



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

**Operating Budget and  
Capital Improvement Program  
for Fiscal Year 2016**

July 1, 2015 to June 30, 2016

Budget Adopted – June 3, 2015

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DATE: June 3, 2015

TO: Board of Directors  
Department Supervisors  
District Staff

SUBJECT: Transmittal of Final Budget Document for Fiscal Year 2016

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I am pleased to present the Fiscal Year 2016 Operating and Capital Improvement Budget for the Yucaipa Valley Water District. This document has been developed as a monetary statement of not only the programs and goals for the coming year, but also as a document that reflects the priorities of providing high quality and reliable service to the community we serve.

The Fiscal Year 2016 Operating and Capital Improvement Budget has been developed based on projections of a slow-moving economy which is expected to result in very little new development coupled with various increased operational costs. The current economic conditions require the District to focus on essential operational duties and maintenance tasks while activating the newly constructed salinity management and recycled water projects.

The attached balanced budget provides for quality water, sewer and recycled water services while effectively utilizing our available resources. The fiscally conservative approach to this budget will allow the District to continue as a leader in our industry while acknowledging our customer's needs and the overall condition of the economy.

The goals established within this budget are not attainable without the dedicated support of the Board of Directors and the professional staff members that continuously focus on improving the quality of life within our community. As always, I sincerely appreciate your hard work and commitment to the District.

Respectfully,

/s/ Joseph B. Zoba

Joseph B. Zoba  
General Manager



# **Chapter One**

Fiscal Year 2016

Operating Budget Overview

## Introduction

The Yucaipa Valley Water District is made up of a proactive and diverse group of elected officials and employees dedicated to providing reliable water and wastewater service in an efficient, cost effective manner that provides a high level of customer satisfaction. On May 1, 2002, the Board of Directors adopted the following mission statement to clearly reflect the vision and principles that guide the dedicated elected officials and employees of the District.

**Yucaipa Valley Water District** is committed to professionally managing the precious potable drinking water, sewer and non-potable water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

**We** are entrusted to serve the public for the benefit of the community.

**We** believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.

**We** encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.

**We** treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.

**We** believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.

**We** are committed to using the following operating principles as a guide to accomplishing our mission:

- We are proactive in our approach to issues.
- We are committed to integrity and consistently high ethical standards in all our business dealings.
- We use the strategic planning process to focus our efforts and minimize our crisis management mode.
- We make informed, rational and objective decisions.
- We aggressively pursue technological solutions to improve operations.
- We are inclusive in our decision making and delegate responsibility whenever possible.
- We design our services around customer wants and needs to the degree possible within our financial and regulatory constraints.
- We cultivate widespread commitment to common goals.

**We** believe our success depends on every employee knowing and sharing these values and principles

This Operational Budget and Capital Improvement Program has been prepared with the District's mission statement in mind to link the financial health of the District with our commitment to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

To meet the mission of the District, the Board of Directors and staff members continue to proactively focus on water quality issues, water supply issues, infrastructure deficiencies, maintenance of existing systems and compliance with increasingly stringent regulatory requirements.

## **Overview of the Yucaipa Valley Water District**

The Yucaipa Valley Water District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12 of the State of California Water Code (the "Act"). Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and wastewater service in Yucaipa Valley.

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and has a population of approximately 44,426. The District is situated in both San Bernardino County and Riverside County.

### **Land Use within the District**

The altitude of the District rises from about 2,000 feet above sea level at the western end of the valley to about 5,000 feet at the eastern end, with average elevation of roughly 2,650 feet. The topography of the area is characterized by rolling hills separated by deeply entrenched stream beds, namely, the Yucaipa and Wilson Creeks. The District includes the incorporated cities of Yucaipa and Calimesa which are in San Bernardino and Riverside Counties respectively.

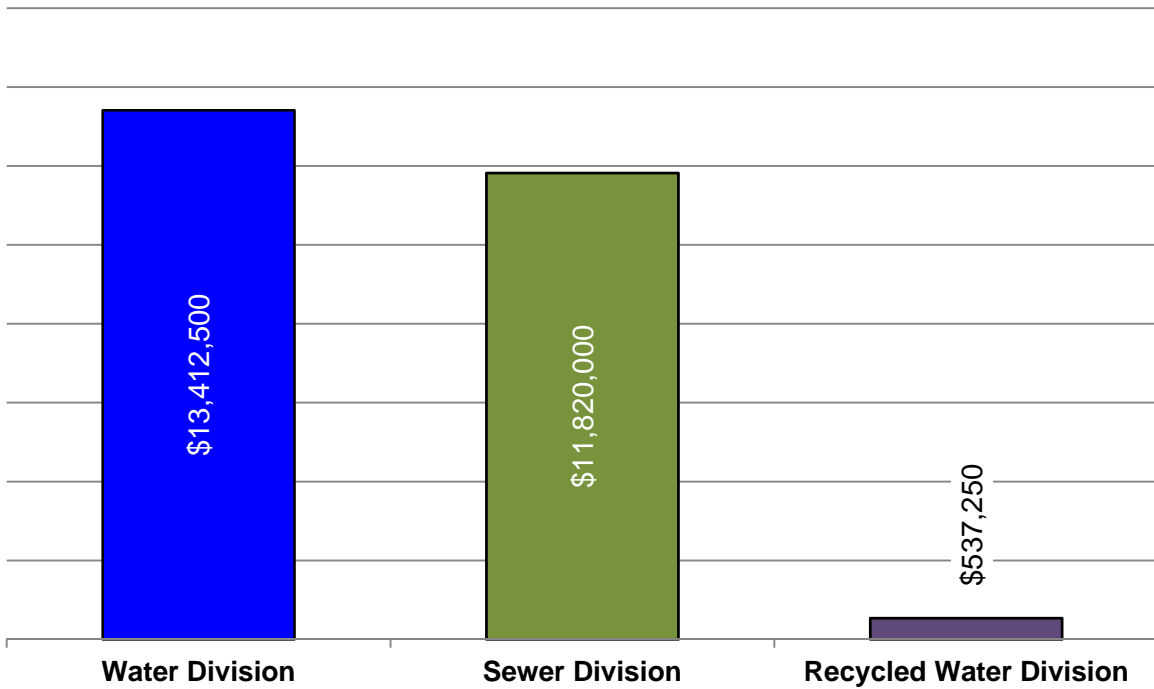
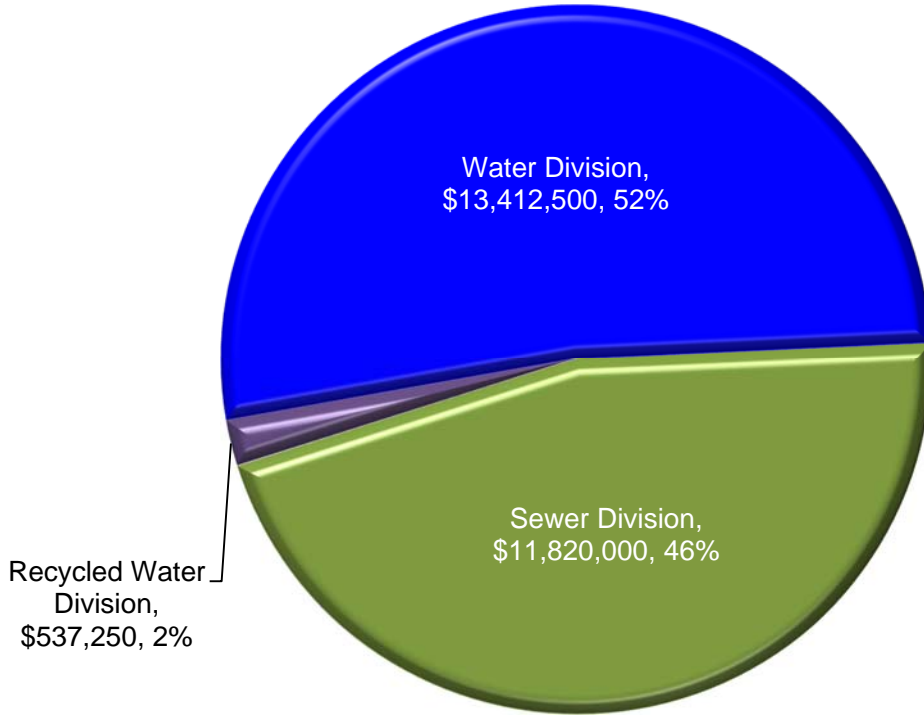
The District projects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2060 will be approximately 94,800, which reflects build-out of the City of Calimesa and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

### **Governance and Management**

The District is governed by a 5-member board of directors (the "Board"), the members of which are elected from five separate divisions of the District for staggered 4-year terms.

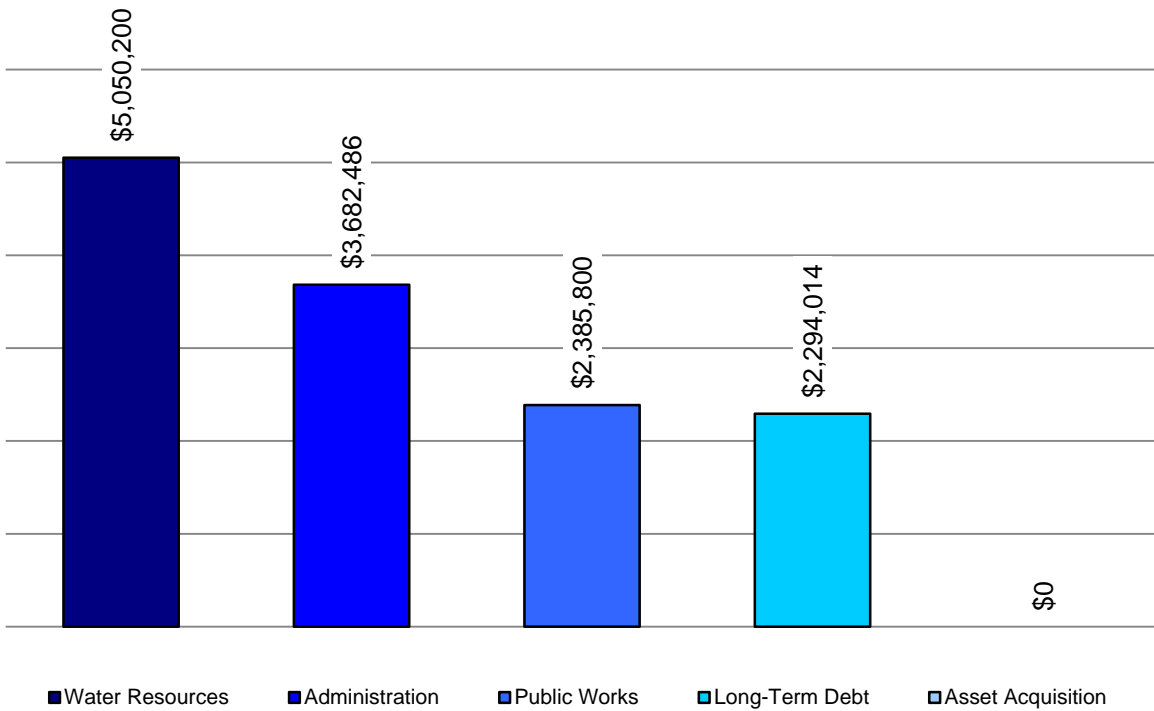
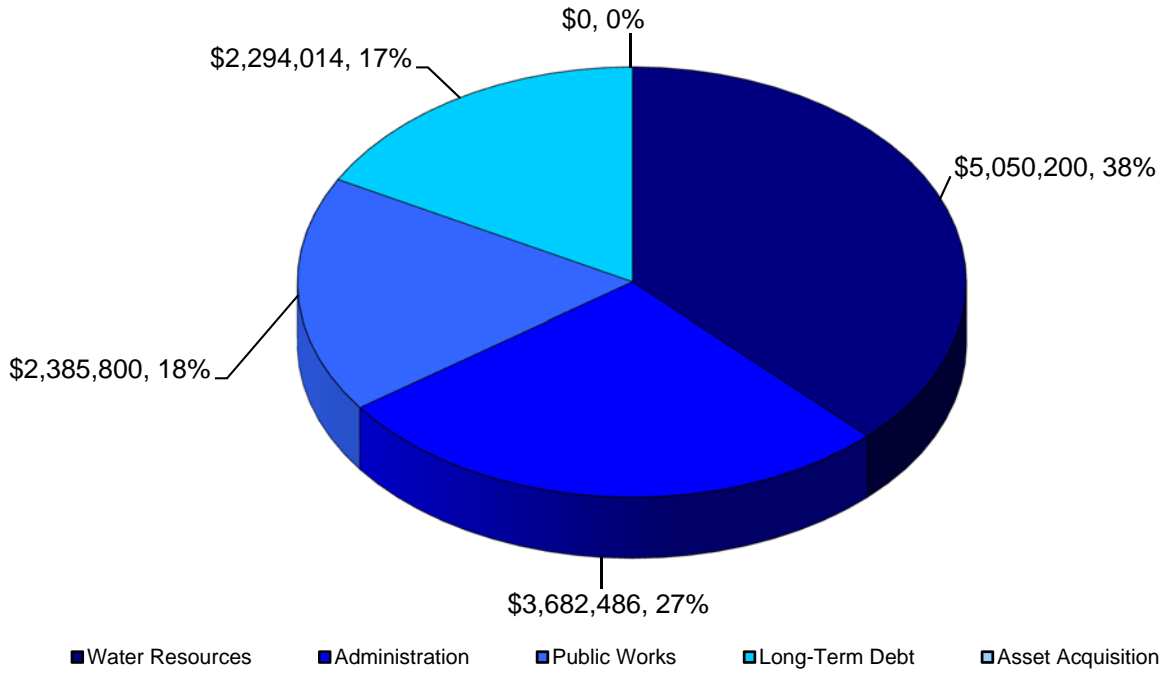
## Budget Overview

The Fiscal Year 2016 operating budget totals \$25,754,750 (excluding capital improvement projects) distinguished by the following three enterprise funds.

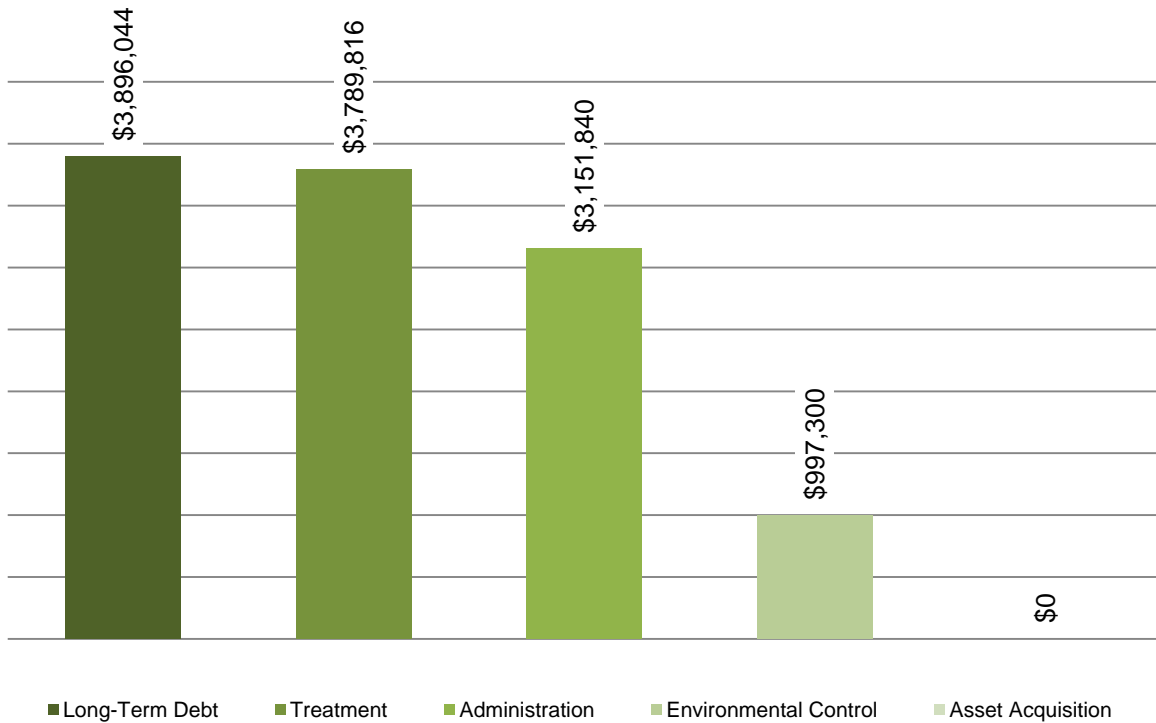
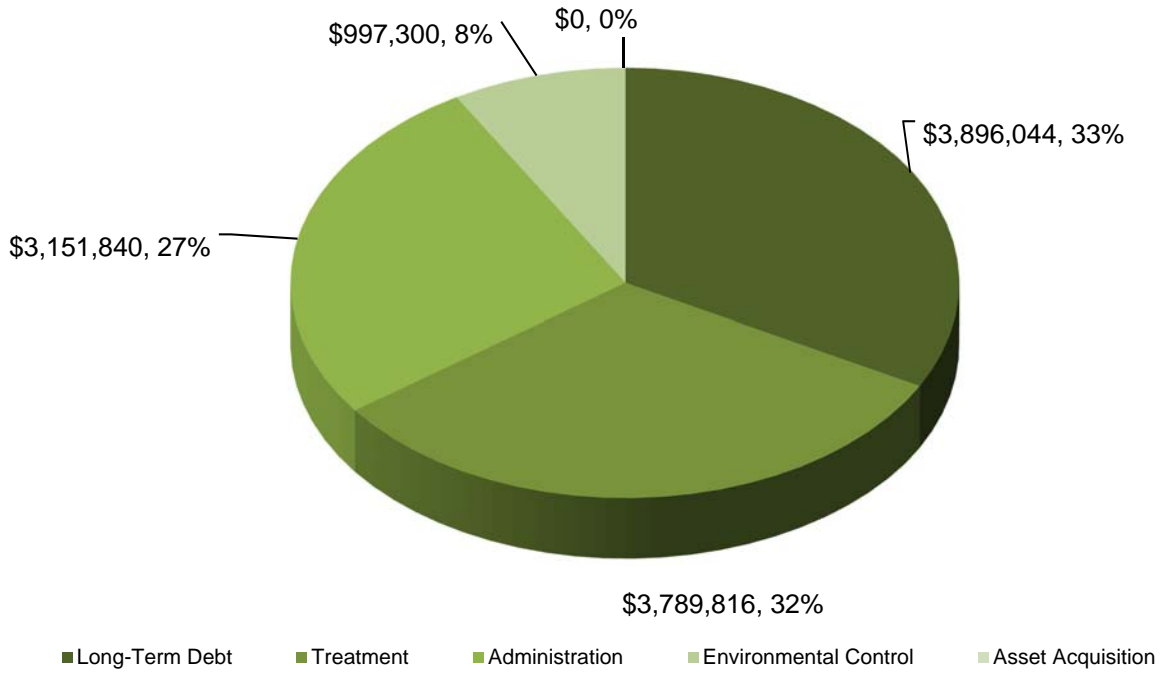


The departmental expenses for each of the enterprise funds are also provided below:

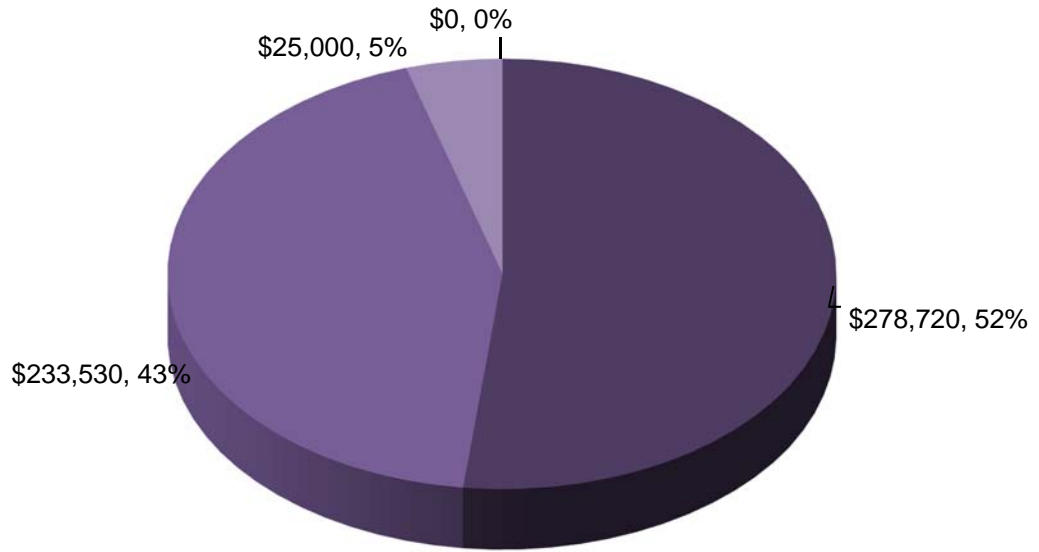
### Water Division Expenditures



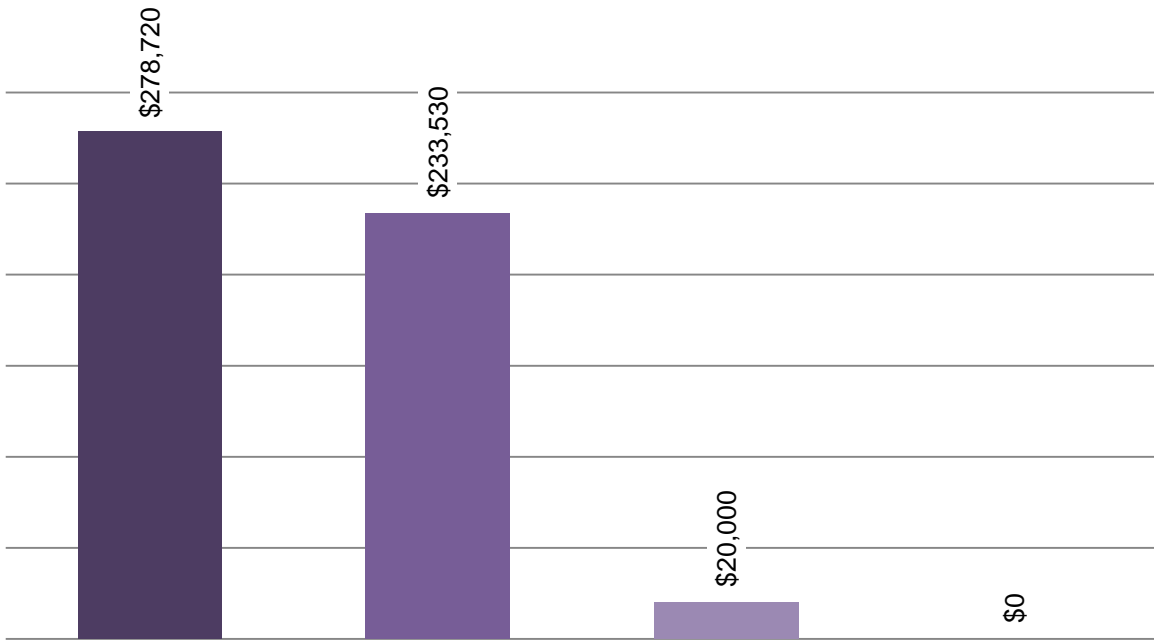
## Sewer Division Expenditures



## Recycled Water Division Expenditures



■ Labor and Benefits   ■ Operational Expenses   ■ Reserves & Infrastructure Replacement   ■ Asset Acquisition



■ Labor and Benefits   ■ Operational Expenses   ■ Reserves & Infrastructure Replacement   ■ Asset Acquisition





Functional Team Organizational Diagram

**Kenneth Munoz**  
Board Member  
Division 1

**Bruce Granlund**  
Board Member  
Division 2

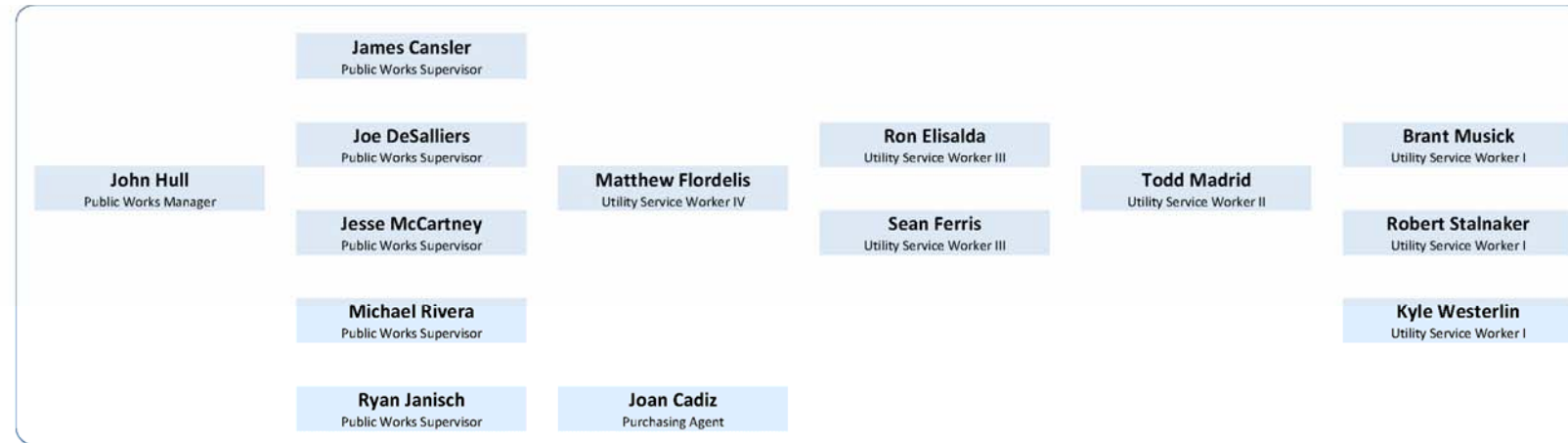
**Jay Bogh**  
Board Member  
Division 3

**Lonni Granlund**  
Board Member  
Division 4

**Tom Shalhoub**  
Board Member  
Division 5

**Joseph Zoba**  
General Manager

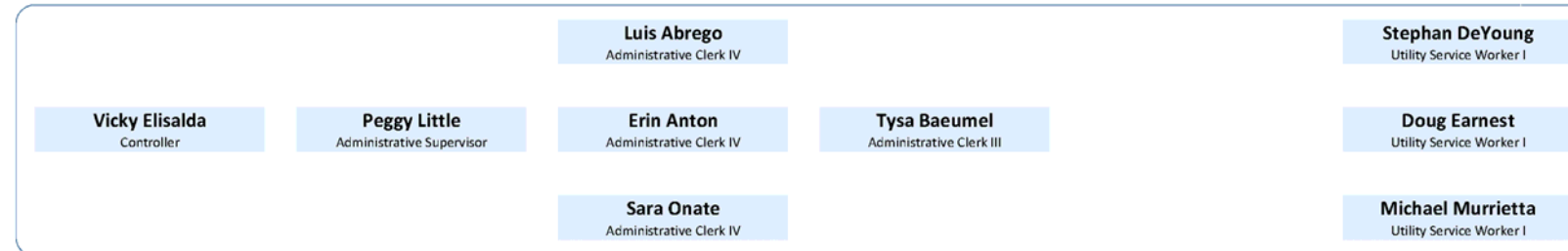
**Jack Nelson**  
Assistant Manager



Public Works



Environmental Control



Customer Service & Meter Reading



Engineering



Water Resource Management



Laboratory Services



Water and Sewer Operations

Board Members

Exempt Employees

Supervisory Employees

General Employees

## WATER DIVISION BUDGET

### Fiscal Year 2016

	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2016
<b>OPERATING REVENUE:</b>			
Potable Water - Commodity Charge	02-40010	6,250,000	6,165,000
Construction Water - Commodity Charge	02-40011	20,000	20,000
Imported Water - San Gorgonio Pass W.A.	02-40012	250,000	250,000
Imported Water - San Bernardino Valley M.W.D.	02-40013	850,000	850,000
Potable Water - Commodity Multi-Unit Discount	02-40014	(130,000)	(130,000)
Water Wholesale Revenue	02-40015	70,000	70,000
Water Service Establishment Fee	02-40016	2,500	3,000
Potable Water - Service Demand Charge	02-41000	2,750,000	3,000,000
Fire Service Standby Fee	02-41001	22,500	25,000
Construction Water - Service Charge	02-41003	10,000	14,000
Potable Water - Service Charge Multi-Unit Discount	02-41005	(120,000)	(120,000)
Unauthorized Use of Water Charges	02-41010	750	2,000
Water Meter & Service Installation Charges	02-41110	25,000	35,000
Fire Flow Measurements & Reports	02-41112	3,500	3,500
Disconnection and Reconnection Charges	02-41113	130,000	130,000
Delinquent Payment Charges	02-41121	150,000	150,000
Management & Accounting Services	02-42123	153,500	160,000
Bad Debt Write-Off & Recovery	02-42124	(20,000)	(20,000)
<b>Total Operating Revenue</b>		10,417,750	10,607,500
 <b>NON-OPERATING REVENUE:</b>			
Transfer - Reserve Fund to Asset Acquisition		-	-
Transfer - Dev. Impact Fees to 2004A Debt Service		-	-
Transfer - Rate Stabilization Fund to Water Division		-	-
Interest Earned	02-43010	10,000	15,000
Property Tax-Unsecured	02-43110	95,000	110,000
Property Tax-Secured	02-43120	2,315,000	2,400,000
Tax Collection-Prior	02-43130	15,000	15,000
Other Taxes	02-43140	160,000	185,000
Miscellaneous Non-Operating Revenue	02-49150	60,000	80,000
<b>Total Non-Operating Revenue</b>		2,655,000	2,805,000
<b>TOTAL WATER REVENUE</b>		<b>13,072,750</b>	<b>13,412,500</b>
<hr/>			
<b>OPERATING EXPENSE</b>			
Water Resource Department		4,883,119	5,050,200
Public Works Department		2,347,764	2,385,800
Administration Department		2,910,442	3,682,486
Long-Term Debt Obligations		2,931,425	2,294,014
Asset Acquisition		-	-
<b>Total Operating Expense</b>		13,072,750	13,412,500
<b>TOTAL WATER EXPENSES</b>		<b>13,072,750</b>	<b>13,412,500</b>

## WATER DIVISION BUDGET

### Fiscal Year 2016

WATER RESOURCE DEPARTMENT	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2016
Labor	02-5-01-50010	789,245	884,000
Benefits	02-5-01-500xx	408,800	424,200
Repair & Maintenance - Structures	02-5-01-51003	275,000	275,000
Repair & Maintenance - Valves	02-5-01-51011	10,000	10,000
General Supplies & Expenses	02-5-01-51140	2,000	2,000
Power Purchases	02-5-01-51210	1,608,324	1,650,000
Electricity and Fuel	02-5-01-51211	4,750	5,000
Imported Water Purchases	02-5-01-51316	1,100,000	1,100,000
Licenses & Permits	02-5-01-54019	25,000	25,000
Laboratory Services	02-5-01-54110	60,000	75,000
Operation, Repair & Maintenance - YVRWFF	02-5-01-57040	600,000	600,000
<b>Sub-Total Water Resource Department</b>		<b>4,883,119</b>	<b>5,050,200</b>
<b>PUBLIC WORKS DEPARTMENT</b>			
Labor	02-5-03-50010	1,009,764	1,042,800
Benefits	02-5-03-500xx	662,000	707,000
Repair & Maintenance - Vehicles & Equipment	02-5-03-51001	190,000	150,000
Repair & Maintenance - Valves	02-5-03-51011	10,000	10,000
Repair & Maintenance - Pipelines	02-5-03-51010	275,000	275,000
Repair & Maintenance - Service Lines	02-5-03-51021	100,000	100,000
Repair & Maintenance - Fire Hydrants	02-5-03-51022	25,000	25,000
Repair & Maintenance - Water Meters	02-5-03-51030	75,000	75,000
General Supplies & Expenses	02-5-03-51140	1,000	1,000
<b>Sub-Total Utility Services Department</b>		<b>2,347,764</b>	<b>2,385,800</b>

## WATER DIVISION BUDGET Fiscal Year 2016

ADMINISTRATIVE SERVICES DEPARTMENT

Labor	02-5-06-50010	687,667	705,000
Director Fees	02-5-06-50012	16,000	19,000
Benefits	02-5-06-500xx	356,200	377,236
Repair & Maintenance - Structures	02-5-06-51003	20,000	20,000
Safety Equipment & Supplies	02-5-06-51120	25,000	25,000
Petroleum Products	02-5-06-51125	125,000	125,000
Office Supplies	02-5-06-51130	35,000	30,000
General Supplies & Expenses	02-5-06-51140	25,000	30,000
Electricity	02-5-06-51211	28,000	28,000
Natural Gas	02-5-06-51213	3,000	3,000
Dues & Subscriptions	02-5-06-54002	13,000	10,000
Computer Expenses	02-5-06-54005	130,000	65,000
Postage	02-5-06-54010	6,000	6,000
Printing & Publications	02-5-06-54011	7,500	7,500
Education & Training	02-5-06-54012	15,000	15,000
Utility Billing Expenses	02-5-06-54013	135,000	180,000
Public Relations	02-5-06-54014	7,825	9,000
Travel Related Expenses	02-5-06-54016	5,000	10,000
Certifications & Renewals	02-5-06-54017	6,000	6,000
Meeting Related Expenses	02-5-06-54020	6,000	6,000
Waste Disposal	02-5-06-54024	2,750	2,750
Telephone	02-5-06-54025	42,000	42,000
Contractual Services	02-5-06-54104	65,000	65,000
Legal	02-5-06-54107	45,000	45,000
Audit & Accounting	02-5-06-54108	16,000	16,000
Professional Fees	02-5-06-54109	150,000	150,000
Reserve Funds	02-5-06-55500	200,000	200,000
Water Infrastructure Replacement	02-5-06-xxxxx	500,000	1,265,000
Insurance	02-5-06-56001	105,000	105,000
Regulatory Compliance	02-5-06-57030	57,500	55,000
Election Related Expenses	02-5-06-57090	15,000	-
Beaumont Basin Watermaster	02-5-06-57096	60,000	60,000
<b>Sub-Total Administration Department</b>		<b>2,910,442</b>	<b>3,682,486</b>

<u>LONG-TERM DEBT</u>	<u>G/L Number</u>	<u>Adopted Budget Fiscal Year 2015</u>	<u>Adopted Budget Fiscal Year 2015</u>
Debt Service - Series 2004A Principal	02-5-40-57201	1,035,000	980,000
Debt Service - Series 2004A Interest	02-5-40-57402	1,896,425	1,314,014
Rate Stabilization Fund	02-5-40-57806	-	-
<b>Sub-Total Long-Term Debt</b>		<b>2,931,425</b>	<b>2,294,014</b>

ASSET ACQUISITION

Water Department	02-5-40-57001	-	-
Utility Services Department	02-5-40-57003	-	-
Administration	02-5-40-57006	-	-
<b>Sub-Total Asset Acquisition</b>		<b>-</b>	<b>-</b>

## SEWER DIVISION BUDGET

### Fiscal Year 2016

OPERATING REVENUE:	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2016
Sewer Service Establishment Fee	03-40016	500	500
Sewer Service Demand Charge	03-41000	11,550,000	11,675,000
Sewer Service Demand - Multi-User Discount	03-41005	(200,000)	(200,000)
Sewer Lateral Installation	03-41110	1,000	1,000
Septage Pumping	03-41116	-	-
Penalty Late Charges	03-41121	150,000	150,000
Revenue-Other, Operating	03-42122	1,000	2,000
Bad Debt Write-Off & Recovery	03-41124	(20,000)	(20,000)
<b>Total Operating Revenue</b>		<b>11,482,500</b>	<b>11,608,500</b>

NON-OPERATING REVENUE:			
Reserve Fund Transfer - Asset Acquisition		-	-
Reserve Fund Transfer - Operational Expenses		-	-
Rate Stabilization Fund Transfer In		-	-
Interest Earned	03-43010	10,000	15,000
Property Tax-Unsecured	03-43110	10,000	10,000
Property Tax-Secured	03-43120	125,000	125,000
Tax Collection-Prior	03-43130	10,000	10,000
Other Taxes	03-43140	1,500	1,500
Misc. Non-Operating Revenue	03-49150	50,000	50,000
<b>Total Non-Operating Revenue</b>		<b>206,500</b>	<b>211,500</b>

<b>TOTAL SEWER REVENUE</b>	<b>11,689,000</b>	<b>11,820,000</b>
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OPERATING EXPENSE			
Treatment		3,702,084	3,789,816
Administration		3,198,649	3,151,840
Environmental Control		957,833	982,300
Debt Service		3,830,434	3,896,044
Asset Acquisition		-	-
<b>Total Operating Expense</b>		<b>11,689,000</b>	<b>11,820,000</b>

<b>TOTAL SEWER EXPENSES</b>	<b>11,689,000</b>	<b>11,820,000</b>
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## SEWER DIVISION BUDGET

### Fiscal Year 2016

TREATMENT	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2016
Labor	03-5-02-50010	963,424	985,300
Benefits	03-5-02-500xx	539,800	541,900
Repair and Maintenance - Structures	03-5-02-51003	225,000	225,000
Automation Control	03-5-02-51010	70,000	65,000
Chemicals	03-5-02-51106	515,000	490,000
Propane	03-5-02-51111	5,000	5,000
Laboratory Supplies	03-5-02-51115	45,000	30,000
General Supplies & Expenses	03-5-02-51140	1,000	1,000
Utilities-Power Purchases	03-5-02-51210	802,860	830,000
Laboratory Services	03-5-02-54110	115,000	115,000
Sludge Disposal	03-5-02-57031	300,000	300,000
Brineline Operating Expenses	03-5-02-57032	120,000	201,616
	<b>Sub-total Treatment</b>	<b>3,702,084</b>	<b>3,789,816</b>
<b>ADMINISTRATION</b>			
Labor	03-5-06-50010	644,309	660,000
Directors Fees	03-5-06-50012	16,000	19,000
Benefits	03-5-06-500xx	346,340	351,340
Safety Equipment	03-5-06-51120	10,000	10,000
Petroleum Products	03-5-06-51125	22,500	22,500
Office Supplies	03-5-06-51130	3,000	4,000
General Supplies & Expenses	03-5-06-51140	17,500	17,500
Dues & Subscriptions	03-5-06-54002	11,500	10,000
Management & Accounting Services	03-5-06-54003	153,500	160,000
Computer Expenses	03-5-06-54005	95,000	95,000
Printing & Publications	03-5-06-54011	5,000	1,500
Education & Training	03-5-06-54012	12,500	7,000
Public Relations	03-5-06-54014	10,000	7,500
Travel Related Expenses	03-5-06-54016	5,000	5,000
Certifications & Renewals	03-5-06-54017	5,000	5,000
Licenses & Permits	03-5-06-54019	50,000	50,000
Meeting Related Expenses	03-5-06-54020	5,000	5,000
Waste Disposal	03-5-06-54024	12,500	12,500
Telephone	03-5-06-54025	20,000	20,000
Drinking Water	03-5-06-54030	1,000	1,000
Contractual Services	03-5-06-54104	30,000	30,000
Legal	03-5-06-54107	60,000	45,000
Audit & Accounting	03-5-06-54108	16,000	16,000
Professional Fees	03-5-06-54109	200,000	150,000
Reserve Funds	03-5-06-55500	500,000	500,000
Sewer Infrastructure Replacement	03-5-06-xxxxx	800,000	800,000
Insurance	03-5-06-56001	105,000	105,000
Regulatory Compliance	03-5-06-57030	42,000	42,000
	<b>Sub-Total Administration</b>	<b>3,198,649</b>	<b>3,151,840</b>



## SEWER DIVISION BUDGET

### Fiscal Year 2016

ENVIRONMENTAL CONTROL	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2015
Labor	03-5-07-50011	268,053	310,000
Benefits	03-5-07-500xx	151,780	209,300
Repair and Maintenance - Structures	03-5-07-51003	325,000	270,000
General Supplies & Expenses	03-5-07-51140	1,000	1,000
Lift Station No. 1	03-5-07-51241	100,000	85,000
Lift Station No. 2	03-5-07-51242	20,000	15,000
Lift Station No. 3	03-5-07-51243	5,000	5,000
Lift Station No. 4	03-5-07-51244	20,000	20,000
Lift Station No. 8	03-5-07-51248	3,000	3,000
Professional Fees	03-5-07-54109	60,000	60,000
Laboratory Services	03-5-07-54110	4,000	4,000
<b>Sub-Total Environmental Control</b>		<b>957,833</b>	<b>982,300</b>
LONG-TERM DEBT			
Debt Service - Principal WRWRF Project	03-5-40-57202	2,048,466	2,097,629
Debt Service - Principal Brineline Project	03-5-40-57203	391,372	401,939
Debt Service - Principal WISE Project	03-5-40-57204	122,303	125,600
Debt Service - Principal R-10.3 Project	03-5-40-57205	34,080	36,663
Debt Service - Principal Crow Street & B-12.1	03-5-40-57206	18,357	18,357
Debt Service - Interest	03-5-40-57403	1,215,856	1,215,856
Debt Service - Rate Stabilization Fund	57006.03.06	-	-
<b>Sub-Total Long-Term Debt</b>		<b>3,830,434</b>	<b>3,896,044</b>
ASSET ACQUISITION			
Sewer Treatment Department	03-5-40-57002	-	-
Sewer Administration Department	03-5-40-57006	-	-
Environmental Control Department	03-5-40-57007	-	-
<b>Sub-Total Asset Acquisition</b>		<b>-</b>	<b>-</b>

## RECYCLED WATER DIVISION

### Fiscal Year 2016

OPERATING REVENUE:	<u>G/L Number</u>	<u>Adopted Budget Fiscal Year 2015</u>	<u>Adopted Budget Fiscal Year 2016</u>
Recycled Water - Commodity Charge	04-40010	365,000	450,000
Construction Recycled Water - Commodity Chrg	04-40011	2,500	10,000
Recycled Water - Service Demand Charge	04-41000	35,000	42,500
Construction Recycled Water - Service Charge	04-41003	3,000	5,000
Meter/Lateral Installation	04-41110	1,500	1,500
Delinquent Payment Charges	04-41121	500	500
Revenue-Other, Operating	04-41122	250	250
<b>Total Operating Revenue</b>		<b>407,750</b>	<b>509,750</b>
NON-OPERATING REVENUE:			
Transfer - Reserve Fund	--	-	-
Interest Earned	04-43010	6,250	8,000
Property Tax-Unsecured	04-43110	1,000	1,000
Property Tax-Secured	04-43120	15,000	15,000
Tax Collection-Prior	04-43130	1,000	1,000
Other Taxes	04-43140	1,000	1,000
Misc. Non-Operating Revenue	04-49150	1,500	1,500
<b>Total Non-Operating Revenue</b>		<b>25,750</b>	<b>27,500</b>
<b>TOTAL RECYCLED WATER REVENUE</b>		<b>433,500</b>	<b>537,250</b>

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## RECYCLED WATER DIVISION

Fiscal Year 2016

OPERATING EXPENSES	G/L Number	Adopted Budget Fiscal Year 2015	Adopted Budget Fiscal Year 2016
Labor - Recycled Water	04-5-06-50010	100,632	226,630
Director Fees	04-5-06-50012	2,500	2,500
Benefits - Recycled Water	04-5-06-500xx	11,150	31,900
R&M - Structures	04-5-06-51003	45,000	50,000
R&M - Pipelines	04-5-06-51020	2,500	7,500
R&M - Service Lines	04-5-06-51021	25,000	15,000
R&M - Fire Hydrants	04-5-06-51022	5,000	5,000
R&M - Meters	04-5-06-51030	1,500	1,500
General Supplies and Expenses	04-5-06-51140	250	250
Utilities - Power Purchases	04-5-06-51210	124,968	77,720
Dues & Subscriptions	04-5-06-54002	4,000	4,000
Computer Expense	04-5-06-54005	1,500	5,000
Printing & Publications	04-5-06-54011	1,000	1,000
Education & Training	04-5-06-54012	3,500	3,500
Public Relations	04-5-06-54014	3,500	3,500
Travel & Meeting Related Expenses	04-5-06-54016	1,000	2,000
Certifications & Renewals	04-5-06-54017	250	250
Licenses & Permits	04-5-06-54019	2,500	2,500
Meeting Related Expenses	04-5-06-54020	500	250
Telephone	04-5-06-54025	750	750
Contractual Services	04-5-06-54104	1,500	1,500
Legal	04-5-06-54107	1,000	1,000
Professional Services	04-5-06-54109	25,000	25,000
Laboratory Services	04-5-06-54110	1,000	1,000
Reserve Funds	04-5-06-55500	8,000	8,000
Recycled Water Infrastructure Replacement	04-5-06-xxxxx	25,000	25,000
County Tax Collection Fees	04-5-06-57010	-	-
Regulatory Compliance	04-5-06-57030	25,000	25,000
Environmental Compliance	04-5-06-57040	10,000	10,000
<b>Total Operating Expense</b>		<b>433,500</b>	<b>537,250</b>
<b>TOTAL RECYCLED WATER EXPENSES</b>		<b>433,500</b>	<b>537,250</b>



## **Chapter Two**

Fiscal Year 2016

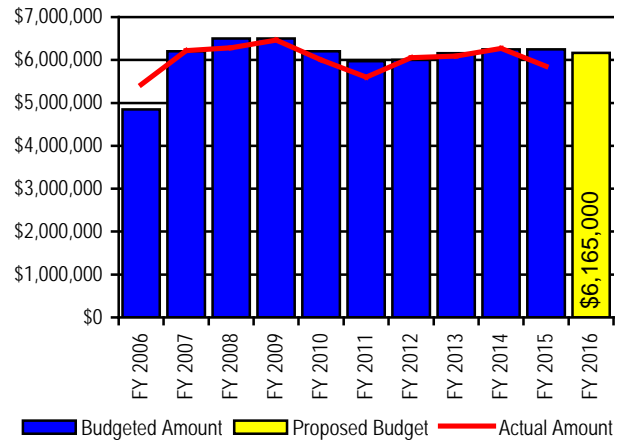
Water Division  
Operating Budget

# Water Division Revenue Analysis

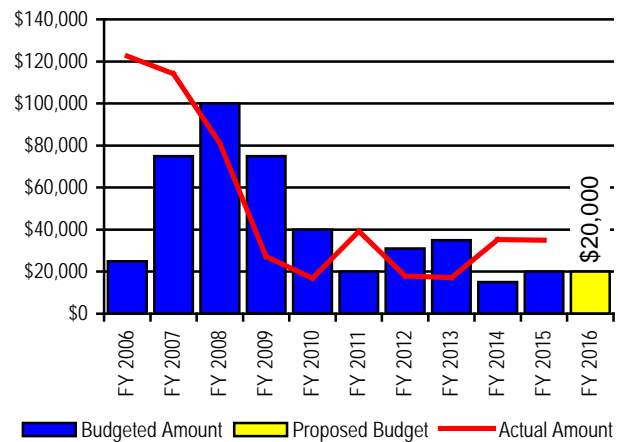
## Sources of Revenue

The water division receives revenue from a number of different sources with the major sources consisting of the following:

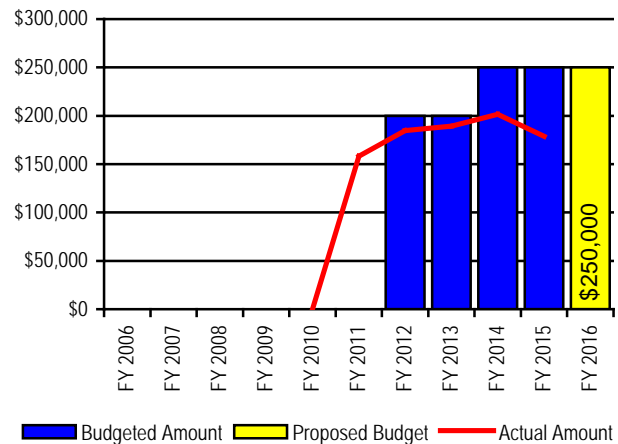
**Potable Water - Commodity Charges (02-40010):** This revenue source is the variable component of the water sales that is based on the amount of water consumed by our customers. Water sales represent the largest single revenue source in the Water Division. Being a variable cost component of the District's water revenue, this revenue source is by its very nature variable and directly dependent on the amount of water consumed. It is highly subject to seasonal variations and climatic changes.



