,000
Total Lift Sta.		<u>462,771</u>	<u>385,000</u>	<u>424,000</u>	<u>496,000</u>	<u>505,000</u>

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual</u> <u>FY 09-10</u>	<u>Budget</u> <u>FY 10-11</u>	<u>Projected</u> <u>FY 10-11</u>	<u>Budget</u> <u>FY 11-12</u>	<u>Estimated</u> <u>FY 12-13</u>
MEADOWLARK PLANT						
Cost of Labor	3410000.51xx	\$ 960,419	\$ 740,000	\$ 964,000	\$ 872,000	\$ 991,000
Materials & Supplies	" .53xx	259,528	391,000	268,000	400,000	372,000
Chemicals	" .5350	705,529	680,000	535,000	560,000	577,000
Outside Services	" .54xx	311,796	251,000	214,000	351,000	319,000
Power	" .5306	381,741	313,000	280,000	310,000	326,000
Telephone	" .5305	6,081	7,000	5,000	6,000	6,000
Total Meadowlark		<u>2,625,094</u>	<u>2,382,000</u>	<u>2,266,000</u>	<u>2,499,000</u>	<u>2,591,000</u>
MAHR RESERVOIR						
Cost of Labor	3810000.51xx	86,755	109,000	61,000	51,000	57,000
Materials & Supplies	" .53xx	119,757	17,000	123,000	50,000	52,000
Chemicals	" .5350	135,839	124,000	45,000	100,000	103,000
Outside Repair	" .54xx	15,052	8,000	25,000	37,000	38,000
Power	" .5306	10,865	-	10,000	15,000	16,000
Total Mahr Reservoir		<u>368,268</u>	<u>258,000</u>	<u>264,000</u>	<u>253,000</u>	<u>250,000</u>
CUSTOMER ACCOUNTS						
Cost of Labor	4010000.51xx	245,810	255,000	237,000	272,000	283,000
Materials & Supplies	" .53xx	30,932	25,000	45,000	43,000	44,000
Outside Repair	" .54xx	6,314	8,000	11,000	5,000	5,000
Uncollectible Accts.	" .5703	8,347	38,000	26,000	30,000	42,000
Total Cust. Accts.		<u>291,403</u>	<u>326,000</u>	<u>319,000</u>	<u>350,000</u>	<u>374,000</u>
EQUIPMENT & VEHICLES						
Cost of Labor	4210000.51xx	59,287	45,000	40,000	56,000	59,000
Materials & Supplies	" .53xx	31,651	58,000	31,000	42,000	43,000
Fuel	" .5307	57,127	31,000	43,000	50,000	53,000
Outside Repair	" .54xx	7,073	10,000	7,000	15,000	15,000
Total Equip. & Veh.		<u>155,138</u>	<u>144,000</u>	<u>121,000</u>	<u>163,000</u>	<u>170,000</u>
BUILDING & GROUNDS						
Cost of Labor	4110000.51xx	114,404	99,000	102,000	122,000	139,000
Materials & Supplies	" .53xx	27,399	3,000	10,000	23,000	24,000
Outside Services	" .54xx	46,867	9,000	29,000	30,000	31,000
Power	" .5306	20,254	17,000	13,000	15,000	16,000
Total Building & Grounds		<u>208,924</u>	<u>128,000</u>	<u>154,000</u>	<u>190,000</u>	<u>210,000</u>
ENGINEERING						
Cost of Labor	5010000.51xx	816,835	439,000	589,000	548,000	565,000
Materials & Supplies	" .53xx	686	12,000	16,000	8,000	8,000
Outside Services	" .54xx	16,076	27,000	4,000	23,000	24,000
Total Engineering		<u>833,597</u>	<u>478,000</u>	<u>609,000</u>	<u>579,000</u>	<u>597,000</u>

