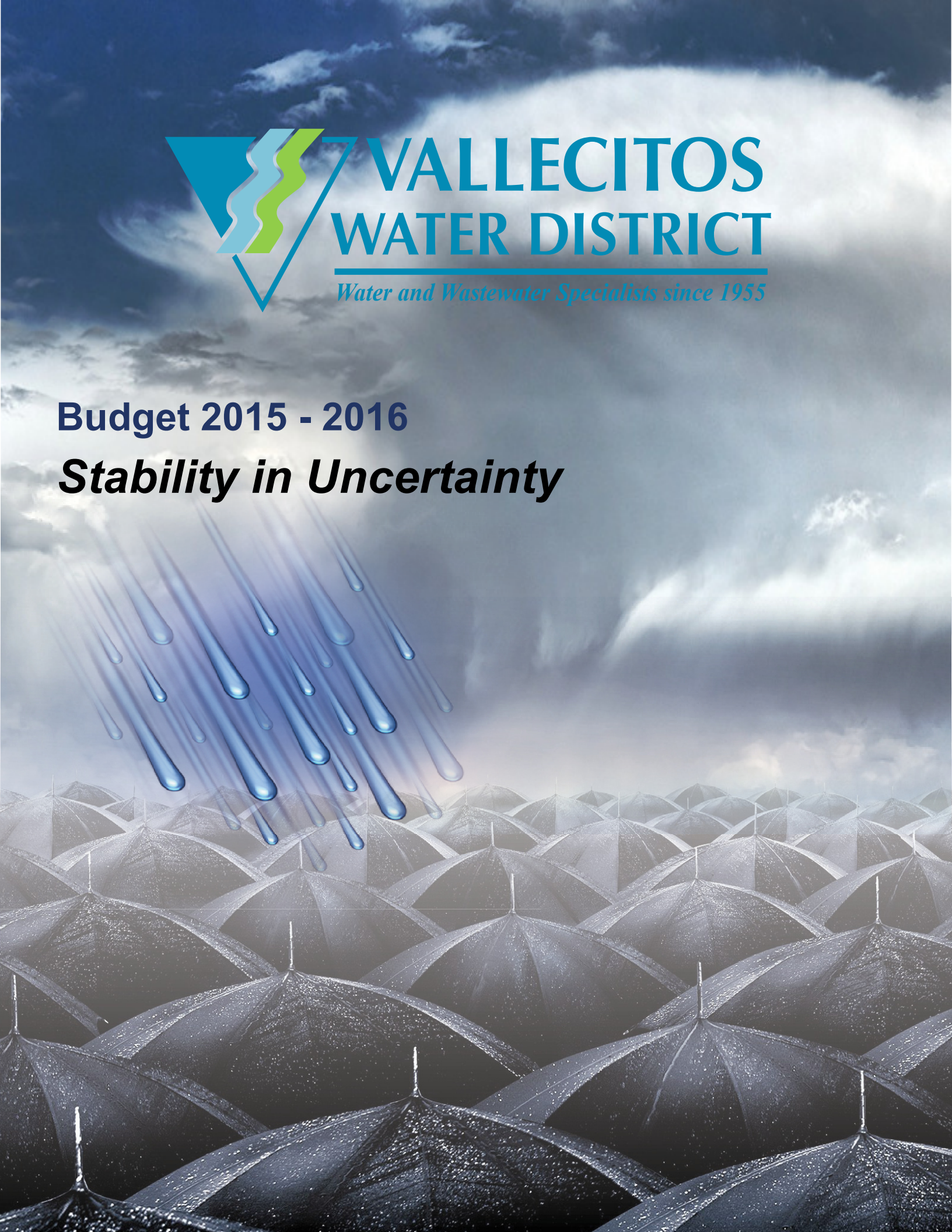

Budget 2015 - 2016

Stability in Uncertainty

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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: Craig Elitharp, James Hernandez, Betty Evans, Hal Martin and Mike Sannella

Board of Directors

Betty Evans, President
Mike Sannella, Vice President
Hal Martin
Jim Hernandez
Craig Elitharp

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
Water and Wastewater Specialists since 1955

201 Vallecitos de Oro · San Marcos, California · 92069-1453 · (760) 744-0460

Date: June 17, 2015

To: Honorable Board of Directors

Regarding: Fiscal Year 2015/16 Budget

Enclosed is the Budget for Fiscal Year 2015/16. The budget totals $140,694,000 compared to $132,683,000 for the 2014/15 budget and is comprised of $43,788,000 of operational expenses (a 7.4% decrease from the $47,266,000 in 2014/15 operating budget) and a commitment of $96,906,000 for capital projects ($85,811,000 in 2014/15).

The operational decrease of $3,478,000 is attributable to a projected $4,647,000 decrease in cost of water due to lower demand and anticipated conservation; $535,000 increase in information technology; $518,000 increase in cost of labor; $343,000 increase in wastewater treatment; and a net decrease of $227,000 in all other expenses. The District continues to hold the most controllable costs (operating costs without water purchases and labor) with only slight increases. In addition, $9.8 million from operations is being set aside for capital replacement.

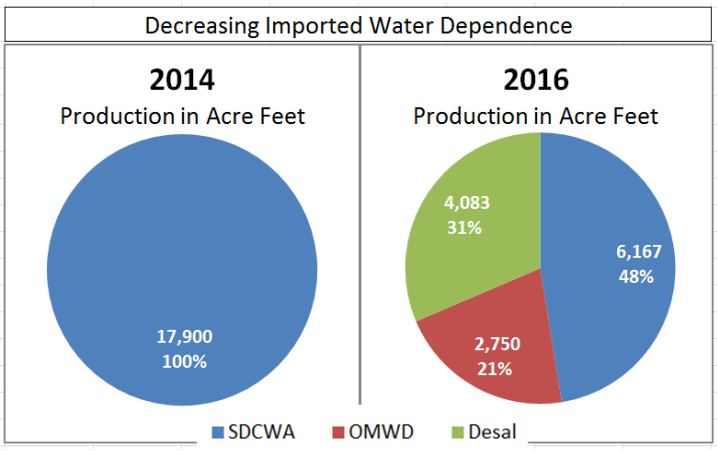
Rate increases contained in this budget for Sewer, Ready-to-Serve and Pumping were adopted in October 2013 and meet strategic and financial objectives of the budget. Water commodity rates effective for Calendar Year 2016 are conservatively estimated to absorb the wholesale pass-through. For purposes of the long-range projection, wholesale rate spikes from desalinated water are partially mitigated by decreases to the retail portion. Average combined bill increases are estimated between 4% and 5% over the next five years.

STABILITY IN UNCERTAINTY

For 60 years, the Vallecitos Water District has made a priority of providing reliable water and sewer services to all of its customers. This budget reflects the desire of the Board of Directors and management to continue reliable services through the current drought and far into the future. Working with a finite amount of natural resources, maintaining a level of quality service and continuing to meet demands will always be a challenge. However, through long range financial planning, diversifying the water portfolio, exploring reuse alternatives and educating our customers about the complexities of utility operations, the scarcity of water and how to conserve, Vallecitos is providing stability in these times of uncertainty.

Diversifying Our Water Portfolio

During this budget year, the "San Elijo Pump Station" will be completed. The new pump station will enable the District to receive 2,750 acre feet of treated water from Olivenhain Municipal Water District's David C. McCollom Treatment plant at a cost less than water from the San Diego County Water Authority. Also this budget year we will complete the "Desalinated Water Connection" project. The connection to the Carlsbad Desalination Plant will provide a contracted 3,500 acre feet of desalinated water directly to the Vallecitos water infrastructure. The graphs on the next page display the diversifying water portfolio over time. In addition, Vallecitos has joined forces with a number of agencies to form the North San Diego County Water Reuse Coalition and pursue water reuse projects that benefit the region and environment and reduces reliance on imported water.



Public Outreach and Educational Programs

A future with a reliable and safe water source is made possible by working with our customers and keeping apprised of current issues.

The District hosts or participates in several outreach programs such as:

- The Water Academy Tours - Whereby customers of the District can join a full day tour of the facilities that provide the water and wastewater services they receive.



- School Tours and Programs - Create awareness of the diverse components of the water system.


- Palomar College Water Technology – Education is provided for adult students so they can earn certifications to operate facilities as field personnel.
- Other programs fall under the public outreach umbrella and are continuous year-round including: free landscape irrigation audits; various rebate programs; sustainable vegetation gardens throughout the district and many more.

In 2015, a customer survey was performed to determine key focus areas for future outreach. As a result of the survey, new messaging topics and activities will include:

- Maximizing use of recycled water to reduce our dependence on imported water.
- Tap water - still the best value around.
- Importance of proper grease disposal.

Long-range Financial Planning

As with recent budgets, this budget includes a 10-year projection of operating costs and capital needs in order to plan for a sound future in water supply and reliability. Fiscal sustainably is absolutely a necessary factor in the equation for future reliability.

All District employees are responsible to consider costs involved with activities and try to work as efficiently and effectively as possible. Consideration of controlling costs translates into the future viability of the District. Some of these considerations are: rate affordability; maintaining reserves, assess adequacy to cover debt obligations now and in the future; and a credit worthy cash position. We plan to meet our capital needs and maintain a strong financial position by refinancing existing debt and without incurring or by minimizing new borrowing.

FINANCIAL HIGHLIGHTS

The following narratives are financial highlights and comparisons of this budget, FY 2015/16, and last budget; FY 2014/15.

Water Operations (pages 3-14)
Water purchases are projected to total 12,378 acre feet with sales of 11,876 acre feet for 2015/16. The water operating budget increased by $609,000 from last year's budget, excluding water costs. With water costs, the budget decreased $4,038,000 or -11.4%, due to decreased water demands related to the drought and conservation efforts.

Wastewater Operations (pages 15-24)
Wastewater operating costs increased by $560,000, or 4.7%, over last year's budget due to increases in treatment, personnel, information technology and outside services. Reclaimed water costs are recovered by contractual sales to the Carlsbad Municipal Water District and Olivenhain Municipal Water District.

Personnel (pages 25-31)
Fiscal year 2015/16 adds one new position and a reclassification. All positions have previously been identified in the five-year staffing plan.

Salaries and benefits for 2015/16 increased from last budget year by $518,000 or 3.7% due to: increasing costs to provide health insurance, retirement benefits and longevity of existing employees. Management will continue to scrutinize the need for all positions and only fill positions if absolutely necessary.

Capital Budget (pages 33-103)
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 101, followed by requests for vehicles and equipment of $1.3 million. Of the $95.6 million capital budget, $35.9 million are new requests, $9.2 million are for future projects included for planning purposes. The remainder is from projects carried over from the prior year resulting in a capital budget increase of $11.5 million.

Reserve Budget and Projection (pages 105-111)
The Reserve Budget includes revenues and transfers from various sources and summarizes appropriations and expected cash outflows for debt service and capital projects. Page 106 displays the 2015/16 reserve budget for consideration. Page 107 forward display detailed reserve projections for four subsequent years followed by a summary projection for the five years thereafter.

As a final note, 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, 2016

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BUDGET FOR THE YEAR ENDING JUNE 30, 2016

BUDGETARY CONSIDERATIONS

Mission Statement

Water and wastewater specialists providing exceptional and sustainable services.

The budget reflects the mission statement

Budgetary Approach

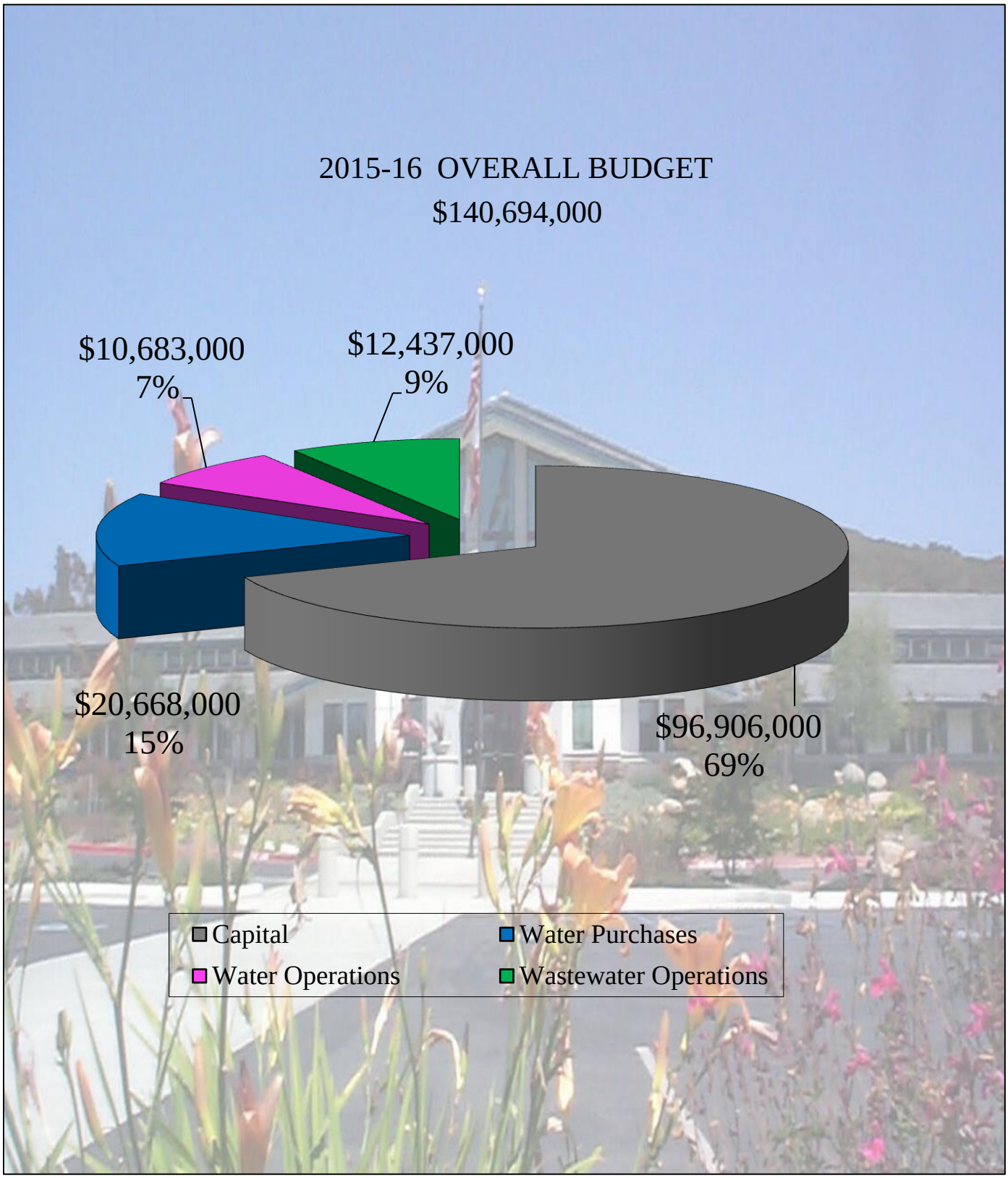
Governmental agencies, such as cities and counties, usually approach their budgets from the "revenue end." Since their revenues are somewhat predictable and restricted, their budgetary considerations are based on setting a level of service (expense total) that can be attained with those available funds.

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.

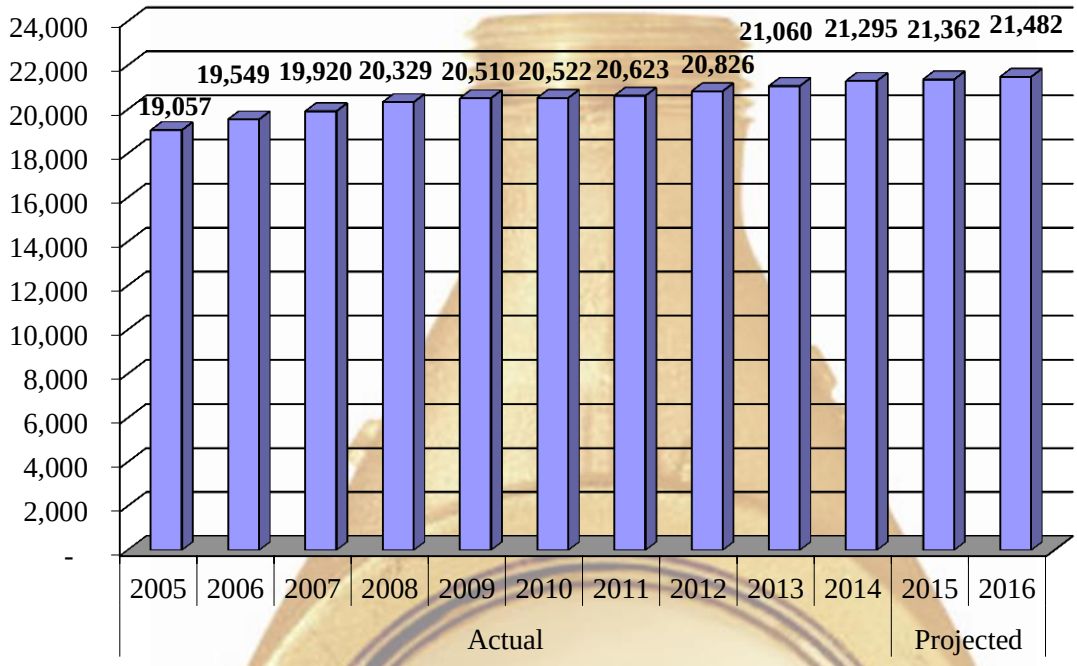
Operating revenue in excess of operating expense is earmarked for transfer to the Replacement Reserve Fund for the future replacement of assets. This ensures that current users of our system are paying their fair share for the maintenance of existing facilities as they depreciate.


2015-16 OVERALL BUDGET
$140,694,000
$10,683,000
7%
$12,437,000
9%
$20,668,000
15%
$96,906,000
69%
Capital
Water Purchases
Water Operations
Wastewater Operations

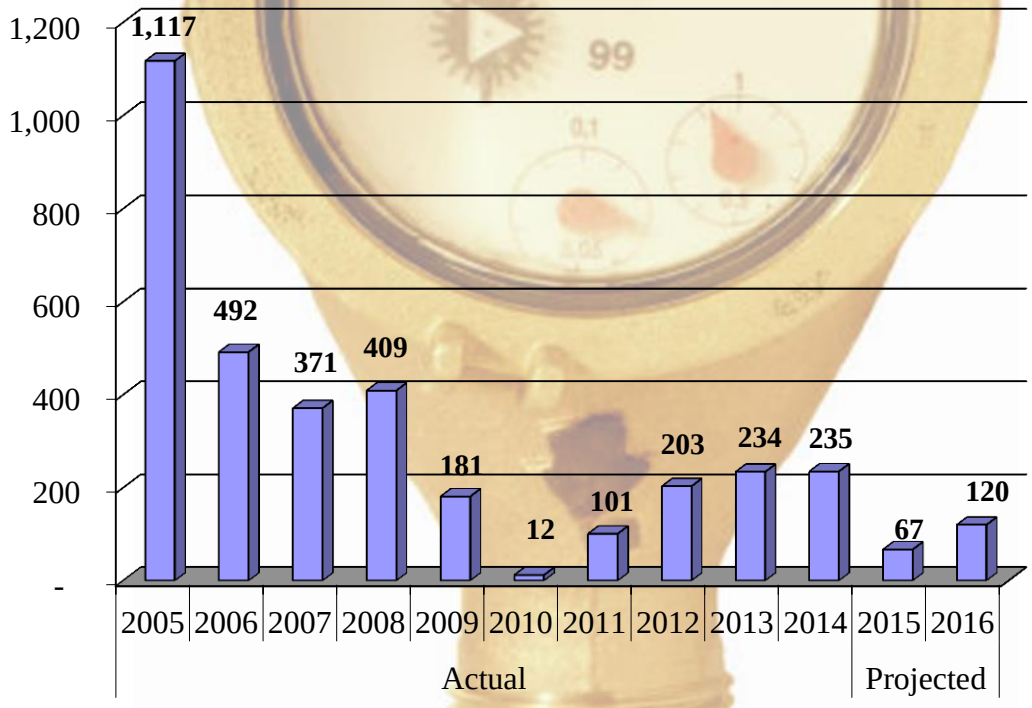
2015-2016 OPERATING BUDGET

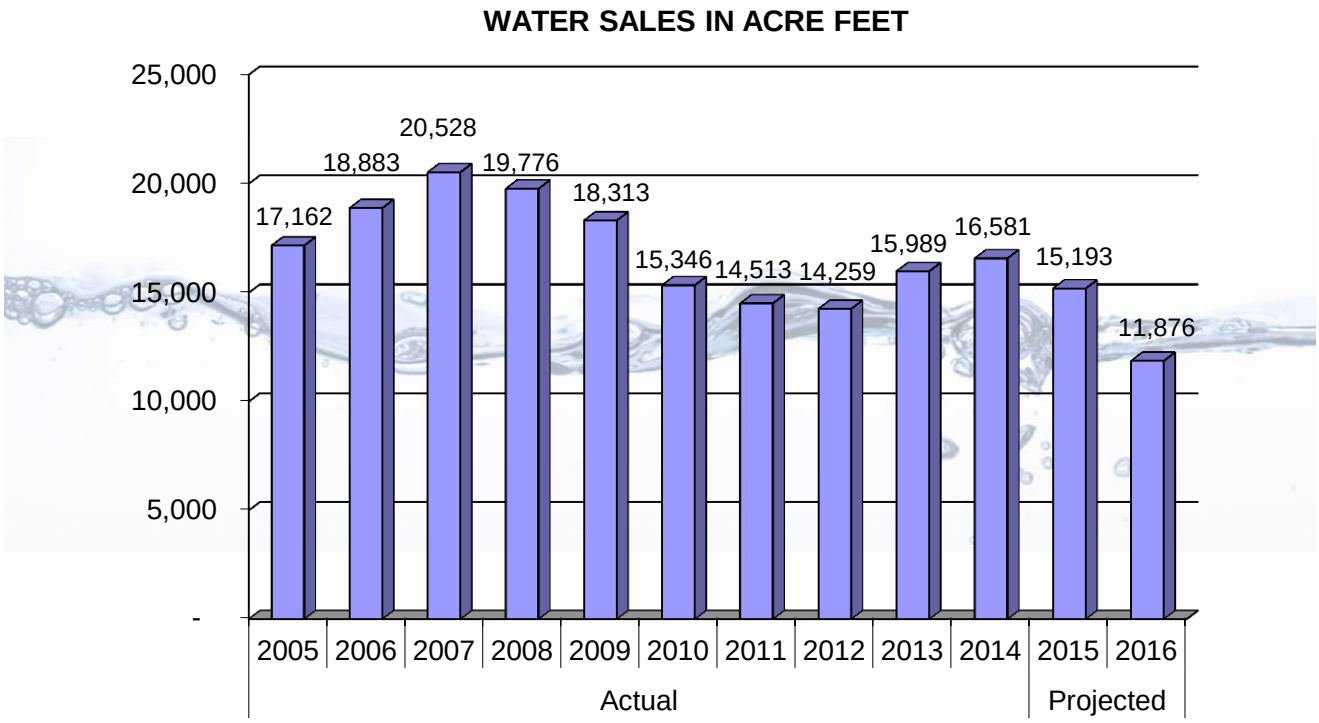
WATER

METERS IN SERVICE

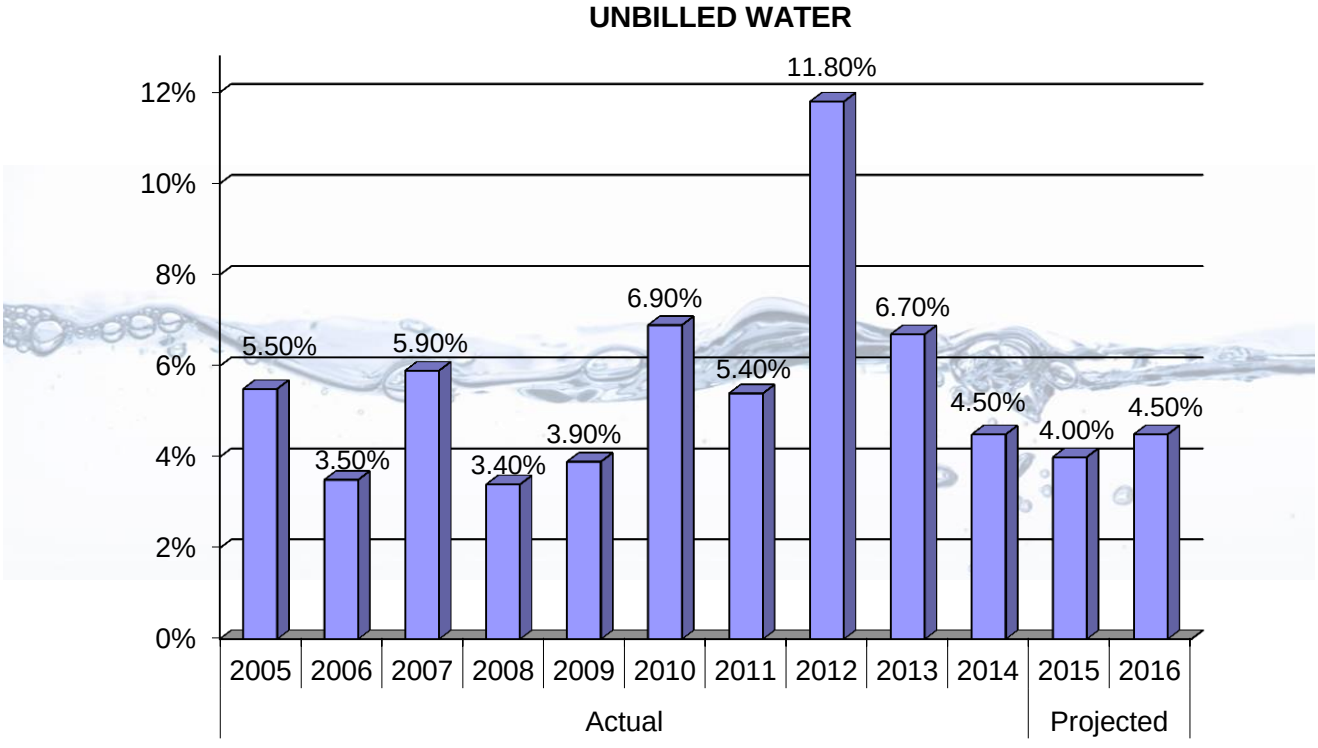


METER ADDITIONS





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, 2016

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, 2016

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 21,900 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, capital facilities and inspection 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
Cost of Labor:

- *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, 2016

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, 2016

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.