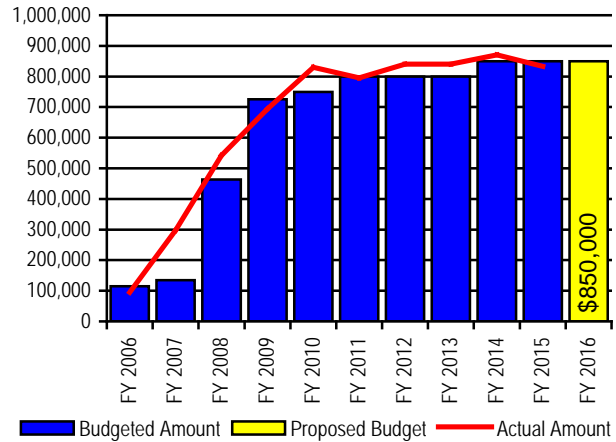
**Construction Water – Commodity Charges (02-40011):** This highly variable revenue source for potable water consumption is collected from developers and contractors for water used during construction. The amount of water revenue generated from this source is directly dependent on the timing and magnitude of new construction in the Yucaipa Valley. Construction projects utilizing recycled water will be reflected in the recycled water division budget.



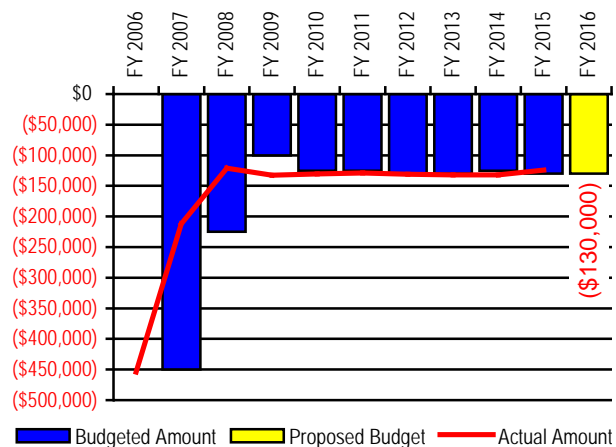
**Imported Water Sales - San Geronio Pass Water Agency (02-40012):** This revenue source is the variable cost associated with the purchase of imported water from the San Geronio Pass Water Agency. The water purchased with these funds is used primarily by the Yucaipa Valley Regional Water Filtration Facility to produce drinking water for the City of Calimesa portion of our service area.



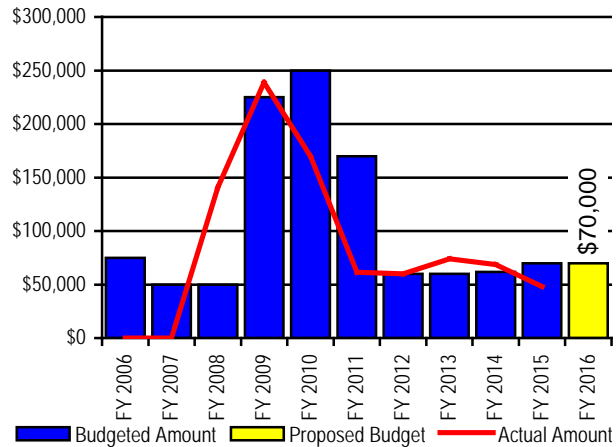
**Imported Water - San Bernardino Valley Municipal Water District (02-40013):** This revenue source is the variable cost associated with the purchase of imported water from the San Bernardino Valley Municipal Water District. The water purchased with these funds is used primarily by the Yucaipa Valley Regional Water Filtration Facility to produce drinking water for the City of Yucaipa portion of our service area.



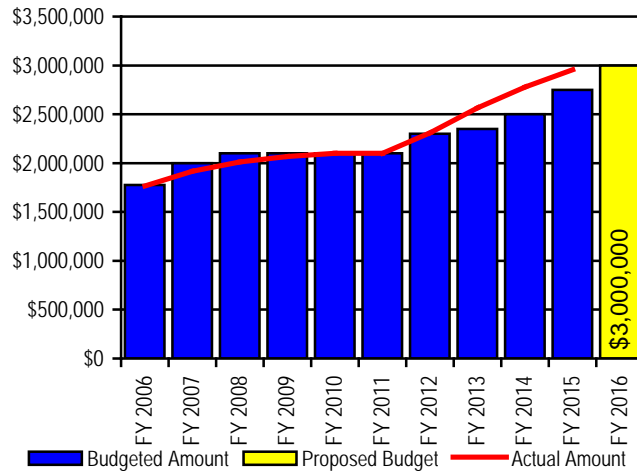
**Potable Water – Commodity Charge Multi-Unit Discount (02-40014):** The latest version of the District’s rate schedule continues to include a discount for the commodity charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.



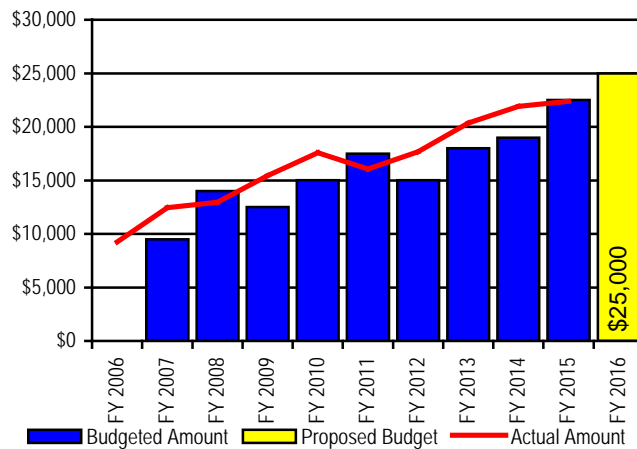
**Water Wholesale Revenue (02-40015):** This revenue source is generated from the sale of filtered imported water and delivered to one of several existing and proposed water delivery points. The District is only planning on serving Western Heights Mutual Water Company this fiscal year.



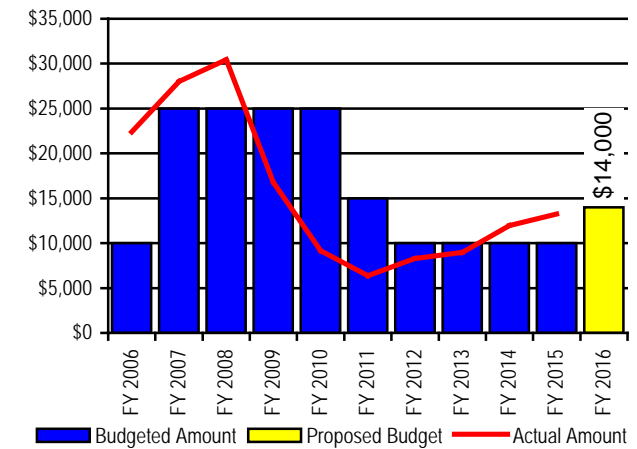
**Potable Water - Service Demand Charge (02-41000):** This revenue source is the fixed rate component charged to all water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



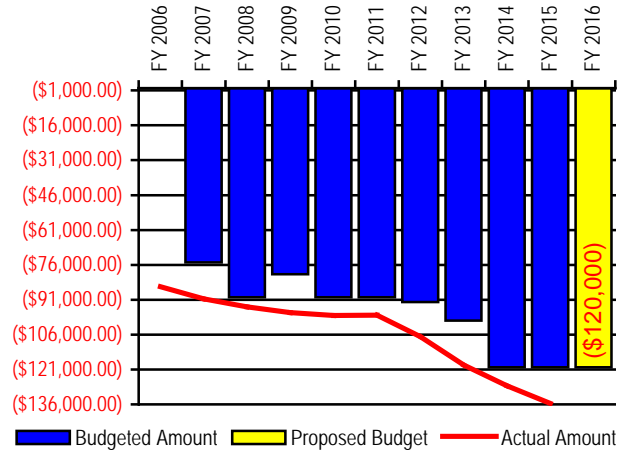
**Fire Service Standby Fee (02-41001):** This revenue source is the fixed rate component charged to all customers that have an independent fire service to protect their property. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



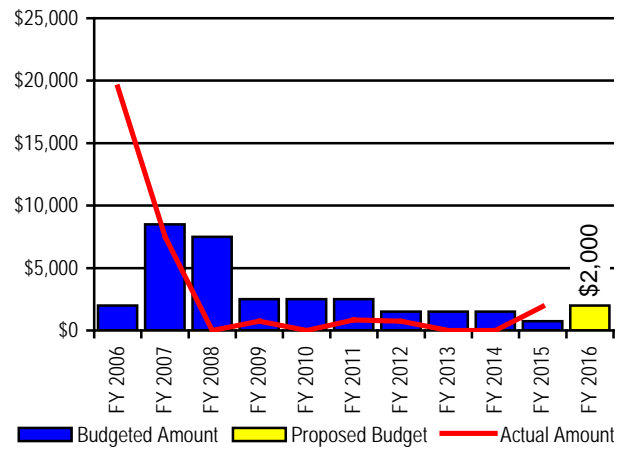
**Construction Water – Service Charge (02-41003):** This revenue source is the fixed rate component charged to all customers using potable water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



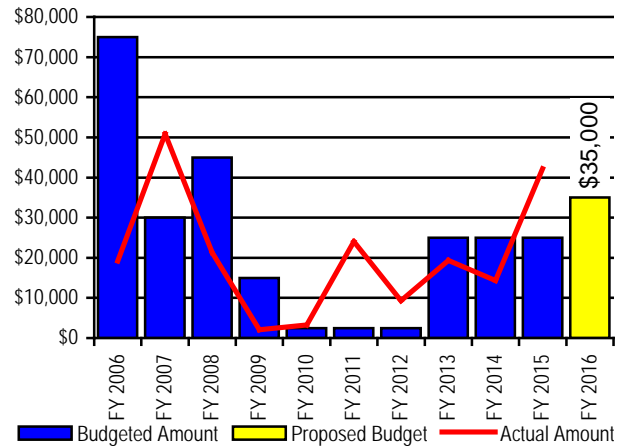
**Potable Water – Service Charge Multi-Unit Discount (02-41005):** The latest version of the District’s rate schedule continues to include a service charge discount for high density developments of more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.



**Unauthorized Use of Water Charge (02-41010):** This revenue source is associated with the unauthorized use of water. Generally, the penalty costs associated with the unauthorized use of water has not been a budget item due to the high degree of unpredictability, however, with the historical trend information; this volatile revenue source can be tracked more for historical value than a dependable source of funding.

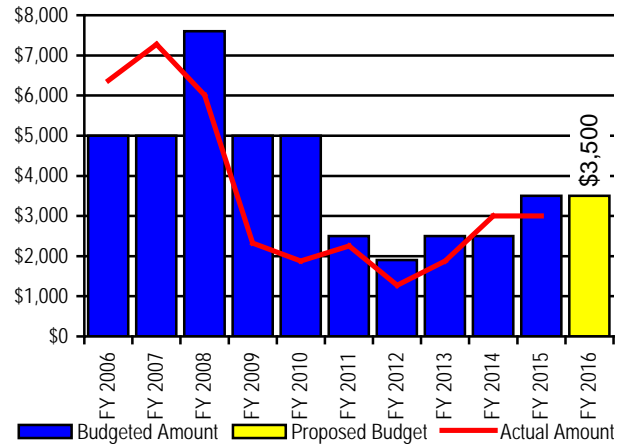


**Water Meter & Lateral Installation Charges (02-41110):** This revenue source is associated with the cost for installing a water meter and service lateral for a new customer. The revenue generated from this source is directly dependent on the number of new water meter installations that occur as a result of development.



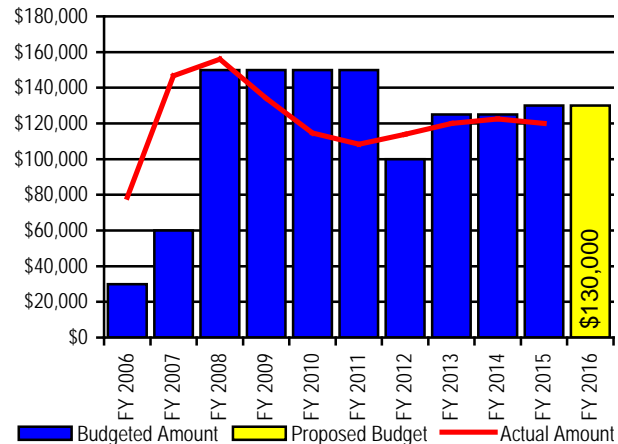
**Fire Flow Measurements and Reports**

**(02-41112):** This revenue source is associated with the cost of performing fire flow reports in the field and generating fire flow reports for the fire department, cities and customers. This revenue source is dependent on local economic development and refurbishment activity by homeowners.



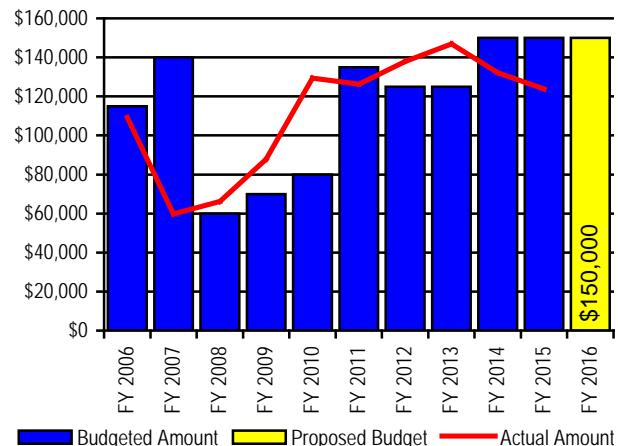
**Disconnect & Reconnect Charges (02-41113):**

This revenue source is generated from turning water service off as a result of delinquent payments or closed accounts. This revenue source is generally fairly constant, except for when the costs were adjusted to reflect the true cost of providing this service. This adjustment was expected to reduce the number of disconnect/reconnect services and therefore reduce the revenue generated from this service.

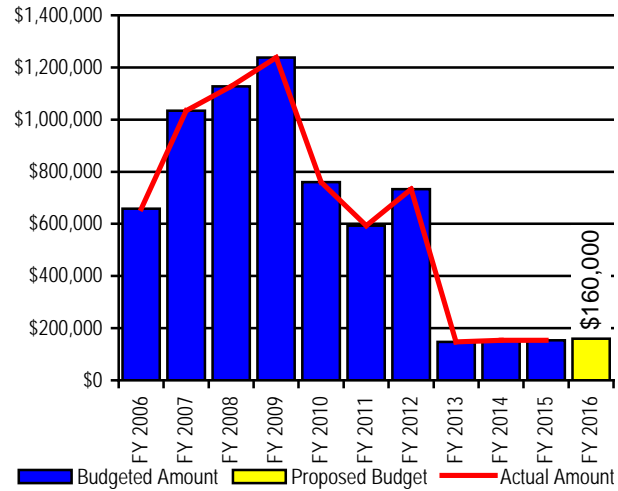


**Delinquent Payment Charges (02-41121):**

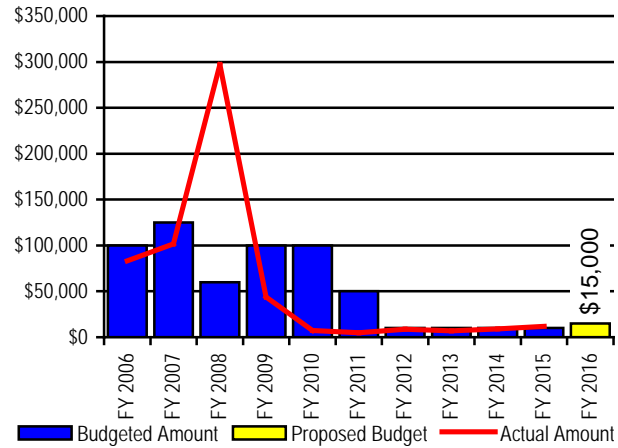
This revenue source is generated from late payments of services to the District. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.



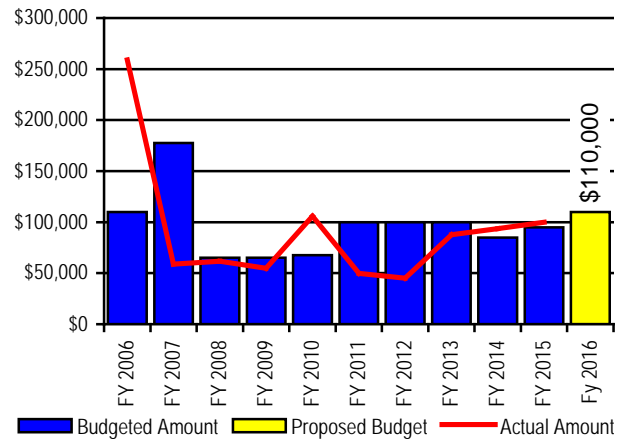
**Management and Accounting Services (02-42123):** This revenue source is a transfer of funds from the wastewater division to the water division to ensure the water and sewer divisions both pay a fair share of expenses related to administration, accounting, and general services.



**Interest Earned (02-43010):** This revenue source is generated from investment interest earnings. The District's investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



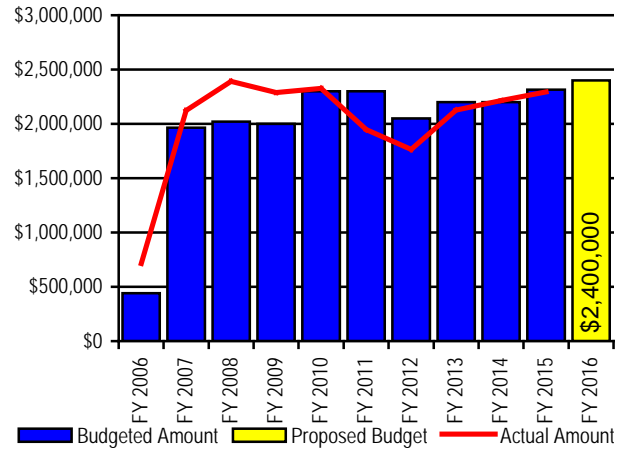
**Property Tax – Unsecured (02-43110):** This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



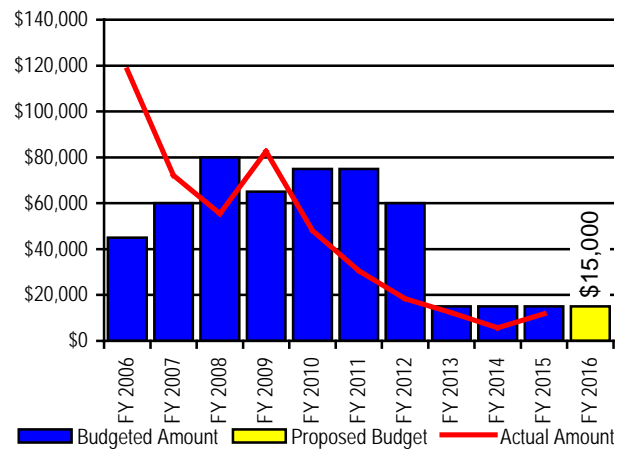


**Property Tax – Secured (02-43120):**

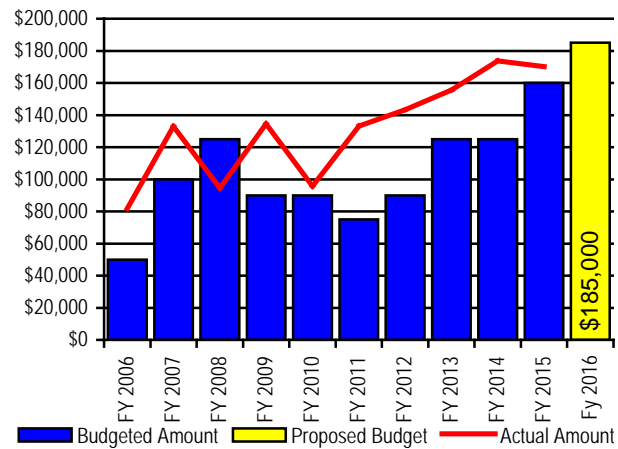
This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District’s service area. Secured property taxes are those taxes collected on real property such as land and structures.



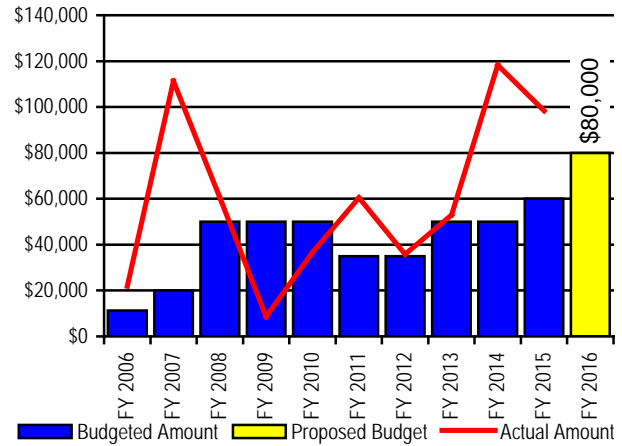
**Tax Collection – Prior (02-43130):** This revenue source is generated from the property tax increment collected from prior years.



**Other Taxes (02-43140):** This revenue account includes other taxes collected and paid to the District.



**Miscellaneous Non-Operating Revenue (02-49150):** This revenue source is used to track unspecified non-operating revenue that is not directly attributable to the revenue categories previously established in the budget. This account includes recovered expenses associated with property tax collection and reimbursement of state mandated costs in FY 2007.



Other sources of operating revenue for the water division include:

- Service Establishment Fee (02-40016)
- Bad Debt Write-Off & Recovery (02-42124)
- Rental Income (02-49110)

## Water Resource Department

Department Description – The Water Resource Department is responsible for maintaining the safe and efficient operation of the potable water sources and recycled water distribution system. This involves monitoring and ensuring the production of potable water from the District’s vertical wells and horizontal wells is coordinated with the water processed from the Oak Glen Surface Water Filtration Facility and the Yucaipa Valley Regional Water Filtration Facility. The Water Resource Department also maintains the operation of the recycled water system. The Water Resource Department is responsible for maintaining the vital balance between the seasonal demand for water by our customers and the amount of water produced and pumped to various portions of the water service area.

Departmental Responsibilities – The Water Resource Department is responsible for a total of 32 vertical water production wells, 5 monitoring wells, 6 horizontal water production wells, three separate surface sources, two drinking water filtration facilities, 23 reservoirs, and 10 booster pump stations. Additionally, the Department is responsible for the operation of the recycled water activities of the District.

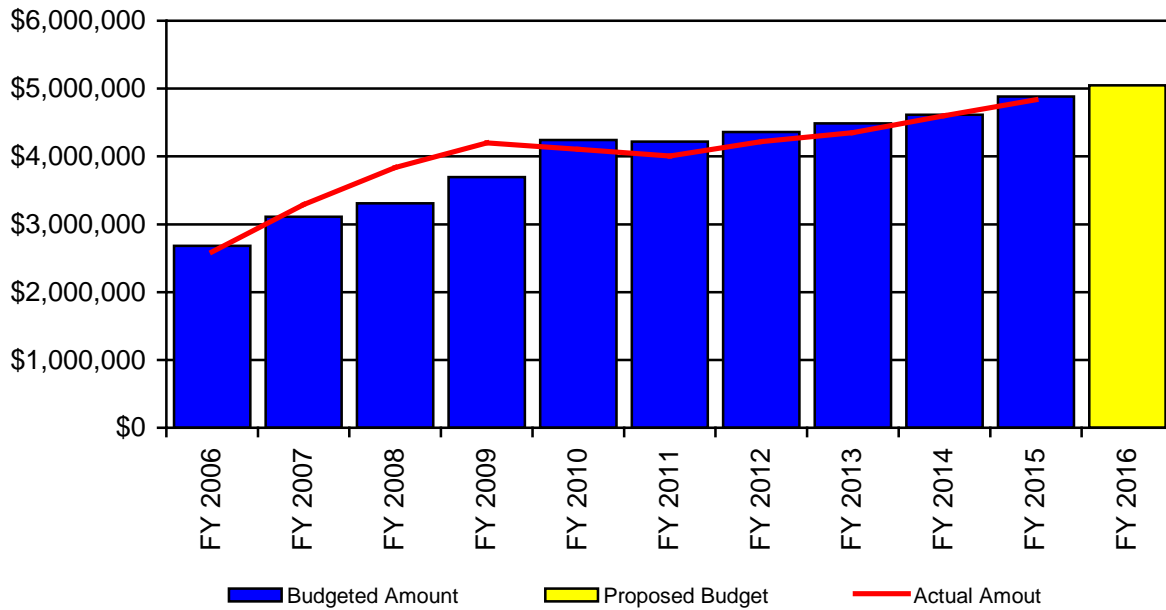
Organizational Structure & Staffing Levels – This year the Water Resources Department has been allocated labor resources of 11.3 Full-Time Equivalent (FTE) employees.

The FTE calculations for this department are as follows:<sup>1</sup>

<b>Title</b>	<b>Range</b>	<b>FTE</b>	<b>Expense</b>
Operations Manager	228	0.8	\$ 81,907
Senior Plant Operator	114	2.0	\$ 186,300
Regional Water Quality Supervisor	113	0.3	\$ 31,211
Integrated Operator IV	55	1.0	\$ 88,555
Integrated Operator III	49	3.0	\$ 226,649
Water Operator III	44	1.0	\$ 74,285
Integrated Operator II	42	1.5	\$ 95,772
Water Quality Chemist	40	0.1	\$ 6,670
Integrated Operator I	36	1.0	\$ 60,741
Integrated Operator in Training	32	0.1	\$ 6,333
Plant Maintenance Technician I	28	0.5	\$ 25,240
	<b>Total</b>	<b>11.3</b>	<b>\$ 883,663</b>

<sup>1</sup> The positions that are assigned a FTE value of less than 1.0 are involved in the integrated operator program and are cross-trained with the Sewer Division, Treatment Department.

**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Water Resource Department will be allocated \$5,050,200 (not including asset acquisitions & capital improvements), which represents an increase of \$167,081 as compared to the previous year, or a 3.42% increase.

This budget is based largely on the previous year’s water demands and energy costs.

**Anticipated Issues for this Fiscal Year** – The following issues need to be closely monitored during future periods to minimize unexpected financial commitments of District funds. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

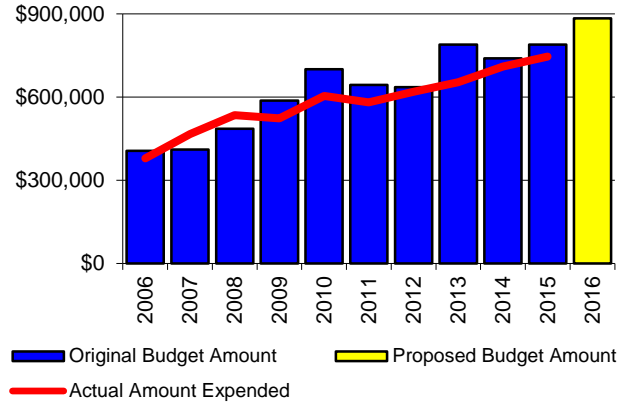
- The District currently needs to review the funding levels for the replacement of water related infrastructure including: wells, reservoirs, pipelines and booster stations. A category of funding has been developed to start the process of project funding. Further evaluation by District staff is necessary to adequately fund the infrastructure replacement needs of the District.

Water Division – Water Resource Department

02-5-01-50010

## Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$587,000	\$523,709
2010	\$700,000	\$603,788
2011	\$644,500	\$580,643
2012	\$635,700	\$619,331
2013	\$789,300	\$653,536
2014	\$740,000	\$710,085
2015	\$789,245	\$745,588



<b>2016</b>	<b>\$884,000</b>
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**Description:**

This budget category includes the base salaries, overtime, and standby expenses associated with the water resource department staff members.

**Line Item Detail:**

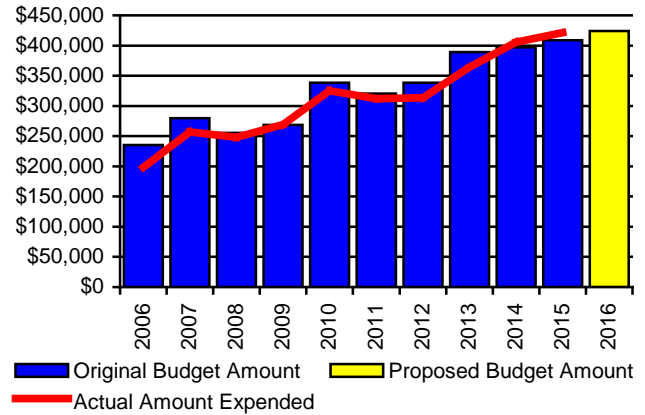
Title	Range	FTE	Expense
Operations Manager	228	0.8	\$ 81,907
Senior Plant Operator	114	2.0	\$ 186,300
Regional Water Quality Supervisor	113	0.3	\$ 31,211
Integrated Operator IV	55	1.0	\$ 88,555
Integrated Operator III	49	3.0	\$ 226,649
Water Operator III	44	1.0	\$ 74,285
Integrated Operator II	42	1.5	\$ 95,772
Water Quality Chemist	40	0.1	\$ 6,670
Integrated Operator I	36	1.0	\$ 60,741
Integrated Operator In Training	32	0.1	\$ 6,333
Plant Maintenance Technician I	28	0.5	\$ 25,240
<b>Total</b>		<b>11.3</b>	<b><u>\$ 883,663</u></b>

Water Division - Water Resource Department

02-5-01-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$268,750	\$269,386
2010	\$338,375	\$325,146
2011	\$320,615	\$312,066
2012	\$338,235	\$313,399
2013	\$388,985	\$364,132
2014	\$397,000	\$405,723
2015	\$408,800	\$421,220



<b>2016</b>	<b>\$424,200</b>
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**Description:**

This budget category includes the District paid benefits for the staff members of the water resource department.

**Line Item Detail:**

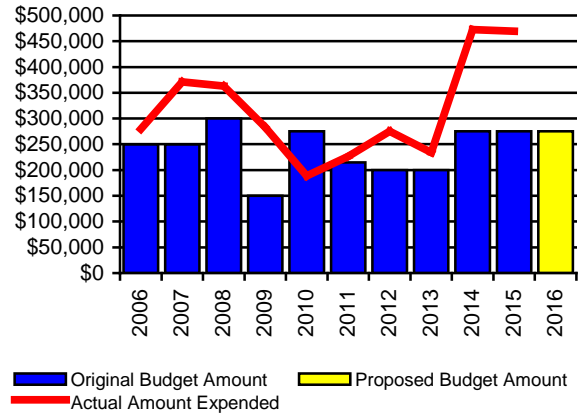
FICA (50013)	\$ 63,000
Life Insurance (50014)	\$ 3,200
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 145,000
Disability Insurance (50017)	\$ 11,000
Workers' Compensation (50019)	\$ 42,000
PERS Employee (50021)	\$ 47,000
PERS Employer (50022)	\$ 100,000
Uniforms (50023)	\$ 3,500
Vacation / Sick Leave	\$ 7,500
Boot Allowance @ \$200/Employee (50025)	\$ 2,000
<b>Total</b>	<b><u>\$ 424,200</u></b>

Water Division - Water Resource Department

02-5-01-51003

## Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$150,000	\$283,568
2010	\$275,000	\$188,918
2011	\$215,000	\$226,596
2012	\$200,000	\$275,415
2013	\$200,000	\$234,083
2014	\$275,000	\$472,434
2015	\$275,000	\$469,599



<b>2016</b>	<b>\$275,000</b>
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**Description:**

This budget category is used for the maintenance and repair of all water source related facilities. This includes the Oak Glen Surface Water Filtration Facility but not the Yucaipa Valley Regional Water Filtration Facility (57040). This budget item is also used for the operation, maintenance and procurement of devices related to the District's Supervisory Control And Data Acquisition (SCADA) system and lubricating oil at various sites.

**Line Item Detail:**

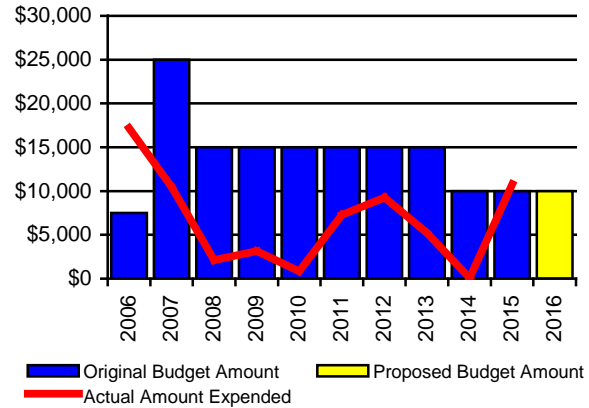
Well and Booster Rehabilitation of Various Facilities	\$ 100,000
Reservoir Repair and Inspections	\$ 125,000
Electrical Repairs	\$ 30,000
Service and Repair Generators	\$ 10,000
SCADA Upgrades and Maintenance	\$ 6,000
Lubricating Oil	\$ 4,000
<b>Total</b>	<b><u>\$ 275,000</u></b>

Water Division - Water Resource Department

02-5-01-51011

## Repair & Maintenance – Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$15,000	\$3,157
2010	\$15,000	\$840
2011	\$15,000	\$7,295
2012	\$15,000	\$9,266
2013	\$15,000	\$5,216
2014	\$10,000	\$76
2015	\$10,000	\$10,779



<b>2016</b>	<b>\$10,000</b>
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**Description:**

The water resource department has become an integral player in the operation and maintenance of the District's one hundred thirteen specialty valves. This program involves the maintenance of the following types of valves:

- 52 pressure reducing valves;
- 28 pump control valves;
- 22 float control valves; and
- 14 pressure relief valves.

**Line Item Detail:**

Equipment and parts associated with the maintenance of Cla-valves. This does not include the labor from the Water Resources Department, Engineering Department, or Utility Service Department.

\$ 10,000

Total      \$ 10,000

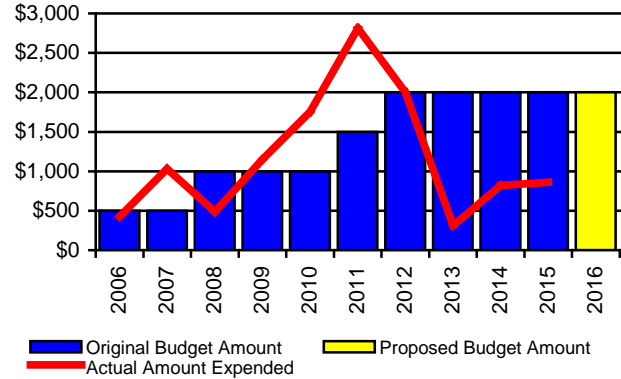


Water Division - Water Resource Department

02-5-01-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,000	\$1,150
2010	\$1,000	\$1,752
2011	\$1,500	\$2,815
2012	\$2,000	\$2,001
2013	\$2,000	\$312
2014	\$2,000	\$822
2015	\$2,000	\$861



<b>2016</b>	<b>\$2,000</b>
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**Description:**

This budget category was established to track the expenses related to the miscellaneous supplies needed for the operation of the water resources department.

**Line Item Detail:**

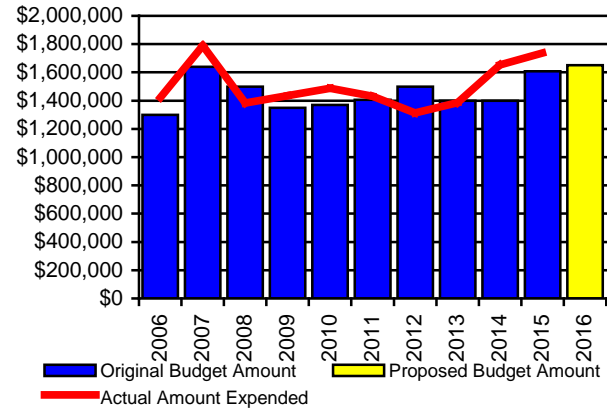
General Supplies and Expenses	\$ 2,000
<b>Total</b>	<b><u>\$ 2,000</u></b>

Water Division – Water Resource Department

02-5-01-51210

## Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,350,000	\$1,434,935
2010	\$1,370,000	\$1,487,545
2011	\$1,405,000	\$1,431,274
2012	\$1,500,000	\$1,312,482
2013	\$1,400,000	\$1,385,815
2014	\$1,400,000	\$1,652,335
2015	\$1,608,324	\$1,738,062



<b>2016</b>	<b>\$1,650,000</b>
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**Description:**

This budget category includes the power consumption charges associated with all of the water production wells and booster facilities. The District has been aggressively modifying our pumping schedules to comply with Time-Of-Use (TOU) and Super-Off-Peak (SOP) pumping schedules offered by Southern California Edison. This line item also includes fuel purchases for natural gas driven engines.

**Line Item Detail:**

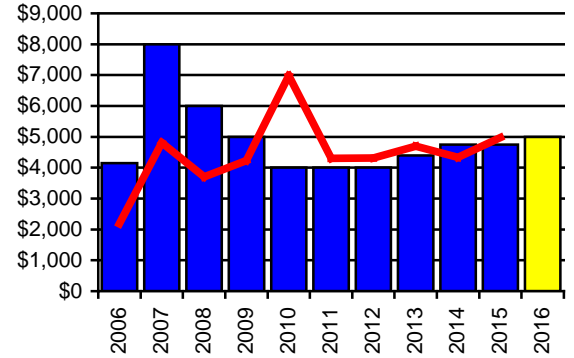
Southern California Edison power purchases for all reservoirs, wells, and booster facilities.	\$ 1,650,000
<b>Total</b>	<b>\$ 1,650,000</b>

Water Division - Water Resource Department

02-5-01-51211

## Electricity and Fuel

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$4,230
2010	\$4,000	\$6,982
2011	\$4,000	\$4,307
2012	\$4,000	\$4,313
2013	\$4,000	\$4,695
2014	\$4,750	\$4,339
2015	\$4,750	\$4,972



<b>2016</b>	<b>\$5,000</b>
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■ Original Budget Amount    
 — Actual Amount Expended    
  Proposed Budget Amount

**Description:**

This budget category was created to track the electrical costs at water facilities for the operation of lights, telecommunication equipment and fuel purchases to run certain non-electrical pumps and motors. It does not include electrical costs necessary to pump or boost water (see Power Purchases 02-5-01-51210)

**Line Item Detail:**

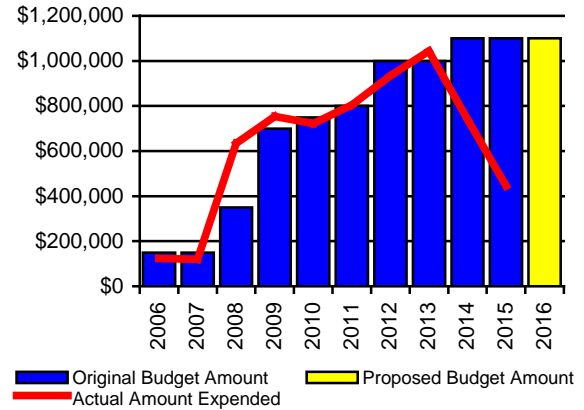
Electrical and Fuel Costs	\$ 5,000
<b>Total</b>	<b><u>\$ 5,000</u></b>

Water Division - Water Resource Department

02-5-01-51316

## Imported Water Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$700,000	\$753,702
2010	\$750,000	\$722,373
2011	\$800,000	\$805,035
2012	\$1,000,000	\$933,923
2013	\$1,000,000	\$1,043,894
2014	\$1,100,000	\$741,329
2015	\$1,100,000	\$445,708



<b>2016</b>	<b>\$1,100,000</b>
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**Description:**

This budget category will be used for the annual purchase of imported water from San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency for the enhancement of our local potable water supplies.

**Line Item Detail:**

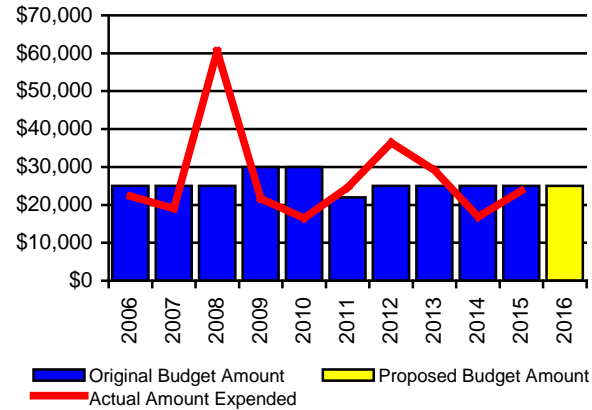
Purchase of Imported Water	\$ 1,100,000
<b>Total</b>	<b><u>\$ 1,100,000</u></b>

Water Division - Water Resource Department

02-5-01-54019

## Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$30,000	\$21,660
2010	\$30,000	\$16,483
2011	\$22,000	\$24,579
2012	\$25,000	\$36,390
2013	\$25,000	\$29,129
2014	\$25,000	\$16,866
2015	\$25,000	\$23,752



<b>2016</b>	<b>\$25,000</b>
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**Description:**

This budget category includes the required annual operating permits for various state and local governmental agencies. In most cases, the amounts of the fees are established by regulation.

**Line Item Detail:**

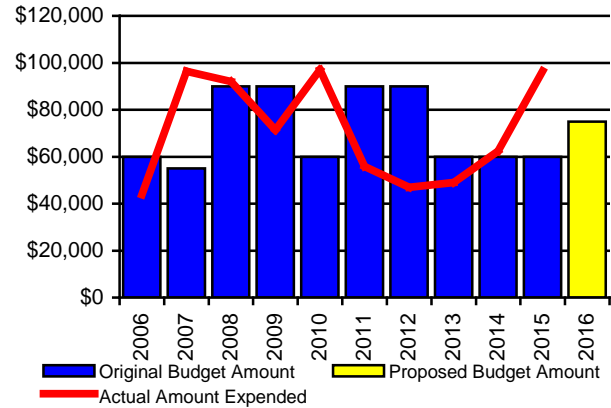
California Department of Public Health	\$ 16,500
South Cost Air Quality Management District	\$ 4,200
San Bernardino Valley Municipal Water District	\$ 1,000
San Bernardino County Flood Control District	\$ 1,000
United States Fire Service Permit	\$ 300
State Water Resources Control Board Well Recordation	\$ 2,000
<b>Total</b>	<b><u>\$ 25,000</u></b>

Water Division - Water Resource Department

02-5-01-54110

## Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$90,000	\$71,447
2010	\$60,000	\$97,112
2011	\$90,000	\$55,876
2012	\$90,000	\$46,985
2013	\$60,000	\$49,034
2014	\$60,000	\$62,323
2015	\$60,000	\$96,529



<b>2016</b>	<b>\$75,000</b>
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**Description:**

This budget category includes all analytical testing of water supply sources. Such testing includes inorganic, mineral, organic, volatile organic, radioactivity, and bacteriological analyses. A detailed list of the anticipated water quality tests is available upon request.

**Line Item Detail:**

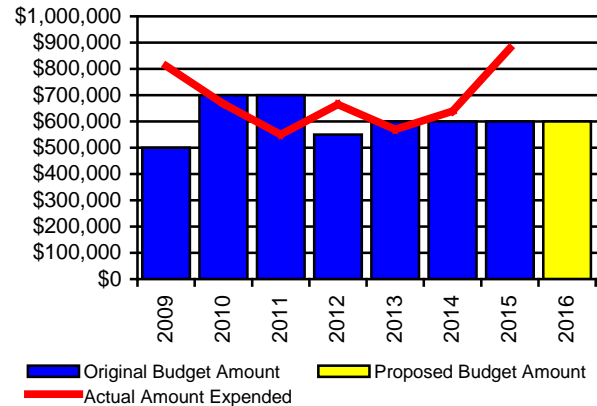
Laboratory Services	\$ 75,000
Total	<u>\$ 75,000</u>

Water Division - Water Resource Department

02-5-01-57040

# Yucaipa Valley Regional Water Filtration Facility Operating Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$500,000	\$811,527
2010	\$700,000	\$666,965
2011	\$700,000	\$549,985
2012	\$550,000	\$664,912
2013	\$600,000	\$570,097
2014	\$600,000	\$639,177
2015	\$600,000	\$877,981



<b>2016</b>	<b>\$600,000</b>
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**Description:**

This line item is associated with the Yucaipa Valley Regional Water Filtration Facility. To determine the true cost associated with water production at this facility, it is necessary to add labor related costs, power costs, and imported water purchase expenses (which are not included in this line item).

**Line Item Detail:**

Chemicals and Supplies	\$ 250,000
Professional Services	\$ 105,000
Equipment Repairs and Maintenance	\$ 85,000
Instrumentation and Control System	\$ 70,000
Utilities – Power, Gas, and Trash	\$ 70,000
Miscellaneous Expenses	\$ 20,000
<b>Total</b>	<b><u>\$ 600,000</u></b>

## Public Works Department

**Department Description** – The Public Works Department provides the routine and emergency maintenance and repair of District water, sewer and recycled water facilities.

**Departmental Responsibilities** – The Public Works Department is responsible for ensuring that the water, sewer and recycled water service to our customers is always provided in a safe, reliable and cost effective manner. In order to accomplish this goal, the Department is responsible for coordinating routine inspection and maintenance of District facilities. This includes:

- Routine and emergency inspections, operation and maintenance of all water related facilities (valves, fire hydrants, blow-offs, pressure reducing valves, pressure sustaining valves, wells, reservoirs, and booster stations);
- Routine and emergency maintenance of all sewer collection facilities (including manholes, lift stations, sewer mainlines, trench subsidence, sewer laterals, and ancillary facilities at the sewer treatment plant);
- Routine and emergency operation, inspection and maintenance of recycled water facilities (including pipelines, service lines, and meters); and
- Routine maintenance at the Yucaipa Valley Regional Water Filtration Facility and the Wochholz Regional Water Recycling Facility.

Some of the responsibilities provided above will receive additional labor resources from staff members in other departments.

