VALLECITOS WATER DISTRICT

Water and Wastewater Specialists since 1955

Conservation

Water Recycling

Seawater Desalination

Working Today for Water Tomorrow

Budget

July 1, 2013 – June 30, 2014

Our Mission

Water and wastewater specialists providing exceptional and sustainable services.

This mission of exceptional and sustainable services is reflected in this budget and in the attitudes and commitment of the Vallecitos Water District staff and Board Members.

From left to right: James Poltl, Hal Martin, Margaret E. Ferguson, James Hernandez, Betty Evans

Board of Directors

James Hernandez, President
Margaret E Ferguson, Vice President
Betty Evans
Hal Martin
James Poltl

Vallecitos Water District is a public agency organized in 1955 and proudly serves the City of San Marcos, portions of the cities of Escondido and Carlsbad, and portion of the surrounding unincorporated areas.

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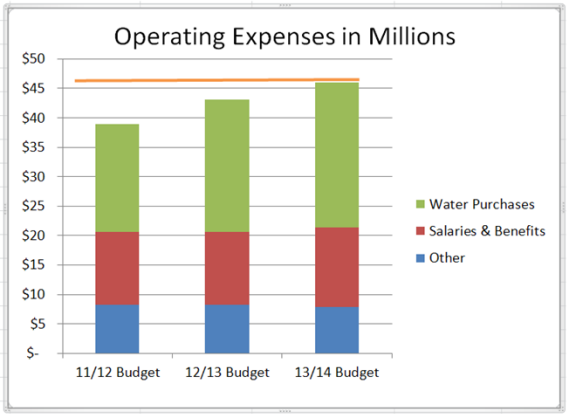
VALLECITOS WATER DISTRICT
A PUBLIC AGENCY
201 Vallecitos de Oro • San Marcos, California • 92069-1453 Telephone **(760) 744-0460**

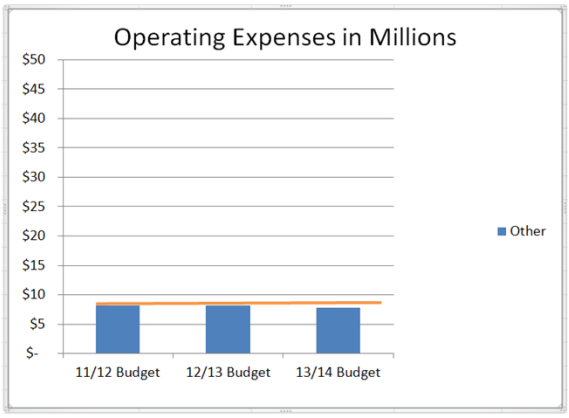
June 5, 2013

Honorable Board of Directors
Vallecitos Water District

Re: Fiscal Year 2013-14 Budget

Enclosed is the budget for Fiscal Year 2013/14. The budget totals $129,920,000 compared to $114,225,000 for the 2012-13 budget, and is composed of $45,947,000 for operational expenses (a 6.57% increase from the $43,113,000 2012/13 operating budget) and a commitment of $83,973,000 for capital projects ($71,112,000 in 2012-13). The operational increase of $2.8 million is attributable to $2.0 million increases in cost of water and a $0.6 million increase in cost of employee benefits. In addition, $9.8 million from operations is being set aside for capital replacement. In recent years the District has been able to hold the line on operating costs before considering costs of water and labor.





Rate increases contained in this budget are assumptions that meet strategic and financial objectives. A smooth rate ramp and a rate stabilization fund avoid a spike in rates when the District receives more expensive desalinated water from the San Diego County Water Authority (SDCWA).

The budget includes the 2014 estimated water commodity increase to be 17¢ per unit (748 gallons) of which 10¢ is from increased wholesale rates. The water ready-to-serve charge (RTS) projected increase is $2.49 or 9.9% per month for a 5/8" meter. The sewer service charge for a single family residence is not projected to increase in fiscal year 2013/14. Rate increases for years subsequent to the budget year are assumed to project reserve activity in the Long-Range Planning section of this document and are noted on page 108. Below is a table representing assumptions of rate increases used for projections for the next five years.

		Preliminary Estimate				
FYE	2013	2014	2015	2016	2017	2018
Consumption	$ 46.34	$ 48.72	$ 51.10	$ 53.48	$ 55.86	$ 58.24
Ready-to-serve	25.03	27.52	30.02	32.52	34.70	36.42
Sewer	35.91	35.91	37.31	39.10	41.29	43.94
Average Bill	$ 107.28	$ 112.15	$ 118.43	$ 125.10	$ 131.85	$ 138.60
Total Increase	$ 9.24	$ 4.87	$ 6.28	$ 6.67	$ 6.75	$ 6.75
	9.4%	*4.5%*	*5.6%*	*5.6%*	*5.4%*	*5.1%*

Working Today for Water Tomorrow

The future is never far off when contemplating servicing the customers of Vallecitos. As the population of our customers increase, we need to focus on how we will continue to deliver the high standard of quality and reliable service our customers expect. We also need to focus on the future so there will be a well-diversified and ample supply of water to meet the needs of tomorrow. This budget supports the philosophy of focusing on meeting tomorrow's needs while satisfying today's customers by being efficient, effective, creative and fiscally responsible.

Fiscal year 2012/13, continued the groundwork for major projects that will ultimately result in Vallecitos having a diverse water portfolio more reliant on local water supplies. Three of the major projects are discussed below.

Seawater Desalination

On November 21, 2012, the Board of Directors voted to enter into a water purchase agreement with wholesaler San Diego County Water Authority (SDCWA) to purchase 3,500 acre feet of desalinated water. Deliveries are anticipated to begin in calendar year 2016. A major benefit of purchasing desalinated water is the deliveries are not subject to cutbacks or water-use restriction from wholesalers Metropolitan Water District of Southern California or SDCWA. Another benefit is desalinated water will be from a local source and accessible during a major emergency if imported water is not available. A capital project is included in this budget to install approximately 250' of pipeline and a new metering facility to bring the desalinated water directly into VWD's system rather than through SDCWA's aqueduct system.

Purchase Agreement with Olivenhain Municipal Water District (OMWD)

Also on November 21st, the Board of Directors voted to enter into an agreement with OMWD to purchase 2,750 acre feet of water treatment services annually. In order to receive treated water via the agreement, a capital project is included in this budget to complete the design, construction and place into service a pump station to move water from lower elevations. Deliveries are anticipated to begin in fiscal year 2013/14.

North San Diego County Regional Recycled Water Project

As desalination and the agreement with OMWD are considered new sources of water, so is recycling water that would have otherwise been treated and released into the ocean. Within North County San Diego there is a group of 18 agencies, cities and Camp Pendelton investigating opportunities for expanding the use of recycled water. Vallecitos is a proud member of this group as we currently recycle more than 70% of the total sewer generated within the District. The group is tasked with matching future recycled water sources with future recycled water demand. The group is exploring federal, state and local grants that may be available to fund future projects. Future projects are being discussed spanning the next 18 years into 2030.

The steps toward water diversification above mixed with our constant conservation outreach programs exemplify the efforts to achieve the goals set forth in the long-standing water source diversification strategy and reduce the demand for imported water to the region.

Regulatory Compliance

Another aspect of *working today for water tomorrow* that cannot go without mention is environmental concerns for both the quality of life and protection of natural resources. These concerns have resulted in federal and state legislatures enacting laws directly affecting the District in multiple ways as environmental regulations have accompanied these laws. In recent years the District has had to comply with new regulations aimed at water quality, clean air and waste management resulting in eight new regulatory programs. Also, during this period permit fees have increased from $13,000 to $70,000.

Almost all services the District provides to our customers are regulated by federal, state and local governments. In order to remain in compliance with these regulations we must dedicate staff and funds. For example, to provide drinking water we must comply with regulatory programs for seven different federal, state and local agencies as well as pay 11 permits. Wastewater services require compliance with regulatory programs from six different federal, state and local agencies and payment of 14 permits. Finally, there are regulatory programs from five different federal, state and local agencies that we must comply with relating to both water and wastewater services and pay for an additional seven permits.

Cost of Service Study

As a result of diversifying our water portfolio, encountering more regulatory requirements and beginning the transition from a growth agency to a maintenance agency, we are actively engaged in a cost of service study. A cost of service study will help determine the proper and equitable allocation of costs of providing services to our customers. The study will also assist in determining an operating capital requirement; what overhead rates should be applied and appropriate fees for specific services.

We anticipate fiscal year 2013/14 will be a busy year with many challenges and decisions needing to be made. We also welcome the challenges as we are confident they will lead us to a more reliable and secure future.

Financial Highlights

The following narratives are financial highlights and comparisons of this budget FY (2013/14) and last budget (FY 2012/13).

Water Operations (pages 3-14)

Water purchases are projected to total 18,185 acre feet with sales of 17,367 acre feet for 2013/14. The estimated unbilled water of 4.5% is due to tie-ins, unmetered operational use, hydrant damage and use, use acquired with one-day permits, meter malfunction, and leaks.

Although the District anticipates an increase in use, total demand is projected to be within the constitutional limitations of SBx7; the 20X2020 provisions. Most of the increased demand is from growth. The budget assumes meter additions of 204 in 2013/14, 192 in 2014/15, and 180 in 2015/16 and thereafter.

The water operating budget increased by $787,000 from last year's budget, excluding water costs. With water costs, the budget increased by $2.8 million, or 8.86%, due to increased water demands, establishment of the rate stabilization fund and increased staffing.

Wastewater Operations (pages 15-25)

Wastewater operating costs increased by $15,000, or 0.13%, over last year's budget due to increases in materials, chemicals, power, fuel and increased personnel. Reclaimed water costs are recovered by contractual sales.

Personnel (pages 26-31)

There are four new positions and a potential reorganization included in this budget. All positions have previously been identified in the five-year staffing plan which is reviewed on an annual basis. Two of the four new positions relate directly to reorganizing the engineering department when the Director of Engineering and Operations retires. Salaries and benefits for 2013/14 increased from last budget year by $1.2 million or 9.69% due to: the anticipated reorganization, increased staffing, increasing costs to provide health insurance and retirement benefits. Management will continue to scrutinize the need for all positions and only fill positions if absolutely necessary.

Public Awareness (page 32)
Public Awareness and Conservation program descriptions provide details of VWD's efforts to promote conservation of water and awareness of significant water-related issues impacting our community. Although the drought alert has been rescinded, there are still state mandated per capita reductions that staff will continue to monitor and adjust the magnitude of resources needed to achieve mandated targets.

Capital Budget (pages 33-106)
Capital projects are summarized on the Comprehensive Project List found on page 34. Details of each project, including timing of phases and spending, are presented on pages 36 through 105, followed by requests for vehicles and equipment. Of the $84 million capital budget, $22.7 million are from new requests. The remainder is from projects carried over from the prior year. The capital budget increased by a net $12.9 million mainly from the $13.4 million as the District's share of an intensive capital replacement program adopted by the Encina Wastewater Authority (EWA).

Debt Service (page 107)
In July of 2007, the District converted $63.8 million in certificates of participation from variable auction rate to fixed rate averting interest rate risk. Without short-term investments close to the amount of variable rate debt outstanding, the District would have assumed risks of a spike in interest rates without a sufficient hedge from corresponding spikes in returns of short-term investments. The total-all-in cost of the District's converted debt is 4.736%. The District is obligated to transfer semi-annual debt service payments each June 25th (about $3 million) and each December 26th (about $1.4 million) to the trustee for payment to bondholders.

In October of 2008, the District realized proceeds of $8,000,000 from a tax-exempt private placement with Union Bank for prior construction costs of the EWA's Phase V expansion. The debt proceeds diminished the need for interfund transfers from replacement funds to restricted capacity funds. The variable rate is tied to LIBOR and the District has the option of choosing the LIBOR term. Principle is payable in even semi-annual increments of $200,000. The current rate of interest is 1.4%.

On December 21, 2012, the District issued certificates of participation to finance the San Marcos Interceptor, Linda Vista sewer, Rock Springs sewer and Enicina Land Outfall projects. Principal is paid in annual installments of $322,750 each October 1 and interest is payable in semi-annual installments on April and October 1st. The term of the certificates is 10 years with a fixed interest rate of 1.98%.

Reserve Budget and Projection (pages 108-114)
The Reserve Budget includes revenues and transfers from various sources, including capital facility fees restricted for capital expansion, investment earnings, property tax, and operations. Property tax is not included in the operating budget due to the uncertainty of allocation to the District, considering numerous historical ERAF shifts. The Reserve budget also summarizes appropriations and expected cash outflows for debt service and capital projects. The net sources and uses are restricted or reserved for capital replacement or operations. The separating of accounting and reporting of these fund activities assures that user rates for water delivery and sewer service are never influenced by growth-related capital facility needs or fund balances, and restricted capital facility fees received are spent only on growth related projects. Current operating reserves equal five months of budgeted operating expenses. However, this budget reflects a change for reserves to equal six months of budgeted operating expenses, not including water purchases. Page 109 displays the 2013/14 reserve budget for consideration. Page 110 forward display detailed reserve projections for four subsequent years followed by a summary projection for the five years thereafter.

Other

Estimates have been made for both water and sewer operations for the 2013/14 fiscal year, and for reserve projections for 2013/14 through 2021/22. These figures are not part of the budget approval process for the current year, and are included for planning purposes only.

As a final note, actual-to-budget variances in total revenues and expenses in prior years have often been less than one percent. Our projections are based on trends, anticipated large one-time expenditures, economic factors within our industry, and global factors influencing our operations. Obviously, a good amount of forethought and monitoring at both the Board and staff levels has been required to produce such a realistic and useable financial guide.

Respectfully submitted,

Dennis O. Lamb,
General Manager

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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BUDGET FOR THE YEAR ENDING JUNE 30, 2014

BUDGETARY CONSIDERATIONS

Mission Statement

Water and wastewater specialists providing exceptional and sustainable services.

The budget reflects the mission statement

Budgetary Approach

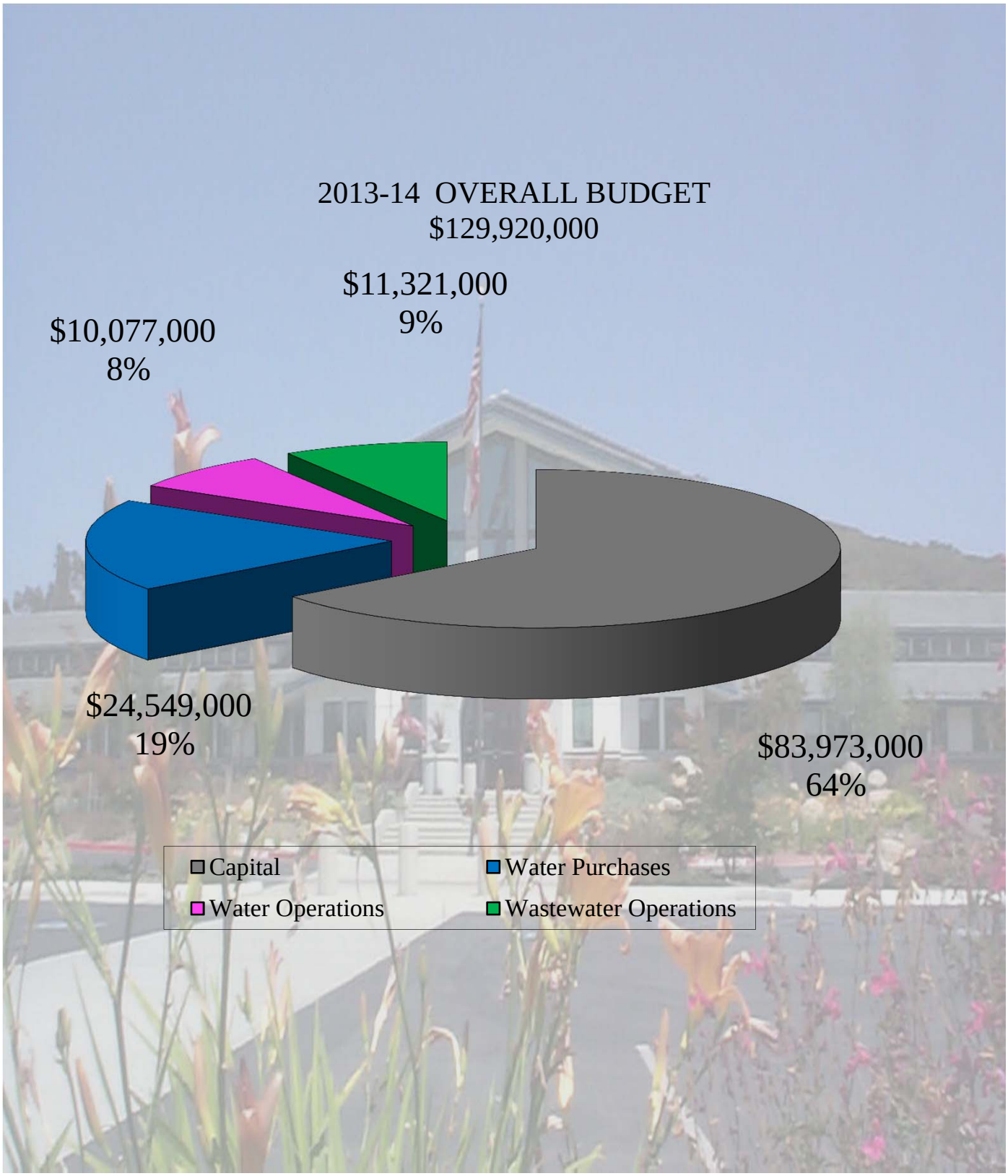
Governmental agencies, such as cities and counties, usually approach their budgets from the "revenue end." Since their revenues are somewhat predictable and restricted, their budgetary considerations are based on setting a level of service (expense total) that can be attained with those available funds.

A special district, however, must make a more thorough analysis. Normally, the expenses can be determined with a high degree of accuracy, and it's the revenues that must be set to cover those expenses. To complicate matters, factors such as weather variability and customer usage habits can have a profound effect on the overall revenue projection.

Operations vs. Capital Budget

The budget is designed to ensure that various revenues and fees are used as intended. The Operations Budget, which covers the ongoing cost of running the District, is paid by the rate payers of the District through charges for water and sewer service. The Capital Facilities Budget is covered primarily by fees on new development and existing customers with increased demands.

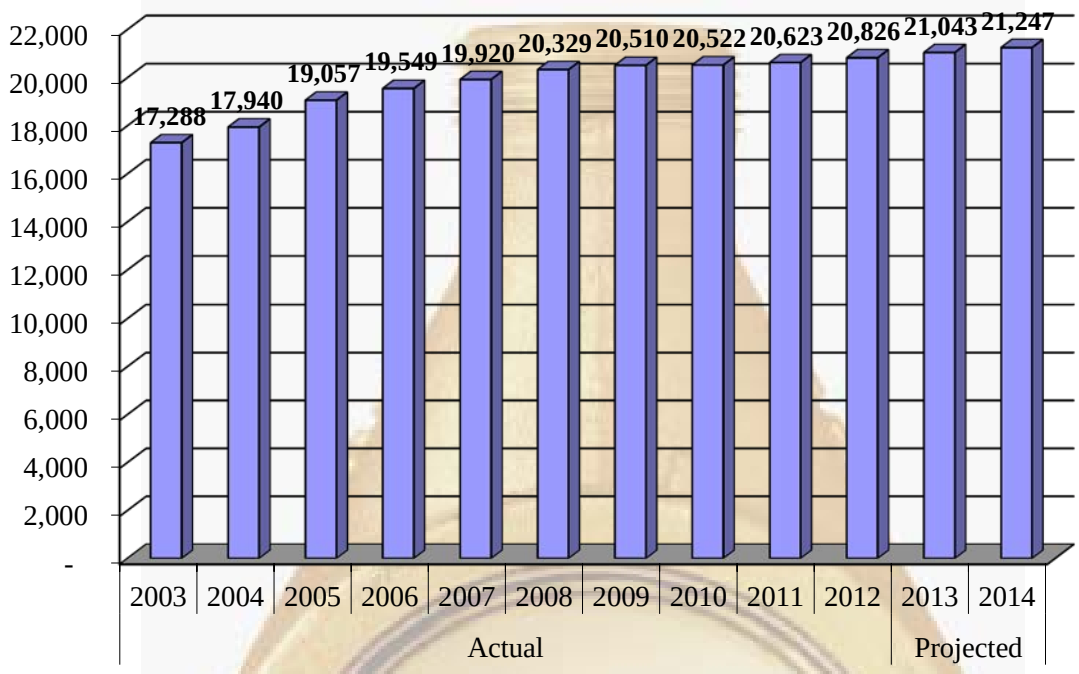
Operating revenue in excess of operating expense is earmarked for transfer to the Replacement Reserve Fund for the future replacement of assets. This ensures that current users of our system are paying their fair share for the maintenance of existing facilities as they depreciate.


2013-14 OVERALL BUDGET
$129,920,000
$11,321,000
9%
$10,077,000
8%
$24,549,000
19%
$83,973,000
64%
Capital
Water Purchases
Water Operations
Wastewater Operations

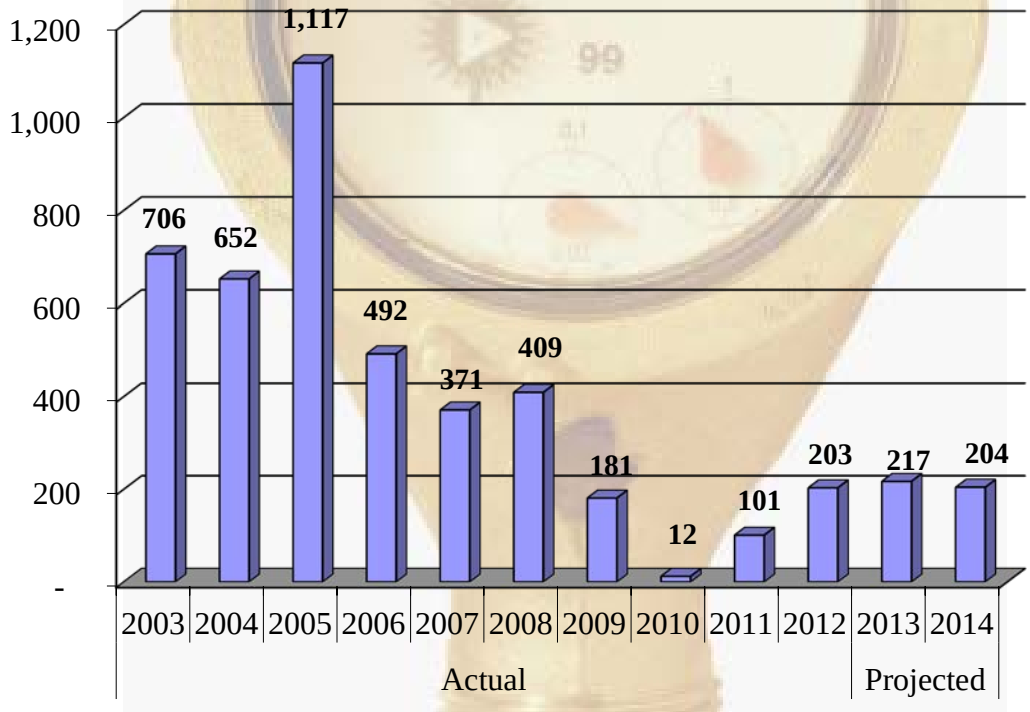
2013-2014 OPERATING BUDGET

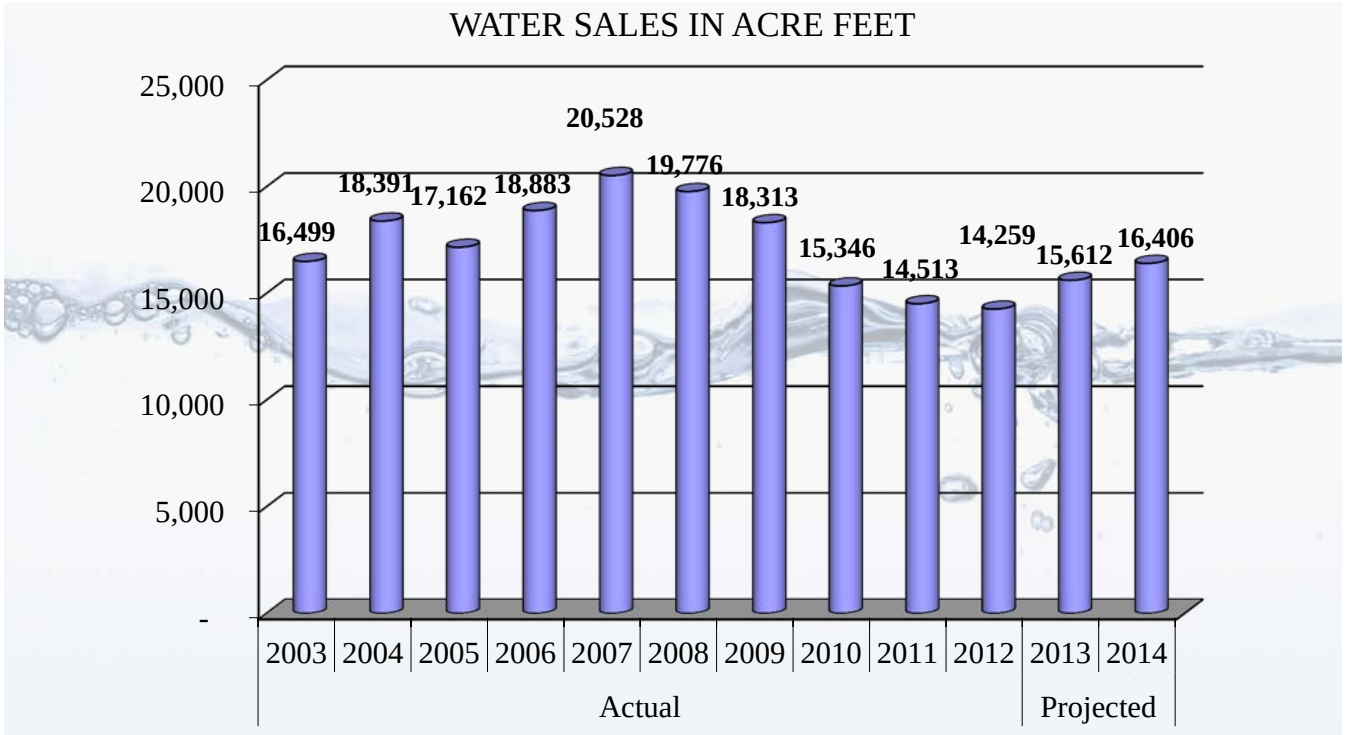
WATER

METERS IN SERVICE

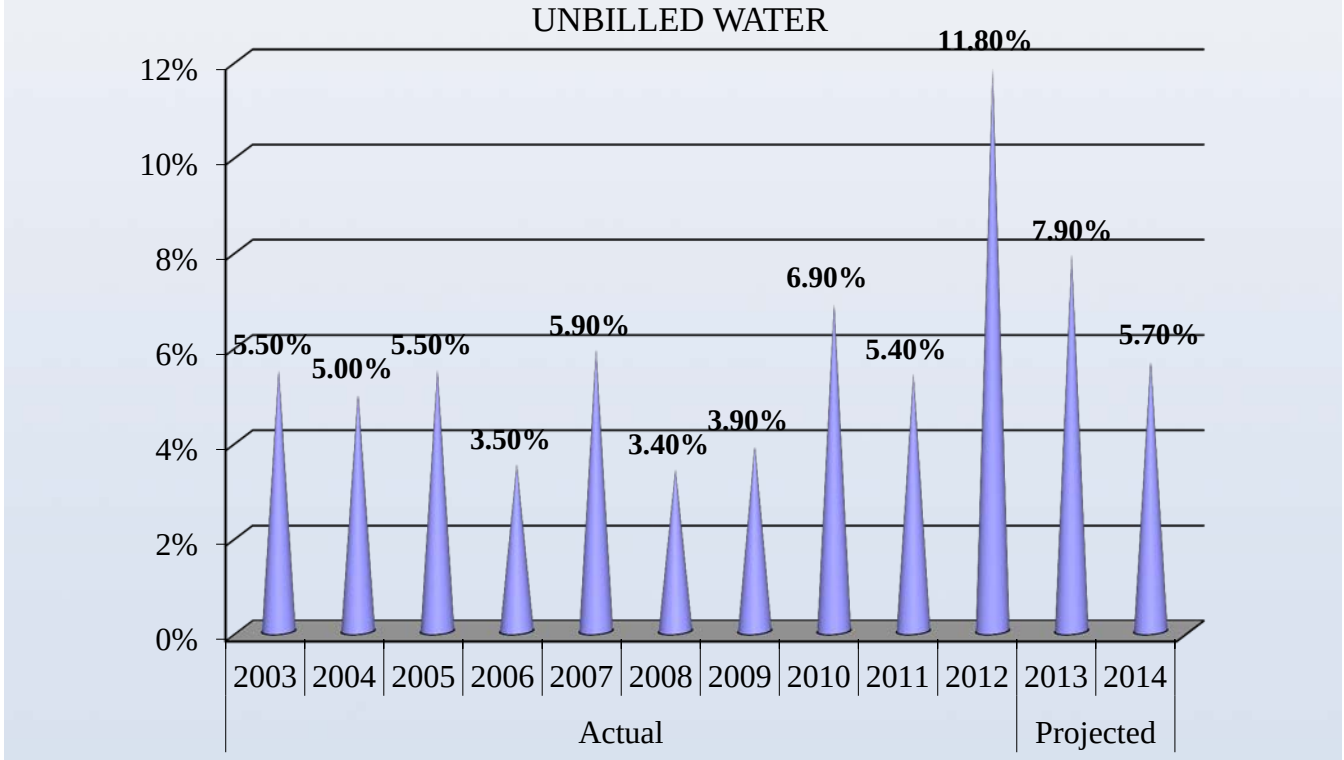


METER ADDITIONS





Year End Jun 30,:



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.