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2012

		<u>Actual</u> <u>FY 09-10</u>	<u>Budget</u> <u>FY 10-11</u>	<u>Projected</u> <u>FY 10-11</u>	<u>Budget</u> <u>FY 11-12</u>	<u>Estimated</u> <u>FY 12-13</u>
SAFETY & REGULATORY AFFAIRS						
Cost of Labor	5210000.51xx	\$ 97,493	\$ 66,000	\$ 104,000	\$ 119,000	\$ 124,000
Materials & Supplies	" .53xx	1,297	8,000	1,000	7,000	7,000
Safety Support	" .54xx	<u>14,147</u>	<u>8,000</u>	<u>5,000</u>	<u>7,000</u>	<u>7,000</u>
Total Safety/Reg Affairs		<u>112,937</u>	<u>82,000</u>	<u>110,000</u>	<u>133,000</u>	<u>138,000</u>
INFORMATION TECH						
Cost of Labor	6230000.51xx	167,270	125,000	132,000	160,000	167,000
Computers & supplies	" .53xx	39,857	17,000	43,000	54,000	56,000
Computer Consulting	" .54xx	<u>124,665</u>	<u>121,000</u>	<u>105,000</u>	<u>147,000</u>	<u>151,000</u>
Total Information Tech		<u>331,792</u>	<u>263,000</u>	<u>280,000</u>	<u>361,000</u>	<u>374,000</u>
GENERAL & ADMINISTRATION						
Cost of Labor	6xxxxx.51xx	1,746,899	2,415,000	1,082,000	1,370,000	1,425,000
Directors Fees	" .5101	33,659	62,000	41,000	43,000	44,000
District Insurance	" .5201	84,157	114,000	75,000	116,000	126,000
Travel	" .5202	3,679	4,000	2,000	4,000	4,000
Meetings & Seminars	" .5203	7,114	13,000	2,000	30,000	28,000
Dues & Subscriptions	" .5204	22,068	29,000	6,000	6,000	6,000
Directors Expenses	" .5205	-	12,000	10,000	12,000	12,000
Office Supplies	" .5301	17,998	10,000	6,000	20,000	7,000
Public Awareness	" .5303	-	69,000	62,000	19,000	20,000
Postage	" .5304	-	8,000	3,000	3,000	3,000
Telephone	" .5305	-	10,000	-	-	-
Office Equip. Repair	" .5309	-	6,000	-	-	-
Outside Services	" .5401	14,182	49,000	15,000	159,000	44,000
Legal	" .5402	128,953	93,000	98,000	100,000	103,000
Auditing	" .5403	5,991	15,000	16,000	12,000	13,000
Bank/Investment Svcs	" .5501	19,262	22,000	15,000	13,000	14,000
Regulatory Fees	" .5502	-	23,000	5,000	10,000	10,000
Election & Annexation	" .5503	-	4,000	-	2,000	2,000
Other	" .5702	18,906	-	-	2,000	2,000
Transfer from Water	N/A	136,374	-	-	-	-
Admin Credit Trans	4702	<u>(246,760)</u>	<u>(160,000)</u>	<u>(133,000)</u>	<u>(150,000)</u>	<u>(190,000)</u>
Total Gen. & Admin.		<u>1,992,482</u>	<u>2,798,000</u>	<u>1,305,000</u>	<u>1,771,000</u>	<u>1,673,000</u>
TOTAL EXPENSES		<u><u>\$11,496,840</u></u>	<u><u>\$11,411,000</u></u>	<u><u>\$10,302,000</u></u>	<u><u>\$11,243,000</u></u>	<u><u>\$11,739,000</u></u>