**Organizational Structure & Staffing Levels** – This year the Public Works Department has been allocated labor resources of 15.75 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

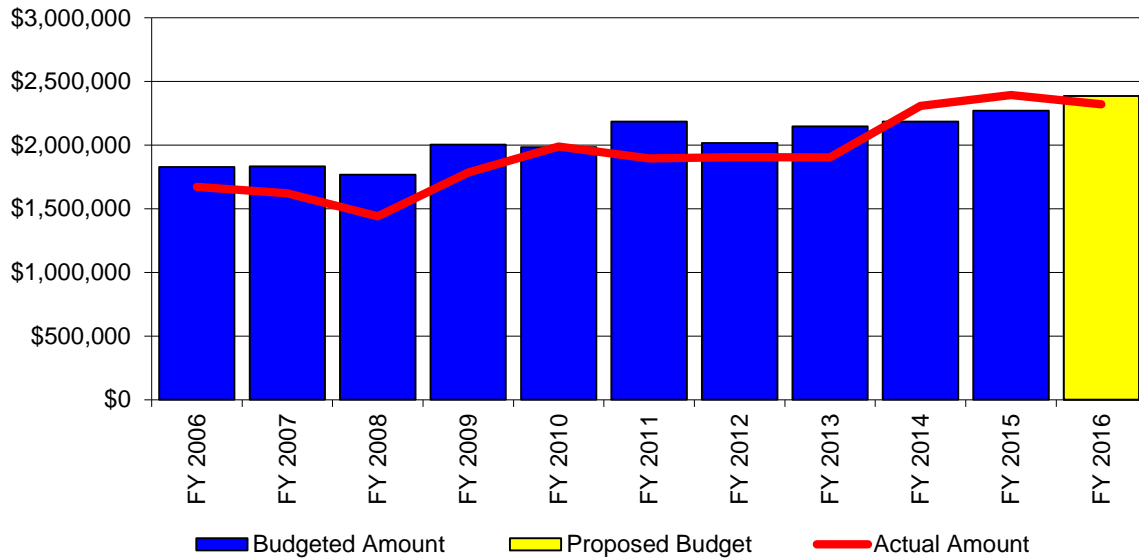
Title	Range	FTE	Expense
Public Works Manager	234	0.75	\$ 83,061
Public Works Supervisors	113	3.6	\$329,155
Purchasing Agent	42	1.0	\$ 75,638
Utility Service Worker IV	44	0.8	\$ 54,416
Utility Service Worker III	40	1.6	\$ 99,680
Utility Service Worker II	36	0.8	\$ 45,154
Utility Service Worker I	32	7.2	\$355,687
<b>Total</b>		<b>15.75</b>	<b>\$1,042,791</b>

The employees of this department generally create two to four crews depending on the tasks to be completed.

This staffing level is critical in order to complete the necessary inspection and maintenance of facilities, as well as maintain an emergency response team available twenty-four (24) hours per day, seven (7) days a week.



**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses for the past several years.



This year, the Public Works Department will be allocated \$2,385,800 (not including asset acquisitions & capital improvements), which represents an increase of \$38,036 as compared to the previous year, or a 1.62% increase.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified for the next fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- ❖ The Public Works Department serves a vital role of conducting regular routine inspections, repairs, construction, and non-warranty maintenance work at all District facilities. Based on the results of the inspections, the members of this department generate work orders to ensure that the facilities are properly maintained. Individuals within this department will augment the staff members from other departments on an as needed basis.
- ❖ The following programs<sup>1</sup> will be maintained by the Utility Service Department:
  - Yucaipa Valley Regional Water Filtration Facility – The non-warranty maintenance duties at this facility are performed by individuals in this department. Warranty repairs will be performed by the Water Resource Department. Complex maintenance activities will be contracted to specialty firms under the direction of the Water Resource Department.
  - Wochholz Regional Water Recycling Facility – The non-warranty maintenance duties at this facility are performed by individuals in this department and the Environmental Control Department. Warranty repairs will be performed by the Sewer Treatment Department. Complex maintenance activities will be contracted to specialty firms under the direction of the Sewer Treatment Department.

<sup>1</sup> The large number of the programs listed is mandated by local, State or Federal authorities. All of the programs represent a proactive approach by the District to minimize emergency repairs by maintaining the investment in assets owned by the District.

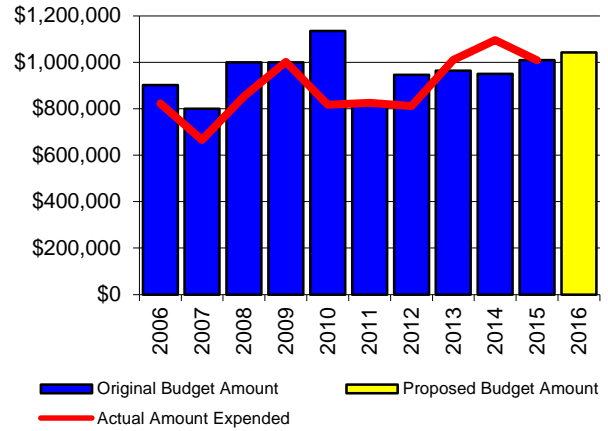
- Valve Maintenance Program – Valve maintenance will be a high priority for this department. The District has approximately 3,000 valves that need to be inspected and exercised every three years. This maintenance function may require repairs and/or replacement of the valve operation equipment.
- Fire Hydrant Maintenance Program – Fire hydrant inspections, fire flow tests and pressure readings from the District's fire hydrants will also be a high priority. The fire hydrant maintenance program will be designed throughout the year to inspect all fire hydrants and convey operational data to the Engineering Department for analysis and record keeping. The District has approximately 1,050 fire hydrants.
- Sewer Trench Subsidence Repair – Sewer collection system subsidence repair will need to continue this year. The repairs to the trenches will be the responsibility of the Utility Services Department. The department will work together with local paving contractors to facilitate the repair of District sewer collection system trenches.
- Emergency Water Mainline & Service Repairs – The department staff are the first line responders to emergency water repairs. These individuals generally respond to about 140 water leaks per year.
- Air Release Valve Repair/Replacement Program – The District has several air release valves in the water and sewer system. The operation of these valves is critical to the safe and efficient operation of the District. The department staff members will inspect the existing air release valves and determine if repairs or replacement is necessary.
- Well & Reservoir Site Maintenance – The department will perform the routine maintenance and upkeep of the District's well and reservoir sites. This will include the routine weed abatement, painting, fence repair, structure repair, etc.
- Service Line Replacement Program – This program involves the replacement of approximately 125 water service lines per year.
- Underground Service Alert Program – The USA program involves the marking and identification of water and sewer infrastructure.
- Flushing Program – The flushing program is another important program performed by this department. The flushing program involves the sequential flushing of approximately 300 fire hydrants to make sure the water delivered to our customers is always fresh and clean.
- Installation of Sewer Lateral Cut-Off Walls – This department will be involved in the installation of approximately 100 cut-off walls during the year. The installation of cut-off walls has appeared to reduce the severity of sewer mainline trench subsidences over the past few years. The installation of cut-off walls is now required of all new developments.
- Manhole Repair Program – The environmental control department continues to perform routine inspection of the District's manholes. All repair work is currently being directed to the utility service department. This Department can expect to receive at least 12 repair requests per month.

Water Division – Public Works Department

02-5-03-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$999,850	\$1,002,159
2010	\$1,134,300	\$817,547
2011	\$827,730	\$825,369
2012	\$945,340	\$811,118
2013	\$963,140	\$1,010,131
2014	\$950,000	\$1,095,581
2015	\$1,009,764	\$1,009,049



<b>2016</b>	<b>\$1,042,800</b>
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**Description:**

This budget category includes the base salaries and expected overtime for the public works staff members. This department is responsible for the inspection, maintenance and repair of all existing water, sewer and recycled water facilities.

**Line Item Detail:**

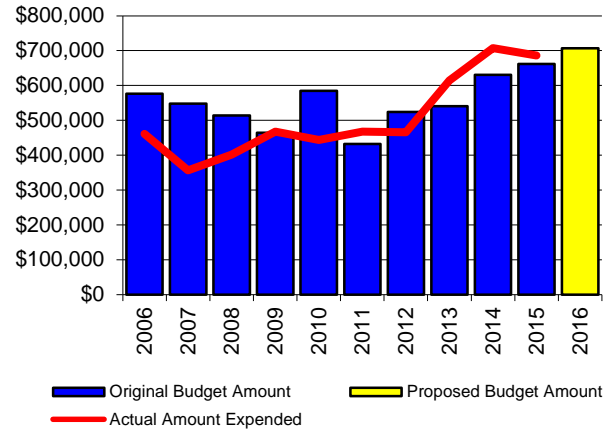
Title	Range	FTE	Expense
Public Works Manager	234	0.75	\$ 83,061
Public Works Supervisors	113	3.6	\$329,155
Purchasing Agent	42	1.0	\$ 75,638
Utility Service Worker IV	44	0.8	\$ 54,416
Utility Service Worker III	40	1.6	\$ 99,680
Utility Service Worker II	36	0.8	\$ 45,154
Utility Service Worker I	32	7.2	\$355,687
<b>Total</b>		<b>15.75</b>	<b><u>\$1,042,791</u></b>

Water Division – Public Works Department

02-5-03-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$464,425	\$467,346
2010	\$584,600	\$443,803
2011	\$431,790	\$467,853
2012	\$523,825	\$465,901
2013	\$540,800	\$614,496
2014	\$630,250	\$710,316
2015	\$662,000	\$686,287



<b>2016</b>	<b>\$707,000</b>
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**Description:**

This budget category includes the District paid benefits for the staff members of the public works department.

**Line Item Detail:**

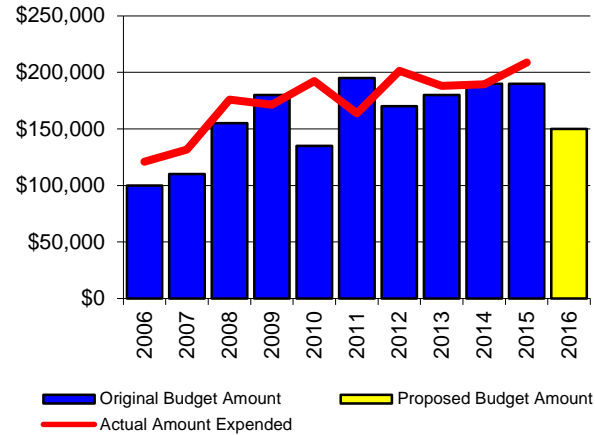
FICA (50013)	\$ 92,000
Life Insurance (50014)	\$ 7,000
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 300,000
Disability Insurance (50017)	\$ 16,500
Workers' Compensation (50019)	\$ 45,000
PERS Employee (50021)	\$ 73,000
PERS Employer (50022)	\$ 160,000
Vacation / Sick Leave	\$ 6,000
Uniforms (50023)	\$ 4,000
Boot Allowance @ \$200/Employee (50025)	\$ 3,500
<b>Total</b>	<b><u>\$ 707,000</u></b>

Water Division – Public Works Department

02-5-03-51001

## Repair & Maintenance – Vehicles & Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$180,000	\$171,403
2010	\$135,000	\$192,214
2011	\$195,000	\$163,754
2012	\$170,000	\$201,473
2013	\$180,000	\$188,160
2014	\$190,000	\$189,322
2015	\$190,000	\$208,720



<b>2016</b>	<b>\$150,000</b>
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**Description:**

This budget category allocates funding for the routine maintenance of the vehicles assigned to individuals in the water, sewer and recycled water divisions.

**Line Item Detail:**

General Repair and Maintenance of Vehicles and Equipment

\$ 150,000

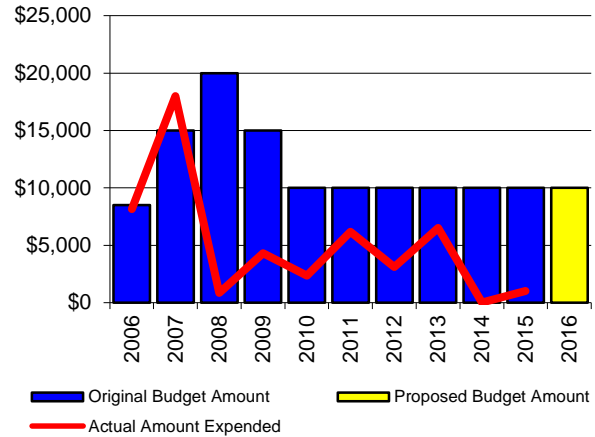
Total \$ 150,000

Water Division – Public Works Department

02-5-03-51011

## Repair & Maintenance - Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$15,000	\$4,313
2010	\$10,000	\$2,365
2011	\$10,000	\$6,181
2012	\$10,000	\$3,117
2013	\$10,000	\$6,497
2014	\$10,000	\$0
2015	\$10,000	\$1,005



<b>2016</b>	<b>\$10,000</b>
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**Description:**

The purpose of this line item is to pay for the expenses related to the maintenance of water valves. These valves generally range in size from 2 inches to 27 inches. The operation of the valve maintenance program is a requirement of the District’s state health permit which requires each valve to be operated and inspected every three years. There are approximately 3,000 valves in the District’s water system.

**Line Item Detail:**

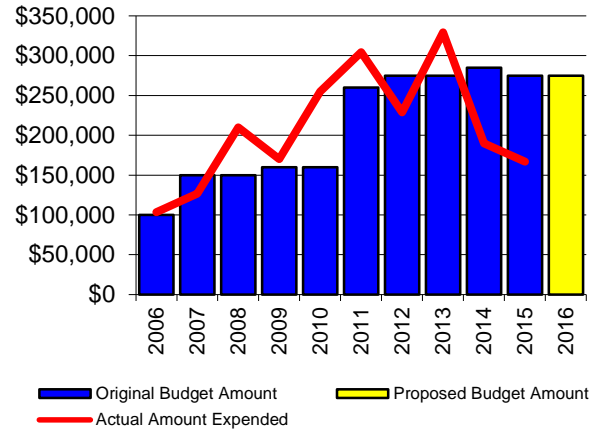
General Repair and Maintenance of Valves		\$ 10,000
	Total	<u>\$ 10,000</u>

Water Division – Public Works Department

02-5-03-51020

## Repair & Maintenance - Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$160,000	\$170,291
2010	\$160,000	\$255,166
2011	\$260,000	\$304,555
2012	\$275,000	\$228,957
2013	\$275,000	\$329,241
2014	\$285,000	\$189,817
2015	\$275,000	\$166,784



<b>2016</b>	<b>\$275,000</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District's water transmission and distribution facilities. Costs are reflective of repair and replacement of pipelines and related infrastructure encroachments.

This line item also includes costs associated with the maintenance of air releases and vacuum valves which are a critical part of maintaining the District's water distribution system.

**Line Item Detail:**

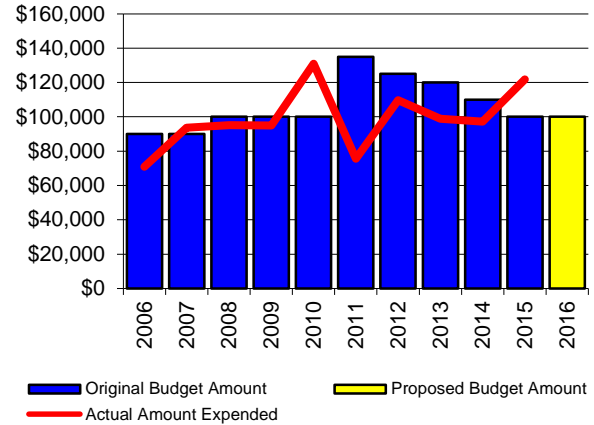
Maintenance of Pipelines (includes paving and outside services)	\$ 240,000
Maintenance of Air Releases and Vacuum Valves	\$ 20,000
Leak Detection Program – Evaluation of approximately 40 miles of existing older distribution system piping	\$ 15,000
<b>Total</b>	<b><u>\$ 275,000</u></b>

Water Division – Public Works Department

02-5-03-51021

## Repair & Maintenance - Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$100,000	\$94,964
2010	\$100,000	\$130,938
2011	\$135,000	\$75,610
2012	\$125,000	\$109,749
2013	\$120,000	\$98,947
2014	\$110,000	\$97,174
2015	\$100,000	\$121,854



<b>2016</b>	<b>\$100,000</b>
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**Description:**

This category includes all costs related to the replacement of water service lines. The District maintains roughly 10,000 water service lines. With an anticipated useful life of 25 years, the District will need to begin replacing the oldest service lines at an average rate of 360 per year. During this fiscal year, the public works department anticipates replacing 175 water service lines.

**Line Item Detail:**

Service Line Replacements	\$ 100,000
<b>Total</b>	<b><u>\$ 100,000</u></b>

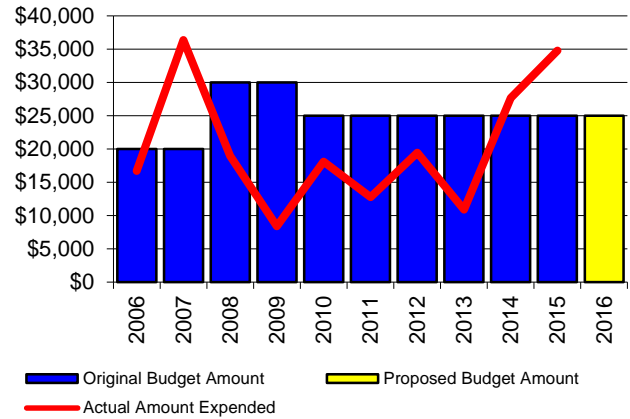


Water Division – Public Works Department

02-5-03-51022

## Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$30,000	\$8,408
2010	\$25,000	\$18,112
2011	\$25,000	\$12,753
2012	\$25,000	\$19,456
2013	\$25,000	\$10,898
2014	\$25,000	\$27,678
2015	\$25,000	\$34,809



<b>2016</b>	<b>\$25,000</b>
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**Description:**

The District has approximately 1,500 fire hydrants that need to be inspected, operated and maintained on a regular basis. The public works department will be inspecting and collecting fire flow data from 350 fire hydrants per year. Roughly twenty percent of the fire hydrants inspected are anticipated to need repair or replacement.

This line item also includes the annual costs associated with inspection, repair, maintenance, and replacement of the District fire services (meters, valves and vaults).

**Line Item Detail:**

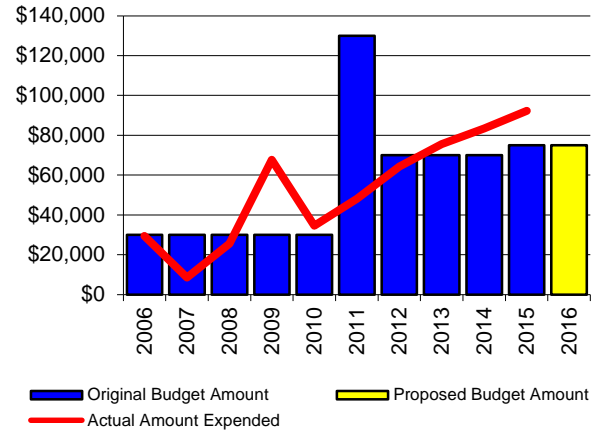
Repair and Maintenance of Fire Hydrants & Services	\$ 25,000
Total	<u>\$ 25,000</u>

Water Division – Public Works Department

02-5-03-51030

## Repair & Maintenance – Water Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$30,000	\$67,668
2010	\$30,000	\$34,610
2011	\$130,000	\$48,088
2012	\$70,000	\$64,269
2013	\$70,000	\$75,612
2014	\$70,000	\$83,498
2015	\$75,000	\$92,330



<b>2016</b>	<b>\$75,000</b>
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**Description:**

This budget category represents the annual projected costs associated with the maintenance, repair, replacement, testing and calibration of District meters and the routine maintenance of the related facilities.

**Line Item Detail:**

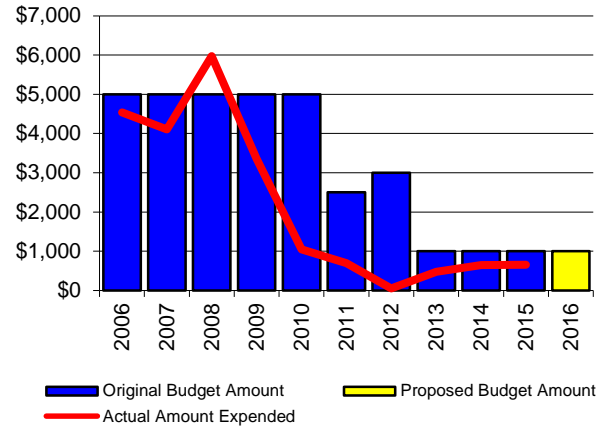
Large Meter Maintenance	\$ 5,000
Construction Meter Maintenance	\$ 3,500
Water Meter Purchase and Installation	\$ 65,000
Miscellaneous Expenditures	\$ 1,500
Total	<u>\$ 75,000</u>

Water Division – Public Works Department

02-5-03-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$3,365
2010	\$5,000	\$1,045
2011	\$2,480	\$693
2012	\$3,000	\$51
2013	\$1,000	\$473
2014	\$1,000	\$647
2015	\$1,000	\$659



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the public works department.

**Line Item Detail:**

Supplies and Expenses

\$ 1,000

Total

\$ 1,000

## Administrative Service Department

Department Description – The administrative service department consists of four sub-departments: management; accounting; customer service; and engineering. These sub-departments provide administrative services to the three District enterprises: water, sewer, and recycled water.

Departmental Responsibilities – The administrative service department is responsible for ensuring the following:

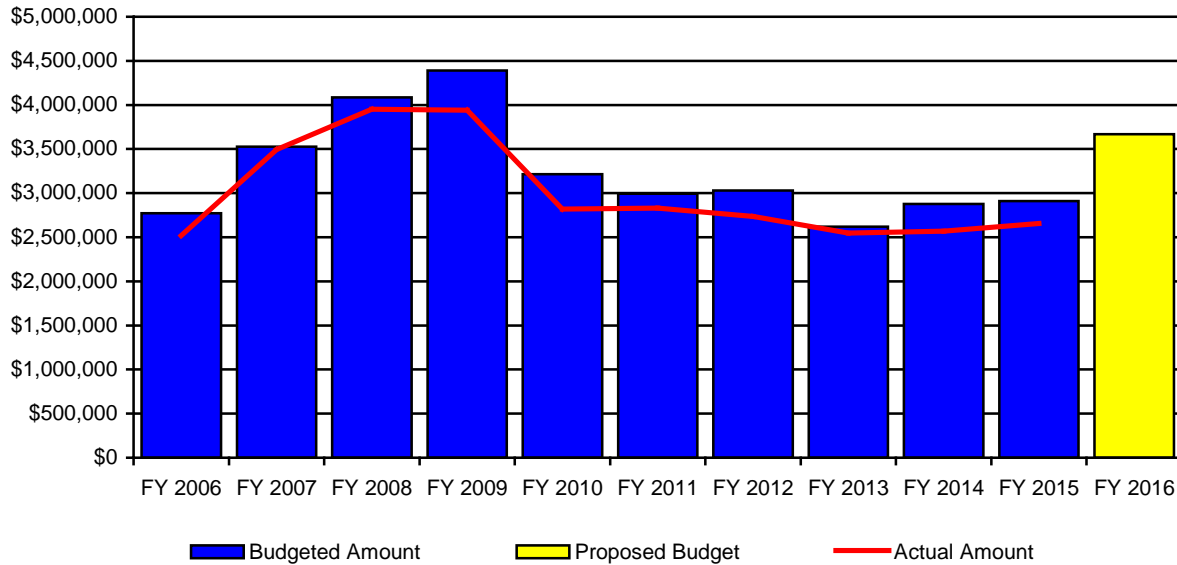
- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, board member information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting are responsible for all accounting functions which range from tracking District assets to maintaining accounts payable, accounts receivable, and payroll. Accounting is also responsible for maintaining fund balances, tracking of development impact fees, and maintaining the current budget.
- Customer Service: The individuals in Customer Service are responsible for all general customer related activities such as maintaining the customer service database, processing of utility billing, receiving all fees/charges, maintaining service records for the Department of Health Services.
- Engineering: The individuals in Engineering are responsible for all engineering related functions including: water and sewer modeling; GIS studies and applications; consultant and contractor oversight; development of design and construction standards; plan check and inspection services; and performing other related engineering studies and services.

Organizational Structure & Staffing Levels – This year the Administration Department has been allocated labor resources of 8.5 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	- -	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 56,657
Controller	240	0.5	\$ 59,442
Water Resource Manager	232	0.6	\$ 67,982
Engineering Manager	230	0.5	\$ 52,956
Administrative Supervisor	112	0.5	\$ 47,541
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 43,967
Engineering Technician III	41	0.5	\$ 34,610
Administrative Clerk IV	35	1.0	\$ 67,192
Engineering Technician I	33	0.5	\$ 31,098
Utility Service Worker I	32	1.5	\$ 85,029
Administrative Clerk III	31	0.5	\$ 24,737
Administrative Clerk II	27	0.5	\$ 20,590
<b>Total</b>		<b>8.50</b>	<b>\$704,503</b>

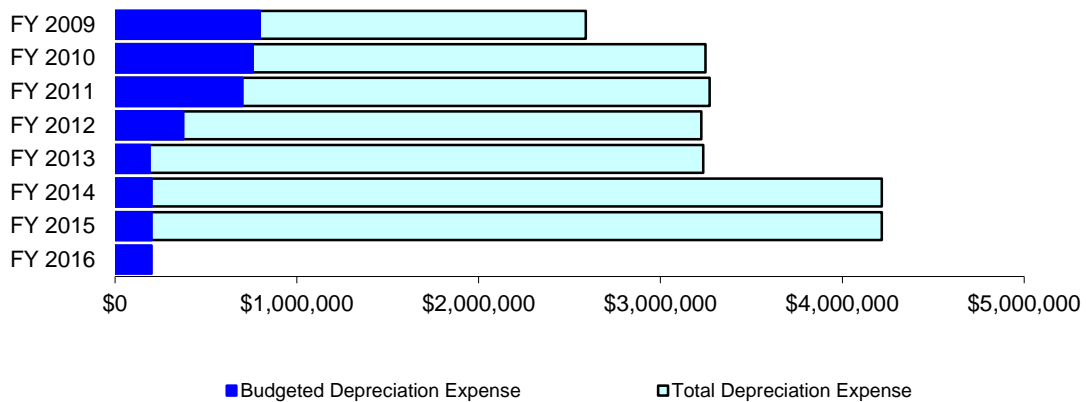
**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Water Administrative Services Department will be allocated \$3,667,486 (not including asset acquisitions & capital improvements), which represents an increase of \$757,044 as compared to the previous year, or a 26.01% increase.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified for this fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following funded and unfunded depreciation expense.



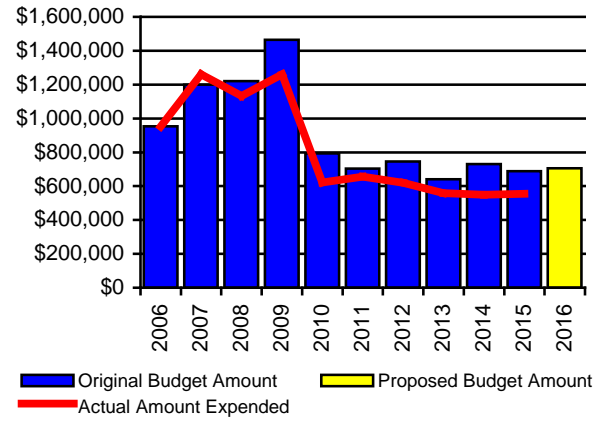
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Water Division – Administrative Service Department

02-5-06-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,463,880	\$1,260,438
2010	\$794,200	\$622,214
2011	\$702,850	\$655,282
2012	\$745,830	\$619,099
2013	\$641,470	\$558,843
2014	\$730,000	\$549,637
2015	\$687,667	\$555,837



<b>2016</b>	<b>\$705,000</b>
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Description:

This budget category includes the base salaries and expected overtime for the administrative staff members.

Line Item Detail:

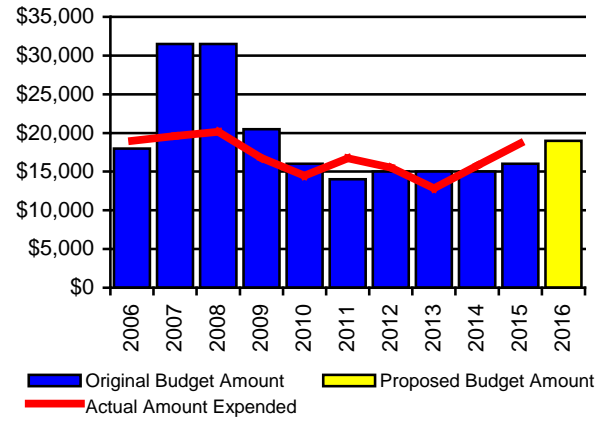
Title	Range	FTE	Expense
General Manager	--	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 56,657
Controller	240	0.5	\$ 59,442
Water Resource Manager	232	0.6	\$ 67,982
Engineering Manager	230	0.5	\$ 52,956
Administrative Supervisor	112	0.5	\$ 47,541
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 43,967
Engineering Technician III	41	0.5	\$ 34,610
Administrative Clerk IV	35	1.0	\$ 67,192
Engineering Technician I	33	0.5	\$ 31,098
Utility Service Worker I	32	1.5	\$ 85,029
Administrative Clerk III	31	0.5	\$ 24,737
Administrative Clerk II	27	0.5	\$ 20,590
<b>Total</b>		<b>8.50</b>	<b><u>\$704,503</u></b>

Water Division – Administrative Service Department

02-5-06-50012

## Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,500	\$16,752
2010	\$16,000	\$14,496
2011	\$14,000	\$16,741
2012	\$15,000	\$15,526
2013	\$15,000	\$12,851
2014	\$15,000	\$15,699
2015	\$16,000	\$18,655



<b>2016</b>	<b>\$19,000</b>
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Description:

Meeting reimbursement expenses for board members.

Line Item Detail:

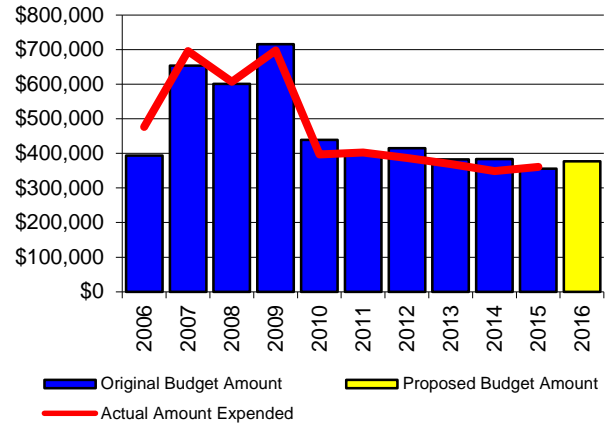
Director Fees, Travel and Other Expenses	\$ 19,000
	\$ 19,000

Water Division – Administrative Service Department

02-5-06-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$715,970	\$697,506
2010	\$439,100	\$396,682
2011	\$397,250	\$402,125
2012	\$415,335	\$387,181
2013	\$382,380	\$369,603
2014	\$383,450	\$349,246
2015	\$356,200	\$360,592



<b>2016</b>	<b>\$377,236</b>
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Description:

This budget category includes the District paid benefits for the administrative staff members.

Line Item Detail:

FICA (50013)	\$ 47,500
Life Insurance (50014)	\$ 3,200
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 165,000
Disability Insurance (50017)	\$ 7,500
Workers' Compensation (50019)	\$ 15,750
PERS Employee (50021)	\$ 40,286
PERS Employer (50022)	\$ 85,000
Uniforms (50023)	\$ 2,000
Vacation / Sick Leave	\$ 10,000
Boot Allowance @ \$200/Employee (50025)	\$ 1,000
<b>Total</b>	<b><u>\$ 377,236</u></b>

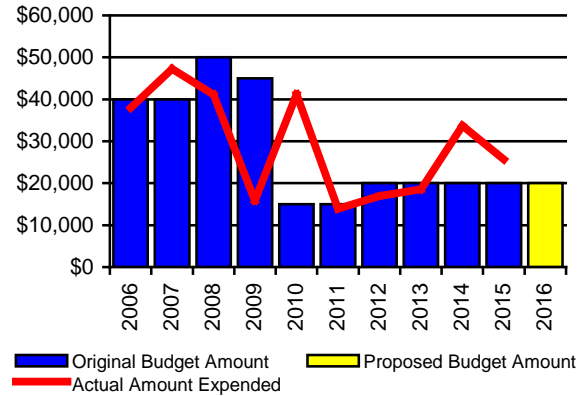


Water Division – Administrative Service Department

02-5-06-51003

## Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$45,000	\$15,870
2010	\$15,000	\$41,250
2011	\$15,000	\$13,929
2012	\$20,000	\$16,967
2013	\$20,000	\$18,573
2014	\$20,000	\$33,694
2015	\$20,000	\$25,660



<b>2016</b>	<b>\$20,000</b>
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**Description:**

This budget category represents the annual projected costs associated with the maintenance and repair of the District administration building and related facilities.

**Line Item Detail:**

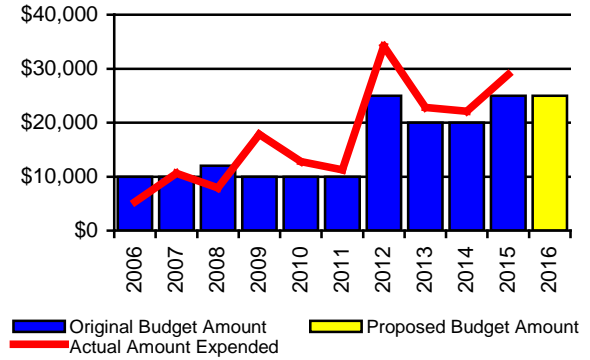
General Maintenance for the Administrative facilities	\$ 20,000
	<u>\$ 20,000</u>

Water Division – Administrative Service Department

02-5-06-51120

## Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$10,000	\$17,803
2010	\$10,000	\$12,767
2011	\$10,000	\$11,257
2012	\$25,000	\$34,190
2013	\$20,000	\$22,799
2014	\$20,000	\$22,094
2015	\$25,000	\$28,912



<b>2016</b>	<b>\$25,000</b>
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**Description:**

This budget category represents the annual projected costs associated with the purchase of safety equipment necessary to comply with Cal-OSHA, NIOSHA, confined space, Hazmat, and Cal Trans Requirements.

**Line Item Detail:**

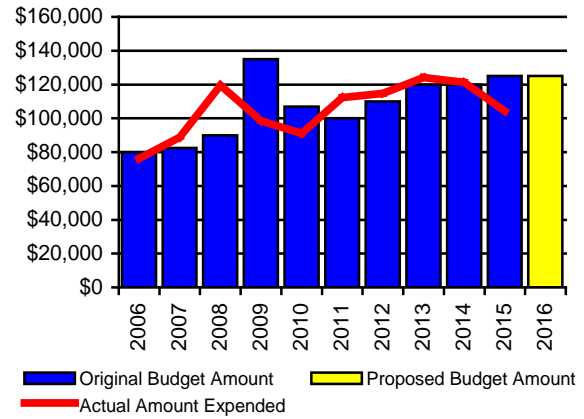
Miscellaneous Safety Equipment and Testing	\$ 25,000
	<u>\$ 25,000</u>

Water Division – Administrative Service Department

02-5-06-51125

## Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$135,000	\$98,449
2010	\$107,000	\$91,017
2011	\$100,000	\$112,338
2012	\$110,000	\$114,682
2013	\$120,000	\$124,198
2014	\$120,000	\$121,283
2015	\$125,000	\$104,255



<b>2016</b>	<b>\$125,000</b>
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**Description:**

This budget category represents the projected costs associated with the purchase of gasoline, propane, oil and diesel fuel for District vehicles and equipment.

**Line Item Detail:**

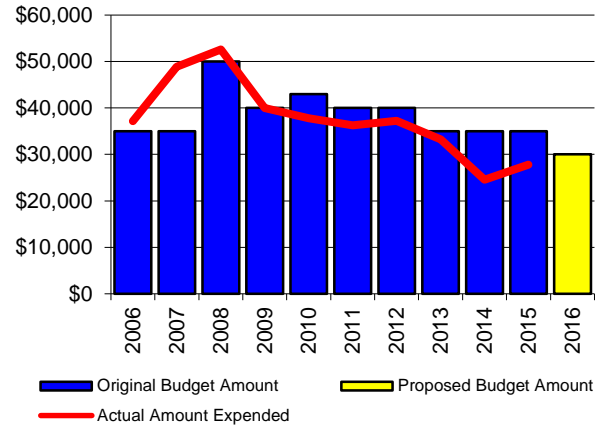
Unleaded Gasoline	\$ 70,500
Propane	\$ 2,000
Diesel Fuel	\$ 50,000
Oil and Disposal Costs	\$ 2,500
	\$ 125,000
<b>Total</b>	<b><u>\$125,000</u></b>

Water Division – Administrative Service Department

02-5-06-51130

# Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$40,000	\$39,998
2010	\$43,000	\$37,785
2011	\$40,000	\$36,288
2012	\$40,000	\$37,220
2013	\$35,000	\$33,264
2014	\$35,000	\$24,528
2015	\$35,000	\$27,763



<b>2016</b>	<b>\$30,000</b>
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**Description:**

This budget category will be used for office supplies for the water division.

**Line Item Detail:**

Office Supplies

\$ 30,000

Total

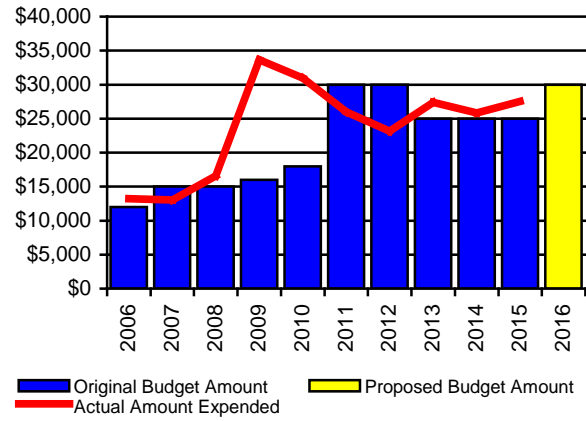
\$30,000

Water Division – Administrative Service Department

02-5-06-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$16,000	\$33,628
2010	\$18,000	\$30,950
2011	\$30,000	\$25,954
2012	\$30,000	\$23,163
2013	\$25,000	\$27,375
2014	\$25,000	\$25,841
2015	\$25,000	\$27,526



<b>2016</b>	<b>\$30,000</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the water division.

**Line Item Detail:**

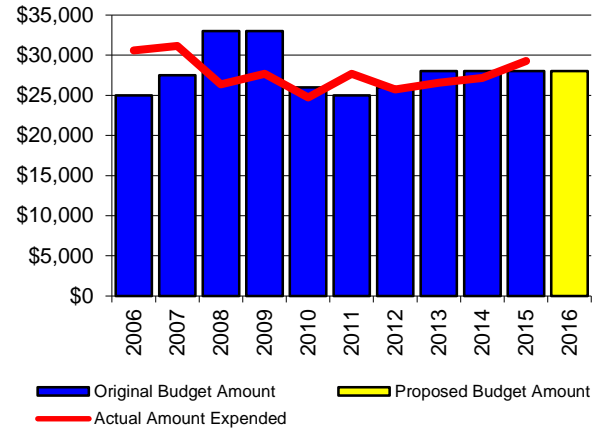
Supplies and Expenses	\$ 30,000
<b>Total</b>	<b><u>\$30,000</u></b>

Water Division – Administrative Service Department

02-5-06-51211

# Electricity

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$33,000	\$27,660
2010	\$26,000	\$24,727
2011	\$25,000	\$27,692
2012	\$26,000	\$25,732
2013	\$28,000	\$26,579
2014	\$28,000	\$27,145
2015	\$28,000	\$29,272



<b>2016</b>	<b>\$28,000</b>
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**Description:**

This budget category represents the costs associated with general electrical usage by the departments within the water division.

**Line Item Detail:**

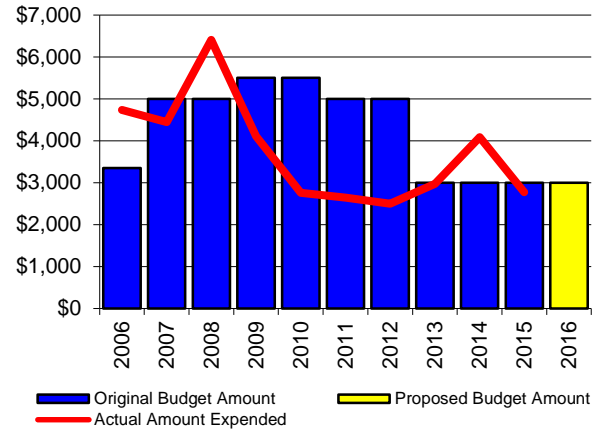
Electrical Costs	\$ 28,000
	<hr/>
<b>Total</b>	<b><u>\$28,000</u></b>

Water Division – Administrative Service Department

02-5-06-51213

## Natural Gas

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,500	\$4,108
2010	\$5,500	\$2,763
2011	\$5,000	\$2,647
2012	\$5,000	\$2,501
2013	\$3,000	\$2,972
2014	\$3,000	\$4,087
2015	\$3,000	\$2,772



<b>2016</b>	<b>\$3,000</b>
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**Description:**

This budget category represents the costs associated with natural gas usage by the departments within the water division. This expense is generally associated with heating of District facilities.

**Line Item Detail:**

Natural Gas Costs

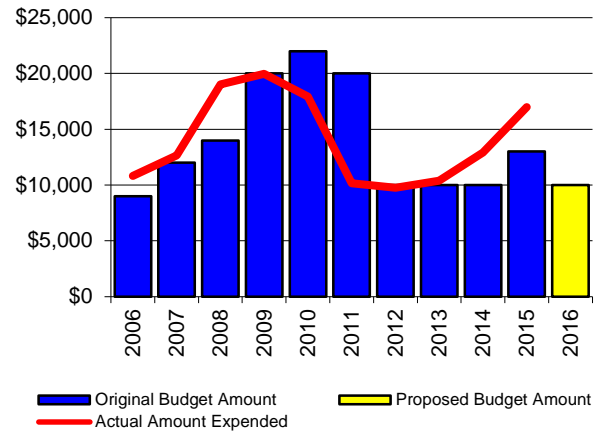
	\$ 3,000
<hr style="width: 100%;"/>	
Total	<u>\$3,000</u>

Water Division – Administrative Service Department

02-5-06-54002

## Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,000	\$19,957
2010	\$22,000	\$17,943
2011	\$20,000	\$10,148
2012	\$10,000	\$9,745
2013	\$10,000	\$10,402
2014	\$10,000	\$12,911
2015	\$13,000	\$16,995



<b>2016</b>	<b>\$10,000</b>
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**Description:**

This category includes all costs related to membership dues and periodical subscriptions for the water division during the fiscal year. In the prior fiscal year, the District was a member of the following organizations:

- American Public Works Association (APWA);
- American Water Works Association (AWWA);
- California Rural Water Association (CRWA);
- California Special Districts Association (CSDA);
- Inland Counties Water Association (ICWA);
- Inland Empire Economic Advisory Commission; and the
- San Bernardino County Special Districts Association.

**Line Item Detail:**

Dues and Subscriptions	\$ 10,000
<b>Total</b>	<b><u>\$10,000</u></b>

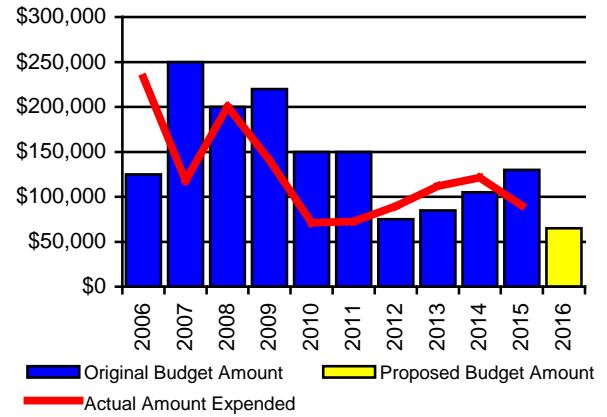


Water Division – Administrative Service Department

02-5-06-54005

# Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$220,000	\$140,669
2010	\$150,000	\$70,982
2011	\$150,000	\$72,660
2012	\$75,000	\$89,374
2013	\$85,000	\$111,943
2014	\$105,000	\$121,200
2015	\$130,000	\$90,385



<b>2016</b>	<b>\$65,000</b>
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**Description:**

The District staff relies heavily upon the proper operation and integration of our various computer systems. Therefore, this budget category has been established to include the costs related to modifications and improvements in the operation of the computer systems. Most of the expenses are associated with the following vendors:

**Line Item Detail:**

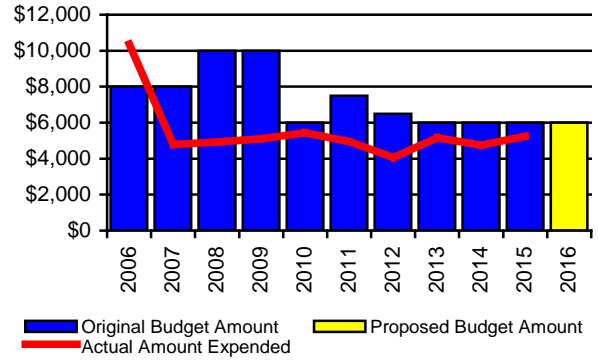
General Accounting and Customer Service Programs	\$ 22,000
Computer and Network Maintenance	\$ 22,000
Miscellaneous Hardware and Software	\$ 21,000
	\$ 65,000
<b>Total</b>	<b><u>\$65,000</u></b>

Water Division – Administrative Service Department

02-5-06-54010

# Postage

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$10,000	\$5,100
2010	\$6,000	\$5,442
2011	\$7,500	\$4,946
2012	\$6,500	\$4,072
2013	\$6,000	\$5,150
2014	\$6,000	\$4,755
2015	\$6,000	\$5,243



<b>2016</b>	<b>\$6,000</b>
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**Description:**

This budget category will be used to pay for the cost of postage, envelopes and miscellaneous postage supplies.

**Line Item Detail:**

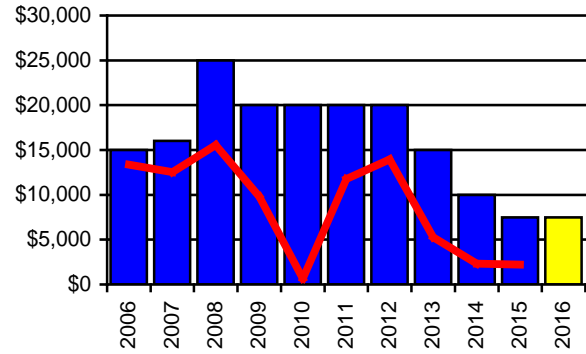
Postage and Overnight Express Charges	\$ 6,000
<b>Total</b>	<b><u>\$6,000</u></b>

Water Division – Administrative Service Department

02-5-06-54011

## Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,000	\$9,809
2010	\$20,000	\$653
2011	\$20,000	\$11,771
2012	\$20,000	\$13,934
2013	\$15,000	\$5,277
2014	\$10,000	\$2,340
2015	\$7,500	\$2,218



<b>2016</b>	<b>\$7,500</b>
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■ Original Budget Amount     ■ Proposed Budget Amount  
— Actual Amount Expended

**Description:**

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

**Line Item Detail:**

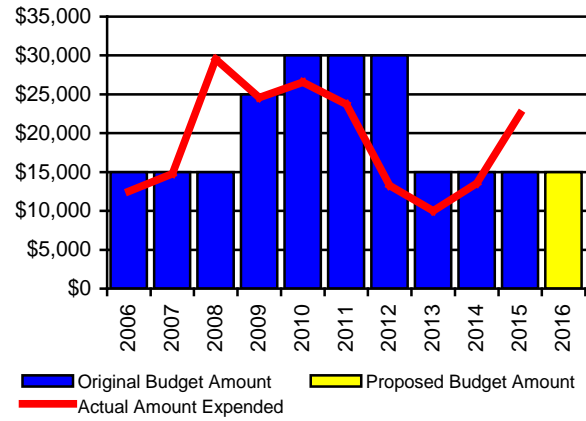
Various Printing and Publication Related Expenses	\$ 7,500
<b>Total</b>	<b><u>\$7,500</u></b>

Water Division – Administrative Service Department

02-5-06-54012

## Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$25,000	\$24,600
2010	\$30,000	\$26,558
2011	\$30,000	\$23,718
2012	\$30,000	\$13,254
2013	\$15,000	\$9,999
2014	\$15,000	\$13,533
2015	\$15,000	\$22,468



<b>2016</b>	<b>\$15,000</b>
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**Description:**

This budget category includes the costs associated with training individuals in the water division.