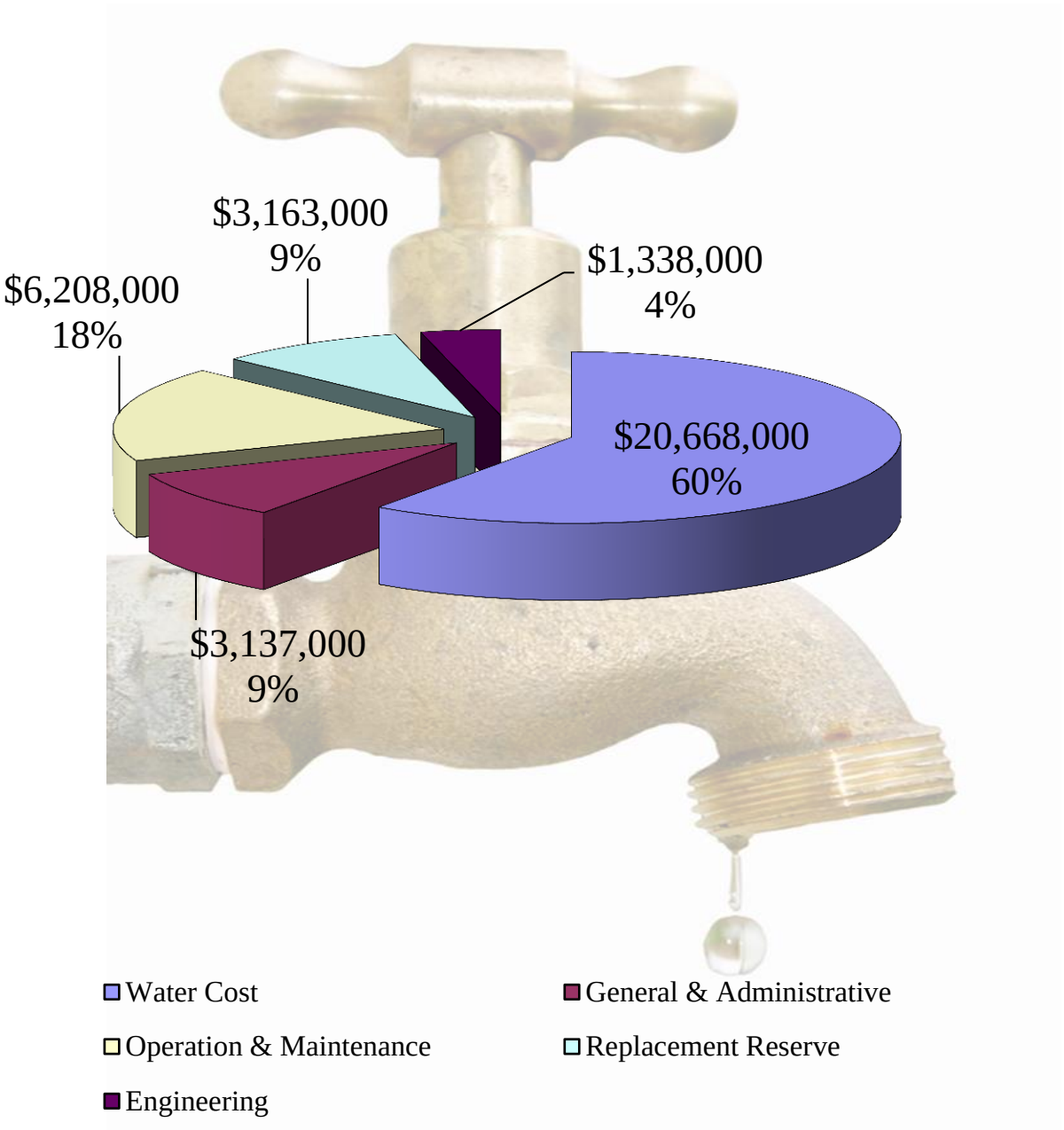
Director Fees are paid for attendance of board meetings, professional conferences, and other District-sanctioned organizations.

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.

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

2015-2016 WATER OPERATING BUDGET
$34,514,000



VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
OPERATING REVENUES						
Water Sales	*4001*	$26,031,460	$29,570,000	$ 24,998,000	$20,229,000	$23,065,000
Ready to Serve	*4003*	11,484,584	12,379,000	12,724,000	13,502,000	13,839,000
Pumping Charges	*4002*	192,427	181,000	181,000	198,000	201,000
Interest	*4401*	74,086	5,000	5,000	5,000	5,000
Other	*Various*	749,586	535,000	580,000	580,000	592,000
Total Revenue		38,532,143	42,670,000	38,488,000	34,514,000	37,702,000
OPERATING EXPENSES						
Water Purchases	*1010*	24,145,579	25,315,000	23,790,000	20,668,000	25,505,000
Pumping	*2010*	352,802	359,000	335,000	396,000	412,000
Water Quality	*2020*	121,493	190,000	99,000	201,000	168,000
Water Treatment	*2030*	312,698	335,000	350,000	264,000	279,000
Tanks & Reservoirs	*2040*	308,030	387,000	255,000	423,000	433,000
Transmission & Dist.	*2050*	1,148,828	1,204,000	1,110,000	1,460,000	1,534,000
Services	*2060*	133,922	163,000	101,000	149,000	157,000
Meters	*2070*	614,784	630,000	629,000	652,000	669,000
Backflow Prevention	*2080*	68,111	62,000	56,000	67,000	70,000
Customer Accounts	*4010*	484,979	778,000	581,000	752,000	787,000
Equipment & Vehicles	*4210*	284,435	306,000	236,000	332,000	351,000
Building & Grounds	*4110*	441,746	339,000	416,000	349,000	390,000
Engineering	*5010*	1,177,307	1,412,000	1,254,000	1,338,000	1,419,000
Safety & Reg. Affairs	*5210*	194,901	240,000	197,000	253,000	258,000
Information Technolog	*6230*	510,326	636,000	523,000	910,000	972,000
General & Admin.	*6xxx*	2,983,272	3,033,000	2,933,000	3,137,000	3,373,000
Total Expense		33,283,213	35,389,000	32,865,000	31,351,000	36,777,000
OPERATING INCOME		5,248,930	7,281,000	5,623,000	3,163,000	925,000
LESS TRANSFERS TO REPLACEMENT RESERVE		5,248,930	7,281,000	5,623,000	3,163,000	925,000
NET INCOME		$ -	$ -	$ -	$ -	$ -

VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
WATER PURCHASES	*5001*	$24,145,579	$25,315,000	$ 23,790,000	$20,668,000	$25,505,000
PUMPING						
Cost of Labor	*2010xxx.51xx*	71,895	69,000	55,000	115,000	121,000
Materials & Supplies	*" .53xx*	16,907	50,000	41,000	30,000	33,000
Outside Repair/Service	*" .54xx*	26,212	15,000	21,000	20,000	21,000
Power	*" .5306*	237,788	225,000	218,000	231,000	237,000
Total Pumping		352,802	359,000	335,000	396,000	412,000
WATER QUALITY						
Cost of Labor	*2020000.51xx*	60,183	85,000	31,000	111,000	117,000
Material & Supplies	*" .53xx*	19,006	50,000	17,000	40,000	16,000
Outside Repair/Service	*" .54xx*	42,304	55,000	51,000	50,000	35,000
Total Water Treatment		121,493	190,000	99,000	201,000	168,000
WATER TREATMENT						
Cost of Labor	*2030000.51xx*	262,630	300,000	302,000	219,000	233,000
Material & Supplies	*" .53xx*	16,220	30,000	21,000	30,000	31,000
Outside Repair/Service	*" .54xx*	33,848	5,000	27,000	15,000	15,000
Total Water Treatment		312,698	335,000	350,000	264,000	279,000
TANKS & RESERVOIRS						
Cost of Labor	*2040xxx.51xx*	215,602	278,000	182,000	291,000	309,000
Materials & Supplies	*" .53xx*	32,115	35,000	32,000	30,000	20,000
Outside Repair/Service	*" .54xx*	56,215	70,000	37,000	98,000	100,000
Power	*" .5306*	4,098	4,000	4,000	4,000	4,000
Total Tanks & Reservoirs		308,030	387,000	255,000	423,000	433,000
TRANSMISSION & DISTRIBUTION						
Cost of Labor	*2050xxx.51xx*	814,296	980,000	825,000	1,010,000	1,073,000
Materials & Supplies	*" .53xx*	218,479	100,000	183,000	190,000	195,000
Outside Repair	*" .54xx*	107,140	115,000	93,000	250,000	256,000
Power	*" .5306*	8,913	9,000	9,000	10,000	10,000
Total Trans. & Dist.		1,148,828	1,204,000	1,110,000	1,460,000	1,534,000
SERVICES						
Cost of Labor	*2060xxx.51xx*	75,461	116,000	42,000	99,000	105,000
Materials & Supplies	*" .53xx*	31,831	27,000	35,000	30,000	31,000
Outside Repair	*" .54xx*	26,630	20,000	24,000	20,000	21,000
Total Services		133,922	163,000	101,000	149,000	157,000

VALLECITOS WATER DISTRICT

WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
METERS						
Cost of Labor	*2070xxx.51xx*	$ 550,572	$ 570,000	$ 568,000	$ 575,000	$ 600,000
Material & Supplies	*" .53xx*	31,147	35,000	29,000	57,000	58,000
Outside Service/Repair	*" .54xx*	33,065	25,000	32,000	20,000	11,000
Total Meters		614,784	630,000	629,000	652,000	669,000
BACKFLOW PREVENTION						
Cost of Labor	*2080000.51xx*	68,079	59,000	53,000	64,000	67,000
Materials & Supplies	*" .53xx*	32	3,000	3,000	3,000	3,000
Total Backflow		68,111	62,000	56,000	67,000	70,000
CUSTOMER ACCOUNTS						
Cost of Labor	*4010000.51xx*	372,353	529,000	411,000	562,000	592,000
Materials & Supplies	*" .53xx*	62,779	72,000	64,000	75,000	77,000
Outside Service/Repair	*" .54xx*	17,903	112,000	44,000	55,000	56,000
Uncollectible Accts.	*" .5703*	31,944	65,000	62,000	60,000	62,000
Total Cust. Accts.		484,979	778,000	581,000	752,000	787,000
EQUIPMENT & VEHICLES						
Cost of Labor	*4210000.51xx*	97,530	121,000	70,000	127,000	138,000
Material & Supplies	*" .53xx*	40,115	50,000	39,000	60,000	62,000
Fuel	*" .5307*	120,108	120,000	107,000	120,000	125,000
Outside Repair	*" .54xx*	26,682	15,000	20,000	25,000	26,000
Total Equip. & Vehicles		284,435	306,000	236,000	332,000	351,000
BUILDING & GROUNDS						
Cost of Labor	*4110000.51xx*	186,856	114,000	162,000	114,000	149,000
Materials & Supplies	*" .53xx*	79,411	75,000	89,000	79,000	81,000
Outside Services	*" .54xx*	152,703	115,000	141,000	131,000	134,000
Power	*" .5306*	22,776	35,000	24,000	25,000	26,000
Total Bldg. & Grnd.		441,746	339,000	416,000	349,000	390,000
ENGINEERING						
Cost of Labor	*5010000.51xx*	1,132,373	1,355,000	1,217,000	1,281,000	1,371,000
Materials & Supplies	*" .53xx*	18,607	19,000	4,000	21,000	11,000
Outside Services	*" .54xx*	26,327	38,000	33,000	36,000	37,000
Total Engineering		1,177,307	1,412,000	1,254,000	1,338,000	1,419,000

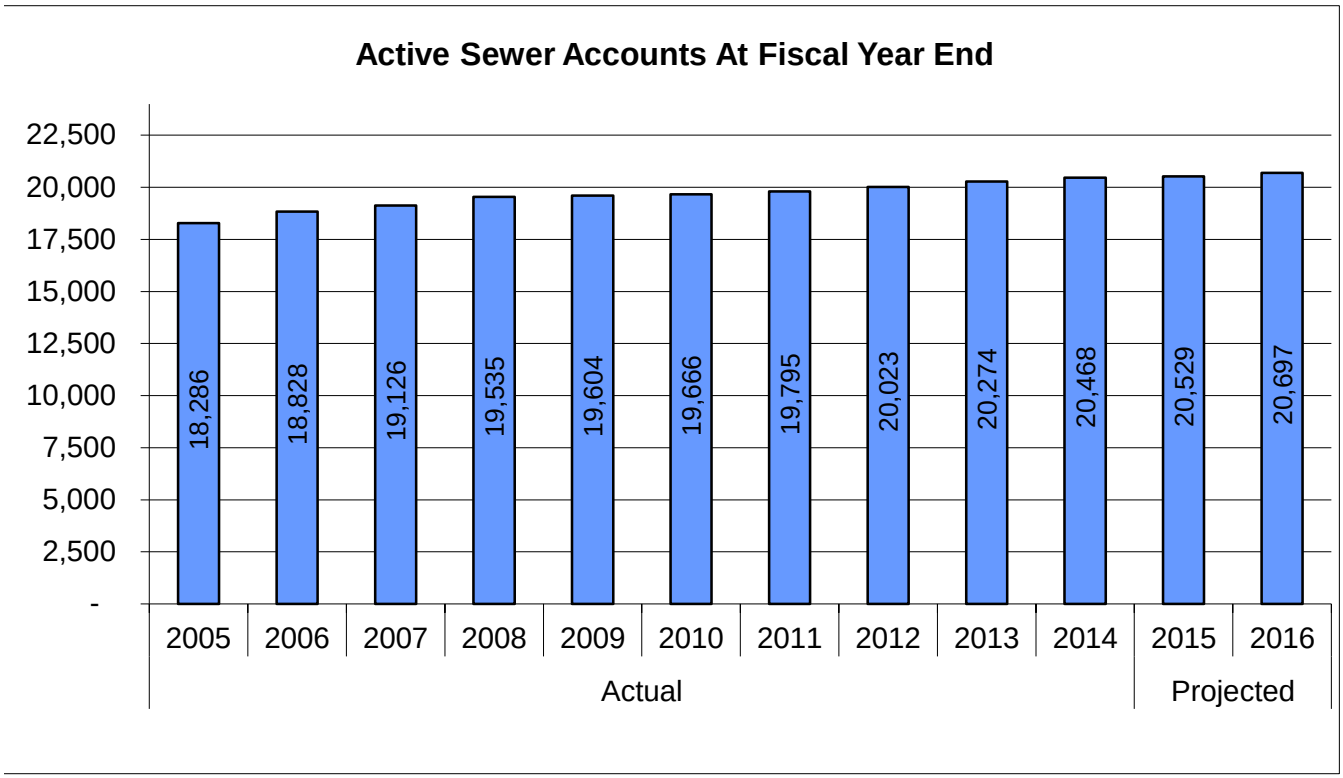
VALLECITOS WATER DISTRICT

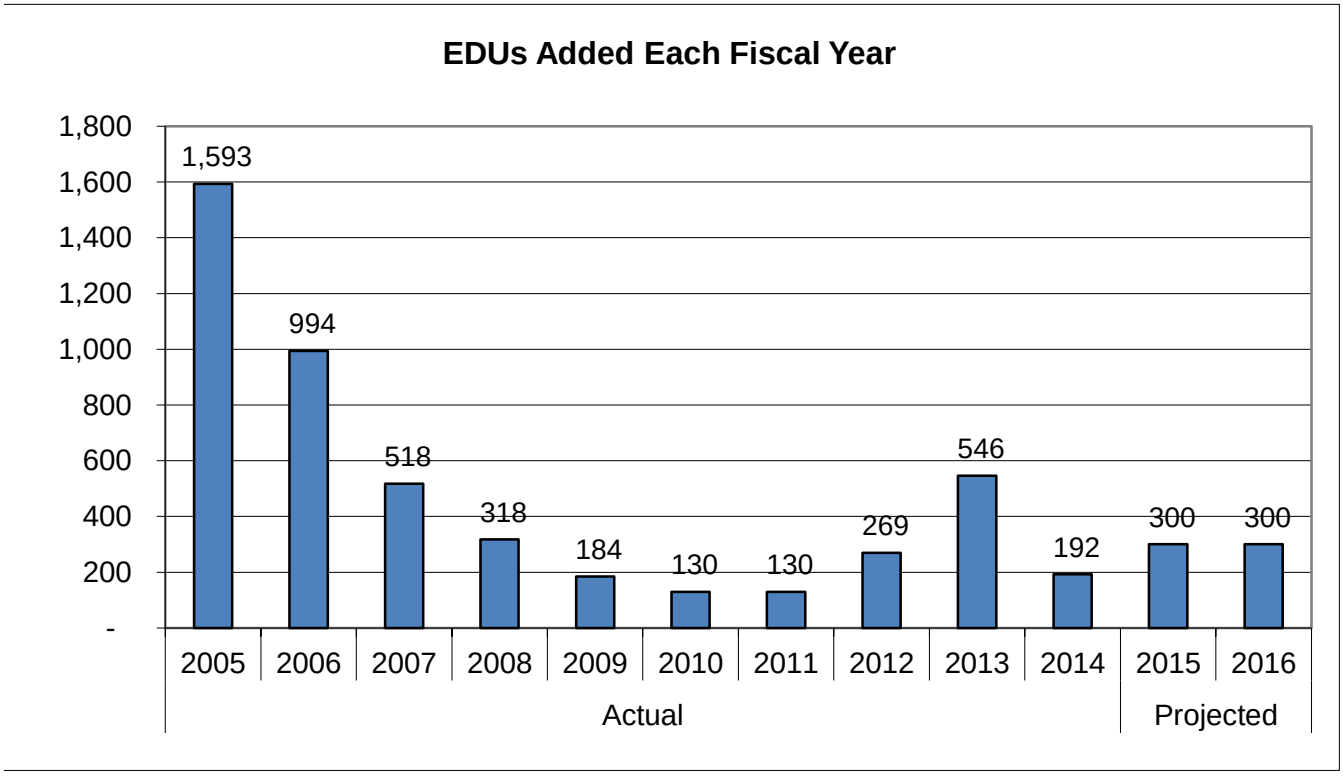
WATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

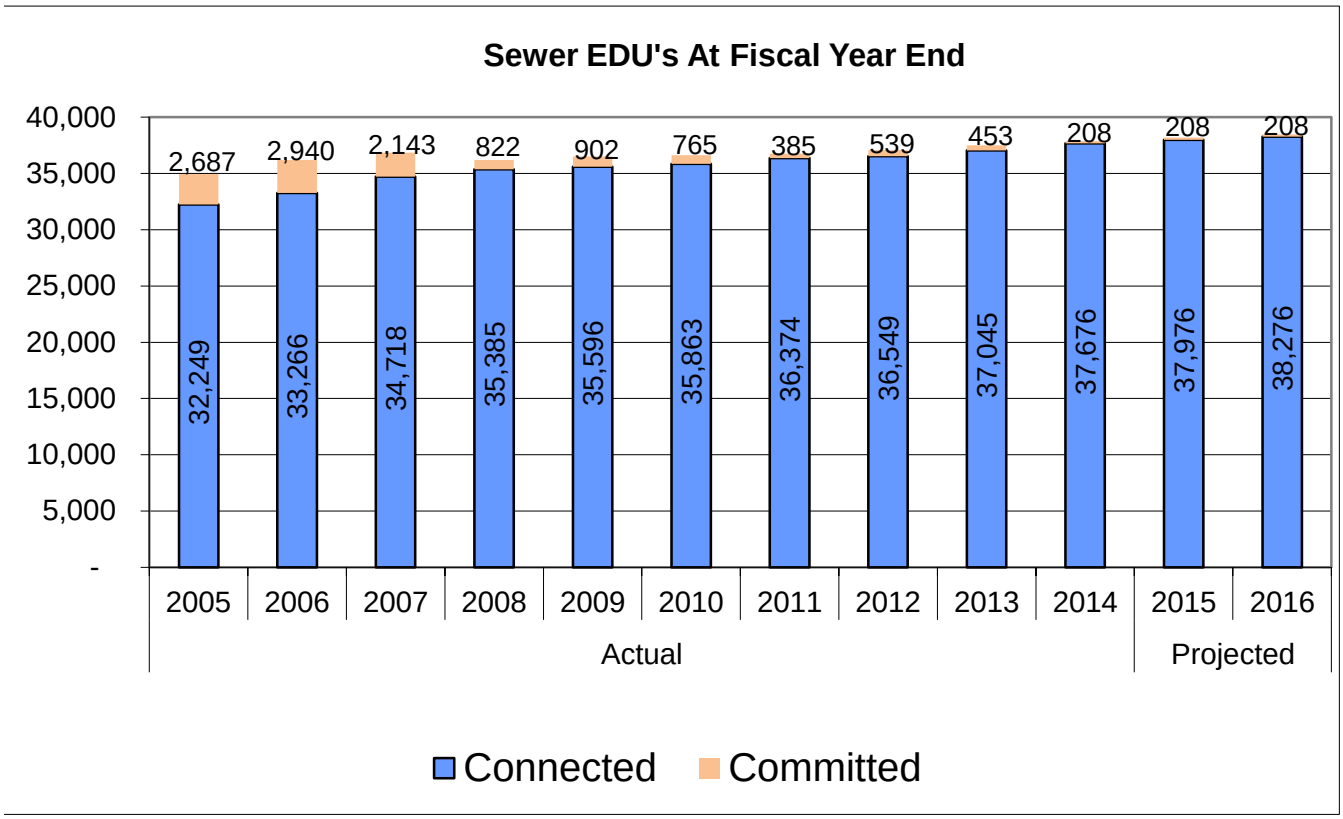
		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
SAFETY & REG. AFFAIRS						
Cost of Labor	*5210000.51xx*	$ 177,269	$ 205,000	$ 174,000	$ 222,000	$ 231,000
Materials & Supplies	*" .53xx*	9,499	20,000	16,000	15,000	11,000
Safety Support	*" .54xx*	8,133	15,000	7,000	16,000	16,000
Total Safety		194,901	240,000	197,000	253,000	258,000
INFORMATION TECHNOLOGY						
Cost of Labor	*6230000.51xx*	296,828	384,000	325,000	492,000	544,000
Materials & Supplies	*" .53xx*	53,453	86,000	72,000	95,000	97,000
Outside Services	*" .54xx*	160,045	166,000	126,000	323,000	331,000
Total Information Tech		510,326	636,000	523,000	910,000	972,000
GENERAL & ADMINISTRATION						
Cost of Labor	*6xxxxx.51xx*	2,718,536	2,618,000	2,605,000	2,799,000	3,025,000
Directors Fees	*" .5101*	28,543	64,000	52,000	65,000	67,000
District Insurance	*" .5201*	163,014	217,000	162,000	206,000	229,000
Travel	*" .5202*	14,982	10,000	8,000	10,000	10,000
Meetings & Seminars	*" .5203*	23,119	20,000	19,000	30,000	31,000
Dues & Subscriptions	*" .5204*	61,308	65,000	80,000	65,000	67,000
Directors Expenses	*" .5205*	44,020	45,000	35,000	45,000	46,000
Office Supplies	*" .5301*	27,882	45,000	25,000	50,000	51,000
Awareness/Conservation	*" .5303*	98,292	224,000	80,000	146,000	150,000
Postage	*" .5304*	1,530	3,000	1,000	3,000	3,000
Outside Services	*" .5401*	106,575	160,000	101,000	159,000	183,000
Legal	*" .5402*	131,789	175,000	133,000	175,000	179,000
Auditing	*" .5403*	15,055	26,000	20,000	20,000	23,000
Bank/Investment Svcs	*" .5501*	19,001	25,000	15,000	20,000	21,000
Regulatory Fees	*" .5502*	-	4,000	-	4,000	4,000
Election & Annexation	*" .5503*	-	5,000	-	5,000	5,000
Other/Reimbursements		90,811	10,000	1,000	10,000	10,000
Admin Credit Transfer.	*4702*	(561,185)	(683,000)	(404,000)	(675,000)	(731,000)
Total Gen. & Admin.		2,983,272	3,033,000	2,933,000	3,137,000	3,373,000
TOTAL EXPENSES		$33,283,213	$35,389,000	$ 32,865,000	$31,351,000	$36,777,000