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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 17 steel 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 26 pressure reducing stations, 3 (internal) flow control facilities, 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.

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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.

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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 and Wastewater Specialists" and promote effective water conservation programs

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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.

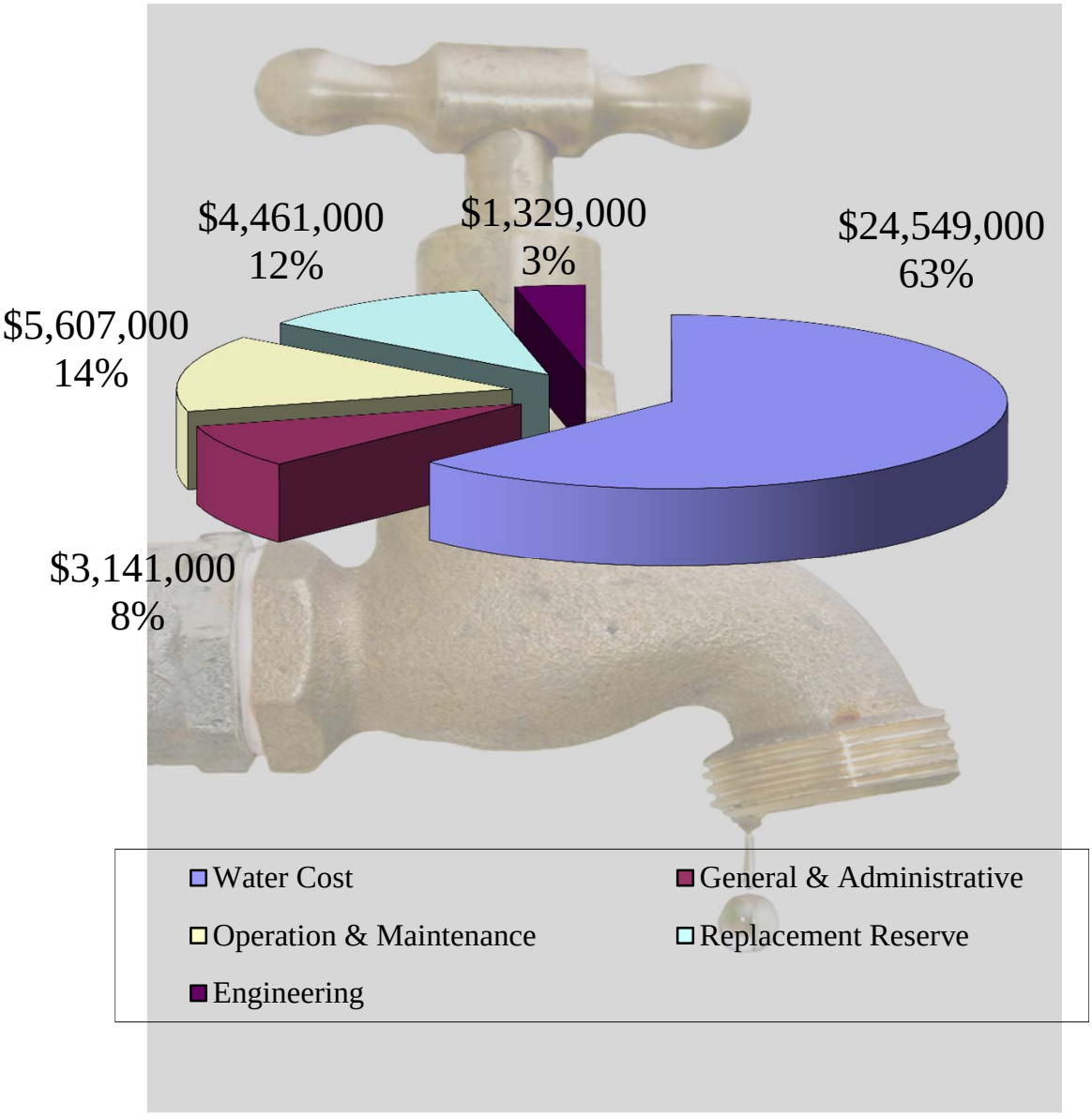
Director Expenses include all costs incurred by Directors, such as travel reimbursement and conference fees.

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.

2013-2014 WATER OPERATING BUDGET
$39,087,000



WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
OPERATING REVENUES						
Water Sales	*4001*	$19,164,527	$24,516,000	$ 22,951,000	$27,369,000	$28,821,000
Ready to Serve	*4003*	9,945,683	10,476,000	10,577,000	11,076,000	12,064,000
Pumping Charges	*4002*	157,887	184,000	166,000	176,000	182,000
Interest	*4401*	7,714	5,000	5,000	5,000	5,000
Other	*Various*	503,808	547,000	536,000	461,000	470,000
Total Revenue		29,779,619	35,728,000	34,235,000	39,087,000	41,542,000
OPERATING EXPENSES						
Water Purchases	*1010*	19,107,271	22,517,000	21,420,000	24,549,000	25,952,000
Pumping	*2010*	279,569	324,000	323,000	325,000	328,000
Water Quality	*2020*	91,576	159,000	116,000	156,000	132,000
Water Treatment	*2030*	269,141	225,000	297,000	362,000	390,000
Tanks & Reservoirs	*2040*	357,022	389,000	279,000	375,000	410,000
Transmission & Dist.	*2050*	1,022,831	1,188,000	1,047,000	1,224,000	1,361,000
Services	*2060*	131,027	156,000	132,000	194,000	250,000
Meters	*2070*	504,405	520,000	552,000	605,000	627,000
Backflow Prevention	*2080*	51,060	44,000	63,000	62,000	64,000
Customer Accounts	*4010*	671,765	767,000	666,000	784,000	824,000
Equipment & Vehicles	*4210*	270,677	306,000	279,000	296,000	311,000
Building & Grounds	*4110*	365,934	326,000	397,000	327,000	344,000
Engineering	*5010*	1,222,084	1,087,000	1,176,000	1,329,000	1,385,000
Safety & Reg. Affairs	*5210*	218,060	212,000	206,000	245,000	253,000
Information Technology	*6230*	508,192	544,000	536,000	652,000	680,000
General & Admin.	*6xxx*	3,303,221	3,043,000	3,106,000	3,141,000	3,241,000
Total Expense		28,373,835	31,807,000	30,595,000	34,626,000	36,552,000
OPERATING INCOME		1,405,784	3,921,000	3,640,000	4,461,000	4,990,000
LESS TRANSFERS TO REPLACEMENT RESERVE		1,405,784	3,921,000	3,640,000	4,461,000	4,990,000
NET INCOME		$ -	$ -	$ -	$ -	$ -

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
WATER PURCHASES	*5001*	$19,107,271	$22,517,000	$ 21,420,000	$24,549,000	$25,952,000
PUMPING						
Cost of Labor	*2010xxx.51xx*	57,342	72,000	74,000	53,000	57,000
Materials & Supplies	*" .53xx*	13,634	25,000	34,000	37,000	33,000
Outside Repair/Service	*" .54xx*	2,852	10,000	11,000	25,000	21,000
Power	*" .5306*	205,741	217,000	204,000	210,000	217,000
Total Pumping		279,569	324,000	323,000	325,000	328,000
WATER QUALITY						
Cost of Labor	*2020000.51xx*	49,333	111,000	64,000	77,000	81,000
Material & Supplies	*" .53xx*	18,598	16,000	16,000	32,000	16,000
Outside Repair/Service	*" .54xx*	23,645	32,000	36,000	47,000	35,000
Total Water Treatment		91,576	159,000	116,000	156,000	132,000
WATER TREATMENT						
Cost of Labor	*2030000.51xx*	229,764	188,000	256,000	327,000	344,000
Material & Supplies	*" .53xx*	25,213	31,000	30,000	29,000	30,000
Outside Repair/Service	*" .54xx*	14,164	5,000	11,000	5,000	15,000
Power	*" .5306*	-	1,000	-	1,000	1,000
Total Water Treatment		269,141	225,000	297,000	362,000	390,000
TANKS & RESERVOIRS						
Cost of Labor	*2040xxx.51xx*	248,590	280,000	224,000	284,000	314,000
Materials & Supplies	*" .53xx*	21,401	22,000	17,000	17,000	20,000
Outside Repair/Service	*" .54xx*	83,668	83,000	34,000	70,000	72,000
Power	*" .5306*	3,363	4,000	4,000	4,000	4,000
Total Tanks & Reservoirs		357,022	389,000	279,000	375,000	410,000
TRANSMISSION & DISTRIBUTION						
Cost of Labor	*2050xxx.51xx*	750,298	932,000	803,000	1,001,000	1,132,000
Materials & Supplies	*" .53xx*	167,362	128,000	109,000	102,000	105,000
Outside Repair	*" .54xx*	96,603	118,000	127,000	112,000	115,000
Power	*" .5306*	8,568	10,000	8,000	9,000	9,000
Total Trans. & Dist.		1,022,831	1,188,000	1,047,000	1,224,000	1,361,000
SERVICES						
Cost of Labor	*2060xxx.51xx*	81,003	101,000	75,000	139,000	193,000
Materials & Supplies	*" .53xx*	30,638	37,000	30,000	32,000	33,000
Outside Repair	*" .54xx*	19,386	18,000	27,000	23,000	24,000
Total Services		131,027	156,000	132,000	194,000	250,000

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

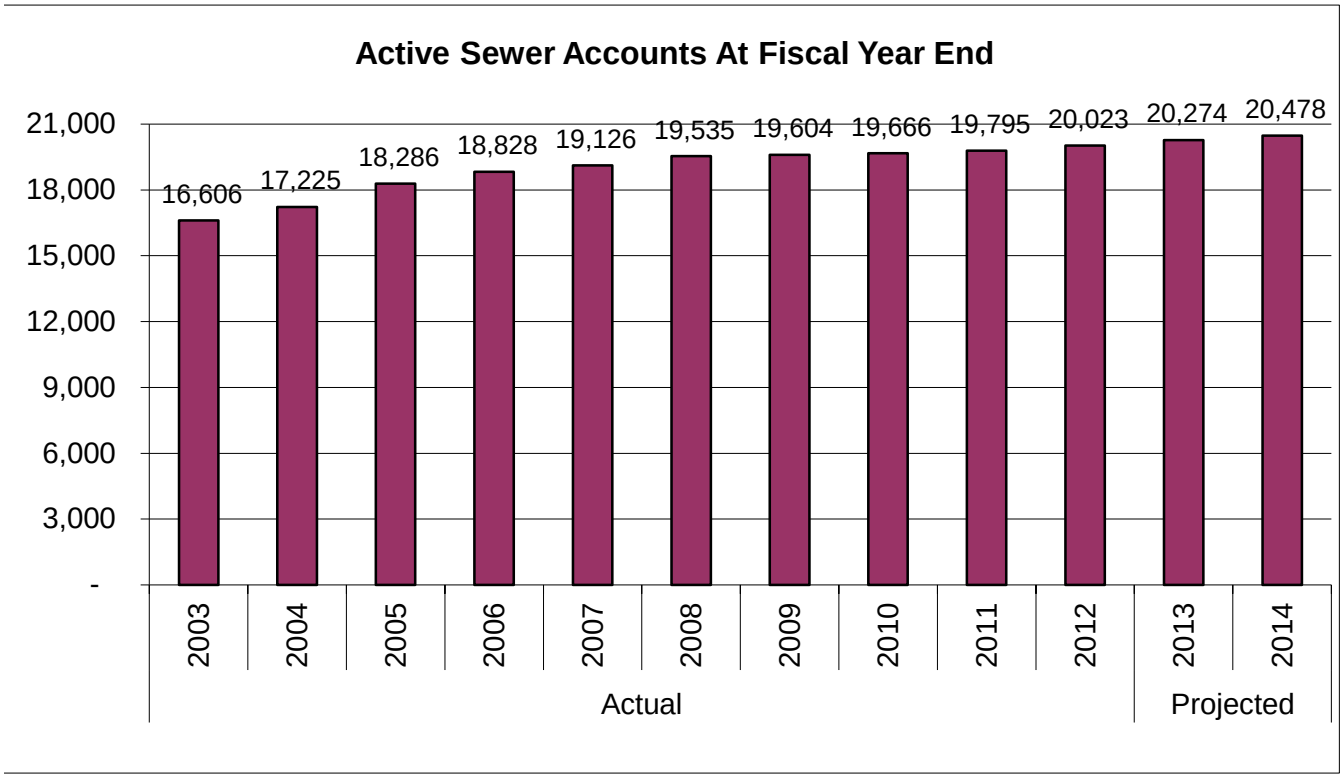
		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
METERS						
Cost of Labor	*2070xxx.51xx*	$ 462,669	$ 468,000	$ 506,000	$ 545,000	$ 575,000
Material & Supplies	*" .53xx*	35,100	45,000	40,000	40,000	41,000
Outside Service/Repair	*" .54xx*	6,636	7,000	6,000	20,000	11,000
Total Meters		504,405	520,000	552,000	605,000	627,000
BACKFLOW PREVENTION						
Cost of Labor	*2080000.51xx*	49,142	43,000	62,000	59,000	61,000
Materials & Supplies	*" .53xx*	1,918	1,000	1,000	3,000	3,000
Total Backflow		51,060	44,000	63,000	62,000	64,000
CUSTOMER ACCOUNTS						
Cost of Labor	*4010000.51xx*	508,115	572,000	464,000	553,000	587,000
Materials & Supplies	*" .53xx*	73,186	80,000	73,000	75,000	77,000
Outside Service/Repair	*" .54xx*	73,608	25,000	24,000	55,000	56,000
Uncollectible Accts.	*" .5703*	16,856	90,000	105,000	101,000	104,000
Total Cust. Accts.		671,765	767,000	666,000	784,000	824,000
EQUIPMENT & VEHICLES						
Cost of Labor	*4210000.51xx*	106,134	91,000	95,000	108,000	116,000
Material & Supplies	*" .53xx*	46,059	37,000	54,000	52,000	53,000
Fuel	*" .5307*	113,385	170,000	121,000	130,000	136,000
Outside Repair	*" .54xx*	5,099	8,000	9,000	6,000	6,000
Total Equip. & Vehicles		270,677	306,000	279,000	296,000	311,000
BUILDING & GROUNDS						
Cost of Labor	*4110000.51xx*	197,046	159,000	205,000	142,000	154,000
Materials & Supplies	*" .53xx*	45,979	48,000	54,000	50,000	51,000
Outside Services	*" .54xx*	96,616	86,000	105,000	100,000	103,000
Power	*" .5306*	26,293	33,000	33,000	35,000	36,000
Total Bldg. & Grnd.		365,934	326,000	397,000	327,000	344,000
ENGINEERING						
Cost of Labor	*5010000.51xx*	1,173,114	1,046,000	1,164,000	1,293,000	1,357,000
Materials & Supplies	*" .53xx*	9,646	10,000	3,000	19,000	11,000
Outside Services	*" .54xx*	39,324	31,000	9,000	17,000	17,000
Total Engineering		1,222,084	1,087,000	1,176,000	1,329,000	1,385,000

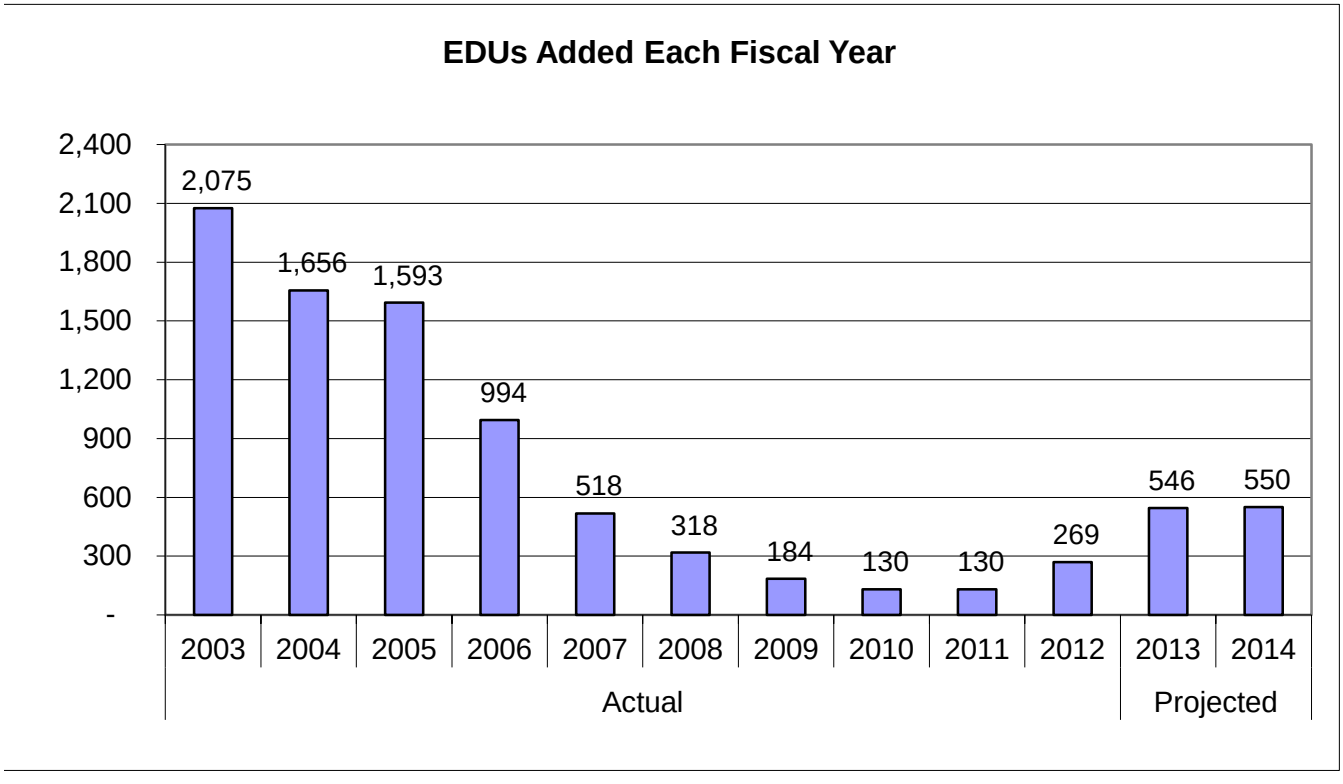
WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

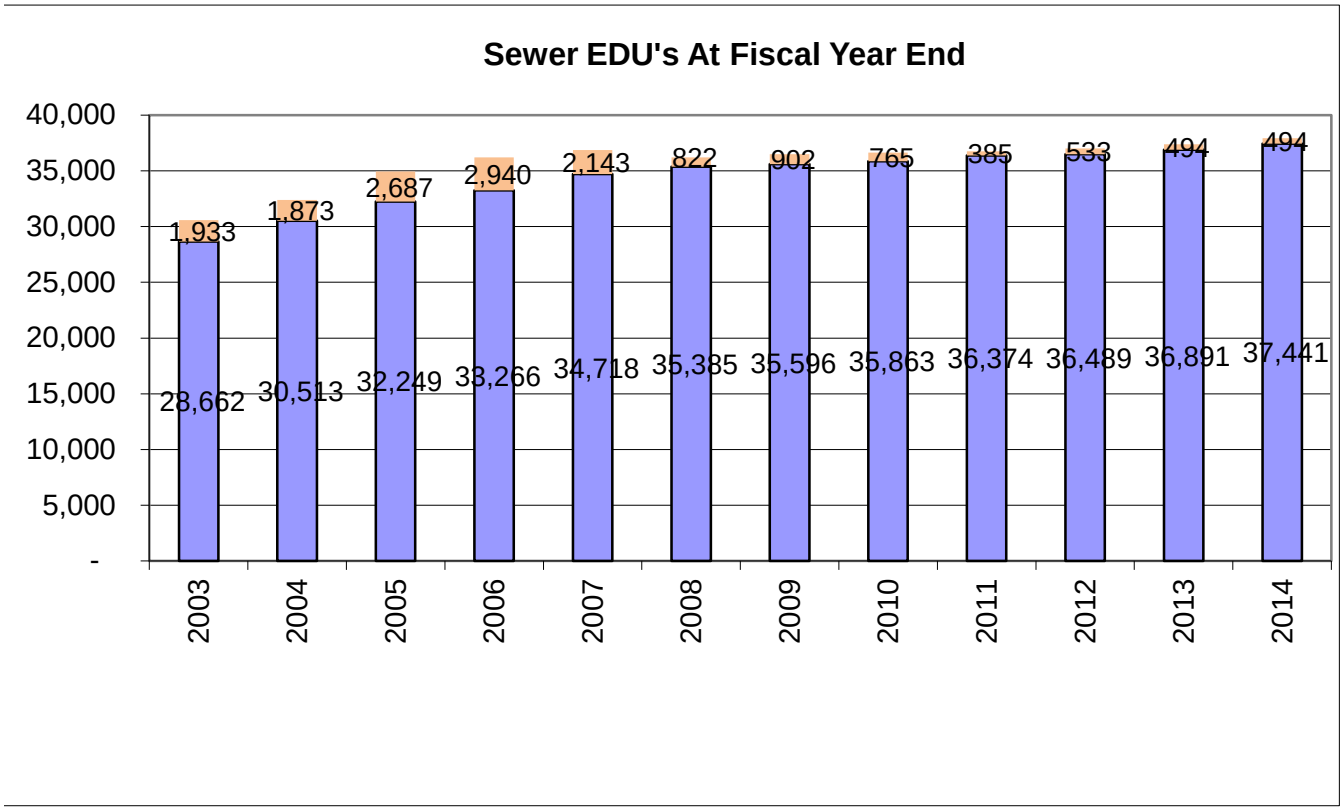
		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
SAFETY & REG. AFFAIRS						
Cost of Labor	*5210000.51xx*	$ 190,303	$ 179,000	$ 193,000	$ 222,000	$ 228,000
Materials & Supplies	*" .53xx*	16,485	15,000	3,000	9,000	11,000
Safety Support	*" .54xx*	11,272	18,000	10,000	14,000	14,000
Total Safety		218,060	212,000	206,000	245,000	253,000
INFORMATION TECHNOLOGY						
Cost of Labor	*6230000.51xx*	261,528	258,000	281,000	378,000	399,000
Computers & supplies	*" .53xx*	83,498	67,000	101,000	67,000	69,000
Computer Consulting	*" .54xx*	163,166	219,000	154,000	207,000	212,000
Total Information Tech		508,192	544,000	536,000	652,000	680,000
GENERAL & ADMINISTRATION						
Cost of Labor	*6xxxxx.51xx*	2,785,506	2,156,000	2,373,000	2,422,000	2,592,000
Directors Fees	*" .5101*	32,748	73,000	69,000	72,000	74,000
District Insurance	*" .5201*	107,501	155,000	155,000	226,000	259,000
Travel	*" .5202*	8,200	15,000	3,000	10,000	10,000
Meetings & Seminars	*" .5203*	13,784	27,000	14,000	20,000	21,000
Dues & Subscriptions	*" .5204*	57,471	62,000	60,000	62,000	64,000
Directors Expenses	*" .5205*	49,775	40,000	27,000	40,000	41,000
Office Supplies	*" .5301*	52,496	34,000	34,000	50,000	51,000
Awareness/Conservation	*" .5303*	123,712	125,000	110,000	124,000	127,000
Postage	*" .5304*	1,391	2,000	5,000	2,000	2,000
Outside Services	*" .5401*	95,645	245,000	151,000	180,000	111,000
Legal	*" .5402*	150,396	120,000	243,000	175,000	179,000
Auditing	*" .5403*	16,650	25,000	22,000	26,000	27,000
Bank/Investment Svcs	*" .5501*	25,303	26,000	19,000	24,000	25,000
Regulatory Fees	*" .5502*	-	16,000	16,000	16,000	16,000
Election & Annexation	*" .5503*	-	5,000	7,000	5,000	5,000
Other/Reimbursements		16,577	17,000	15,000	17,000	17,000
Admin Credit Transfer.	*4702*	(233,934)	(100,000)	(217,000)	(330,000)	(380,000)
Total Gen. & Admin.		3,303,221	3,043,000	3,106,000	3,141,000	3,241,000
TOTAL EXPENSES		$28,373,835	$31,807,000	$ 30,595,000	$34,626,000	$36,552,000

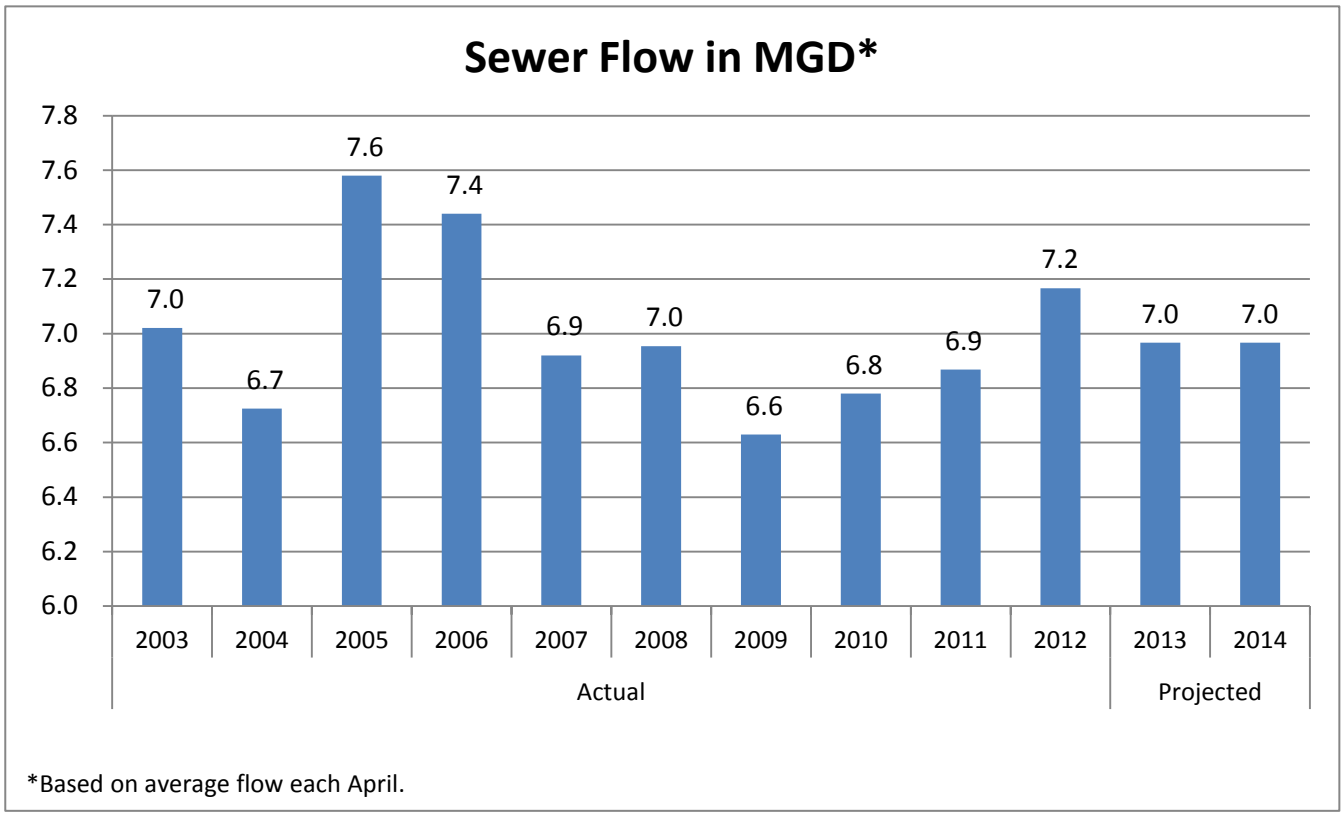
2013-2014 OPERATING BUDGET

WASTEWATER


Active Sewer Accounts At Fiscal Year End
21,000
18,000
15,000
12,000
9,000
6,000
3,000
-
16,606
17,225
18,286
18,828
19,126
19,535
19,604
19,666
19,795
20,023
20,274
20,478
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Actual
Projected


EDUs Added Each Fiscal Year
2,400
2,100
1,800
1,500
1,200
900
600
300
-
2,075
1,656
1,593
994
518
318
184
130
130
269
546
550
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Actual
Projected





*Based on average flow each April.