**Line Item Detail:**

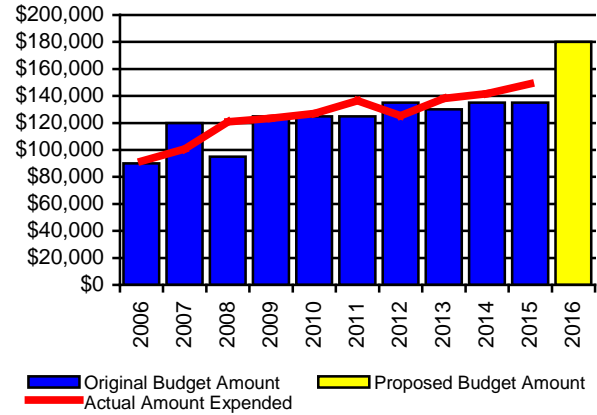
Education and Training Expenses	<u>\$ 15,000</u>
<b>Total</b>	<b><u>\$15,000</u></b>

Water Division – Administrative Service Department

02-5-06-54013

## Utility Billing Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$125,000	\$123,551
2010	\$125,000	\$126,969
2011	\$125,000	\$136,486
2012	\$135,000	\$125,456
2013	\$130,000	\$138,219
2014	\$135,000	\$141,606
2015	\$135,000	\$149,086



<b>2016</b>	<b>\$180,000</b>
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**Description:**

This budget category represents the costs associated with the production and collection of monthly customer invoices. The postage necessary to mail the monthly utility bills are included in this budget line item.

**Line Item Detail:**

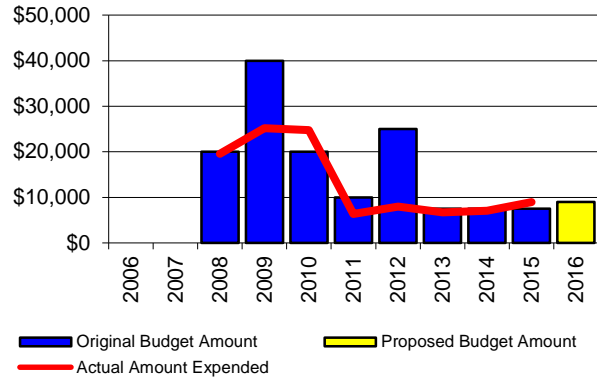
Utility Billing Expenses	\$ 180,000
<b>Total</b>	<b><u>\$180,000</u></b>

Water Division – Administrative Service Department

02-5-06-54014

## Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$40,000	\$25,151
2010	\$20,000	\$24,756
2011	\$10,000	\$6,350
2012	\$25,000	\$7,966
2013	\$7,500	\$6,712
2014	\$7,500	\$7,092
2015	\$7,825	\$8,954



<b>2016</b>	<b>\$9,000</b>
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**Description:**

This budget category represents the annual projected costs associated with public relations efforts which include public tours and tours for school children.

**Line Item Detail:**

Public Relations

\$ 9,000

Total

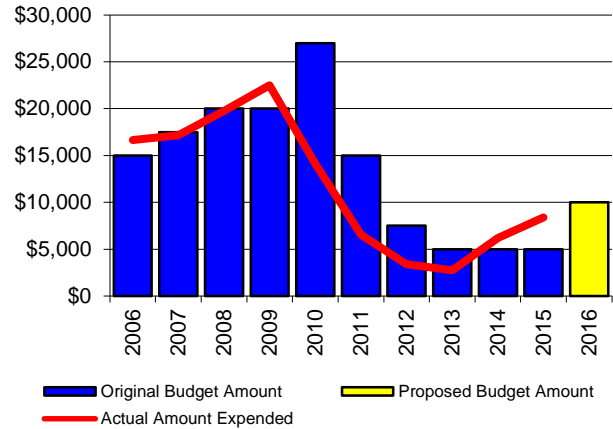
\$ 9,000

Water Division – Administrative Service Department

02-5-06-54016

## Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,000	\$22,475
2010	\$27,000	\$14,132
2011	\$15,000	\$6,533
2012	\$7,500	\$3,400
2013	\$5,000	\$2,741
2014	\$5,000	\$6,205
2015	\$5,000	\$8,394



<b>2016</b>	<b>\$10,000</b>
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**Description:**

This budget category includes travel related expenses associated with the water division.

**Line Item Detail:**

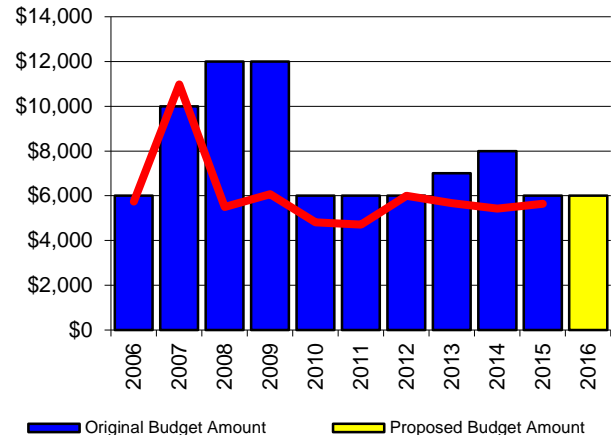
Travel Related Expenses	<u>\$ 10,000</u>
<b>Total</b>	<b><u>\$ 10,000</u></b>

Water Division – Administrative Service Department

02-5-06-54017

## Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$12,000	\$6,073
2010	\$6,000	\$4,803
2011	\$6,000	\$4,709
2012	\$6,000	\$6,001
2013	\$7,000	\$5,674
2014	\$8,000	\$5,423
2015	\$6,000	\$5,635



<b>2016</b>	<b>\$6,000</b>
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**Description:**

This budget category will be used for water division employee certifications.

**Line Item Detail:**

Water Division Certifications

\$ 6,000

Total

\$ 6,000

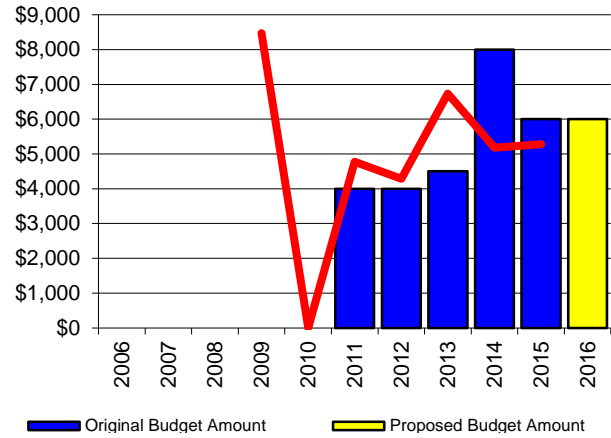


Water Division – Administrative Service Department

02-5-06-54020

## Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	-	\$8,473
2010	\$0	\$0
2011	\$4,000	\$4,774
2012	\$4,000	\$4,292
2013	\$4,500	\$6,732
2014	\$8,000	\$5,183
2015	\$6,000	\$5,277



<b>2016</b>	<b>\$6,000</b>
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**Description:**

The District hosts numerous meetings throughout the year which include several regional meetings for water industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for water related functions.

**Line Item Detail:**

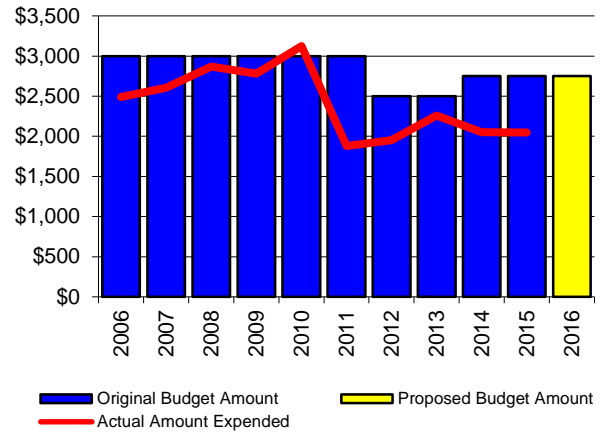
Meeting Related Expenses	\$ 6,000
<b>Total</b>	<b><u>\$ 6,000</u></b>

Water Division – Administrative Service Department

02-5-06-54024

# Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$3,000	\$2,781
2010	\$3,000	\$3,124
2011	\$3,000	\$1,881
2012	\$2,500	\$1,953
2013	\$2,500	\$2,661
2014	\$2,750	\$2,050
2015	\$2,750	\$2,049



<b>2016</b>	<b>\$2,750</b>
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**Description:**

This budget category represents the projected costs associated with waste disposal by the departments in the water division.

**Line Item Detail:**

Waste Disposal Costs

\$ 2,750

Total

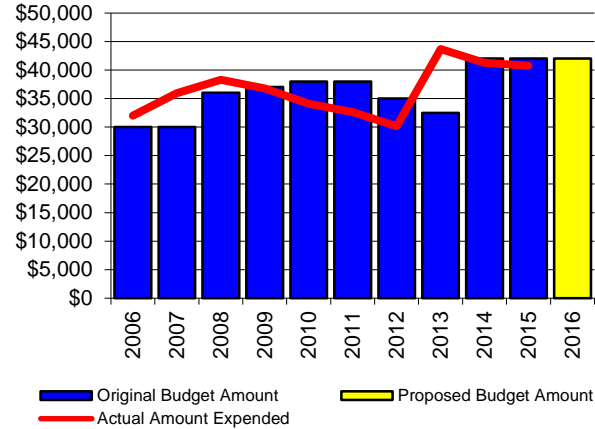
\$ 2,750

Water Division – Administrative Service Department

02-5-06-54025

# Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$37,000	\$36,745
2010	\$38,000	\$34,070
2011	\$38,000	\$32,647
2012	\$35,000	\$30,172
2013	\$32,500	\$43,693
2014	\$42,000	\$41,282
2015	\$42,000	\$40,762



<b>2016</b>	<b>\$42,000</b>
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**Description:**

This budget category represents the costs associated with business, cellular telephone, and DSL usage by the departments within the water division.

**Line Item Detail:**

Telephone Services

\$ 42,000

Total

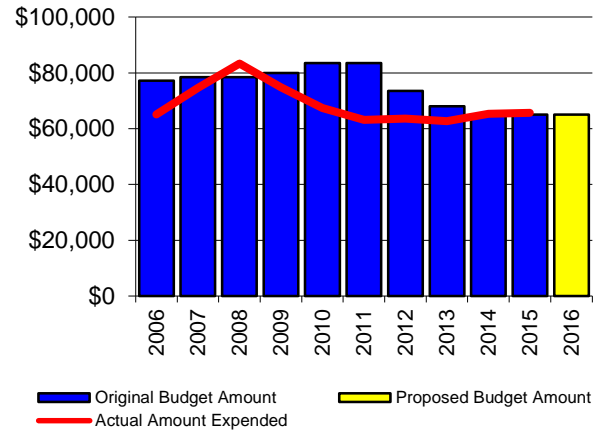
\$ 42,000

Water Division – Administrative Service Department

02-5-06-54104

## Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$80,000	\$74,902
2010	\$83,500	\$67,392
2011	\$83,500	\$63,179
2012	\$73,500	\$63,575
2013	\$68,000	\$62,702
2014	\$65,000	\$65,318
2015	\$65,000	\$65,639



<b>2016</b>	<b>\$65,000</b>
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**Description:**

This budget category includes all contract service costs for equipment and services within the water division. These services include: pager service, building security monitoring, copier maintenance, GIS maintenance, printer maintenance, answering service, landscape services, APN database, underground service alert, and other miscellaneous services.

**Line Item Detail:**

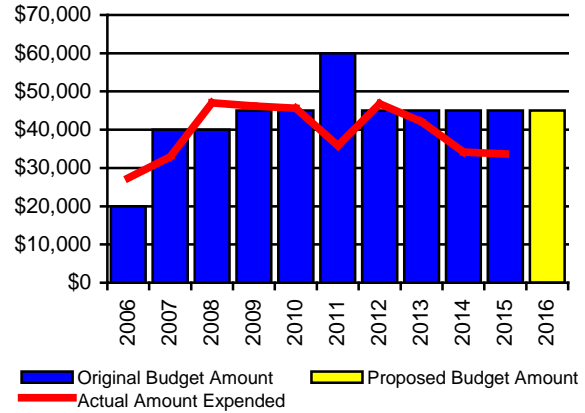
General Contractual Services	\$ 65,000
<b>Total</b>	<b><u>\$ 65,000</u></b>

Water Division – Administrative Service Department

02-5-06-54107

# Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$45,000	\$46,188
2010	\$45,000	\$45,598
2011	\$60,000	\$35,838
2012	\$45,000	\$46,793
2013	\$45,000	\$42,107
2014	\$45,000	\$34,205
2015	\$45,000	\$33,629



<b>2016</b>	<b>\$45,000</b>
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**Description:**

This budget category is used for all water related legal costs, including labor attorneys. Legal fees related to sewer issues will be expensed to the sewer budget (see 03-5-06-54107) and legal fees related to recycled issues will be expensed to the recycled water budget (see 04-5-06-54107).

**Line Item Detail:**

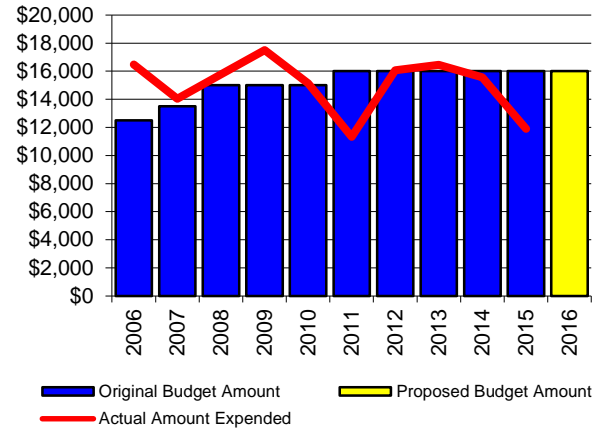
Legal Expenses	\$ 45,000
	<hr/>
<b>Total</b>	<b><u>\$ 45,000</u></b>

Water Division – Administrative Service Department

02-5-06-54108

## Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$15,000	\$17,500
2010	\$15,000	\$15,132
2011	\$16,000	\$11,318
2012	\$16,000	\$16,073
2013	\$16,000	\$16,448
2014	\$16,000	\$15,563
2015	\$16,000	\$11,900



<b>2016</b>	<b>\$16,000</b>
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**Description:**

This budget category will be used for audit services incurred during the fiscal year.

**Line Item Detail:**

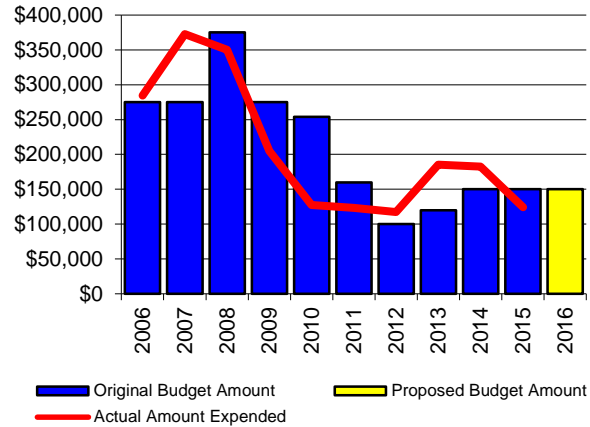
Miscellaneous Audit Expenses	<u>\$ 16,000</u>
<b>Total</b>	<u><u>\$ 16,000</u></u>

Water Division – Administrative Service Department

02-5-06-54109

## Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$275,000	\$205,062
2010	\$254,000	\$127,310
2011	\$160,000	\$123,444
2012	\$100,000	\$117,456
2013	\$120,000	\$185,126
2014	\$150,000	\$182,465
2015	\$150,000	\$124,111



<b>2016</b>	<b>\$150,000</b>
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**Description:**

This budget category represents the annual projected costs associated with professional fees for the water division. This category will generally be used for labor consulting, legislative consulting, property appraisals, surveying, and specialized engineering studies.

**Line Item Detail:**

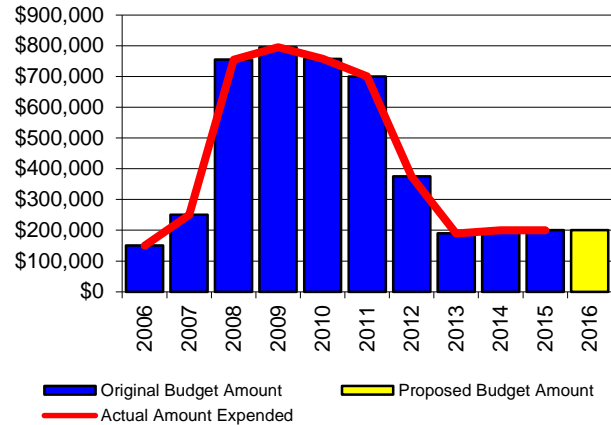
Labor Consulting Services	\$ 35,000
Legislative Consulting Services	\$ 69,000
Engineering Services	\$ 41,000
Miscellaneous Services	\$ 5,000
Total	<u>\$150,000</u>

Water Division – Administrative Service Department

02-5-06-55500

## Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$795,000	\$795,000
2010	\$757,635	\$757,635
2011	\$699,976	\$699,976
2012	\$375,095	\$375,095
2013	\$190,000	\$190,000
2014	\$200,000	\$200,000
2015	\$200,000	\$200,000



<b>2016</b>	<b>\$200,000</b>
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**Description:**

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the district accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund water division depreciation reserves.

**Line Item Detail:**

Reserve Funds	<u>\$ 200,000</u>
<b>Total</b>	<b><u>\$ 200,000</u></b>

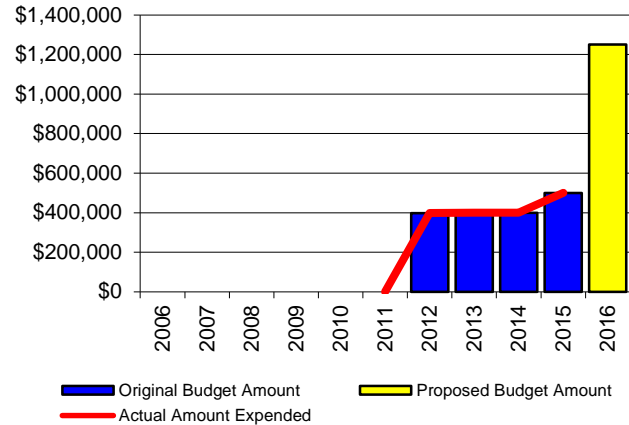


Water Division – Administrative Service Department

02-5-06-xxxxx

## Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$397,935	\$397,935
2013	\$400,000	\$400,000
2014	\$400,000	\$400,000
2015	\$500,000	\$500,000



<b>2016</b>	<b>\$1,265,000</b>
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**Description:**

This budget category represents funding necessary to replace depreciated assets of the water division such as wells, reservoirs, boosters, pipelines, services, fire hydrants, meters, structures, buildings, cars, trucks, office equipment, shop equipment, computers, radios, construction equipment, and tools relative to the water operations.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of water related infrastructure reserves.

**Line Item Detail:**

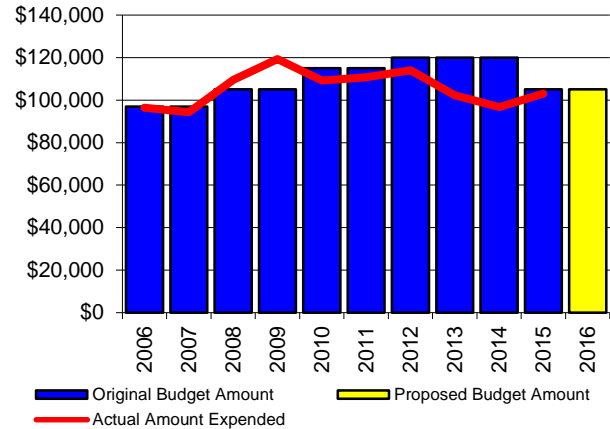
Water Infrastructure Replacement	\$ 1,265,000
Total	<u>\$ 1,265,000</u>

Water Division – Administrative Service Department

02-5-06-56001

# Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$105,000	\$119,237
2010	\$115,000	\$109,249
2011	\$115,000	\$110,699
2012	\$120,000	\$113,943
2013	\$120,000	\$102,260
2014	\$120,000	\$96,722
2015	\$105,000	\$103,080



<b>2016</b>	<b>\$105,000</b>
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**Description:**

This budget category represents the annual costs associated with insurance coverage related to general, auto, and property insurance. Costs incurred related to small claims are also assigned to this line item.

**Line Item Detail:**

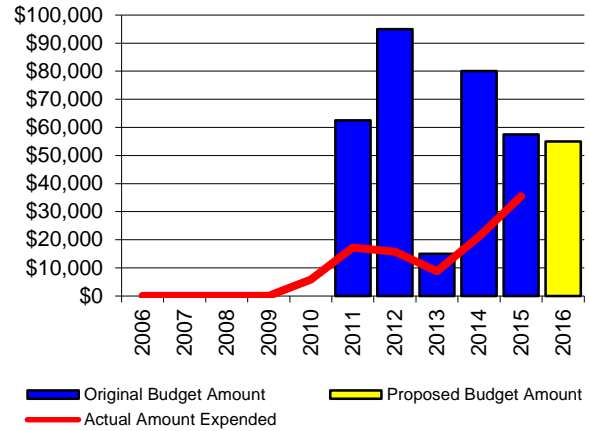
General Liability Insurance	\$ 105,000
	<hr/>
<b>Total</b>	<b><u>\$ 105,000</u></b>

Water Division – Administrative Service Department

02-5-06-57030

## Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	--	--
2010	--	\$5,900
2011	\$62,500	\$17,213
2012	\$95,000	\$15,703
2013	\$15,000	\$8,863
2014	\$80,000	\$21,235
2015	\$57,500	\$35,463



<b>2016</b>	<b>\$55,000</b>
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**Description:**

This budget category will be used for regulatory compliance expenses for the water division.

**Line Item Detail:**

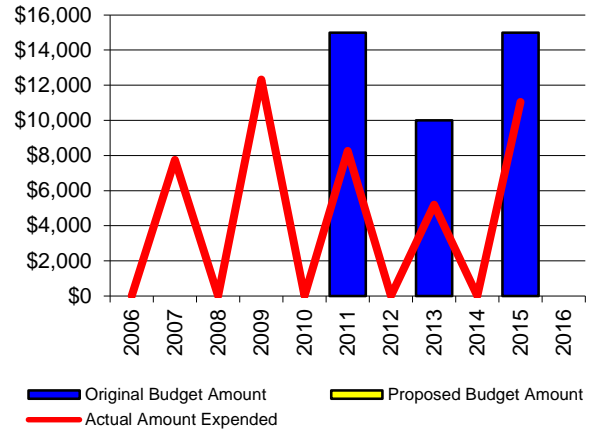
General Regulatory Compliance Expenses	\$ 40,000
Water Demand Management Measures (AB 1420)	\$ 15,000
Total	<u>\$ 55,000</u>

Water Division – Administrative Service Department

02-5-06-57090

## Election Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$12,322
2010	\$0	\$0
2011	\$15,000	\$8,265
2012	\$0	\$0
2013	\$10,000	\$5,141
2014	\$0	\$0
2015	\$15,000	\$11,043



<b>2016</b>	<b>\$0</b>
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**Description:**

This budget category will be used for expenses related to general elections of the Board.

**Line Item Detail:**

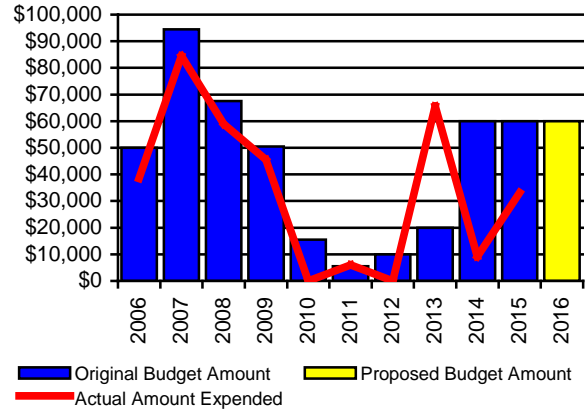
Riverside & San Bernardino Co Election Expenses	\$ 0
<b>Total</b>	<b><u>\$ 0</u></b>

Water Division – Administrative Service Department

02-5-06-57096

## Beaumont Basin Watermaster

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,500	\$45,500
2010	\$15,500	\$0
2011	\$5,500	\$6,000
2012	\$10,000	\$0
2013	\$20,000	\$65,659
2014	\$60,000	\$9,138
2015	\$60,000	\$33,143



<b>2016</b>	<b>\$60,000</b>
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**Description:**

This budget category will be used for expenses related to the Beaumont Basin Watermaster.

**Line Item Detail:**

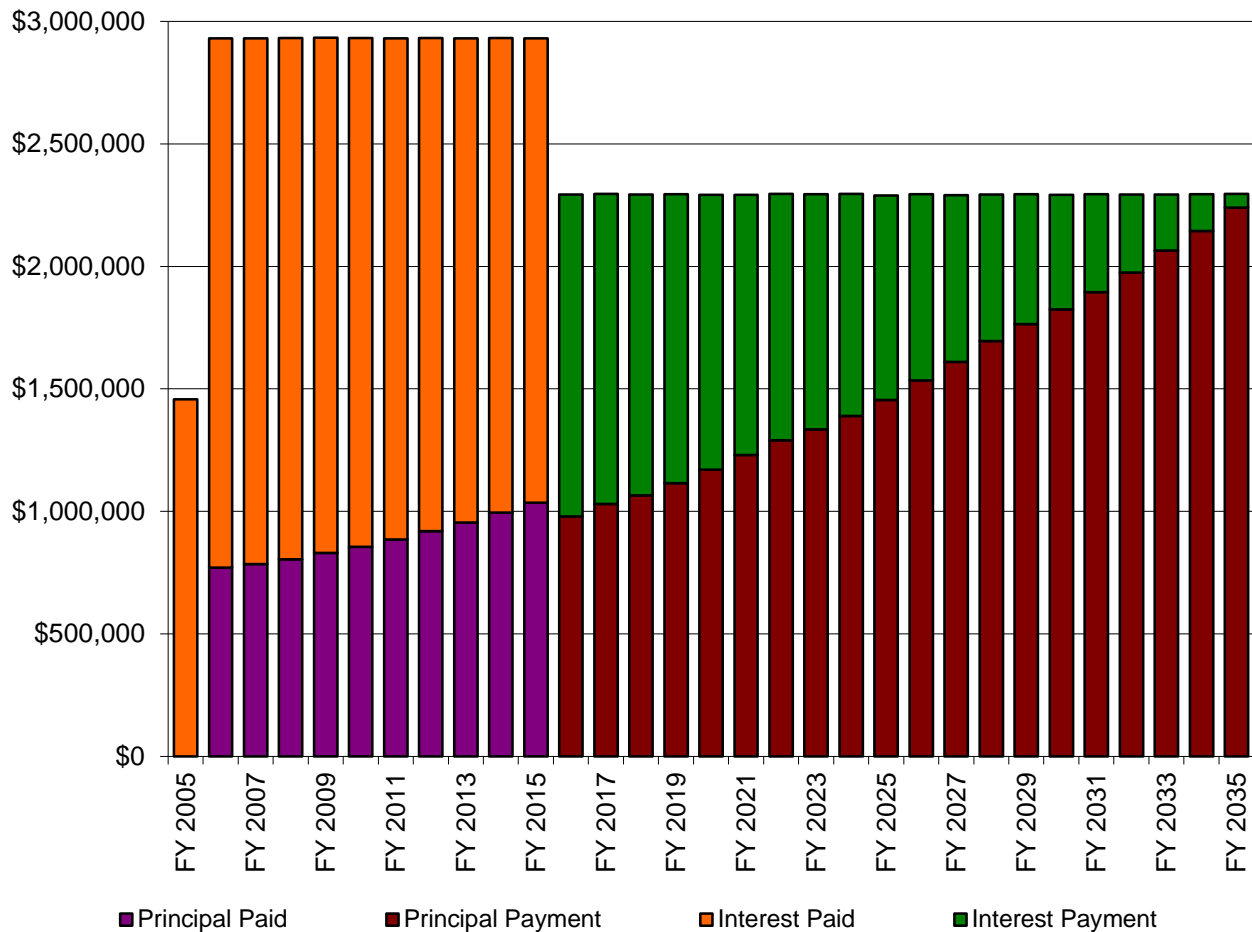
Beaumont Basin Watermaster	\$ 60,000
<b>Total</b>	<b><u>\$ 60,000</u></b>

# Water Division Debt Service

Department Description – The Water Debt Service expenditures are associated with the 2004A bond issuance.

Background of Debt Issuance – The Yucaipa Valley Water District Financing Corporation was established on May, 24, 2004 as a nonprofit public benefit corporation organized for the sole purpose of acquiring, constructing, rehabilitating, financing and refinancing of, or providing for the sale or leasing of, facilities, land and equipment for the use, benefit and enjoyment of the public served by public agencies in the State of California and any other purpose incidental thereto. In June 2004, the Yucaipa Valley Water District Financing Corporation issued \$45,730,000 in revenue bonds for the construction of water related facilities related to the Yucaipa Valley Regional Water Filtration Facility. In early 2015, the outstanding debt was refinanced, resulting in lower principal and interest payment for the remaining term of the financing.

The following schedule provides the principal and interest payments through the full term of the financing.

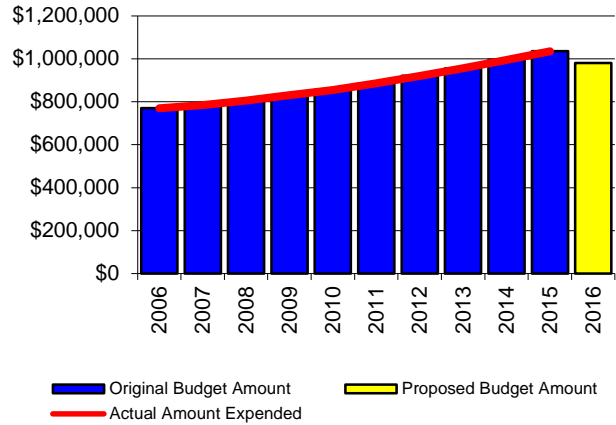


Water Division – Debt Service

02-5-40-57201

## Debt Service Principal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$830,000	\$830,000
2010	\$855,000	\$855,000
2011	\$885,000	\$885,000
2012	\$920,000	\$920,000
2013	\$955,000	\$955,000
2014	\$995,000	\$995,000
2015	\$1,035,000	\$1,035,000



<b>2016</b>	<b>\$980,000</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the 2004A prior to FY 2016 and 2015A Series Revenue Bonds for the water division.

**Line Item Detail:**

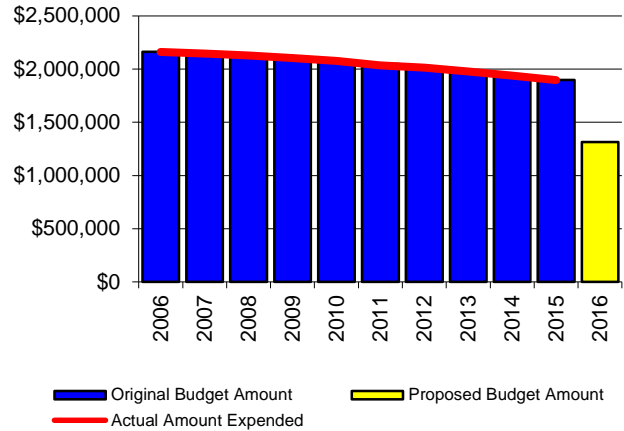
Debt Service Principal Payment	\$ 980,000
Total	\$ 980,000

Water Division – Debt Service

02-5-40-57202

## Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$2,108,050	\$2,103,050
2010	\$2,076,706	\$2,076,706
2011	\$2,046,219	\$2,046,219
2012	\$2,012,375	\$2,012,375
2013	\$1,976,025	\$1,976,025
2014	\$1,937,025	\$1,937,025
2015	\$1,896,425	\$1,896,425



<b>2016</b>	<b>\$1,314,014</b>
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**Description:**

This budget category will be used for expenses related to the interest payment of the 2004A Revenue Bonds prior FY 2016 and 2015A for the water division.

**Line Item Detail:**

Debt Service Interest Payment	\$ 1,314,014
Total	<u>\$ 1,314,014</u>

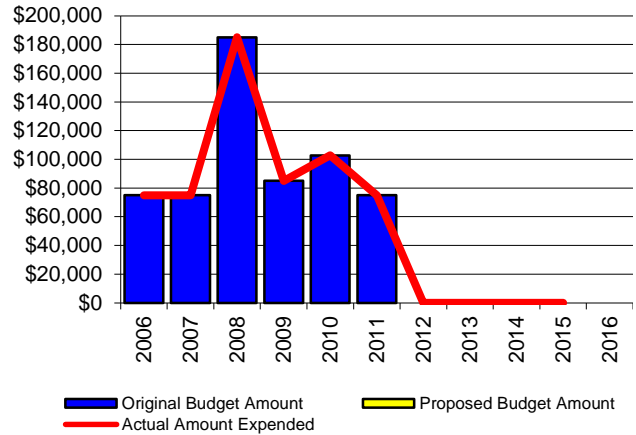


Water Division – Debt Service

Line Item Used for Fund Transfer

## Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$84,975	\$84,975
2010	\$102,744	\$102,744
2011	\$75,000	\$75,000
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0
2015	\$0	\$0



<b>2016</b>	<b>\$0</b>
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**Description:**

This budget category will be used to establish a fund for stabilizing water rates in the future.

**Line Item Detail:**

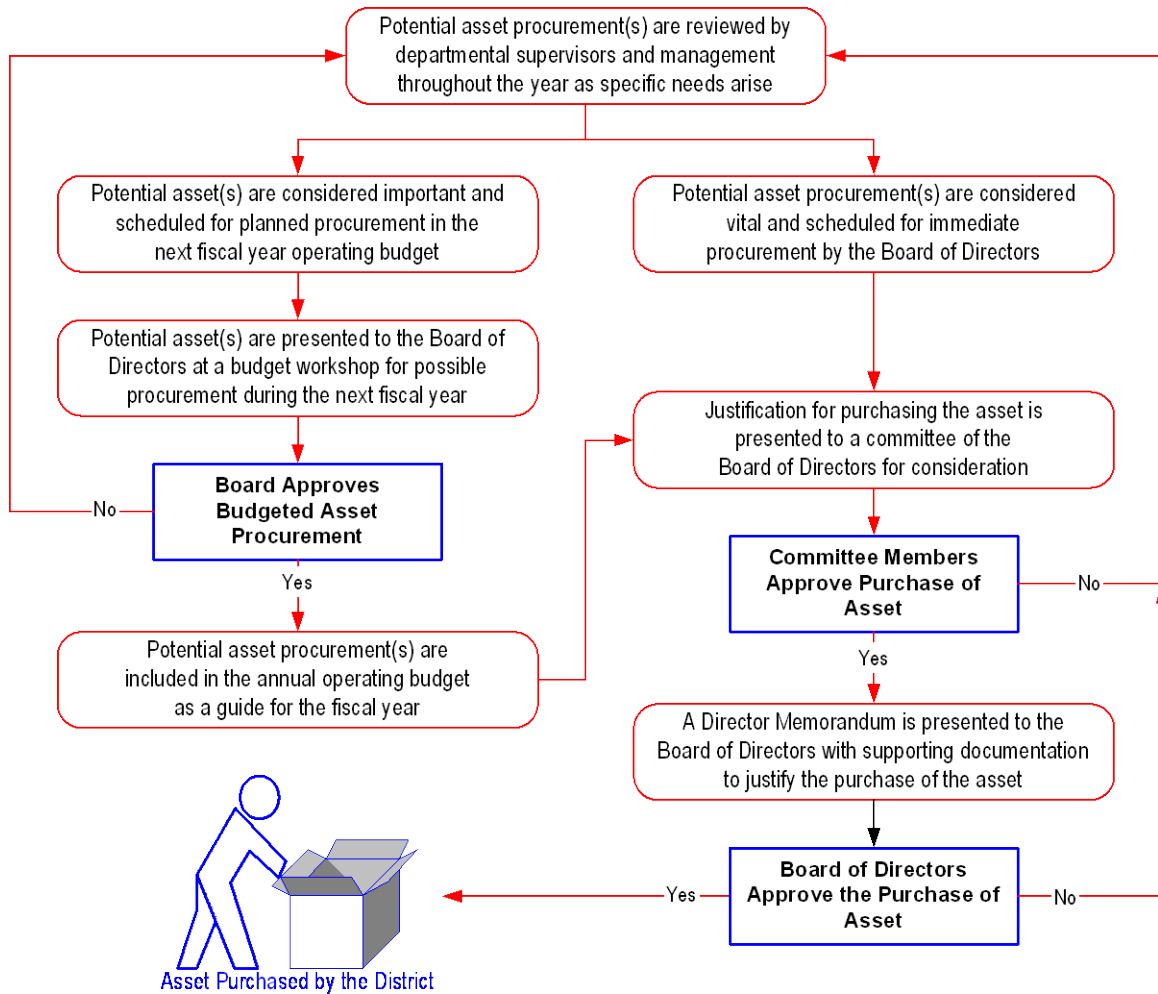
Rate Stabilization Fund Contribution	\$ 0
Total	\$ 0

# Asset Acquisition – Water Division

**BUDGETARY DESCRIPTION** – The Asset Allocation portion of the operating budget is used for the purchase of specific fixed assets which are generally greater than \$5,000.<sup>1</sup> This portion of the budget will be used by the accounting department to appropriately categorize and track the purchase of fixed assets.

**PROCUREMENT METHODOLOGY** – The following schematic diagram illustrates the methodology used by the District staff to secure the purchase of the fixed assets.

## General Procedure for Asset Evaluation & Procurement



<sup>1</sup> Items purchased during the fiscal year that is \$5,000 or less will be expensed at the time of purchase instead of carried as a District asset.

At a minimum, the District staff will present all purchases to a committee of the Board prior to presenting the purchase of an asset to the Board of Directors for consideration. In the case of a planned asset purchase, the entire Board will be able to review the conceptual purchase of an asset at a budget workshop prior to having the item presented to a committee. It is important to recognize that all budget workshops, committee meetings, and board meetings are open to the public.

As a general rule of thumb, asset acquisition will be funded by existing reserve funds. Therefore, the budget will have an offsetting amount of reserve funds added to the revenue portion of the budget for each asset identified below.

BUDGET OVERVIEW – The following summary represents the total acquisition allocation by department for the water division.

Water Division Department Requesting Asset Acquisition	Estimated Cost Associated with the Proposed Asset Acquisitions	Amount of Offsetting Reserve Funds Added to Operating Revenue
Water Resources Department	\$ 0	--
Public Works Department	\$ 0	--
Administrative Department	\$ 0	--
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>

WATER DIVISION – ASSET ACQUISITION

02-5-40-57001

## Water Resources Department

DESCRIPTION:

The following assets have been identified for acquisition by the water resources department.

LINE ITEM DETAIL:

Replacement Vehicles	\$0
<b>Total</b>	<b>\$ 0</b>

WATER DIVISION – ASSET ACQUISITION

02-5-40-57003

## Public Works Department

DESCRIPTION:

The following assets have been identified for acquisition by the public works department.

LINE ITEM DETAIL:

Replacement Vehicles	\$0
<b>Total</b>	<b>\$ 0</b>

WATER DIVISION – ASSET ACQUISITION

02-5-40-57006

## Administration Department

DESCRIPTION:

The following assets have been identified for acquisition by the Administration Department.

LINE ITEM DETAIL:

Replacement Vehicles	\$0
<b>Total</b>	<b>\$ 0</b>



## **Chapter Three**

Fiscal Year 2016

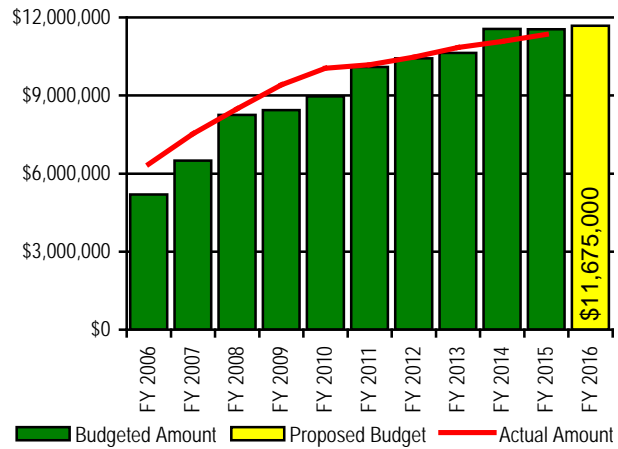
Sewer Division  
Operating Budget

# Sewer Division Revenue Analysis

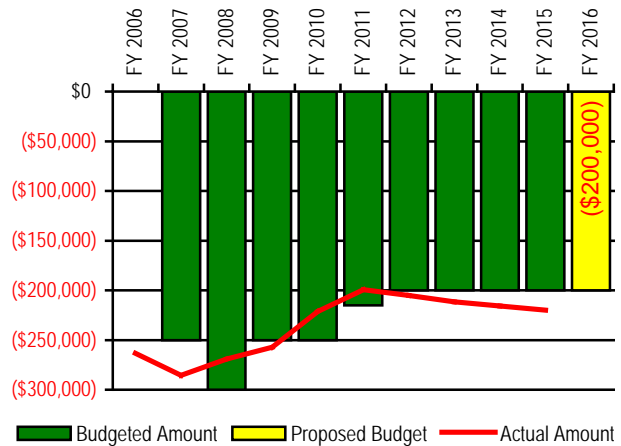
## Sources of Operating Revenue

The sewer division receives operating revenue from a number of different sources with the major sources consisting of the following:

**Sewer Service Demand Charge (03-41000):** This revenue source is the fixed rate component charged to all sewer customers. Since this is a daily fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year. This is the single largest revenue source for the sewer division.

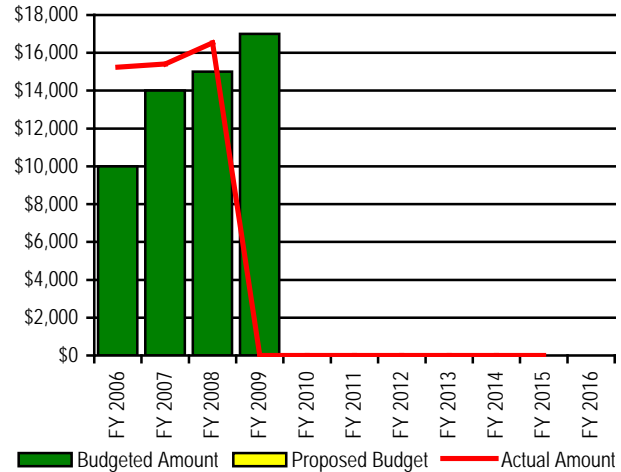


**Sewer Service Demand Charge Multi-Unit Discount (03-41005):** The latest version of the District's rate schedule continues to include a discount for the sewer service demand charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service requirements for older high density developments.

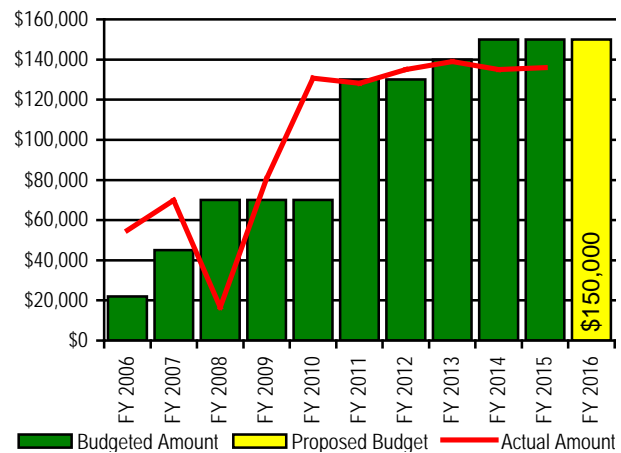




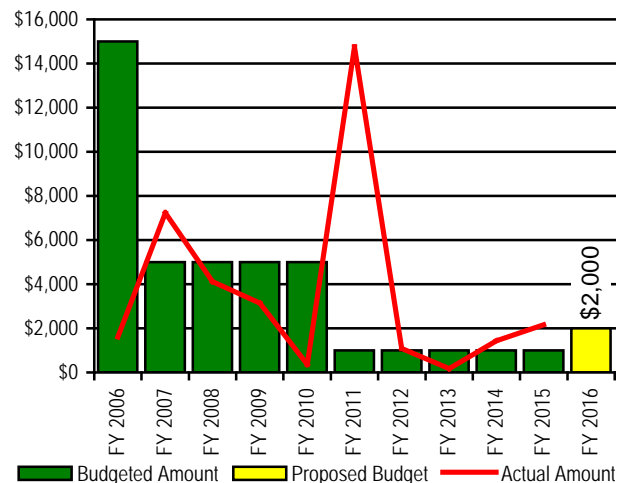
**Septage Pumping (03-41116):** This revenue source represents the funds received by the District for disposing of septic generated wastes. This revenue source is due primarily to one vender and is highly variable.



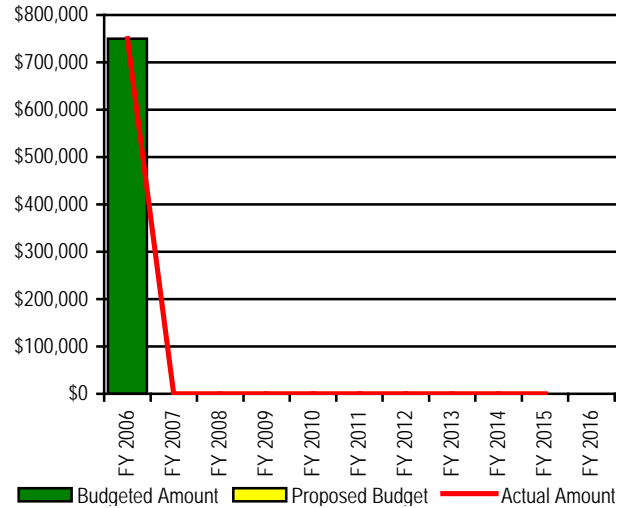
**Penalty Late Charges (03-41121):** This revenue source is generated from late payments of sewer services. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.