BUDGET FOR THE YEAR ENDING JUNE 30, 2012

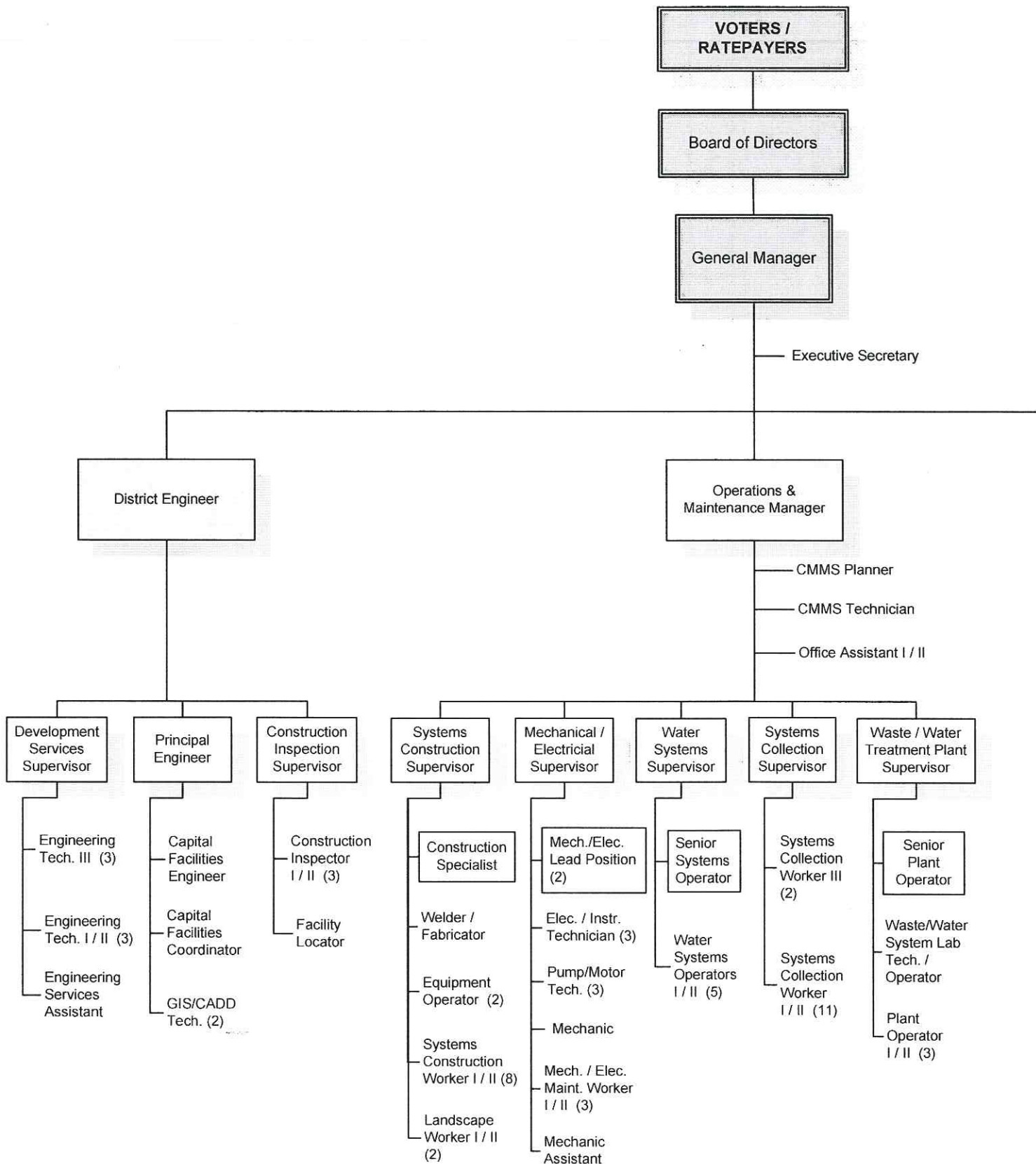
SALARY AND BENEFIT RECAP

	<u>Actual FY 09-10</u>	<u>Budget FY 10-11</u>	<u>Projected FY 10-11</u>	<u>Budget FY 11-12</u>	<u>Estimated FY 12-13</u>
SALARIES					
Water Operations	\$ 4,077,378	\$ 4,165,000	\$ 4,210,000	\$ 4,054,000	\$ 4,230,000
Wastewater Operations	<u>3,118,623</u>	<u>3,154,000</u>	<u>2,930,000</u>	<u>3,206,000</u>	<u>3,542,000</u>
Subtotal	7,196,001	7,319,000	7,140,000	7,260,000	7,772,000
Labor Posted to Work Orders*	<u>546,528</u>	<u>541,000</u>	<u>429,000</u>	<u>454,000</u>	<u>526,000</u>
TOTAL SALARIES	<u>7,742,529</u>	<u>7,860,000</u>	<u>7,569,000</u>	<u>7,714,000</u>	<u>8,298,000</u>
BENEFITS					
Public Employee Retirement	1,963,050	2,027,000	1,911,000	1,622,000	1,796,000
Group Insurance	1,805,749	2,191,000	1,961,000	1,922,000	2,155,000
Social Security	1,227,937	1,248,000	1,092,000	957,000	864,000
Workers' Comp Insurance	52,526	114,000	114,000	123,000	136,000
Other Taxes and Benefits	<u>34,646</u>	<u>39,000</u>	<u>44,000</u>	<u>46,000</u>	<u>50,000</u>
TOTAL BENEFITS	<u>5,083,908</u>	<u>5,619,000</u>	<u>5,122,000</u>	<u>4,670,000</u>	<u>5,001,000</u>
TOTAL SALARIES & BENEFITS	<u>\$12,826,437</u>	<u>\$13,479,000</u>	<u>\$12,691,000</u>	<u>\$12,384,000</u>	<u>\$13,299,000</u>
Benefits as a Percentage of Salaries	<u>65.7%</u>	<u>71.5%</u>	<u>67.7%</u>	<u>60.5%</u>	<u>60.3%</u>
Total Funded FTEs	<u>108.0</u>	<u>111.5</u>	<u>107.5</u>	<u>105.5</u>	<u>105.5</u>

* There is also a labor overhead charge to work orders to cover benefit costs which are a part of the credit in the General and Administration sections of Water and Wastewater operations.