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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.

BUDGET FOR THE YEAR ENDING JUNE 30, 2014

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.

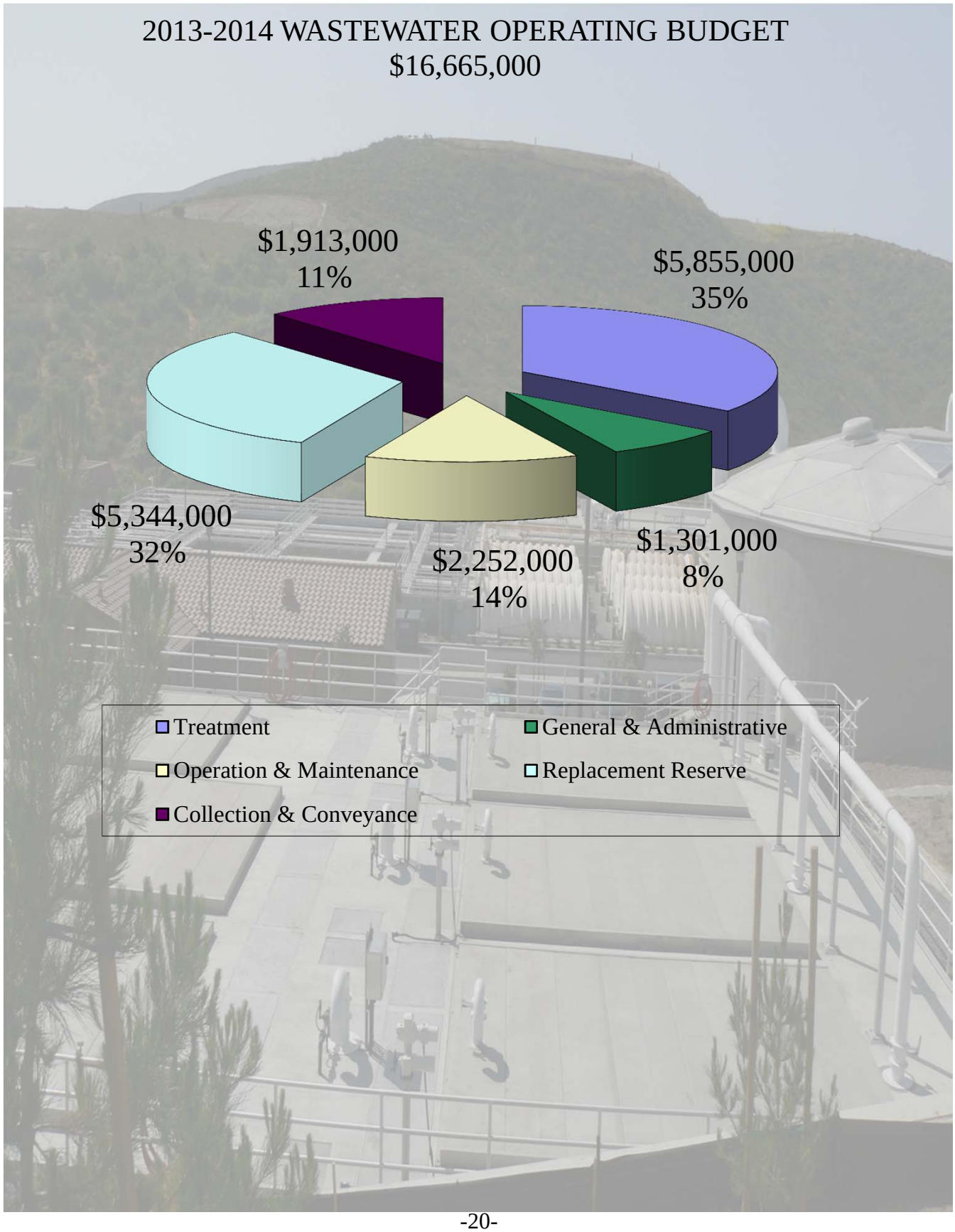
Meetings and Seminars fees for sewer personnel are to provide District representation and professional development.

Dues and Subscriptions are periodical costs 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.


2013-2014 WASTEWATER OPERATING BUDGET
$16,665,000
$1,913,000
11%
$5,855,000
35%
$5,344,000
32%
$2,252,000
14%
$1,301,000
8%
Treatment
General & Administrative
Operation & Maintenance
Replacement Reserve
Collection & Conveyance

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
OPERATING REVENUES						
Sewer Service	*4101*	$ 13,780,015	$ 14,622,000	$ 14,691,000	$ 14,962,000	$ 15,639,000
Reclaimed Water Sales	*4102*	1,710,914	1,970,000	1,722,000	1,615,000	1,833,000
Other	*Various*	72,098	89,000	87,000	88,000	89,000
Total Revenue		15,563,027	16,681,000	16,500,000	16,665,000	17,561,000
OPERATING EXPENSES						
Collection & Conveyance	*3010000*	1,784,085	1,838,000	1,703,000	1,913,000	2,115,000
Lift Stations	*3020000*	231,124	214,000	181,000	258,000	267,000
Peroxide Station	*3050000*	3,324	11,000	2,000	5,000	5,000
Industrial Waste	*3060000*	66,009	122,000	100,000	300,000	320,000
Encina Disposal	*3070000*	2,078,337	2,300,000	2,146,000	2,589,000	2,667,000
Meadowlark Plant	*3410000*	2,653,869	3,595,000	2,721,000	3,266,000	3,174,000
Customer Accounts	*4010000*	278,715	364,000	268,000	330,000	336,000
Equipment & Vehicles	*4210000*	132,612	182,000	147,000	171,000	180,000
Buildings & Grounds	*4110000*	129,099	163,000	139,000	150,000	156,000
Engineering	*5010000*	515,897	587,000	489,000	541,000	549,000
Safety & Compliance	*5210000*	102,107	136,000	108,000	114,000	117,000
Information Technology	*6230000*	305,499	323,000	309,000	383,000	413,000
General & Admin.	*6xxx000*	1,123,884	1,471,000	1,036,000	1,301,000	1,356,000
Total Expense		9,404,561	11,306,000	9,349,000	11,321,000	11,655,000
OPERATING INCOME		6,158,466	5,375,000	7,151,000	5,344,000	5,906,000
LESS: TRANSFERS TO REPLACEMENT RESERVE		6,158,466	5,375,000	7,151,000	5,344,000	5,906,000
NET INCOME		$ -	$ -	$ -	$ -	$ -

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
COLLECTION/CONVEYANCE						
Cost of Labor	*3010xxx.51xx*	$ 1,405,863	$ 1,445,000	$ 1,393,000	$ 1,537,000	$ 1,730,000
Materials & Supplies	" *.53xx*	142,180	114,000	68,000	112,000	115,000
Chemicals	" *.5350*	134,118	170,000	165,000	170,000	174,000
Outside Repair/Power	" *.5xxx*	101,924	109,000	77,000	94,000	96,000
Total Collection/Conveyance		1,784,085	1,838,000	1,703,000	1,913,000	2,115,000
LIFT STATIONS						
Cost of Labor	*3020xxx.51xx*	122,606	116,000	87,000	151,000	157,000
Materials & Supplies	" *.53xx*	23,243	38,000	15,000	32,000	33,000
Outside Repair/Service	" *.54xx*	50,507	50,000	44,000	40,000	41,000
Power	" *.5306*	34,768	10,000	35,000	35,000	36,000
Total Lift Stations		231,124	214,000	181,000	258,000	267,000
PEROXIDE STATION						
Cost of Labor	*3050000.51xx*	2,671	9,000	1,000	3,000	3,000
Outside Repair/Power	" *.5xxx*	653	2,000	1,000	2,000	2,000
Total Peroxide Sta.		3,324	11,000	2,000	5,000	5,000
SOURCE CONTROL						
Cost of Labor	*3060000.51xx*	25,869	79,000	63,000	238,000	257,000
Materials & Supplies	" *.53xx*	40,140	43,000	37,000	49,000	50,000
Outside Services	" *.54xx*	-	-	-	13,000	13,000
Total Industrial Waste		66,009	122,000	100,000	300,000	320,000
ENCINA DISPOSAL	*3070000.551*	2,078,337	2,300,000	2,146,000	2,589,000	2,667,000
MEADOWLARK LIFT STATION						
Cost of Labor	*3710000.51xx*	75,181	148,000	73,000	101,000	112,000
Material & Supplies	" *.53xx*	14,176	47,000	8,000	20,000	21,000
Chemicals	" *.5350*	209,082	240,000	231,000	240,000	246,000
Outside Repair	" *.54xx*	23,460	65,000	12,000	35,000	36,000
Power	" *.5306*	68,045	75,000	70,000	72,000	74,000
Total Lift Sta.		389,944	575,000	394,000	468,000	489,000

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
MEADOWLARK PLANT						
Cost of Labor	*3410000.51xx*	$ 731,204	$ 912,000	$ 852,000	$ 983,000	$ 1,020,000
Materials & Supplies	" *.53xx*	212,893	410,000	205,000	288,000	247,000
Chemicals	" *.5350*	555,446	635,000	522,000	530,000	543,000
Outside Services	" *.54xx*	218,062	406,000	317,000	420,000	328,000
Power	" *.5306*	346,632	365,000	343,000	350,000	361,000
Telephone	" *.5305*	4,110	7,000	4,000	5,000	5,000
Total Meadowlark		2,068,347	2,735,000	2,243,000	2,576,000	2,504,000
MAHR RESERVOIR						
Cost of Labor	*3810000.51xx*	94,258	120,000	54,000	102,000	111,000
Materials & Supplies	" *.53xx*	17,830	60,000	3,000	50,000	15,000
Chemicals	" *.5350*	22,346	50,000	-	25,000	24,000
Outside Repair	" *.54xx*	53,301	45,000	20,000	35,000	21,000
Power	" *.5306*	7,843	10,000	7,000	10,000	10,000
Total Mahr Reservoir		195,578	285,000	84,000	222,000	181,000
CUSTOMER ACCOUNTS						
Cost of Labor	*4010000.51xx*	192,473	279,000	185,000	245,000	258,000
Materials & Supplies	" *.53xx*	45,877	45,000	49,000	45,000	41,000
Outside Services	" *.54xx*	29,452	10,000	16,000	18,000	14,000
Uncollectible Accts.	" *.5703*	10,913	30,000	18,000	22,000	23,000
Total Cust. Accts.		278,715	364,000	268,000	330,000	336,000
EQUIPMENT & VEHICLES						
Cost of Labor	*4210000.51xx*	45,822	57,000	49,000	70,000	76,000
Materials & Supplies	" *.53xx*	29,495	37,000	35,000	35,000	36,000
Fuel	" *.5307*	52,847	80,000	58,000	60,000	62,000
Outside Repair	" *.54xx*	4,448	8,000	5,000	6,000	6,000
Total Equip. & Veh.		132,612	182,000	147,000	171,000	180,000
BUILDING & GROUNDS						
Cost of Labor	*4110000.51xx*	58,750	99,000	59,000	75,000	79,000
Materials & Supplies	" *.53xx*	18,738	10,000	18,000	15,000	15,000
Outside Services	" *.54xx*	34,082	34,000	40,000	35,000	36,000
Power	" *.5306*	17,529	20,000	22,000	25,000	26,000
Total Building & Grounds		129,099	163,000	139,000	150,000	156,000
ENGINEERING						
Cost of Labor	*5010000.51xx*	474,662	556,000	489,000	517,000	525,000
Materials & Supplies	" *.53xx*	1,699	8,000	-	5,000	5,000
Outside Services	" *.54xx*	39,536	23,000	-	19,000	19,000
Total Engineering		515,897	587,000	489,000	541,000	549,000

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2014

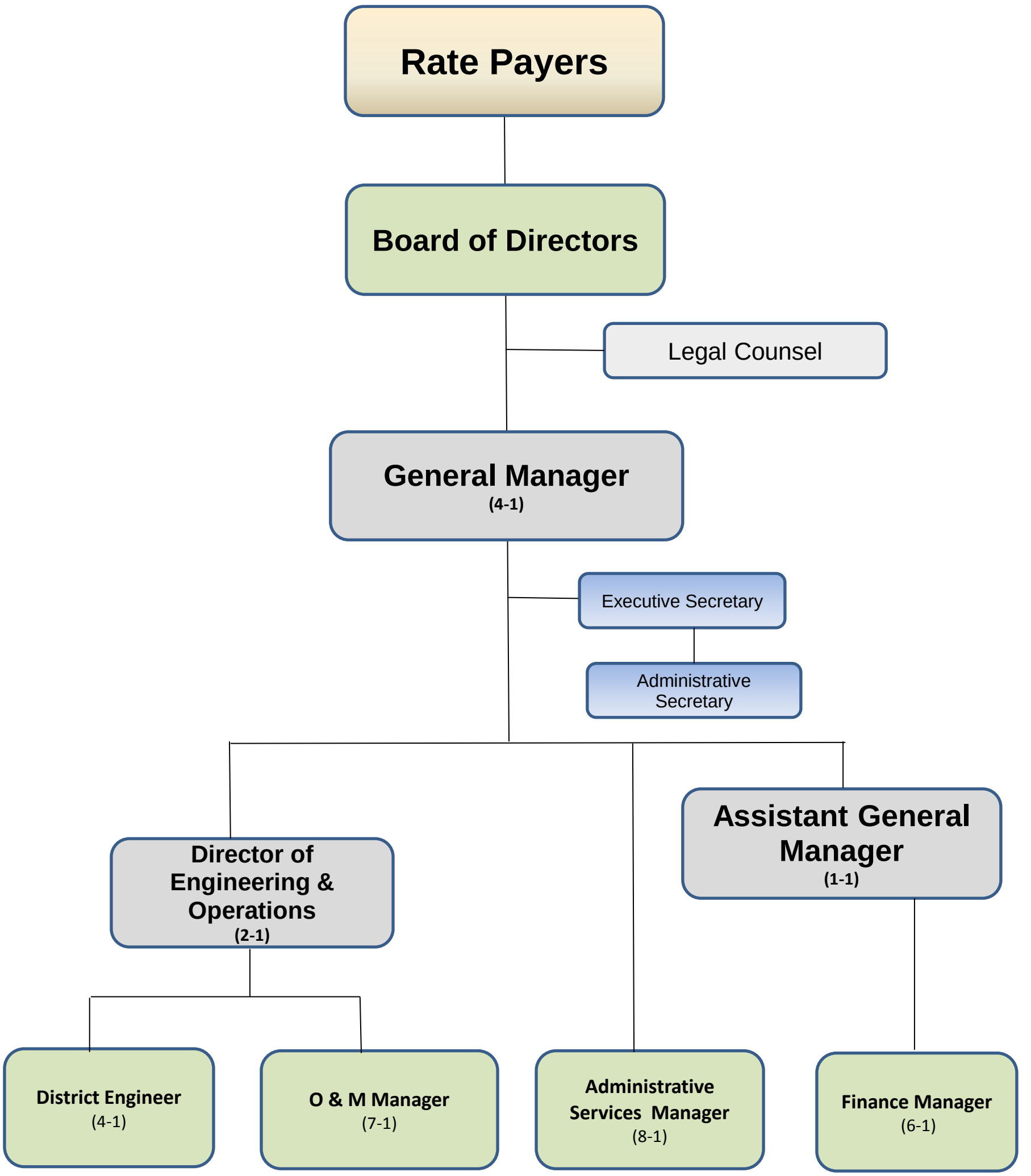
		Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
SAFETY & REGULATORY AFFAIRS						
Cost of Labor	*5210000.51xx*	$ 98,263	$ 118,000	$ 101,000	$ 98,000	$ 101,000
Materials & Supplies	*" .53xx*	59	12,000	1,000	6,000	6,000
Safety Support	*" .54xx*	3,785	6,000	6,000	10,000	10,000
Total Safety/Reg Affairs		102,107	136,000	108,000	114,000	117,000
INFORMATION TECH						
Cost of Labor	*6230000.51xx*	137,902	148,000	140,000	199,000	225,000
Computers & supplies	*" .53xx*	48,348	49,000	56,000	46,000	47,000
Computer Consulting	*" .54xx*	119,249	126,000	113,000	138,000	141,000
Total Information Tech		305,499	323,000	309,000	383,000	413,000
GENERAL & ADMINISTRATION						
Cost of Labor	*6xxxxxx.51xx*	1,009,489	1,149,000	773,000	1,094,000	1,225,000
Directors Fees	*" .5101*	22,824	53,000	50,000	52,000	53,000
District Insurance	*" .5201*	70,501	132,000	104,000	175,000	202,000
Travel	*" .5202*	-	4,000	-	6,000	6,000
Meetings & Seminars	*" .5203*	60	14,000	-	14,000	11,000
Dues & Subscriptions	*" .5204*	438	2,000	1,000	2,000	2,000
Directors Expenses	*" .5205*	-	12,000	-	12,000	12,000
Office Supplies	*" .5301*	3,836	11,000	10,000	15,000	15,000
Public Awareness	*" .5303*	-	-	-	-	-
Postage	*" .5304*	-	2,000	3,000	2,000	2,000
Outside Services	*" .5401*	28,748	111,000	63,000	111,000	63,000
Legal	*" .5402*	139,690	120,000	212,000	150,000	154,000
Auditing	*" .5403*	11,100	12,000	15,000	13,000	14,000
Bank/Investment Svcs	*" .5501*	16,862	15,000	13,000	15,000	16,000
Regulatory Fees	*" .5502*	-	6,000	6,000	6,000	6,000
Election & Annexation	*" .5503*	-	2,000	4,000	2,000	2,000
Other	*" .5702*	1,379	2,000	1,000	2,000	3,000
Admin Credit Trans	*4702*	(181,043)	(190,000)	(219,000)	(370,000)	(430,000)
Total Gen. & Admin.		1,123,884	1,471,000	1,036,000	1,301,000	1,356,000
TOTAL EXPENSES		$ 9,404,561	$ 11,306,000	$ 9,349,000	$ 11,321,000	$ 11,655,000

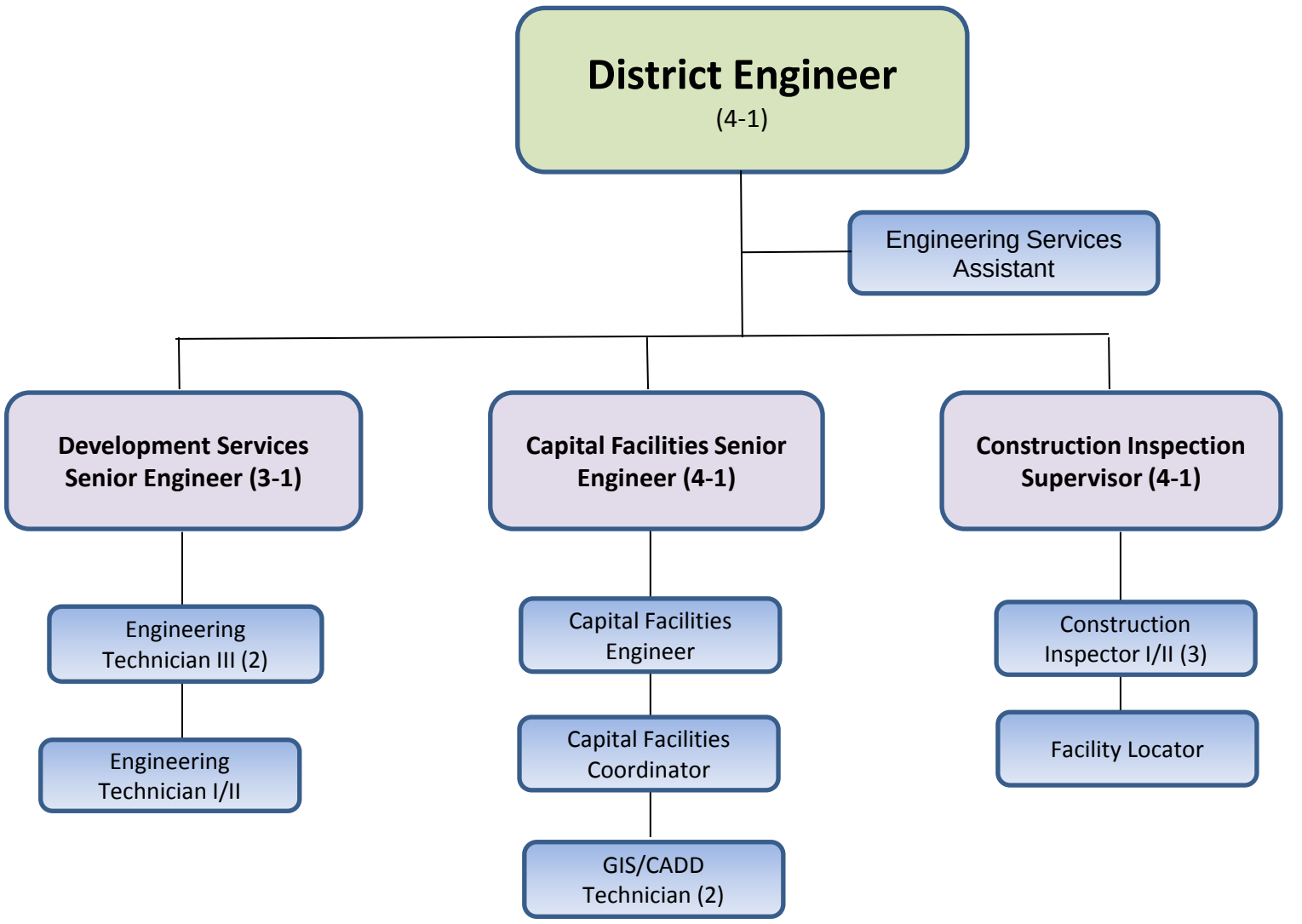
BUDGET FOR THE YEAR ENDING JUNE 30, 2014

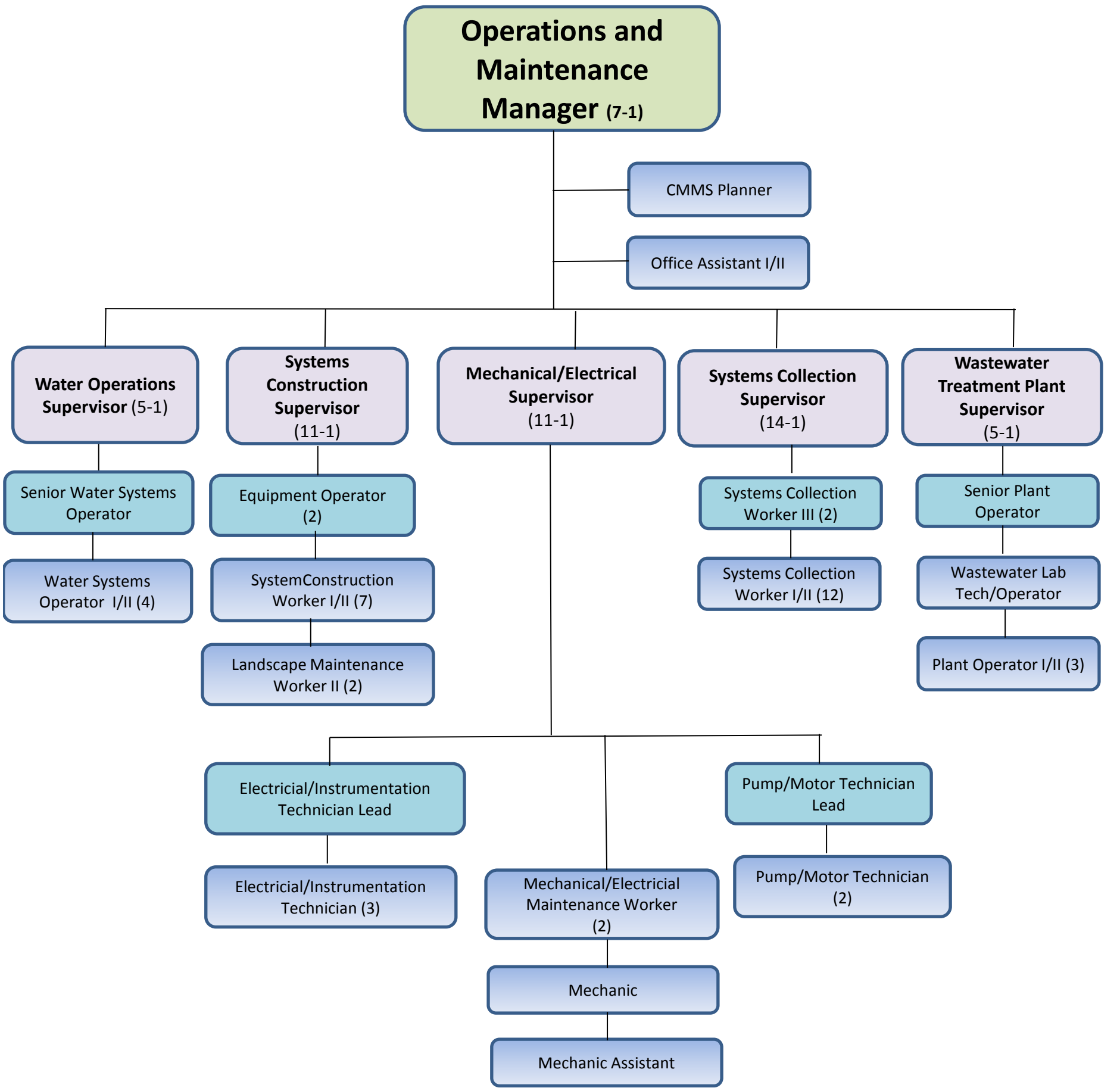
SALARY AND BENEFIT RECAP

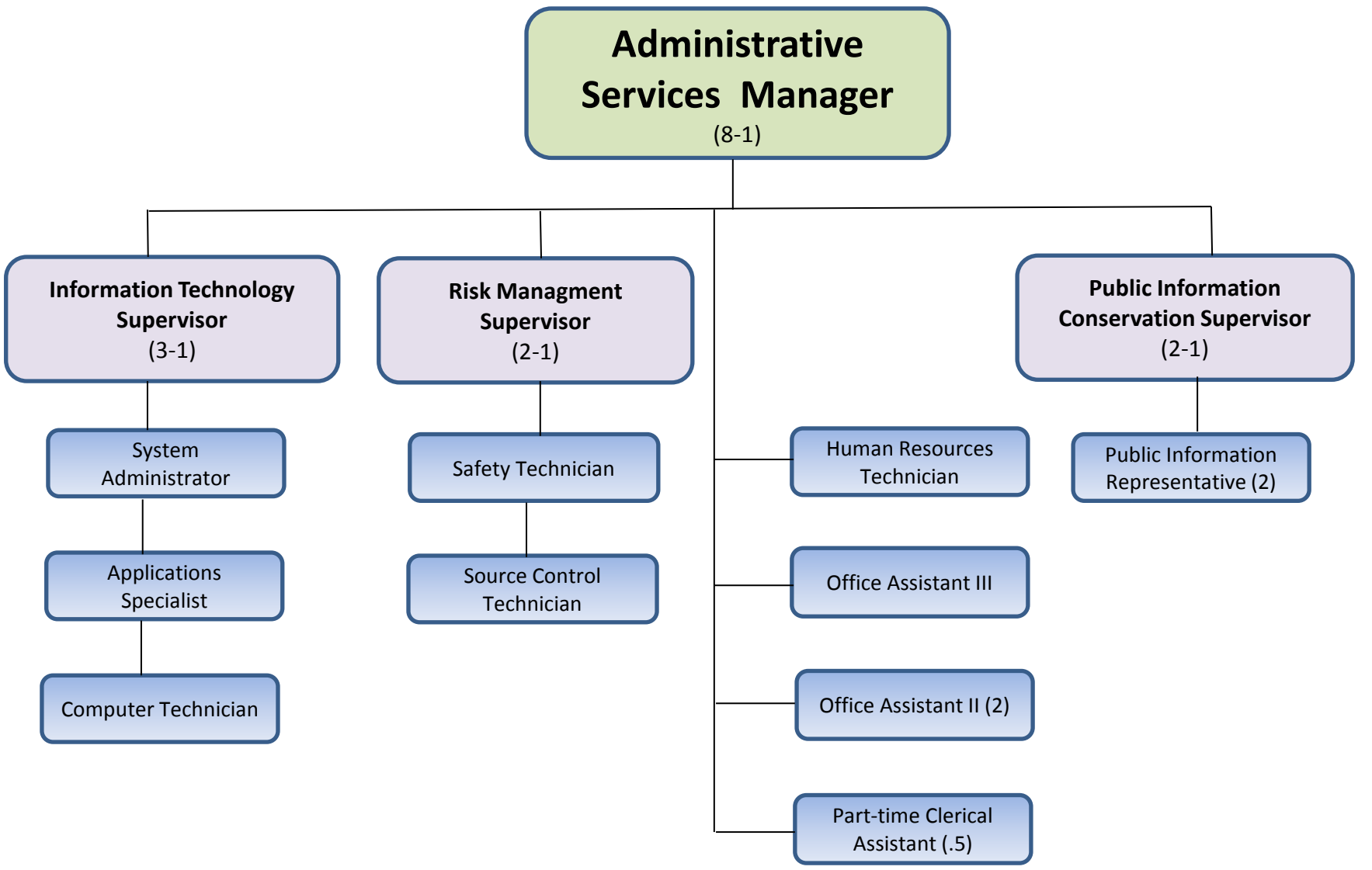
	Actual FY 11-12	Budget FY 12-13	Projected FY 12-13	Budget FY 13-14	Estimated FY 14-15
SALARIES					
Water Operations	$ 4,327,586	$ 4,111,000	$ 4,144,000	$ 4,600,000	$ 5,022,000
Wastewater Operations	2,676,268	3,232,000	2,553,000	3,276,000	3,603,000
Subtotal	7,003,854	7,343,000	6,697,000	7,876,000	8,625,000
Labor Posted to Work Orders*	469,007	502,000	433,000	579,000	693,000
TOTAL SALARIES	7,472,861	7,845,000	7,130,000	8,455,000	9,318,000
BENEFITS					
Public Employee Retirement	1,590,291	1,359,000	1,553,000	1,825,000	1,942,000
Group Insurance	1,775,647	2,103,000	1,949,000	2,290,000	2,480,000
Social Security	852,672	925,000	854,000	752,000	713,000
Workers' Comp Insurance	100,310	112,000	177,000	216,000	245,000
Other Taxes and Benefits	29,739	50,000	47,000	57,000	64,000
TOTAL BENEFITS	4,348,659	4,549,000	4,580,000	5,140,000	5,444,000
TOTAL SALARIES & BENEFITS	$ 11,821,520	$ 12,394,000	$ 11,710,000	$ 13,595,000	$ 14,762,000
Benefits as a Percentage of Salaries	58.2%	58.0%	64.2%	60.8%	58.4%
Operations	51.0	54.0	53.0	56.0	57.0
Engineering	16.0	14.0	13.0	15.0	16.0
Finance	20.0	21.0	21.0	22.0	22.0
Administration	18.5	20.5	19.5	20.5	20.5
Total Funded FTEs	105.5	109.5	106.5	113.5	115.5