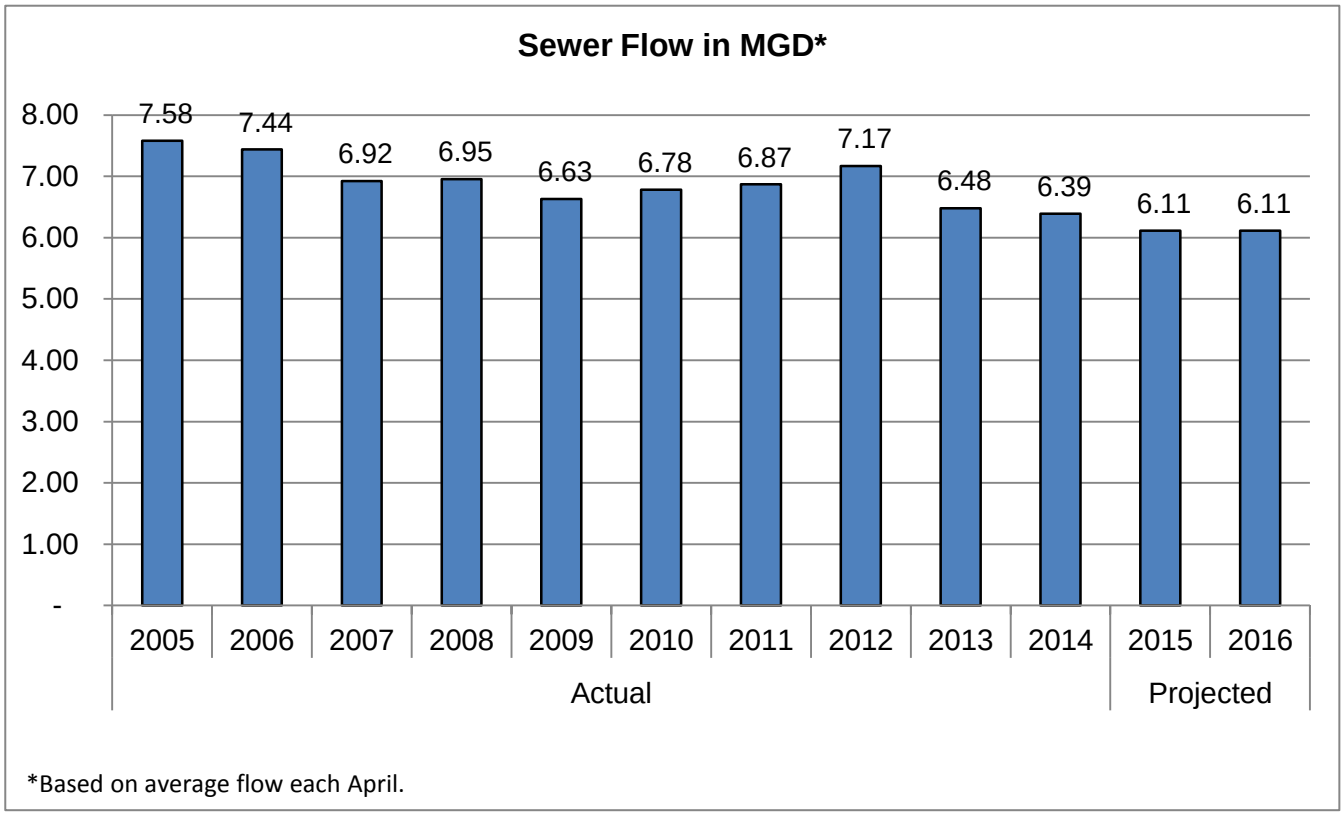
2015-2016 OPERATING BUDGET

WASTEWATER


Active Sewer Accounts At Fiscal Year End
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
-
18,286
18,828
19,126
19,535
19,604
19,666
19,795
20,023
20,274
20,468
20,529
20,697
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Actual
Projected


EDUs Added Each Fiscal Year
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
1,593
994
518
318
184
130
130
269
546
192
300
300
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Actual
Projected


Sewer EDU's At Fiscal Year End
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
2,687
2,940
2,143
822
902
765
385
539
453
208
208
208
32,249
33,266
34,718
35,385
35,596
35,863
36,374
36,549
37,045
37,676
37,976
38,276
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Actual
Projected
Connected
Committed


Sewer Flow in MGD*
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
-
7.58
7.44
6.92
6.95
6.63
6.78
6.87
7.17
6.48
6.39
6.11
6.11
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Actual
Projected
*Based on average flow each April.

BUDGET FOR THE YEAR ENDING JUNE 30, 2016

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 to the Carlsbad Municipal Water District and the Olivenhain Municipal Water District on a cost recovery basis.

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, and OMWD including operation and maintenance of the plant, No. 1 Lift Station, and Mahr Reservoir.

Customer Accounts: Responds to customers, associated 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: All attributable sewer engineering, capital facilities and inspection costs.

BUDGET FOR THE YEAR ENDING JUNE 30, 2016

FUNCTION DEFINITIONS - WASTEWATER OPERATIONS (Continued)

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

General and Administrative
Cost of Labor:

- *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.

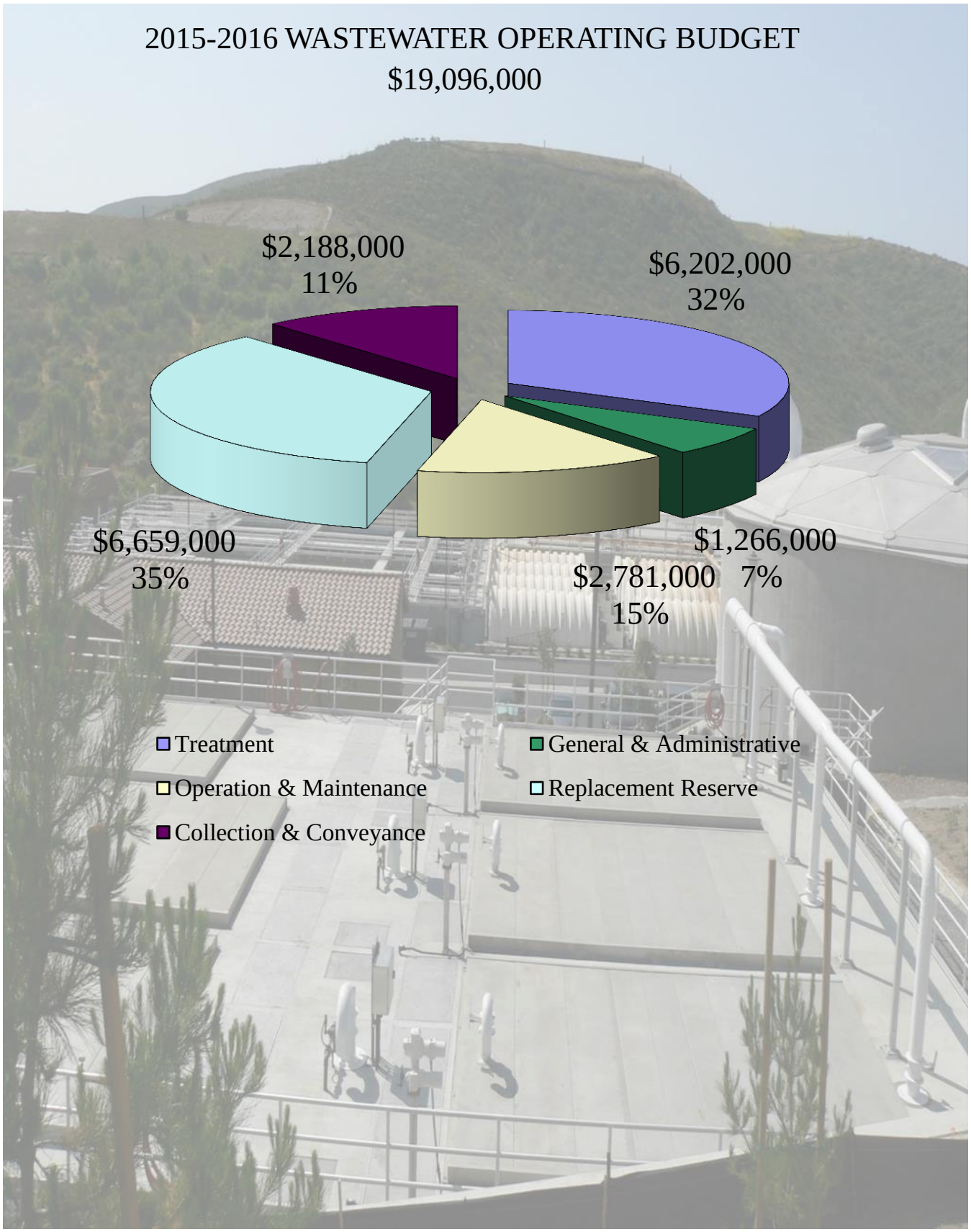
Travel costs for sewer personnel.

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.

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


2015-2016 WASTEWATER OPERATING BUDGET
$19,096,000
$2,188,000
11%
$6,202,000
32%
$6,659,000
35%
$1,266,000
7%
$2,781,000
15%
Treatment
General & Administrative
Operation & Maintenance
Replacement Reserve
Collection & Conveyance

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
OPERATING REVENUES						
Sewer Service	*4101*	$15,128,763	$ 16,061,000	$ 16,638,000	$ 17,296,000	$ 17,846,000
Reclaimed Water Sales	*4102*	1,533,203	1,648,000	1,558,000	1,724,000	1,730,000
Other	*Various*	88,540	74,000	54,000	76,000	77,000
Total Revenue		16,750,506	17,783,000	18,250,000	19,096,000	19,653,000
OPERATING EXPENSES						
Collection & Conveyance	*3010000*	1,638,425	2,102,000	1,809,000	2,188,000	2,295,000
Lift Stations	*3020000*	192,199	301,000	190,000	306,000	319,000
Peroxide Station	*3050000*	1,169	7,000	1,000	6,000	7,000
Source Control	*3060000*	168,701	189,000	167,000	179,000	185,000
Encina Disposal	*3070000*	2,450,330	2,612,000	2,498,000	2,617,000	2,696,000
Meadowlark Plant	*3410000*	2,993,579	3,247,000	2,778,000	3,585,000	3,356,000
Customer Accounts	*4010000*	340,826	477,000	366,000	452,000	468,000
Equipment & Vehicles	*4210000*	159,392	180,000	175,000	208,000	218,000
Buildings & Grounds	*4110000*	158,412	187,000	145,000	169,000	198,000
Engineering	*5010000*	521,392	812,000	548,000	602,000	633,000
Safety & Compliance	*5210000*	133,931	148,000	139,000	154,000	159,000
Information Technology	*6230000*	355,330	444,000	372,000	705,000	743,000
General & Admin.	*6xxx000*	1,150,468	1,171,000	1,165,000	1,266,000	1,356,000
Total Expense		10,264,154	11,877,000	10,353,000	12,437,000	12,633,000
OPERATING INCOME		6,486,352	5,906,000	7,897,000	6,659,000	7,020,000
LESS: TRANSFERS TO REPLACEMENT RESERVE		6,486,352	5,906,000	7,897,000	6,659,000	7,020,000
NET INCOME		$ -	$ -	$ -	$ -	$ -

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
COLLECTION/CONVEYANCE						
Cost of Labor	*3010xxx.51xx*	$ 1,316,901	$ 1,621,000	$ 1,391,000	$ 1,555,000	$ 1,647,000
Materials & Supplies	*" .53xx*	92,688	159,000	87,000	135,000	138,000
Chemicals	*" .5350*	174,336	170,000	271,000	250,000	256,000
Outside Services/Power	*" .5xxx*	54,500	152,000	60,000	248,000	254,000
Total Collection/Conveyance		1,638,425	2,102,000	1,809,000	2,188,000	2,295,000
LIFT STATIONS						
Cost of Labor	*3020xxx.51xx*	103,000	160,000	111,000	152,000	161,000
Materials & Supplies	*" .53xx*	35,186	33,000	32,000	45,000	46,000
Outside Services/Power	*" .54xx*	14,901	70,000	10,000	70,000	72,000
Power	*" .5306*	39,112	38,000	37,000	39,000	40,000
Total Lift Stations		192,199	301,000	190,000	306,000	319,000
PEROXIDE STATION						
Cost of Labor	*3050000.51xx*	851	6,000	1,000	5,000	6,000
Outside Services/Power	*" .5xxx*	318	1,000	-	1,000	1,000
Total Peroxide Sta.		1,169	7,000	1,000	6,000	7,000
SOURCE CONTROL						
Cost of Labor	*3060000.51xx*	135,022	140,000	130,000	151,000	156,000
Materials & Supplies	*" .53xx*	33,679	42,000	33,000	21,000	22,000
Outside Services	*" .54xx*	-	7,000	4,000	7,000	7,000
Total Industrial Waste		168,701	189,000	167,000	179,000	185,000
ENCINA DISPOSAL	*3070000.551*	2,450,330	2,612,000	2,498,000	2,617,000	2,696,000
MEADOWLARK LIFT STATION						
Cost of Labor	*3710000.51xx*	52,221	106,000	67,000	98,000	104,000
Material & Supplies	*" .53xx*	8,109	18,000	10,000	57,000	58,000
Chemicals	*" .5350*	240,099	240,000	112,000	200,000	205,000
Outside Services	*" .54xx*	7,944	60,000	55,000	75,000	54,000
Power	*" .5306*	79,778	80,000	79,000	84,000	87,000
Total Lift Sta.		388,151	504,000	323,000	514,000	508,000

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
MEADOWLARK PLANT						
Cost of Labor	*3410000.51xx*	$ 907,801	$ 939,000	$ 899,000	$ 1,058,000	$ 1,117,000
Materials & Supplies	*" .53xx*	269,229	280,000	280,000	430,000	369,000
Chemicals	*" .5350*	611,456	560,000	548,000	570,000	584,000
Outside Services	*" .54xx*	293,474	335,000	243,000	380,000	142,000
Power	*" .5306*	403,964	385,000	383,000	406,000	418,000
Telephone	*" .5305*	3,247	5,000	3,000	5,000	5,000
Total Meadowlark		2,489,171	2,504,000	2,356,000	2,849,000	2,635,000
MAHR RESERVOIR						
Cost of Labor	*3810000.51xx*	50,736	112,000	48,000	106,000	112,000
Materials & Supplies	*" .53xx*	15,943	15,000	21,000	15,000	15,000
Chemicals	*" .5350*	8,820	35,000	13,000	35,000	34,000
Outside Services	*" .54xx*	29,831	65,000	7,000	55,000	41,000
Power	*" .5306*	10,927	12,000	10,000	11,000	11,000
Total Mahr Reservoir		116,257	239,000	99,000	222,000	213,000
CUSTOMER ACCOUNTS						
Cost of Labor	*4010000.51xx*	250,831	320,000	251,000	341,000	360,000
Materials & Supplies	*" .53xx*	57,560	49,000	57,000	60,000	56,000
Outside Services	*" .54xx*	16,868	93,000	43,000	37,000	38,000
Uncollectible Accts.	*" .5703*	15,567	15,000	15,000	14,000	14,000
Total Cust. Accts.		340,826	477,000	366,000	452,000	468,000
EQUIPMENT & VEHICLES						
Cost of Labor	*4210000.51xx*	63,444	83,000	95,000	88,000	95,000
Materials & Supplies	*" .53xx*	40,213	35,000	34,000	48,000	49,000
Fuel	*" .5307*	49,999	52,000	44,000	52,000	53,000
Outside Services	*" .54xx*	5,736	10,000	2,000	20,000	21,000
Total Equip. & Veh.		159,392	180,000	175,000	208,000	218,000
BUILDING & GROUNDS						
Cost of Labor	*4110000.51xx*	72,589	82,000	46,000	81,000	107,000
Materials & Supplies	*" .53xx*	14,801	30,000	21,000	34,000	35,000
Outside Services	*" .54xx*	50,247	50,000	55,000	29,000	30,000
Power	*" .5306*	20,775	25,000	23,000	25,000	26,000
Total Building & Grounds		158,412	187,000	145,000	169,000	198,000
ENGINEERING						
Cost of Labor	*5010000.51xx*	506,119	598,000	536,000	572,000	603,000
Materials & Supplies	*" .53xx*	98	15,000	-	11,000	11,000
Outside Services	*" .54xx*	15,175	199,000	12,000	19,000	19,000
Total Engineering		521,392	812,000	548,000	602,000	633,000

VALLECITOS WATER DISTRICT

WASTEWATER OPERATIONS BUDGET FOR THE YEAR ENDING JUNE 30, 2016

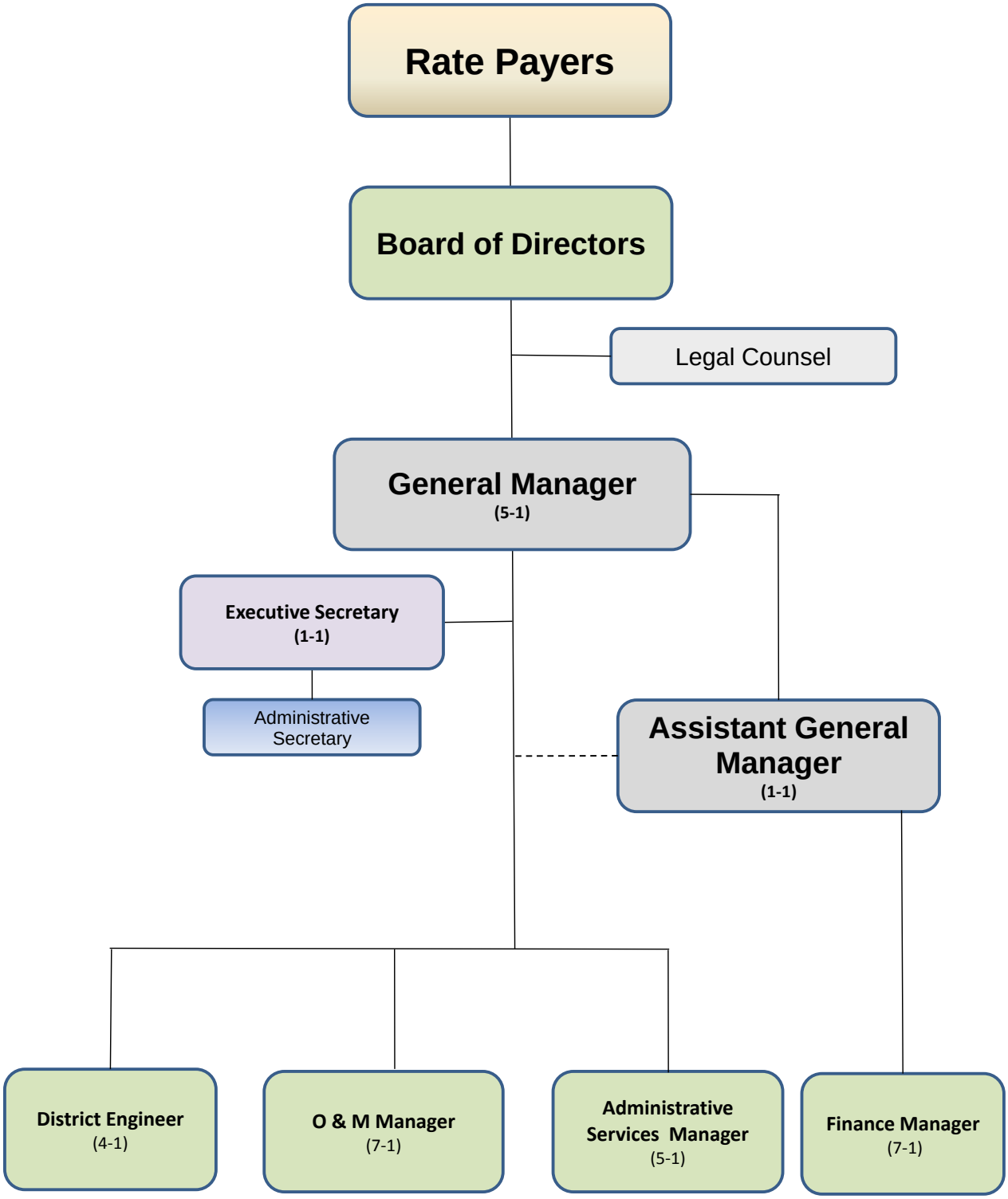
		Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
SAFETY & REGULATORY AFFAIRS						
Cost of Labor	*5210000.51xx*	$ 129,147	$ 115,000	$ 127,000	$ 124,000	$ 129,000
Materials & Supplies	*" .53xx*	581	19,000	11,000	15,000	15,000
Safety Support	*" .54xx*	4,203	14,000	1,000	15,000	15,000
Total Safety/Reg Affairs		133,931	148,000	139,000	154,000	159,000
INFORMATION TECH						
Cost of Labor	*6230000.51xx*	193,311	203,000	213,000	261,000	288,000
Materials & Supplies	*" .53xx*	48,466	82,000	53,000	91,000	93,000
Outside Services	*" .54xx*	113,553	159,000	106,000	353,000	362,000
Total Information Tech		355,330	444,000	372,000	705,000	743,000
GENERAL & ADMINISTRATION						
Cost of Labor	*6xxxxx.51xx*	1,250,930	1,138,000	1,234,000	1,237,000	1,364,000
Directors Fees	*" .5101*	21,479	62,000	37,000	62,000	64,000
District Insurance	*" .5201*	143,953	172,000	137,000	158,000	176,000
Travel	*" .5202*	16	5,000	-	5,000	5,000
Meetings & Seminars	*" .5203*	1,061	14,000	-	14,000	11,000
Dues & Subscriptions	*" .5204*	203	2,000	-	2,000	2,000
Directors Expenses	*" .5205*	-	12,000	-	12,000	12,000
Office Supplies	*" .5301*	12,456	10,000	12,000	15,000	15,000
Postage	*" .5304*	-	2,000	1,000	2,000	2,000
Outside Services	*" .5401*	24,771	95,000	30,000	95,000	82,000
Legal	*" .5402*	131,735	150,000	133,000	150,000	154,000
Auditing	*" .5403*	14,465	15,000	18,000	15,000	18,000
Bank/Investment Svcs	*" .5501*	18,256	16,000	15,000	15,000	16,000
Regulatory Fees	*" .5502*	-	4,000	-	4,000	4,000
Other	*" .5702*	10,202	2,000	-	2,000	3,000
Admin Credit Trans	*4702*	(479,059)	(528,000)	(452,000)	(522,000)	(572,000)
Total Gen. & Admin.		1,150,468	1,171,000	1,165,000	1,266,000	1,356,000
TOTAL EXPENSES		$10,264,154	$ 11,877,000	$ 10,353,000	$ 12,437,000	$ 12,633,000