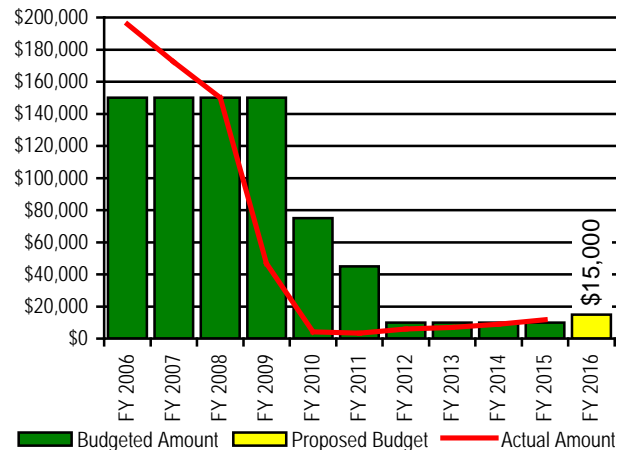
**Other Operating Revenue (03-42122):** This revenue source is generated from miscellaneous operating revenue sources. This category generally includes inspection and permit fees on existing laterals and other miscellaneous sources of revenue.



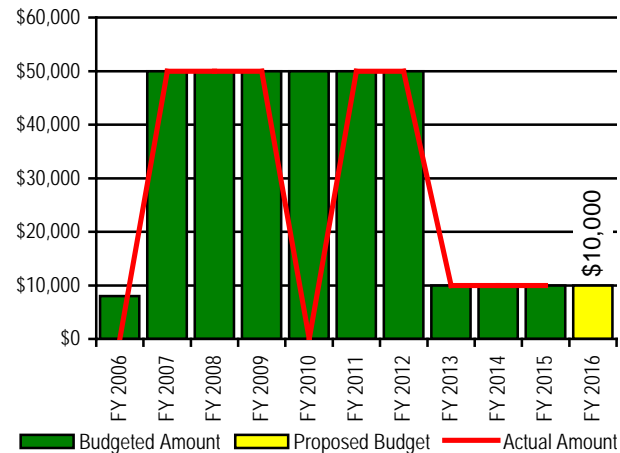
**Rate Stabilization Transfer In (03-41125):** This revenue source is used to reduce the impact of expenditures triggered by environmental and regulatory compliance within the sewer division. Rate stabilization funds will be held in a restricted reserve fund to be used when unexpected or costly events occur.



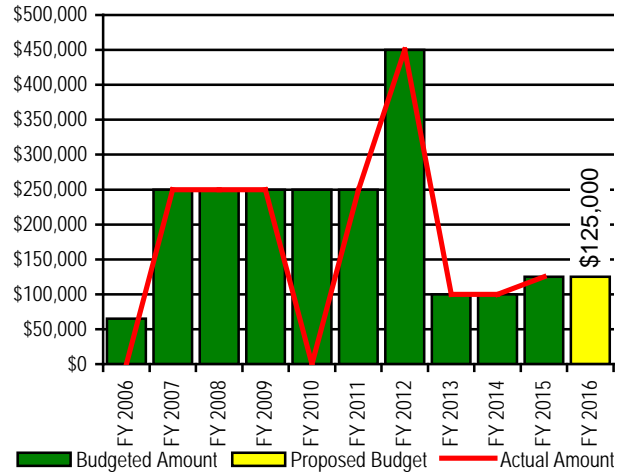
**Interest Earnings (03-43010):** This revenue source is generated from investment interest earnings. The District's investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



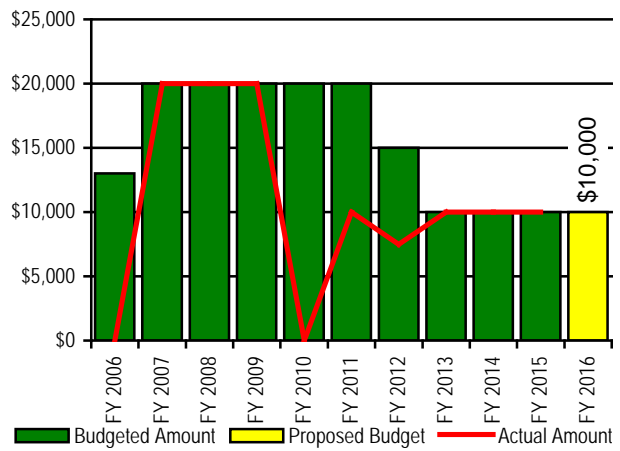
**Property Tax – Unsecured (03-43110):** This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



**Property Tax – Secured (03-43120):** This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District’s service area. Secured property taxes are those taxes collected on real property such as land and structures.



**Tax Collection – Prior (03-43130):** This revenue source is generated from the property tax increment collected from prior years.



Other sources of operating revenue for the sewer division include:

- Service Establishment Fee (03-40016)
- Sewer Lateral Installation (03-41110)
- Bad Debt Write-Off & Recovery (03-41124)
- Other Taxes (03-43140)
- Misc. Non-Operating Revenue (03-49150)

# Sewer Treatment Department

Department Description – The Sewer Treatment Department is responsible for maintaining the safe and efficient operation of the sewer treatment facility. This involves operating the sewer treatment plant in compliance with all federal, state and local regulations and optimizing the sewer treatment process to maximize the effectiveness of the District's resources.

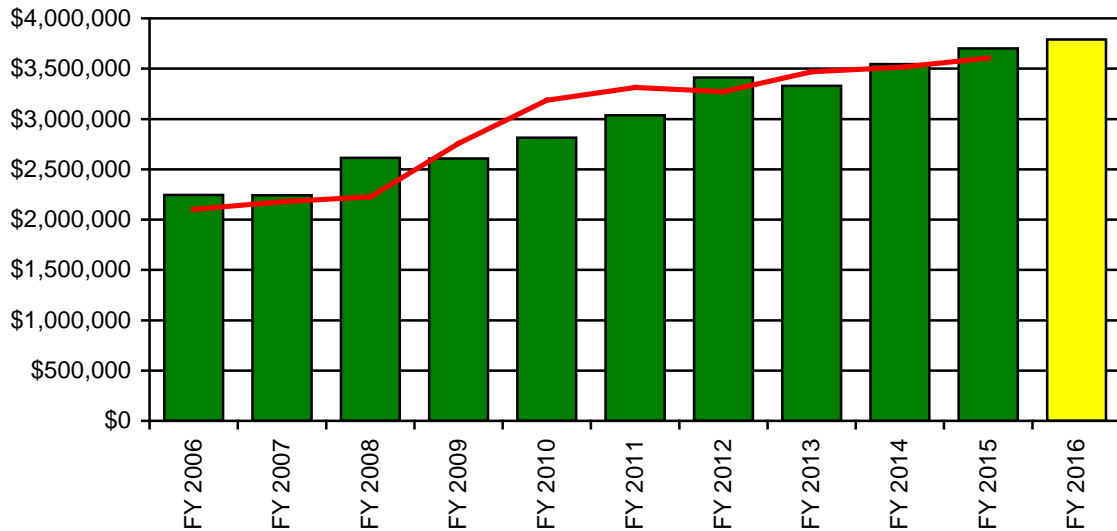
Departmental Responsibilities – The Sewer Treatment Department is responsible for compliance with the conditions of the Clean Water Act, the District's Waste Discharge permit, and with Regional Water Quality Control Board requirements. Responsibilities for this department also include maintaining an on-site laboratory, monitoring the operation of the treatment facility 24 hours a day, and conducting routine maintenance on equipment and at each process necessary to meet the required permits/regulations.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 12.3 Full-Time Equivalent (FTE) employees to the Sewer Treatment Department. The FTE calculations for this department are as follows:<sup>1</sup>

Title	Range	FTE	Expense
Operations Manager	228	0.8	\$ 80,198
Senior Plant Operator	114	2.0	\$ 218,302
Regional Water Quality Supervisor	113	0.7	\$ 72,827
Integrated Operator IV	55	1.0	\$ 88,555
Integrated Operator III	49	3.0	\$ 226,649
Integrated Operator II	42	1.5	\$ 95,772
Water Quality Chemist	40	0.9	\$ 60,026
Integrated Operator I	36	1.0	\$ 60,741
Water Quality Technician	35	- -	\$ 0
Plant Maintenance Technician I	33	0.5	\$ 25,240
Integrated Operator In Training	32	0.9	\$ 56,995
<b>Total</b>		<b>12.3</b>	<b>\$985,305</b>

<sup>1</sup> The positions that are assigned a FTE value of less than 1.0 are involved in the integrated operator program and are cross-trained with the Water Division, Water Resource Department.

**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Sewer Treatment Department will be allocated \$3,789,816 (not including asset acquisitions), which represents an increase of \$87,732 or a 2.37% increase.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified as important issues for the near future. The specific resolution to some of the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

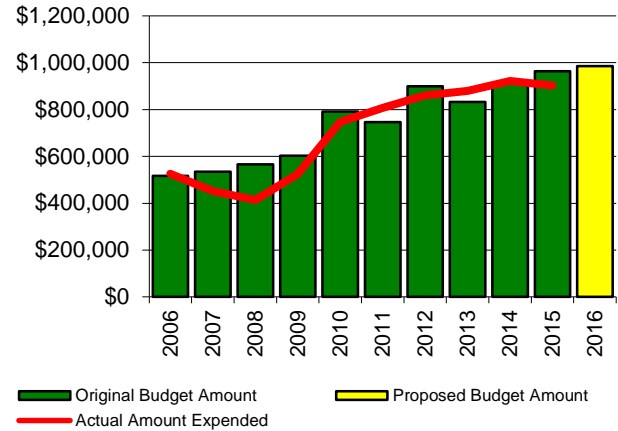
- With the completion of the new biological processes, tertiary membranes, and ultraviolet disinfection process, the District will be able to produce a pristine recycled water supply. The staff members of the Treatment Department are continuing to operate the facilities in conjunction with the newly completed salinity control facilities and associated brineline.

Sewer Division - Treatment

03-5-02-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$602,500	\$524,722
2010	\$791,100	\$747,434
2011	\$747,000	\$807,126
2012	\$899,200	\$860,776
2013	\$833,200	\$879,201
2014	\$915,000	\$912,311
2015	\$963,424	\$902,425



<b>2016</b>	<b>\$985,300</b>
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**Description:**

This budget category includes the base salaries, overtime, and standby expenses associated with the sewer treatment department staff members.

**Line Item Detail:**

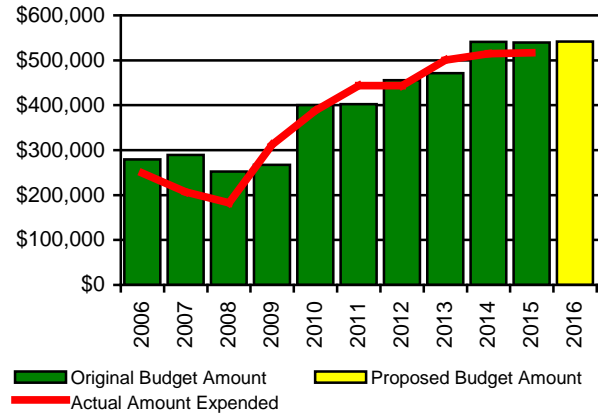
Title	Range	FTE	Expense
Operations Manager	228	0.8	\$ 80,198
Senior Plant Operator	114	2.0	\$ 218,302
Regional Water Quality Supervisor	113	0.7	\$ 72,827
Integrated Operator IV	55	1.0	\$ 88,555
Integrated Operator III	49	3.0	\$ 226,649
Integrated Operator II	42	1.5	\$ 95,772
Water Quality Chemist	40	0.9	\$ 60,026
Integrated Operator I	36	1.0	\$ 60,741
Water Quality Technician	35	0	\$ 0
Plant Maintenance Technician I	33	0.5	\$ 25,240
Integrated Operator in Training	32	0.9	\$ 56,995
<b>Total</b>		<b>12.3</b>	<b><u>\$985,305</u></b>

Sewer Division - Treatment

03-5-02-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$267,200	\$311,798
2010	\$400,000	\$387,915
2011	\$402,150	\$443,715
2012	\$455,525	\$443,475
2013	\$471,400	\$500,417
2014	\$540,800	\$514,614
2015	\$539,800	\$516,578



<b>2016</b>	<b>\$541,900</b>
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**Description:**

This budget category includes the District paid benefits for the staff members of the sewer treatment department.

**Line Item Detail:**

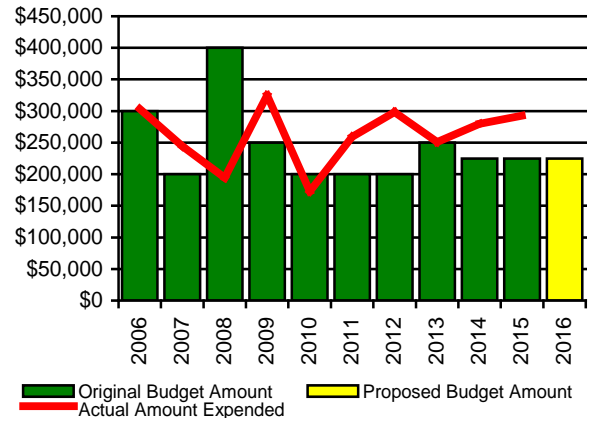
FICA (50013)	\$ 75,000
Life Insurance (50014)	\$ 5,000
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 200,000
Disability Insurance (50017)	\$ 15,000
Workers' Compensation (50019)	\$ 45,000
PERS Employee (50021)	\$ 60,000
PERS Employer (50022)	\$ 130,000
Uniforms (50023)	\$ 4,500
Vacation and Sick Pay (50024)	\$ 5,000
Boot Allowance @ \$200/Employee (50025)	\$ 2,400
<b>Total</b>	<b><u>\$ 541,900</u></b>

Sewer Division - Treatment

03-5-02-51003

## Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$250,000	\$325,002
2010	\$200,000	\$172,558
2011	\$200,000	\$259,324
2012	\$200,000	\$298,286
2013	\$250,000	\$251,078
2014	\$225,000	\$279,593
2015	\$225,000	\$292,451



<b>2016</b>	<b>\$225,000</b>
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**Description:**

This budget category is used for the maintenance and repair of all sewer treatment plant related facilities.

**Line Item Detail:**

Miscellaneous Repairs and Maintenance	\$ 225,000
<b>Total</b>	<b><u>\$ 225,000</u></b>

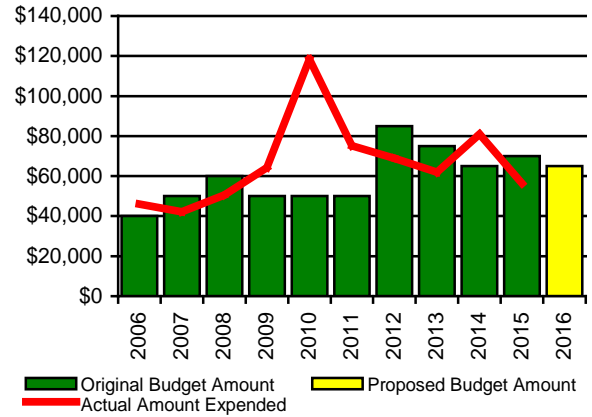


Sewer Division - Treatment

03-5-02-51010

## Automation Control

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,000	\$64,283
2010	\$50,000	\$118,387
2011	\$50,000	\$75,199
2012	\$85,000	\$68,938
2013	\$75,000	\$62,018
2014	\$65,000	\$80,944
2015	\$70,000	\$56,347



<b>2016</b>	<b>\$65,000</b>
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**Description:**

Expenses incurred for the upkeep and maintenance of outside instrumentation and computer technicians. Such services include: repair and maintenance of the plant Supervisory Control And Data Acquisition (SCADA) system; repair and calibration of metering equipment; adjustments of electronically actuated valves; and the repair of plant and lift station alarm and electrical systems.

**Line Item Detail:**

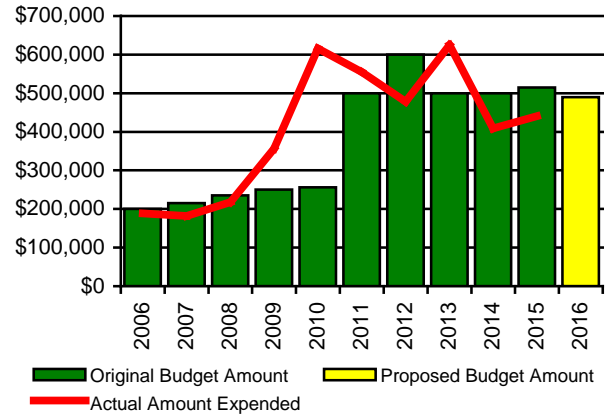
Automation Control Expenses	\$ 65,000
<b>Total</b>	<b><u>\$ 65,000</u></b>

Sewer Division - Treatment

03-5-02-51106

# Chemicals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$250,000	\$356,156
2010	\$256,000	\$615,538
2011	\$500,000	\$554,781
2012	\$600,000	\$477,965
2013	\$500,000	\$625,154
2014	\$500,000	\$409,154
2015	\$515,000	\$440,399



<b>2016</b>	<b>\$490,000</b>
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**Description:**

This budget category is used to provide chemicals necessary in the treatment of sewer.

**Line Item Detail:**

Treatment Chemicals

\$ 490,000

Total

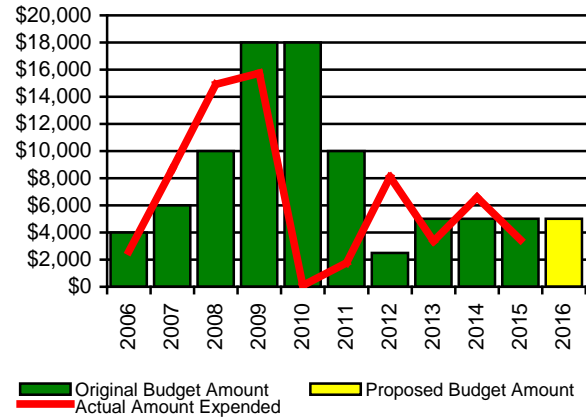
\$ 490,000

Sewer Division - Treatment

03-5-02-51111

# Propane

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$18,000	\$15,749
2010	\$18,000	\$105
2011	\$10,000	\$1,769
2012	\$2,500	\$8,105
2013	\$5,000	\$3,371
2014	\$5,000	\$6,582
2015	\$5,000	\$3,453



<b>2016</b>	<b>\$5,000</b>
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**Description:**

Propane is sometimes needed to augment the methane gas produced to help maintain a warm operating temperature in the digesters through the winter. Operation requirements and winter temperatures dictate the amount of propane used throughout the year with the majority of the consumption occurring between November and March.

**Line Item Detail:**

Propane

\$ 5,000

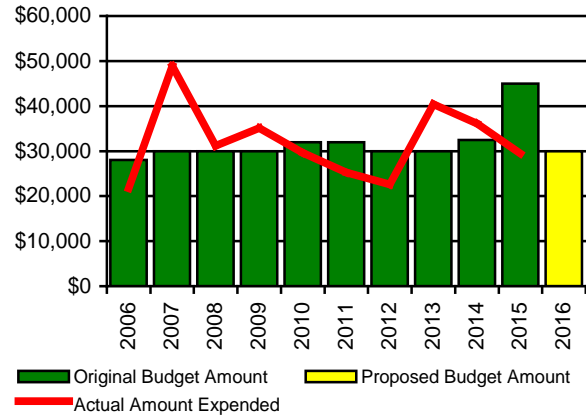
Total \$ 5,000

Sewer Division - Treatment

03-5-02-51115

# Laboratory Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$30,000	\$35,138
2010	\$32,000	\$29,582
2011	\$32,000	\$25,219
2012	\$30,000	\$22,609
2013	\$30,000	\$40,412
2014	\$32,500	\$36,150
2015	\$45,000	\$29,494



<b>2016</b>	<b>\$30,000</b>
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**Description:**

This budget category includes the costs associated with purchasing supplies and equipment for the laboratory at the sewer treatment facility.

**Line Item Detail:**

Laboratory Supplies

\$ 30,000

Total

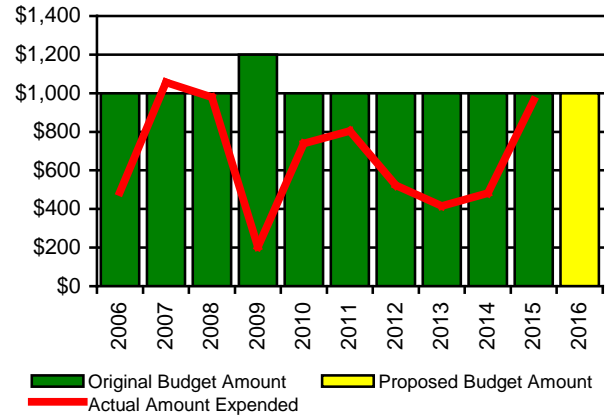
\$ 30,000

Sewer Division - Treatment

3-5-02-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,200	\$203
2010	\$1,000	\$740
2011	\$1,000	\$804
2012	\$1,000	\$522
2013	\$1,000	\$415
2014	\$1,000	\$482
2015	\$1,000	\$963



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the sewer treatment department.

**Line Item Detail:**

Supplies and Expenses

\$ 1,000

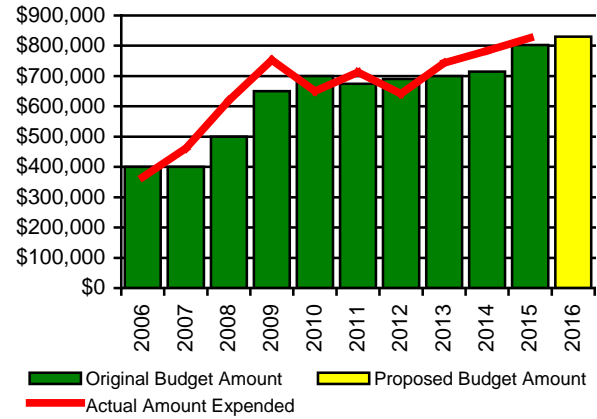
Total \$ 1,000

Sewer Division - Treatment

03-5-02-51210

## Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$650,000	\$752,745
2010	\$700,000	\$649,801
2011	\$675,000	\$712,385
2012	\$690,000	\$641,257
2013	\$700,000	\$742,794
2014	\$715,000	\$783,106
2015	\$802,860	\$826,163



<b>2016</b>	<b>\$830,000</b>
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**Description:**

This budget category includes all electrical power costs to operate the sewer treatment facility.

**Line Item Detail:**

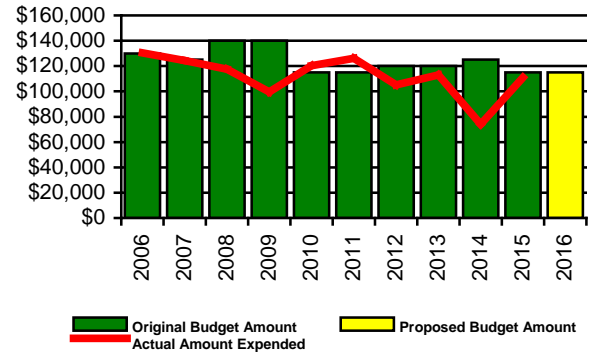
Electrical Power Service for WRWRF Operations	<u>\$ 830,000</u>
<b>Total</b>	<b><u>\$ 830,000</u></b>

Sewer Division - Treatment

03-5-02-54110

## Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$140,000	\$99,646
2010	\$115,000	\$120,348
2011	\$115,000	\$126,189
2012	\$120,000	\$105,161
2013	\$120,000	\$112,918
2014	\$125,000	\$74,161
2015	\$115,000	\$110,857



<b>2016</b>	<b>\$115,000</b>
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**Description:**

This budget category includes the cost of outside laboratory services for all regulatory monitoring requirements including items such as toxicity testing, priority pollutants, special sampling programs, influent/effluent testing and biosolids monitoring.

**Line Item Detail:**

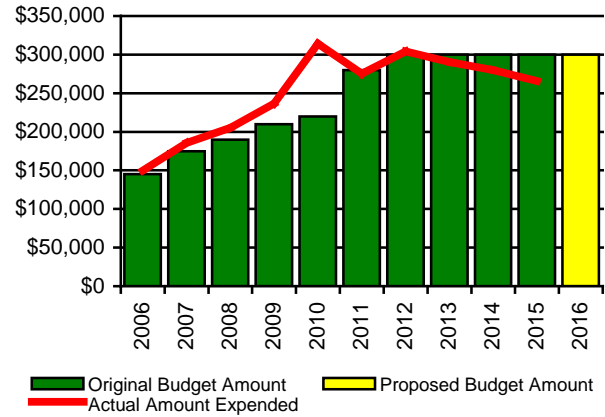
Chemical Analyses Performed by Outside Laboratories	\$ 115,000
<b>Total</b>	<b><u>\$ 115,000</u></b>

Sewer Division - Treatment

03-5-02-57031

## Sewage Waste Disposal - Solids

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$210,000	\$236,528
2010	\$220,000	\$314,022
2011	\$280,000	\$275,383
2012	\$300,000	\$304,118
2013	\$300,000	\$290,330
2014	\$300,000	\$280,057
2015	\$300,000	\$265,912



<b>2016</b>	<b>\$300,000</b>
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**Description:**

This budget category includes the required annual operating costs associated with the removal, compost, and disposal of processed biosolids.

**Line Item Detail:**

Sewage Waste Disposal - Solids	\$ 300,000
Total	<u>\$ 300,000</u>

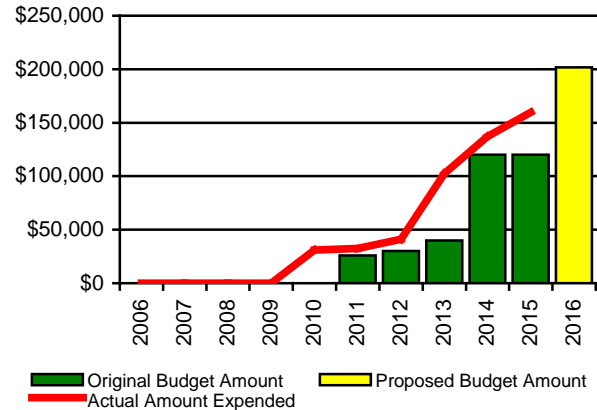


Sewer Division - Treatment

03-5-02-57034

## Brineline Operating Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	--	--
2010	--	\$30,972
2011	\$26,000	\$32,520
2012	\$30,000	\$41,160
2013	\$40,000	\$102,375
2014	\$120,000	\$137,044
2015	\$120,000	\$159,749



<b>2016</b>	<b>\$201,616</b>
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**Description:**

This budget category includes the annual costs for maintaining capacity in downstream salt conveyance facilities to Orange County Sanitation District and routine operating costs related to the operation of salt conveyance facilities owned by the District.

**Line Item Detail:**

Salt Conveyance and Permit Fees related to Brineline Operating Expenses	\$201,616
<b>Total</b>	<b><u>\$201,616</u></b>

# Sewer Administrative Services Department

Department Description – The Sewer Administrative Services Department is accountable for the overall safe, efficient and reliable operation of the sewer division which includes sewer treatment department and the laboratory. While the expenses related to the environmental control department are contained within the sewer division, the organizational structure is more conducive to have the Environmental Control personnel report to the Public Works Manager.

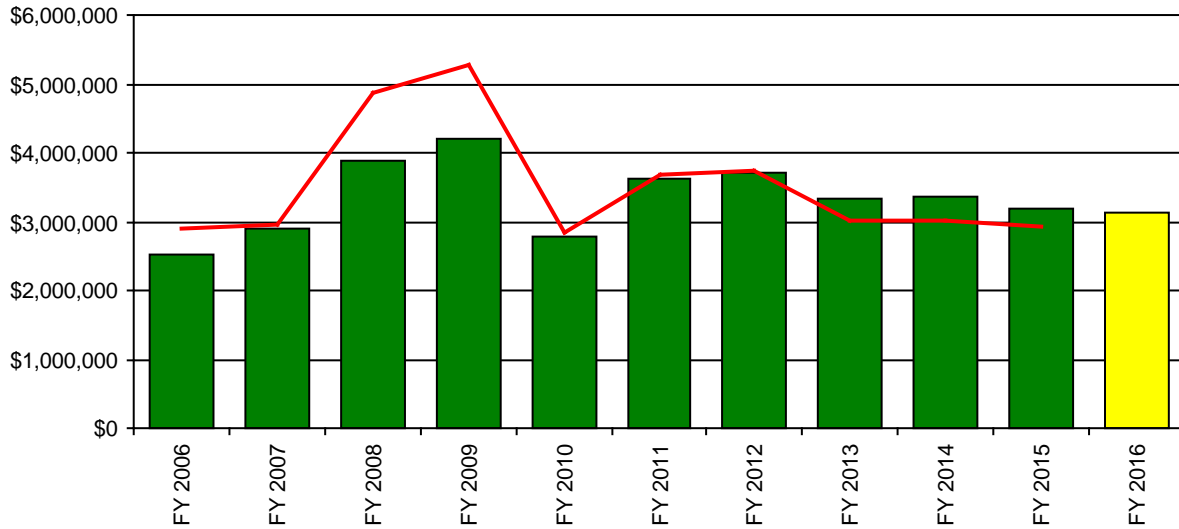
Departmental Responsibilities – The Sewer Administrative Services Department is responsible for ensuring the following:

- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, Director information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting are responsible for all accounting functions which range from tracking District assets to maintaining accounts payable, accounts receivable, and payroll. Accounting is also responsible for maintaining fund balances, tracking of development impact fees, and maintaining the current budget.
- Customer Service: The individuals in Customer Service are responsible for all general customer related activities such as maintaining the customer service database, processing of utility billing, receiving all fees/charges, maintaining service records for the Department of Health Services.
- Engineering: The individuals in Engineering are responsible for all engineering related functions including: water and sewer modeling; GIS studies and applications; consultant and contractor oversight; development of design and construction standards; plan check and inspection services; and performing other related engineering studies and services.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 8.1 Full-Time Equivalent (FTE) employees to the Administrative Department of the Sewer Division. The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	--	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 56,657
Controller	240	0.5	\$ 59,442
Water Resource Manager	232	0.2	\$ 22,661
Engineering Manager	230	0.5	\$ 52,956
Administrative Supervisor	112	0.5	\$ 47,541
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 43,967
Engineering Technician III	41	0.5	\$ 34,610
Administrative Clerk IV	35	1.0	\$ 67,192
Engineering Technician I	33	0.5	\$ 31,098
Utility Service Worker I	32	1.5	\$ 85,029
Administrative Clerk III	31	0.5	\$ 24,737
Administrative Clerk II	27	0.5	\$ 20,590
	<b>Total</b>	<b>8.1</b>	<b>\$659,182</b>

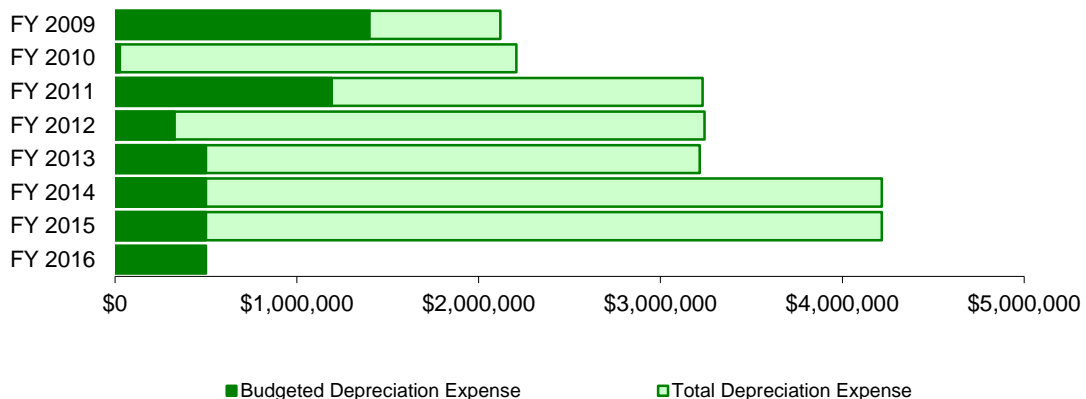
**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Sewer Administrative Services Department will be allocated \$3,151,840 (not including asset acquisitions & capital improvements), which represents a decrease of \$46,809 or a -1.46% decrease.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified for the next fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following funded and unfunded depreciation expense.



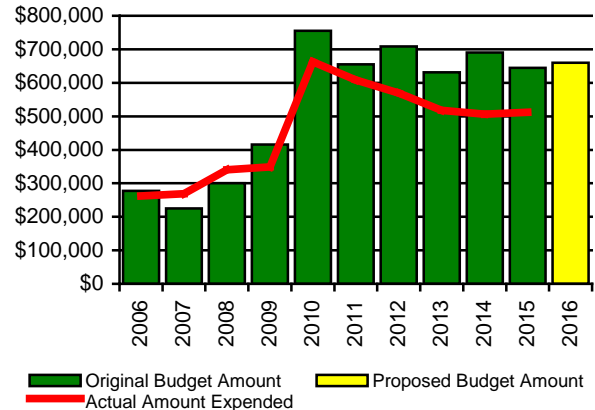
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Sewer Division – Administrative Services

03-5-06-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$415,900	\$348,543
2010	\$754,950	\$662,684
2011	\$655,050	\$608,073
2012	\$708,050	\$569,573
2013	\$631,600	\$517,369
2014	\$690,000	\$506,497
2015	\$644,309	\$511,649



<b>2016</b>	<b>\$660,000</b>
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Description:

This budget category includes the base salaries and expected overtime for the sewer administrative staff members.

Line Item Detail:

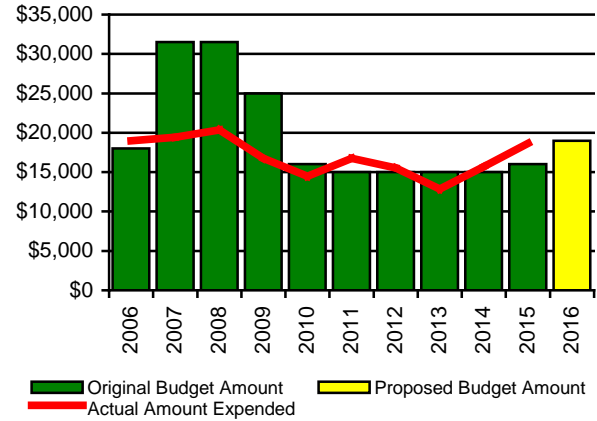
Title	Range	FTE	Expense
General Manager	--	0.45	\$ 77,512
Assistant General Manager	245	0.45	\$ 56,657
Controller	240	0.5	\$ 59,442
Water Resource Manager	232	0.2	\$ 22,661
Engineering Manager	230	0.5	\$ 52,956
Administrative Supervisor	112	0.5	\$ 47,541
Management Analyst	106	0.5	\$ 35,190
Engineering Technician IV	45	0.5	\$ 43,967
Engineering Technician III	41	0.5	\$ 34,610
Administrative Clerk IV	35	1.0	\$ 67,192
Engineering Technician I	33	0.5	\$ 31,098
Utility Service Worker I	32	1.5	\$ 85,029
Administrative Clerk III	31	0.5	\$ 24,737
Administrative Clerk II	27	0.5	\$ 20,590
<b>Total</b>		<b>8.1</b>	<b><u>\$659,182</u></b>

Sewer Division – Administrative Services

03-5-06-50012

## Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$25,000	\$16,752
2010	\$16,000	\$14,496
2011	\$15,000	\$16,741
2012	\$15,000	\$15,525
2013	\$15,000	\$12,851
2014	\$15,000	\$15,700
2015	\$16,000	\$18,655



<b>2016</b>	<b>\$19,000</b>
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**Description:**

Director related expenses for meetings, travel, seminars and related events will be expensed to this budget category.

**Line Item Detail:**

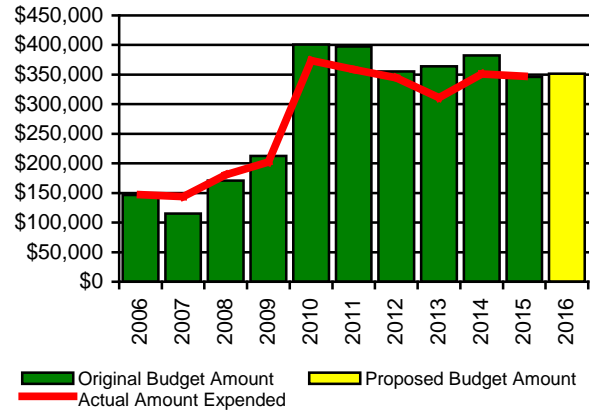
Director Fees and Other Related Expenses	\$ 19,000
<b>Total</b>	<b><u>\$ 19,000</u></b>

Sewer Division – Administrative Services

03-5-06-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$212,450	\$202,018
2010	\$400,750	\$373,541
2011	\$397,800	\$358,618
2012	\$355,370	\$344,572
2013	\$364,020	\$310,791
2014	\$382,340	\$350,753
2015	\$346,340	\$347,052



<b>2016</b>	<b>\$351,340</b>
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Description:

This budget category includes the District paid benefits for the staff members of the sewer administrative department.

Line Item Detail:

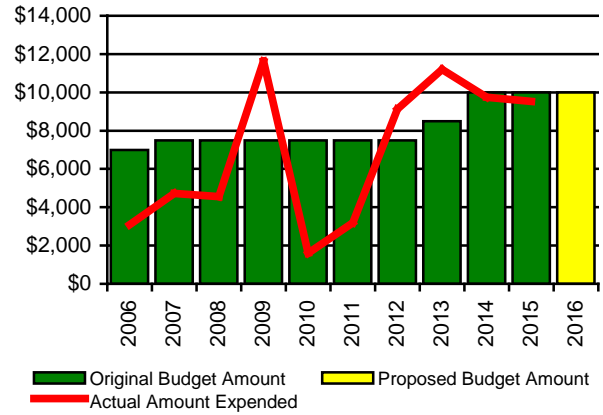
FICA (50013)	\$ 43,000
Life Insurance (50014)	\$ 3,600
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 145,000
Disability Insurance (50017)	\$ 7,500
Workers' Compensation (50019)	\$ 27,500
PERS Employee (50021)	\$ 36,000
PERS Employer (50022)	\$ 75,000
Uniforms (50023)	\$ 2,000
Vacation & Sick Pay (50024)	\$ 10,000
Boot Allowance @ \$200/Employee (50025)	\$ 1,740
<b>Total</b>	<b><u>\$ 351,340</u></b>

Sewer Division – Administrative Services

03-5-06-51120

## Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$7,500	\$11,633
2010	\$7,500	\$1,595
2011	\$7,500	\$3,182
2012	\$7,500	\$9,129
2013	\$8,500	\$11,190
2014	\$10,000	\$9,742
2015	\$10,000	\$9,522



<b>2016</b>	<b>\$10,000</b>
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**Description:**

This budget category represents the annual projected costs associated with the purchase of safety equipment other applicable requirements.

**Line Item Detail:**

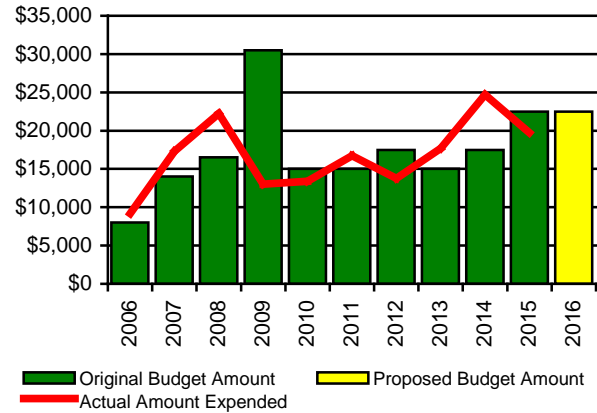
Safety Equipment and Supplies	\$ 10,000
	\$ 10,000
<b>Total</b>	<b><u>\$ 10,000</u></b>

Sewer Division – Administrative Services

03-5-06-51125

## Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$30,500	\$13,035
2010	\$15,000	\$13,394
2011	\$15,000	\$16,744
2012	\$17,500	\$13,773
2013	\$15,000	\$17,705
2014	\$17,500	\$24,678
2015	\$22,500	\$19,719



<b>2016</b>	<b>\$22,500</b>
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**Description:**

This budget category represents the projected costs associated with the purchase of gasoline, oil and diesel fuel for District vehicles and equipment.

**Line Item Detail:**

Gasoline, Diesel, and Oil

\$ 22,500

Total      \$ 22,500

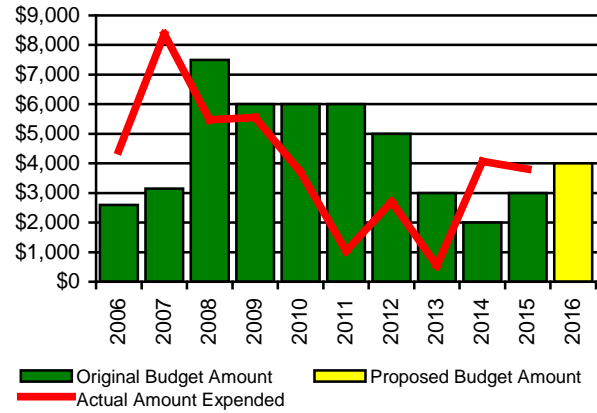


Sewer Division – Administrative Services

03-5-06-51130

## Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$6,000	\$5,550
2010	\$6,000	\$3,709
2011	\$6,000	\$1,039
2012	\$5,000	\$2,700
2013	\$3,000	\$544
2014	\$2,000	\$4,069
2015	\$3,000	\$3,810



<b>2016</b>	<b>\$4,000</b>
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**Description:**

This budget category will be used for office supplies for the sewer division.

**Line Item Detail:**

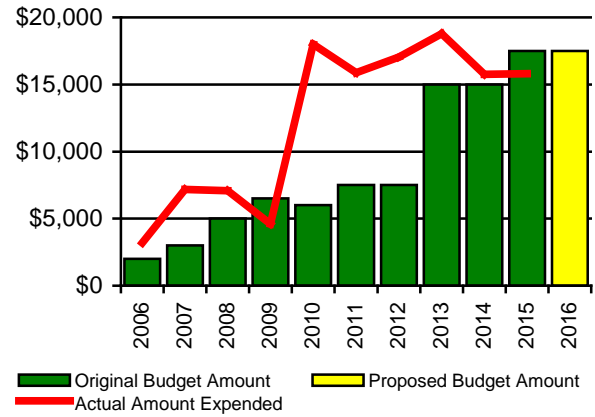
Miscellaneous Office Supplies	\$ 4,000
<b>Total</b>	<b><u>\$ 4,000</u></b>

Sewer Division – Administrative Services

03-5-06-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$6,500	\$4,598
2010	\$6,000	\$18,001
2011	\$7,500	\$15,871
2012	\$7,500	\$17,034
2013	\$15,000	\$18,786
2014	\$15,000	\$15,765
2015	\$17,500	\$15,797



<b>2016</b>	<b>\$17,500</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the sewer division.

**Line Item Detail:**

Supplies and Expenses

\$ 17,500

Total

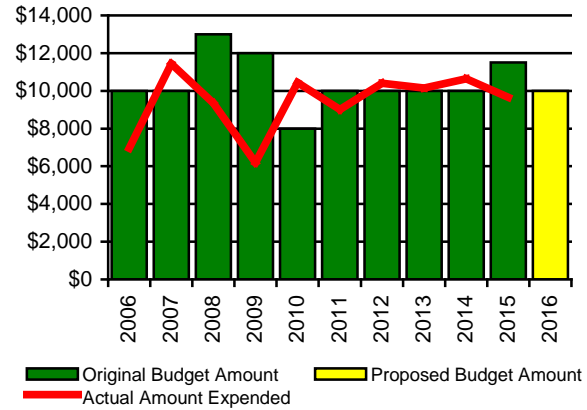
\$ 17,500

Sewer Division – Administrative Services

03-5-06-54002

## Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$12,000	\$6,197
2010	\$8,000	\$10,444
2011	\$10,000	\$9,010
2012	\$10,000	\$10,404
2013	\$10,000	\$10,144
2014	\$10,000	\$10,633
2015	\$11,500	\$9,662



<b>2016</b>	<b>\$10,000</b>
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**Description:**

This category includes all costs related to membership dues and periodical subscriptions for the sewer division during the fiscal year. In the prior fiscal year, the District was a member of the following organizations such as Water Environment Foundation (WEF) and Western Coalition of Arid States (WESTCAS).

**Line Item Detail:**

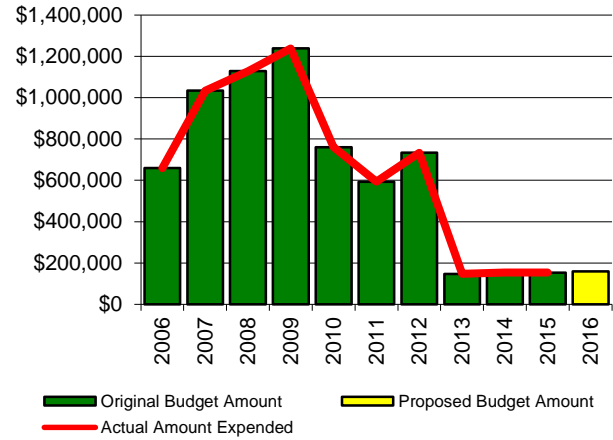
Dues and Subscriptions		\$ 10,000
	Total	<u>\$ 10,000</u>

Sewer Division – Administrative Services

03-5-06-54003

## Management & Administration Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,237,900	\$1,237,900
2010	\$760,560	\$760,560
2011	\$593,310	\$593,310
2012	\$733,170	\$733,170
2013	\$147,000	\$147,000
2014	\$153,500	\$153,500
2015	\$153,500	\$153,497



<b>2016</b>	<b>\$160,000</b>
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Description:

This category includes management and accounting services related to the operation of the sewer division. The expenses for this year will be considered in future years as a reimbursement to the Water Division

Line Item Detail:

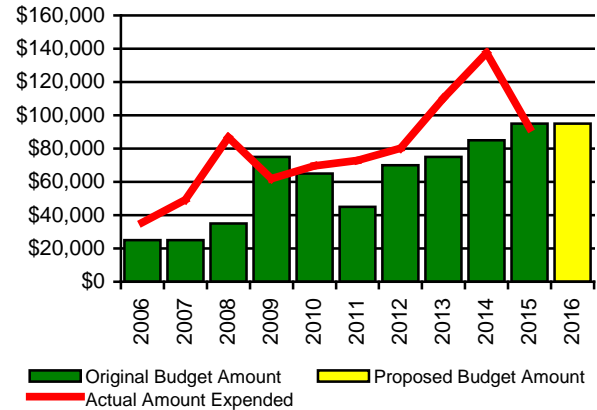
Budget Categories Paid Entirely by the Water Division That Also Provide a Direct Benefit to the Sewer Division	Total Expense Paid by Water Division	Water Division Allocation	Sewer Division Allocation
Admin: Utility Billing Expenses (50%:50%)	\$ 180,000	\$ 90,000	\$ 90,000
Admin: Maintenance - Structures (50%:50%)	\$ 20,000	\$ 10,000	\$ 10,000
Public Works: R & M – Vehicles & Equip (60%:40%)	\$150,000	\$ 90,000	\$ 60,000
	\$350,000	\$190,000	\$160,000

Sewer Division – Administrative Services

03-5-06-54005

## Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$75,000	\$61,886
2010	\$65,000	\$69,709
2011	\$45,000	\$72,954
2012	\$70,000	\$80,136
2013	\$75,000	\$110,384
2014	\$85,000	\$137,530
2015	\$95,000	\$92,251



<b>2016</b>	<b>\$95,000</b>
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**Description:**

This budget category will be used to enhance the sewer division computer systems.