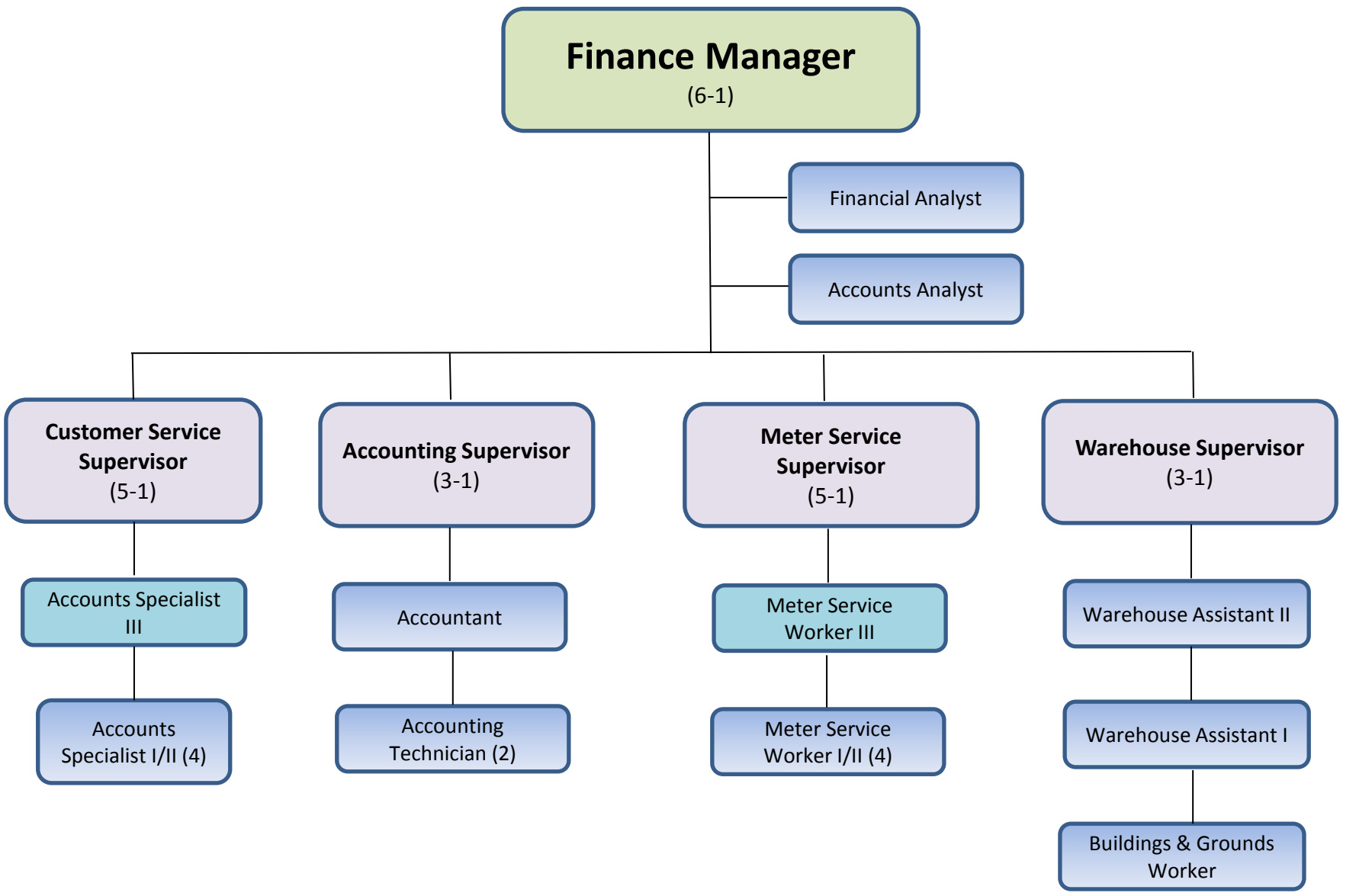
* There is also a labor overhead charge to work orders to cover benefit costs which are a part of the credit in the General and Administration sections of Water and Wastewater operations.


Rate Payers
Board of Directors
Legal Counsel
General Manager
(4-1)
Executive Secretary
Administrative Secretary
Director of Engineering & Operations
(2-1)
Assistant General Manager
(1-1)
District Engineer
(4-1)
O & M Manager
(7-1)
Administrative Services Manager
(8-1)
Finance Manager
(6-1)


District Engineer
(4-1)
Engineering Services Assistant
Development Services Senior Engineer (3-1)
Capital Facilities Senior Engineer (4-1)
Construction Inspection Supervisor (4-1)
Engineering Technician III (2)
Engineering Technician I/II
Capital Facilities Engineer
Capital Facilities Coordinator
GIS/CADD Technician (2)
Construction Inspector I/II (3)
Facility Locator


Operations and Maintenance Manager (7-1)
CMMS Planner
Office Assistant I/II
Water Operations Supervisor (5-1)
Systems Construction Supervisor (11-1)
Mechanical/Electrical Supervisor (11-1)
Systems Collection Supervisor (14-1)
Wastewater Treatment Plant Supervisor (5-1)
Senior Water Systems Operator
Water Systems Operator I/II (4)
Equipment Operator (2)
SystemConstruction Worker I/II (7)
Landscape Maintenance Worker II (2)
Systems Collection Worker III (2)
Systems Collection Worker I/II (12)
Senior Plant Operator
Wastewater Lab Tech/Operator
Plant Operator I/II (3)
Electricial/Instrumentation Technician Lead
Electricial/Instrumentation Technician (3)
Mechanical/Electricial Maintenance Worker (2)
Mechanic
Mechanic Assistant
Pump/Motor Technician Lead
Pump/Motor Technician (2)


Administrative Services Manager
(8-1)
Information Technology Supervisor
(3-1)
Risk Managment Supervisor
(2-1)
Public Information Conservation Supervisor
(2-1)
System Administrator
Applications Specialist
Computer Technician
Safety Technician
Source Control Technician
Human Resources Technician
Office Assistant III
Office Assistant II (2)
Part-time Clerical Assistant (.5)
Public Information Representative (2)


Finance Manager
(6-1)
Financial Analyst
Accounts Analyst
Customer Service Supervisor
(5-1)
Accounting Supervisor
(3-1)
Meter Service Supervisor
(5-1)
Warehouse Supervisor
(3-1)
Accounts Specialist III
Accountant
Meter Service Worker III
Warehouse Assistant II
Accounts Specialist I/II (4)
Accounting Technician (2)
Meter Service Worker I/II (4)
Warehouse Assistant I
Buildings & Grounds Worker

2013-14 PERSONNEL BUDGET

POSITIONS/PERSONNEL:

Positions included in the budget were previously identified in the five year staffing paln which is reviewed on an annual basis. Management will scrutinize the need for all positions and only fill positions if absolutely necessary.

RECLASSIFICATIONS / ACTIVATIONS / DEACTIVATONS:

Position vacancies through attrition create the need to reevaluate the District's personnel needs. This budget anticipates such attrition and includes activating the positions District Engineer and Operations and Maintenance Manager for six months of the budget. When these two positions are activated the position of Director of Engineering and Operations will be deactivated.

Financial Analyst - Estimated Annual Cost: $81,700 plus benefits

This position replaces vacant unfunded Accountant and Accounts Analyst positions approved in prior budgets. The Financial Analyst is needed to perform in-depth analyses such as: GASB 45 OPEB actuarial review; bond convenient reporting and compliance; water/sewer rate analysis/comparison; water usage data accumulation/analysis; feasibility and cost/benefit analysis/studies; billing review; vendor compliance; capital facility fee study review/update; cost of service study review/update; financial aspects of contract compliance; expand on rate analysis adding new supply to the portfolio (desalination and OMWD); cash flow and reserve projections and monitoring.

Applications Specialist - Estimated Annual Cost: $72,300 plus benefits

This position is needed to do programming and create reports across multiple applications with undivided attention. Currently this work is being performed by consultants. In addition, this position would troubleshoot and maintain interfaces between applications which will free up staff to focus on other priorities. This position would benefit the Accounting, Meter Services, Customer Service, and Human Resource departments. Examples of specific duties include developing, programming and implemental software applications; providing database administration, maintenance and user training; performing application upgrades and applying software patches; working with vendors and consultants to troubleshoot software problems; maintaining interfaces; and creating reports using SSRS.

Development Services Senior Engineer - Estimated Annual Cost: $58,000 plus benefits

The Development Services Senior Engineer will be primarily responsible for development, planning, and environmental. Currently, the Capital Facilities department has a backlog of work which includes several CIP projects and planning studies for both development and capital. The backlog is expected to remain steady over the long term with large and small projects including the Land Outfall, several sewer projects, and various replacement repairs. In the past, Development Services had a supervisor position but it was eliminated with the slowdown in development after the incumbent retired. A higher technical level of supervisor is necessary to manage the required planning and environmental workload.

Systems Collections Worker I/II Estimated Annual Cost: $42,300 plus benefits

This position will help the District comply with required CCTV inspection/cleaning footage imposed by regulations required by the General Waste Discharge Requirements (GWDR) by the State of California. The worker will aid with traffic control for the vactors and CCTV unit; smoke testing; manhole grouting; confined space entries; wet well cleaning; pump-arounds; flow meter maintenance; and assist with gravity system repairs. This additional position would give the District a three-person crew making the department more efficient and productive.

2013-14 PUBLIC AWARENESS AND CONSERVATION PROGRAM BUDGET

REBATE PROGRAMS * Prj 2014100036 W/O 117447

To encourage the purchase of qualified low flow devices, appliances, and artificial turf by issuing rebates on qualified products. For purchase of rain water harvesting barrels to encourage use of alternative water sources for residential customers. May also be used to provide rebates to customers who remove their existing turf grass and install a low-water landscape (i.e. Cash for Grass program). $ 5,000

OUTREACH & ADVERTISING Prj 2014100037 W/O 117448

For purchase of items and services used to assist customers in becoming better informed about water related issues. Includes but not limited to: purchase of videos, books, displays and promotional items; advertising; cost to participate in community events; employee education; and to provide tours of District facilities. Includes cost to produce and mail Splash! newsletters, Consumer Confidence Report, brochures, bill inserts, special hearing notifications, and others as needed. 70,000

VIDEO PRODUCTION Prj 2014100038 W/O 123555

Cost to hire outside production company to produce videos highlighting the District. Videos to be shown during tours of District, speaking engagements, and/or on the new VWD website. Highlighted topics to include overview of VWD and Meadowlark Water Reclamation Facility. If time allows, additional topics to include Landscape Irrigation Audit program and sustainable garden. 6,000

EDUCATION Prj 2014100039 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 and Heritage Park to listen to educational water history information by District staff. Also includes bus transportation for school tours of North Twin Oaks Reservoirs, Meadowlark Water Reclamation Facility, and District Administration office and demonstration garden. Includes materials and costs to participate in annual Water Awareness Campaign (4^{th} grade calendar/poster contest), such as the purchase of calendars, entry forms, prizes for entrants and poster contest winners. Also includes participation in Palomar College GEAR UP program. May include cost for high school video contest if contest is offered in the future by the North County Water Agencies group. 17,000

COOPERATIVE PROGRAMS* Prj 2014100040 W/O 117452

For participation in cost-sharing programs such as residential surveys; large property audits, which are outsourced due to extensive staff time that would be required; customer service surveys; and supplies such as dye tablets, showerheads and moisture probes. 6,000

WATERWISE LANDSCAPE Prj 2014100041 W/O 117453

To promote low water use landscape and irrigation practices. Includes the cost for sponsoring, maintaining and upgrading water-wise 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.
** Demonstration gardens include: Sustainable Demonstration Garden at VWD Administration building, Heritage Park native plant garden and Jack's Pond Park native plant garden. 16,000

MEMBERSHIPS & EQUIPMENT Prj 2014100042 W/O 117454

To maintain memberships in related organizations and committees and for the purchases of new or replacement equipment. 2,000

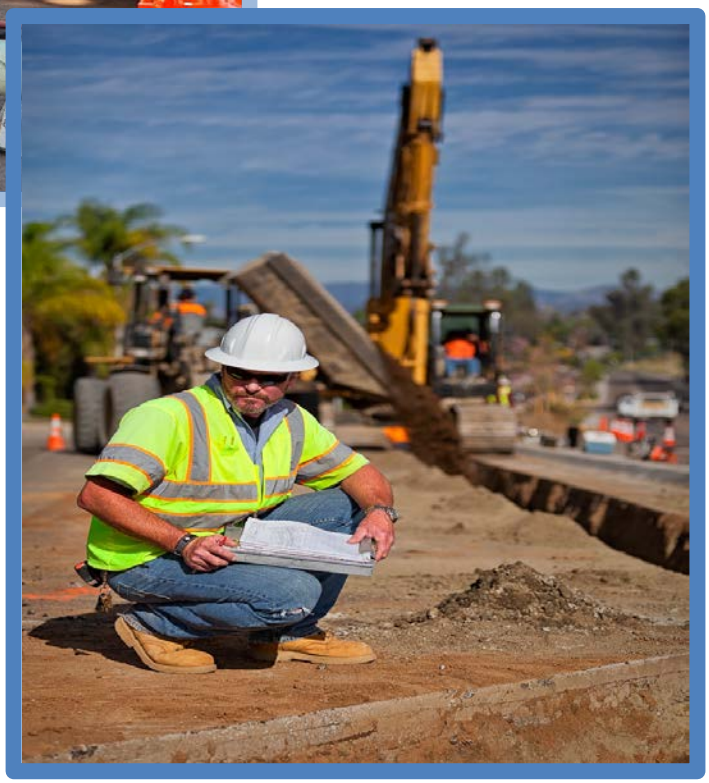
COMMERCIAL/INDUSTRIAL Prj 2014100043 W/O 117455

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 **$ 124,000**

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

2013-2014 CAPITAL BUDGET



VALLECITOS WATER DISTRICT

Comprehensive Project List

Page Number	Project Number	Project Title	Funding Source	Previous Budget & Amendments	Estimated Amt Expended @ 6/30/13	Fiscal Year 2013-14 Carryforward	Fiscal Year 2013-14 New Request
Carryover Projects							
36	90001	Encina Land Parallel Outfall	220	$ 28,150,000	$ 140,000	$ 28,010,000	$ -
37	71004	San Marcos interceptor sewer	210&220	15,400,000	8,300,000	7,100,000	3,250,000
38	2013100001	Coronado Hills Tank #2	120	6,000,000	-	6,000,000	-
39	71084	Meadowlark Tank #3	110&120	4,434,000	500,000	3,934,000	
40	71219	Mountain Belle Pump Station & Pipeline Design	120	3,860,000	100,000	3,760,000	
41	2010100002	Linda Vista Sewer East	210&220	2,160,000	350,000	1,810,000	190,000
42	2013100003	Encina Wastewater Authority - FY 12/13 & Previou	210	2,024,000	1,500,000	524,000	
43	2013100004	MRF Solids Force Main Replacement	210	1,510,000	125,000	1,385,000	-
44	90003	Rock Springs Sewer Replacement	210	1,345,000	220,000	1,125,000	-
45	2012100001	Annual Steel Tank Refurbishment	110	1,472,000	580,000	892,000	(254,000)
46	2013100005	Montiel Lift Station Replacement	210&220	1,200,000	-	1,200,000	-
47	2013100530	San Elijo Hills Pump Station	120	773,000	110,000	663,000	320,000
48	2010100004	Annual Sewer Replacement and I & I Repairs	210	-	-	-	480,000
49	71077	Questhaven Basin Water and Sewer Facilities	120&220	875,000	641,600	233,400	
50	80001	Old Questhaven Sewer Replacement	210&220	835,000	1,000	834,000	
51	71025	Wulff Pressure Reducing Station	110	790,000	1,100,000	(310,000)	
52	2013100006	High Point Pipeline	120	700,000	-	700,000	-
53	2012100002	Richland Invert Replacement	210&220	675,000	10,000	665,000	
54	71126	Vulnerability Assessment Improvements	120&220	591,000	130,000	461,000	
55	2010100003	Environmental Mitigation Property	120&220	460,000	60,000	400,000	
56	80009	Trioxyn Injection Station	220	400,000	1,000	399,000	
57	71159	O&M Improvements to Central Building	110&210	350,000	300	349,700	
58	2012100006	District-wide Valve Replacement Program	110	225,000	201,000	24,000	96,000
59	71081	South Lake Dam Sluice Gate	110	50,000	8,000	42,000	225,000
60	2013100007	12" Failsafe Replacement/Redwing St.	210	170,000	160,000	10,000	50,000
61	71177	Land Outfall Clearing & Access Road	210	200,000	70,000	130,000	-
62	2013100533	Lift Station 1 Pump Improvements	210&220	196,000	70,000	126,000	
63	2012100004	Tertiary Filter Media	210	183,800	-	183,800	
64	71122	Flow Monitoring Stations	220	180,000	58,600	121,400	
65	90007	City of San Marcos Joint Projects	110&210	175,000	17,000	158,000	-
66	80007	Rotating Bio Contactors - Demolition & Removal	220	150,000	110,000	40,000	-
67	2012100008	HVAC Improvements	110&210	25,000	-	25,000	48,000
68	2013100010	MRF Telescoping Valve Control	210	70,000	12,000	58,000	-
69	2013100011	MRF Tertiary Filter Valve Actuator Controls	210	50,000	-	50,000	-
70	2013100012	MRF Headworks Building Hoist System	210	45,000	-	45,000	-
71	2013100013	MRF Refurbish 3-Stage Vertical Turbine Effluent P	210	45,000	14,000	31,000	-
72	2013100014	MRF Secondary Clarifier Flight Drive w/VFD	210	40,500	12,500	28,000	-
73	2012100015	Effluent Piping Check Valves (2)	210	35,000	25,000	10,000	5,000
74	2013100017	SCADA Radio Antenna Masts	110	28,000	14,000	14,000	-
75	2013100018	MRF Removal of Control Panel 1	210	22,000	-	22,000	-
76	2013100016	Supplemental Chlorine Injection Systems at Aquedu	120	36,000	10,000	26,000	(18,000)
77	2013100020	MRF Conversion of Microscreen Building to Storag	210	15,000	-	15,000	-
78	2013100023	SCADA Monitoring for Buckshot PRS	110	12,000	2,000	10,000	-
79	2013100026	ELAP Certification for Water Operations Lab	120	8,000	-	8,000	-
				$ 75,965,300	***$ 14,653,000***	***$ 61,312,300***	***$ 4,392,000***
New Projects							
80	2014100001	Encina Wastewater Auth 5Yr Cap Plan	210				$ 13,449,000
81	2014100002	Northwest Lake San Marcos Sewer Replacement an	210				1,500,000
82	2014100003	Water and Sewer Master Plan	120&220				750,000
83	2014100004	Asset Management Replacement Schedule	110&210				600,000
84	2014100005	Desalinated Water Connection	120				400,000
85	2014100006	Twin Oaks Reservoir On Site Generation of Sodium	110				160,000
86	2014100007	South Vista Pressure Reducing Station Upgrade	110				150,000
87	2014100008	North Vista Pressure Reducing Station Upgrade	110				120,000
88	2014100009	Vallecitos VII B - Metere Upgrade	110				100,000
89	2014100010	Sewer Flow Trending Meter Replacement	210				90,000
90	201410011	MRF Primary Clarifiers Skimmer Controls Upgrade	210				75,000
91	201410012	Palos Vista Pump Station Refurbish & Upgrade	110				60,500
92	201410013	Office space improvements (operations & admin)	110&210				50,000
93	201410014	District Asphalt Seal	110&210				48,000
94	201410015	LS-1 Spare Grinder	210				46,000
95	201410016	Electrical Feeder & Emergency Power Upgrade	110&210				45,000
96	201410017	Meadowlark Manhole Recoating	210				42,500
97	201410018	Vactron Pit - District Yard	120				35,000
98	201410019	MRF Roughing Filter Pumps	210				28,500
99	201410020	Chlorine Cylinder Automatice Shutoff Actuators	110				25,000
100	201410021	Coggan Pump Station Flow Meter	110				25,000
101	201410022	1208 Valve Cans and Lids Upgrade	110				17,500
102	201410023	MRF Vault Access Hatch Covers Upgrade	210				17,000
103	201410024	Richland 2 Tank Seismic Sensor System	120				10,000
104	201410025	Concrete Work at Building A	110&210				8,000
105	201410026	B.O. Gate Valve Upgrades	110				7,000
				$ -	***$ -***	***$ -***	***$ 17,859,000***
				$ 75,965,300	***$ 14,653,000***	***$ 61,312,300***	***$ 22,251,000***
						$83,563,300	

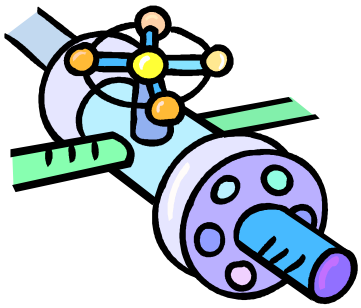
VALLECITOS WATER DISTRICT

Comprehensive Project List

Project Total	Spending by Fiscal Year 2013-14	2014-15	2015-16	2016-17	2017-18	2018 to 2030	Page Number
$ 28,150,000	$ 310,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 27,300,000	36
18,650,000	6,700,000	100,000	50,000	3,500,000	-	-	37
6,000,000	-	-		-	50,000	5,950,000	38
4,434,000	-	-	-	-	-	3,934,000	39
3,860,000	-	-	-	-	580,000	3,180,000	40
2,350,000	2,110,000	(110,000)					41
2,024,000	524,000						42
1,510,000	785,000	600,000					43
1,345,000	575,000	550,000					44
1,218,000	638,000						45
1,200,000	-	-		70,000	350,000	780,000	46
1,093,000	983,000						47
480,000	480,000	-					48
875,000	116,700	116,700					49
835,000	-	-	-		504,000	330,000	50
790,000	-	-	340,000	(650,000)			51
700,000	-	700,000	-				52
675,000	60,000	270,000	335,000				53
591,000	461,000						54
460,000	50,000	50,000	100,000	100,000	100,000		55
400,000	179,000	220,000	-				56
350,000	-	-	349,700				57
321,000	120,000						58
275,000	267,000						59
220,000	60,000						60
200,000	130,000	-	-				61
196,000	464,000	(338,000)					62
183,800	183,800						63
180,000	60,000	61,400					64
175,000	100,000	58,000					65
150,000	40,000						66
73,000	73,000						67
70,000	58,000						68
50,000	11,000	12,000	13,000	14,000			69
45,000	-	45,000					70
45,000	15,000	16,000					71
40,500	13,500	14,500	-				72
40,000	15,000						73
28,000	14,000	-					74
22,000	22,000						75
18,000	8,000	-					76
15,000	15,000						77
12,000	10,000						78
8,000	8,000	-	-	-	-	-	79
$ 80,357,300	***$ 15,659,000***	***$ 2,465,600***	***$ 1,287,700***	***$ 3,134,000***	***$ 1,684,000***	***$ 41,474,000***	
$ 13,449,000	$ 1,684,000	$ 2,805,000	$ 2,825,000	$ 2,855,000	$ 2,862,000	$ 418,000	80
1,500,000			70,000	330,000	1,100,000	-	81
750,000	300,000	450,000					82
600,000			300,000	300,000			83
400,000	70,000	180,000	150,000				84
160,000	60,000	100,000					85
150,000	25,000	125,000					86
120,000	20,000	100,000					86
100,000	100,000						87
90,000	18,000	18,000	18,000	18,000	18,000		89
75,000	75,000						90
60,500	24,500	12,000	12,000	12,000			91
50,000	50,000						92
48,000	48,000						93
46,000	46,000						94
45,000	45,000						95
42,500	42,500						96
35,000	35,000						97
28,500	9,500	9,500	9,500				98
25,000	25,000						99
25,000	25,000						100
17,500	7,500	5,000	5,000				101
17,000	17,000						102
10,000	10,000						103
8,000	8,000						104
7,000	7,000	-	-	-	-	-	105
$ 17,859,000	***$ 2,752,000***	***$ 3,804,500***	***$ 3,389,500***	***$ 3,515,000***	***$ 3,980,000***	***$ 418,000***	
$ 98,216,300	***$ 18,411,000***	***$ 6,270,100***	***$ 4,677,200***	***$ 6,649,000***	***$ 5,664,000***	***$ 41,892,000***	

Capital Improvement Program
Encina Parallel Land Outfall

Description: This project call for the installation of approximately 43,500 feet of new outfall pipeline varying between 18 and 30 inches in diameter. The pipeline will parallel the existing sewer interceptor from Lift Station No. 1 to the Encina Water Pollution Control Facility.



Project Manager: James Gumpel **Department:** Engineering

Project: 90001
Work Order: 90001

Funding Source: 100% Fund 220 – Sewer Capacity

Comments: This project will increase the District's sewer handling capacity by allowing more wastewater flow to the Encina Water Pollution Control Facility. The District will work with other interested agencies (City of Carlsbad, Buena Sanitation District & City of Vista) when possible in pursuit of cost-sharing alternatives.

Operations Impact: Increased sewerage handling capacity/ additional flexibility & redundancy in outfall system during average and low flow periods. Annual, routine sewer pipeline maintenance is expected with the completion of this project.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning	$140,000	$160,000					$300,000
Design		$150,000	$300,000	$300,000	$300,000	$1,800,000	$2,850,000
Construction						$25,000,000	$25,000,000
Total	$140,000	$310,000	$300,000	$300,000	$300,000	$26,800,000	**$28,150,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008	January-2009	June-2014	July-2014	June-2017	July-2016	June-2020	

Capital Improvement Program
San Marcos Interceptor

Description: The project consists of three separate phases constructing approximately 9,000 LF of 36" sewer interceptor replacing an existing 21" sewer line. The existing line is prone to groundwater inflow and infiltration (I&I) and at risk for failure.

The sewer interceptor runs along San Marcos Creek from north of the 78 FWY past McMahr Road. The project includes open cut and tunnel section as well as right of way acquisition.