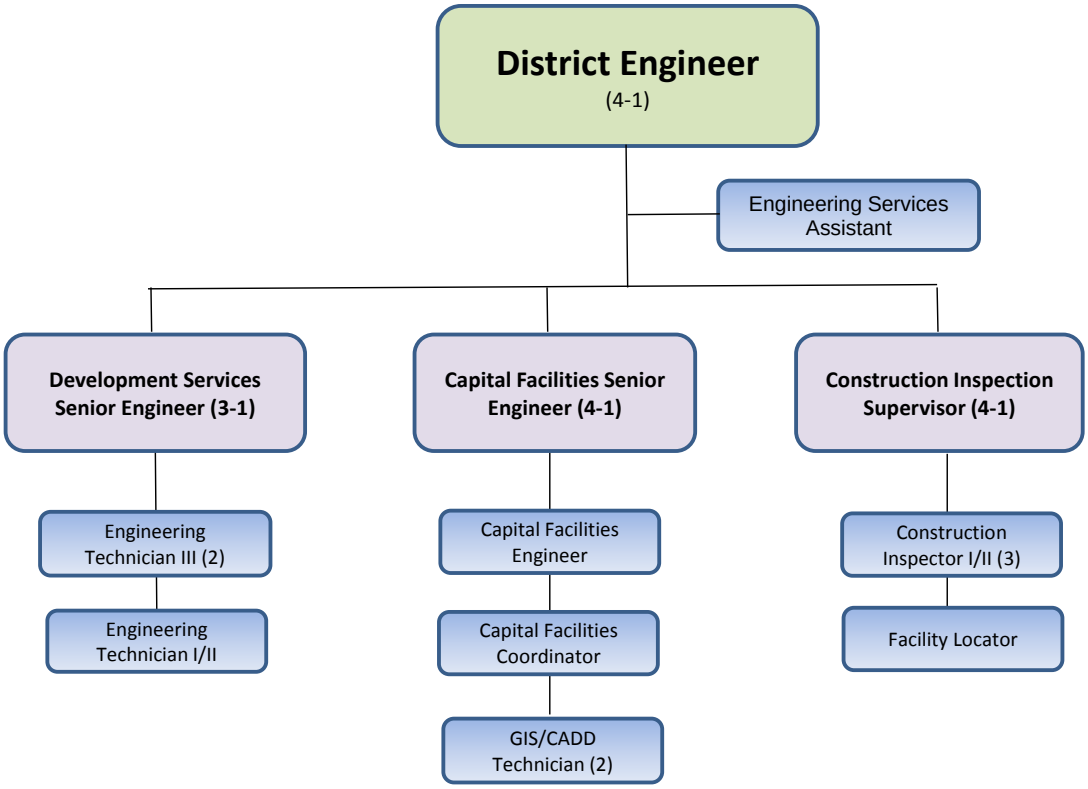
BUDGET FOR THE YEAR ENDING JUNE 30, 2016

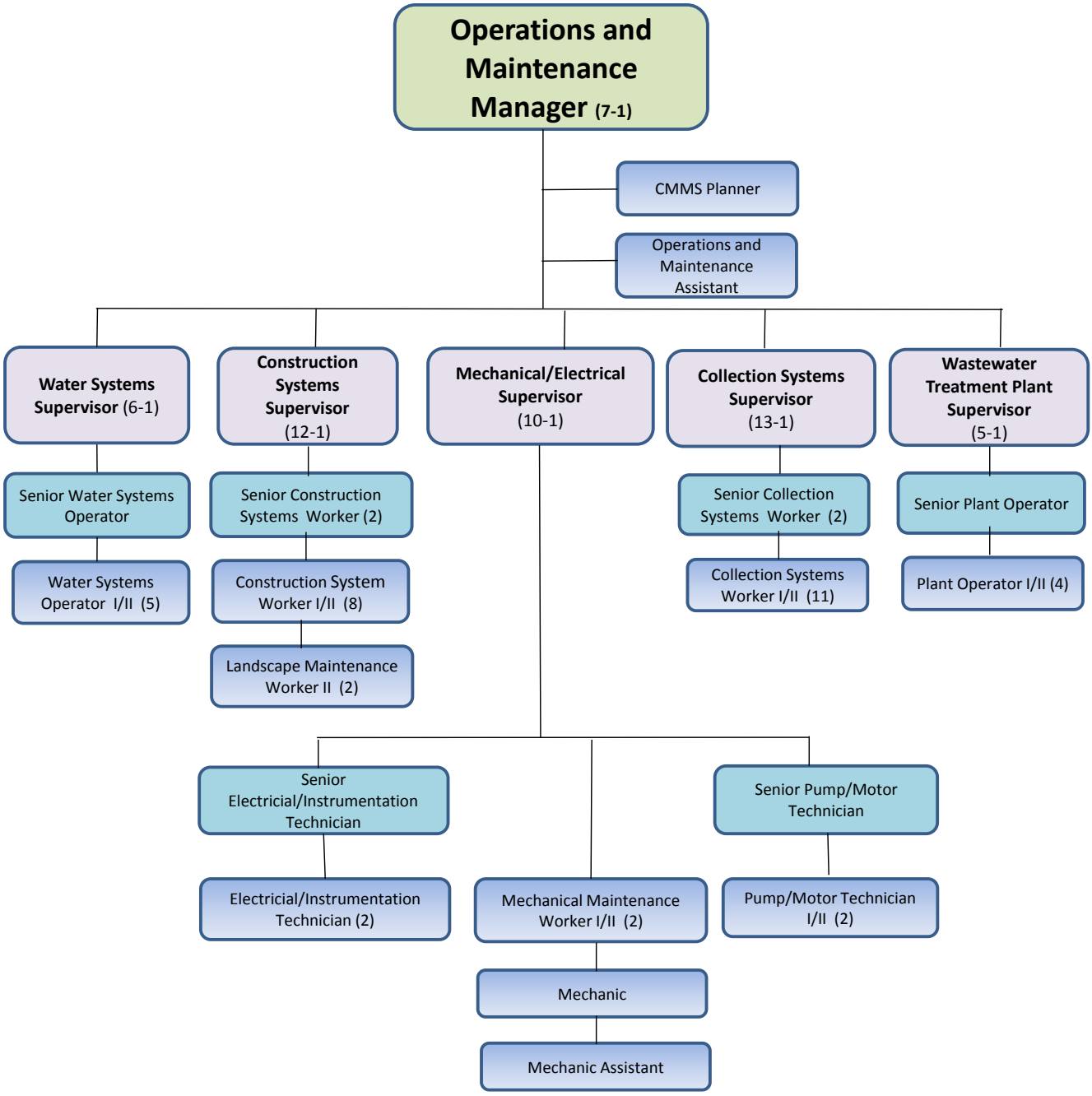
SALARY AND BENEFIT RECAP

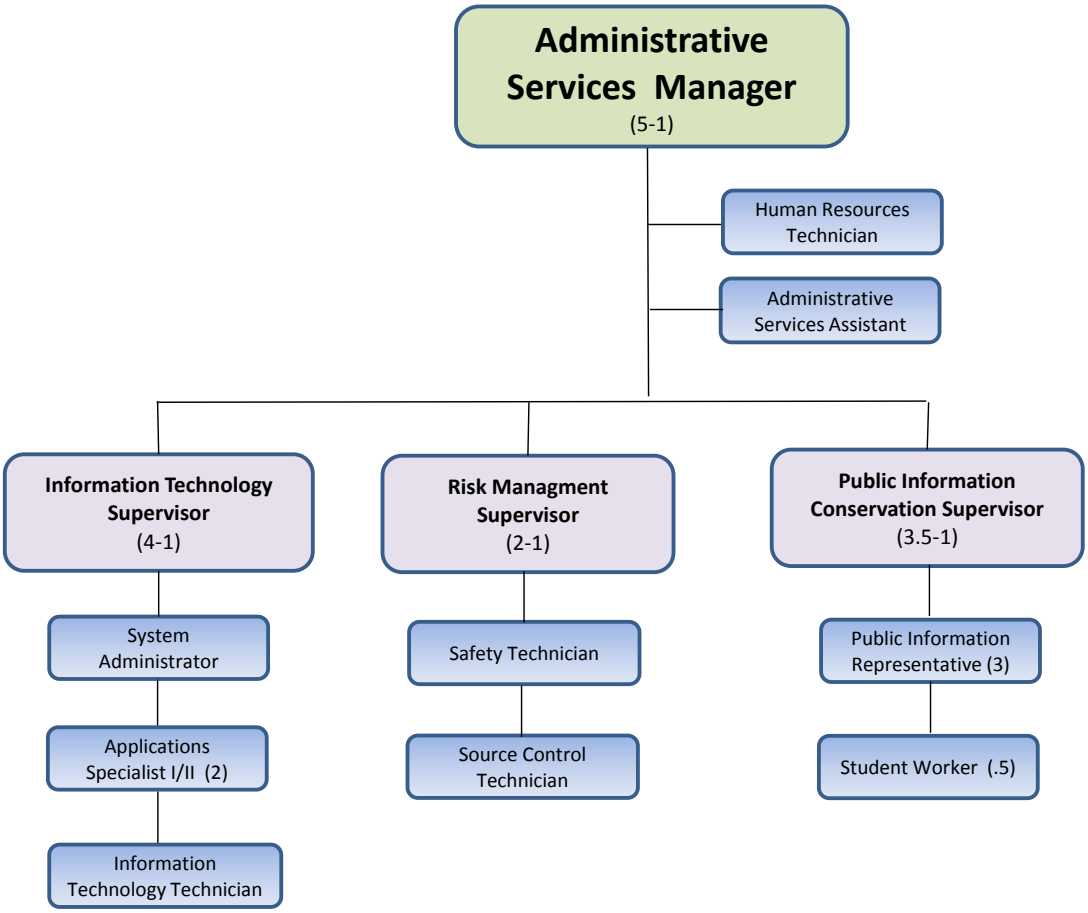
	Actual FY 13-14	Budget FY 14-15	Projected FY 14-15	Budget FY 15-16	Estimated FY 16-17
SALARIES					
Water Operations	$ 4,424,664	$ 4,915,000	$ 4,422,000	$ 4,902,000	$ 5,201,000
Wastewater Operations	3,118,301	3,550,000	3,216,000	3,537,000	3,745,000
Subtotal	7,542,965	8,465,000	7,638,000	8,439,000	8,946,000
Labor Posted to Work Orders*	544,505	621,000	668,000	636,000	668,000
TOTAL SALARIES	8,087,470	9,086,000	8,306,000	9,075,000	9,614,000
BENEFITS					
Public Employee Retirement	1,550,287	1,517,000	1,539,000	1,834,000	2,072,000
Group Insurance	2,053,813	2,456,000	2,230,000	2,660,000	2,861,000
Social Security	801,374	695,000	601,000	694,000	735,000
Workers' Comp Insurance	195,879	230,000	206,000	232,000	253,000
Other Taxes and Benefits	38,901	44,000	46,000	51,000	55,000
TOTAL BENEFITS	4,640,254	4,942,000	4,622,000	5,471,000	5,976,000
TOTAL SALARIES & BENEFITS	$ 12,727,724	$ 14,028,000	$ 12,928,000	$ 14,546,000	$ 15,590,000
Benefits as a Percentage of Salaries	57.4%	54.4%	55.6%	60.3%	62.2%
Operations	48.0	56.0	51.0	54.0	54.0
Engineering	15.0	16.0	17.0	16.0	17.0
Finance	22.0	25.5	25.5	25.75	26.75
Administration	18.0	18.0	18.0	19.5	19.5
Total Funded FTEs	103.0	115.5	111.5	115.25	117.25

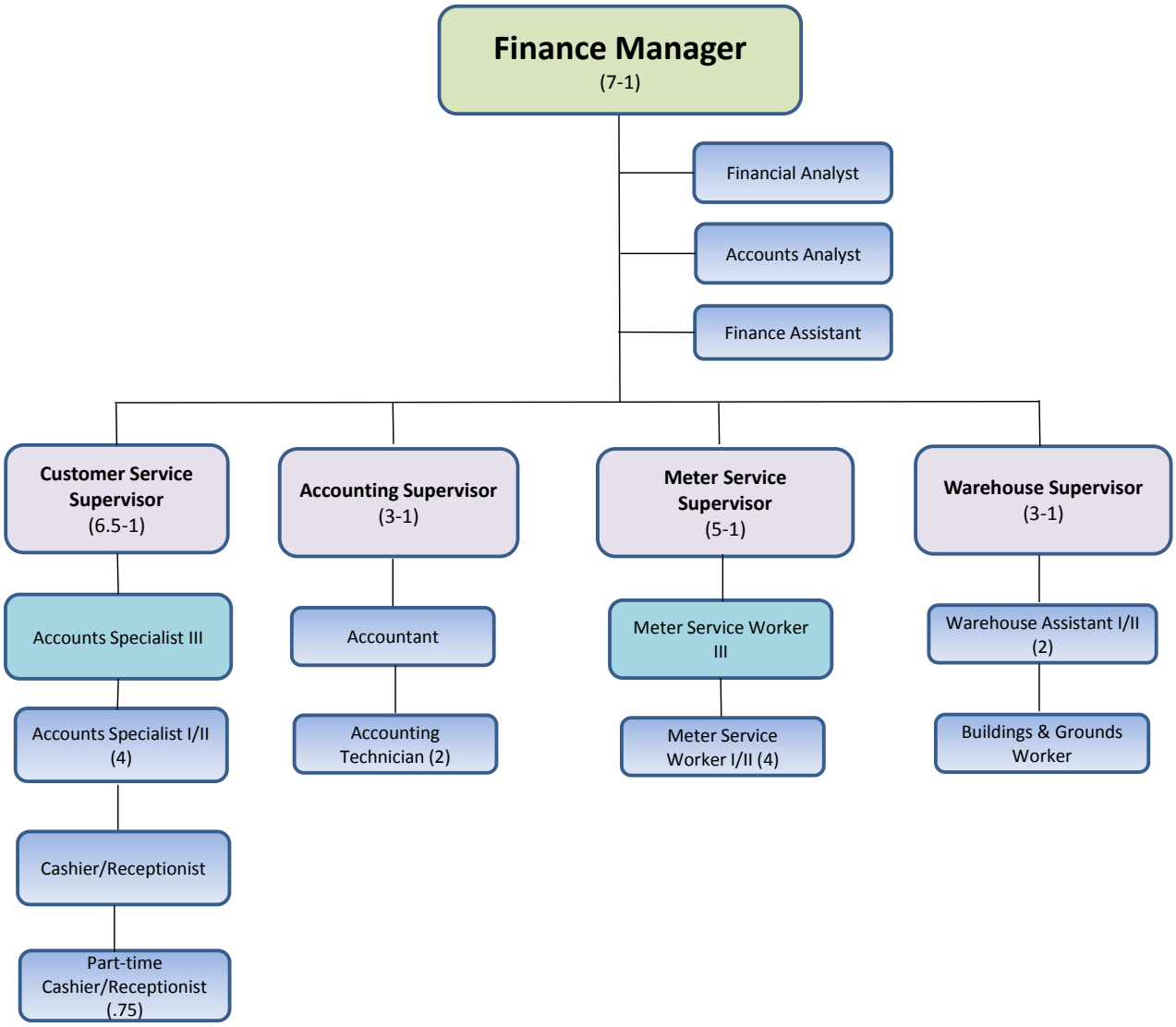
* There is also a labor overhead charge to work orders to cover benefit costs which are a part of the credit in the General and Administration sections of Water and Wastewater operations.


Rate Payers
Board of Directors
Legal Counsel
General Manager
(5-1)
Executive Secretary
(1-1)
Administrative Secretary
Assistant General Manager
(1-1)
District Engineer
(4-1)
O & M Manager
(7-1)
Administrative Services Manager
(5-1)
Finance Manager
(7-1)


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
Operations and Maintenance Assistant
Water Systems Supervisor (6-1)
Construction Systems Supervisor (12-1)
Mechanical/Electrical Supervisor (10-1)
Collection Systems Supervisor (13-1)
Wastewater Treatment Plant Supervisor (5-1)
Senior Water Systems Operator
Water Systems Operator I/II (5)
Senior Construction Systems Worker (2)
Construction System Worker I/II (8)
Landscape Maintenance Worker II (2)
Senior Collection Systems Worker (2)
Collection Systems Worker I/II (11)
Senior Plant Operator
Plant Operator I/II (4)
Senior Electricial/Instrumentation Technician
Electricial/Instrumentation Technician (2)
Mechanical Maintenance Worker I/II (2)
Mechanic
Mechanic Assistant
Senior Pump/Motor Technician
Pump/Motor Technician I/II (2)


Administrative Services Manager
(5-1)
Human Resources Technician
Administrative Services Assistant
Information Technology Supervisor
(4-1)
Risk Managment Supervisor
(2-1)
Public Information Conservation Supervisor
(3.5-1)
System Administrator
Applications Specialist I/II (2)
Information Technology Technician
Safety Technician
Source Control Technician
Public Information Representative (3)
Student Worker (.5)


Finance Manager
(7-1)
Financial Analyst
Accounts Analyst
Finance Assistant
Customer Service Supervisor
(6.5-1)
Accounts Specialist III
Accounts Specialist I/II
(4)
Cashier/Receptionist
Part-time Cashier/Receptionist
(.75)
Accounting Supervisor
(3-1)
Accountant
Accounting Technician (2)
Meter Service Supervisor
(5-1)
Meter Service Worker III
Meter Service Worker I/II (4)
Warehouse Supervisor
(3-1)
Warehouse Assistant I/II
(2)
Buildings & Grounds Worker

2015-16 PERSONNEL BUDGET

POSITIONS/PERSONNEL:

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

RECLASSIFICATIONS:

An overall evaluation of efficiencies created the need to reclassify a full-time Office Assistant position to a Finance Assistant. Other position titles throughout the District were changed to better describe the duties of the position and facilitate comparability between Vallecitos and similiar agencies.

NEW POSITION:

Applications Specialist - Estimated annual Cost $75,800 plus benefits

This position will fill-in the gaps within the IT Department such as lack of a quality assurance person to test and review programming and reports created by current Aplications Specialist. There is also a need for programming and create reports across multiple applications. Adding another specialist will reduce the dependence on consultants and allow better control of systems within the District's ERP. This position is budgeted for nine months of the fiscal year.

VALLECITOS WATER DISTRICT

2015-16 PUBLIC AWARENESS AND CONSERVATION PROGRAM BUDGET

REBATE PROGRAMS * Prj 2016100055 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 2016100056 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. 63,000

VIDEO PRODUCTION Prj 2016100057 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 2016100058 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 Jack's 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 (4th 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 2016100059 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 2016100060 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. 23,000

MEMBERSHIPS & EQUIPMENT Prj 2016100061 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 2016100062 W/O 117455

To assist large commercial and public agency customers by providing workshops, written materials, monetary incentives, and using outside consultants. 2,000

BRANDING CONSULTING Prj 2016100063 W/O TBA

Consulting services to assist the District through a process to create brand awareness. 20,000

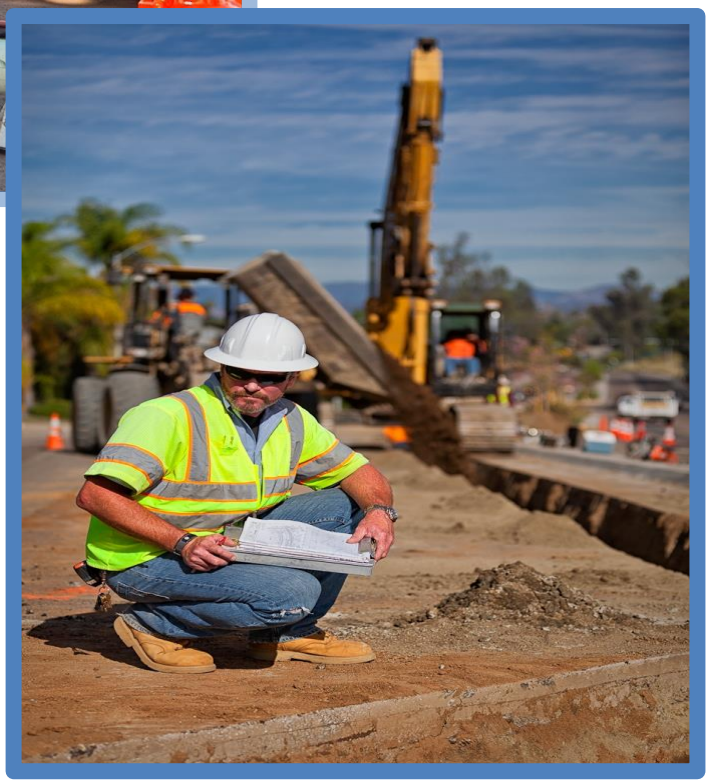
NSDEC NEWSLETTERS Prj 2016100064 W/O 152162

Creating content for newsletters managed my North San Diego Economic Development Council. 2,000