**Line Item Detail:**

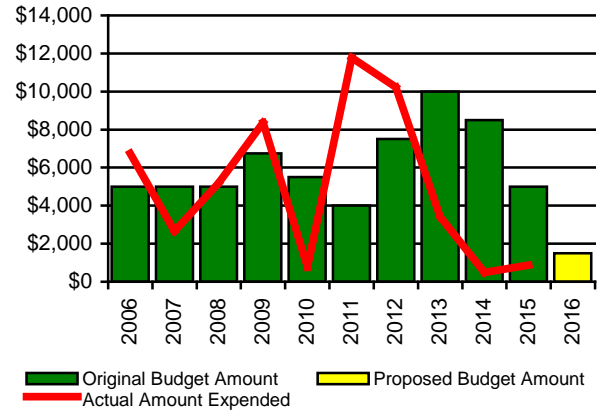
Miscellaneous Computer Hardware and Software	\$ 95,000
Total	<u>\$ 95,000</u>

Sewer Division – Administrative Services

03-5-06-54011

## Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$6,750	\$8,363
2010	\$5,500	\$779
2011	\$4,000	\$11,783
2012	\$7,500	\$10,231
2013	\$10,000	\$3,418
2014	\$8,500	\$489
2015	\$5,000	\$883



<b>2016</b>	<b>\$1,500</b>
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**Description:**

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

**Line Item Detail:**

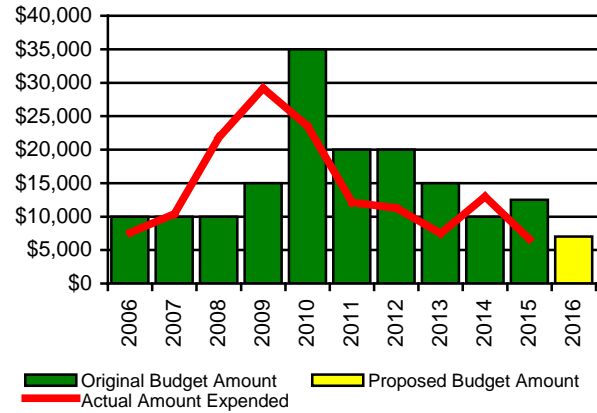
Printing and Publication Related Expenses	\$ 1,500
<b>Total</b>	<b><u>\$ 1,500</u></b>

Sewer Division – Administrative Services

03-5-06-54012

## Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$15,000	\$29,157
2010	\$35,000	\$23,552
2011	\$20,000	\$12,144
2012	\$20,000	\$11,261
2013	\$15,000	\$7,487
2014	\$10,000	\$12,964
2015	\$12,500	\$6,640



<b>2016</b>	<b>\$7,000</b>
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**Description:**

This budget category includes the costs associated with training individuals in the sewer division.

**Line Item Detail:**

Education and Training Expenses

\$ 7,000

Total

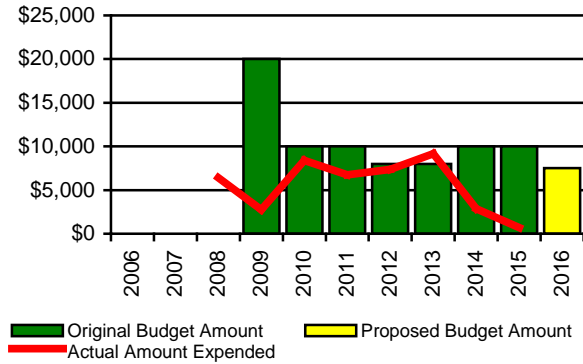
\$ 7,000

Sewer Division – Administrative Services

03-5-06-54014

## Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,000	\$2,738
2010	\$10,000	\$8,412
2011	\$10,000	\$6,754
2012	\$8,000	\$7,377
2013	\$8,000	\$9,175
2014	\$10,000	\$2,849
2015	\$10,000	\$700



<b>2016</b>	<b>\$7,500</b>
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**Description:**

This budget category represents the annual projected costs associated with public relations efforts.

**Line Item Detail:**

Public Relations

\$ 7,500

Total

\$ 7,500

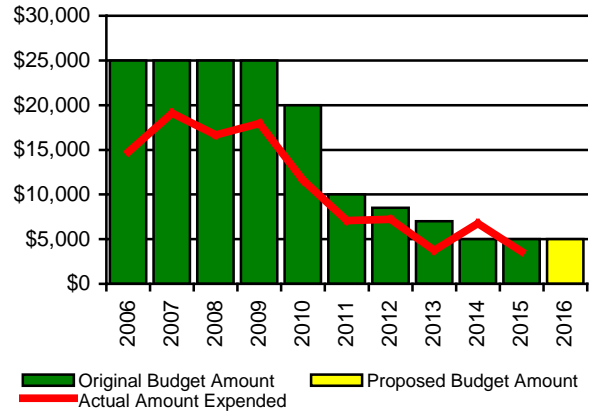


Sewer Division – Administrative Services

03-5-06-54016

## Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$25,000	\$17,945
2010	\$20,000	\$11,589
2011	\$10,000	\$7,082
2012	\$8,500	\$7,221
2013	\$7,000	\$3,747
2014	\$5,000	\$6,759
2015	\$5,000	\$3,622



<b>2016</b>	<b>\$5,000</b>
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**Description:**

This budget category includes the travel-related expenses associated with the sewer division.

**Line Item Detail:**

Travel Related Expenses

\$ 5,000

Total

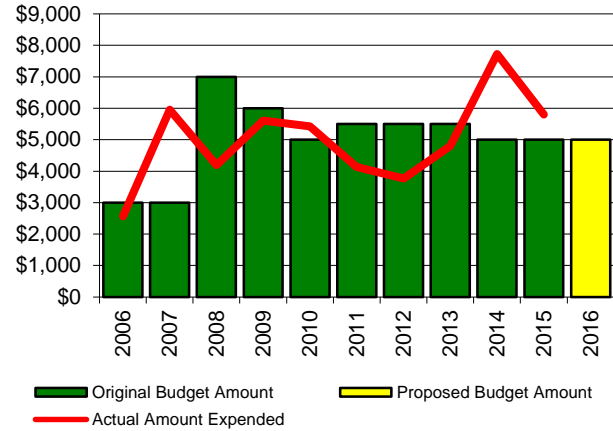
\$ 5,000

Sewer Division – Administrative Services

03-5-06-54017

## Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$6,000	\$5,604
2010	\$5,000	\$5,421
2011	\$5,500	\$4,133
2012	\$5,500	\$3,763
2013	\$5,500	\$4,806
2014	\$5,000	\$7,725
2015	\$5,000	\$5,802



<b>2016</b>	<b>\$5,000</b>
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**Description:**

This budget category will be used for sewer division employee certifications.

**Line Item Detail:**

Sewer Division Related Certifications

\$ 5,000

Total

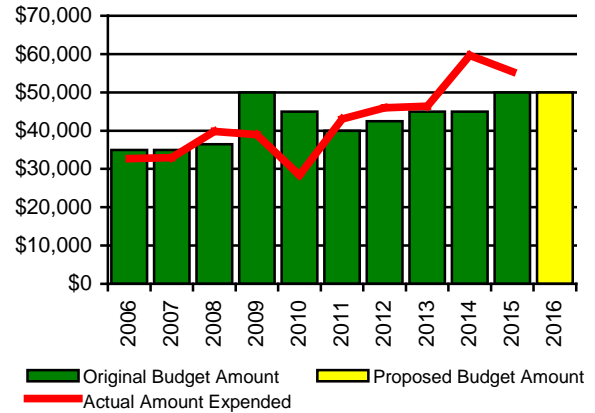
\$5,000

Sewer Division – Administrative Services

03-5-06-54019

## Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,000	\$38,926
2010	\$45,000	\$28,396
2011	\$40,000	\$43,036
2012	\$42,500	\$45,987
2013	\$45,000	\$46,412
2014	\$45,000	\$59,650
2015	\$50,000	\$55,398



<b>2016</b>	<b>\$50,000</b>
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**Description:**

This budget category represents the projected costs associated with operating licenses and permits required by agencies such as the State Water Resources Control Board and the Air Quality Management District.

**Line Item Detail:**

Licenses and Permits

\$ 50,000

Total

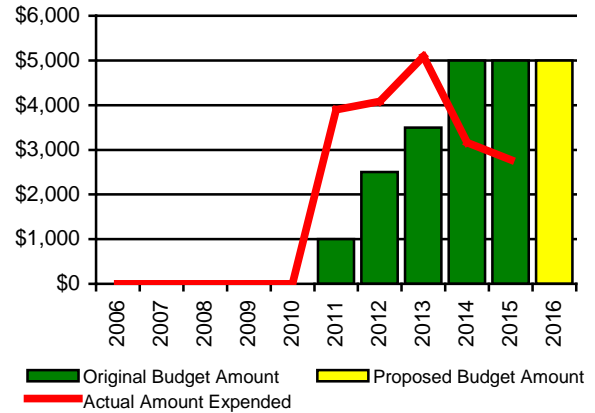
\$ 50,000

Sewer Division – Administrative Services

03-5-06-54020

## Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	--	--
2010	--	--
2011	\$1,000	\$3,895
2012	\$2,500	\$4,083
2013	\$3,500	\$5,094
2014	\$5,000	\$3,161
2015	\$5,000	\$2,776



<b>2016</b>	<b>\$ 5,000</b>
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**Description:**

The District hosts numerous meetings throughout the year which include public tours, tours for school children, and several regional meetings for industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for sewer related functions.

**Line Item Detail:**

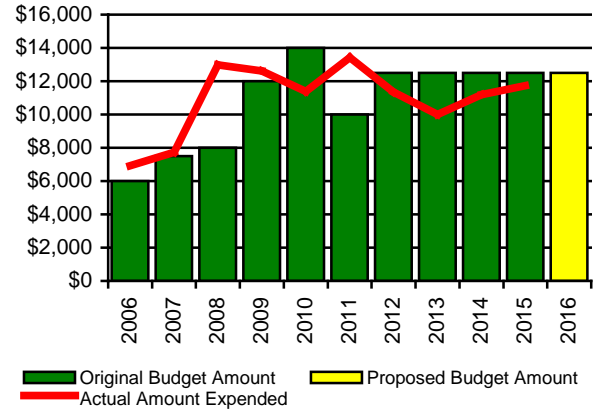
Meeting Related Expenses	\$ 5,000
<b>Total</b>	<b><u>\$ 5,000</u></b>

Sewer Division – Administrative Services

03-5-06-54024

# Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$12,000	\$12,608
2010	\$14,000	\$11,385
2011	\$10,000	\$13,429
2012	\$12,500	\$11,355
2013	\$12,500	\$10,008
2014	\$12,500	\$11,198
2015	\$12,500	\$11,733



<b>2016</b>	<b>\$12,500</b>
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**Description:**

This budget category represents the projected costs associated with waste disposal by the departments in the sewer division.

**Line Item Detail:**

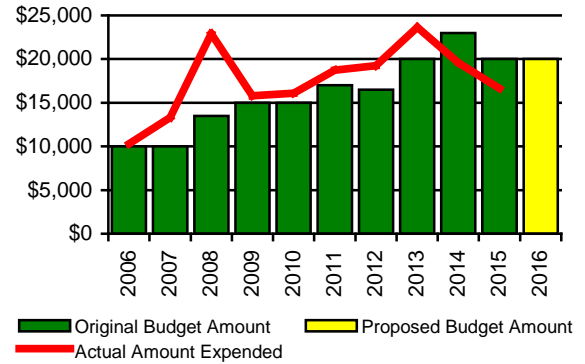
Waste Disposal Costs	<u>\$ 12,500</u>
<b>Total</b>	<b><u>\$ 12,500</u></b>

Sewer Division – Administrative Services

03-5-06-54025

# Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$15,000	\$15,788
2010	\$15,000	\$16,082
2011	\$17,000	\$18,744
2012	\$16,500	\$19,245
2013	\$20,000	\$23,639
2014	\$23,000	\$19,590
2015	\$20,000	\$16,640



<b>2016</b>	<b>\$20,000</b>
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**Description:**

This budget category represents the projected costs associated with telephone usage by the departments within the sewer division.

**Line Item Detail:**

Telephone Services

\$ 20,000

Total

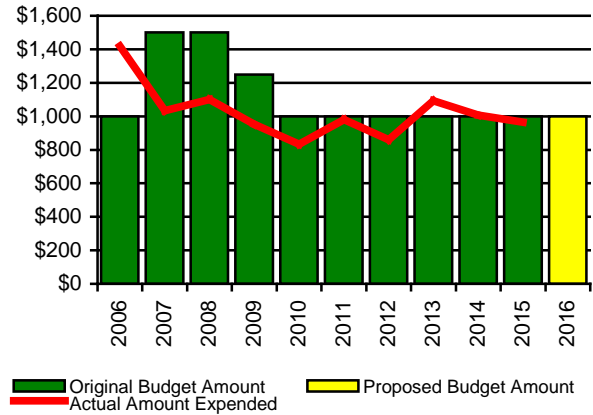
\$ 20,000

Sewer Division – Administrative Services

03-5-06-54030

# Drinking Water

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,250	\$952
2010	\$1,000	\$833
2011	\$1,000	\$980
2012	\$1,000	\$861
2013	\$1,000	\$1,092
2014	\$1,000	\$1,007
2015	\$1,000	\$965



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category represents the projected costs associated with drinking water usage by the departments within the sewer division.

**Line Item Detail:**

Drinking Water

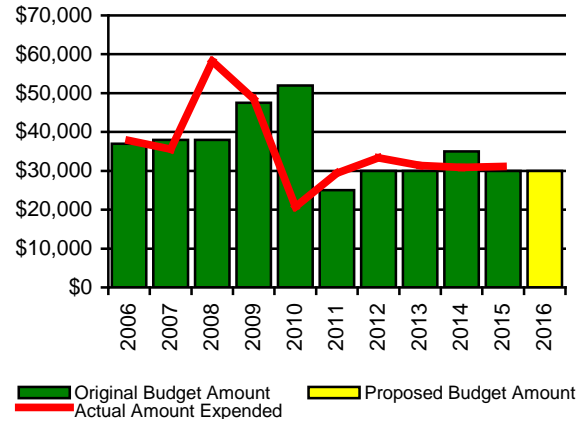
	<u>\$ 1,000</u>
<b>Total</b>	<b><u>\$1,000</u></b>

Sewer Division – Administrative Services

03-5-06-54104

## Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$47,500	\$48,534
2010	\$52,000	\$20,742
2011	\$25,000	\$29,440
2012	\$30,000	\$33,332
2013	\$30,000	\$31,393
2014	\$35,000	\$30,923
2015	\$30,000	\$31,113



<b>2016</b>	<b>\$30,000</b>
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**Description:**

This budget category includes all contract service costs for equipment and services within the sewer division. These services include: pager service, building security monitoring, copier maintenance, GIS maintenance, printer maintenance, answering service, landscape services, APN database, underground service alert, and other miscellaneous services.

**Line Item Detail:**

Contractual Services	\$ 30,000
<b>Total</b>	<b><u>\$ 30,000</u></b>

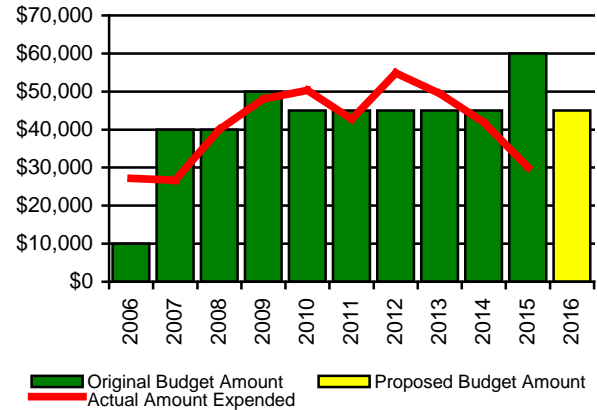


Sewer Division – Administrative Services

03-5-06-54107

# Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,000	\$48,008
2010	\$45,000	\$50,278
2011	\$45,000	\$42,752
2012	\$45,000	\$54,886
2013	\$45,000	\$49,452
2014	\$45,000	\$41,877
2015	\$60,000	\$30,018



<b>2016</b>	<b>\$45,000</b>
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**Description:**

This budget category is used for all sewer related legal costs. Legal fees related to water issues will be expensed in the water division budget.

**Line Item Detail:**

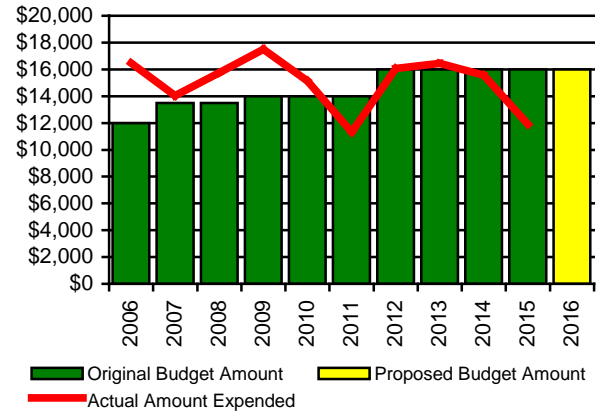
Legal Expenses	<u>\$ 45,000</u>
<b>Total</b>	<b><u>\$45,000</u></b>

Sewer Division – Administrative Services

03-5-06-54108

## Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$14,000	\$17,500
2010	\$14,000	\$15,132
2011	\$14,000	\$11,318
2012	\$16,000	\$16,073
2013	\$16,000	\$16,448
2014	\$16,000	\$15,563
2015	\$16,000	\$11,900



<b>2016</b>	<b>\$16,000</b>
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**Description:**

This budget category will be used for audit services incurred during this fiscal year.

**Line Item Detail:**

Audit and Accounting Services

\$ 16,000

Total

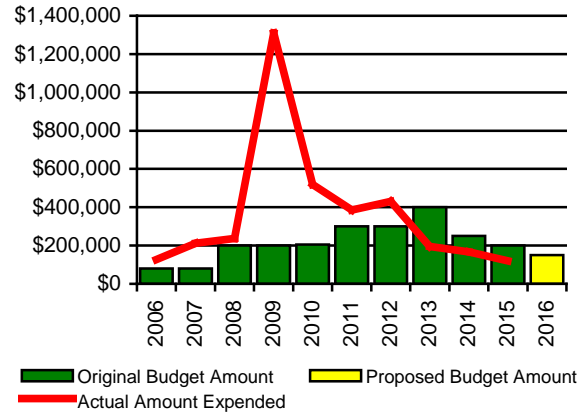
\$ 16,000

Sewer Division – Administrative Services

03-5-06-54109

## Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$200,000	\$1,309,600
2010	\$205,000	\$518,147
2011	\$300,000	\$384,861
2012	\$300,000	\$430,775
2013	\$400,000	\$195,870
2014	\$250,000	\$167,542
2015	\$200,000	\$120,641



<b>2016</b>	<b>\$150,000</b>
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**Description:**

This budget category represents the annual projected costs associated with professional fees for the sewer division. This category will generally be used for labor consulting, legislative consulting, and engineering studies.

**Line Item Detail:**

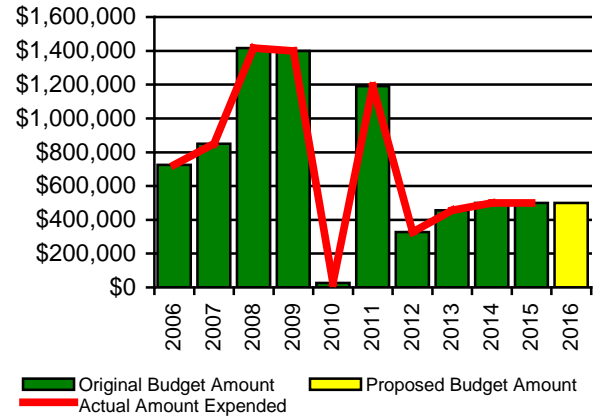
Miscellaneous Professional Fees	\$ 150,000
<b>Total</b>	<b><u>\$150,000</u></b>

Sewer Division – Administrative Services

03-5-06-55500

## Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,400,000	\$1,400,000
2010	\$26,085	\$26,085
2011	\$1,191,120	\$1,191,120
2012	\$327,260	\$327,260
2013	\$457,000	\$457,000
2014	\$500,000	\$500,000
2015	\$500,000	\$500,000



<b>2016</b>	<b>\$500,000</b>
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**Description:**

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of sewer related infrastructure (depreciation reserves).

**Line Item Detail:**

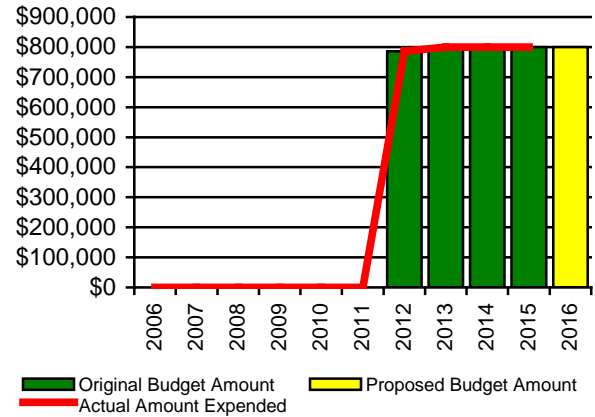
Reserve Funds	\$ 500,000
Total	\$ 500,000

Sewer Division – Administrative Services

03-5-06-xxxxx

## Sewer Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$786,300	\$786,300
2013	\$800,000	\$800,000
2014	\$800,000	\$800,000
2015	\$800,000	\$800,000



<b>2016</b>	<b>\$800,000</b>
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**Description:**

This budget category represents funding necessary to replace depreciated assets of the sewer division such as treatment facilities, lift stations, interceptors, mainlines, outfall facilities, structures, buildings, cars, trucks, office equipment, shop equipment, computers, radios, construction equipment, and tools relative to the sewer operations.

**Line Item Detail:**

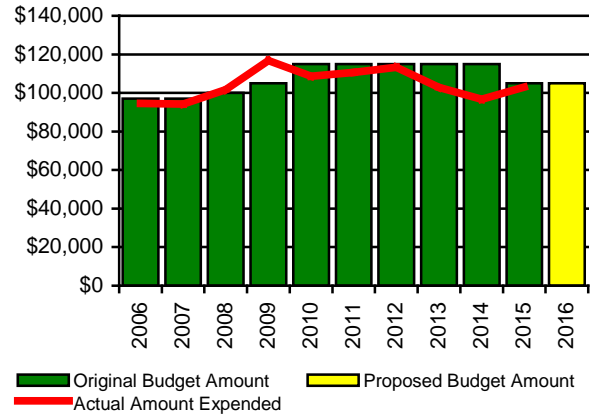
Depreciation / Reserves	\$ 800,000
<b>Total</b>	<b><u>\$ 800,000</u></b>

Sewer Division – Administrative Services

03-5-06-56001

# Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$105,000	\$116,737
2010	\$115,000	\$108,627
2011	\$115,000	\$110,699
2012	\$115,000	\$113,290
2013	\$115,000	\$102,802
2014	\$115,000	\$96,722
2015	\$105,000	\$102,930



<b>2016</b>	<b>\$105,000</b>
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**Description:**

This budget category represents the annual projected costs associated with insurance coverage related to general, auto, and property insurance.

**Line Item Detail:**

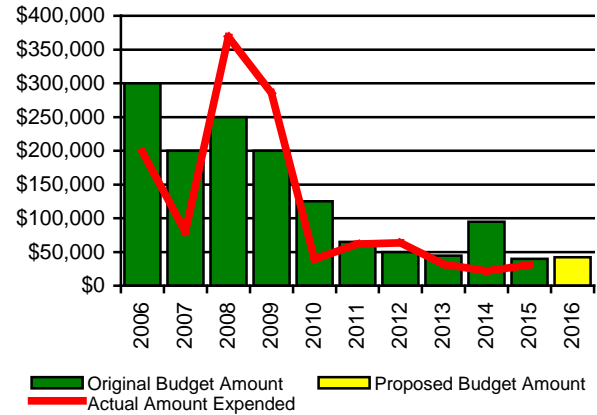
General Liability, Errors and Omission & Automotive	<u>\$ 105,000</u>
<b>Total</b>	<b><u>\$105,000</u></b>

Sewer Division – Administrative Services

03-5-06-57030

## Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$200,000	\$285,827
2010	\$125,000	\$39,530
2011	\$65,000	\$61,593
2012	\$50,000	\$63,738
2013	\$44,500	\$31,713
2014	\$95,000	\$21,725
2015	\$40,000	\$30,602



<b>2016</b>	<b>\$42,000</b>
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**Description:**

This budget category will be used for regulatory compliance issues within the sewer division.

**Line Item Detail:**

Senate Bill 709 and Senate Bill 2351 Compliance	\$ 5,000
Miscellaneous Regulatory Compliance	\$ 37,000
<b>Total</b>	<b><u>\$ 42,000</u></b>

# Environmental Control Department

Department Description – The Environmental Control Department maintains and inspects the facilities related to the sewer collection system. This involves the routine maintenance and inspection associated with lift stations, sewer mainlines, force mainlines, and manholes, as well as pretreatment activities.

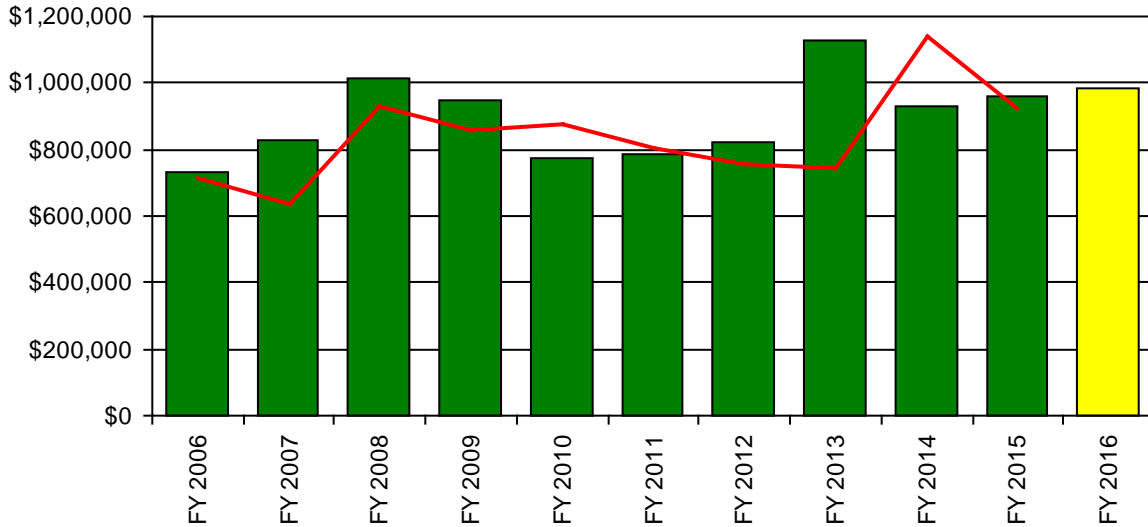
Departmental Responsibilities – The Environmental Control Department is responsible for maintaining the sewer collection system. This includes inspecting each of the District's manholes on a regular basis, preparing the collection system for wet weather conditions, conducting routine cleaning of the collection system, complying with all confined space regulations, and video inspecting sewer mainlines. The Environmental Control Department is also responsible for conducting industrial pretreatment inspections and brine line related activities.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 4.3 Full-Time Equivalent (FTE) employees to the Environmental Control Department. The FTE calculations for this department are as follows:

Title	Range	FTE	Expense
<b>Regulatory &amp; Environmental Control Mgr</b>	228	1.0	\$ 97,464
<b>Public Works Supervisor</b>	113	1.0	\$ 85,905
<b>Utility Service Worker IV</b>	44	0.1	\$ 6,802
<b>Utility Service Worker III</b>	40	0.2	\$ 12,460
<b>Utility Service Worker II</b>	36	1.1	\$ 61,603
<b>Utility Service Worker I</b>	32	0.9	\$ 44,461
	<b>Total</b>	<b>4.3</b>	<b>\$308,695</b>



**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Environmental Control Department will be allocated \$997,300 (not including asset acquisitions & capital improvements), which represents an increase of \$24,467 as compared to the previous year, or a 2.55% increase.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified as important issues for the near future. The specific resolution to some of the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

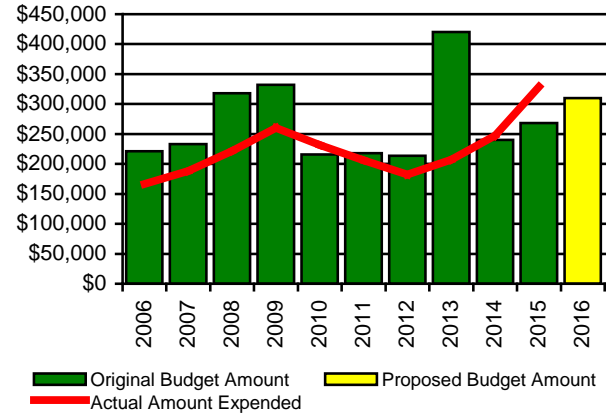
- ❖ The District staff continues to improve our ability to respond to various line maintenance situations. The heavy-duty sewer mainline cleaning vehicles allocated to this department significantly improve the maintenance activities throughout the collection system.
- ❖ The District staff continues to utilize video equipment to conduct routine inspections of the sewer collection system. The Environmental Control staff will be analyzing the costs and benefits of purchasing a video vehicle to be better prepared to inspect the sewer collection system.

Sewer Division – Environmental Control

03-5-07-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$331,950	\$260,333
2010	\$216,040	\$231,674
2011	\$217,740	\$206,315
2012	\$213,570	\$182,393
2013	\$420,000	\$207,279
2014	\$240,000	\$247,352
2015	\$268,053	\$329,064



<b>2016</b>	<b>\$310,000</b>
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**Description:**

This budget category includes the base salaries and expected overtime for the environmental control staff members. The Environmental Control Officer and pretreatment functions are included within this departmental budget.

**Line Item Detail:**

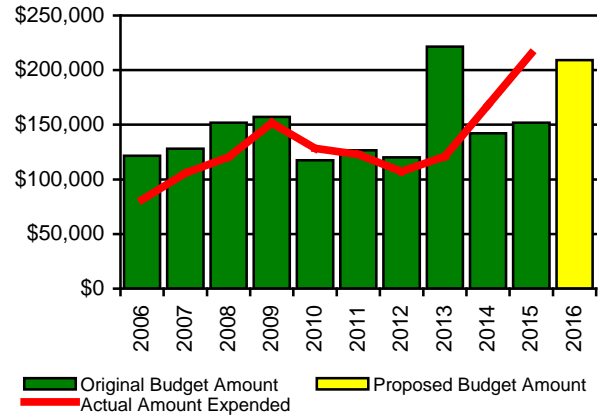
Title	Range	FTE	Expense
Regulatory & Environmental Control Manager	218	1.0	\$ 97,464
Public Works Supervisor	113	1.0	\$ 85,905
Utility Service Worker IV	44	0.1	\$ 6,802
Utility Service Worker III	40	0.2	\$ 12,460
Utility Service Worker II	36	1.1	\$ 61,603
Utility Service Worker I	32	0.9	\$ 44,461
<b>Total</b>		<b>4.3</b>	<b><u>\$308,695</u></b>

Sewer Division – Environmental Control

03-5-07-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$157,250	\$151,688
2010	\$117,375	\$128,251
2011	\$126,700	\$122,816
2012	\$120,205	\$107,094
2013	\$221,480	\$121,047
2014	\$142,280	\$167,913
2015	\$151,780	\$215,082



<b>2016</b>	<b>\$209,300</b>
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Description:

This budget category includes the District paid benefits for the staff members of the environmental control department.

Line Item Detail:

FICA (50013)	\$ 28,000
Life Insurance (50014)	\$ 2,000
Medical, Dental, Vision & Deferred Comp (50016)	\$ 75,000
Disability Insurance (50017)	\$ 4,500
Workers' Compensation (50019)	\$ 30,000
PERS Employee (50021)	\$ 20,000
PERS Employer (50022)	\$ 45,000
Uniforms (50023)	\$ 2,000
Vacation and Sick Pay (50024)	\$ 2,000
Boot Allowance @ \$200/Employee (50025)	\$ 800

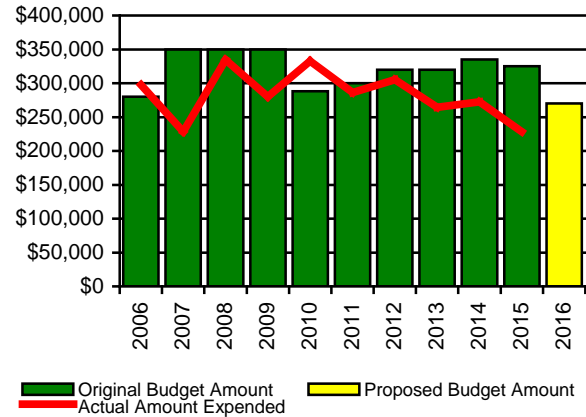
Total \$ 209,300

Sewer Division – Environmental Control

03-5-07-51003

## Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$350,000	\$280,034
2010	\$288,000	\$332,512
2011	\$300,000	\$286,362
2012	\$320,000	\$305,313
2013	\$320,000	\$264,535
2014	\$335,000	\$272,718
2015	\$325,000	\$228,596



<b>2016</b>	<b>\$270,000</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District's sewer collection facilities. This includes repair of manholes, sewer mainlines, trench failures, service laterals, and force mainlines.

**Line Item Detail:**

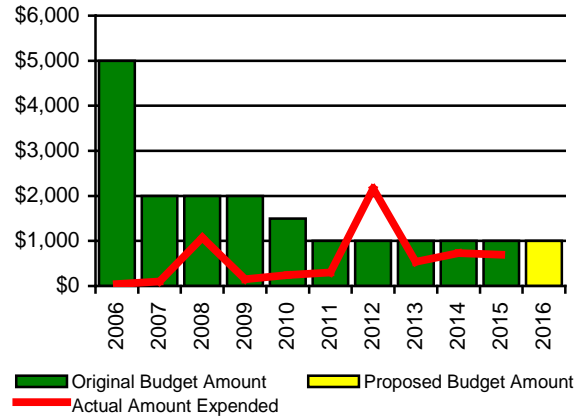
Material for Cut-Off Walls	\$ 15,000
Manhole Repairs	\$ 55,000
Video Inspections	\$ 80,000
Root Intrusion Control	\$ 30,000
Roadway Subsidence Repair - water division labor and benefits, materials, equipment, and contractor paving services.	\$ 90,000
	<u>\$ 270,000</u>

Sewer Division – Environmental Control

03-5-07-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$2,000	\$148
2010	\$1,500	\$245
2011	\$1,000	\$302
2012	\$1,000	\$2,165
2013	\$1,000	\$536
2014	\$1,000	\$731
2015	\$1,000	\$697



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the environmental control department.

**Line Item Detail:**

Supplies and Expenses

\$1,000

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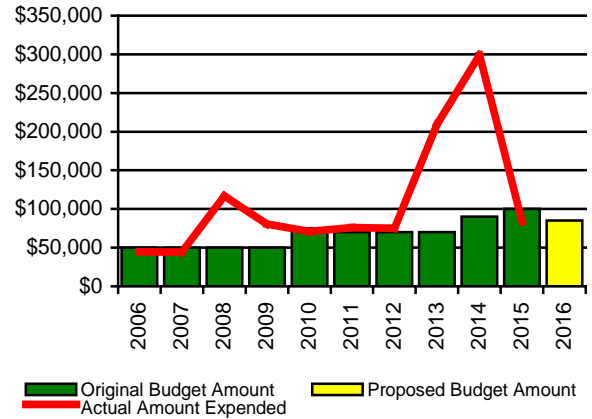
\$1,000

Sewer Division – Environmental Control

03-5-07-51241

## Lift Station No. 1

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,000	\$80,575
2010	\$75,000	\$70,737
2011	\$70,000	\$75,877
2012	\$70,000	\$75,257
2013	\$70,000	\$209,307
2014	\$90,000	\$299,224
2015	\$100,000	\$83,446



<b>2016</b>	<b>\$85,000</b>
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**Description:**

Lift Station No. 1 is located on Live Oak Canyon Road, south of Interstate 10. The annual expenses for Lift Station No. 1 include electric service and miscellaneous repairs and maintenance.

In FY 2013 we incurred temporary generator rental and other expenses related the new generator replacement.

In FY 2014 we incurred additional repair and maintenance expenses due to the force main break.

**Line Item Detail:**

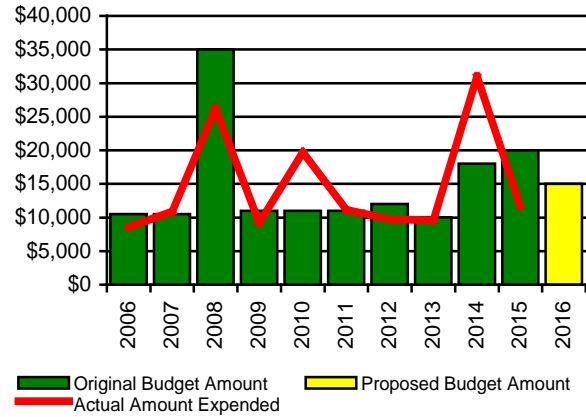
Utilities - Electricity	\$ 35,000
Miscellaneous Improvements	\$ 50,000
	<hr/>
	<b><u>\$85,000</u></b>

Sewer Division – Environmental Control

03-5-07-51242

## Lift Station No. 2

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$11,000	\$9,207
2010	\$11,000	\$19,733
2011	\$11,000	\$11,139
2012	\$12,000	\$9,746
2013	\$10,000	\$9,596
2014	\$18,000	\$30,974
2015	\$20,000	\$11,657



<b>2016</b>	<b>\$15,000</b>
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**Description:**

Lift Station No. 2 is located on Calimesa Boulevard between Cherry Valley Boulevard and Singleton Road, north of Interstate 10. The annual expenses for Lift Station No. 2 include electric service and miscellaneous repairs and maintenance.

**Line Item Detail:**

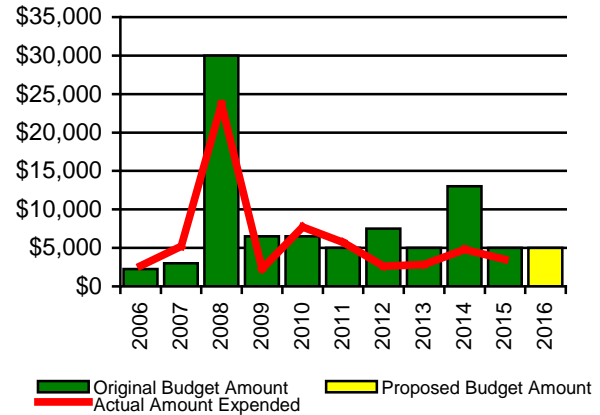
Utilities - Electricity	\$ 8,000
Miscellaneous Supplies and Expenses	\$ 7,000
	\$ 15,000
<b>Total</b>	<b><u>\$ 15,000</u></b>

Sewer Division – Environmental Control

03-5-07-51243

### Lift Station No. 3

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$6,500	\$2,306
2010	\$6,500	\$7,709
2011	\$5,000	\$5,698
2012	\$7,500	\$2,644
2013	\$5,000	\$2,838
2014	\$13,000	\$4,813
2015	\$5,000	\$3,525



<b>2016</b>	<b>\$5,000</b>
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**Description:**

Lift Station No. 3 is located west of Villa Calimesa Mobile Home Park. The annual expenses for Lift Station No. 3 include electric service and miscellaneous repairs and maintenance.

**Line Item Detail:**

Utilities - Electricity	\$ 2,500
Miscellaneous Supplies and Expenses	\$ 2,500
	\$ 5,000
<b>Total</b>	<b><u>\$ 5,000</u></b>

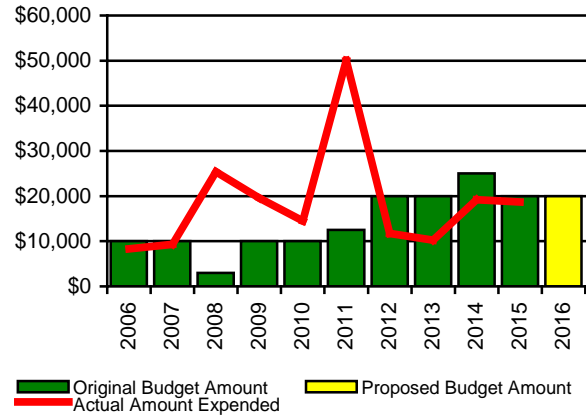


Sewer Division – Environmental Control

03-5-07-51244

## Lift Station No. 4

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$10,000	\$19,569
2010	\$10,000	\$14,530
2011	\$12,500	\$50,077
2012	\$20,000	\$11,764
2013	\$20,000	\$10,246
2014	\$25,000	\$19,216
2015	\$20,000	\$18,725



<b>2016</b>	<b>\$20,000</b>
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**Description:**

Lift Station No. 4 is located on Calimesa Boulevard between Mesa Grande and Sandalwood Drive. The annual expenses for Lift Station No. 4 include electric service and miscellaneous repairs and maintenance.

**Line Item Detail:**

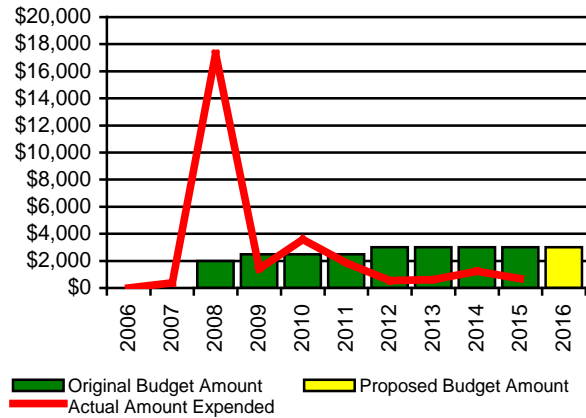
Utilities - Electricity	\$ 9,000
Miscellaneous Supplies and Expenses	\$ 11,000
	\$ 20,000
<b>Total</b>	<b><u>\$ 20,000</u></b>

Sewer Division – Environmental Control

03-5-07-51248

## Lift Station No. 8

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$2,500	\$1,419
2010	\$2,500	\$3,587
2011	\$2,500	\$1,848
2012	\$3,000	\$550
2013	\$3,000	\$623
2014	\$3,000	\$1,226
2015	\$3,000	\$696



<b>2016</b>	<b>\$3,000</b>
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**Description:**

Pump Station No. 8 was placed into service in Fiscal Year 2007. This facility is located on Hampton Road west of Yucaipa Boulevard in western Yucaipa. The annual expenses for Pump Station No. 8 include electric service and miscellaneous repairs and maintenance.

**Line Item Detail:**

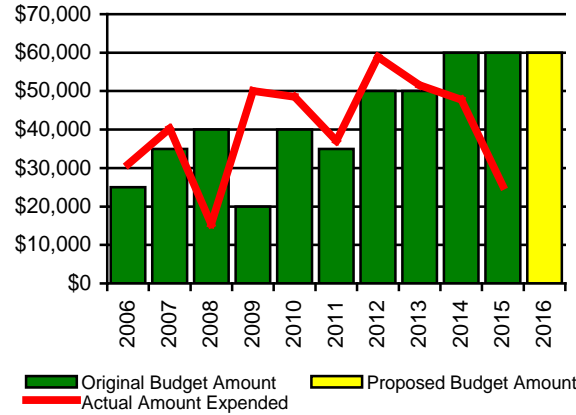
Utilities - Electricity	\$1,500
Miscellaneous Supplies and Expenses	\$1,500
	\$3,000
<b>Total</b>	<b><u>\$ 3,000</u></b>

Sewer Division – Environmental Control (Pretreatment)

03-5-07-54109

## Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$20,000	\$50,066
2010	\$40,000	\$48,547
2011	\$35,000	\$37,029
2012	\$50,000	\$58,873
2013	\$50,000	\$51,574
2014	\$60,000	\$47,722
2015	\$60,000	\$25,339



<b>2016</b>	<b>\$60,000</b>
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**Description:**

This budget category represents the annual projected costs associated with professional fees for the sewer division. This category will generally be used for labor consulting, legislative consulting, and engineering studies.

**Line Item Detail:**

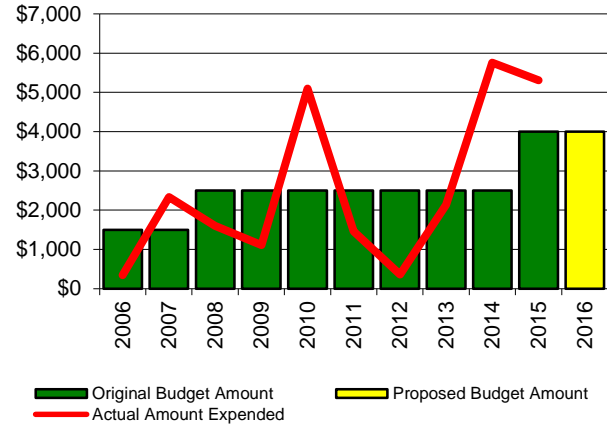
Pretreatment Program / Engineering Services	\$ 60,000
<b>Total</b>	<b><u>\$ 60,000</u></b>

Sewer Division – Environmental Control (Pretreatment)

03-5-07-54110

## Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$2,500	\$1,114
2010	\$2,500	\$5,097
2011	\$2,500	\$1,462
2012	\$2,500	\$358
2013	\$2,500	\$2,138
2014	\$2,500	\$5,758
2015	\$4,000	\$5,313



<b>2016</b>	<b>\$4,000</b>
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**Description:**

This budget category includes the cost of outside laboratory services for collection system monitoring.