Project Manager: James Gumpel **Department:** Engineering

Project: 71004
Work Order: 71004 (9629)

Funding Source: 31% Fund 210 – Sewer Replacement
69% Fund 220 – Sewer Capacity

Comments: This project is identified in the 2002 Master Plan. The reduction of I&I will help extend the life of the sewer system downstream of the San Marcos interceptor and reduce unnecessary treatment of groundwater at Encina and Meadowlark. The new line will also reduce the likelihood of spills within San Marcos Creek. Design and land acquisition will move forward in FY 13/14 for the last phase between Via Vera Cruz and Pacific Street in order to be consistent with the future road within the creek district.

Operations Impact: Minimal impact is anticipated as this project increases the size of an existing sewer line and does not add significant lineal footage of sewer for maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning	$500,000	$250,000					$750,000
Design	$2,000,000	$500,000	$100,000	$50,000			$2,650,000
Construction	$5,800,000	$5,950,000			$3,500,000		$15,250,000
Total	$8,300,000	$6,700,000	$100,000	$50,000	$3,500,000	$0	**$18,650,000**

FY 13/14 Budget Request - $3,250,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-1996	July-1996	June-2007	July-1998	October-2015	July-2016	June-2017	June-2017

Capital Improvement Program
Coronado Hills Tank #2

Description: Build-out demands for the 1530, 1125 and 1320 pressure zones are projected to require a storage volume of 9.63 million gallons over and above existing storage capacity. This project will add 4.73 million gallons of potable water storage to meet the projected near-term total storage deficits in the 1530 and neighboring pressure zones. This reservoir will be constructed on the same site as the existing Coronado Hills Tank.

Project Manager: James Gumpel **Department:** Engineering

Project: 2013100001 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: The existing Coronado Hills Tank resides on a large, flat parcel that can accommodate additional storage reservoirs with little grading and preparation efforts. The ultimate plan is to locate a total of 3 tanks at this site, with a Coronado Hills #3 tank sized for 3.21 million gallons being constructed around 2030. The Master Plan has identified this as Project R-3.

Operations Impact: The project will add 4.73 million gallons of potable water storage to the service system.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning					$50,000		$50,000
Design						$690,000	$690,000
Construction						$5,260,000	$5,260,000
Total	$0	$0	$0	$0	$50,000	$5,950,000	**$6,000,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012	July-2014	December-2014	January-2015	June-2016	July-2018		

Capital Improvement Program
Meadowlark Tank No. 3

Description: This existing Meadowlark Tank site is comprised of one 1.25 million gallon tank and a second 2.75 million gallon tank. The 1.25 million gallon tank will be demolished and replaced by a new 2.8 million gallon tank. As part of this project, grading for a future 2.8 million gallon Meadowlark Tank No. 4 will also occur. Site improvements include grading and clearing, landscaping, and installation of new 20" and 16" inlet/outlet piping.

Project Manager: James Gumpel Department: Engineering

Project: 71084
Work Order: 71084 (204280)

Funding Source: 35% Fund 110 – Water Replacement
65% Fund 120 – Water Capacity

Comments: The site was master planned during the 76-1 Assessment District to accommodate three tanks total. The final tank is not expected to be needed until 2021. At build-out, the Meadowlark Tanks will provide a total storage capacity of 8.35 million gallons.

Operations Impact: The project will increase capacity at the site by 1.55 million gallons with the construction of the new tank. Daily monitoring of water levels and conditions at the tank site is expected.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning	$123,000						$123,000
Design	$377,000					$40,500	$417,500
Construction						$3,893,500	$3,893,500
Total	$500,000	$0	$0	$0	$0	$3,934,000	**$4,434,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2003	August-2003	March-2004	April-2004	June-2013	July-2017		

Capital Improvement Program
Mountain Belle Pump Station

Description: This project involves the construction of three 1,000 gallon-per-minute pumps and 125 horsepower motors, along with all corresponding electronics, within a new building next to the existing Mountain Belle Reservoir. Approximately 1,800 feet of 16-inch connector pipe from the pump station to an existing 10" pipeline in the North Twin Oaks (1330') Pressure Zone will also be installed.

Project Manager: James Gumpel **Department:** Engineering

Project: 71219 **Funding Source:** 100% Fund 120 – Water Capacity
Work Order: 71219 (207504)

Comments: The Mountain Belle Pump Station is intended to serve as a completely redundant water supply to the new North Twin Oaks (1330') pump station. It will be sized to meet ultimate build-out demands in the North Twin Oaks 1330' Pressure Zone, the 1059' Pressure Zone, and the North 1228' Pressure Zone. A pad for this pump station has already been placed next to the Mountain Belle Reservoir (see picture above).

Operations Impact: Redundant pumping capacity to the North Twin Oaks Pressure Zone. Daily, routine monitoring and inspections of the pump station is expected, as are regular maintenance efforts and some infrequent repair work.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning	$10,000						$10,000
Design	$90,000					$310,000	$400,000
Construction						$3,450,000	$3,450,000
Total	$100,000	$0	$0	$0	$0	$3,760,000	**$3,860,000**

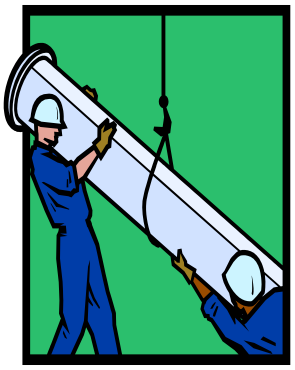
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2006	August-2006	February-2007	February-2007	April-2016	July-2017	July-2018	

Capital Improvement Program
Linda Vista Sewer East

Description: This project calls for the upsizing of approximately 3,600 feet of 8" VCP sewer main from the intersection of Bingham Drive and Furniture Row to the intersection of Linda Vista Drive and Las Posas Road. This pipeline will be replaced by new 15" PVC sewer main. This will eliminate an existing surcharging condition and also accommodate planned development.



Project Manager: James Gumpel **Department:** Engineering

Project: 2010100002 **Funding Source:** 45% Fund 210 – Sewer Replacement
55% Fund 220 – Sewer Capacity

Comments: This project will bring relief to a section of existing sewer pipe within Linda Vista Drive to the east of Las Posas Road that is currently operating beyond its design limits. The 2008 Master Plan has identified this upgrade as Project SP-3. A 740 foot section of the alignment is subject to partial reimbursement by the City of San Marcos.

Operations Impact: Annual and routine sewer pipeline maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$5,000						$5,000
Design	$335,000						$335,000
Construction	$10,000	$2,110,000	-$110,000				$2,010,000
Total	$350,000	$2,110,000	-$110,000	$0	$0	$0	**$2,350,000**

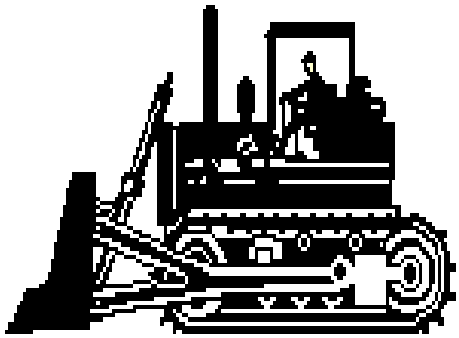
FY 13/14 Budget Request - $190,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009	January-2010	March-2010	April-2010	June-2013	June-2013	March-2014	March-2014

Capital Improvement Program
Encina Wastewater Authority – Capital Projects FY 12/13

Description: The District is a member agency of the Encina Wastewater Authority (EWA). The District shares in the cost of planned asset replacements and capital acquisitions.



Project Manager: Tom Scaglione **Department:** General Manager

Project: 2013100003 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: These miscellaneous Encina Wastewater Authority capital projects are budgeted each year based on the District's 20.24% ownership share.

Operations Impact: No significant increase in costs or changes in efficiencies are anticipated from this project..

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$1,518,000	$506,000					$2,024,000
Total	$1,518,000	$506,000	$0	$0	$0	$0	**$2,024,000**

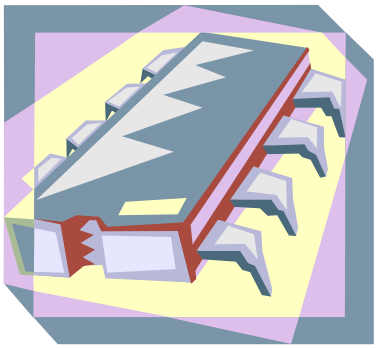
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009							June-2014

Capital Improvement Program
MRF Solids Force Main Replacement

Description: The Meadowlark Reclamation Facility solids force main transports concentrated brine byproduct generated from recycled water production to the land outfall for treatment at the Encina Water Pollution Control Facility. This project involves the replacement of approximately 5,700' of existing 6" DIP force main with new 8" HDPE or welded PVC pipe.



Project Manager: James Gumpel **Department:** Meadowlark Reclamation Facility

Project: 2013100004 **Funding Source:** 100% Fund 210 –Sewer Replacement

Comments: The MRF solids force main has broken on several occasions over the last few years. It has spilled concentrated wastewater brine that has resulted in emergency clean-up activities and fines. This project will replace the existing DIP force main with a new HDPE or welded PVC pipeline that has more capacity and greater corrosion resistance.

Operations Impact: Reduced risk of sewer spilling and reduced energy usage. Annual and routine pipeline maintenance is expected with the completion of this project.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$50,000						$50,000
Design	$75,000	$125,000					$200,000
Construction		$660,000	$600,000				$1,260,000
Total	$125,000	$785,000	$600,000	$0	$0	$0	**$1,510,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012	July-2012	April-2013	May-2013	January-2014	February-2014	November-2014	December-2014

Capital Improvement Program
Rock Springs Sewer Replacement

Description: This project calls for the removal of approximately 3,000 feet of 8" VCP sewer main and 19 manholes within Rock Springs Road. This will be replaced by 3,000 feet of new PVC sewer main and 19 new manholes. This will eliminate an existing surcharging condition in the District's collection system between Woods Dr. and Hannigans Way within a greenbelt drainage area south of Rock Springs Rd.

Project Manager: James Gumpel **Department:** Engineering

Project: 90003
Work Order: 90003

Funding Source: 45% Fund 210 – Sewer Replacement
55% Fund 220 – Sewer Capacity

Comments: This project will bring relief to a section of existing sewer pipe within a greenbelt drainage area that is currently operating beyond its design limits. The 2008 Master Plan has identified this upgrade as project SP-5

Operations Impact: Less inflow and infiltration into the collection system; reduced risk of sewer spilling. Annual, routine sewer pipeline maintenance is expected with the completion of this project.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$40,000						$40,000
Design	$180,000	$75,000					$255,000
Construction		$500,000	$550,000				$1,050,000
Total	$220,000	$575,000	$550,000	$0	$0	$0	**$1,345,000**

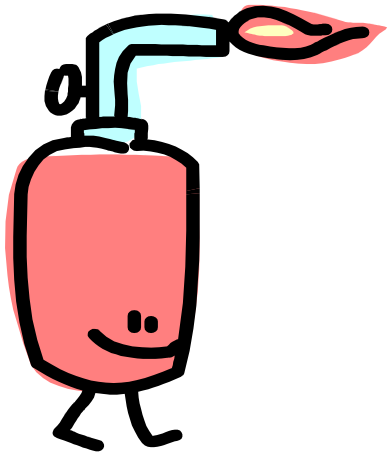
Additional FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008	July-2008	January-2010	February-2010	December-2013	January-2014	November-2014	November-2014

Capital Improvement Program
Annual Steel Tank Refurbishment

Description: On an annual basis some steel tanks require refurbishment such as recoating or other repairs based on the age of the coating system and annual tank diving inspections. Tanks also need to be updated to current OSHA standards. This budget sets aside money to perform necessary refurbishment.



Tank Schedule
FY 13/14 – Meadowlark Tank No. 1 & Meadowlark Tank #2 exterior

Project Manager: James Gumpel **Department:** Engineering

Project: 2012100001 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The operations department will perform inspections on an annual basis and determine which tanks require refurbishment. Updating of tank appurtenances is also included such as safety equipment, electrical and cathodic protection.

Operations Impact: Routine maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design	$20,000	$15,000					$35,000
Construction	$560,000	$623,000					$1,183,000
Total	$580,000	$638,000	$0	$0	$0	$0	**$1,218,000**

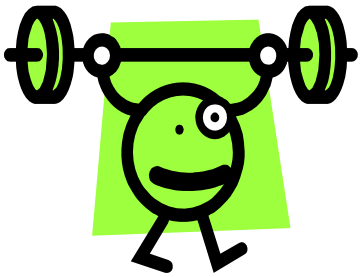
FY 13/14 Budget Reduction - ($254,000)

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2011							June-2014

Capital Improvement Program
Montiel Lift Station Replacement

Description: The Montiel Lift Station is a small, underground facility just north of the 78 Freeway and east of Nordahl Road within the City of San Marcos. This lift station collects and transfers wastewater flows from a 200-acre area east of Nordahl Road near the District's eastern service area boundary. This Project involves the replacement of the lift station and upsizing of its two existing 100-gpm pumps with new 200-gpm pumps.



Project Manager: James Gumpel **Department:** Engineering

Project: 2013100005 **Funding Source:** 50% Fund 210 – Sewer Replacement
50% Fund 220 – Sewer Capacity

Comments: The Montiel Lift Station was constructed in 1985 and is approaching the end of its expected life span. The existing 100-gpm pumps in the lift station are not sufficiently sized to provide for ultimate wet weather flows and will therefore be replaced by new 200-gpm pumps. The lift station will also be relocated above ground to avoid confined space entry requirements.

Operations Impact: Elimination of confined space entry issues. Daily, routine monitoring and inspections of the lift station is expected, as are regular maintenance efforts and some infrequent repair work.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18 & Thereafter	Total
Planning					$ 50,000		$ 50,000
Design					$ 20,000	$ 150,000	170,000
Construction						$ 980,000	980,000
Total				$ -	$ 70,000	$ 1,130,000	**$ 1,200,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July 2012	July 2015	March 2016	April 2016	February 2017	March 2017	June 2019	June 2019

Capital Improvement Program
San Elijo Hills Pump Station

Description: This pump station will transport at least 2,750 acre-feet of potable water each year that was treated by the Olivenhain Municipal Water District's David C. McCollom water treatment plant. The pump station will be sized to pump approximately 3,000 gallon per minute to VWD's 877 Pressure Zone. A building to house the pumps, header pipeline and electrical equipment will also be constructed. The pump station will be connected to VWD's existing 16-inch distribution pipeline in San Elijo Road. This item is part of the VWD Strategic Plan – Strategic Focus Area 6.1

Project Manager: James Gumpel **Department:** Engineering

Project: 2013100530 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: VWD and the Olivenhain Municipal Water District signed a Water Purchase Agreement (WPA) in November 2012 for the purchase of 2,750 acre-feet of treated water per year. This water is being purchased by VWD at a reduced treatment rate compared to CWA water, and because the water will be treated more recently than CWA water, it is expected to reduce nitrification issues in the San Elijo Hills service area. Per the WPA, VWD must complete construction of the San Elijo Hills Pump Station to take the water by June 2014.

Operations Impact: Offers a second supply of potable water to the San Elijo Hills service area. Daily, routine monitoring and inspection of the pump station is expected, as are regular maintenance efforts and some infrequent repair work.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$ 50,000						$ 50,000
Design	$ 60,000	$ 220,000					$ 280,000
Construction		$ 763,000					$ 763,000
Total	$ 110,000	$ 983,000	$0	$0	$0	$0	**$ 1,093,000**

FY 13/14 Budget Request - $320,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
December 2012	January 2013	May 2013	June 2013	September 2013	October 2013	June 2014	June 2014

Capital Improvement Program
Annual Sewer Replacement and I&I Repairs

Description: During the course of the year, unexpected damage and emergency repairs are needed. This budget item sets aside money to perform necessary repairs.

Replacement Schedule
FY 13/14 – San Marino and Hermosita
FY 14/15 – Knoll Road

Project Manager: Braden McCrory **Department:** Collections

Project: 2010100004 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: These funds will only be used after review and approval by the District Engineer and Operations and Maintenance Manager.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design		$30,000					$30,000
Construction		$450,000					$450,000
Total	$0	$480,000	$0	$0	$0	$0	**$480,000**

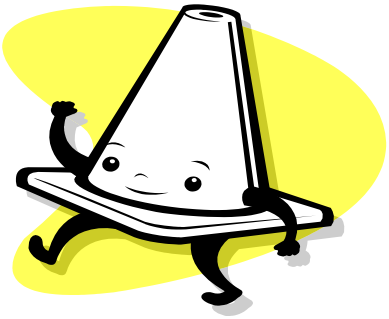
FY 13/14 Budget Request - $480,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008							June-2015

Capital Improvement Program
Questhaven Basin Water and Sewer Facilities

Description: The 2002 Master Plan required the oversizing of water and sewer facilities to provide adequate infrastructure within the Questhaven basin. The Master Development Agreement with San Elijo Hills incorporated these facilities for construction and reimbursement of oversizing costs.



Project Manager: Ken Gerdes **Department:** Engineering

Project: 71077
Work Order: 71077 (204030)

Funding Source: 50% Fund 120 – Water Capacity
50% Fund 220 – Sewer Capacity

Comments: The remaining reimbursable items include payment for increased water main pipe size from 12" to 16" in Planning Area O.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$641,600	$116,700	$116,700				$875,000
Total	$641,600	$116,700	$116,700	$0	$0	$0	**$875,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2003					July-2009	June-2015	June-2015

Capital Improvement Program
Old Questhaven Sewer Replacement

Description: Installation of 1400 feet of 24" PVC sewer main in the old Questhaven Road right-of-way, along with 6 new manholes; abandonment of 935 feet of 21" VCP and 255 feet of 21" PVC temporary sewer pipe in the old Questhaven Road right-of-way; abandonment of 1470 feet of 24" DIP temporary sewer pipe in Rancho Santa Fe Road.

Project Manager: James Gumpel **Department:** Engineering

Project: 80001
Work Order: 80001

Funding Source: 77% Fund 210 – Sewer Replacement
23% Fund 220 – Sewer Capacity

Comments: This project will replace a section of existing temporary sewer pipe in the old Questhaven Road right-of-way. The new pipe section will be higher in elevation to connect to the permanent pipeline in Rancho Santa Fe Road and allow the temporary pipeline in both old Rancho Santa Fe Road and old Questhaven Road right-of-way and San Marcos Creek to be abandoned.

Operations Impact: Less inflow and infiltration into the collection system; abandonment of a temporary sewer pipeline. Annual, routine sewer pipeline maintenance is expected with the completion of this project.

Project Spending Plan

Project Phase	Previous FY	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18 & Thereafter	Total
Planning	$1,000					$9,000	$10,000
Design						$75,000	$75,000
Construction						$750,000	$750,000
Total	$1,000	$0	$0	$0	$0	$834,000	**$835,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2007	July-2007	August-2015	August-2016	October-2016	October-2016		

Capital Improvement Program
Wulff Pressure Reducing Station

Description: This project will install a new pressure reducing station to allow water to be pumped from the High Point hydro-pneumatic pump station to the Wulff pressure zone.

Project Manager: James Gumpel **Department:** Engineering

Work Order: 71025 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: After the High Point residential development is completed to the south, an offsite waterline and pressure reducing station will be built to provide an additional source of water from the High Point/Palos Vista area. The offsite waterline construction is the developer's responsibility.

Operations Impact: The operation of Wulff Pump Station will be reduced after the installation of the proposed pressure reducing station. The new pressure reducing station will allow for a redundant water supply to the Wulff pressure zone.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning	$900,000						$900,000
Design	$200,000			$50,000			$250,000
Construction				$290,000			$290,000
Recovery					-$650,000		-$650,000
Total	$1,100,000	$0	$0	$340,000	-$650,000	$0	**$790,000**

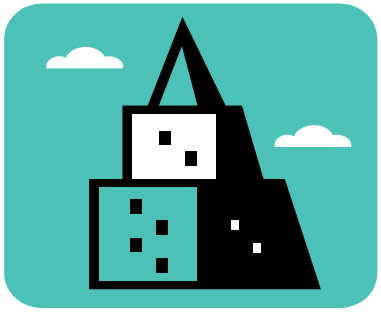
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2001	August-2001	June-2012	July-2015	February-2016	July-2016	June-2017	June-2017

Capital Improvement Program
High Point Pipeline

Description: Approximately 2,800 feet of 12" PVC potable water pipeline is proposed to connect the 1625 High Point Pressure Zone to the 1567 Wulff Pressure Zone. This project also includes the construction of a pressure reducing valve to the 1567 Wulff Pressure Zone's hydraulic grade line. The High Point development is responsible for installation of an 8" pipeline as part of its development conditions, and the District will reimburse the developer for upsizing the pipeline to 12".



Project Manager: James Gumpel **Department:** Engineering

Project: 2013100006 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: This pipeline provides an auxiliary feed from the 1625 High Point Pressure Zone to the 1567 Wulff Pressure Zone. And with the completion and acceptance of the High Point Hydropneumatic Pump Station, the District will have some limited ability to transfer potable water from the 920 Pressure Zone to the higher northern pressure zones that does not currently exist. The 2008 Master Plan has identified this pipeline as Project P-43.

Operations Impact: Minimal impact is anticipated as this project does not add significant lineal footage of potable water pipeline for maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction			$700,000				$700,000
Total	$0	$0	$700,000	$0	$0	$0	**$700,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012					October-2014	June-2015	June-2015

Capital Improvement Program
Richland Invert Replacement

Description: This project call for the replacement of the existing 100-foot wastewater siphon pipeline that travels under San Marcos Creek from the Diamond Environmental Services parking lot south of Mission Road to the 18-inch Richland Interceptor. The existing 8-inch and 10-inch pipelines will be replaced with either a new 15-inch siphon to be located at the existing pipelines' location or by a new 15-inch gravity pipeline in Mission Road and a new crossing further to the west.

Project Manager: James Gumpel **Department:** Engineering

Project: 2012100002 **Funding Source:** 100% Fund 210 – Sewre Replacement

Comments: The existing 8-inch and 10-inch invert pipelines were installed over 20 years ago and were originally designed to be temporary. Because of their size restrictions, they surcharge upstream gravity pipelines during peak flows. In addition, recent inspections by the District's collection crew have revealed damage to the existing pipe. This project crosses underneath San Marcos Creek, and staff anticipates environmental wetland permitting requirements. The 2008 Master Plan has identified this replacement as project SP-10.

Operations Impact: The project increases sewage handling capacity in the collections system and solves an existing sewer surcharge issue during daily peak and wet weather events. Annual, routine sewer pipeline maintenance is expected with the completion of this project.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$10,000	$10,000					$20,000
Design		$50,000	$70,000				$120,000
Construction			$200,000	$335,000			$535,000
Total	$10,000	$60,000	$270,000	$335,000	$0	$0	**$675,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Implementation		Completion
	Begin	End	Begin	End	Begin	End	
July-2011	April-2012	October-2013	October-2013	December-2014	January-2015	December-2014	January-2016

Capital Improvement Program
Vulnerability Assessment Improvements

Description: The District completed the Vulnerability Assessment as required by the Department of Homeland Security. Recommended improvements were identified and being phased in. Fiscal year 2012/13 purchases are for security devices and a 500 kW generator.

Project Manager: Jerome Janus **Department:** Engineering - Safety

Project: 71126
Work Order: 71126 (205120)

Funding Source: 60% Fund 120 –Water Capacity
40% Fund 220 – Sewer Capacity

Comments: Implementing safety measures to mitigate vulnerabilities is an on-going process. Due to the highly confidential and sensitive nature of the assessment findings, specific improvements are not defined in this document. Security measures are implemented with the most vulnerable areas addressed first.

Operations Impact: Continual review of measures implemented and discovery of unidentified areas.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$130,000	$461,000					$591,000
Total	$130,000	$461,000	$0	$0	$0	$0	**$591,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2004							June-2014

Capital Improvement Program
Environmental Mitigation Property

Description: This project allocates funds for the purchase and/or maintenance of mitigation property for the environmental impacts associated with future District capital projects. Such funds could be utilized for either purchasing credits at existing mitigation banks, or purchasing property for performance of mitigation.

Project Manager: James Gumpel **Department:** Engineering

Project: 2010100003 **Funding Source:** 90% Fund 220 – Sewer Capacity
10% Fund 120 – Water Capacity

Comments: This project will fund land and credit purchases for projects identified in the 2002 Master Plan for purposes of environmental mitigation. These funds could move to and from other capital projects, such as the San Marcos Interceptor Sewer or the Encina Land Parallel Outfall, or to easement acquisition and/or maintenance.

Operations Impact: Maintenance of purchased property is expected. This may include extended maintenance of mitigation property that could require the service of a specialty contractor.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$60,000	$50,000	$50,000	$100,000	$100,000	$100,000	$460,000
Design							$0
Construction							$0
Total	$60,000	$50,000	$50,000	$100,000	$100,000	$100,000	**$460,000**

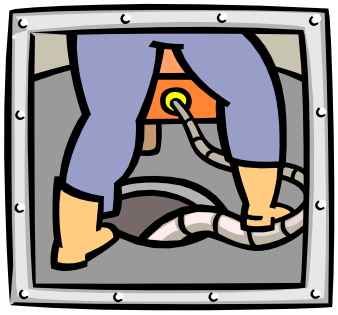
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009	July-2009	June-2018	-	-	-	-	June-2018

Capital Improvement Program
Trioxyn Injection Station

Description: New facility for trioxyn/Mg(OH)2 injection into the sewer system. Facility will consist of a building to house a chemical storage tank, a manhole over the Land Outfall line and taping the line to establish an injection point and acquisition of electrical power.



Project Manager: James Gumpel **Department:** Engineering

Project: 80009 **Funding Source:** 100% Fund 220 – Sewer Capacity
Work Order: 80009

Comments: A temporary site was installed off Poinsettia Road in Carlsbad to study the effect of trioxyn injection at the site. The test was successful and revealed that maximum results could be achieved by locating a permanent injection station one mile east of where the test was performed. Injecting trioxyn at the new site will increase the effectiveness of the trioxyn due to a longer detention time. A decrease in the amount of trioxyn needed for the treatment of the sewer outfall line may result from the longer detention time thus decreasing the overall amount spent on trioxyn. Magnesium hydroxide (Mg(OH)2) may also be considered as an alternative.

Operations Impact: Normal maintenance of the facility, chemical purchase and monthly electric service.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$1,000	$4,000					$5,000
Design		$150,000					$150,000
Construction		$25,000	$220,000				$245,000
Total	$1,000	$179,000	$220,000	$0	$0	$0	**$400,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2007	July-2010	June-2013	July-2013	April-2014	May-2014	April-2015	June-2015

Capital Improvement Program
O&M Improvements to Central Building

Description: The Operations and Maintenance Building (Building B) has been modified over the past few years to accommodate the current level of employees. All available space has been efficiently utilized. Wasted space in the open center of the building could be used if enclosed. This budget item is for developing a preliminary design and cost for the building improvements that would be considered in a later budget.

Project Manager: Ken Gerdes **Department:** Engineering

Project: 71159
Work Order: 71159 (207801)

Funding Source: 50% Fund 110 – Water Replacement
50% Fund 210 – Sewer Replacement

Comments: Staff is contemplating a two story component in the center to double the usable office space, store various information maintained by the department and store emergency supplies.

Operations Impact: None at this time

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design	$300			$349,700			$350,000
Construction							$0
Total	$300	$0	$0	$349,700	$0	$0	**$350,000**

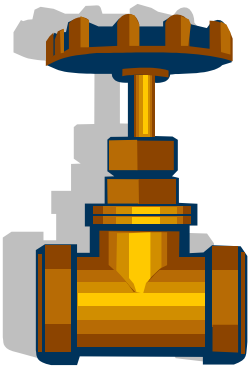
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2006	July-2006						June-2016

Capital Improvement Program
District-wide Valve Replacement Program

Description: Replace broken or leaking valves with new Gate valves throughout the District.



Project Manager: Kerek Howe **Department:** Construction

Project: 2012100006 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The valve crew has discovered many broken valves requiring replacement. This project targets 20 valves per year over the next five years.

Operations Impact: Routine maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$201,000	$120,000					$321,000
Total	$201,000	$120,000	$0	$0	$0	$0	**$321,000**

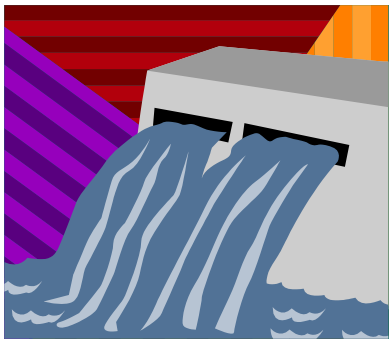
FY 13/14 Budget Request - $96,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2011							June-2014

Capital Improvement Program
South Lake Dam Sluice Gate

Description: This project will be performed prior to the City of San Marcos' South Lake Park Project.