TOTAL PUBLIC AWARENESS/CONSERVATION PROGRAM BUDGET **$ 146,000**

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

2015-2016 CAPITAL BUDGET



VALLECITOS WATER DISTRICT

Comprehensive Project List

Page Number	Project Number	Project Title	Funding Source	Previous Budget & Amendments	Estimated Amt Expended @ 6/30/15	Fiscal Year 2015-16 Carryforward	Fiscal Year 2015-16 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	18,650,000	13,250,000	5,400,000	1,050,000
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	2013100004	MRF Solids Force Main Replacement	210	1,750,000	310,000	1,440,000	1,225,000
42	2015100001	Encina Wastewater Auth FY 14/15	210	2,375,000	1,899,000	476,000	-
43	90003	Rock Springs Sewer Replacement	210&220	1,595,000	345,000	1,250,000	560,000
44	2013100530	San Elijo Hills Pump Station	120	2,050,000	1,805,000	245,000	-
45	2014100005	Desalinated Water Connection	120	1,310,000	855,000	455,000	20,000
46	71025	Wulff Pressure Reducing Station	110	790,000	1,215,000	(425,000)	690,000
47	2012100002	Richland Invert Replacement	210&220	675,000	20,000	655,000	455,000
48	2013100533	Lift Station 1 Pump Improvements	210&220	272,000	375,000	(103,000)	676,000
49	71077	Questhaven Basin Water and Sewer Facilities	120&220	932,000	642,000	290,000	-
50	2014100004	Asset Management Replacement Schedule	110&210	600,000	-	600,000	-
51	2014100003	Water and Sewer Master Plan	120&220	800,000	425,000	375,000	50,000
52	80001	Old Questhaven Sewer Replacement	210&220	835,000	1,000	834,000	-
53	2013100006	High Point Pipeline	120	700,000	-	700,000	-
54	2010100003	Environmental Mitigation Property	120&220	460,000	60,000	400,000	150,000
55	2014100002	Northwest Lake San Marcos Sewer Replacement	210	1,500,000	-	1,500,000	(895,000)
56	71177	Land Outfall Clearing & Access Road	210	250,000	80,000	170,000	330,000
57	90007	City of San Marcos Joint Projects	110&210	640,000	5,000	635,000	(67,000)
58	2014100006	Twin Oaks Reservoir: On-site Generation	110	550,000	1,000	549,000	-
59	2015100002	Audiovisual Upgrade	110&210	500,000	75,000	425,000	-
60	71126	Vulnerability Assessment Improvements	120&220	447,700	219,000	228,700	-
61	2015100003	Mahr Reservoir - Chlorine Injection System	250	375,000	1,000	374,000	50,000
62	80009	Trioxyn Injection Station	220	400,000	2,000	398,000	5,000
63	2012100004	Tertiary Filter Media	210	220,000	40,000	180,000	85,000
64	2015100010	Lift Station 1 Perimeter Fencing	210	45,000	15,000	30,000	225,000
65	71081	South Lake Dam Sluice Gate	110	295,000	54,000	241,000	(50,000)
66	2014100716	Knoll Road Sewer Replacement	210	175,000	30,000	145,000	55,000
67	2014100008	North Vista Pressure Reducing Station Upgrade	110	165,000	35,000	130,000	60,000
68	2014100007	South Vista Pressure Reducing Station Upgrade	110	162,000	35,000	127,000	28,000
69	2014100018	Vacton Pit - Distirct Yard	110&210	35,000	35,000	-	45,000
70	2015100007	Nitrate Monitoring Meters	250	75,000	-	75,000	-
71	2014100012	Palos Vista Pump Station Refurbish & Upgrade	110	73,000	42,000	31,000	-
72	2015100013	Chlorine Injection System	250	38,000	-	38,000	17,000
73	2015100015	Roughing Filter Motors	210	29,000	13,500	15,500	12,000
74	2015100012	Questhaven Lift Station Wet Well Aeration	210	40,000	-	40,000	-
75	2014100022	Valve Cans and Lids Upgrade	110	17,500	1,700	15,800	-
76	2015100018	Constant Speed Aeration Blower	210	16,000	-	16,000	-
77	2014100026	B.O. Gate Valve Upgrades	110	7,000	-	7,000	-
				$ 82,293,200	***$ 22,626,200***	***$ 59,667,000***	***$ 4,776,000***
New Projects							
78	2016100001	Encina Wastewater Auth 5 Year Cap Plan	210				15,729,000
79	2016100002	Chlorine Contact Tank Expansion	210				1,950,000
80	2016100003	Montiel Gravity Outfall	210&220				1,750,000
81	2016100004	District-wide Valve Replacement Program	110				700,000
82	2016100005	Expansion of Men's Locker Room in Building B	110&210				465,000
83	2016100006	Lift Station #1 - Waterman Valves Replacement	210				265,000
84	2016100007	Rock Springs Valve Replacement	110				210,000
85	2016100008	Palos Vista Pump Station - Motor Replacement	110				118,000
86	2016100009	Sewer Replacement and I&I Repairs	210				100,000
87	2016100010	MRF Chlorine Contact Tank Safety Railing Replacement	250				95,000
88	2016100011	Fulton Road and NCTD Sewer Line Rehabilitation	210				90,000
89	2016100012	Peroxide Station - Enclosure and Site Renovation	210				85,000
90	2016100013	MRF - Fall Protection Equipment	210				70,000
91	2016100014	Via Vera Cruz Tank Hill Stabilization	110				70,000
92	2016100015	MRF - Headworks Building Skylight	210				55,000
93	2016100016	Office for the Operations & Maintenance Assistant	110&210				35,000
94	2016100017	MRF - Potable Water Pump Station	210				30,000
95	2016100018	Sewer Flow Meter Replacement	210				30,000
96	2016100019	Odor Control - Carbon Structure Replacements	210				27,000
97	2016100020	MRF - Refurbish Backwash Pumps and Motors	210				26,000
98	2016100021	Palos Vista Pump Station - Flow Meter Replacement	110				25,000
99	2016100022	Coronado Hills Tank - Chlorine Injection System	110				20,000
100	2016100023	Lake San Marcos Lift Station - Replacement of VFDs	250				20,000
101	2016100024	South Lake - Aeration System Expansion	110				15,000
102	TBA	Future Projects	110&210			-	9,178,000
				$ -	***$ -***	***$ -***	***$ 31,158,000***
				$ 82,293,200	***$ 22,626,200***	***$ 59,667,000***	***$ 35,934,000***
						$95,601,000	

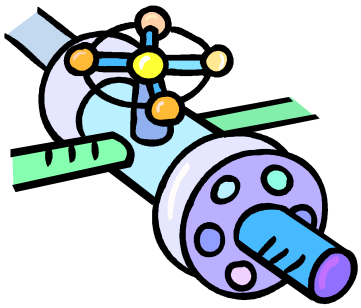
VALLECITOS WATER DISTRICT

Comprehensive Project List

Project Total	Spending by Fiscal Year						Page Number
	2015-16	2016-17	2017-18	2018-19	2019-20	2020 to 2025	
$ 28,150,000	$ 310,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 26,500,000	36
19,700,000	650,000	3,675,000	2,125,000	-	-	-	37
6,000,000	-	-	50,000	690,000	690,000	4,570,000	38
4,434,000	-	-	3,934,000	-	-	-	39
3,860,000	-	-	-	-	-	3,760,000	40
2,975,000	2,665,000						41
2,375,000	476,000						42
2,155,000	875,000	935,000					43
2,050,000	245,000						44
1,330,000	475,000	-					45
1,480,000	-	265,000					46
1,130,000	150,000	960,000	-	-			47
948,000	573,000	-					48
932,000	290,000	-					49
600,000	-	100,000	100,000	400,000			50
850,000	425,000	-					51
835,000	-	-	-		-	834,000	52
700,000	-	700,000	-				53
610,000	150,000	100,000	100,000	100,000	100,000		54
605,000	75,000	235,000	295,000			-	55
580,000	500,000	-	-				56
573,000	63,000	505,000	-				57
550,000	549,000						58
500,000	225,000	200,000					59
447,700	228,700						60
425,000	424,000						61
405,000	1,000	1,000	143,000	258,000			62
305,000	265,000	-					63
270,000	225,000	30,000					64
245,000	191,000						65
230,000	200,000						66
225,000	190,000						67
190,000	155,000						68
80,000	45,000						69
75,000	25,000	25,000	25,000				70
73,000	15,500	15,500	-				71
55,000	55,000						72
41,000	27,500						73
40,000	40,000						74
17,500	5,000	5,300	5,500				75
16,000	16,000						76
7,000	7,000	-	-	-	-	-	77
$ 87,069,200	***$ 10,811,700***	***$ 8,051,800***	***$ 7,077,500***	***$ 1,748,000***	***$ 1,090,000***	***$ 35,664,000***	
15,729,000	3,171,000	3,299,000	3,275,000	2,965,000	3,019,000		78
1,950,000	150,000	100,000	700,000	1,000,000			79
1,750,000	25,000	225,000	1,150,000	350,000			80
700,000	175,000	175,000	175,000	175,000			81
465,000	465,000						82
265,000	265,000						83
210,000	45,000	165,000					84
118,000	28,000	29,000	30,000	31,000			85
100,000	100,000						86
95,000	95,000						87
90,000	90,000						88
85,000	85,000						89
70,000	70,000						90
70,000	70,000						91
55,000	55,000						92
35,000	35,000						93
30,000	30,000						94
30,000	30,000						95
27,000	27,000						96
26,000	26,000						97
25,000	25,000						98
20,000	20,000						99
20,000	20,000					-	100
15,000	15,000						101
9,178,000	-	425,000	983,000	1,740,000	1,955,000	4,075,000	102
$ 31,158,000	***$ 5,117,000***	***$ 4,418,000***	***$ 6,313,000***	***$ 6,261,000***	***$ 4,974,000***	***$ 4,075,000***	
$ 118,227,200	***$ 15,928,700***	***$ 12,469,800***	***$ 13,390,500***	***$ 8,009,000***	***$ 6,064,000***	***$ 39,739,000***	

Capital Improvement Program
Encina Parallel Land Outfall

Description: This project calls 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 and 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 15/16	FY 16/17	FY 17/18	FY 18/19	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 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008	January-2009	December-2015	January-2016	June-2019	July-2019	June-2023	June-2023

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$750,000	$150,000	$125,000	$25,000			$1,050,000
Design	$2,300,000	$500,000	$50,000	$50,000			$2,900,000
Construction	$10,200,000		$3,500,000	$2,050,000			$15,750,000
Total	$13,250,000	$650,000	$3,675,000	$2,125,000	$0	$0	**$19,700,000**

FY 15/16 Budget Request - $1,050,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-1996	July-1996	June-2007	July-1998	October-2016	April-2017	March-2018	March-2018

Capital Improvement Program
Coronado Hills Tank #2

Description: Build-out demands for the 1530, 1115 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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	Thereafter	Total
Planning				$50,000			$50,000
Design					$690,000		$690,000
Construction						$5,260,000	$5,260,000
Total	$0	$0	$0	$50,000	$690,000	$5,260,000	**$6,000,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012	July-2017	December-2017	January-2018	June-2018	July-2019		

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: Jason Hubbard 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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	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	$3,934,000	$0	$0	**$4,434,000**

FY 15/16 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-2018		

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: Jason Hubbard **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

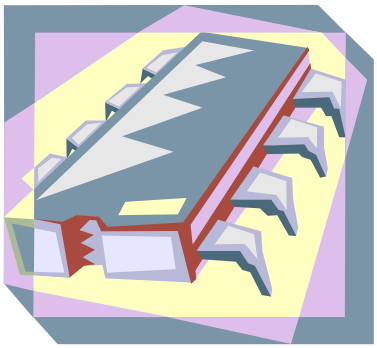
Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Thereafter	Total
Planning	$10,000						$10,000
Design	$90,000					$310,000	$400,000
Construction						$3,450,000	$3,450,000
Total	$100,000	$0	$0	$0	$0	$3,760,000	**$3,860,000**

FY 15/16 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-2019	July-2019	Jully 2020	July-2020

Capital Improvement Program
MRF Solids Force Main Replacement



Description: The Meadowlark Reclamation Facility (MRF) 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 a new 7,400-foot section of PVC pipeline from the Meadowlark Reclamation Facility (MRF) through Melrose Drive to Poinsettia Lane. This project will also make improvements at the MRF including replacement of an existing influent line and gravity sludge line.

Project Manager: Jason Hubbard **Department:** Engineering

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 PVC pipeline that has more capacity and greater corrosion resistance. This project will also relocate the pipeline out of environmentally sensitive areas and local neighborhoods and into more accessible areas. Though the design was completed in FY 14/15 and costs were based on a lean interpretation of the 2010 Master Plan, an increasingly more competitive bid environment has delayed the project until additional funds can be allocated for the construction phase.

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$50,000						$50,000
Design	$260,000						$260,000
Construction		$2,665,000					$2,665,000
Total	$310,000	$2,665,000	$0	$0	$0	$0	**$2,975,000**

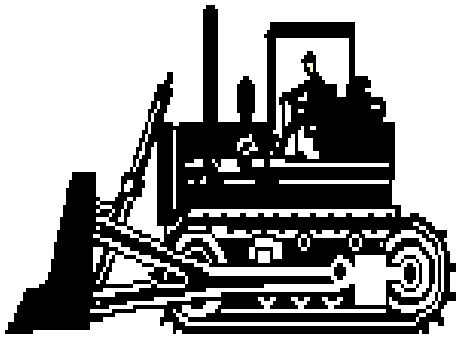
FY 15/16 Budget Request - $1,225,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012	July-2012	April-2013	May-2013	June-2015	July-2015	May-2016	May-2016

Capital Improvement Program
Encina Wastewater Authority – Capital Projects FY 14/15

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: 2015100001 **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$1,899,000	$476,000					$2,375,000
Total	$1,899,000	$476,000	$0	$0	$0	$0	**$2,375,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009							June-2016

Capital Improvement Program
Rock Springs Sewer Replacement

Description: This project calls for the abandonment and/or removal of approximately 2,500 feet of 8" VCP sewer main and 10 manholes within Rock Springs Road and adjacent greenbelt. This will be replaced by 3,000 feet of new PVC sewer main, 16 new manholes, and rehabilitating 4 existing 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: Jason Hubbard **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. An increasingly more competitive bid environment and a lean cost analysis in the Master Plan, has resulted in the necessity for additional funds to be allocated.

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$40,000						$40,000
Design	$305,000	$60,000					$365,000
Construction		$815,000	$935,000				$1,750,000
Total	$345,000	$875,000	$935,000	$0	$0	$0	**$2,155,000**

FY 15/16 Budget Request - $560,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008	July-2008	January-2010	February-2010	September-2015	October-2015	May-2017	May-2017

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 gallons 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: Jason Hubbard **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.

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$ 50,000						$ 50,000
Design	$ 330,000						$ 330,000
Construction	$ 1,425,000	$ 245,000					$ 1,670,000
Total	$ 1,805,000	$ 245,000	$0	$0	$0	$0	**$ 2,050,000**

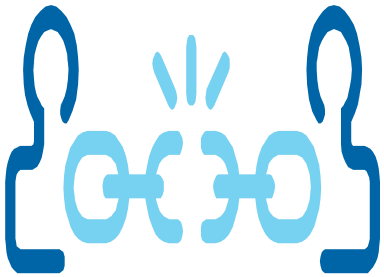
FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
December 2012	January 2013	May 2013	June 2013	June 2014	September 2014	July 2015	July 2015

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$40,000						$40,000
Design	$140,000						$140,000
Construction	$675,000	$475,000					$1,150,000
Total	$855,000	$475,000	$0	$0	$0	$0	**$1,330,000**

FY 15/16 Budget Request - $20,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2013	March-2014	March-2014	February-2015	March-2015	August-2015	August-2015

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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	Thereafter	Total
Planning	$900,000						$900,000
Design	$315,000		$50,000				$365,000
Construction			$215,000				$215,000
Recovery							$0
Total	$1,215,000	$0	$265,000	$0	$0	$0	**$1,480,000**

FY 15/16 Budget Request - $690,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2001	August-2001	June-2012	July-2016	February-2017	July-2017	June-2018	June-2018

Capital Improvement Program
Richland Invert Replacement

Description: This project calls 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: Jason Hubbard **Department:** Engineering

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

Comments: The existing 8-inch and 10-inch invert pipelines were installed over 27 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 collections 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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$20,000						$20,000
Design		$150,000					$150,000
Construction			$960,000				$960,000
Total	$20,000	$150,000	$960,000	$0	$0	$0	**$1,130,000**

FY 15/16 Budget Request - $455,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2011	April-2012	June-2015	July-2015	June-2016	July-2016	March-2017	March-2017

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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$5,000						$5,000
Design	$181,000						$181,000
Construction	$189,000	$573,000					$762,000
Total	$375,000	$573,000	$0	$0	$0	$0	**$948,000**

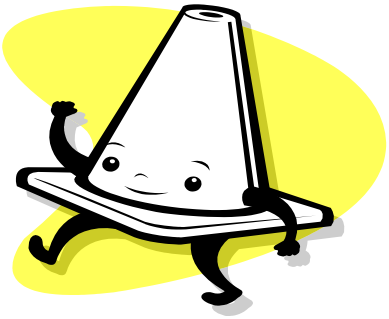
FY 15/16 Budget Request - $676,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
December-2012	January-2013	March-2013	March-2013	January-2015	April-2015	December-2015	December-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: Robert Scholl **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 10" to 16" in Planning Area O.

Operations Impact: None

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$642,000	$290,000					$932,000
Total	$642,000	$290,000	$0	$0	$0	$0	**$932,000**

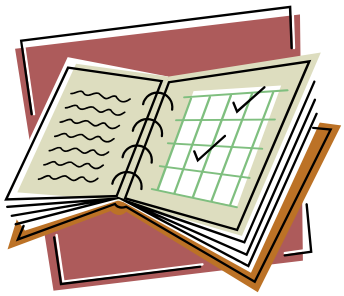
FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2003					July-2009	June-2016	June-2016

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning			$100,000	$100,000	$400,000		$600,000
Design							$0
Construction							$0
Total	$0	$0	$100,000	$100,000	$400,000	$0	**$600,000**

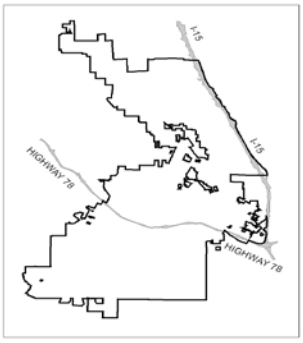
FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013	July-2016	June-2019					June-2019

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 Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$425,000	$425,000					$850,000
Design							$0
Construction							$0
Total	$425,000	$425,000	$0	$0	$0	$0	**$850,000**

FY 15/16 Budget Request - $50,000

Estimated Project Timeline

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

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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20 & 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**

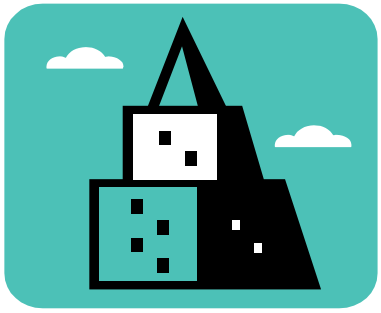
FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2007	July-2007	August-2019	August-2019	October-2020	October-2020		

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: Robert Scholl **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 Hydro-pneumatic 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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction			$700,000				$700,000
Total	$0	$0	$700,000	$0	$0	$0	**$700,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2012					October-2015	June-2017	June-2017

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: Robert Scholl **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$60,000	$150,000	$100,000	$100,000	$100,000	$100,000	$610,000
Design							$0
Construction							$0
Total	$60,000	$150,000	$100,000	$100,000	$100,000	$100,000	**$610,000**

FY 15/16 Budget Request - $150,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009	July-2009	June-2020	-	-	-	-	June-2020

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

Description: This project involves the replacement of approximately 1000 feet of existing 8-inch VCP sewer pipeline with new 8-inch PVC pipe. In addition, approximately 750 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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$25,000					$25,000
Design		$50,000	$35,000				$85,000
Construction			$200,000	$295,000			$495,000
Total	$0	$75,000	$235,000	$295,000	$0	$0	**$605,000**

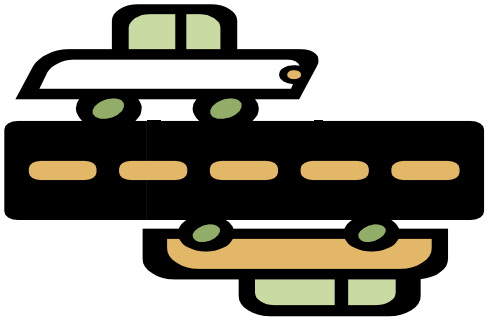
FY 15/16 Budget Request - ($895,000)

Estimated Project Timeline

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

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: James Gumpel **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$300,000					$300,000
Design	$20,000						$20,000
Construction	$60,000	$200,000					$260,000
Total	$80,000	$500,000	$0	$0	$0	$0	**$580,000**

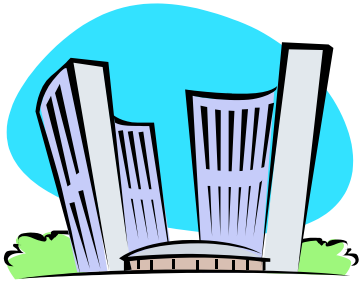
FY 15/16 Budget Request - $330,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2006			February-2013	May-2013	July-2008	June-2016	June-2016

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: James Gumpel **Department:** Engineering

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

Funding Sources:

Project:	Amount:	Source:	
La Rosa Storm Drain	$ 30,000	Water/Sewer	80% / 20%
Discovery St Improvements	500,000	Water/Sewer	90% / 10%
Relocations/Adjustments	15,000	Water/Sewer	75% / 25%
Armorlite Dr	22,000	Water/Sewer	80% / 20%
Discovery/Bent/Via Vera Cruz	5,000	Water/Sewer	100%
Total	$572,000		

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$5,000	$63,000	$505,000				$573,000
Total	$5,000	$63,000	$505,000	$0	$0	$0	**$573,000**

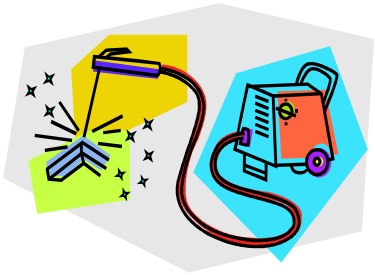
FY 15/16 Budget Request - ($67,000)

Estimated Project Timeline

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

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: Ed Pedrazzi **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$1,000	$549,000					$550,000
Total	$1,000	$549,000	$0	$0	$0	$0	**$550,000**

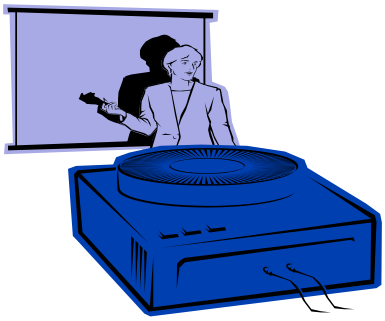
FY 15/16 Budget Request - $0

Estimated Project Timeline

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

Capital Improvement Program
Audiovisual Upgrade

Description: Various audiovisual improvements to upgrade technology in the board room and several conference rooms and the training room.



Project Managers: Karla Fisher **Department:** Information Technology

Project: 2015100003 **Funding Source:** 51% Fund 110 – Water Replacement
49% Fund 210 – Sewer Replacement

Comments:
The audiovisual systems in the District Board Room, Training Room, and Conference Rooms have become outdated and were installed with the construction of Building A. This project will upgrade existing technology to accommodate televised Board of Director meetings and create a consistency between conference rooms and the training room.

Phase I: Select a design consultant to determine upgrade requirements, design the audiovisual systems, and approximate cost. The design consultant will create RFP, assist with selection of a contractor, and oversee project through testing, training, and completion.

Phase II: Select contractor to implement design from Phase I.

Operations Impact: Routine Maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$75,000						$75,000
Construction		$225,000	$200,000				$425,000
Total	$75,000	$225,000	$200,000	$0	$0	$0	**$500,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
					July-2014	June-2017	June-2017

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 2014/15 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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$219,000	$228,700					$447,700
Total	$219,000	$228,700	$0	$0	$0	$0	**$447,700**

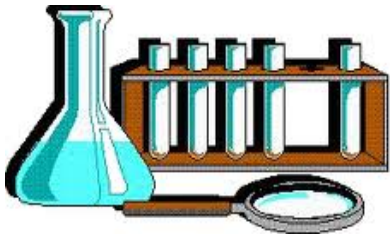
FY 14/15 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2004							June-2016

Capital Improvement Program
Mahr Reservoir – Chlorine Injection System

Description: Install a chlorine injection system at Mahr Reservoir to improve water quality.



Project Manager: Ed Pedrazzi **Department:** Operations & Maintenance

Project: 2015100003 **Funding Source:** 100% Reclaimed

Comments: The reclaimed water produced at the District's Meadowlark Reclamation Facility is stored in the Mahr Reservoir. The water contains high levels of phosphorus and nitrogen which provide a food source for algae. The water quality in Mahr is degraded by the high levels of algae which can create issues with water color and clogging of our customers' distribution equipment. A species of water bug that feeds on algae lives in the reservoir and has been causing additional clogging issues in the distribution systems of our customers. An onsite generation of sodium hypochlorite (bleach) system will be installed in order to control the levels of algae growing in the reservoir and provide a better quality of water for our customers.

Operations Impact: Electric power requirements and salt used for bleach system. Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$1,000	$424,000					$425,000
Total	$1,000	$424,000	$0	$0	$0	$0	**$425,000**

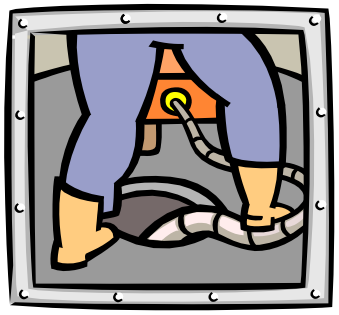
FY 15/16 Budget Request - $50,000

Estimated Project Timeline

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

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: Jason Hubbard **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. However, Magnesium hydroxide (Mg(OH)2) will also be studied as a possible alternative. The MRF Solids Force Main Replacement project will install a connection point for injecting Mg(OH)2. After a year of usage, the results will be reviewed and evaluated for consideration of this project.