**Line Item Detail:**

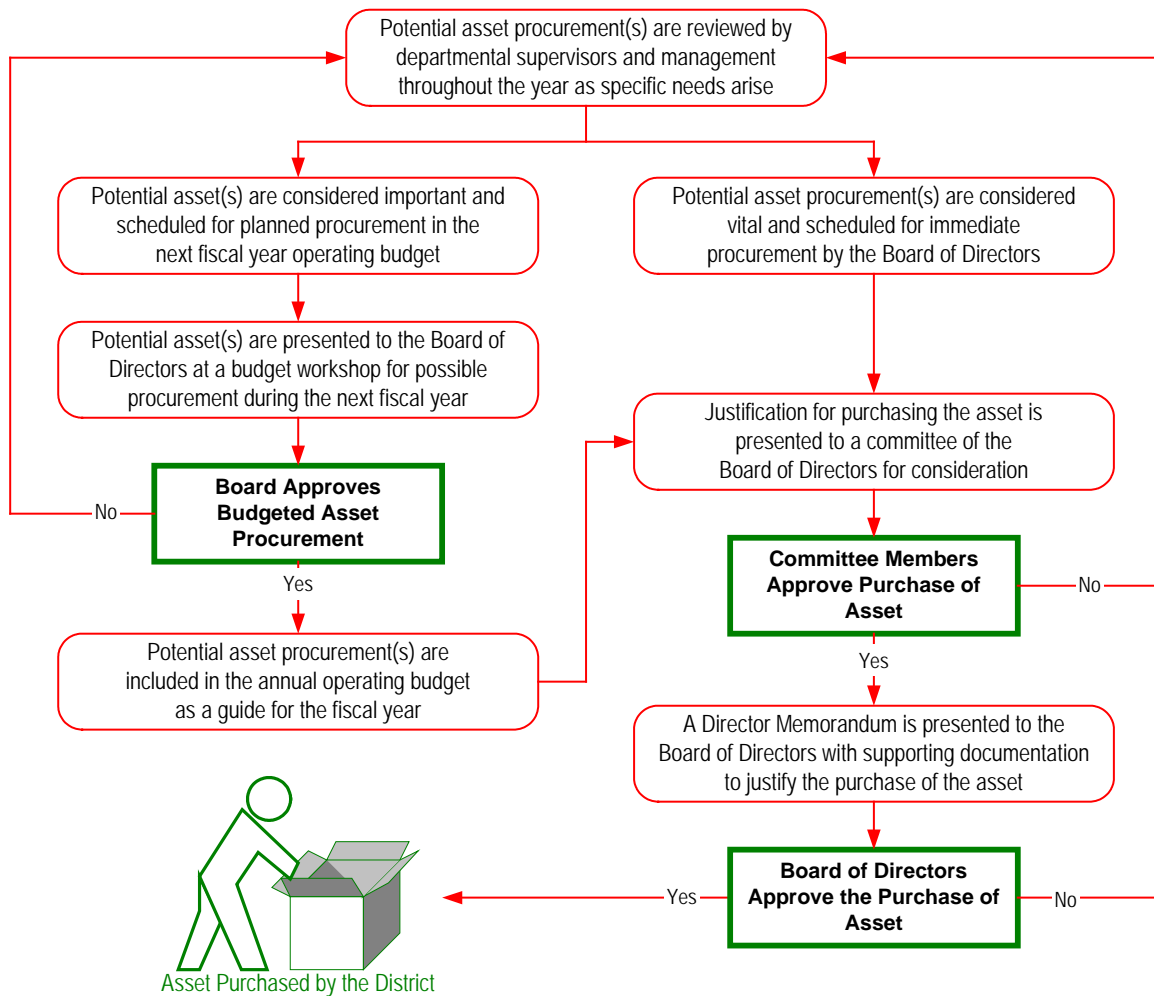
Chemical Analyses Performed by Outside Laboratories	\$ 4,000
<b>Total</b>	<b><u>\$4,000</u></b>

# Asset Acquisition – Sewer Division

**Budgetary Description** – The Asset Allocation portion of the operating budget is used for the purchase of specific fixed assets which are generally greater than \$5,000. This portion of the budget will be used by the accounting department to appropriately categorize and track the purchase of fixed assets.

**Procurement Methodology** – The following schematic diagram illustrates the methodology used by the District staff to secure the purchase of the fixed assets.

## General Procedure for Asset Evaluation & Procurement



At a minimum, the District staff will present all purchases to a committee of the Board prior to presenting the potential purchase to the Board of Directors for action. In the case of a planned purchase, the entire Board will be able to review the purchase of an asset at a budget workshop prior to being presented to a committee. It is important to recognize that all budget workshops, committee meetings, and board meetings are open to the public.

As a general rule of thumb, asset acquisition will be funded by existing reserve funds. Therefore, the budget will have an offsetting amount of reserve funds added to the revenue portion of the budget for each asset identified below.

Budget Overview – The following summary represents the total acquisition allocation by department for the sewer division.

Sewer Division Department Requesting Asset Acquisition	Estimated Cost Associated with the Proposed Asset Acquisitions
Sewer Treatment Department	\$ 0
Sewer Administrative Services Department	\$ 0
Environmental Control Department	\$ 0
<b>Total</b>	<b>\$ 0</b>

Sewer Division – Asset Acquisition

03-5-40-57002

## Sewer Treatment Department

Description:

The Sewer Treatment Department has identified the following assets for acquisition.

Line Item Detail:

No Assets Anticipated to be Acquired	\$ 0
<b>Total</b>	<b>\$ 0</b>

Sewer Division – Asset Acquisition

03-5-40-57006

## Sewer Administrative Services Department

Description:

The Sewer Administration Department has the following acquisitions planned for the fiscal year.

Line Item Detail:

No Assets Anticipated to be Acquired	\$ 0
<b>Total</b>	<b>\$ 0</b>



Sewer Division – Asset Acquisition

03-5-40-57007

## Environmental Control Department

Description:

The following assets have been identified for acquisition by the Environmental Control department.

Line Item Detail:

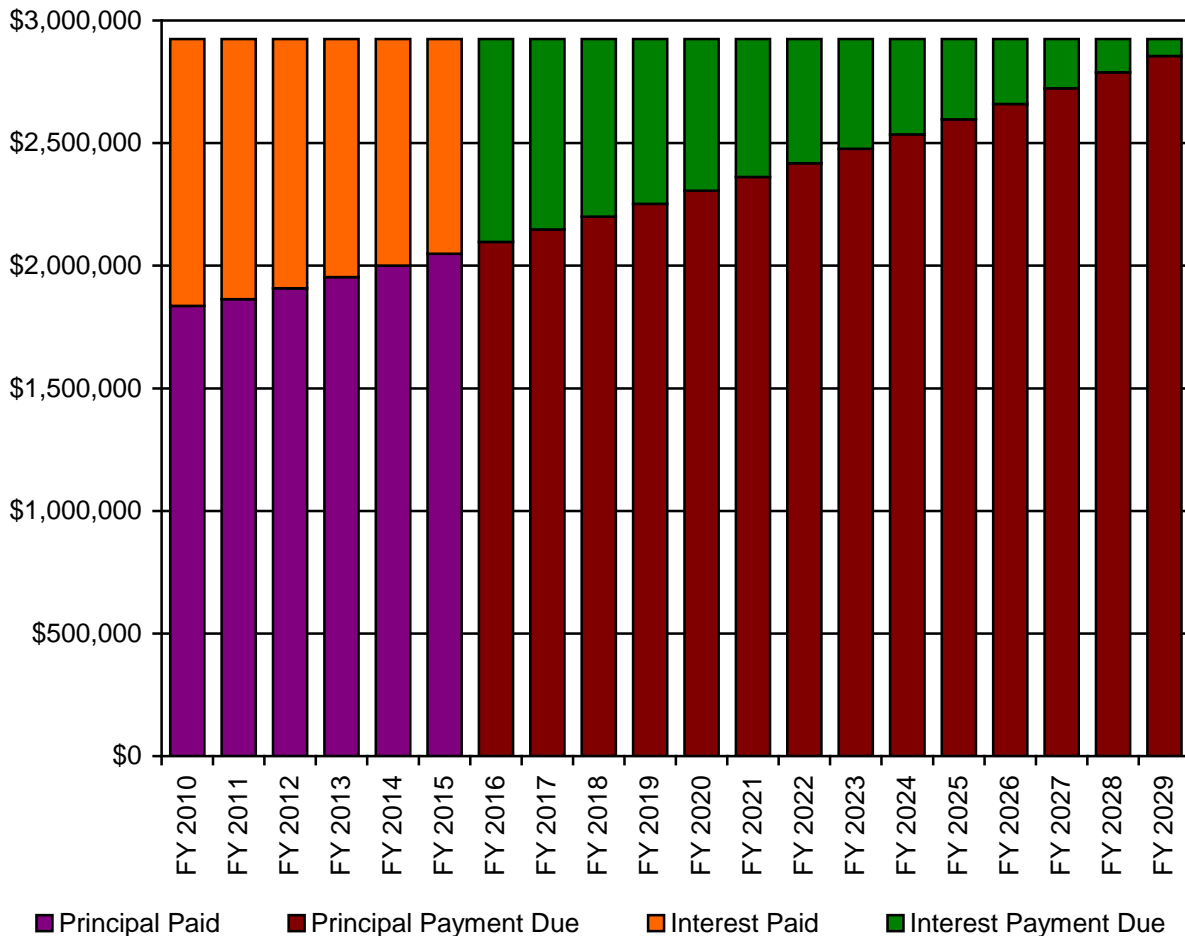
No Assets Anticipated to be Acquired	\$ 0
<b>Total</b>	<b>\$ 0</b>

# Sewer Division Debt Service

Department Description – The Sewer Debt Service expenditures are associated with the State Revolving Fund (SRF) loan for the expansion and upgrade of the Wochholz Regional Water Recycling Facility and various recycled water facilities.

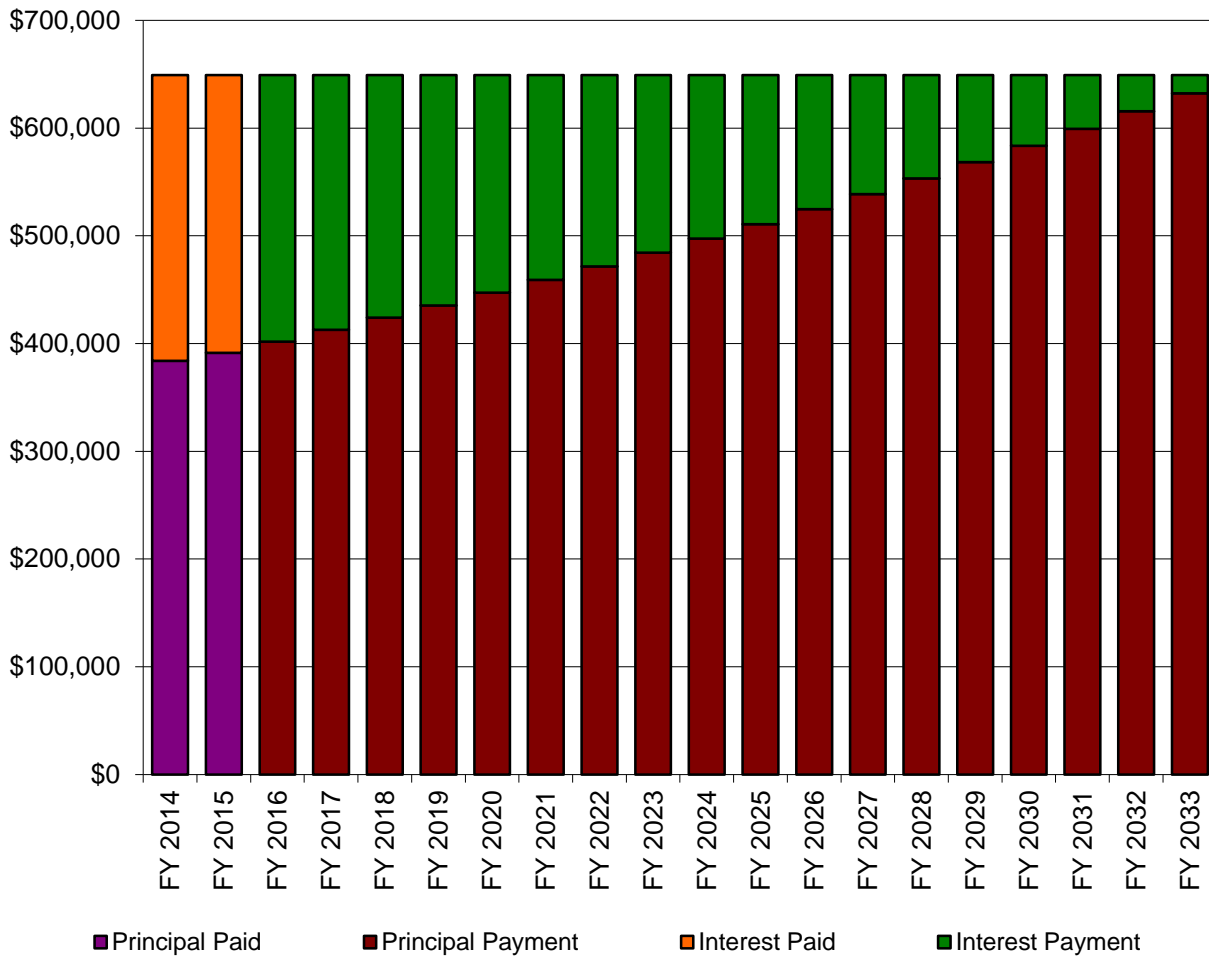
## Background of Debt Issuance

**Wochholz Regional Water Recycling Facility Expansion** - The Yucaipa Valley Water District has secured a \$44,748,356 low interest loan (2.4% interest rate) for the expansion and upgrade of the Wochholz Regional Water Recycling Facility. The District received full disbursement of the loan fund in FY 2009 and annual repayment of \$2,923,669 started in FY 2010 based on the following schedule:



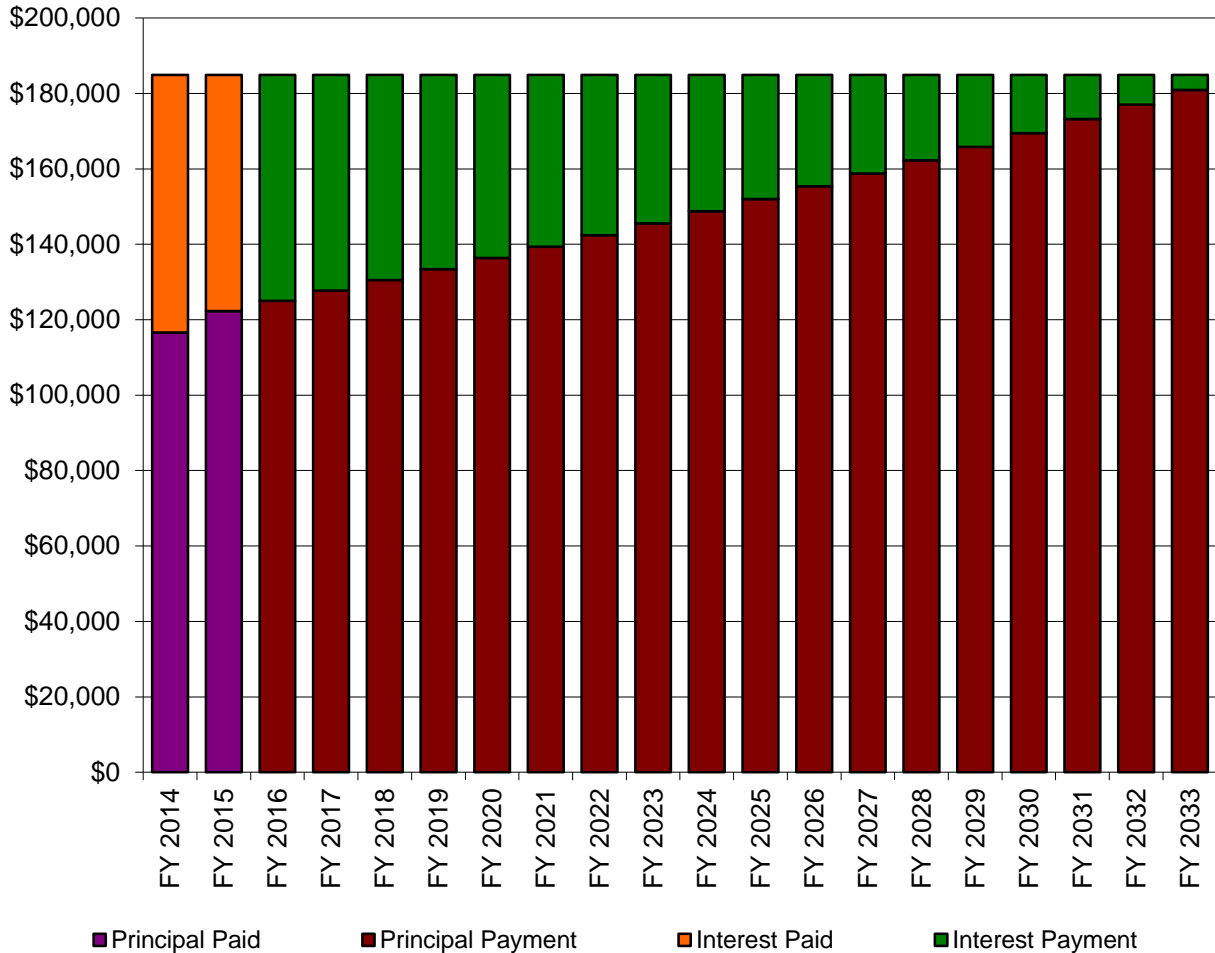
The annual loan payments are due on September 10<sup>th</sup>. The loan extends until September 10, 2028.

**Yucaipa Valley Regional Brineline** - The Yucaipa Valley Water District has secured a \$9,752,100 low interest loan (2.7% interest rate) for the construction of the Yucaipa Valley Regional Brineline. The construction cost for this facility was \$19,706,156 which was also funded by several grants and cash. The District received full disbursement of the loan fund in FY 2013 and annual repayment of \$649,274 started in FY 2014 based on the following schedule:



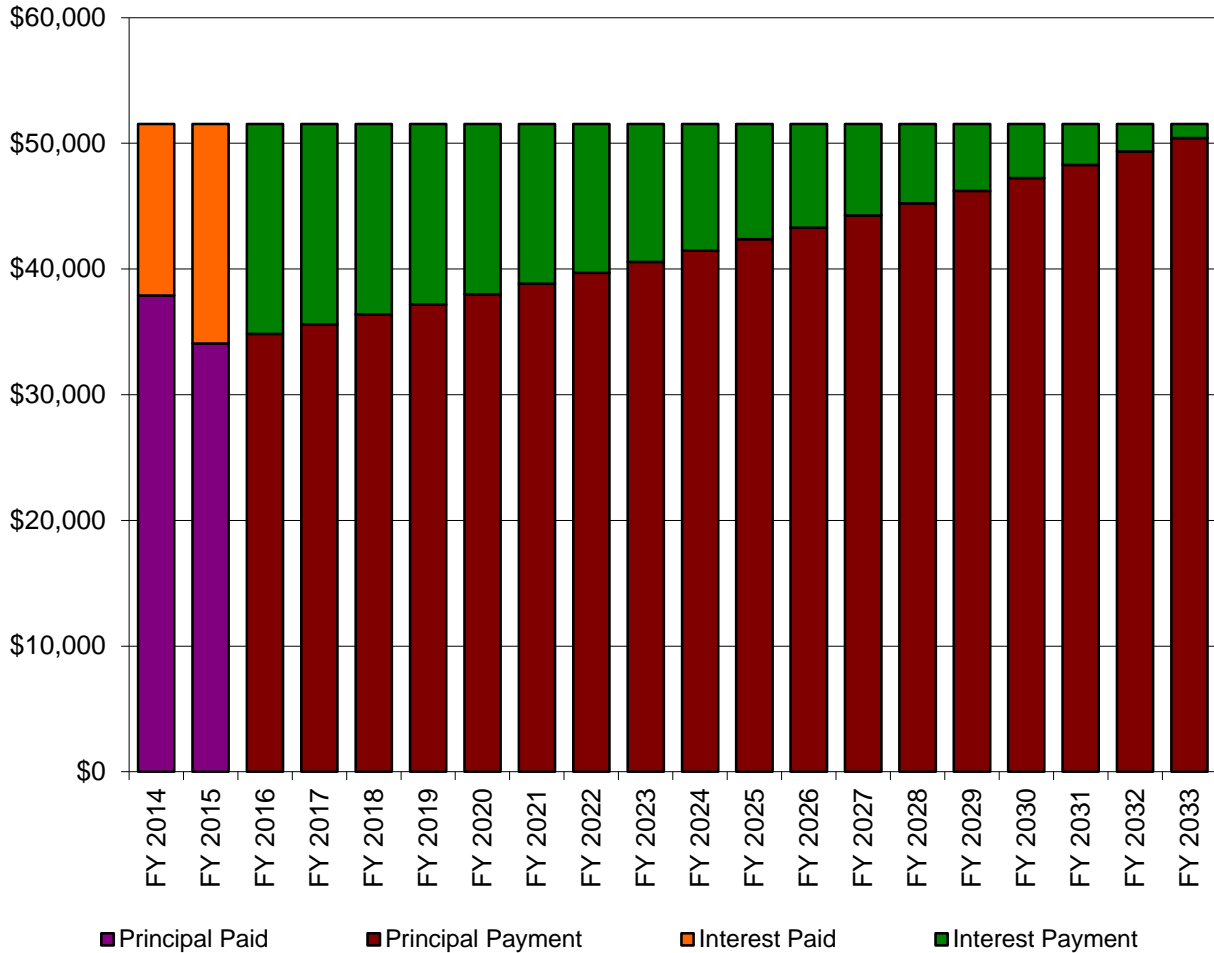
The annual loan payments are due on December 31<sup>st</sup>. The loan extends until December 31, 2032.

**Wochholz Improved Salinity Effluent Project (W.I.S.E.)** - The Yucaipa Valley Water District has secured a \$2,988,364 low interest loan (2.2% interest rate) for the construction of the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility to achieve compliance with the Regional Water Quality Control Board Basin Plan objectives. The construction cost for this facility was \$5,003,170 which was also funded by grants and cash. The District received full disbursement of the loan fund in FY 2014 and annual repayment of \$184,925 started in FY 2014 based on the following schedule:



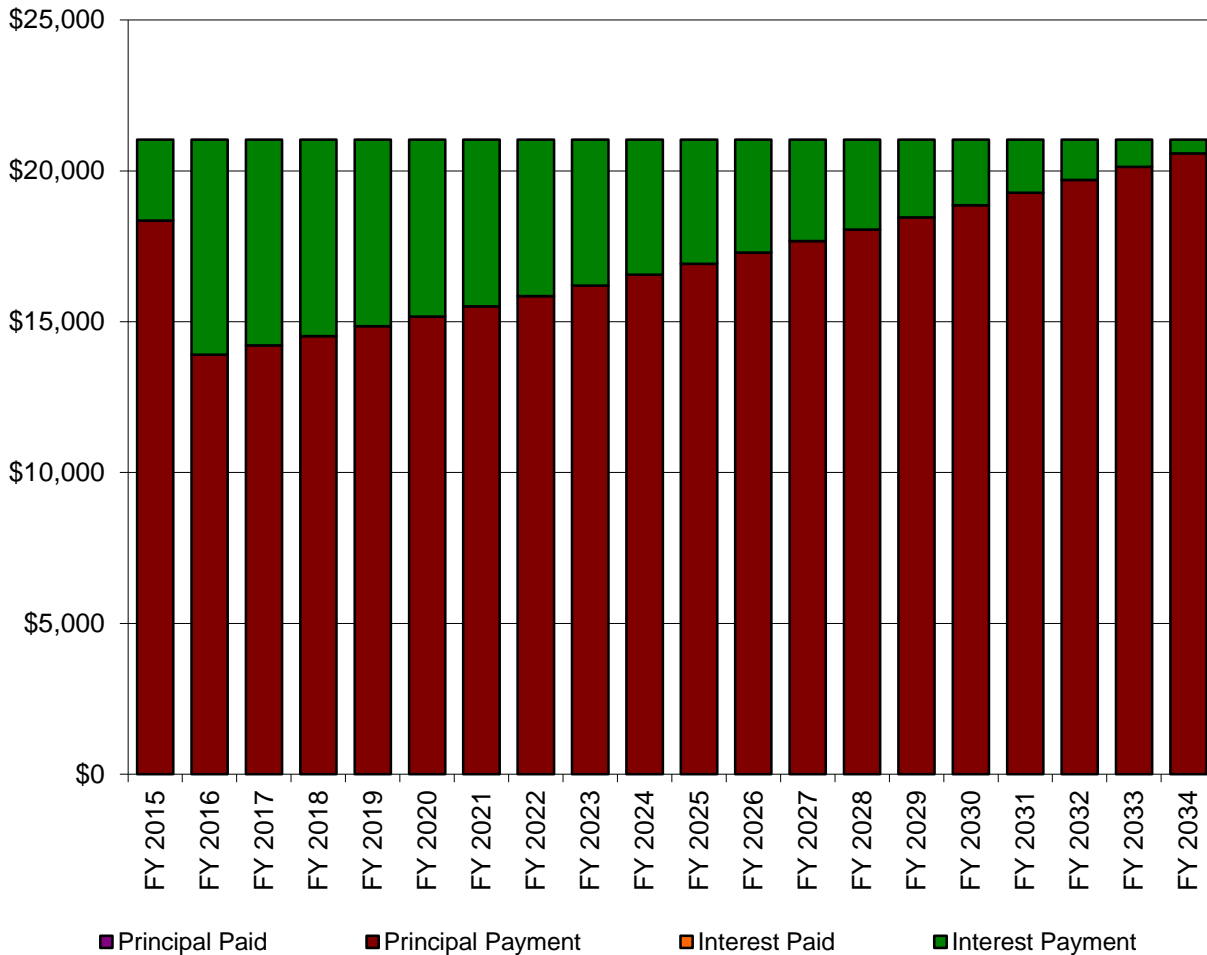
The annual loan payments are due on March 31<sup>st</sup>. The loan extends until March 31, 2033.

**Recycled Water Reservoir R-10.3** - The Yucaipa Valley Water District has secured a \$871,570 low interest loan (2.2% interest rate) for the construction of the Recycled Water Reservoir Complex R-10.3. The construction cost for this facility was \$4,177,087 which was also funded by grants and cash. The District received full disbursement of the loan fund in FY 2014 and annual repayment of \$51,531 started in FY 2014 based on the following schedule:



The annual loan payments are due on March 31<sup>st</sup>. The loan extends until March 31, 2033.

**Crow Street Recycled Water Pipeline and Booster B-12.1** - The Yucaipa Valley Water District has secured a \$342,124 low interest loan (2.2% interest rate) for the construction of the Crow Street Recycled Water Pipeline and Recycled Water Booster Station B-12.1. The construction cost for this facility was \$2,972,167 which was also funded by grants and cash. The District anticipates receiving the loan disbursements for the project in FY 2015 and annual loan repayment of approximately \$21,000 will begin in FY 2015 based on the following schedule:



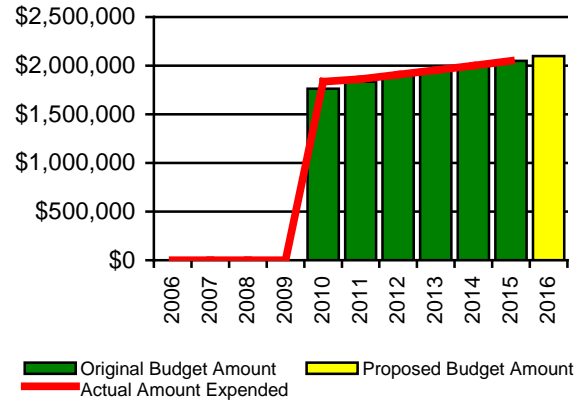
The SRF loan payments shown above are just a portion of the total loan term. The full term of the loan extends until 2034.

Sewer Division – Debt Service

03-5-40-57202

## Debt Service Principal - WRWRF

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$1,764,755	\$1,836,031
2011	\$1,863,070	\$1,863,069
2012	\$1,909,500	\$1,907,783
2013	\$1,953,500	\$1,953,570
2014	\$2,000,455	\$2,000,455
2015	\$2,048,466	\$2,048,466



<b>2016</b>	<b>\$2,097,629</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Wochholz Regional Water Recycling Facility. Prior debt service payments were related to the 1995 Refunding Bonds for the construction of the tertiary treatment facilities.

**Line Item Detail:**

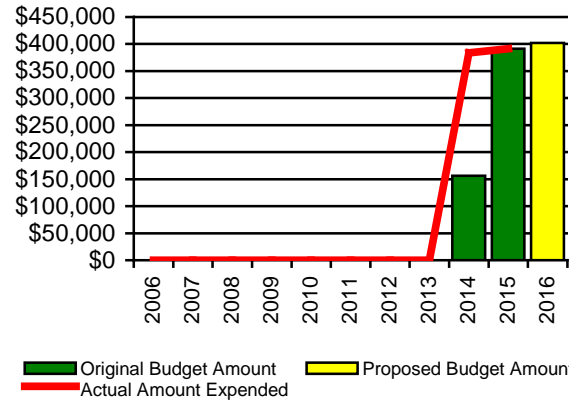
Debt Service Principal Payment	\$ 2,097,629
Total	\$ 2,097,629

Sewer Division – Debt Service

03-5-40-57203

## Debt Service Principal - Brineline

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$156,395	\$383,889
2015	\$391,372	\$391,372



<b>2016</b>	<b>\$401,939</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Brineline Facility.

**Line Item Detail:**

Debt Service Principal Payment	\$ 401,939
Total	<u>\$ 401,939</u>

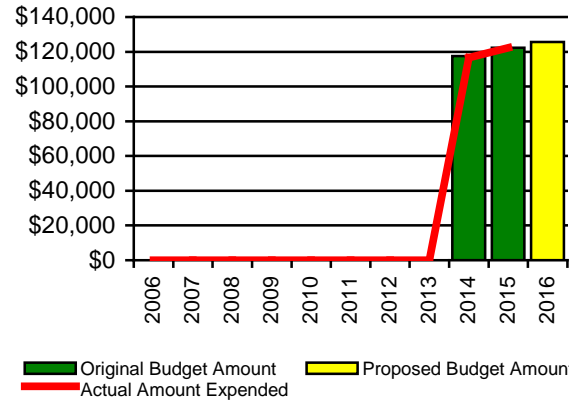


Sewer Division – Debt Service

03-5-40-57204

## Debt Service Principal - W.I.S.E.

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$117,482	\$116,576
2015	\$122,303	\$122,303



<b>2016</b>	<b>\$125,600</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Wochholz Improved Salinity Effluent (WISE) Project.

**Line Item Detail:**

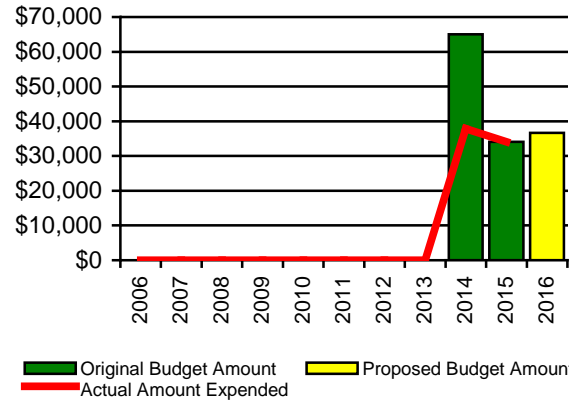
Debt Service Principal Payment	\$ 125,600
Total	<u>\$ 125,600</u>

Sewer Division – Debt Service

03-5-40-57205

## Debt Service Principal – R 10.3 & Booster Station

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$65,000	\$37,887
2015	\$34,080	\$34,080



<b>2016</b>	<b>\$36,663</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the Wochholz Improved Salinity Effluent (WISE) Project.

**Line Item Detail:**

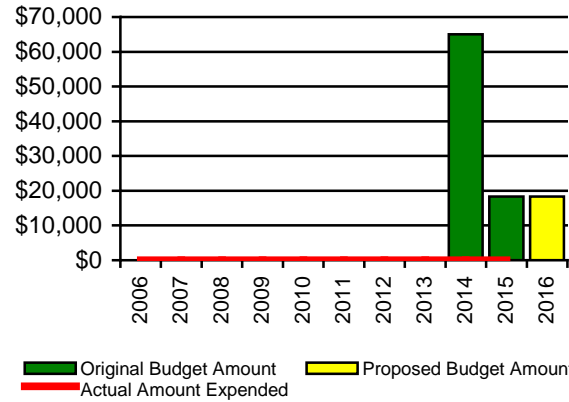
Debt Service Principal Payment	\$ 36,663
Total	\$ <u>36,663</u>

Sewer Division – Debt Service

03-5-40-57206

## Debt Service Principal - Crow Street & B-12.1

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$65,000	\$0
2015	\$18,357	\$0



<b>2016</b>	<b>\$18,357</b>
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**Description:**

This budget category will be used for expenses related to the principal payment of the State Revolving Fund Loan for the recycled water pipeline in Crow Street and the recycled water booster B-12.1

**Line Item Detail:**

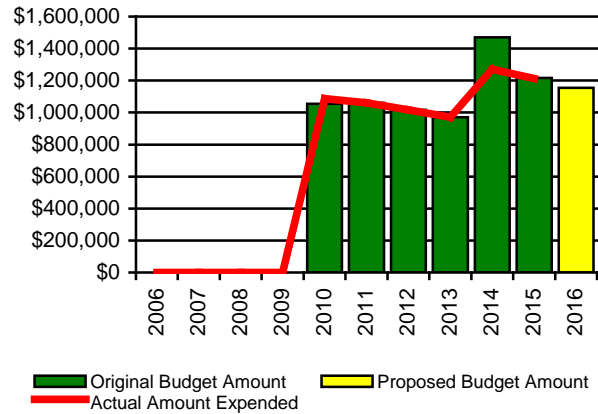
Debt Service Principal Payment	\$ 18,357
<b>Total</b>	<b><u>\$ 18,357</u></b>

Sewer Division – Debt Service

03-5-40-57403

## Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$1,054,635	\$1,087,638
2011	\$1,060,600	\$1,060,600
2012	\$1,017,040	\$1,015,886
2013	\$970,100	\$970,099
2014	\$1,469,867	\$1,270,593
2015	\$1,215,856	\$1,213,180



<b>2016</b>	<b>\$1,153,830</b>
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**Description:**

This budget category will be used for expenses related to the interest payment of the State Revolving Fund loans for the Wochholz Regional Water Recycling facility, the Yucaipa Valley Regional Brineline, the WISE equipment, the R-10.3 and booster station and the Crow Street pipeline and the Booster B-12.1 facility.

**Line Item Detail:**

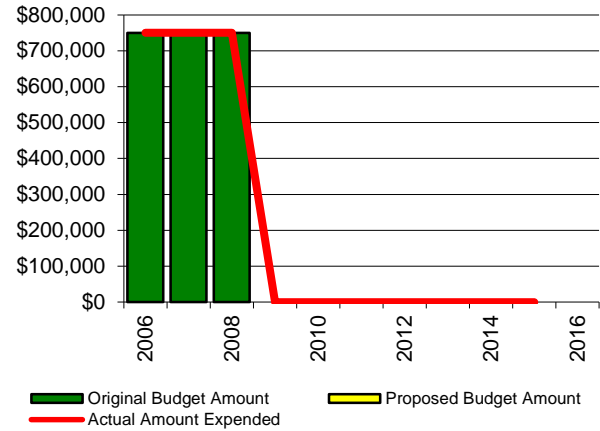
Debt Service Interest Payment - WRWRF	\$ 826,039
Debt Service Interest Payment - Brineline	\$ 247,335
Debt Service Interest Payment - WISE	\$ 60,200
Debt Service Interest Payment – R-10.3 & Booster Station	\$ 17,580
Debt Service Interest Payment - Crow St. & B-12.1	\$ 2,676
<b>Total</b>	<b><u>\$ 1,153,830</u></b>

Sewer Division – Debt Service

For Use for Fund Transfers

## Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0
2015	\$0	\$0



<b>2016</b>	<b>\$0</b>
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**Description:**

This budget category will be used to establish a fund for stabilizing sewer rates in the future. This fund will be established by a sewer division operating fund transfer.

**Line Item Detail:**

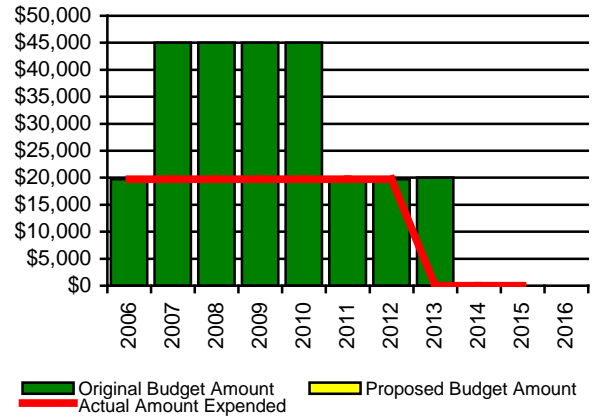
Rate Stabilization Funding	\$ 0
Total	<u>\$ 0</u>

Sewer Division – Debt Service

03-5-40-57009

## Plant Support Facilities

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$45,000	\$19,710
2010	\$45,000	\$19,710
2011	\$19,710	\$19,710
2012	\$19,710	\$19,710
2013	\$20,000	\$0
2014	\$0	\$0
2015	\$0	\$0



<b>2016</b>	<b>\$0</b>
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**Description:**

In June 1993, the District entered into a Santa Ana Regional Interceptor (SARI) Discharge Agreement with San Bernardino Valley Municipal Water District. This agreement allocates 108,000 gallons per day of SARI pipeline capacity to Yucaipa Valley Water District. The District has committed to purchase the capacity for a sum of \$394,200, payable in twenty (20) annual installments of \$19,710. The annual payments will be fulfilled with the final payment due in 2012.

**Line Item Detail:**

Annual Installment	\$ .00
<b>Total</b>	<b><u>\$ .00</u></b>



## **Chapter Four**

Fiscal Year 2016

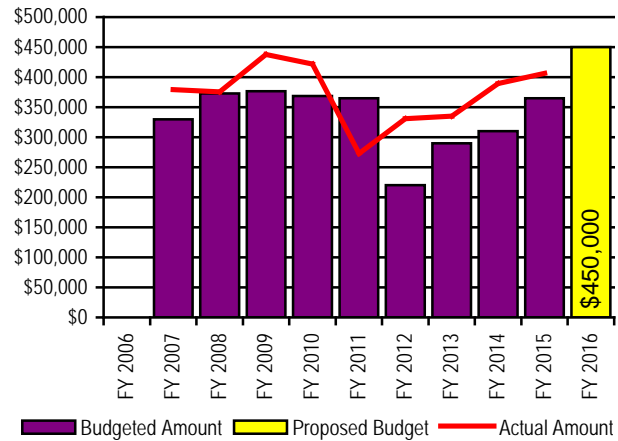
Recycled Water Division  
Operating Budget

# Recycled Water Division Revenue Analysis

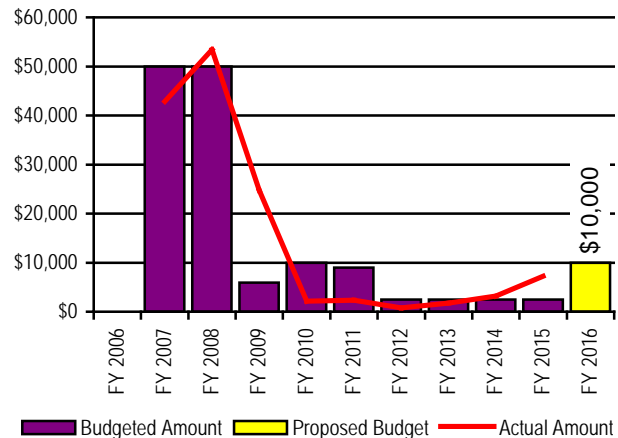
## Sources of Revenue

The recycled water division receives revenue from a number of different sources with the major sources consisting of the following:

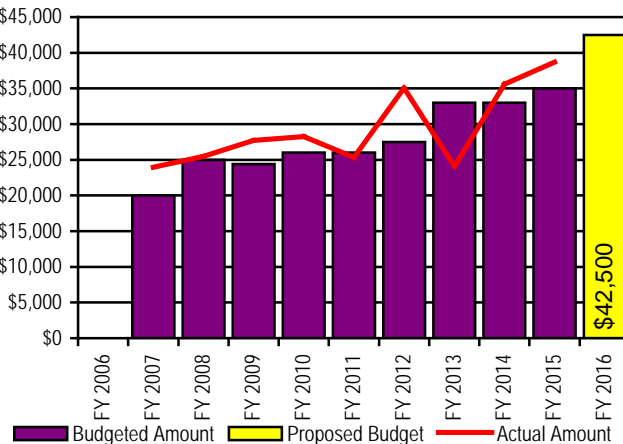
**Recycled Water - Commodity Charges (04-40010):** This revenue source is the variable component of the recycled water sales that is based on the amount of recycled water consumed by our customers. Recycled water sales represent the largest single revenue source in the Recycled Water Division. However, as a variable revenue component, this revenue source is directly dependent on the amount of water consumed. It is highly subject to seasonal variations and climatic changes.



**Construction Water – Commodity Charges (04-40011):** This revenue source is highly variable recycled water consumption revenue collected from developers and contractors for construction purposes. The amount of revenue generated from this source is directly dependent on the timing and magnitude of new construction in our service area. A similar revenue category exists for in the water division for potable water used for construction purposes.

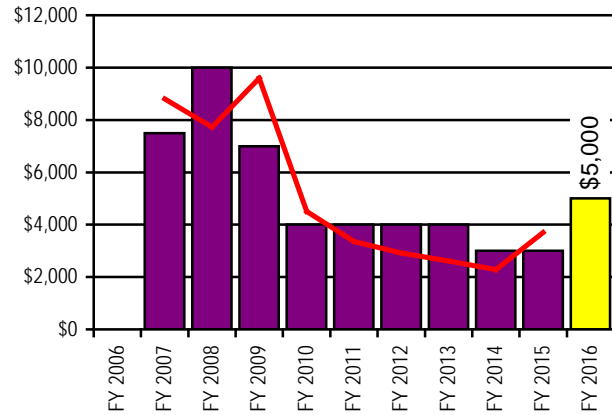


**Recycled Water - Service Demand Charge (04-41000):** This revenue source is the fixed rate component charged to all recycled water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.

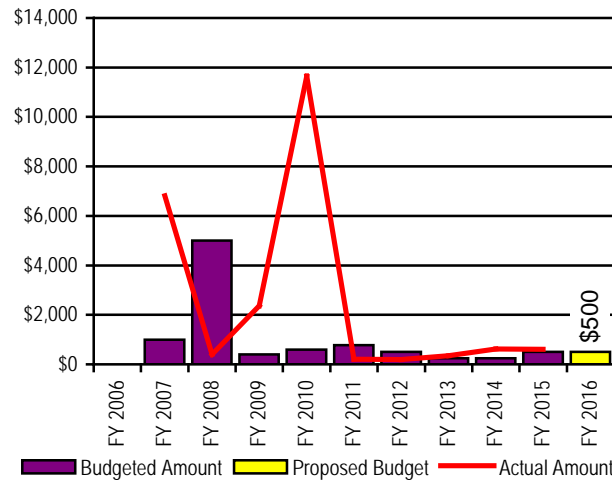




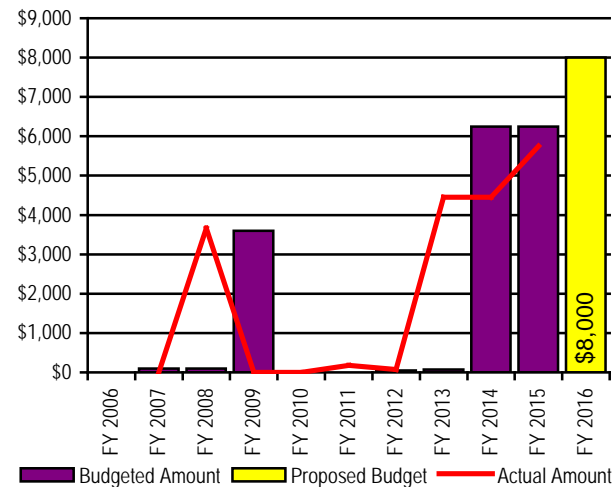
**Construction Water – Minimum Charge (02-41003):** This revenue source is the fixed rate component charged to all customers using recycled water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



**Penalty Late Charges (04-41121):** This revenue source is generated from late payments of sewer services. The District’s late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.

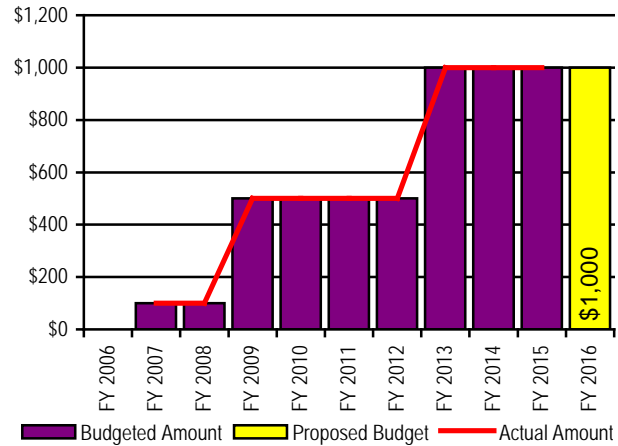


**Interest Earnings (04-43010):** This revenue source is generated from investment interest earnings. The District’s investment policy utilizes U.S. securities as the predominant investment vehicle. Significantly lesser amounts are invested in the Local Agency Investment Fund (LAIF) and money market funds.



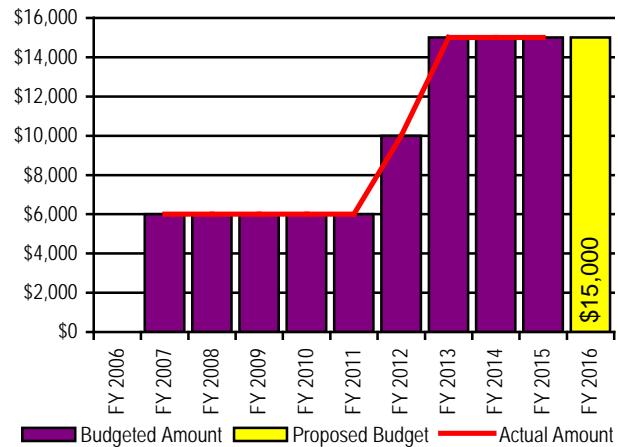
**Property Tax – Unsecured (04-43110):**

This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District’s service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real estate. The tax is assessed against such things as business equipment, fixtures, boats and airplanes.



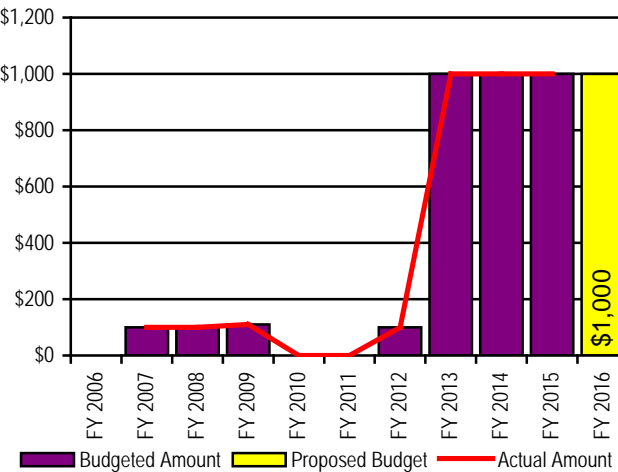
**Property Tax – Secured (04-43120):**

This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District’s service area. Secured property taxes are those taxes collected on real property such as land and structures.



**Tax Collection – Prior (04-43130):**

This revenue source is generated from the property tax increment collected from prior years.



Other sources of operating revenue for the recycled division include:

- Meter/Lateral Installation (04-41110)
- Revenue-Other, Operating (04-41122)
- Other Taxes (04-43140)
- Misc. Non-Operating Revenue (04-49150)

## Recycled Water Administrative Services Department

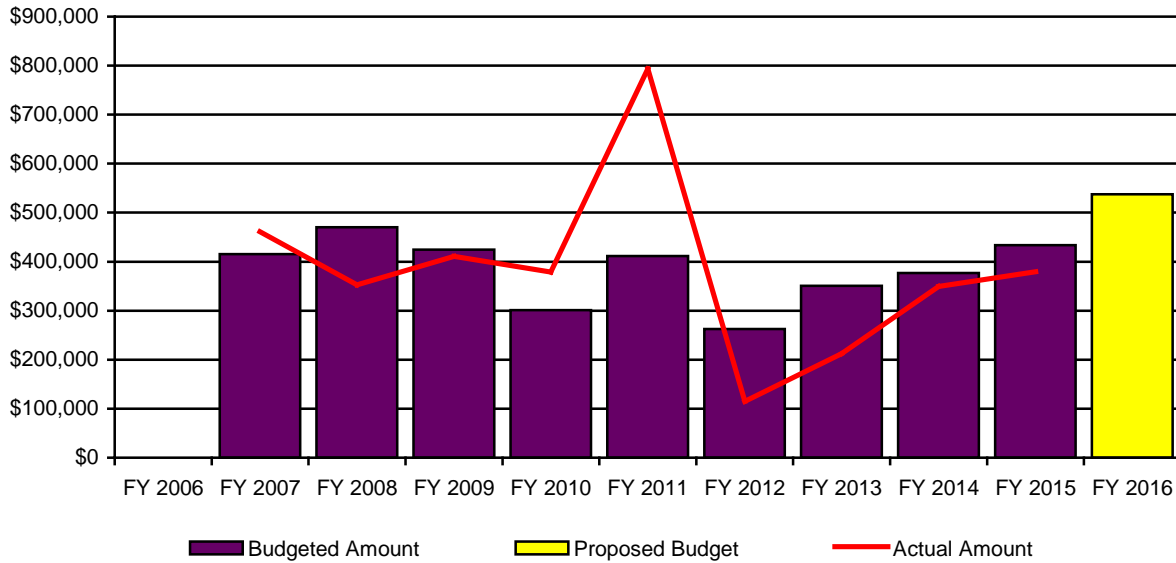
Department Description – The Recycled Water Division consists of individual assigned to other duties that work together the implement, monitor, inspect, operate and perform the required duties of the recycled water enterprise.