Project Manager: Ken Gerdes **Department:** Engineering

Project: 71081
Work Order: 71081
Funding Source: 100% Fund 110 – Water Replacement

Comments: This project will begin prior to the South Lake Park improvements.

Operations Impact: Annual maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$8,000	$267,000					$275,000
Total	$8,000	$267,000	$0	$0	$0	$0	**$275,000**

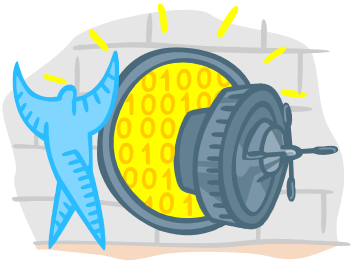
FY 13/14 Budget Request - $225,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2003					July-2012	June-2014	June-2014

Capital Improvement Program
12" Failsafe Replacement Redwing Street

Description: The 12" outfall failsafe sewerline in Redwing Street is deep and prone to leaking. District crews have had to perform several costly repairs. The pipeline will be replaced and raised to a shallower depth; approximately 405'.



Project Manager: James Gumpel **Department:** Engineering

Project: 2013100007 **Funding Source:** 210 Sewer Replacement

Comments: The pipeline must be replaced to eliminate costly repairs by District Crews

Operations Impact: Reduction of future maintenance costs

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design	$20,000						$20,000
Construction	$140,000	$60,000					$200,000
Total	$160,000	$60,000	$0	$0	$0	$0	**$220,000**

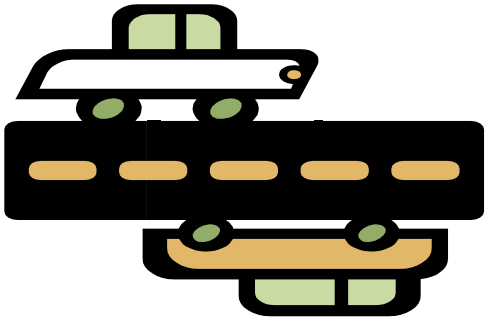
FY 13/14 Budget Request - $50,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012			September-2012	January-2013	May-2013	June-2013	July-2013

Capital Improvement Program
Land Outfall Clearing & Access Road

Description: The Land Outfall is located with easements for a significant portion of its length where it runs parallel to Palomar Airport Road in Carlsbad. One parcel of land is wet and swampy and is being developed as a mitigation bank by the land owner. This is an opportunity to remove the overgrown vegetation while it is being developed and construct a drivable access.



Project Manager: Kerek Howe **Department:** Engineering

Project: 71177
Work Order: 71177

Funding Source: 100% Fund 210 – Sewer Replacement

Comments: The developer has included the District in the process and considered this access in the permitting and developing of the site. The Outfall is owned by the District and shares capacity in this stretch with the cities of Carlsbad and Vista and the Buena Sanitation District. The joint agreement requires them to pay their proportionate share of this maintenance activity.

Operations Impact: Routine maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design	$20,000						$20,000
Construction	$50,000	$130,000					$180,000
Total	$70,000	$130,000	$0	$0	$0	$0	**$200,000**

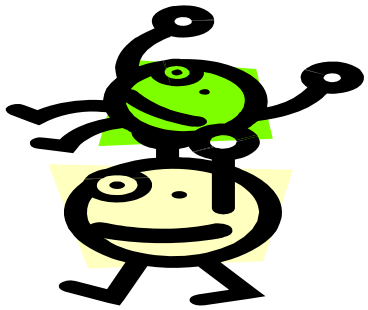
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2006			February-2013	May-2013	July-2008	June-2014	June-2014

Capital Improvement Program
Lift Station 1 Pump Improvements

Description: The intent of this project is to increase the capacity of Lift Station 1 from about 2,000 gallons per minute (gpm) to 3,100 gpm through the installation of a new pump. This will increase the amount of wastewater flow to VWD's Meadowlark Water Reclamation Facility (MRF) and thus increase the amount of recycled water that can be produced at MRF. Also part of this project is the replacement of an older 600 gpm pump with a new 600 gpm pump. This item is part of the VWD Strategic Plan – Strategic Focus Area 6.2



Project Manager: James Gumpel **Department:** Engineering

Project: 2013100533 **Funding Source:** 76% Fund 220 – Sewer Capacity
24% Fund 210 – Sewer Replacement

Comments: MRF currently receives an average wastewater flow of 3.9 million gallons per day (MGD) from which it produces approximately 3.6 MGD of recycled water. The installation of the new 1,900 gallon-per-minute pump would increase wastewater flows to MRF to approximately 4.8 MGD and allow MRF to produce approximately 4.4 MGD of recycled water. The project can receive up to $338,000 toward construction costs through a Proposition 84 grant, provided that VWD matches at least 25%.

Operations Impact: Increased pumping capacity of wastewater to MRF. Daily, routine monitoring and inspection of the lift station is expected, as are regular maintenance efforts and some infrequent repair work.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning	$5,000						$5,000
Design	$65,000	$20,000					$85,000
Construction		$444,000	-$338,000				$106,000
Total	$70,000	$464,000	-$338,000	$0	$0	$0	**$196,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
December-2012	January-2013	March-2013	March-2013	October-2013	November-2013	April-2014	April-2014

Capital Improvement Program
Tertiary Filter Media

Description: Replace Meadowlark's tertiary coarse filter media with a finer filter media for better filtration.

Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2012100004 **Funding Source:** 100% Fund 250 – Sewer Replacement

Comments: The media currently in Meadowlark's tertiary filters is gravel and anthracite. These two medias are a coarser media allowing for more pass-through of finer particulate material. Having a finer media such as sand, finer anthracite and gravel would allow a more efficient capture of the finer material reducing a significant amount of coagulant usage. Meadowlark is required to meet Title 22 turbidity requirements of for the distribution of reclaimed water.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$183,800					$183,800
Total	$0	$183,800	$0	$0	$0	$0	**$183,800**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2010							June-2014

Capital Improvement Program
Flow Monitoring Stations

Description: Six additional permanent stations to accommodate growth of the system.

Project Manager: Braden McCrory **Department:** Collections

Project: 71122
Work Order: 71122

Funding Source: 100% Fund 220 – Sewer Capacity

Comments: The placement of the monitoring meters assists in locating and fixing areas of inflow and infiltration. Unusual changes in flow can be monitored for detection of possible main line breaks or other problems in the system. Three stations remain to be installed.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$58,600	$60,000	$61,400				$180,000
Total	$58,600	$60,000	$61,400	$0	$0	$0	**$180,000**

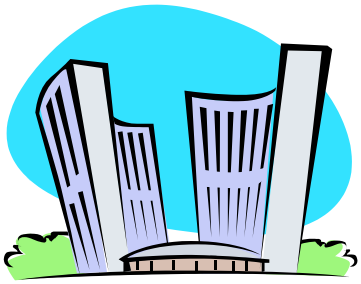
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2004							June-2015

Capital Improvement Program
City of San Marcos Joint Projects

Description: This amount is set-aside to cover services rendered in conjunction with various City of San Marcos projects involving District infrastructure per the District/City Cost Sharing Agreement dated March 31, 2009.



Project Manager: Ken Gerdes **Department:** Engineering

Project: 90007 **Funding Source:** See below

Funding Sources:

Project:	Amount:	Source:	
La Rosa Storm Drain	$ 20,000	Water/Sewer	70% / 30%
Grand Ave Drainage CIP #317	40,000	Water	100%
Discovery St Improvements	100,000	Water/Sewer	90% / 10%
Relocations/Adjustments	15,000	Water/Sewer	75% / 25%
Total	$175,000		

Comments: These projects are in conjunction with the City's Capital Improvement Plan.

Operations Impact: Normal maintenance for infrastructure

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$17,000	$100,000	$58,000				$175,000
Total	$17,000	$100,000	$58,000	$0	$0	$0	**$175,000**

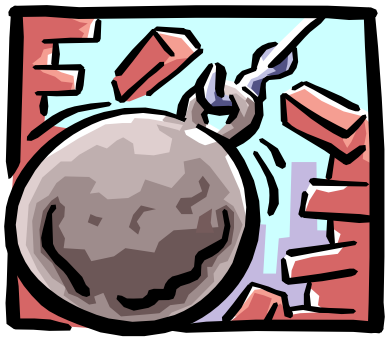
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
						June-2015	June-2015

Capital Improvement Program
Rotating Biological Contactors (RBC) - Demolition and Removal

Description: Demolition and removal of the decommissioned RBC's plus restoration of the area.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 80007 **Funding Source:** 100% Fund 220 – Sewer Capacity
Work Order: 80007

Comments: During previous fiscal years the RBC's were decommissioned and taken out of service. Fiscal year 2012/13 budget will restore the area where they were to provide needed access around other treatment plant processes.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$110,000	$40,000					$150,000
Total	$110,000	$40,000	$0	$0	$0	$0	**$150,000**

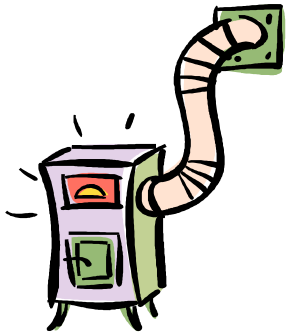
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2007					July-2008	June-2014	June-2014

Capital Improvement Program
HVAC Improvements

Description: Assessment and improvements to the District Headquarters' heating, ventilation and air conditioning system



Project Manager: Kevin McKelvey **Department:** Warehouse/Purchasing

Project: 2012100008 **Funding Source:** 60% Fund 110 – Water Replacement
40% Fund 210 – Sewer Replacement

Comments: The HVAC system is approaching 12 years old and in need of an efficiently assessment to improve the air flow through out each of the buildings at the District's Vallecitos de Oro site.

Operations Impact: Routine maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$73,000					$73,000
Total	$0	$73,000	$0	$0	$0	$0	**$73,000**

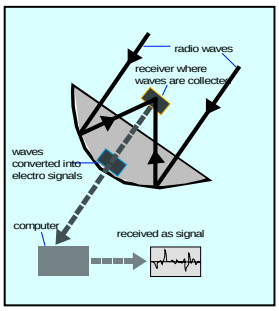
FY 13/14 Budget Request - $48,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2011							June-2014

Capital Improvement Program
Telescoping Valve Control

Description: To control telescoping valves through SCADA to maintain a return activated sludge (RAS) metered flow set point.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100010 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: The telescoping valves' controls currently in place cannot be controlled through SCADA due to equipment malfunction. Meadowlark staff has to control them manually which does not provide proper control during high and low flows through the plant. RAS should be controlled based upon a percent of influent flow; proper automated controls would allow SCADA to modulate the telescoping valves to maintain the RAS flow set point.

Operations Impact: Improved biological efficiency.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$12,000	$58,000					$70,000
Total	$12,000	$58,000	$0	$0	$0	$0	**$70,000**

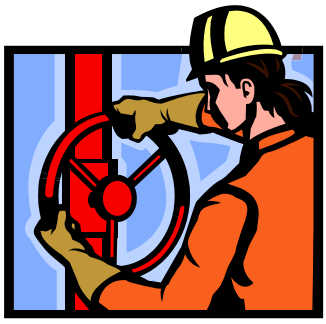
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
Tertiary Filter Valve Actuator Controls

Description: Replace filters influent valve worm gear and motor for slower control.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 20131000011 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Currently, the actuator that modulates the filters' influent valves open or closed is very quick. This quickness puts a lot of unnecessary wear on the actuator components, reducing the life span of these actuators. Converting to a slower speed rate will slow down the valve modulation resulting in a much longer life span. So far, one of the influent valve controls had to be replaced because of worn out parts. This budget amount would provide replacement for the other five filters' influent valves. The other budget years will allow continuation of the other tertiary valve actuator component replacement.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$11,000	$12,000	$13,000	$14,000		$50,000
Total	$0	$11,000	$12,000	$13,000	$14,000	$0	**$50,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2017

Capital Improvement Program
Headworks Building Hoist System

Description: For removing the heavy equipment from the Headworks building for maintenance.

Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100012 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Currently there is an "A" frame hoist in the headworks building that is utilized for removing the heavy equipment. This system is temporary (to be taken down and set up as needed) and does not provide an efficient means of removing the equipment. Safety is a factor when the current system has to be taken down and set up as needed; not having the ability to determine if the system's integrity is maintained. Having a permanent system that can be maintained and tested will assure integrity and safety is maintained. A permanent system has been designed by Kennedy/Jenks Engineers leaving the installation to be supervised and performed by VWD staff.

Operations Impact: Efficient maintenance operations and safe work environment.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction			$45,000				$45,000
Total	$0	$0	$45,000	$0	$0	$0	**$45,000**

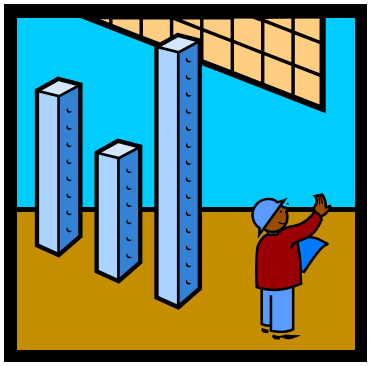
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2015

Capital Improvement Program
Refurbish 3-Stage Vertical Turbine Effluent Pump

Description: Effluent pumps used to pump effluent from Meadowlark to reclaimed distribution or ocean outfall.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100013 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: These pumps have been in operation for approximately five years. Pump #2 is showing signs of wear; this pump has experienced two mechanical seal failures in the last seven months. This failure is caused by excessive shaft run out which is an indication of bushing wear. Meadowlark has three effluent pumps. It is recommended to refurbish all three pumps, one each year over the next three years. Estimate includes VWD labor, crane rental and applicable taxes.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$14,000	$15,000	$16,000				$45,000
Total	$14,000	$15,000	$16,000	$0	$0	$0	**$45,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2015

Capital Improvement Program
Secondary Clarifier Flight Drive with Variable Frequency Drive

Description: To have the ability to increase the speed of the secondary clarifier flights to remove biological material faster from the clarifier.

Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100014 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Currently there is only one slow speed on the secondary flights causing the biological material (Return Activated Sludge – R.A.S.) to have a longer detention in the secondary clarifier tank resulting in die off of the biological material. Having the ability to increase the speed of the flights with the drive and VFD would allow better optimization of Meadowlark's biological process. Three of the six secondary clarifiers' flights have been modified with new drives and VFDs. There are three secondary clarifiers' left to modify with new drives and VFDs.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$12,500	$13,500	$14,500				$40,500
Total	$12,500	$13,500	$14,500	$0	$0	$0	**$40,500**

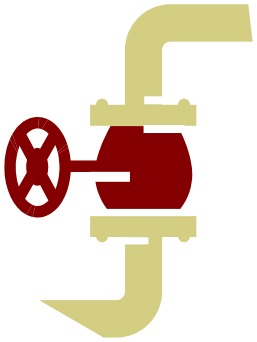
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2015

Capital Improvement Program
Effluent Piping Check Valves (2)

Description: This is for two valves; one on the failsafe pipe and the other on the distribution piping toward Mahr Reservoir.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2012100015 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Having a check valve on the failsafe pipe will assure that secondary flow does not back feed into the distribution line. Having a check valve on the distribution piping assures that Mahr Reservoir can not drain back to the failsafe piping when effluent flows are being split between failsafe and distribution.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$25,000	$15,000					$40,000
Total	$25,000	$15,000	$0	$0	$0	$0	**$40,000**

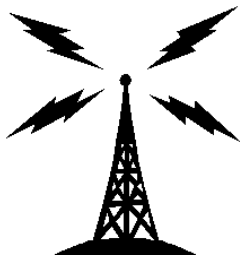
FY 13/14 Budget Request - $5,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2010							June-2014

Capital Improvement Program
SCADA Radio Antenna Masts - Replacement

Description: To raise the SCADA radio antennas above objects creating interference with their signal.



Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2013100017 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: There are several locations within the District's SCADA radio network where trees, buildings and other changes to the surrounding environment are degrading the communication signal. The standard antenna mast that has been installed is either a 15 or 20 foot square steel pole. The replacement antenna masts are square aluminum poles that are 30 feet tall and normally used for street lights. The poles will be high enough to get over most obstacles and should not impact the aesthetics of the surrounding area.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$14,000	$14,000					$28,000
Total	$14,000	$14,000	$0	$0	$0	$0	**$28,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
Removal of Control Panel 1

Description: To remove all alarm and radio signals from CP-1 and transfer into CP-10 (SCADA).

Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100018 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: There are some old alarms (still active) that go through CP-1 and then to Knight Security. This project will convert all alarms to SCADA so all alarms are identified and stored in SCADA.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$22,000					$22,000
Total	$0	$22,000	$0	$0	$0	$0	**$22,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
Supplemental Chlorine Injection Systems at Aqueduct Connections

Description: These units are necessary to provide supplemental chlorine to the water entering our distribution system from the San Diego County Water Authority (SDCWA).

Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2013100016 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: Installing chlorine injection systems at our aqueduct connections will provide the department with the ability to add supplemental chlorine at the aqueduct connection points. The SDCWA has been experiencing water quality issues during the summer months due to long transmission times from the R. A. Skinner Treatment Plant in Riverside. Using the chlorine injection systems will allow the department to treat the water coming into the distribution system at the connections, before it gets into the water distribution pipelines and storage reservoirs. This will reduce any free ammonia and nitrite coming from the aqueduct system, reducing the levels of nitrification in our distribution system and reducing the amount of treatment required to our storage reservoirs. The chlorination systems can also be used by the department during emergencies and add chlorine for emergency disinfection as needed.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$10,000	$8,000					$18,000
Total	$10,000	$8,000	$0	$0	$0	$0	**$18,000**

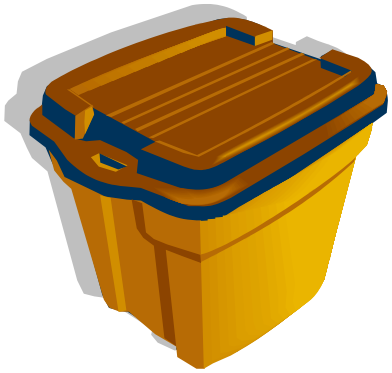
FY 13/14 Budget Reduction - ($18,000)

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
Conversion of Microscreen Building to Storage/Maintenance Building

Description: To utilize building for equipment storage and equipment maintenance.



Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2013100020 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: District staff has removed the metal components from the inside of the building, but there is a concrete structure that needs to be removed. This building would give MRF staff the needed space to properly store MRF's spare equipment. This building can be utilized for maintenance activities and to store MRF's utility cart and larger maintenance equipment such as air compressor, portable pumps to name a few.

Operations Impact: Better storage for improved efficiency.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$15,000					$15,000
Total	$0	$15,000	$0	$0	$0	$0	**$15,000**

FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
SCADA Monitoring for Buckshot Pressure Reducing Station

Description: To transmit Buckshot Pressure Reducing Station information into Water Operations Central for SCADA monitoring.

Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2013100023 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: Buckshot Pressure Reducing Station is the new pressure station that was installed to take the place of North Tank. We do not have a SCADA system at this site due to lack of power and concerns of vandalism damaging the equipment. The department has prepared a design that will place all of the equipment in a water resistant enclosure, underground in the valve vault, securing it from vandalism. The design includes a hydroelectric power generator that uses the flow of water through the station to generate and store power into batteries. This will provide sufficient power to operate the necessary SCADA equipment.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction	$2,000	$10,000					$12,000
Total	$2,000	$10,000	$0	$0	$0	$0	**$12,000**

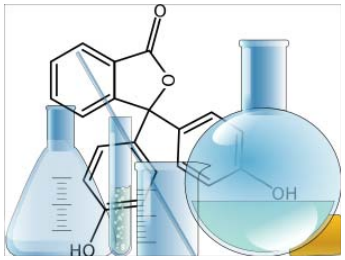
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
ELAP Certification for the Water Operations Laboratory

Description: To provide the Water Systems Operations department with state laboratory certification for bacteriological sampling.



Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2013100026 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: The Water Systems Operations department has been utilizing the Encina Wastewater Authority's state certified laboratory for its bacteriological and general physical water testing requirements. The EWA laboratory provides testing of water samples that meet regulations set by the USEPA and the California Department of Public Health. A cost analysis performed by staff demonstrated that the District will save approximately $11,000 dollars per year by utilizing its own laboratory for bacteriological testing. The department will also be able to perform general physical testing, adding an additional cost savings of over $9,000 per year. Overtime costs will also be reduced because operators will not be required to deliver samples on weekends to the Encina Wastewater Authority or CH2M Hill laboratory for emergency repairs. The estimated annual savings to the District is approximately $21,000 dollars, not including the savings from reduced overtime.

Operations Impact: Annual certification fee.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$8,000					$8,000
Total	$0	$8,000	$0	$0	$0	$0	**$8,000**

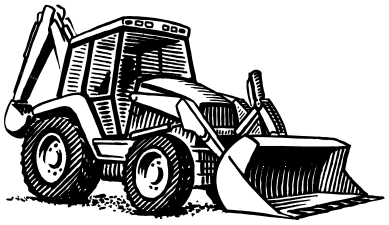
FY 13/14 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012							June-2014

Capital Improvement Program
Encina Wastewater Authority – Capital Projects Five Year Plan

Description: The District is a member agency of the Encina Wastewater Authority (EWA). The District shares in the cost of planned asset replacements and capital acquisitions.



Project Manager: Tom Scaglione **Department:** General Manager

Project: 2014100001 **Funding Source:** 64% Fund 210 – Sewer Replacement
36% Fund 220 – Sewer Capacity

Comments: These miscellaneous capital projects are budgeted each year.

Operations Impact: No significant increase in costs or changes in efficiencies are anticipated from this project..

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Thereafter	Total
Planning							$0
Design							$0
Construction		$1,684,000	$2,805,000	$2,825,000	$2,855,000	$3,280,000	$13,449,000
Total	$0	$1,684,000	$2,805,000	$2,825,000	$2,855,000	$3,280,000	**$13,449,000**

FY 13/14 Budget Request - $13,449,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009							June-2018

Capital Improvement Program
Northwest Lake San Marcos Sewer Replacement and Relining Project

Description: This project involves the replacement of approximately 7,500 feet of existing 8-inch VCP sewer pipeline with new 8-inch PVC pipe. In addition, approximately 1,250 feet of adjacent VCP pipeline will be lined to extend its useful life. This item is part of the VWD Strategic Plan – Strategic Focus Area 1.4

Project Manager: James Gumpel **Department:** Engineering

Project: 2014100002 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: The sewer pipeline in the northwest Lake San Marcos area is being compromised due to lime leaching into the pipe. This pipe was installed between 1964 and 1971 and is reaching the end of its useful life. While lime damage warrants replacement of most of the pipe in this area, some pipeline can be relined instead to extend its life.

Operations Impact: Annual and routine sewer pipeline maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning				$50,000			$50,000
Design				$20,000	$130,000		$150,000
Construction					$200,000	$1,100,000	$1,300,000
Total	$0	$0	$0	$70,000	$330,000	$1,100,000	**$1,500,000**

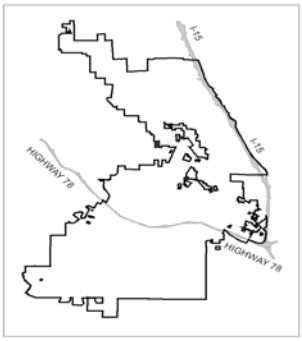
FY 13/14 Budget Request - $1,500,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	January-2016	April-2016	May-2016	March-2017	April-2017	March-2018	March-2018

Capital Improvement Program
Water and Sewer Master Plan

Description: Master Plans are typically updated every 5 years because project priorities shift and land use agencies approve zoning changes in the Districts' boundaries. Since the adoption of the 2008 Master Plan, VWD's per capita water and wastewater demands have declined due to drought and the recession, and the City of San Marcos has approved several developments with zoning changes. VWD has also inked contracts for the purchase of treated water from the Olivenhain Water District and desalinated water directly from Poseidon Resources – both of which will likely shift capital project priorities. These reasons will trigger the need for a master plan update. This item is part of the VWD Strategic Plan – Strategic Focus Areas 1.3 and 6.4



Project Manager: James Gumpel **Department:** Engineering

Project: 2014100003 **Funding Source:** 50% Fund 110 – Water Replacement
50% Fund 210 – Sewer Replacement

Comments: An Environmental Impact Report will be prepared in conjunction with the master plan update. This document will detail the impacts, at a programmatic level, that the master plan projects may create on the community and the environment. The District's water and wastewater models will also be updated during this master plan update, and a water supply planning section that will analyze expansion of recycled water use will be included.

Operations Impact: Will identify new projects that will likely require frequent maintenance activities by Operations.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning		$300,000	$450,000				$750,000
Design							$0
Construction							$0
Total	$0	$300,000	$450,000	$0	$0	$0	**$750,000**

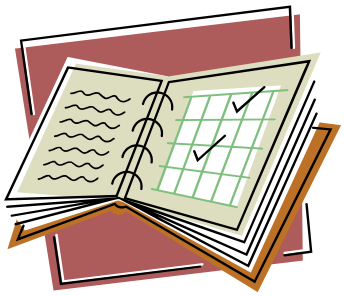
FY 13/14 Budget Request - $750,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2013	June-2015					June-2015

Capital Improvement Program
Asset Management Replacement Schedule

Description: Create a prioritized Asset/Infrastructure replacement schedule for the District Facilities. This item is part of the VWD Strategic Plan – Strategic Focus Area 1.2



Project Manager: James Gumpel **Department:** Engineering

Project: 2014100004 **Funding Source:** 50% Fund 110 – Water Replacement
50% Fund 210 – Sewer Replacement

Comments: The District's infrastructure is aging and proper planning requires an understanding of when, where, and how much replacing that infrastructure will cost. Proper preventative maintenance helps insure the District obtains the maximum beneficial life out of its infrastructure. The District has already taken steps towards this by implementing a computerized maintenance management system (CMMS) also known as Maximo to implement and track preventative, corrective, and emergency maintenance/repairs on all assets or infrastructure. This project will take the CMMS information and prioritize a replacement schedule as well as cost over the expected life of all assets/infrastructure.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning				$300,000	$300,000		$600,000
Design							$0
Construction							$0
Total	$0	$0	$0	$300,000	$300,000	$0	**$600,000**

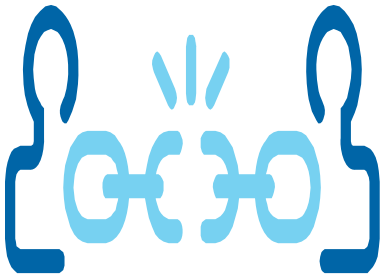
FY 13/14 Budget Request - $600,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2015	June-2017					July-2017

Capital Improvement Program
Desalinated Water Connection

Description: The District will receive 3,500 acre-feet of desalinated water per year from the Carlsbad Desalinated Water Facility when it comes on-line in 2016. This project includes the installation of approximately 250 feet of pipeline and a new 20-cfs metering facility at the VAL IX connection to bring desalinated water directly into the 920 Pressure Zone instead of through CWA's 2nd Aqueduct system. This item is part of the VWD Strategic Plan – Strategic Focus Area 6.1



Project Manager: James Gumpel **Department:** Engineering

Project: 2014100005 **Funding Source:** 100% Fund 120 – Water Capacity

Comments: VWD plans to utilize the existing VAL IX flow control facility for the desalinated water connection. A smaller 20-cfs metering facility will replace the existing 30-cfs metering facility in order to properly meter the anticipated flow rates. The budget also includes funds to study the water chemistry and compatibility with traditional CWA supplies.

Operations Impact: Management of a dedicated desalinated water source where VWD must take 3,500 acre-feet of water per year at a constant base-loaded rate.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning		$50,000					$50,000
Design		$20,000	$30,000				$50,000
Construction			$150,000	$150,000			$300,000
Total	$0	$70,000	$180,000	$150,000	$0	$0	**$400,000**

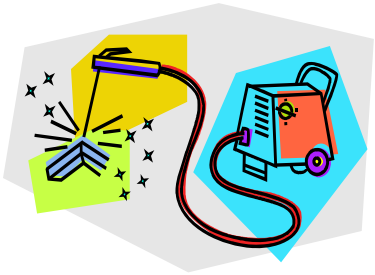
FY 13/14 Budget Request - $400,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2013	March-2014	March-2014	December-2014	January-2015	December-2015	January-2016

Capital Improvement Program
Twin Oaks Reservoir: On-site Generation of Sodium Hypochlorite

Description: Replace the existing gas chlorine injection system with on-site generation of sodium hypochlorite for water disinfection.