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

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning	$2,000	$1,000	$1,000	$3,000			$7,000
Design				$140,000	$13,000		$153,000
Construction					$245,000		$245,000
Total	$2,000	$1,000	$1,000	$143,000	$258,000	$0	**$405,000**

FY 15/16 Budget Request - $5,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2007	July-2010	August-2017	September-2017	July-2018	August-2018	February-2019	February-2019

Capital Improvement Program
Tertiary Filter Media

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

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

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$40,000	$15,000					$55,000
Construction		$250,000					$250,000
Total	$40,000	$265,000	$0	$0	$0	$0	**$305,000**

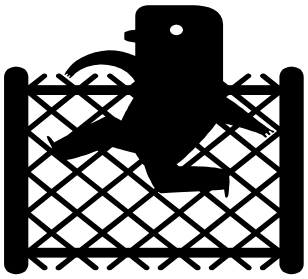
FY 15/16 Budget Request - $85,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2010			March-2015	December-2015	August-2015	March-2016	March-2016

Capital Improvement Program
Lift Station #1 - Perimeter Fencing

Description: Install perimeter fencing and perform grading on both east and west sides of District property at Lift Station #1.



Project Manager: Jason Hubbard **Department:** Engineering

Project: 2015100010 **Funding Source:** 100% Sewer

Comments: The District's property at Lift Station #1 is between a high school and a shopping center with restaurants and convenience stores. Routine chemical deliveries and daily operations are impacted from unwanted foot traffic, requiring increased awareness and time of District personnel. The perimeter fencing will reduce safety concerns from unauthorized access across District property and provide better control of building & grounds access for security purposes. To accommodate the fencing, to maintain drainage of the site, and to allow proper use of the property, light grading is required.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$20,000					$20,000
Design		$35,000					$35,000
Construction	$15,000	$170,000	$30,000				$215,000
Total	$15,000	$225,000	$30,000	$0	$0	$0	**$270,000**

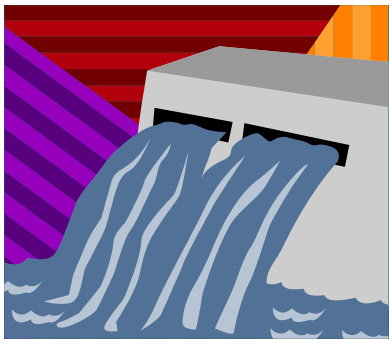
FY 15/16 Budget Request - $225,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
	July-2014	December-2015	January-2016	April-2016	May-2016	September-2016	September-2016

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: Ed Pedrazzi **Department:** Operations & Maintenance

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$54,000	$191,000					$245,000
Total	$54,000	$191,000	$0	$0	$0	$0	**$245,000**

FY 15/16 Budget Request - ($50,000)

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2003					July-2013	June-2016	June-2016

Capital Improvement Program
Knoll Road Sewer Replacement

Description: Replace approximately 300 feet of 8-inch diameter VCP pipeline with new 8-inch PVC pipe.

Project Manager: Jason Hubbard **Department:** Engineering

Project: 2014100716 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Camera inspection has revealed several sags and standing water in the line which affects the carrying capacity of the sewer and increases the frequency of cleaning. The project was previously part of the Annual Sewer Replacement and I&I Repairs, however, a new budget is being created due to the size and scope of the project.

Operations Impact: Minimize additional cleaning in the main and improve flow characteristics.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$30,000						$30,000
Construction		$200,000					$200,000
Total	$30,000	$200,000	$0	$0	$0	$0	**$230,000**

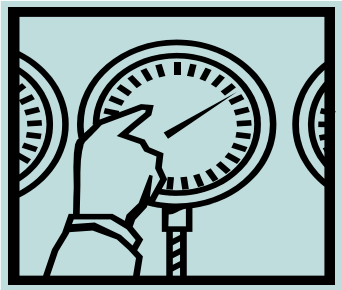
Additional FY 15/16 Budget Request - $55,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2008			September-2014	June-2015	July-2015	September-2015	September-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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$35,000	$2,000					$37,000
Construction		$188,000					$188,000
Total	$35,000	$190,000	$0	$0	$0	$0	**$225,000**

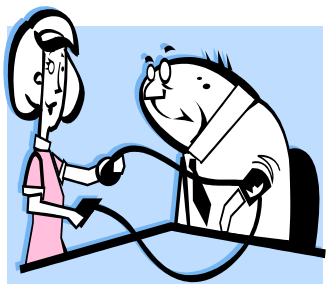
FY 15/16 Budget Request - $60,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013			July-2013	September-2015	October-2015	December-2015	December-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: Jason Hubbard **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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$35,000	$2,000					$37,000
Construction		$153,000					$153,000
Total	$35,000	$155,000	$0	$0	$0	$0	**$190,000**

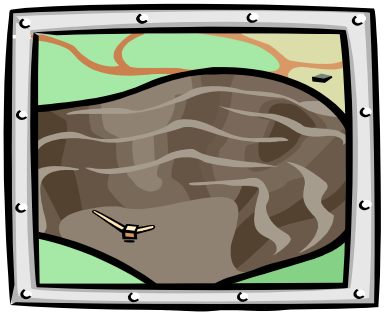
FY 15/16 Budget Request - $28,000

Estimated Project Timeline

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

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design	$5,000						$5,000
Construction	$30,000	$45,000					$75,000
Total	$35,000	$45,000	$0	$0	$0	$0	**$80,000**

FY 15/16 Budget Request - $45,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
March-2013			July-2013	August-2013	September-2013	October-2015	October-2015

Capital Improvement Program
Nitrate Monitoring Meters

Description: To control aeration dissolved oxygen based upon nitrate levels.

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

Project: 2015100007 **Funding Source:** 100% Sewer

Comments: Meadowlark's process continually needs to be monitored for nitrification. If nitrate levels become too high, Meadowlark staff has to manually adjust to reduce nitrate levels. Having in-line instrumentation would allow for automatic control through the plant's SCADA system to reduce nitrates.

Operations Impact: It would provide more information of the process during afterhours allowing Meadowlark staff to trend and evaluate the process more effeciently. Routine maintenance would include calibration and sensor cleaning.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction		$25,000	$25,000	$25,000			$75,000
Total	$0	$25,000	$25,000	$25,000	$0	$0	**$75,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2014					July-2014	June-2017	June-2017

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$42,000	$15,500	$15,500				$73,000
Total	$42,000	$15,500	$15,500	$0	$0	$0	**$73,000**

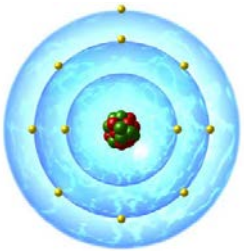
FY 15/16 Budget Request - $0

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
Chlorine Injection System

Description: Equipment for the injection of chlorine into the secondary effluent.



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

Project: 2015100014 **Funding Source:** 100% Fund 250 – Sewer Replacement

Comments: A temporary chlorination system was installed and tested in the secondary effluent channel for tertiary disinfection. This system is very efficient, allowing Meadowlark to decrease total chlorine injection by 400 pounds of chlorine per day. A permanent system needs to be designed and installed to replace the temporary application in order to provide reliability and functionality.

Operations Impact: Efficient chlorination will reduce chlorine usage; a permanent application will allow removal of the temporary system from the walkways, eliminating a tripping hazard and will make the system safer and easier to maintain.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design		$10,000					$10,000
Construction		$45,000					$45,000
Total	$0	$55,000	$0	$0	$0	$0	**$55,000**

FY 15/16 Budget Request - $17,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2014					July-2015	June-2016	June-2016

Capital Improvement Program
Roughing Filter Motors

Description: Replace three motors with severe duty, totally enclosed fan cooled motors (TEFC).

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

Project: 2015100015 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: The current motors have had numerous failures due to weather and everyday environmental conditions at Meadowlark. Replacing these motors with TEFC motors will eliminate these impacts and provide more reliability.

Operations Impact: Reduce costs due to failures and increase reliability.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$13,500	$27,500					$41,000
Total	$13,500	$27,500	$0	$0	$0	$0	**$41,000**

FY 15/16 Budget Request - $12,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
					July-2014	June-2016	June-2016

Capital Improvement Program
Questhaven Lift Station – Wet Well Aeration

Description: Install wet well aeration using practices currently utilized within the industry.

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

Project: 2015100013 **Funding Source:** 100% Sewer

Comments: Low wet well and long force main retention time has resulted in increased BOD from sewage sitting in the force main during daily pumping operations. This has resulted in odor complaints received during station pumping cycles.

Operations Impact: By oxygen enriching sewage in the forcemain, BOD requirements have a greater chance of being satisfied minimizing potential needs for future injection of odor control chemicals. Added water surface aggitation will also aid in grease log and/or grease matting elimination.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction		$40,000					$40,000
Total	$0	$40,000	$0	$0	$0	$0	**$40,000**

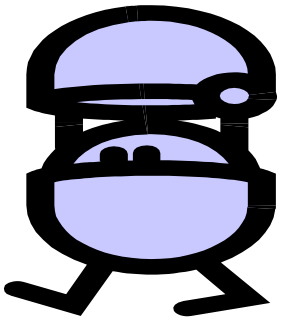
FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2014					July-2015	June-2016	June-2016

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.

Operations Impact: Routine Maintenance

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction	$1,700	$5,000	$5,300	$5,500			$17,500
Total	$1,700	$5,000	$5,300	$5,500	$0	$0	**$17,500**

FY 15/16 Budget Request - $0

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
Constant Speed Aeration Blower

Description: Upgrade the constant speed aeration blower to deliver more air flow (CFM).

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

Project: 2015100018 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: Currently, the constant speed blower does not provide enough air flow to meet air demand during higher influent flow periods. Making modifications to the blower would allow the blower to produce more air flow during higher influent flow periods.

Operations Impact: More efficient operations of the aeration system when running constant speed blower; providing more redundancy and reliability.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction		$16,000					$16,000
Total	$0	$16,000	$0	$0	$0	$0	**$16,000**

FY 15/16 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2014					July-2015	June-2016	June-2016

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 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$0
Design							$0
Construction		$7,000					$7,000
Total	$0	$7,000	$0	$0	$0	$0	**$7,000**

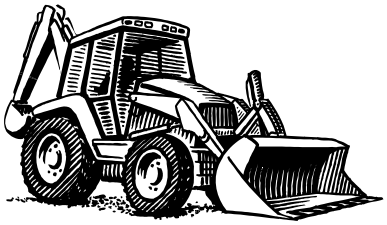
FY 14/15 Budget Request - $0

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2013					July-2015	June-2016	June-2016

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: 2016100001 **Funding Source:** 100% Fund 210 – Sewer Replacement

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 15/16	FY 16/17	FY 17/18	FY 18/19	Thereafter	Total
Planning							$0
Design							$0
Construction		$3,171,000	$3,299,000	$3,275,000	$2,965,000	$3,019,000	$15,729,000
Total	$0	$3,171,000	$3,299,000	$3,275,000	$2,965,000	$3,019,000	**$15,729,000**

FY 15/16 Budget Request - $15,729,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2009							June-2020

Capital Improvement Program
Chlorine Contact Tank Expansion

Description: Expand the existing Chlorine Contact Tank (CCT) at the Meadowlark Reclamation Facility (MRF) from 5 million gallons a day (MGD) to 7 MGD. Evaluate updating CCT process to utilize Ultraviolet Sterilization.

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

Project: 2016100002 **Funding Source:** 100% Fund 210 – Sewer Replacement

Comments: The existing CCT were part of the original expansion of MRF in the 80's. During the latest expansion of MRF which started in 2005, the CCTs were rerated to handle the expanded flow but were not updated. Currently the CCTs remain one of the bottlenecks in the process at MRF.

CCTs at MRF can process up to 5 MGD of reclaimed water. Future reclamation demand as well as other water possible resource needs such as Indirect and Direct Potable Reuse (IPR, DRP) may present an opportunity for expansion. The recent draft Nutrient Removal Study show that MRF has the ability to expand up to 7 MGD without adding additional basins or filters.

Operations Impact: Normal maintenance.

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20 & Thereafter	Total
Planning		$ 150,000					$ 150,000
Design			$ 100,000	$ 200,000			300,000
Construction			$ -	$ 500,000	$ 1,000,000		1,500,000
Total	$ -	$ 150,000	$ 100,000	$ 700,000	$ 1,000,000	$ -	**$ 1,950,000**

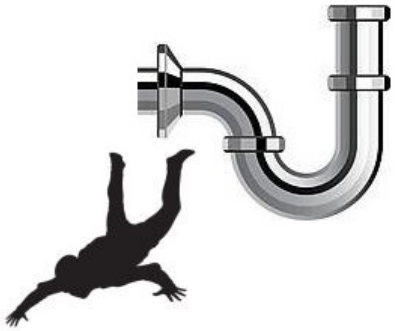
FY 15/16 Budget Request - $1,950,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July 2015	April 2016	September 2016	October 2016	October 2017	November 2017	September 2018	October 2018

Capital Improvement Program
Montiel Gravity Outfall

Description: Construct approximately 920 feet of new 12 inch gravity main underneath SR-78 to Mission Road to the City of Escondido's sewer system.



Project Manager: Jason Hubbard **Department:** Engineering

Project: 2016100003 **Funding Source:** 45% Fund 210 – Sewer Replacement
55% Fund 220 – Sewer Capacity

Comments: To offset the Montiel Lift Station Replacement, the Montiel Lift Station Force Main Replacement, and the Nordahl Shopping Center Sewer Replacement projects as identified in the Master Plan and consistent with the District's Strategic Plan – Strategic Focus Area 1.4, staff is investigating the possibility of constructing a gravity sewer outfall to the City of Escondido's sewer system. Upon entering an agreement with the City of Escondido for a new gravity sewer connection, the Montiel Lift Station Replacement and the Montiel Lift Station Force Main Replacement will be eliminated and the Nordahl Shopping Center Sewer Replacement project may be eliminated.

Operations Impact: Annual and routine sewer pipline maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$25,000	$75,000	$100,000			$200,000
Design			$150,000	$50,000			$200,000
Construction				$1,000,000	$350,000		$1,350,000
Total	$0	$25,000	$225,000	$1,150,000	$350,000	$0	**$1,750,000**

FY 15/16 Budget Request - $1,750,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015	May-2016	October-2016	November-2016	November-2017	December-2017	August-2018	August-2018

Capital Improvement Program
District-wide Valve Replacement Program

Description: Replace broken or leaking valves throughout the District.

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

Project: 2016100004 **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 four years.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 175,000	$ 175,000	$ 175,000	$ 175,000		700,000
Total	$ -	$ 175,000	$ 175,000	$ 175,000	$ 175,000	$ -	**$ 700,000**

FY 15/16 Budget Request - $700,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2019	June-2019

Capital Improvement Program
Expansion of the Men's Locker Room in Building B

Description: Expansion of the men's locker room in Building B for Operations & Maintenance staff.

Project Manager: Ed Pedrazzi **Department:** Operations & Maintenance

Project: 2016100005 **Funding Source:** 51% Water – 49% Sewer

Comments: The Operations & Maintenance (O&M) men's locker room in Building B is no longer large enough to accommodate the number of employees utilizing it. The expansion will double the size of the locker room. The number of lockers, showers, sinks and urinals will also be doubled. This will provide adequate space for O&M staff to clean up and change uniforms.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design		$ 40,000					40,000
Construction		$ 425,000					425,000
Total	$ -	$ 465,000	$ -	$ -	$ -	$ -	**$ 465,000**

FY 15/16 Budget Request - $465,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Lift Station #1 - Waterman Valves Replacement

Description: The Waterman valves in front of Lift Station #1 are in need of replacement.

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

Project: 2016100006 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: Both the station and the bypass valves have exhausted their useful service life. The sluice gate, frame, and guides are in disrepair which hinders valve operation. Due to the harsh atmospheric conditions that the valves are in, deterioration is inevitable. When operated, the valves take significant time to seal allowing valuable flow to bypass the lift station.

Operations Impact: Installing new valve assemblies will help restore correct operation, eliminate the need for hammering to free or close the valves, and minimize Confined Space Entries needed to manually free the stuck valves.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$ 50,000					$ 50,000
Design		$ 50,000					50,000
Construction		$ 165,000					165,000
Total	$ -	$ 265,000	$ -	$ -	$ -	$ -	**$ 265,000**

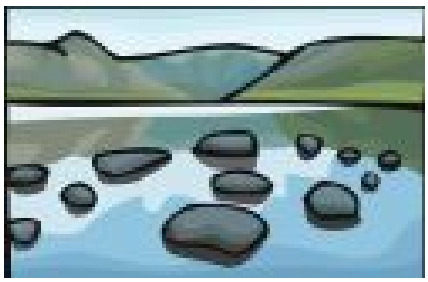
FY 15/16 Budget Request - $265,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Rock Springs Valve Replacement

Description: Replace the existing 12 inch and 14 inch valve cluster at Rock Springs Road and Bennet Avenue and associated piping. The valves are non-operational and the nearby pipeline has failed in recent years.



Project Manager: Jason Hubbard **Department:** Engineering

Project: 2016100007 **Funding Source:** 100% Fund 110 –Water Replacement

Comments: This project will allow proper control of the water system and prevent further failures.

Operations Impact: The valves are non-operational. Operations and maintenance repair costs will be minimized at this location.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$15,000					$15,000
Design		$30,000	$10,000				$40,000
Construction			$155,000				$155,000
Total	$0	$45,000	$165,000	$0	$0	$0	**$210,000**

FY 15/16 Budget Request - $210,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015	December-2015	January-2016	February-2016	July-2016	August-2016	October-2016	October-2016

Capital Improvement Program
Palos Vista Pump Station - Motor Replacement

Description: Replace the motors on all four pumps at Palos Vista Pump Station.

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

Project: 2016100008 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The existing pump motors have been in service for over 20 years. They are no longer efficient and should be upgraded to the new premium efficiency motors. The new motors will operate more efficiently and save on energy costs.

Operations Impact: Improved reliability and efficiency at Palos Vista Pump Station. Potential savings in electrical costs. Normal maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 28,000	$ 29,000	$ 30,000	$ 31,000		118,000
Total	$ -	$ 28,000	$ 29,000	$ 30,000	$ 31,000	$ -	**$ 118,000**

FY 15/16 Budget Request - $118,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2019	June-2019

Capital Improvement Program
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.

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

Project: 2016100009 **Funding Source:** 100% Fund 210 – Sewer Replacement

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

Operations Impact: None.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 100,000					100,000
Total	$ -	$ 100,000	$ -	$ -	$ -	$ -	**$ 100,000**

FY 15/16 Budget Request - $100,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
MRF - Chlorine Contact Tank Safety Railing Replacement

Description: Replacement of the safety railing around the chlorine contact tank, stairs and retaining walls at the Meadowlark Reclamation Facility (MRF).

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

Project: 2016100010 **Funding Source:** 100% Reclaim

Comments: The railing currently in place is failing due to age and environmental exposure. The railing does not meet the safety code with only two (2) horizontal rails. New safety regulations require three (3) horizontal rails. There are also some areas with only chain instead of railing. Some of the chain and railing currently in use will not provide the necessary fall protection required.

Operations Impact: Safer work environment. Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 95,000					95,000
Total	$ -	$ 95,000	$ -	$ -	$ -	$ -	**$ 95,000**

FY 15/16 Budget Request - $95,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Fulton Road and NCTD Sewer Line Rehabilitation

Description: Two sewer line sections need rehabilitation to lengthen the shelf life of the aging main line.

Project Manager: Jason Hubbard **Department:** Engineering

Project: 2016100011 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: Currently 2 sections, (1) a 600 foot section of 8 inch VCP located approximately 600 feet east on Fulton Road from the intersection with Richland Road, and (2) a 100 foot section of 8 inch DIP under North County Transit District's railroad tracks located 550 feet east of the intersection of the tracks with Woodland Parkway are in need of rehabilitation to restore pipe integrity. Due to several factors, including environmental sensitivity and/or depth of their locations, a Cured in Place Pipe (CIPP) will be used. This will provide the necessary rehabilitation, restoring structural integrity and increasing the service life of the pipe. The pipe sections have become compromised either due to age, material type, or ground settlement requiring rehabilitation. Significant costs will be accrued upon line failure if the sections of pipe are not rehabilitated. There is sufficient pipe material remaining that will allow CIPP as an option in lieu of total replacement.

Operations Impact: Restored structural integrity and increased service life of sewer line sections.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$ 5,000					$ 5,000
Design		$ 15,000					15,000
Construction		$ 70,000					70,000
Total	$ -	$ 90,000	$ -	$ -	$ -	$ -	**$ 90,000**

FY 15/16 Budget Request - $90,000

Estimated Project Timeline

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

Capital Improvement Program
Peroxide Station - Enclosure and Site Renovation

Description: Removal of the block enclosure and renovation of the Peroxide Station and the surrounding area.

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

Project: 2016100012 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: The existing block enclosure housing the peroxide injection tank is no longer used. The enclosure has become a canvas for graffiti and a potential liability. A new manhole needs to be installed at this facility to replace the existing in-line meter which has become obsolete. When the existing in-line meter fails, a new open-channel meter will be used in its place.

Operations Impact: The rehabilitated site will be easier to manage for daily operations, improve asthetics for the neighborhood, remove a potential liability, and minimize down time while switching sewer flow meters.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 85,000					85,000
Total	$ -	$ 85,000	$ -	$ -	$ -	$ -	**$ 85,000**

FY 15/16 Budget Request - $85,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
MRF - Fall Protection Equipment

Description: Installation of fall protection equipment around various process tanks at the Meadowlark Reclamation Facility (MRF).

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

Project: 2016100013 **Funding Source:** 100% Sewer

Comments: When taking process tanks offline for maintenance and/or cleaning, Meadowlark staff has to remove covers to allow access. When the covers are removed it poses a serious fall hazard. Having fall protection equipment would allow District staff to work safely and meet all fall protection safety standards.

Operations Impact: Allows for safer work pratices. Would increase preventative maintenance for annual certification of fall protection devices. This increased cost would be added in future budgets.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 70,000					70,000
Total	$ -	$ 70,000	$ -	$ -	$ -	$ -	**$ 70,000**

FY 15/16 Budget Request - $70,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Via Vera Cruz Tank Hill Stabilization

Description: A side slope adjacent to the Via Vera Cruz Tank requires slope stabilization treatment.

Project Manager: Jason Hubbard **Department:** Engineering

Project: 2016100014 **Funding Source:** 100% Fund 110 –Water Replacement

Comments: A portion of the existing slope adjacent to the Visa Vera Cruz Tank on District property is failing due to steep terrain and material composition. The foundation of a property line fence is being eroded and exposed and material washes down to the tank elevation. Routine clean-up of the area is done and falling rocks threaten to damage the tank. This project will apply a shotcrete cover or tensioned slope stabilization system to approximately 500 SF of steep slope to prevent further failures. Repairs to the property line fence will also be performed and landscaping repairs may be necessary.

Operations Impact: Reduced risk of damage to the tank from falling rocks. Eliminate clean-up of the area from debris. Maintain security of property with intact fence. Annual and routine monitoring of the slope.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning		$5,000					$5,000
Design		$15,000					$15,000
Construction		$50,000					$50,000
Total	$0	$70,000	$0	$0	$0	$0	**$70,000**

FY 15/16 Budget Request - $70,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015	February-2016	February-2016	March-2016	April-2016	May-2016	June-2016	June-2016

Capital Improvement Program
MRF - Headworks Building Skylight

Description: Installation of a skylight for removing the heavy equipment from the Headworks building for maintenance at the Meadowlark Reclamation Facility (MRF).

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

Project: 2016100015 **Funding Source:** 100% Sewer

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 skylight will allow District staff to safely access and remove equipment with a crane.

Operations Impact: Efficient maintenance operations and safe work environment. No additional testing or certification will be required.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 55,000					55,000
Total	$ -	$ 55,000	$ -	$ -	$ -	$ -	**$ 55,000**

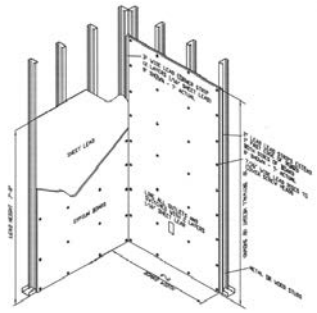
FY 15/16 Budget Request - $55,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Office for the Operations & Maintenance Assistant

Description: Construction of an office for the Operations & Maintenance Assistant.