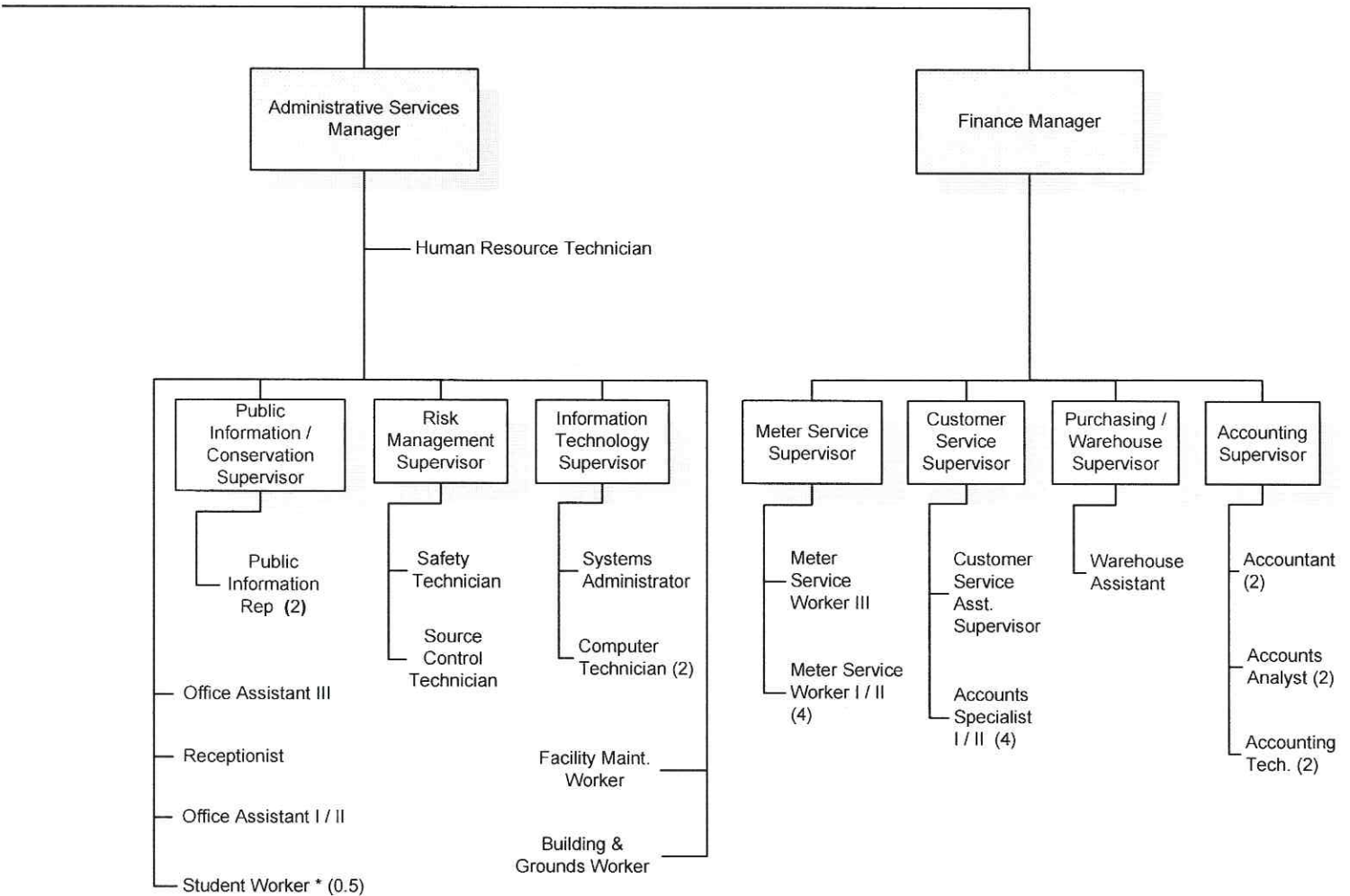
The 2011/12 Budget reflects a hiring freeze and reduction in force of three full-time positions. Two reclassifications are budgeted from existing positions within the Mechanical Electrical department to lead positions within the department. Estimated annual increase in salary resulting from the reclassifications is \$9,000. Positions approved in previous budgets and three positions contemplated for 2011/12 are deferred until beyond the estimated 2012/13 year. The Source Control Technician, already approved in a previous budget, needed for regulatory compliance, is budgeted for the last three months of 2011/12. The need to fill any position will be thoroughly