Project Manager: James Gumpel **Department:** Water Systems Operations

Project: 2014100006 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The Twin Oaks Reservoir Chlorination Facility uses 100% chlorine gas for water disinfection. Chlorine gas is an acute respiratory hazard. Its use requires the District to maintain expensive safety equipment and meet strict regulatory standards set by the US EPA and OSHA. Replacing the chlorine gas system with the on-site generation of sodium hypochlorite (0.8% bleach) will remove the acute hazard from the site. The District would no longer be required to maintain the safety equipment or the regulatory programs. It's assumed that all construction in support of new equipment can be performed by in house staff.

Operations Impact: Routine Maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning		$10,000					$10,000
Design		$50,000					$50,000
Construction			$100,000				$100,000
Total	$0	$60,000	$100,000	$0	$0	$0	**$160,000**

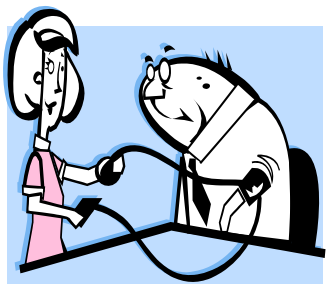
FY 13/14 Budget Request - $160,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2013	September-2013	October-2013	June-2014	July-2014	June-2015	June-2015

Capital Improvement Program
South Vista Pressure Reducing Station Upgrade

Description: Replace the existing South Vista Pressure Reducing Station with a larger vault and bring it up to current standards.



Project Manager: James Gumpel **Department:** Water Systems Operations

Project: 2014100007 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: South Vista Pressure Reducing Station is one of the oldest in the District. We do not have a SCADA system at this site due to lack of electrical power. The pressure station vault is extremely small with minimal working space. The station is one of the few remaining sites in the District without SCADA monitoring. The funds requested are for design and construction to replace the pressure reducing station with a new vault that meets all current standards, including electrical power and SCADA monitoring equipment.

Operations Impact: Routine Maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design		$25,000					$25,000
Construction			$125,000				$125,000
Total	$0	$25,000	$125,000	$0	$0	$0	**$150,000**

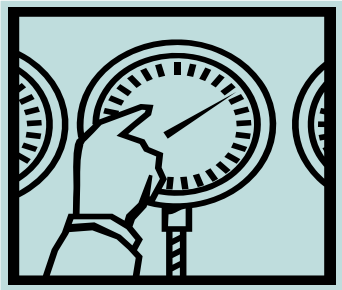
FY 13/14 Budget Request - $150,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013			July-2013	June-2014	July-2014	June-2015	June-2015

Capital Improvement Program
North Vista Pressure Reducing Station Upgrade

Description: Upgrade the existing North Vista Pressure Reducing Station with electrical power and bring it up to current standards.



Project Manager: James Gumpel **Department:** Water Systems Operations

Project: 2014100008 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: North Vista Pressure Reducing Station is one of the oldest in the District. VWD does not have a SCADA system at this site due to lack of electrical power. The station is one of the few remaining sites in the District without SCADA monitoring. The funds requested are for design and construction to upgrade the pressure reducing station to meet all current standards, including electrical power and SCADA monitoring equipment.

Operations Impact: Routine Maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design		$20,000					$20,000
Construction			$100,000				$100,000
Total	$0	$20,000	$100,000	$0	$0	$0	**$120,000**

FY 13/14 Budget Request - $120,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013			July-2013	June-2014	July-2014	June-2015	June-2015

Capital Improvement Program
Vallecitos VII B - Meter Upgrade

Description: Upgrade the existing "B" meter at Vallecitos VII to allow remote control by the San Diego County Water Authority. This item is part of the VWD Strategic Plan – Strategic Focus Area 6.1

Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2014100009 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: Vallecitos VII Flow Control Facility is owned and operated by the San Diego County Water Authority (SDCWA). There are two meters at this location, an "A" and a "B" meter. The "A" meter is the meter normally operated by SDCWA for Vallecitos during normal operations. The recent Water Purchase Agreement with the Olivenhain MWD will change the amount of water Vallecitos purchases from the Vallecitos VII connection. The reduced demand will require extensive use of the "B" meter which currently requires manual operation. The funds requested are to upgrade the "B" meter to meet all current SDCWA standards, including electrical power and SCADA control & monitoring equipment.

Operations Impact: Routine Maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$100,000					$100,000
Total	$0	$100,000	$0	$0	$0	$0	**$100,000**

FY 13/14 Budget Request - $100,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Sewer Flow Trending Meter Replacement

Description: Replace existing flow meters prior to end of useful service life.

Project Manager: Braden McCrory **Department:** Systems Collection Department

Project: 2014100010 **Funding Source:** 100% Fund 210 Sewer Replacement

Comments: Currently the District utilizes 15 meters for flow trending purposes and potential inflow issues.

Operations Impact: The existing meters are over 10 years of age and repair costs are nearing that of a new unit. Approxemately $11,000 was spent on repairs, that would have potentially covered the replacement of two (2) units. The units are nearing the end of their usuable life due to exposure to the harsh environment of the sewer collection system.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$18,000	$18,000	$18,000	$18,000	$18,000	$90,000
Total	$0	$18,000	$18,000	$18,000	$18,000	$18,000	**$90,000**

FY 13/14 Budget Request - $90,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013							June-2018

Capital Improvement Program
Primary Skimmer Controls (3)

Description: Replace the three primary basin skimmer controls.

Project Manager: Dawn McDougle **Department:** Meadowlark Reclamation Facility

Project: 2014100011 **Funding Source:** 100% Fund 220 – Sewer Replacement

Comments: The primary skimmer controls require continued maintenance to keep them operating either manually or remotely. Staff developed a new skimmer control that replaced the older secondary basin skimmers; these new skimmers work efficiently and require minimal maintenance. If the newly designed skimmers need maintenance, the maintenance can be performed without taking the basin off line; this saves staff time and minimizes the impact to Meadowlark's treatment process. The primary basin needs to be updated with the new skimmer controls.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$75,000					$75,000
Total	$0	$75,000	$0	$0	$0	$0	**$75,000**

FY 13/14 Budget Request - $75,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Palos Vista Pump Station

Description: Refurbish pumps and convert from packing sealed to mechanical sealed pumps. Upgrade of 4 each - 6" Pump control valves @ Palos Vista Pump Station

Project Manager: Robert Salazar **Department:** Mech/Elect

Project: 2014100012 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: Pumps are overdue for refurbishment to ensure peak operating efficiency. Pumps currently use rope packing to seal the shaft where it enters the discharge head. Packed pumps require constant adjustment of the packing gland to keep leakage to a minimum. This can't be done due to the SDG&E operating restrictions, as a result the packing leaks excessively and is causing severe corrosion of the pumps and surrounding equipment. A mechanical seal would remedy this and extend life of the pump. The velocity of water flowing through the existing valves is causing damage to the internal components of valve. An upgrade to a Model 60-73 will prevent this.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$24,500	$12,000	$12,000	$12,000		$60,500
Total	$0	$24,500	$12,000	$12,000	$12,000	$0	**$60,500**

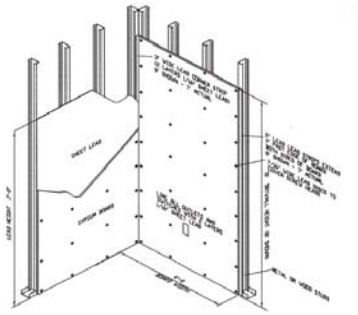
FY 13/14 Budget Request - $60,500

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2017	June-2017

Capital Improvement Program
Office Space Improvements (Operations & Administration)

Description: Various office space improvements to better make use of existing areas. This project also includes the removal of outdated SCADA equipment and replacement of existing steel SCADA wall with a conventional wall.



Project Managers: Ed Pedrazzi & Kevin McKelvey **Department:** Water Systems & Buildings

Project: 2014100013 **Funding Source:** 60% Fund 110 – Water Replacement
40% Fund 210 – Sewer Replacement

Comments:
Part 1: To accommodate staff and better utilize existing space, a series of improvements will be made to close-in open areas to be used as shared offices with moveable partition walls. Also, an existing large office will be subdivided with partition walls to house multiple employees into a single space while still providing privacy to work. ($45,000)

Part 2: The Central SCADA room was constructed with a steel wall that contains the old chart recorders that were once used to monitor tank levels, pressures, and flows. The recorders are obsolete, broken, and can no longer be repaired. The existing wall would have open holes in it if the chart recorders were removed. The electrical components can be removed by District staff prior to removal of the wall. A contractor can then remove the steel wall and build a conventional wall in its place. ($5,000)

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$50,000					$50,000
Total	$0	$50,000	$0	$0	$0	$0	**$50,000**

FY 13/14 Budget Request - $50,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
District Asphalt Seal

Description: VWD Yard, crack seal, and sealcoat ~ 296,000 sq' of asphalt and restripe the yard after the sealing is completed.

Project Manager: Kerek Howe **Department:** Construction

Project: 2014100014 **Funding Source:** 60% Fund 110 – Water Replacement
40% Fund 210 – Sewer Replacement

Comments: The yard was last sealed about 8 or 9 years ago. The asphalt in the yard is showing signs of wear and needs to be resealed to help extend the life of the asphalt. Resealing the asphalt on the site helps preserve the asphalt and makes it last longer. The yard will need to be restriped when the seal coat is completed and is figured into this budget amount.

Operations Impact: Routine Maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$48,000					$48,000
Total	$0	$48,000	$0	$0	$0	$0	**$48,000**

FY 13/14 Budget Request - $48,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Lift Station #1 Grinder

Description: Purchase of a spare new channel grinder for LS-1.

Project Manager: Robert Salazar **Department:** Mechanical/Electrical

Project: 2014100015 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Having a spare channel grinder will prevent the reduction of flow to MRF caused when one of the grinders is removed and sent out for refurbishment every year. The lead time for the refurbishment is 30 to 60 days, at a cost of approximately $18,000. Also, when the pump upgrade is completed at this station, the expected higher flow to MRF will be affected when a grinder is out of commission.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$46,000					$46,000
Total	$0	$46,000	$0	$0	$0	$0	**$46,000**

FY 13/14 Budget Request - $46,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Electrical Feeder & Emergency Power Upgrade

Description: Administration Facility Building 'C'- Replacement of electrical feeder circuit from main electrical room to building 'C' sub-panel and emergency power upgrade.

Project Manager: Robert Salazar **Department:** Mech/Elect

Project: 2014100016 **Funding Source:** 50% Fund 110 – Water Replacement
50% Fund 210 – Sewer Replacement

Comments: On December 2012, circuit breaker feeding normal power to building 'C' tripped. Fault was caused by moisture contacting exposed copper on a damaged wire located in an underground pull-box. Damaged insulation on wire was repaired. Though insulation resistance reads taken at that time are well within acceptable requirements, industry standards recommend replacement of wiring to prevent future power issues on this circuit. During the county wide power outage in 2011, the need for additional power and lighting circuits fed from VWD's emergency standby generator was recognized. Installing additional lighting and power circuits fed from emergency power will allow Customer Service, IT, and Operations departments to perform expected duties during extended power outages.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$45,000					$45,000
Total	$0	$45,000	$0	$0	$0	$0	**$45,000**

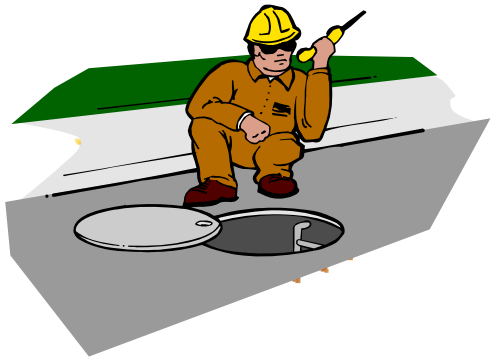
FY 13/14 Budget Request - $45,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Meadowlark Manhole Recoating

Description: Recoat solids line manholes.



Project Manager: Dawn McDougle
Department: Meadowlark Reclamation Facility

Project: 2014100017 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: The coating in the solids line manholes are failing. In one of the manholes there is degradation to the point that if not recoated, the surrounding dirt may start showing through.

Operations Impact: During the coating process, there will have to be pumping bypasses to keep Meadowlark in operation. The budget request includes pump around expenses.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$42,500					$42,500
Total	$0	$42,500	$0	$0	$0	$0	**$42,500**

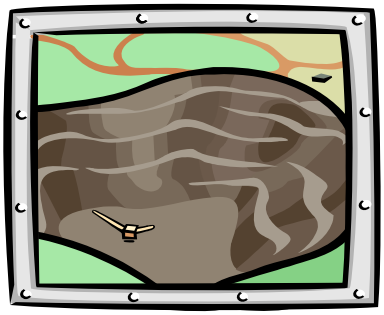
FY 13/14 Budget Request - $42,500

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013							June-2014

Capital Improvement Program
Vactron Pit – District Yard

Description: The intent of this project is to install a concrete pit for the District Vactron vehicles to dump sewer discharge into until the discharge is permanently removed.



Project Manager: James Gumpel **Department:** Engineering

Project: 2014100018 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: District sewer maintenance staff currently dumps into a small dirt pit in the District yard.

Operations Impact: Will provide better access for sewer discharge dumping and more temporary storage capacity.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design		$5,000					$5,000
Construction		$30,000					$30,000
Total	$0	$35,000	$0	$0	$0	$0	**$35,000**

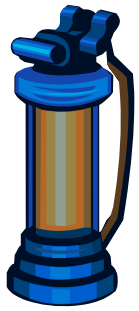
FY 13/14 Budget Request - $35,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
March-2013			July-2013	August-2013	September-2013	October-2013	October-2013

Capital Improvement Program
MRF-Roughing Filter Pumps

Description: Inspection and rebuild of Roughing Filter Pumps.



Project Manager: Robert Salazar **Department:** Mech/Elect

Project: 2014100019 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Three pumps operate constantly on an alternating basis, and are located in a harsh and corrosive environment. Manufacturer recommends inspection of pumps every 5 years to ensure peak efficiency and prevent unexpected failures. A complete removal and disassembly is required in order to perform inspection.

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$9,500	$9,500	$9,500			$28,500
Total	$0	$9,500	$9,500	$9,500	$0	$0	**$28,500**

FY 13/14 Budget Request - $28,500

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2016	June-2016

Capital Improvement Program
Chlorine Cylinder Automatic Shutoff Actuators

Description: The chlorine cylinder automatic shutoff actuators will automatically shut off the chlorine cylinder valves during a gas leak.

Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2014100020 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The chlorine gas used by the District for water disinfection is an acute hazard. Nearly 100% of all chlorine gas leaks involve the failure of equipment downstream of the cylinder valves. The District's HazMat Team responds to all leaks and the first priority of the entry team is to shut off the chlorine cylinders to prevent additional release of the hazardous gas. The chlorine cylinder automatic shutoff actuators will automatically shut off the chlorine cylinder valves once a gas leak has been detected by the leak detection system. This will prevent any additional release of chlorine gas while the HazMat Team responds and allows the team to enter the chlorine cylinder storage room at a lower level of danger.

Operations Impact: Routine Maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$25,000					$25,000
Total	$0	$25,000	$0	$0	$0	$0	**$25,000**

FY 13/14 Budget Request - $25,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Coggan Pump Station Flow Meter

Description: Replacement of flow meter

Project Manager: Robert Salazar **Department:** Mech/Elect

Project: 2014100021 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: Existing flow meter is obsolete and unreliable. Manufacturer's technician recently repaired unit with used parts that happened to be available in their shop. Parts are no longer available.]

Operations Impact: Normal maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$25,000					$25,000
Total	$0	$25,000	$0	$0	$0	$0	**$25,000**

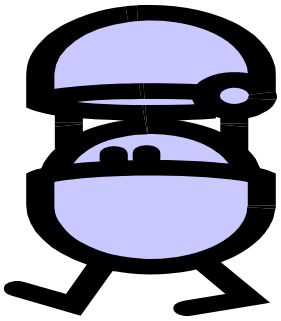
FY 13/14 Budget Request - $25,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
1208 Valve Cans and Lids Upgrade

Description: Upgrade existing 1208 valve cans and lids to 1208n's in high traffic areas.



Project Manager: Kerek Howe **Department:** Construction

Project: 2014100022 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The valve crew has discovered that in certain areas of high traffic speed roads that the 1208 valve can lids are popping out of the can. The new 1208n cans and lids are much heavier and do not pop out when hit by cars or trucks at higher speeds. Currently we will

Operations Impact: Routine Maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$7,500	$5,000	$5,000			$17,500
Total	$0	$7,500	$5,000	$5,000	$0	$0	**$17,500**

FY 13/14 Budget Request - $17,500

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2016	June-2016

Capital Improvement Program
Vault Access Hatch Covers Upgrade

Description: MRF-Upgrade existing steel vault covers to hinged, lift assist doors.

Project Manager: Robert Salazar **Department:** Mech/Elect

Project: 2014100023 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Existing electrical vaults by Solids Station require routine access during rain events and electrical installs/maintenance by MRF and Mechanical/Electrical staff. The existing steel covers are so heavy that it requires two people to remove them. In order to prevent injury to staff and damage to electrical cables inside these vaults by an access cover being dropped, this upgrade is highly recommended.

Operations Impact: Routine maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$17,000					$17,000
Total	$0	$17,000	$0	$0	$0	$0	**$17,000**

FY 13/14 Budget Request - $17,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013							June-2014

Capital Improvement Program
Richland 2 Tank Seismic Sensor System

Description: Retrofit Richland 2 Tank with a Seismic Sensor System.

Project Manager: Ed Pedrazzi **Department:** Water Systems Operations

Project: 2014100024 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The District has adopted seismic activated valves as part of its specification for new tank installations. Richland 2 Tank is a 7 million gallon reservoir and represents critical water storage for our downtown areas in the 920 and 855 pressure zones. The seismic sensor system would close the existing altitude control valve in the case of a major seismic event, maintaining our water in storage until the extent of damage to critical mains and the distribution system has been accessed. This will allow for any necessary repairs to be made without losing the water in storage. This storage will be critical if the District becomes isolated from the SDCWA aqueducts. This is part of a seven year plan to bring our existing steel reservoirs into compliance with the new standards.

Operations Impact: Routine minatenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$10,000					$10,000
Total	$0	$10,000	$0	$0	$0	$0	**$10,000**

FY 13/14 Budget Request - $10,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

Capital Improvement Program
Concrete Work at Building A

Description: Install Concrete Pathway

Project Manager: Kevin McKelvey **Department: Warehouse**

Project: 2014100025 **Funding Source:** 60% Fund 110 – Water Replacement
40% Fund 210 – Sewer Replacement

Comments: Due to the increase in materials being delivered and removed from Building A, there is a need for a stable pathway for the forklift and vehicles. This will also assist with recycling and trash disposal.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$8,000					$8,000
Total	$0	$8,000	$0	$0	$0	$0	**$8,000**

FY 13/14 Budget Request - $8,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013							June-2014

Capital Improvement Program
B.O. Gate Valve Upgrades

Description: Upgrade 20 existing 2" B.O. gate valves to 2" ball valves and drop in lids to 1243 cans

Project Manager: Kerek Howe **Department:** Construction

Project: 2014100026 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The ball valves are a newer style and do not break like the old 2" gate valves often do. The Blow offs will be upgraded in conjunction with the flushing program as needed.

Operations Impact: Routine Maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Planning							$0
Design							$0
Construction		$7,000					$7,000
Total	$0	$7,000	$0	$0	$0	$0	**$7,000**

FY 13/14 Budget Request - $7,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2013	June-2014	June-2014

VALLECITOS WATER DISTRICT

2013-14 CAPITAL BUDGET - VEHICLES & EQUIPMENT SCHEDULE

VEHICLES/MOBILE EQUIPMENT

Existing Vehicle #	Description	Project #	New or Replacement	*Funding Source:* Water	Sewer	Total Cost
	Warehouse:					
077	CAT Forklift	2014100027	Replacement	30,000	20,000	50,000
	Construction:					
	Trailer mounted portable toilet with hand washing station	2014100028	New	4,200	2,800	7,000
182	Pacific Tech PV-800-dho Vactron	2014100029	Replacement	42,000	28,000	70,000
	Water Operations:					
157	Ford F150	2014100030	Replacement	28,000		28,000
	Source Control:					
	Ford F150 XL 4x2 S/C L/B 5.0L V8 6 speed	2014100031	New		34,000	34,000
	Collections:					
204	Ford F150 4x4 duty truck	2014100032	Replacement		34,000	34,000
TOTAL VEHICLES						*$ 223,000*

FACILITIES AND EQUIPMENT

Requesting Dept.	Description	Project #	Replacement or New	*Funding Source:* Water	Sewer	Total Cost
	General & Administrative:					
	Office furniture	2014100033	New	$ 21,000	$ 14,000	$ 35,000
	Construction:					
	2" Rock screen sifter box	2014100034	New	12,600	8,400	21,000
	Collections:					
	Additional by-pass pumping equipment	2014100035	New		11,000	11,000
	Information Technology:					
	Mobile Maximo	2014100036	New	60,000	40,000	100,000
	Logging software (20 users)	2014100037	New	12,000	8,000	20,000
TOTAL FACILITIES AND EQUIPMENT						*$ 187,000*

VEHICLES & EQUIPMENT TOTAL	**$ 410,000**

DEBT SERVICE BUDGET FOR THE YEAR ENDING JUNE 30, 2014

	Water		Wastewater		
	Replacement	Capacity	Replacement	Capacity	Total
2005 Cetificates of Participation - Converted to Fixed Rate in 2007					
Outstanding principal as of July 1, 2013[(1)]	$ -	$ 28,231,400	$ -	$ 27,178,600	$ 55,410,000
June 26, 2013 Principal Transfer to Trustee	-	(833,060)	-	(801,940)	(1,635,000)
Outstanding principal as of July 1, 2014	$ -	$ 27,398,340	$ -	$ 26,376,660	$ 53,775,000
2008 Private Placement [(2)]					
Outstanding principal as of July 1, 2013	$ -	$ -	$ -	$ 6,200,000	$ 6,200,000
2013/14 Principal Payments	-	-	-	(400,000)	(400,000)
Outstanding principal as of June 30, 2014	$ -	$ -	$ -	$ 5,800,000	$ 5,800,000
2012 Debt [(3)]					
Outstanding principal as of July 1, 2013	$ -	$ -	$ -	$ 7,100,000	$ 7,100,000
2013/14 Principal Payments	-	-	-	(645,000)	(645,000)
Outstanding principal as of June 30, 2014	$ -	$ -	$ -	$ 6,455,000	$ 6,455,000
2012/13 Debt Service Budget					
2005 COP principal	$ -	$ 833,060	$ -	$ 801,940	$ 1,635,000
2005 COP interest	-	1,410,860	-	1,358,140	2,769,000
2008 Private Placement - principal	-	-	-	400,000	400,000
2008 Private Placement - interest	-	-	-	101,000	101,000
2012 Debt - principal	-	-	-	645,000	645,000
2012 Debt - interest	-	-	-	134,000	134,000
Total 2012/13 Debt Service Budget	$ -	$ 2,243,920	$ -	$ 3,440,080	$ 5,684,000

Projected Debt Service Coverage Ratio [(4)]	364%
Excluding Capital Facility Fees	203%
Excluding Capital Facility Fees and Property Tax	175%
Days of Operating Expenses in Unrestricted Cash and Investments	300

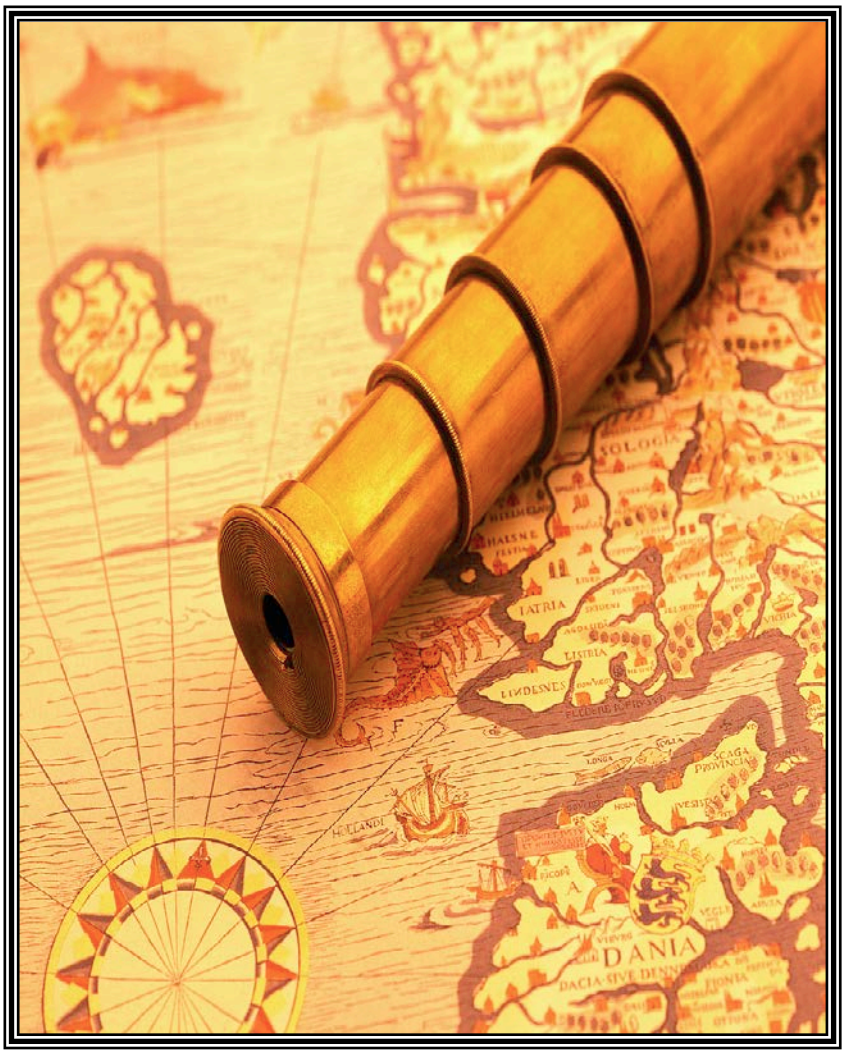
[(1)] The 12/13 principal payment on the existing certificates of participation (COPs) is due to bondholders on July 1, 2013. The District is obligated to transfer the payment before June 30, 2013, to a restricted account maintained by the Trustee, and, therefore, was deducted from the projected July 1, 2013 balance presented in the Reserve Budget.

[(2)] The District and Union Bank of California executed an $8 million tax-exempt private placement with variable rate interest tied to the LIBOR. The District has the option of changing the LIBOR term. The current term is six months. The current rate is 1.43%. The proceeds partially restored a deficit balance in the restricted wastewater capacity fund from cash funding construction of the Encina Wastewater Authority Phase V expansion.

[(3)] The District issued bonds on December 21, 2012, to fund the increased capacity portions of San Marcos Interceptor and Linda Vista Sewer projects. The bonds have a 1.98% interest rate over the 10-year term.

[(4)] Per the 2005 Certificate of Participation official statement, the District is required to maintain a debt service coverage ratio of 1.15. Debt service coverage ratios are presented above inclusive and exclusive of capital facilities fees to demonstrate the District's ability to cover debt service above the required minimum. Capital facility fees are included in the official statement's definition of "Net Revenues".