Project Manager: Ed Pedrazzi **Department:** Operations & Maintenance

Project: 2016100016 **Funding Source:** 51% Water – 49% Sewer

Comments: The Operations & Maintenance (O&M) Assistant works in an area that was originally designed as a reception area for O&M. The need for a receptionist in O&M was never realized and the position changed to a department assistant. The receptionist area is not enclosed like an office and the environment is very disruptive, with O&M staff accessing the area throughout the day. The receptionist area will be converted into an office, providing a productive work environment for the O&M Assistant.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design		$ 5,000					5,000
Construction		$ 30,000					30,000
Total	$ -	$ 35,000	$ -	$ -	$ -	$ -	**$ 35,000**

FY 15/16 Budget Request - $35,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
MRF - Potable Water Pump Station

Description: Upgrade the potable water pump station at the Meadowlark Reclamation Facility (MRF).

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

Project: 2016100017 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: The potable water pump station provides all of the potable water for MRF's offices and some of its process equipment. The existing equipment for the station has been in service for over 13 years and requires an upgrade of its major components. Along with the normal automatic operation of the pumps, a new control system will allow this station to be monitored on MRF's SCADA computer network and after hours on their portable computer.

Operations Impact: Normal maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 30,000					30,000
Total	$ -	$ 30,000	$ -	$ -	$ -	$ -	**$ 30,000**

FY 15/16 Budget Request - $30,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Sewer Flow Meter Replacements

Description: The existing sewer flow meters used for trending and billing purposes have reached the end of their useful life and need to be replaced.

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

Project: 2016100018 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: Five sewer flow meters are past their useful life and cost more to maintain than purchasing new ones. Purchasing the new meters with a maintenance contact will eliminate wasted time and money trouble-shooting old meters. The new meters use cellular technology which will eliminate expensive installation costs previously required to install the old style meters. The purchase of five new meters will include an 18 month maintenance contract for data collection and meter service.

Operations Impact: Improved reliability and accuracy. Reduced staff time.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 30,000					30,000
Total	$ -	$ 30,000	$ -	$ -	$ -	$ -	**$ 30,000**

FY 15/16 Budget Request - $30,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Odor Control - Carbon Structure Replacements

Description: Existing structures used for odor control need to be replaced due to daily exposure to sun and sewer atmospheric conditions.

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

Project: 2016100019 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: Four carbon structures need to be replaced due to exposure to sun and atmospheric conditions. Over time, the plastic material has become brittle and more susceptible to cracking or failure during monthly sampling activities.

Operations Impact: The new carbon structures will be moved below ground, which will protect the structures from sun exposure. This will also improve asthetics while still maintaining functionality. The new structures hold more carbon while decreasing back pressure generated from currently used structures.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design		$ 1,000					1,000
Construction		$ 26,000					26,000
Total	$ -	$ 27,000	$ -	$ -	$ -	$ -	**$ 27,000**

FY 15/16 Budget Request - $27,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
MRF – Refurbish Backwash Pumps and Motors

Description: Remove and refurbish backwash pumps and motors at the Meadowlark Reclamation Facility (MRF).

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

Project: 2016100020 **Funding Source:** 100% Fund 210 - Sewer Replacement

Comments: The manufacturer and industry standards recommend the refurbishing of these pumps and motors every 10 years. The pumps and motors at MRF operate in severe environmental conditions, which is another factor in this requirement.

Operations Impact: Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 26,000					26,000
Total	$ -	$ 26,000	$ -	$ -	$ -	$ -	**$ 26,000**

FY 15/16 Budget Request - $26,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Palos Vista Pump Station - Flow Meter Replacement

Description: Flow meter replacement at the Palos Vista Pump Station.

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

Project: 2016100021 **Funding Source:** 100% Fund 110 – Water Replacement

Comments: The existing propeller flow meter at Palos Vista Pump Station is over twenty years old. The accuracy of propeller flow meters diminishes over time due to normal wear and tear. The replacement flow meter will be an electro-magnetic type flow meter which contains no moving components and can be calibrated in place. Propeller flow meters have to be removed and taken to a vendor's site for calibration.

Operations Impact: Greater accuracy and easier maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 25,000					25,000
Total	$ -	$ 25,000	$ -	$ -	$ -	$ -	**$ 25,000**

FY 15/16 Budget Request - $25,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Coronado Hills Tank - Chlorine Injection System

Description: Installation of a calcium hypochlorite injection system at Coronado Hills Tank for residual maintenance and control of nitrification.

Project Manager: Shawn Askine **Department:** Water Operations

Project: 2016100022 **Funding Source:** 100% Water

Comments: Coronado Hills Tank is one of our reservoirs that consistently experiences problems with water quality due to its large size and low demand conditions. Water System Operators are required to add additional chlorine to this reservoir on a weekly basis for at least nine months of the year. This requires significant staff time and addition of chlorine in an inefficient process. The chlorine injection equipment will allow operators to load the equipment with chlorine tablets and then use the SCADA computer control systems to treat the reservoir during the pumping cycle. This will allow for an improved mixing of the chlorine in the reservoir and reduce staff time.

Operations Impact: Improved water quality within the reservoir and reduced staff time.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 20,000					20,000
Total	$ -	$ 20,000	$ -	$ -	$ -	$ -	**$ 20,000**

FY 15/16 Budget Request - $20,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Lake San Marcos Lift Station – Replacement of VFDs

Description: Replace the Variable Frequency Drives (VFDs) at Lake San Marcos Lift Station.

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

Project: 2016100023 **Funding Source:** 100% Reclaim

Comments: This station has three pumps controlled by VFDs which provide a steady flow of sewer to the Meadowlark Reclamation Facility and maintain the stations wet-well level. The existing VFDs have been in service since 2002 and have exceeded their service life. One VFD recently failed and has been replaced with a new unit. The two remaining VFDs are obsolete and repair parts are no longer available.

Operations Impact: Improved reliability at Lake San Marcos Lift Station. Normal maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 20,000					20,000
Total	$ -	$ 20,000	$ -	$ -	$ -	$ -	**$ 20,000**

FY 15/16 Budget Request - $20,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
South Lake – Aeration System Expansion

Description: Expansion of the aeration system at South Lake.

Project Manager: Ed Pedrazzi **Department:** Operations & Maintenance

Project: 2016100024 **Funding Source:** 100% Water

Comments: South Lake's existing aeration system has improved the lake's water quality, but more aeration is required in order to prevent the large growth of algae experienced in the hot summer months. The expansion project will double the size of the system and cover a larger area of the lake.

Operations Impact: Improved water quality in South Lake requiring less chemical treatment. Routine maintenance.

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Total
Planning							$ -
Design							-
Construction		$ 15,000					15,000
Total	$ -	$ 15,000	$ -	$ -	$ -	$ -	**$ 15,000**

FY 15/16 Budget Request - $15,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
July-2015					July-2015	June-2016	June-2016

Capital Improvement Program
Future Projects

Description: This amount is set-aside to cover projects planned within the next five years with a start date later than the current fiscal year..

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

Project: TBA **Funding Source:** See below

Funding Sources:

Project:	Amount:	Source:	
Unit C Waterline Relocation	5,940,000	Water	100%
Deer Springs Tank No. 2	520,000	Water	100%
Camino de Amigos Sewer	1,363,000	Sewer	100%
Deer Springs Pump Station Improvements	555,000	Water	100%
Sage Canyon Tank Refurbishment	425,000	Water	100%
Schoolhouse Tank Refurbishment	375,000	Water	100%
Total	$9,178,000		

Comments: These projects are part of the District's capital budget beginning after fiscal year 2015-16.

Operations Impact: Normal maintenance for infrastructure

Project Spending Plan

Project Phase	Previous FY Expenses	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Thereafter	Total
Planning			$5,000	$513,000	$5,000	$25,000	$548,000
Design			$20,000	$120,000	$885,000	$245,000	$1,270,000
Construction			$400,000	$350,000	$850,000	$5,760,000	$7,360,000
Total	$0	$0	$425,000	$983,000	$1,740,000	$6,030,000	**$9,178,000**

FY 15/16 Budget Request - $22,053,000

Estimated Project Timeline

Project Approval	Planning		Design		Construction		Completion
	Begin	End	Begin	End	Begin	End	
					July-2016	June-2023	June-2023

VALLECITOS WATER DISTRICT

2015-16 CAPITAL BUDGET - EASEMENTS, VEHICLES & EQUIPMENT SCHEDULE

EASEMENTS

Requesting Dept.	Description	Project #		Funding Source: Water	Funding Source: Sewer	Total Cost
	Development Services:					
	La Moree/Coronado Hills Area	2016100025		$ 36,000		$ 36,000
	South East Area	2016100026		27,000		27,000
TOTAL EASEMENTS						*$ 63,000*

VEHICLES/MOBILE EQUIPMENT

Existing Vehicle #	Description	Project #	New or Replacement	Funding Source: Water	Funding Source: Sewer	Total Cost
	Construction:					
188	International 7500 Dump Truck	2016100027	Replacement	$ 69,000	$ 66,000	$ 135,000
223	McLaughlin Vac Excavator - Vac Tron	2016100028	Replacement	41,000	39,000	80,000
	Water Operations:					
	F-250 4X4 Extra Cab	2016100029	New	32,000		32,000
	Collections:					
128	Ford F-250 Extra Cab	2016100030	Replacement		44,000	44,000
	Inspection:					
158	Ford F250 4X4 Super Cab	2016100031	Replacement	15,300	14,700	30,000
168	Ford F250 4X4 Super Cab	2016100032	Replacement	15,300	14,700	30,000
	Mechanical/Electrical Services					
152	2015 Ford F-250 XL Truck w/utility body	2016100033	Replacement	24,000	23,000	47,000
	Meadowlark:					
218	Ford Explorer - XLT - 2015	2016100034	Replacement		33,000	33,000
148	Ford F-150 - Supercab - 4X2	2016100035	Replacement		29,000	29,000
TOTAL VEHICLES						*$ 460,000*

FACILITIES AND EQUIPMENT

Requesting Dept.	Description	Project #	New or Replacement	Funding Source: Water	Funding Source: Sewer	Total Cost
	Meadowlark Facility					
	HACH SC200 Controllers	2016100036	Replacement		25,000	$ 25,000
	Aeration Air Blow off Valve Actuator	2016100037	Replacement		19,000	19,000
	Signal Conditioning Units for Chlorine Chlorinators	2016100038	Replacement		16,500	16,500
	Air Conditioning Unit for Swtich Gear Building	2016100039	Replacement		10,000	10,000
	Weather Station	2016100040	New		8,500	8,500
	Construction:					
	336D CCE Skid Steer	2016100041	New	43,400	41,600	85,000
	Highline Trailer with 3,500' of Hose	2016100042	New	30,000		30,000
	Wachs Valve Operator - HC 100 Controller	2016100043	Replacement	29,000		29,000
	40' Landscape Container	2016100044	New	3,800	3,700	7,500
	Broyhill Stadium 80 Sprayer	2016100045	Replacement	3,300	3,200	6,500
	Mechanical/Electrical Services					
	Portable Generator 500kW	2016100046	New	275,000		275,000
	Portable Generator 200kW	2016100047	Replacement	110,000		110,000
	Air Operated Tire Changing Machine	2016100048	Replacement	6,600	6,400	13,000
	SmartHAWK Montioring System Lift Station #1	2016100049	New		12,000	12,000
	So. Lake Pump Station Emergency Generator	2016100050	New	8,000		8,000
	Mahr Reservoir Dam Drainage Pump *(reclaimed)*	2016100051	Replacement		7,000	7,000
	SmartHAWK Montioring System School House	2016100052	New	7,000		7,000
	Information Technology					
	VMWare Horizon View Servers, Storage & 10GB Switches	2016100053	New	38,200	36,800	75,000
	FOB Access for All Doors	2016100054	New	19,400	18,600	38,000
TOTAL FACILITIES AND EQUIPMENT						*$ 782,000*

VEHICLES & EQUIPMENT TOTAL **$1,305,000**

DEBT SERVICE BUDGET FOR THE YEAR ENDING JUNE 30, 2016

	Water		Wastewater		
	Replacement	Capacity	Replacement	Capacity	Total
2015 Refunding					
Outstanding principal as of July 1, 2015[(1)]	$ -	$ 27,398,400	$ -	$ 26,376,600	$ 53,775,000
June 23, 2015 Principal Transfer to Trustee	-	(922,200)	-	(887,800)	(1,810,000)
Outstanding principal as of July 1, 2016	$ -	$ 26,476,200	$ -	$ 25,488,800	$ 51,965,000
2008 Private Placement [(2)]					
Outstanding principal as of July 1, 2015	$ -	$ -	$ -	$ 5,400,000	$ 5,400,000
2015/16 Principal Payments	-	-	-	(400,000)	(400,000)
Outstanding principal as of June 30, 2016	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
2012 Debt [(3)]					
Outstanding principal as of July 1, 2015	$ -	$ -	$ -	$ 5,795,000	$ 5,795,000
2015/16 Principal Payments	-	-	-	(673,000)	(673,000)
Outstanding principal as of June 30, 2016	$ -	$ -	$ -	$ 5,122,000	$ 5,122,000
2015/16 Debt Service Budget					
2015 Revenue Refunding principal	$ -	$ 922,200	$ -	$ 887,800	$ 1,810,000
2015 Revenue Refunding interest	-	1,225,350	-	1,179,650	2,405,000
2008 Private Placement - principal	-	-	-	400,000	400,000
2008 Private Placement - interest	-	-	-	56,000	56,000
2012 Debt - principal	-	-	-	673,000	673,000
2012 Debt - interest	-	-	-	108,000	108,000
Total 2014/15 Debt Service Budget	$ -	$ 2,147,550	$ -	$ 3,304,450	$ 5,452,000

Projected Debt Service Coverage Ratio [(4)]	299%
Excluding Capital Facility Fees	218%
Excluding Capital Facility Fees and Property Tax	185%
Days of Operating Expenses in Unrestricted Cash and Investments	362

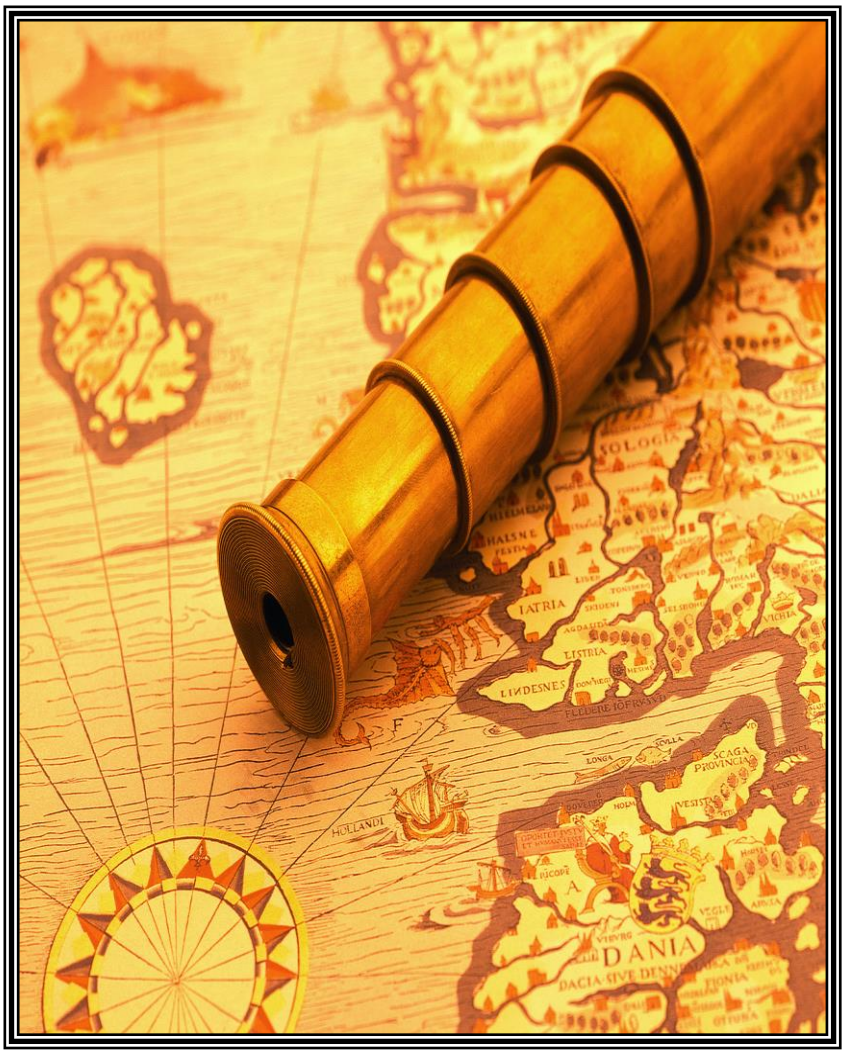
[(1)] The 14/15 principal payment on the refunding bonds is due to bondholders on July 1, 2015. The District is obligated to transfer the payment before June 30, 2015, to a restricted account maintained by the Trustee, and, therefore, was deducted from the projected July 1, 2015 balance presented in 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 1.05%. 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".

2015-2016 LONG-RANGE PLANNING



RESERVE BUDGET FOR THE YEAR ENDING JUNE 30, 2016

	Water		Wastewater		
	Replacement	Capacity	Replacement	Capacity	Total
	110 Water	120	210 Wastewater	220	
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2015 Balance	$ 27,775,000	$ (8,286,000)	$ 31,402,000	$ (3,765,000)	$ 47,126,000
Revenues and Transfers In					
Operating Transfers	3,163,000	-	6,659,000	-	9,822,000
Grant Proceeds	-	-	80,800	257,200	338,000
Capital Facility and Impact Fees	-	1,425,000	-	3,023,000	4,448,000
Property Tax	950,000	-	810,000	-	1,760,000
RDA pass-through	650,000	-	650,000	-	1,300,000
Investment Earnings	187,000	(60,000)	196,000	(32,000)	291,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	32,799,000	(6,921,000)	39,871,800	(516,800)	65,233,000
Less 15/16 Appropriations and Transfers Out					
Encina Wastewater Auth 5 Year Cap Plan	-	-	3,171,000	-	3,171,000
MRF Solids Force Main Replacement	-	-	2,665,000	-	2,665,000
Rock Springs Sewer Replacement	-	-	393,750	481,250	875,000
Equipment	573,700	-	208,300	-	782,000
San Marcos interceptor sewer	-	-	201,500	448,500	650,000
Lift Station 1 Pump Improvements	-	-	137,520	435,480	573,000
Twin Oaks Reservoir: On-site Generation	549,000	-	-	-	549,000
Land Outfall Clearing & Access Road	-	-	500,000	-	500,000
Encina Wastewater Auth FY 14/15	-	-	476,000	-	476,000
Desalinated Water Connection	-	475,000	-	-	475,000
Expansion of Men's Locker Room in Building B	237,150	-	227,850	-	465,000
Vehicles	196,600	-	263,400	-	460,000
Water and Sewer Master Plan	-	212,500	-	212,500	425,000
Mahr Reservoir - Chlorine Injection System	-	-	424,000	-	424,000
Encina Land Parallel Outfall	-	-	-	310,000	310,000
Questhaven Basin Water and Sewer Facilities	-	145,000	-	145,000	290,000
Tertiary Filter Media	-	-	265,000	-	265,000
Lift Station #1 - Waterman Valves Replacement	-	-	265,000	-	265,000
San Elijo Hills Pump Station	-	245,000	-	-	245,000
Vulnerability Assessment Improvements	-	137,220	-	91,480	228,700
Audiovisual Upgrade	135,000	-	90,000	-	225,000
Lift Station 1 Perimeter Fencing	-	-	225,000	-	225,000
Knoll Road Sewer Replacement	-	-	200,000	-	200,000
South Lake Dam Sluice Gate	191,000	-	-	-	191,000
North Vista Pressure Reducing Station Upgrade	190,000	-	-	-	190,000
District-wide Valve Replacement Program	175,000	-	-	-	175,000
South Vista Pressure Reducing Station Upgrade	155,000	-	-	-	155,000
Richland Invert Replacement	-	-	67,500	82,500	150,000
Environmental Mitigation Property	-	15,000	-	135,000	150,000
Chlorine Contact Tank Expansion	-	-	150,000	-	150,000
Sewer Replacement and I&I Repairs	-	-	100,000	-	100,000
MRF Chlorine Contact Tank Safety Railing Replacement	-	-	95,000	-	95,000
Fulton Road and NCTD Sewer Line Rehabilitation	-	-	90,000	-	90,000
Peroxide Station - Enclosure and Site Renovation	-	-	85,000	-	85,000
Northwest Lake San Marcos Sewer Replacement	-	-	75,000	-	75,000
MRF - Fall Protection Equipment	-	-	70,000	-	70,000
Via Vera Cruz Tank Hill Stabilization	70,000	-	-	-	70,000
City of San Marcos Joint Projects	38,430	-	24,570	-	63,000
Easements	63,000	-	-	-	63,000
Chlorine Injection System	-	-	55,000	-	55,000
MRF - Headworks Building Skylight	-	-	55,000	-	55,000
Miscellaneous Projects	201,300	-	291,950	14,750	508,000
Debt Service - 2012 Debt	-	-	-	781,000	781,000
Debt Service - 2008 Loan	-	-	-	456,000	456,000
Debt Service - 2015 Refunding	-	2,147,500	-	2,067,500	4,215,000
Less Total Appropriations/Transfers	2,775,180	3,377,220	10,872,340	5,660,960	22,685,700
Projected June 30, 2016 Balance	30,023,820	(10,298,220)	28,999,460	(6,177,760)	***$ 42,547,300***
Less Operating Reserves	5,268,300	-	6,133,300	-	11,401,600
Less Rate Stabilization	145,520	-	-	-	145,520
Projected replacement reserve/restricted funds	$ 24,610,000	$ (10,298,220)	$ 22,866,160	$ (6,177,760)	$ 31,000,180
Adopted replacement reserve floor	$ 5,830,600		$ 7,204,000		
Adopted replacement reserve ceiling	$ 24,610,000		$ 36,224,300		

See significant assumptions on page 111

RESERVE PROJECTION FOR THE YEAR ENDING JUNE 30, 2017

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2016 Balance	$ 30,023,820	$ (10,298,220)	$ 28,999,460	$ (6,177,760)	$ 42,547,300
Revenues and Transfers In					
Operating Transfers	925,000	-	7,020,000	-	7,945,000
Capital Facility Fees	-	1,460,000	-	3,099,000	4,559,000
Property Tax	964,000	-	822,000	-	1,786,000
Grant Proceeds	-	-	90,000	-	90,000
RDA pass-through	650,000		650,000	-	1,300,000
Investment Earnings	199,000	(71,000)	197,000	(54,000)	271,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	32,835,820	(8,909,220)	37,852,460	(3,132,760)	58,646,300
Less 16/17 Appropriations and Transfers Out					
San Marcos interceptor sewer	-	-	1,139,250	2,535,750	3,675,000
Encina Wastewater Auth 5 Year Cap Plan	-	-	3,299,000	-	3,299,000
Richland Invert Replacement	-	-	432,000	528,000	960,000
Rock Springs Sewer Replacement	-	-	420,750	514,250	935,000
High Point Pipeline	-	700,000	-	-	700,000
City of San Marcos Joint Projects	308,050	-	196,950	-	505,000
Future Projects	425,000	-	-	-	425,000
Encina Land Parallel Outfall	-	-	-	300,000	300,000
Wulff Pressure Reducing Station	265,000	-	-	-	265,000
Northwest Lake San Marcos Sewer Replacement	-	-	235,000	-	235,000
Montiel Gravity Outfall	-	-	101,250	123,750	225,000
Audiovisual Upgrade	120,000	-	80,000	-	200,000
District-wide Valve Replacement Program	175,000	-	-	-	175,000
Rock Springs Valve Replacement	165,000	-	-	-	165,000
Asset Management Replacement Schedule	50,000	-	50,000	-	100,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Chlorine Contact Tank Expansion	-	-	100,000	-	100,000
Miscellaneous Projects	49,800	-	55,000	1,000	105,800
Debt Service - 2012 Debt	-	-	-	782,600	782,600
Debt Service - 2008 Loan	-	-	-	455,400	455,400
Debt Service - 2015 Refunding	-	2,094,000	-	2,016,000	4,110,000
Less Total Appropriations/Transfers	1,557,850	2,804,000	6,109,200	7,346,750	17,817,800
Projected June 30, 2017 Balance	31,277,970	(11,713,220)	31,743,260	(10,479,510)	***$ 40,828,500***
Less Operating Reserves	5,558,800	-	6,230,000	-	11,788,800
Less Rate Stabilization	-	-	-	-	-
Projected replacement reserve/restricted funds	$ 25,719,170	$ (11,713,220)	$ 25,513,260	$ (10,479,510)	$ 29,039,700
Adopted replacement reserve floor	$ 6,359,200		$ 11,459,100		
Adopted replacement reserve ceiling	$ 26,185,500		$ 40,771,500		