VALLECITOS WATER DISTRICT



VALLECITOS WATER DISTRICT

<u>Positions:</u>	FY 2011/2012
119 Regular Full Time .5 FTE* (One Part-time/Temporary)	
<hr/>	
119.5 Total Authorized Positions	
(11) Vacant Unfunded (Accountant, Accounts Analyst, Computer Tech, (2) Engineering Tech II, CMMS Tech, Water Operator I/II, Two positions reporting to Mech/Elec Supervisor (reclass), Systems Construction Wrkr, Systems Collections Wrkr, Lab Tech)	
(3) Unfunded Positions – Budgeted Reduction in Staff	
<hr/>	
105.5 Funded FTE Positions	



VALLECITOS WATER DISTRICT

2011-12 PUBLIC AWARENESS AND CONSERVATION PROGRAM BUDGET

<u>REBATE PROGRAMS *</u>	Prj 2012100030	W/O 117447	
To encourage the purchase of qualified low flow devices, appliances, and artificial turf by issuing rebates on qualified products.			\$ 5,000
<u>OUTREACH AND ADVERTISING</u>	Prj 2012100031	W/O 117448	
For purchase of items and services used to assist customers in becoming better informed about water related issues. Includes purchase of videos, books, displays and promotional items; cost to participate in community events; Chamber partnerships; employee education; and to provide tours of N.T.O. and Meadowlark. Includes advertising, such as purchasing ad space in local newspapers and magazines, and visual media such as television and movie theater ads or producing educational videos. Includes cost to produce and mail Splash! newsletters, Consumer Confidence Report, brochures, bill inserts, special hearing notifications, and others			82,000
<u>WEBSITE</u>	Prj 2012100032	W/O 117449	
Cost to hire consultant for website redesign.			50,000
<u>PROFESSIONAL PHOTOGRAPHY SERVICES</u>	Prj 2012100033	W/O 117450	
Cost to hire professional photographer to photograph District facilities			8,000
<u>EDUCATION</u>	Prj 2012100034	W/O 117451	
For continued development and purchase of materials designed to promote and implement K-12 education programs. This includes the Splash Science Mobile Lab visits to area elementary schools and payment for bus transportation to Jacks Pond Park, N.T.O. and Meadowlark. Also includes materials and costs to participate in annual Water Awareness Campaign, such as the purchase of calendars, entry forms, prizes for entrants and poster contest winners.			17,000
<u>COOPERATIVE PROGRAMS*</u>	Prj 2012100035	W/O 117452	
For participation in cost-sharing programs such as residential surveys; large turf management; customer service surveys; and supplies such as dye tablets, showerheads, and moisture probes.			10,000
<u>WATERWISE LANDSCAPE</u>	Prj 2012100036	W/O 117453	
To promote low water use landscape and irrigation practices. Includes the cost for sponsoring and maintaining waterwise demonstration gardens, landscape irrigation/plant selection workshops, signage and promotion of demonstration gardens, waterwise plant promotions, and purchase of waterwise landscape brochures and publication reprints.			18,000
<u>MEMBERSHIPS AND EQUIPMENT</u>	Prj 2012100037	W/O 117454	
To maintain memberships in related organizations and committees and for the purchases of new or replacement equipment.			2,000
<u>COMMERCIAL/INDUSTRIAL</u>	Prj 2012100038	W/O 117455	
To assist large commercial and public agency customers by providing workshops, written materials, monetary incentives, and using outside consultants.			2,000
TOTAL PUBLIC AWARENESS/CONSERVATION PROGRAM BUDGET			\$ 194,000

* Uncertainty in the funding from the Metropolitan Water District may adversely impact the availability of programs.