2013-2014 LONG-RANGE PLANNING



RESERVE BUDGET FOR THE YEAR ENDING JUNE 30, 2014

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2013 Balance	$ 14,180,000	$ (3,540,000)	$ 21,360,000	$ 930,000	$ 32,930,000
Revenues and Transfers In					
Operating Transfers	4,461,000	-	5,344,000	-	9,805,000
Debt Proceeds	-	-	-	4,510,000	4,510,000
Capital Facility and Impact Fees	-	2,699,000	-	6,426,000	9,125,000
Property Tax	882,000	-	703,000	-	1,585,000
Investment Earnings	78,000	(20,000)	99,000	5,000	162,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	19,675,000	(861,000)	27,580,000	11,871,000	58,265,000
Less 13/14 Appropriations and Transfers Out					
San Marcos Interceptor - Sewer	-	-	2,077,000	4,623,000	6,700,000
Linda Vista Sewer East	-	-	949,500	1,160,500	2,110,000
Encina Wastewater Auth 5Yr Cap Plan	-	-	1,684,000	-	1,684,000
San Elijo Hills Pump Station	-	983,000	-	-	983,000
MRF Solids Force Main Replacement	-	-	785,000	-	785,000
Annual Steel Tank Refurbishment	638,000	-	-	-	638,000
Rock Springs Sewer Replacement	-	-	575,000	-	575,000
Encina Wastewater Authority - FY 12/13 & Previ	-	-	524,000	-	524,000
Annual Sewer Replacement and I & I Repairs	-	-	480,000	-	480,000
Lift Station 1 Pump Improvements	-	-	111,400	352,600	464,000
Vulnerability Assessment Improvements	-	276,600	-	184,400	461,000
Encina Land Parallel Outfall	-	-	-	310,000	310,000
Water and Sewer Master Plan	-	150,000	-	150,000	300,000
South Lake Dam Sluice Gate	267,000	-	-	-	267,000
Vehicles	104,200	-	118,800	-	223,000
Equipment	105,600	-	81,400	-	187,000
Tertiary Filter Media	-	-	183,800	-	183,800
Trioxyn Injection Station	-	-	-	179,000	179,000
Land Outfall Clearing & Access Road	-	-	130,000	-	130,000
District-wide Valve Replacement Program	120,000	-	-	-	120,000
Questhaven Basin Water and Sewer Facilities	-	58,400	-	58,300	116,700
City of San Marcos Joint Projects	61,000	-	39,000	-	100,000
Vallecitos VII B - Metere Upgrade	100,000	-	-	-	100,000
HVAC Improvements	36,500	-	36,500	-	73,000
Desalinated Water Connection	-	70,000	-	-	70,000
Sewer Flow Trending Meter Replacement	-	-	18,000	-	18,000
Miscellaneous Projects	314,100	21,000	526,400	178,000	1,039,500
Fund OPEB Trust	25,700	-	18,300	-	44,000
Debt Service - 2012 Debt	-	-	-	779,200	779,200
Debt Service - 2008 Loan	-	-	-	500,200	500,200
Debt Service - 2005 COPs	-	2,243,800	-	2,160,200	4,404,000
Less Total Appropriations/Transfers	1,772,100	3,802,800	8,338,100	10,635,400	24,548,400
Projected June 30, 2014 Balance	17,902,900	(4,663,800)	19,241,900	1,235,600	***$ 33,716,600***
Less Operating Reserves	(4,969,500)	-	(5,583,000)	-	(10,552,500)
Projected reserve/restricted funds	$ 12,933,400	$ (4,663,800)	$ 13,658,900	$ 1,235,600	$ 23,164,100
Adopted replacement reserve floor	$ 4,471,300		$ 3,408,700		
Adopted replacement reserve ceiling	$ 18,903,900		$ 14,045,800		

See significant assumptions on page 114.

RESERVE PROJECTION FOR THE YEAR ENDING JUNE 30, 2015

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2014 Balance	$ 17,902,900	$ (4,663,800)	$ 19,241,900	$ 1,235,600	$ 33,716,600
Revenues and Transfers In					
Operating Transfers	4,990,000	-	5,906,000	-	10,896,000
Capital Facility Fees	-	2,421,000	-	4,661,000	7,082,000
Property Tax	895,000	-	714,000	-	1,609,000
Investment Earnings	101,000	(25,000)	100,000	8,000	184,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	23,962,900	(2,267,800)	26,035,900	5,904,600	53,635,600
Less 14/15 Appropriations and Transfers Out					
Encina Wastewater Auth 5Yr Cap Plan	-	-	2,805,000	-	2,805,000
High Point Pipeline	-	700,000	-	-	700,000
MRF Solids Force Main Replacement	-	-	600,000	-	600,000
Rock Springs Sewer Replacement	-	-	550,000	-	550,000
Water and Sewer Master Plan	-	225,000	-	225,000	450,000
Richland Invert Replacement	-	-	121,500	148,500	270,000
Trioxyn Injection Station	-	-	-	220,000	220,000
Desalinated Water Connection	-	180,000	-	-	180,000
South Vista Pressure Reducing Station Upgrade	125,000	-	-	-	125,000
Questhaven Basin Water and Sewer Facilities	-	58,400	-	58,300	116,700
San Marcos interceptor sewer	-	-	31,000	69,000	100,000
Encina Land Parallel Outfall	-	-	-	100,000	100,000
Twin Oaks Reservoir On Site Generation of Sodi	100,000	-	-	-	100,000
North Vista Pressure Reducing Station Upgrade	100,000	-	-	-	100,000
Flow Monitoring Stations	-	-	-	61,400	61,400
City of San Marcos Joint Projects	35,400	-	22,600	-	58,000
Environmental Mitigation Property	-	5,000	-	45,000	50,000
MRF Headworks Building Hoist System	-	-	45,000	-	45,000
Linda Vista Sewer East	-	-	(49,500)	(60,500)	(110,000)
Lift Station 1 Pump Improvements	-	-	(81,100)	(256,900)	(338,000)
Miscellaneous Projects	17,000	-	70,000	-	87,000
Fund OPEB Trust	5,800	-	4,200	-	10,000
Debt Service - 2012 Debt	-	-	-	781,300	781,300
Debt Service - 2008 Loan	-	-	-	499,300	499,300
Debt Service - 2005 COPs	-	2,251,000	-	2,167,000	4,418,000
Less Total Appropriations/Transfers	383,200	3,419,400	4,118,700	4,057,400	11,978,700
Projected June 30, 2015 Balance	23,579,700	(5,687,200)	21,917,200	1,847,200	***$ 41,656,900***
Operating Reserves	(5,227,400)	-	(5,747,700)	-	(10,975,100)
Projected reserve/restricted funds	$ 18,352,300	$ (5,687,200)	$ 16,169,500	$ 1,847,200	$ 30,681,800
Adopted replacement reserve floor	$ 4,576,600		$ 3,500,800		
Adopted replacement reserve ceiling	$ 20,352,400		$ 16,470,500		

Debt service coverage	*347%*
Debt service coverage without cap fees	*223%*
Debt service coverage without cap fees or property tax	*194%*
Days of Operating Expenses in Unrestricted Cash and Investments	*353*

See significant assumptions on page 114.

RESERVE PROJECTION FOR THE YEAR ENDING JUNE 30, 2016

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2015 Balance	$ 23,579,700	$ (5,687,200)	$ 21,917,200	$ 1,847,200	$ 41,656,900
Revenues and Transfers In					
Operating Transfers	3,962,000	-	6,148,000	-	10,110,000
Capital Facility Fees	-	1,772,000	-	3,567,000	5,339,000
Property Tax	908,000	-	725,000	-	1,633,000
Investment Earnings	126,000	(29,000)	116,000	8,000	221,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	28,649,700	(3,944,200)	28,980,200	5,422,200	59,107,900
Less 15/16 Appropriations and Transfers Out					
Encina Wastewater Auth 5Yr Cap Plan	-	-	2,825,000	-	2,825,000
O&M Improvements to Central Building	174,900	-	174,800	-	349,700
Wulff Pressure Reducing Station	340,000	-	-	-	340,000
Richland Invert Replacement	-	-	150,800	184,200	335,000
Asset Management Replacement Schedule	150,000	-	150,000	-	300,000
Desalinated Water Connection	-	150,000	-	-	150,000
Encina Land Parallel Outfall	-	-	-	100,000	100,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Northwest Lake San Marcos Sewer Replacement	-	-	70,000	-	70,000
San Marcos interceptor sewer	-	-	15,500	34,500	50,000
Sewer Flow Trending Meter Replacement	-	-	18,000	-	18,000
MRF Tertiary Filter Valve Actuator Controls	-	-	13,000	-	13,000
Palos Vista Pump Station Refurbish & Upgrade	12,000	-	-	-	12,000
MRF Roughing Filter Pumps	-	-	9,500	-	9,500
1208 Valve Cans and Lids Upgrade	5,000	-	-	-	5,000
Debt Service - 2011 debt	-	-	-	781,100	781,100
Debt Service - 2008 Loan	-	-	-	498,000	498,000
Debt Service - 2005 COPs	-	2,251,500	-	2,167,500	4,419,000
Less Total Appropriations/Transfers	681,900	2,411,500	3,426,600	3,855,300	10,375,300
Projected June 30, 2016 Balance	27,967,800	(6,355,700)	25,553,600	1,566,900	***$ 48,732,600***
Operating Reserves	(5,565,700)	-	(6,051,000)	-	(11,616,700)
Rate Stabilization	(583,900)	-	(608,300)	-	(1,192,200)
Projected reserve/restricted funds	$ 21,818,200	$ (6,355,700)	$ 18,894,300	$ 1,566,900	$ 35,923,700
Adopted replacement reserve floor	$ 5,018,600		$ 3,669,000		
Adopted replacement reserve ceiling	$ 21,818,200		$ 18,895,300		

Debt service coverage	*304%*
Debt service coverage without cap fees	*210%*
Debt service coverage without cap fees or property tax	*181%*
Days of Operating Expenses in Unrestricted Cash and Investments	*375*

See significant assumptions on page 114.

RESERVE PROJECTION FOR THE YEARS ENDING JUNE 30, 2017

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2016 Balance	$ 27,967,800	$ (6,355,700)	$ 25,553,600	$ 1,566,900	$ 48,732,600
Revenues and Transfers In					
Operating Transfers	1,043,000	-	6,334,000	-	7,377,000
Capital Facility Fees	-	1,090,000	-	2,151,000	3,241,000
Property Tax	922,000	-	736,000	-	1,658,000
Investment Earnings	143,000	(34,000)	132,000	(2,000)	239,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	30,149,800	(5,299,700)	32,829,600	3,715,900	61,395,600
Less 16/17 Appropriations and Transfers Out					
San Marcos interceptor sewer	-	-	1,085,000	2,415,000	3,500,000
Encina Wastewater Auth 5Yr Cap Plan	-	-	2,855,000	-	2,855,000
Northwest Lake San Marcos Sewer Replacement	-	-	330,000	-	330,000
Asset Management Replacement Schedule	150,000	-	150,000	-	300,000
Encina Land Parallel Outfall	-	-	-	100,000	100,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Montiel Lift Station Replacement	-	-	35,000	35,000	70,000
Sewer Flow Trending Meter Replacement	-	-	18,000	-	18,000
MRF Tertiary Filter Valve Actuator Controls	-	-	14,000	-	14,000
Palos Vista Pump Station Refurbish & Upgrade	12,000	-	-	-	12,000
Wulff Pressure Reducing Station	(650,000)	-	-	-	(650,000)
Debt Service - 2011 Debt	-	-	-	782,600	782,600
Debt Service - 2008 Loan	-	-	-	496,100	496,100
Debt Service - 2005 COPs	-	2,251,500	-	2,167,500	4,419,000
Less Total Appropriations/Transfers	(488,000)	2,261,500	4,487,000	6,086,200	12,346,700
Projected June 30, 2017 Balance	30,637,800	(7,561,200)	28,342,600	(2,370,300)	***$ 49,048,900***
Operating Reserves	(5,913,400)	-	(6,505,200)	-	(12,418,600)
Rate Stabilization	(1,434,600)	-	(454,300)	-	(1,888,900)
Projected reserve/restricted funds	$ 23,289,800	$ (7,561,200)	$ 21,383,100	$ (2,370,300)	$ 34,741,400
Adopted replacement reserve floor	$ 5,517,800		$ 3,888,900		
Adopted replacement reserve ceiling	$ 23,289,800		$ 21,384,100		

Debt service coverage	*220%*
Debt service coverage without cap fees	*163%*
Debt service coverage without cap fees or property tax	*134%*
Days of Operating Expenses in Unrestricted Cash and Investments	*337*

See significant assumptions on page 114.

RESERVE PROJECTION FOR THE YEAR ENDING JUNE 30, 2018

	110 Water	120	210 Wastewater	220	
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2017 Balance	$ 30,637,800	$ (7,561,200)	$ 28,342,600	$ (2,370,300)	$ 49,048,900
Revenues and Transfers In					
Operating Transfers	(843,000)	-	7,097,000	-	6,254,000
Capital Facility Fees	-	1,117,000	-	2,205,000	3,322,000
Property Tax	936,000	-	747,000	-	1,683,000
Investment Earnings	150,000	(41,000)	147,000	(16,000)	240,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	30,954,800	(6,485,200)	36,407,600	(181,300)	60,695,900
Less 17/18 Appropriations and Transfers Out					
Encina Wastewater Auth 5Yr Cap Plan	-	-	2,862,000	-	2,862,000
Northwest Lake San Marcos Sewer Replacement	-	-	1,100,000	-	1,100,000
Mountain Belle Pump Station & Pipeline Design	-	580,000	-	-	580,000
Old Questhaven Sewer Replacement	-	-	388,100	115,900	504,000
Montiel Lift Station Replacement	-	-	175,000	175,000	350,000
Encina Land Parallel Outfall	-	-	-	100,000	100,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Coronado Hills Tank #2	-	50,000	-	-	50,000
Sewer Flow Trending Meter Replacement	-	-	18,000	-	18,000
Debt Service - 2011 Debt	-	-	-	782,800	782,800
Debt Service - 2008 Loan	-	-	-	493,600	493,600
Debt Service - 2005 COPs	-	2,238,700	-	2,155,300	4,394,000
Less Total Appropriations/Transfers	-	2,878,700	4,543,100	3,912,600	11,334,400
Projected June 30, 2018 Balance	30,954,800	(9,363,900)	31,864,500	(4,093,900)	***$ 49,361,500***
Operating Reserves	(6,248,200)	-	(6,804,500)	-	(13,052,700)
Rate Stabilization	-	-	(1,102,500)	-	(1,102,500)
Projected reserve/restricted funds	$ 24,706,600	$ (9,363,900)	$ 23,957,500	$ (4,093,900)	$ 35,206,300
Adopted replacement reserve floor	$ 6,018,000		$ 4,075,100		
Adopted replacement reserve ceiling	$ 24,780,900		$ 23,958,500		

Debt service coverage	*203%*
Debt service coverage without cap fees	*144%*
Debt service coverage without cap fees or property tax	*115%*
Days of Operating Expenses in Unrestricted Cash and Investments	*314*

See significant assumptions on page 114.

LONG RANGE RESERVE PROJECTION

	2018/19	2019/20	2020/21	2021/22	2022/23
Projected Beginning Balance	$ 49,362,000	$ 46,476,000	$ 43,852,000	$ 41,498,000	$ 39,420,000
Operating transfers	6,410,000	6,570,000	6,734,000	6,902,000	7,075,000
Capital facility fees	3,405,000	3,490,000	3,577,000	3,666,000	3,758,000
Property tax	1,708,000	1,734,000	1,760,000	1,786,000	1,813,000
Investment earnings	234,000	220,000	208,000	197,000	188,000
Capital outlay	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Debt service	(5,643,000)	(5,638,000)	(5,633,000)	(5,629,000)	(5,622,000)
Projected Ending Balance	$ 46,476,000	$ 43,852,000	$ 41,498,000	$ 39,420,000	$ 37,632,000
Operating reserves	(13,379,000)	(13,713,000)	(14,056,000)	(14,407,000)	(14,767,000)
Projected reserve/restricted funds	$ 33,097,000	$ 30,139,000	$ 27,442,000	$ 25,013,000	$ 22,865,000
Adopted replacement reserve floor	$ 10,360,000	$ 10,995,000	$ 12,210,000	$ 15,148,000	$ 17,627,000
Adopted replacement reserve ceiling	$ 52,720,000	$ 56,703,000	$ 60,966,000	$ 66,077,000	$ 71,279,000

Significant Assumptions

Operating Transfers are the result of operating activity transferred from the disbursements fund during the year. Fiscal Year (FY) 13/14 includes anticipated rate increases to be adopted in September of 2013 of 17¢ (5.1%) to water commodity Tier 1 rate per unit, monthly ready-to-serve (RTS) 5/8" meter of $2.49 (9.9%), and monthly sewer for a single family resident will not increase. Assumptions include rate increases in years 14/15, 15/16, 16/17 and 17/18 as follows:

	2014/15	2015/16	2016/17	2017/18
Water commodity Tier 1 per unit (wholesale & retail)	17¢ (4.9%)	17¢ (4.7%)	17¢ (4.5%)	17¢ (4.3%)
Monthly ready-to-serve 5/8" meter charge	$2.50 (9.1%)	$2.50 (8.3%)	$2.18 (6.7%)	$1.72 (5.6%)
Monthly sewer service charge	3.9%	4.8%	5.6%	6.4%

Over the next five years, cost of wholesale water commodity will increase by 79% and wholesale fixed charges will increase 46%. Power, fuel, and chemical costs will increase by 3% while most other operating costs will increase by 2.5% from year-to-year. The District will add 204 water accounts in 2013/14, 192 in 2014/15, and 180 in 2015/16 and every year thereafter. The District will add 204 sewer accounts in 2013/14, 192 in 2014/15, and 180 in 2015/16 and every year thereafter.

Interfund Loan Transfers cover deficits in the Capacity funds from the Replacement funds.

Debt Proceeds are from certificates of participation bonds issued to fund the increased capacity portions of San Marcos Interceptor, Encina Parallel Land Outfall, Rock Springs Sewer Replacement and Linda Vista Sewer projects.

Capital Facility and Impact Fees – The District will collect capacity charges for 400 water EDUs in 2013/14 and 350 in 2014/15 and 250 in 2015/16 and 150 in 2016/17 and 150 in 2017/18. The District will collect capacity charges for 550 sewer EDUs in 2013/14, 400 in 2014/15, 300 in 2015/16, 200 in 2016/17 and 200 in 2017/18. The rate per EDU will increase by 3% each year. The District will collect impact fees for 438 EDUs in 2013/14, 263 in 2014/15, 175 in 2015/16.

Property Tax revenue from the 1% allocation will increase by 1.5% each year.

Investment Earnings are assumed at 0.5%.

Vallecitos Water District
Replacement Reserve Limits - Water System
For the 2013/14 Budget year

Current ENR Index	9456

Year Added	Original Cost	ENR Factor	2013 Costs	Year of Replacement 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1957	$ 923,038	13.06	$ 12,055,590	$ 388,890	388,890	388,890	388,890	388,890	388,890	388,890	388,890	388,890	388,890
1958	134,201	12.46	1,671,943	53,934	53,934	53,934	53,934	53,934	53,934	53,934	53,934	53,934	53,934
1963	2,067,687	10.50	21,700,387	700,012	700,012	700,012	700,012	700,012	700,012	700,012	700,012	700,012	700,012
1964	181,560	10.10	1,834,222	59,168	59,168	59,168	59,168	59,168	59,168	59,168	59,168	59,168	59,168
1965	256,377	9.74	2,496,705	80,539	80,539	80,539	80,539	80,539	80,539	80,539	80,539	80,539	80,539
1966	107,429	9.28	996,907	32,158	32,158	32,158	32,158	32,158	32,158	32,158	32,158	32,158	32,158
1967	122,039	8.80	1,074,489	34,661	34,661	34,661	34,661	34,661	34,661	34,661	34,661	34,661	34,661
1968	37,421	8.19	306,366	9,883	9,883	9,883	9,883	9,883	9,883	9,883	9,883	9,883	9,883
1969	39,742	7.45	296,139	9,553	9,553	9,553	9,553	9,553	9,553	9,553	9,553	9,553	9,553
1970	37,955	6.85	259,886	8,383	8,383	8,383	8,383	8,383	8,383	8,383	8,383	8,383	8,383
1971	90,080	5.98	538,771	17,380	17,380	17,380	17,380	17,380	17,380	17,380	17,380	17,380	17,380
1972	77,091	5.39	415,843	13,414	13,414	13,414	13,414	13,414	13,414	13,414	13,414	13,414	13,414
1973	169,427	4.99	845,436	27,272	27,272	27,272	27,272	27,272	27,272	27,272	27,272	27,272	27,272
1974	141,987	4.68	664,668	21,441	21,441	21,441	21,441	21,441	21,441	21,441	21,441	21,441	21,441
1975	230,530	4.27	985,484	-	31,790	31,790	31,790	31,790	31,790	31,790	31,790	31,790	31,790
1976	296,066	3.94	1,166,014	-	-	37,613	37,613	37,613	37,613	37,613	37,613	37,613	37,613
1977	303,133	3.67	1,112,743	-	-	-	35,895	35,895	35,895	35,895	35,895	35,895	35,895
1978	3,353,752	3.41	11,424,020	-	-	-	-	368,517	368,517	368,517	368,517	368,517	368,517
1979	933,794	3.15	2,940,378	-	-	-	-	-	94,851	94,851	94,851	94,851	94,851
1980	390,894	2.92	1,141,889	-	-	-	-	-	-	36,835	36,835	36,835	36,835
1981	397,944	2.67	1,064,486	-	-	-	-	-	-	-	34,338	34,338	34,338
1982	1,933,811	2.47	4,780,684	-	-	-	-	-	-	-	-	154,216	154,216
1983	3,393,243	2.33	7,891,418	-	-	-	-	-	-	-	-	-	254,562
1984	5,435,002	2.28	12,395,895	-	-	-	-	-	-	-	-	-	-
1985	675,452	2.25	1,522,544	-	-	-	-	-	-	-	-	-	-
1986	611,788	2.20	1,346,931	-	-	-	-	-	-	-	-	-	-
1987	799,052	2.15	1,714,897	-	-	-	-	-	-	-	-	-	-
1988	8,585,267	2.09	17,964,657	-	-	-	-	-	-	-	-	-	-
1989	1,572,104	2.05	3,221,195	-	-	-	-	-	-	-	-	-	-
1990	2,124,484	2.00	4,245,376	-	-	-	-	-	-	-	-	-	-
1991	1,777,396	1.96	3,476,123	-	-	-	-	-	-	-	-	-	-
1992	8,263,508	1.90	15,674,971	-	-	-	-	-	-	-	-	-	-
1993	3,727,844	1.81	6,765,930	-	-	-	-	-	-	-	-	-	-
1994	2,198,280	1.75	3,843,738	-	-	-	-	-	-	-	-	-	-
1995	4,438,365	1.73	7,671,208	-	-	-	-	-	-	-	-	-	-
1996	1,872,216	1.68	3,150,120	-	-	-	-	-	-	-	-	-	-
1997	3,075,659	1.62	4,992,007	-	-	-	-	-	-	-	-	-	-
1998	4,236,142	1.60	6,766,378	-	-	-	-	-	-	-	-	-	-
1999	1,216,379	1.56	1,898,346	-	-	-	-	-	-	-	-	-	-
2000	33,016,987	1.52	50,186,245	-	-	-	-	-	-	-	-	-	-
2001	1,599,452	1.49	2,384,427	-	-	-	-	-	-	-	-	-	-
2002	2,243,174	1.45	3,244,334	-	-	-	-	-	-	-	-	-	-
2003	8,148,602	1.41	11,509,682	-	-	-	-	-	-	-	-	-	-
2004	4,803,706	1.33	6,384,335	-	-	-	-	-	-	-	-	-	-
2005	4,945,039	1.27	6,279,937	-	-	-	-	-	-	-	-	-	-
2006	6,296,020	1.22	7,680,966	-	-	-	-	-	-	-	-	-	-
2007	9,123,102	1.19	10,829,532	-	-	-	-	-	-	-	-	-	-
2008	7,200,501	1.14	8,193,494	-	-	-	-	-	-	-	-	-	-
2009	32,403,360	1.10	35,753,346	-	-	-	-	-	-	-	-	-	-
2010	4,510,327	1.07	4,845,450	-	-	-	-	-	-	-	-	-	-
2011	2,053,547	1.04	2,140,942	-	-	-	-	-	-	-	-	-	-
2012	1,249,525	1.02	1,269,393	-	-	-	-	-	-	-	-	-	-
	$183,821,481		$325,016,867	1,456,689	1,488,479	1,526,092	1,561,987	1,930,504	2,025,355	2,062,190	2,096,528	2,250,744	2,505,305

Three-Year Minimum Reserve Balance <-------$4,471,259------->

Ten-Year Maximum Reserve Balance <---------- $18,903,870 ---------->

Vallecitos Water District
Replacement Reserve Limits - Wastewater System
For the 2013/14 Budget year

Current ENR Index	9456

Year Added	Original Cost	ENR Factor	2013 Costs	Year of Replacement 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1964	$ 1,421,340	10.10	$ 14,359,178	$ 463,199	463,199	463,199	463,199	463,199	463,199	463,199	463,199	463,199	463,199
1965	394,116	9.74	3,838,065	123,809	123,809	123,809	123,809	123,809	123,809	123,809	123,809	123,809	123,809
1966	110,183	9.28	1,022,464	32,983	32,983	32,983	32,983	32,983	32,983	32,983	32,983	32,983	32,983
1967	41,816	8.80	368,168	11,876	11,876	11,876	11,876	11,876	11,876	11,876	11,876	11,876	11,876
1968	24,352	8.19	199,370	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431	6,431
1969	28,784	7.45	214,485	6,919	6,919	6,919	6,919	6,919	6,919	6,919	6,919	6,919	6,919
1970	1,617,466	6.85	11,075,133	357,262	357,262	357,262	357,262	357,262	357,262	357,262	357,262	357,262	357,262
1971	53,601	5.98	320,589	10,342	10,342	10,342	10,342	10,342	10,342	10,342	10,342	10,342	10,342
1972	78,755	5.39	424,819	13,704	13,704	13,704	13,704	13,704	13,704	13,704	13,704	13,704	13,704
1973	149,279	4.99	744,898	24,029	24,029	24,029	24,029	24,029	24,029	24,029	24,029	24,029	24,029
1974	409,501	4.68	1,916,951	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
1975	189,378	4.27	809,565	-	26,115	26,115	26,115	26,115	26,115	26,115	26,115	26,115	26,115
1976	151,559	3.94	596,894	-	-	19,255	19,255	19,255	19,255	19,255	19,255	19,255	19,255
1977	394,775	3.67	1,449,143	-	-	-	46,747	46,747	46,747	46,747	46,747	46,747	46,747
1978	930,683	3.41	3,170,223	-	-	-	-	102,265	102,265	102,265	102,265	102,265	102,265
1979	697,184	3.15	2,195,329	-	-	-	-	-	70,817	70,817	70,817	70,817	70,817
1980	139,384	2.92	407,172	-	-	-	-	-	-	13,135	13,135	13,135	13,135
1981	192,586	2.67	515,161	-	-	-	-	-	-	-	16,618	16,618	16,618
1982	4,772,279	2.47	11,797,822	-	-	-	-	-	-	-	-	380,575	380,575
1985	5,149,309	2.25	11,607,119	-	-	-	-	-	-	-	-	-	374,423
1986	19,355,791	2.20	42,614,286	-	-	-	-	-	-	-	-	-	-
1987	381,136	2.15	817,980	-	-	-	-	-	-	-	-	-	-
1988	1,232,431	2.09	2,578,860	-	-	-	-	-	-	-	-	-	-
1989	2,001,761	2.05	4,101,550	-	-	-	-	-	-	-	-	-	-
1990	3,031,169	2.00	6,057,213	-	-	-	-	-	-	-	-	-	-
1991	1,864,618	1.96	3,646,707	-	-	-	-	-	-	-	-	-	-
1992	3,162,421	1.90	5,998,767	-	-	-	-	-	-	-	-	-	-
1993	13,446,724	1.81	24,405,417	-	-	-	-	-	-	-	-	-	-
1994	2,113,222	1.75	3,695,012	-	-	-	-	-	-	-	-	-	-
1995	3,276,618	1.73	5,663,261	-	-	-	-	-	-	-	-	-	-
1996	1,199,768	1.68	2,018,684	-	-	-	-	-	-	-	-	-	-
1997	988,964	1.62	1,605,157	-	-	-	-	-	-	-	-	-	-
1998	4,670,391	1.60	7,460,003	-	-	-	-	-	-	-	-	-	-
1999	1,047,495	1.56	1,634,777	-	-	-	-	-	-	-	-	-	-
2000	3,954,391	1.52	6,010,725	-	-	-	-	-	-	-	-	-	-
2001	2,705,995	1.49	4,034,036	-	-	-	-	-	-	-	-	-	-
2002	109,018	1.45	157,674	-	-	-	-	-	-	-	-	-	-
2003	9,260,829	1.41	13,080,673	-	-	-	-	-	-	-	-	-	-
2004	3,031,642	1.33	4,029,185	-	-	-	-	-	-	-	-	-	-
2005	2,984,298	1.27	3,789,900	-	-	-	-	-	-	-	-	-	-
2006	7,245,244	1.22	8,838,992	-	-	-	-	-	-	-	-	-	-
2007	(10,129,834)	1.19	(12,024,568)	-	-	-	-	-	-	-	-	-	-
2008	9,022,922	1.14	10,267,238	-	-	-	-	-	-	-	-	-	-
2009	37,476,922	1.10	41,351,432	-	-	-	-	-	-	-	-	-	-
2010	3,860,825	1.07	4,147,689	-	-	-	-	-	-	-	-	-	-
2011	1,487,477	1.04	1,550,781	-	-	-	-	-	-	-	-	-	-
2012	3,612,924	1.02	3,670,371	-	-	-	-	-	-	-	-	-	-
	$ 149,341,492		$ 274,861,756	1,112,391	1,138,506	1,157,761	1,204,507	1,306,772	1,377,589	1,390,724	1,407,342	1,787,917	2,162,340

Three-Year Minimum Reserve Balance <------$3,408,658------->

Ten-Year Maximum Reserve Balance <---------- $14,045,850 ---------->