Debt service coverage	*272%*
Debt service coverage without cap fees	*187%*
Debt service coverage without cap fees or property tax	*154%*
Days of Operating Expenses in Unrestricted Cash and Investments	*308*

See significant assumptions on page 111

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	$ 31,277,970	$ (11,713,220)	$ 31,743,260	$ (10,479,510)	$ 40,828,500
Revenues and Transfers In					
Operating Transfers	1,451,000	-	7,173,000	-	8,624,000
Capital Facility Fees	-	1,497,000	-	3,176,000	4,673,000
Sale of Land	150,000				150,000
Property Tax	978,000	-	834,000	-	1,812,000
RDA pass-through	600,000		600,000		1,200,000
Investment Earnings	206,000	(86,000)	216,000	(77,000)	259,000
Payment on Land Sale to City	74,000	-	74,000	-	148,000
Available Balance	34,736,970	(10,302,220)	40,640,260	(7,380,510)	57,694,500
Less 17/18 Appropriations and Transfers Out					
Meadowlark Tank #3	1,376,900	2,557,100	-	-	3,934,000
Encina Wastewater Auth 5 Year Cap Plan	-	-	3,275,000	-	3,275,000
San Marcos interceptor sewer	-	-	658,750	1,466,250	2,125,000
Montiel Gravity Outfall	-	-	517,500	632,500	1,150,000
Future Projects	825,000	-	71,000	87,000	983,000
Chlorine Contact Tank Expansion	-	-	700,000	-	700,000
Encina Land Parallel Outfall	-	-	-	300,000	300,000
Northwest Lake San Marcos Sewer Replacement	-	-	295,000	-	295,000
District-wide Valve Replacement Program	175,000	-	-	-	175,000
Trioxyn Injection Station	-	-	-	143,000	143,000
Asset Management Replacement Schedule	50,000	-	50,000	-	100,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Coronado Hills Tank #2	-	50,000	-	-	50,000
Palos Vista Pump Station - Motor Replacement	30,000	-	-	-	30,000
Nitrate Monitoring Meters	-	-	25,000	-	25,000
Valve Cans and Lids Upgrade	5,500	-	-	-	5,500
Debt Service - 2012 debt	-	-	-	782,800	782,800
Debt Service - 2008 Loan	-	-	-	454,000	454,000
Debt Service - 2015 Refunding	-	2,060,900	-	1,984,100	4,045,000
Less Total Appropriations/Transfers	2,462,400	4,678,000	5,592,250	5,939,650	18,672,300
Projected June 30, 2018 Balance	32,274,570	(14,980,220)	35,048,010	(13,320,160)	***$ 39,022,200***
Less Operating Reserves	5,859,100	-	6,458,300	-	12,317,400
Less Rate Stabilization	-	-	-	-	-
Projected replacement reserve/restricted funds	$ 26,415,470	$ (14,980,220)	$ 28,589,710	$ (13,320,160)	$ 26,704,800
Adopted replacement reserve floor	$ 6,534,600		$ 15,042,400		
Adopted replacement reserve ceiling	$ 27,984,100		$ 44,876,600		

Debt service coverage	*294%*
Debt service coverage without cap fees	*202%*
Debt service coverage without cap fees or property tax	*168%*
Days of Operating Expenses in Unrestricted Cash and Investments	*272*

See significant assumptions on page 111

RESERVE PROJECTION FOR THE YEARS ENDING JUNE 30, 2019

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2018 Balance	$ 32,274,570	$ (14,980,220)	$ 35,048,010	$ (13,320,160)	$ 39,022,200
Revenues and Transfers In					
Operating Transfers	2,748,000	-	7,151,000	-	9,899,000
Capital Facility Fees	-	1,343,000	-	2,566,000	3,909,000
Property Tax	993,000	-	847,000	-	1,840,000
RDA pass-through	600,000		600,000		1,200,000
Investment Earnings	220,000	(102,000)	240,000	(93,000)	265,000
Available Balance	36,835,570	(13,739,220)	43,886,010	(10,847,160)	56,135,200
Less 18/19 Appropriations and Transfers Out					
Encina Wastewater Auth 5 Year Cap Plan	-	-	2,965,000	-	2,965,000
Future Projects	715,000	105,000	414,000	506,000	1,740,000
Chlorine Contact Tank Expansion	-	-	1,000,000	-	1,000,000
Coronado Hills Tank #2	-	690,000	-	-	690,000
Asset Management Replacement Schedule	200,000	-	200,000	-	400,000
Montiel Gravity Outfall	-	-	157,500	192,500	350,000
Encina Land Parallel Outfall	-	-	-	300,000	300,000
Trioxyn Injection Station	-	-	-	258,000	258,000
District-wide Valve Replacement Program	175,000	-	-	-	175,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Palos Vista Pump Station - Motor Replacement	31,000	-	-	-	31,000
Debt Service - 2012 Debt	-	-	-	807,600	807,600
Debt Service - 2008 Loan	-	-	-	452,200	452,200
Debt Service - 2015 Refunding	-	2,077,700	-	2,000,300	4,078,000
Less Total Appropriations/Transfers	1,121,000	2,882,700	4,736,500	4,606,600	13,346,800
Projected June 30, 2019 Balance	35,714,570	(16,621,920)	39,149,510	(15,453,760)	***$ 42,788,400***
Less Operating Reserves	6,088,400	-	6,770,500	-	12,858,900
Less Rate Stabilization	244,870	-	-	-	244,870
Projected replacement reserve/restricted funds	$ 29,381,300	$ (16,621,920)	$ 32,379,010	$ (15,453,760)	$ 29,684,630
Adopted replacement reserve floor	$ 6,772,800		$ 17,322,300		
Adopted replacement reserve ceiling	$ 29,381,300		$ 49,797,700		

Debt service coverage	*321%*
Debt service coverage without cap fees	*225%*
Debt service coverage without cap fees or property tax	*190%*
Days of Operating Expenses in Unrestricted Cash and Investments	*279*

See significant assumptions on page 111

VALLECITOS WATER DISTRICT

RESERVE PROJECTION FOR THE YEAR ENDING JUNE 30, 2020

	110 Water 120		210 Wastewater 220		
	Replacement	Capacity	Replacement	Capacity	Total
Projected July 1, 2019 Balance	$ 35,714,570	$ (16,621,920)	$ 39,149,510	$ (15,453,760)	$ 42,788,400
Revenues and Transfers In					
Operating Transfers	4,021,000	-	7,367,000	-	11,388,000
Capital Facility Fees	-	1,376,000	-	2,630,000	4,006,000
Property Tax	1,008,000	-	860,000	-	1,868,000
RDA pass-through	600,000		600,000		1,200,000
Investment Earnings	248,000	(116,000)	273,000	(104,000)	301,000
Available Balance	41,591,570	(15,361,920)	48,249,510	(12,927,760)	61,551,400
Less 19/20 Appropriations and Transfers Out					
Future Projects	700,000	970,000	128,000	157,000	1,955,000
Encina Wastewater Auth 5 Year Cap Plan	-	-	3,019,000	-	3,019,000
Coronado Hills Tank #2	-	690,000	-	-	690,000
Encina Land Parallel Outfall	-	-	-	300,000	300,000
Environmental Mitigation Property	-	10,000	-	90,000	100,000
Debt Service - 2012 Debt	-	-	-	777,000	777,000
Debt Service - 2008 Loan	-	-	-	449,900	449,900
Debt Service - 2015 Refunding	-	2,081,300	-	2,003,700	4,085,000
Less Total Appropriations/Transfers	700,000	3,751,300	3,147,000	3,777,600	11,375,900
Projected June 30, 2020 Balance	40,891,570	(19,113,220)	45,102,510	(16,705,360)	***$ 50,175,500***
Less Operating Reserves	6,460,300	-	6,989,400	-	13,449,700
Less Rate Stabilization	3,604,070	-	-	-	3,604,070
Projected replacement reserve/restricted funds	$ 30,827,200	$ (19,113,220)	$ 38,113,110	$ (16,705,360)	$ 33,121,730
Adopted replacement reserve floor	$ 7,241,000		$ 17,050,800		
Adopted replacement reserve ceiling	$ 30,827,200		$ 52,122,300		

Debt service coverage	*331%*
Debt service coverage without cap fees	*255%*
Debt service coverage without cap fees or property tax	*220%*
Days of Operating Expenses in Unrestricted Cash and Investments	*305*

See significant assumptions on page 111

LONG RANGE RESERVE PROJECTION

	2020/21	2021/22	2022/23	2023/24	2024/25
Projected Beginning Balance	$ 50,176,000	$ 54,932,000	$ 60,144,000	$ 65,826,000	$ 72,772,000
Operating transfers	11,673,000	11,965,000	12,264,000	12,571,000	12,885,000
Capital facility fees	4,106,000	4,209,000	4,314,000	4,422,000	4,533,000
Property tax	1,896,000	1,924,000	1,953,000	1,982,000	2,012,000
Investment earnings	341,000	373,000	408,000	449,000	499,000
Capital outlay	(7,950,000)	(7,950,000)	(7,950,000)	(7,950,000)	(7,950,000)
Debt service	(5,310,000)	(5,309,000)	(5,307,000)	(4,528,000)	(4,521,000)
Projected Ending Balance	$ 54,932,000	$ 60,144,000	$ 65,826,000	$ 72,772,000	$ 80,230,000
Operating reserves	13,786,000	14,131,000	14,484,000	14,846,000	15,217,000
Pension reserves	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000
Projected replacement reserve/restricted funds	$ 38,866,000	$ 43,733,000	$ 49,062,000	$ 55,646,000	$ 62,733,000
Adopted replacement reserve floor	$ 25,207,000	$ 26,764,000	$ 28,117,000	$ 30,293,000	$ 33,042,000
Adopted replacement reserve ceiling	$ 87,041,000	$ 91,988,000	$ 96,609,000	$101,032,000	$105,547,000

Significant Assumptions

Operating Transfers - the result of operating activity transferred from the disbursements fund during the year.

Tiers & Rates:

Water: Fiscal Year (FY) 15/16 includes rate increases adopted in October of 2013 of 4¢ (1%) to water commodity Tier 2 rate per unit (748 gallons) effective January 1, 2015, and monthly ready-to-serve (RTS) 5/8" meter of $2.13 (7.2%) effective July 1, 2015. Assumed rate increases for FY 16/17, FY 17/18 FY 18/19 and FY 19/20 are listed below

	2016-2017	2017-2018	2018-2019	2019-2020
Water commodity Tier 2 per unit (Wholesale)	76¢	27¢	11¢	11¢
Water commodity Tier 2 per unit (Retail)	(76¢)	(.08¢)	17¢	19¢
Water commodity Tier 2 per unit (Net)	0¢ (0%)	19¢ (+5.2%)	28¢ (+7.3%)	30¢ (+7.3%)
Monthly ready-to-serve 5/8" meter charge	$1.15 (+3.7%)	$1.16 (+3.6%)	$1.46 (+4.8%)	$1.78 (+5%)

Sewer: Monthly sewer for a single family resident will increase $1.54 (4.1%) in fiscal year 2015/16, and 3% for all subsequent years.

Operating Expense Assumptions - Over the next five years, cost of wholesale water commodity will increase by 53% and wholesale fixed charges will increase 38%. 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 200 water accounts in 2015/16, 180 in 2016/17, and 170 in 2017/18 and every year thereafter. The District will add 218 sewer accounts in 2015/16, 170 in 2016/17 and each year thereafter.

Capital Facility Fees – The District will collect capacity charges for 200 water EDUs in 2015/16 and 180 in 2016/17 and 170 EDUs in each fiscal year 2017/18, 2018/19 and 2019/20. The District will collect capacity charges for 180 sewer EDUs in 2015/16 and 170 through 2019/20. The rate per EDU will increase by 3.0% each year.

Property Tax - revenue from the 1% allocation will increase by 1.25% each year.

Investment Earnings - assumed at 0.648%.

Vallecitos Water District
Replacement Reserve Limits - Water System
For the 2015/16 Budget year

ENR Index (as of April 2015)	9992

Year Added	Original Cost	ENR Factor	2015 Costs	Year of Replacement 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1957	$ 923,038	13.80	$ 12,738,944	410,934	410,934	410,934	410,934	410,934	410,934	410,934	410,934	410,934	410,934
1958	134,201	13.16	1,766,715	56,991	56,991	56,991	56,991	56,991	56,991	56,991	56,991	56,991	56,991
1963	2,067,687	11.09	22,930,442	739,692	739,692	739,692	739,692	739,692	739,692	739,692	739,692	739,692	739,692
1964	181,560	10.68	1,938,192	62,522	62,522	62,522	62,522	62,522	62,522	62,522	62,522	62,522	62,522
1965	256,377	10.29	2,638,228	85,104	85,104	85,104	85,104	85,104	85,104	85,104	85,104	85,104	85,104
1966	107,429	9.81	1,053,416	33,981	33,981	33,981	33,981	33,981	33,981	33,981	33,981	33,981	33,981
1967	122,039	9.30	1,135,394	36,626	36,626	36,626	36,626	36,626	36,626	36,626	36,626	36,626	36,626
1968	37,421	8.65	323,732	10,443	10,443	10,443	10,443	10,443	10,443	10,443	10,443	10,443	10,443
1969	39,742	7.87	312,925	10,094	10,094	10,094	10,094	10,094	10,094	10,094	10,094	10,094	10,094
1970	37,955	7.24	274,617	8,859	8,859	8,859	8,859	8,859	8,859	8,859	8,859	8,859	8,859
1971	90,080	6.32	569,310	18,365	18,365	18,365	18,365	18,365	18,365	18,365	18,365	18,365	18,365
1972	77,091	5.70	439,414	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175
1973	169,427	5.27	893,359	28,818	28,818	28,818	28,818	28,818	28,818	28,818	28,818	28,818	28,818
1974	141,987	4.95	702,344	22,656	22,656	22,656	22,656	22,656	22,656	22,656	22,656	22,656	22,656
1975	230,530	4.52	1,041,345	33,592	33,592	33,592	33,592	33,592	33,592	33,592	33,592	33,592	33,592
1976	296,066	4.16	1,232,108	39,745	39,745	39,745	39,745	39,745	39,745	39,745	39,745	39,745	39,745
1977	303,133	3.88	1,175,817	37,930	37,930	37,930	37,930	37,930	37,930	37,930	37,930	37,930	37,930
1978	3,353,752	3.60	12,071,574	-	389,406	389,406	389,406	389,406	389,406	389,406	389,406	389,406	389,406
1979	933,794	3.33	3,107,049	-	-	100,227	100,227	100,227	100,227	100,227	100,227	100,227	100,227
1980	390,894	3.09	1,206,615	-	-	-	38,923	38,923	38,923	38,923	38,923	38,923	38,923
1981	397,944	2.83	1,124,825	-	-	-	-	36,285	36,285	36,285	36,285	36,285	36,285
1982	1,933,811	2.61	5,051,670	-	-	-	-	-	162,957	162,957	162,957	162,957	162,957
1983	3,393,243	2.46	8,338,732	-	-	-	-	-	-	268,991	268,991	268,991	268,991
1984	5,435,002	2.41	13,098,538	-	-	-	-	-	-	-	422,533	422,533	422,533
1985	675,452	2.38	1,608,848	-	-	-	-	-	-	-	-	51,898	51,898
1986	611,788	2.33	1,423,280	-	-	-	-	-	-	-	-	-	45,912
1987	799,052	2.27	1,812,103	-	-	-	-	-	-	-	-	-	-
1988	8,585,267	2.21	18,982,958	-	-	-	-	-	-	-	-	-	-
1989	1,572,104	2.17	3,403,784	-	-	-	-	-	-	-	-	-	-
1990	2,124,484	2.11	4,486,019	-	-	-	-	-	-	-	-	-	-
1991	1,777,396	2.07	3,673,163	-	-	-	-	-	-	-	-	-	-
1992	8,263,508	2.00	16,563,485	-	-	-	-	-	-	-	-	-	-
1993	3,727,844	1.92	7,149,447	-	-	-	-	-	-	-	-	-	-
1994	2,198,280	1.85	4,061,615	-	-	-	-	-	-	-	-	-	-
1995	4,438,365	1.83	8,106,040	-	-	-	-	-	-	-	-	-	-
1996	1,872,216	1.78	3,328,680	-	-	-	-	-	-	-	-	-	-
1997	3,075,659	1.72	5,274,972	-	-	-	-	-	-	-	-	-	-
1998	4,236,142	1.69	7,149,921	-	-	-	-	-	-	-	-	-	-
1999	1,216,379	1.65	2,005,951	-	-	-	-	-	-	-	-	-	-
2000	33,016,987	1.61	53,030,981	-	-	-	-	-	-	-	-	-	-
2001	1,599,452	1.58	2,519,584	-	-	-	-	-	-	-	-	-	-
2002	2,243,174	1.53	3,428,234	-	-	-	-	-	-	-	-	-	-
2003	8,148,602	1.49	12,162,093	-	-	-	-	-	-	-	-	-	-
2004	4,803,706	1.40	6,746,222	-	-	-	-	-	-	-	-	-	-
2005	4,945,039	1.34	6,635,907	-	-	-	-	-	-	-	-	-	-
2006	6,296,020	1.29	8,116,350	-	-	-	-	-	-	-	-	-	-
2007	9,123,102	1.25	11,443,389	-	-	-	-	-	-	-	-	-	-
2008	7,200,501	1.20	8,657,931	-	-	-	-	-	-	-	-	-	-
2009	32,403,360	1.17	37,779,974	-	-	-	-	-	-	-	-	-	-
2010	4,510,327	1.14	5,120,108	-	-	-	-	-	-	-	-	-	-
2011	2,053,547	1.10	2,262,298	-	-	-	-	-	-	-	-	-	-
2012	1,249,525	1.07	1,341,347	-	-	-	-	-	-	-	-	-	-
2013	3,574,225	1.06	3,776,426	-	-	-	-	-	-	-	-	-	-
2014	1,464,242	1.02	1,492,016	-	-	-	-	-	-	-	-	-	-
	$187,395,706		$347,216,415	1,650,526	2,039,932	2,140,159	2,179,082	2,215,367	2,378,324	2,647,315	3,069,849	3,121,747	3,167,659
Three-Year Minimum Reserve Balance				<-------$5,830,616------->									
Ten-Year Maximum Reserve Balance				<---------- $24,609,959 ---------->									

Vallecitos Water District
Replacement Reserve Limits - Wastewater System
For the 2015/16 Budget year

ENR Index (as of April 2015)	9992

Year Added	Original Cost	ENR Factor	2015 Costs	Year of Replacement 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1964	$ 1,421,340	10.68	$ 15,173,108	-	-	-	-	-	-	-	-	-	
1965	394,116	10.29	4,055,620	-	-	-	-	-	-	-	-	-	
1966	110,183	9.81	1,080,421	67,526	-	-	-	-	-	-	-	-	
1967	41,816	9.30	389,037	24,315	24,315	-	-	-	-	-	-	-	
1968	24,352	8.65	210,671	13,167	13,167	13,167	-	-	-	-	-	-	
1969	28,784	7.87	226,643	14,165	14,165	14,165	14,165	-	-	-	-	-	
1970	1,617,466	7.24	11,702,911	731,432	731,432	731,432	731,432	731,432	-	-	-	-	
1971	53,601	6.32	338,761	21,173	21,173	21,173	21,173	21,173	21,173	-	-	-	
1972	78,755	5.70	448,899	28,056	28,056	28,056	28,056	28,056	28,056	28,056	-	-	
1973	149,279	5.27	787,122	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	-	
1974	409,501	4.95	2,025,611	126,601	126,601	126,601	126,601	126,601	126,601	126,601	126,601	126,601	
1975	189,378	4.52	855,454	53,466	53,466	53,466	53,466	53,466	53,466	53,466	53,466	53,466	53,466
1976	151,559	4.16	630,728	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420
1977	394,775	3.88	1,531,286	95,705	95,705	95,705	95,705	95,705	95,705	95,705	95,705	95,705	95,705
1978	930,683	3.60	3,349,922	209,370	209,370	209,370	209,370	209,370	209,370	209,370	209,370	209,370	209,370
1979	697,184	3.33	2,319,768	144,985	144,985	144,985	144,985	144,985	144,985	144,985	144,985	144,985	144,985
1980	139,384	3.09	430,252	26,891	26,891	26,891	26,891	26,891	26,891	26,891	26,891	26,891	26,891
1981	192,586	2.83	544,362	34,023	34,023	34,023	34,023	34,023	34,023	34,023	34,023	34,023	34,023
1982	4,772,279	2.61	12,466,565	-	779,160	779,160	779,160	779,160	779,160	779,160	779,160	779,160	779,160
1985	5,149,309	2.38	12,265,053	-	-	766,566	766,566	766,566	766,566	766,566	766,566	766,566	766,566
1986	19,355,791	2.33	45,029,817	-	-	-	2,814,364	2,814,364	2,814,364	2,814,364	2,814,364	2,814,364	2,814,364
1987	381,136	2.27	864,347	-	-	-	-	54,022	54,022	54,022	54,022	54,022	54,022
1988	1,232,431	2.21	2,725,039	-	-	-	-	-	170,315	170,315	170,315	170,315	170,315
1989	2,001,761	2.17	4,334,040	-	-	-	-	-	-	270,878	270,878	270,878	270,878
1990	3,031,169	2.11	6,400,558	-	-	-	-	-	-	-	400,035	400,035	400,035
1991	1,864,618	2.07	3,853,415	-	-	-	-	-	-	-	-	240,838	240,838
1992	3,162,421	2.00	6,338,799	-	-	-	-	-	-	-	-	-	396,175
1993	13,446,724	1.92	25,788,803	-	-	-	-	-	-	-	-	-	-
1994	2,113,222	1.85	3,904,459	-	-	-	-	-	-	-	-	-	-
1995	3,276,618	1.83	5,984,275	-	-	-	-	-	-	-	-	-	-
1996	1,199,768	1.78	2,133,111	-	-	-	-	-	-	-	-	-	-
1997	988,964	1.72	1,696,143	-	-	-	-	-	-	-	-	-	-
1998	4,670,391	1.69	7,882,863	-	-	-	-	-	-	-	-	-	-
1999	1,047,495	1.65	1,727,442	-	-	-	-	-	-	-	-	-	-
2000	3,954,391	1.61	6,351,435	-	-	-	-	-	-	-	-	-	-
2001	2,705,995	1.58	4,262,699	-	-	-	-	-	-	-	-	-	-
2002	109,018	1.53	166,612	-	-	-	-	-	-	-	-	-	-
2003	9,260,829	1.49	13,822,133	-	-	-	-	-	-	-	-	-	-
2004	3,031,642	1.40	4,257,573	-	-	-	-	-	-	-	-	-	-
2005	2,984,298	1.34	4,004,725	-	-	-	-	-	-	-	-	-	-
2006	7,245,244	1.29	9,340,018	-	-	-	-	-	-	-	-	-	-
2007	(10,129,834)	1.25	(12,706,164)	-	-	-	-	-	-	-	-	-	-
2008	9,022,922	1.20	10,849,222	-	-	-	-	-	-	-	-	-	-
2009	37,476,922	1.17	43,695,380	-	-	-	-	-	-	-	-	-	-
2010	3,860,825	1.14	4,382,795	-	-	-	-	-	-	-	-	-	-
2011	1,487,477	1.10	1,638,685	-	-	-	-	-	-	-	-	-	-
2012	3,612,924	1.07	3,878,420	-	-	-	-	-	-	-	-	-	-
2013	(1,398,127)	1.05	(1,463,296)	-	-	-	-	-	-	-	-	-	-
2014	2,007,273	1.02	2,045,347	-	-	-	-	-	-	-	-	-	-
	$147,943,365		$ 281,975,540	1,679,490	2,391,124	3,133,375	5,934,572	5,974,429	5,413,312	5,663,016	6,034,995	6,226,639	6,496,213

Three-Year Minimum Reserve Balance <------$7,203,990------->

Eight-Year Maximum Reserve Balance <---------- $36,224,314 ---------->