Departmental Responsibilities – The Recycled Water Department is responsible for developing the District’s activities related to recycled water service in the community.

Organizational Structure & Staffing Levels – This year the District has assigned labor resources of 2.75 Full-Time Equivalent (FTE) employees for the Recycled Water Division. The FTE calculation details for this department are as follows:

Title	Range	FTE	Expense
General Manager	- -	0.1	\$ 17,225
Assistant Manager	245	0.1	\$ 12,590
Public Works Manager	234	0.25	\$ 27,687
Water Resource Manager	232	0.2	\$ 22,661
Operations Manager	228	0.4	\$ 40,526
Public Works Supervisor	113	0.4	\$ 36,573
Utility Service Worker IV	44	0.1	\$ 6,802
Utility Service Worker III	40	0.2	\$ 12,460
Utility Service Worker II	36	0.1	\$ 5,644
Utility Service Worker I	32	0.9	\$ 44,461
<b>Total</b>		<b>2.75</b>	<b>\$226,629</b>

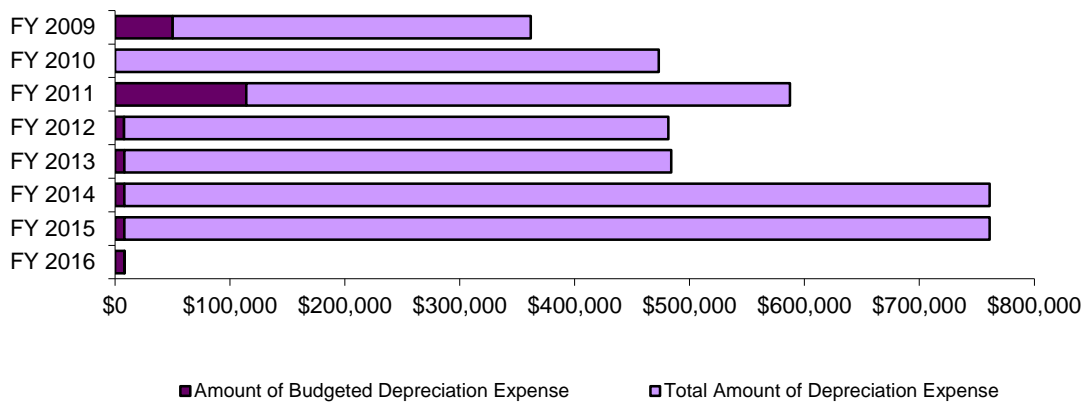
**Budget Overview** – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the administrative service department will be allocated \$537,250, which represents an increase of \$103,750 as compared to the previous year, or a 23.93% increase.

**Anticipated Issues for This Fiscal Year** – The following issues have been identified for this fiscal year. The specific resolution to the issues presented below may need to be further analyzed by District staff and presented to the Board of Directors for the adoption of a specific policy, procurement or other action as deemed necessary.

- The District continues to underfund our actual depreciation expenses. This issue is most readily apparent in the annual financial audit which shows the following portion of funded depreciation expense.



In order to adequately fund the repair and replacement of District facilities, additional funding is necessary in this line item.

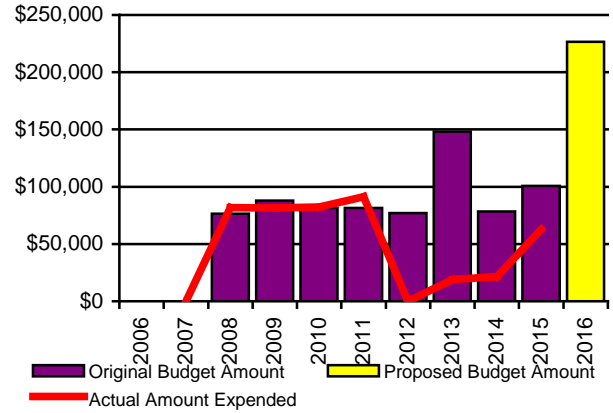
Recycled Water Division – Administrative Services Department

04-5-06-50010

# Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$88,000	\$81,341
2010	\$81,500	\$82,397
2011	\$81,500	\$91,151
2012	\$76,900	\$0
2013	\$148,162	\$18,839
2014	\$78,400	\$21,572
2015	\$100,632	\$62,812

<b>2016</b>	<b>\$226,630</b>
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Description:

This budget category includes the base salaries and expected overtime for the recycled water division.

Line Item Detail:

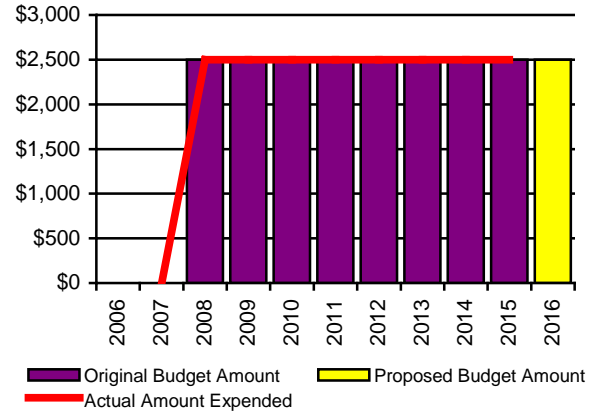
Title	Range	FTE	Expense
General Manager	--	0.1	\$ 17,225
Assistant Manager	245	0.1	\$ 12,590
Public Works Manager	234	0.25	\$ 27,687
Water Resource Manager	232	0.2	\$ 22,661
Operations Manager	228	0.4	\$ 40,526
Public Works Supervisor	113	0.4	\$ 36,573
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Utility Service Worker III	40	0.2	\$ 12,460
Utility Service Worker II	36	0.1	\$ 5,644
Utility Service Worker I	32	0.9	\$ 44,461
<b>Total</b>		<b>2.75</b>	<b><u>\$226,629</u></b> <b><u>226,629</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-50012

## Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$2,500	\$2,500
2010	\$2,500	\$2,500
2011	\$2,500	\$2,500
2012	\$2,500	\$2,500
2013	\$2,500	\$2,500
2014	\$2,500	\$2,500
2015	\$2,500	\$2,500



<b>2016</b>	<b>\$2,500</b>
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**Description:**

Director related meeting reimbursement expenses for seminars and related events.

**Line Item Detail:**

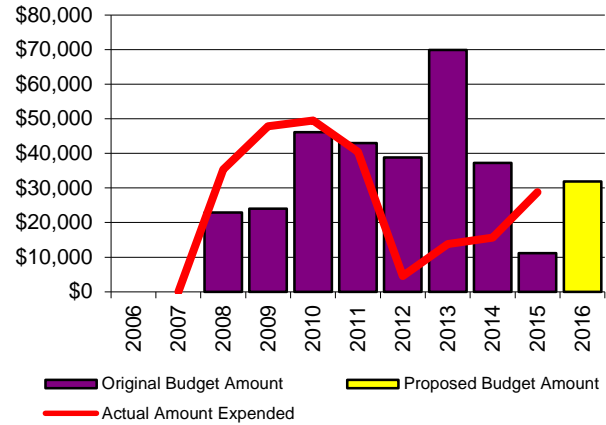
Director Fees, Travel, Seminars and Other Expenses	\$ 2,500
	\$ 2,500

Recycled Water Division – Administrative Services Department

04-5-06-500xx

# Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$24,000	\$47,813
2010	\$46,150	\$49,523
2011	\$43,000	\$40,393
2012	\$38,780	\$4,539
2013	\$69,913	\$13,785
2014	\$37,215	\$15,597
2015	\$11,150	\$28,736



<b>2016</b>	<b>\$31,900</b>
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Description:

This budget category includes the District paid benefits for the staff members of the recycled water division.

Line Item Detail:

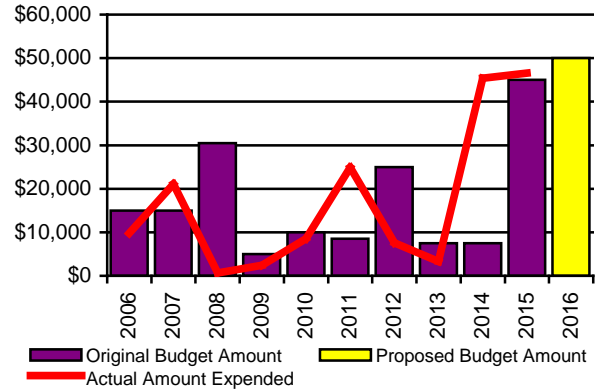
FICA (50013)	\$ 5,000
Life Insurance (50014)	\$ 250
Medical, Dental, Vision & Deferred Comp. (50016)	\$ 15,000
Disability Insurance (50017)	\$ 500
Workers' Compensation (50019)	\$ 3,000
PERS Employee (50021)	\$ 2,200
PERS Employer (50022)	\$ 5,000
Uniforms (50023)	\$ 200
Vacation / Sick Leave	\$ 500
Boot Allowance @ \$200/Employee (50025)	\$ 250
<b>Total</b>	<b><u>\$ 31,900</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-51003

## Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$2,413
2010	\$10,000	\$8,533
2011	\$8,500	\$24,880
2012	\$25,000	\$7,546
2013	\$7,500	\$3,282
2014	\$7,500	\$45,381
2015	\$45,000	\$46,564



<b>2016</b>	<b>\$50,000</b>
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**Description:**

This budget category represents the annual projected costs associated with the maintenance and repair of recycled water related facilities.

FY 2014 Remove and replace existing 24” tee, butterfly valves and gate valves at WRWRF due to Black & Veatch design.

**Line Item Detail:**

General Maintenance for Recycled Water Facilities	\$ 40,000
Reservoir Inspections	\$ 10,000
	<u>\$ 50,000</u>

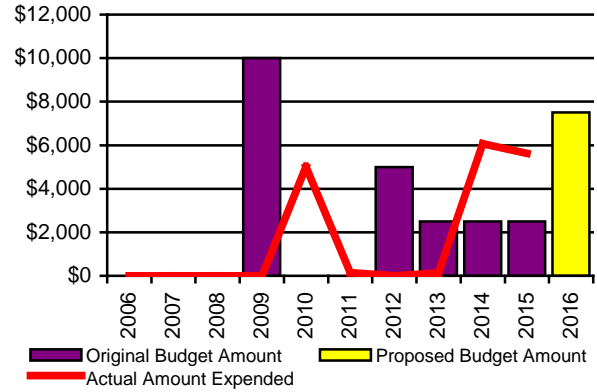


Recycled Water Division – Administrative Services Department

04-5-06-51020

## Repair & Maintenance – Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$10,000	\$0
2010	\$0	\$5,015
2011	\$0	\$143
2012	\$5,000	\$0
2013	\$2,500	\$132
2014	\$2,500	\$6,064
2015	\$2,500	\$5,629



<b>2016</b>	<b>\$7,500</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District’s recycled transmission and distribution facilities. Costs are reflective of repair and replacement of recycled pipelines and related infrastructure encroachments.

**Line Item Detail:**

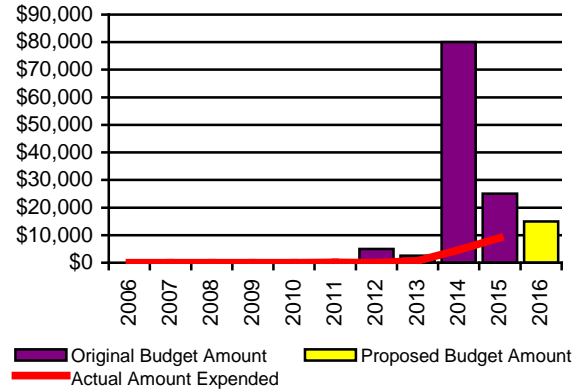
General Maintenance for Recycled Water Pipelines	\$ 7,500
	<u>\$ 7,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-51021

## Repair & Maintenance – Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$8
2010	\$0	\$0
2011	\$0	\$144
2012	\$5,000	\$0
2013	\$2,500	\$667
2014	\$80,000	\$4,684
2015	\$25,000	\$9,068



<b>2016</b>	<b>\$15,000</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District’s recycled water service lines.

**Line Item Detail:**

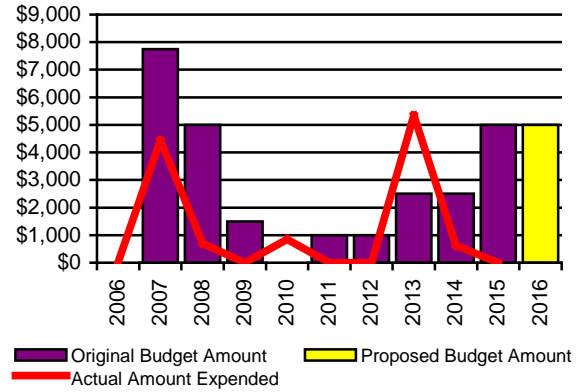
General Maintenance for Recycled Water Service Lines	\$ 15,000
	\$ 15,000

Recycled Water Division – Administrative Services Department

04-5-06-51022

## Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,500	\$0
2010	\$0	\$852
2011	\$1,000	\$0
2012	\$1,000	\$0
2013	\$2,500	\$5,343
2014	\$2,500	\$632
2015	\$5,000	\$0



<b>2016</b>	<b>\$5,000</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District's recycled water fire hydrants.

**Line Item Detail:**

General Maintenance for Recycled Water Fire Hydrants

\$ 5,000

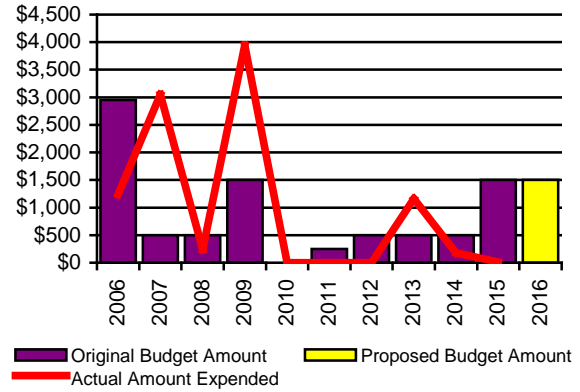
\$ 5,000

Recycled Water Division – Administrative Services Department

04-5-06-51030

## Repair & Maintenance – Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,500	\$3,943
2010	\$0	\$0
2011	\$250	\$0
2012	\$500	\$0
2013	\$500	\$1,162
2014	\$500	\$179
2015	\$1,500	\$12



<b>2016</b>	<b>\$1,500</b>
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**Description:**

This budget category represents the annual projected costs associated with maintaining the District's recycled water meters.

**Line Item Detail:**

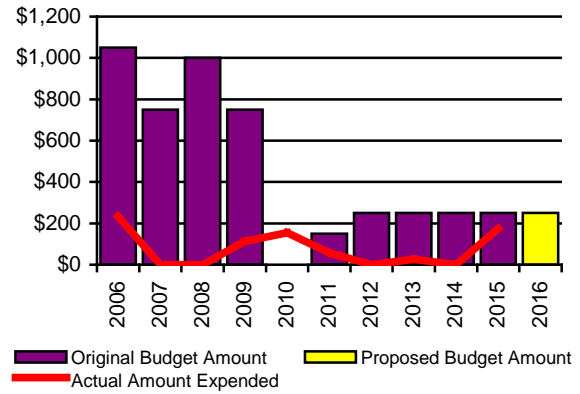
General Maintenance for Recycled Water Meters	\$ 1,500
	<u>\$ 1,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-51140

## General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$750	\$113
2010	\$0	\$155
2011	\$150	\$57
2012	\$250	\$0
2013	\$250	\$27
2014	\$250	\$0
2015	\$250	\$174



<b>2016</b>	<b>\$250</b>
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**Description:**

This budget category includes the miscellaneous supplies and expenses related to the operation of the recycled division.

**Line Item Detail:**

Supplies and Expenses

\$ 250

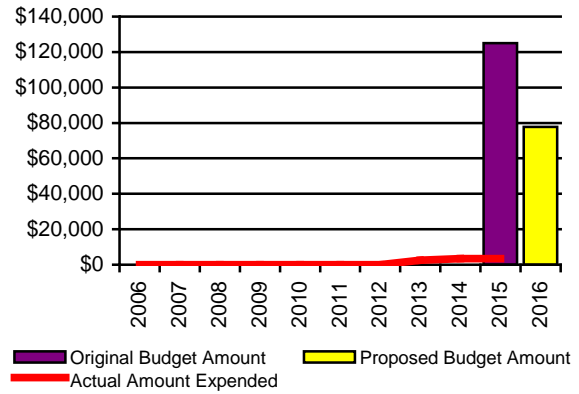
\$ 250

Recycled Water Division – Administrative Services Department

04-5-06-51210

## Utilities – Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$2,524
2014	\$0	\$3,459
2015	\$124,968	\$3,459



<b>2016</b>	<b>\$77,720</b>
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**Description:**

This budget category includes all electrical power costs related to the operation of the recycled division.

**Line Item Detail:**

Electrical Power Costs

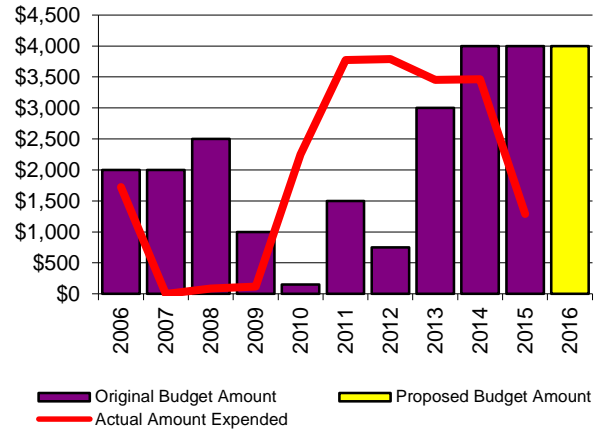
\$ 77,720  
\$ 77,720

Recycled Water Division – Administrative Services Department

04-5-06-54002

## Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$1,000	\$119
2010	\$150	\$2,248
2011	\$1,500	\$3,774
2012	\$750	\$3,788
2013	\$3,000	\$3,453
2014	\$4,000	\$3,461
2015	\$4,000	\$1,291



<b>2016</b>	<b>\$4,000</b>
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**Description:**

This category includes all costs related to membership dues and periodical subscriptions for the recycled water division during the fiscal year.

**Line Item Detail:**

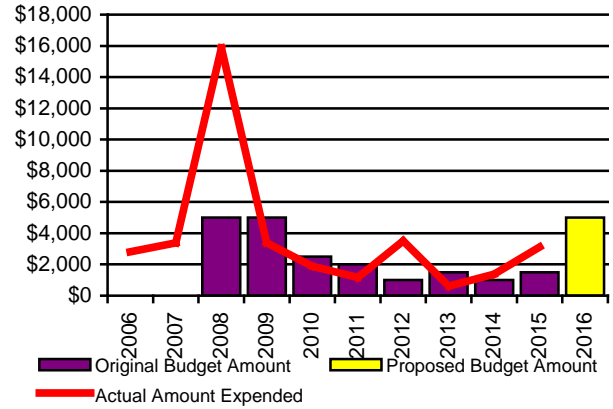
Dues and Subscriptions	\$ 4,000
<b>Total</b>	<b><u>\$ 4,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54005

# Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$3,373
2010	\$2,500	\$1,886
2011	\$2,000	\$1,167
2012	\$1,000	\$3,498
2013	\$1,500	\$620
2014	\$1,000	\$1,375
2015	\$1,500	\$3,126



<b>2016</b>	<b>\$5,000</b>
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**Description:**

This budget category has been established to include the costs related to modifications and improvements in the operation of the computer systems.

**Line Item Detail:**

Computer Purchases and Network Maintenance	<u>\$ 5,000</u>
<b>Total</b>	<b><u>\$5,000</u></b>

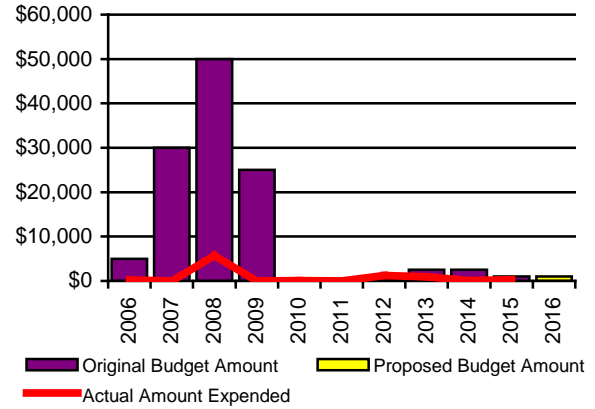


Recycled Water Division – Administrative Services Department

04-5-06-54011

## Printing & Publications

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$25,000	\$0
2010	\$0	\$66
2011	\$75	\$0
2012	\$250	\$1,223
2013	\$2,500	\$913
2014	\$2,500	\$97
2015	\$1,000	\$297



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category includes the costs associated with printing business forms and publishing newsletters, public hearing notices and job announcements.

**Line Item Detail:**

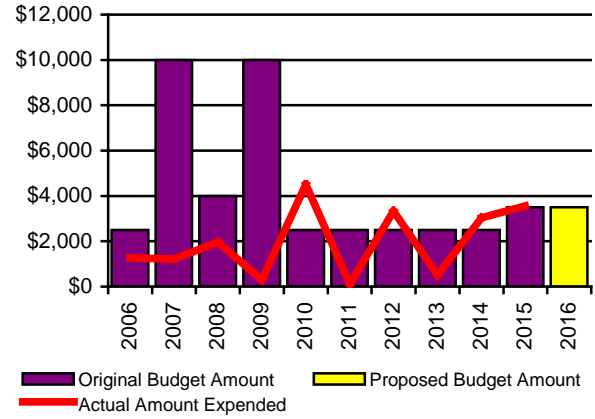
Various Printing and Publication Related Expenses	\$ 1,000
<b>Total</b>	<b><u>\$ 1,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54012

## Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$10,000	\$300
2010	\$2,500	\$4,497
2011	\$2,500	\$108
2012	\$2,500	\$3,332
2013	\$2,500	\$512
2014	\$2,500	\$3,036
2015	\$3,500	\$3,564



<b>2016</b>	<b>\$3,500</b>
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**Description:**

This budget category includes the costs associated with training individuals in the recycled water division.

**Line Item Detail:**

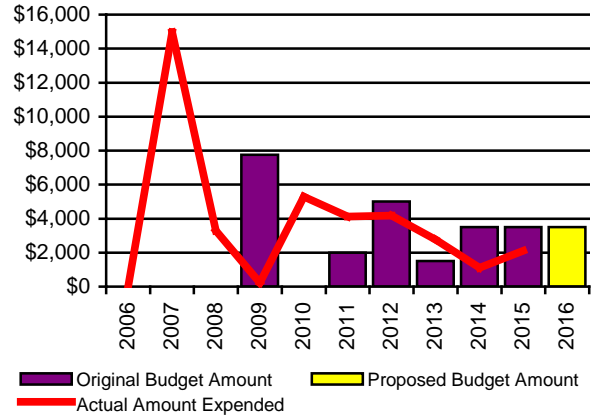
Education and Training Expenses	\$ 3,500
<b>Total</b>	<b><u>\$3,500</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54014

## Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$7,750	\$227
2010	\$0	\$5,290
2011	\$2,000	\$4,130
2012	\$5,000	\$4,172
2013	\$1,500	\$2,763
2014	\$3,500	\$1,118
2015	\$3,500	\$2,111



<b>2016</b>	<b>\$3,500</b>
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**Description:**

This budget category includes the costs associated with public relations efforts.

**Line Item Detail:**

Public Relations

\$ 3,500

Total

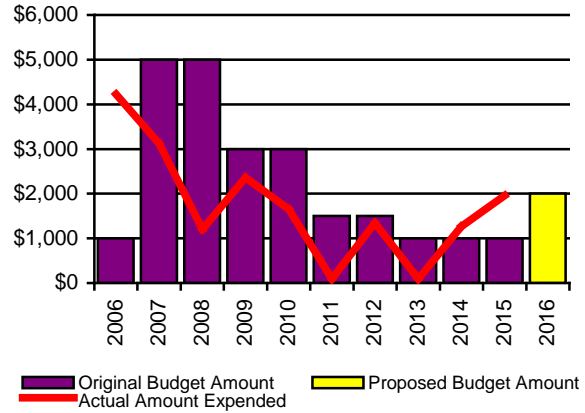
\$ 3,500

Recycled Water Division – Administrative Services Department

04-5-06-54016

## Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$3,000	\$2,362
2010	\$3,000	\$1,650
2011	\$1,500	\$95
2012	\$1,500	\$1,346
2013	\$1,000	\$96
2014	\$1,000	\$1,265
2015	\$1,000	\$1,957



<b>2016</b>	<b>\$2,000</b>
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**Description:**

This budget category represents the estimated costs for travel related expenses for the recycled water division.

**Line Item Detail:**

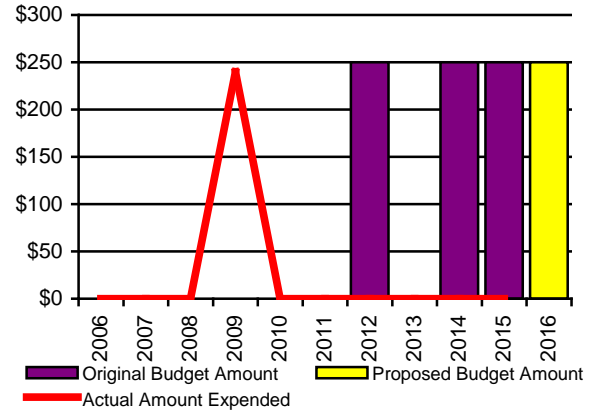
Travel Related Expenses	\$ 2,000
<b>Total</b>	<b><u>\$2,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54017

## Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$240
2010	\$0	\$0
2011	\$0	\$0
2012	\$250	\$0
2013	\$0	\$0
2014	\$250	\$0
2015	\$250	\$0



<b>2016</b>	<b>\$250</b>
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**Description:**

This budget category will be used for recycled water division employee certifications.

**Line Item Detail:**

Backflow Certifications

\$ 250

Total

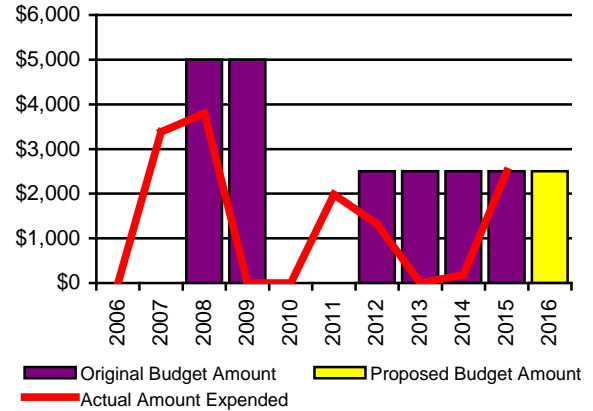
\$ 250

Recycled Water Division – Administrative Services Department

04-5-06-54019

## Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$0
2010	\$0	\$0
2011	\$0	\$1,984
2012	\$2,500	\$1,323
2013	\$2,500	\$0
2014	\$2,500	\$189
2015	\$2,500	\$2,496



<b>2016</b>	<b>\$2,500</b>
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**Description:**

This budget category includes the required annual operating permits for various state and local governmental agencies. In most cases, the amounts of the fees are established by regulation.

**Line Item Detail:**

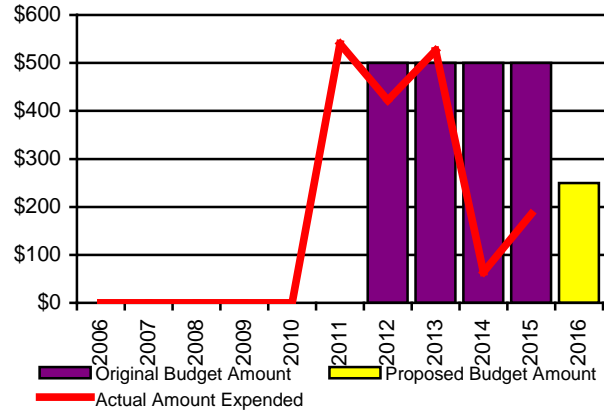
Recycled Division Licenses & Permits	\$ 2,500
<b>Total</b>	<b><u>\$2,500</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54020

## Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	--	--
2010	--	--
2011	\$0	\$540
2012	\$500	\$422
2013	\$500	\$526
2014	\$500	\$64
2015	\$500	\$185



<b>2016</b>	<b>\$250</b>
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**Description:**

The District hosts numerous meetings throughout the year which include public tours, tours for school children, and several regional meetings for recycled industry professionals. This budget category will be used for expenses related to meetings hosted or attended by the District for recycled water functions.

**Line Item Detail:**

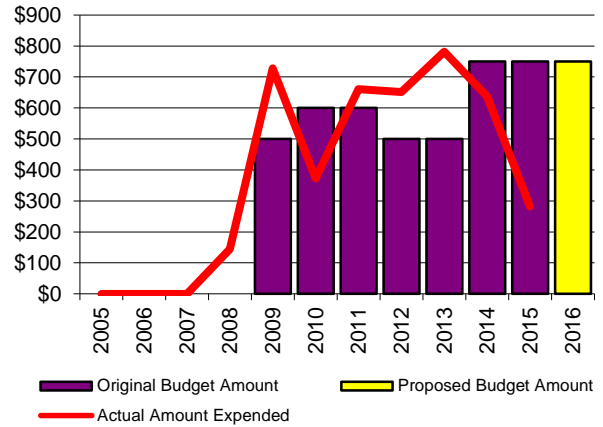
Recycled Division Meeting Related Expenses	\$ 250
Total	<u>\$ 250</u>

Recycled Water Division – Administrative Services Department

04-5-06-54025

# Telephone

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$500	\$728
2010	\$600	\$373
2011	\$600	\$661
2012	\$500	\$651
2013	\$500	\$781
2014	\$750	\$637
2015	\$750	\$282



<b>2016</b>	<b>\$750</b>
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**Description:**

This budget category will be used for telephone related expenses.

**Line Item Detail:**

Telephone

\$ 750

Total

\$ 750

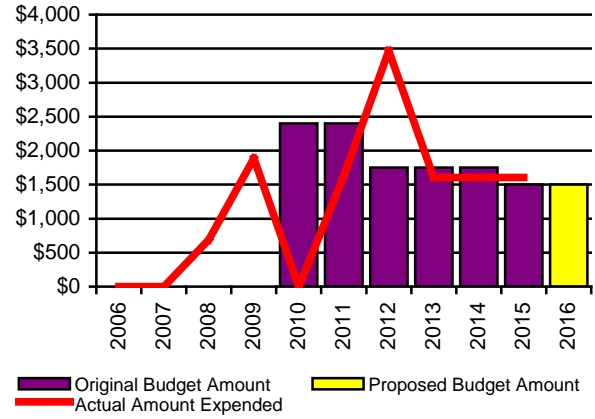


Recycled Water Division – Administrative Services Department

04-5-06-54104

## Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$1,886
2010	\$2,400	\$0
2011	\$2,400	\$1,630
2012	\$1,750	\$3,470
2013	\$1,750	\$1,605
2014	\$1,750	\$1,605
2015	\$1,500	\$1,605



<b>2016</b>	<b>\$1,500</b>
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**Description:**

This budget category includes the general contractual services allocated to the recycled water division.

**Line Item Detail:**

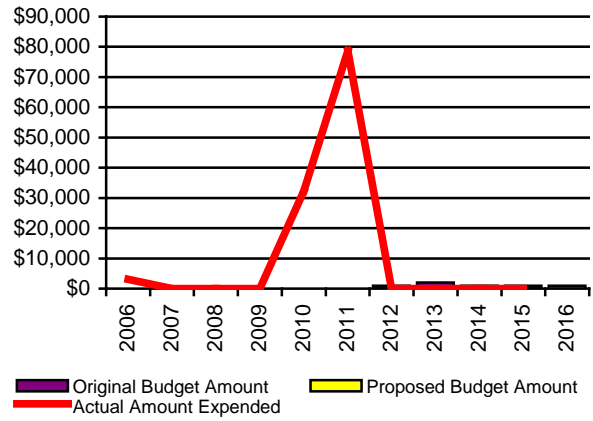
Contractual Services	<u>\$ 1,500</u>
Total	<u>\$1,500</u>

Recycled Water Division – Administrative Services Department

04-5-06-54107

# Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$32,305
2011	\$0	\$78,688
2012	\$2,000	\$0
2013	\$2,000	\$0
2014	\$1,000	\$0
2015	\$1,000	\$0



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category is used for all recycled water related legal costs.

**Line Item Detail:**

Legal Expenses

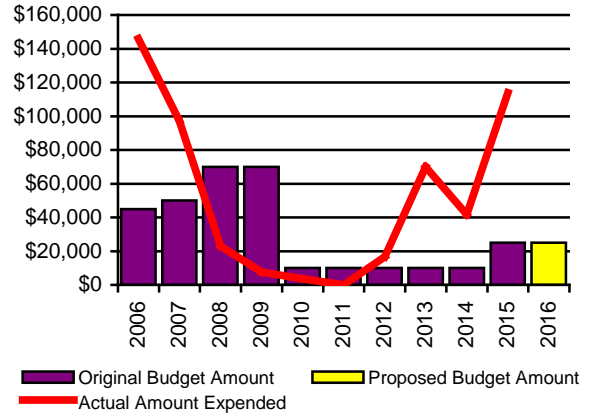
	\$ 1,000
<b>Total</b>	<b><u>\$1,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54109

## Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$70,000	\$7,662
2010	\$10,000	\$3,588
2011	\$10,000	\$0
2012	\$10,000	\$16,604
2013	\$10,000	\$69,957
2014	\$10,000	\$66,252
2015	\$25,000	\$113,870



<b>2016</b>	<b>\$25,000</b>
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**Description:**

This budget category represents the costs associated with miscellaneous professional fees related to engineering type services for this division.

**Line Item Detail:**

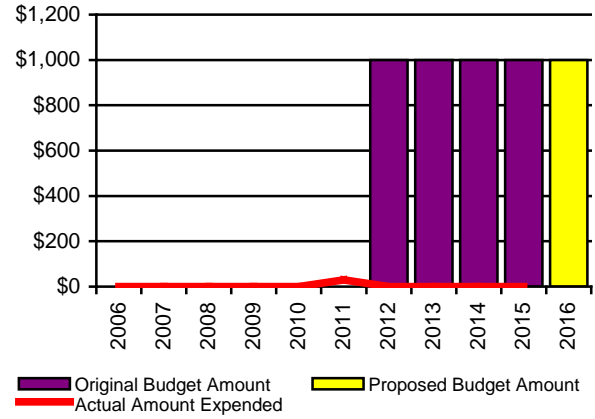
Professional Fees	\$ 25,000
<b>Total</b>	<b><u>\$25,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-54110

## Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	--	--
2010	--	--
2011	\$0	\$30
2012	\$1,000	\$0
2013	\$1,000	\$0
2014	\$1,000	\$0
2015	\$1,000	\$0



<b>2016</b>	<b>\$1,000</b>
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**Description:**

This budget category is used for all recycled water related laboratory services.

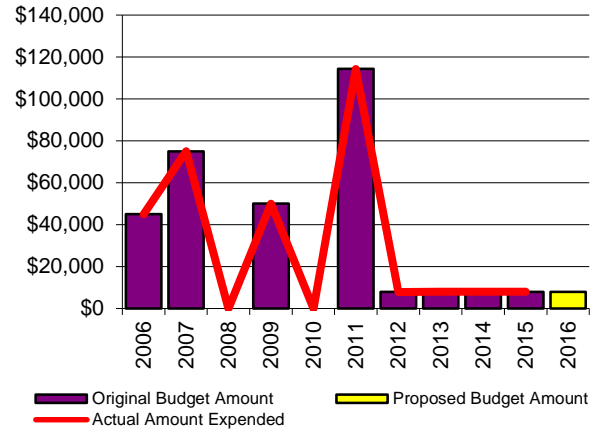
**Line Item Detail:**

Laboratory Services

\$ 1,000	
<b>Total</b>	<b>\$1,000</b>

## Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$50,000	\$50,000
2010	\$0	\$0
2011	\$114,300	\$114,300
2012	\$7,900	\$7,900
2013	\$8,000	\$8,000
2014	\$8,000	\$8,000
2015	\$8,000	\$8,000



<b>2016</b>	<b>\$8,000</b>
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**Description:**

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The District has established this annual reserve for its long-term organizational and operational stability and to enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements during the year. This reserve fund is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of recycled water related infrastructure (depreciation reserves).

**Line Item Detail:**

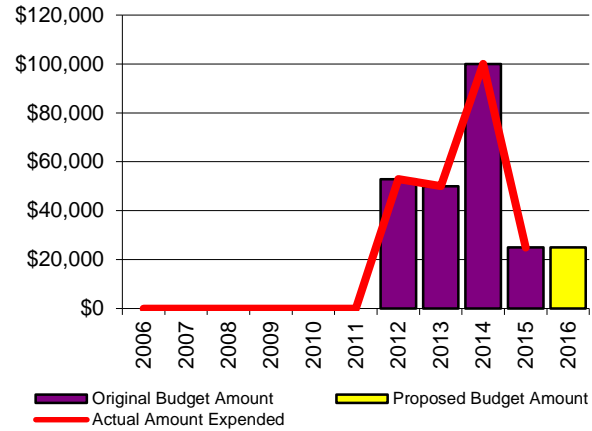
Reserve Funds	\$ 8,000
<b>Total</b>	<b><u>\$ 8,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-xxxxx

## Recycled Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$52,920	\$52,920
2013	\$50,000	\$50,000
2014	\$100,000	\$100,000
2015	\$25,000	\$25,000



<b>2016</b>	<b>\$25,000</b>
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**Description:**

This budget category represents funding necessary to replace depreciated assets of the recycled water division such as reservoirs, boosters, pipelines, services, fire hydrants, meters, structures, buildings, trucks, shop equipment, computers, radios, construction equipment, and tools relative to the recycled water operations.

At the conclusion of this fiscal year, these funds will be strictly designated to fund the replacement of water related infrastructure (depreciation reserves).

**Line Item Detail:**

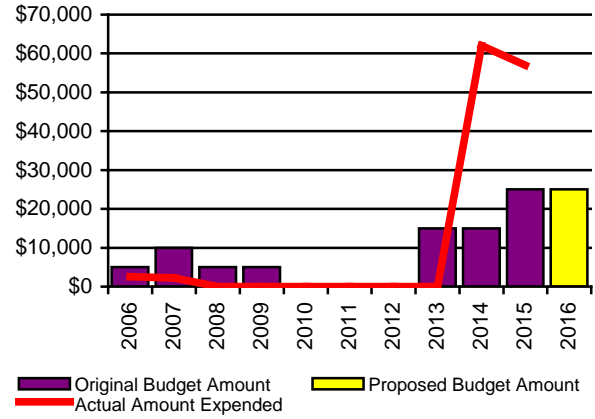
Depreciation	<u>\$ 25,000</u>
<b>Total</b>	<b><u>\$ 25,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-57030

## Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$5,000	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$15,000	\$0
2014	\$15,000	\$62,003
2015	\$25,000	\$56,970



<b>2016</b>	<b>\$25,000</b>
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**Description:**

This budget category will be used for regulatory compliance issues within the recycled water division.

**Line Item Detail:**

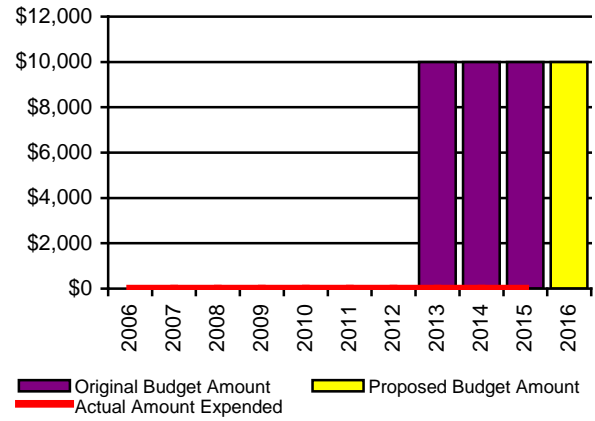
Regulatory Compliance including DPH and Regional Board	\$ 25,000
<b>Total</b>	<b><u>\$ 25,000</u></b>

Recycled Water Division – Administrative Services Department

04-5-06-57040

## Environmental Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2009	\$0	\$0
2010	\$0	\$0
2011	\$0	\$0
2012	\$0	\$0
2013	\$10,000	\$0
2014	\$10,000	\$0
2015	\$10,000	\$0



<b>2016</b>	<b>\$10,000</b>
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**Description:**

This budget category will be used for environmental compliance issues within the recycled water division.

**Line Item Detail:**

Environmental Compliance	\$ 10,000
Total	<u>\$ 10,000</u>





# **Chapter Five**

**Fiscal Year 2016**

**Capital Improvement Budget**

## Capital Improvement Program

A systematic, organized approach to planning capital facilities provides a number of benefits:

Using taxpayers' dollars wisely. Advance planning and scheduling of infrastructure may avoid costly mistakes. The effort put into deliberate assessment of the need for repair, replacement or expansion of existing infrastructure, as well as careful evaluation of the need and timing of new facilities can provide savings. Project timing may be improved to better use available personnel, expensive equipment and construction labor by scheduling related major activities over a longer period. Coordination of construction of several projects may affect savings in construction costs (a newly paved street may not have to be torn up to replace utility lines). Overbuilding or underbuilding usually can be avoided. Needed land can be purchased at lower cost well in advance of construction.

Focusing on community needs and capabilities. District projects should reflect the community's needs, objectives, expected growth and financial capability. With limitations for funding capital facilities, planning ahead will help assure that high priority projects will be built first.

Obtaining community support. Citizens tend to be more receptive toward projects which are part of a community-wide analysis. A high priority project which is part of an overall plan is less suspect as being someone's "pet project". Where the public participates in the planning of community facilities the citizens are better informed about the community needs and the priorities. A capital improvement program reduces the pressure on elected officials to fund projects which may be of low priority.

Encouraging economic development. Typically, a firm considering expansion or relocation is attracted to a community which has well planned and well managed facilities in place. Also, a capital improvement program allows private investors to understand a community's tax loads and service costs, and reflects the fact that the community has completed advance planning to minimize the costs of capital facilities.

More efficient administration. Coordination of capital improvements construction among city, county and special districts can reduce scheduling problems, conflicts and overlapping of projects. Also, work can be scheduled more effectively when it is known in advance what, where and when projects are to be undertaken. A capital improvements program allows a community to anticipate lead times necessary to conduct bond elections and bond sales, prepare design work and let contract bids.

Maintaining a stable financial program. Abrupt changes in the tax structure and bonded indebtedness may be avoided when construction projects are spaced over a number of years. Major expenditures can be anticipated, resulting in the maintenance of a sound financial standing through a more balance program of bonded indebtedness. Where there is ample time for planning, the most economical methods of financing each project can be selected in advance. Keeping planned projects within the financial capacity of the community helps to preserve its credit and bond rating and makes the area more attractive to business and industry.

Federal and state grant and loan programs. A capital improvements program places the community in a better position to take advantage of federal and state grant programs, because plans can be made far enough in advance to utilize matching funds, both anticipated and

unanticipated. Most federal and state grant/loan programs either require prior facilities planning, or favor, in ranking applications, applicants which have conducted such planning.

The Yucaipa Valley Water District Capital Improvement Program is a planning tool used to identify projects and their corresponding costs. This program is necessary to provide for the orderly replacement and expansion of existing facilities; the construction of new facilities; and the development of project revenue and financing sources.

The Yucaipa Valley Water District Capital Improvements Program is a blueprint for planning the capital expenditures by coordinating planning, financial capacity and physical infrastructure construction.

The Capital Improvement Program is composed of two parts -- a capital budget and a capital program. The capital budget is the upcoming year's spending plan for capital items. The capital program is a plan for capital expenditures that extends five years beyond the capital budget.

## Capital Improvement Program Summary

The Yucaipa Valley Water District Capital Improvement Program identifies those proposed projects to be undertaken by the District to improve services, upgrade facilities and replace physical plants. This report contains a summary of those projects. It should be noted that the cost estimates should only be used as a general guide. Actual costs may vary greatly based on such factors as when the project is built, specific design considerations, environmental mitigation, and actual construction bids.

Substantial financial resources will be needed to carry out the Capital Improvement Program. Revenue and expenditures over the next five-year period need to be reviewed in order to determine the District's ability to implement the Capital Improvement Program.

## Criteria for Prioritizing Capital Improvement Projects

Capital Improvement Projects will be evaluated and prioritized by being placed into one of three categories. The three categories are as follows:

- **Critical**
  - ▶ Reduce Dependency on Imported Water
    - Well Construction
    - Maximize Local Water
    - Recycled Water Development
  - ▶ Regulatory Requirements
  - ▶ Contractual Obligations
  
- **Important**
  - ▶ Community Needs
  - ▶ Minimization of Operational Costs
  - ▶ System Reliability
  
- **Necessary**
  - ▶ Future Growth

## Capital Improvement Categories

The District currently maintains several separate categories to better define capital improvement projects. These categories are used primarily to identify internal funding sources, but such categories can also be useful for assessing the importance of a particular project.

The District uses the following categories:

- Contractual Obligations
- Land Acquisition
- Recycled Water System Improvements
- Regulatory Requirements
- Sewer System Improvements
- Sewer Treatment Facility Construction/Improvements
- Water Source of Supply
- Water System Improvements
- Water Treatment Facility Construction/Improvements
- Water Well Construction

### Purpose of Capital Improvement Program

By establishing the Capital Improvement Program, it becomes clear that the District must maximize revenue sources to support the construction of required facilities. The District's ability to obtain long-term financing for the Capital Improvement Program is largely dependent on the financial strength and revenue stream of the District. To keep this high investment grade rating for future projects, the District must maintain adequate fee structures and reserve funds.

Finally, it is imperative that the operating costs of the water, sewer and recycled water divisions remain fully self-supported by user fees in order to maximize other revenue sources for support of the Capital Improvement Program.

In the Fiscal Year 2014 Operating Budget, the water, sewer and recycled water divisions receive property taxes that are used to fund depreciation/reserves. This is consistent with a fiduciary approach that invests heavily in the replacement of aged infrastructure instead of subsidizing water and sewer rates. This approach will continue to make the water, sewer and recycled water operating funds self sufficient while investing in improving the efficiency of the District while providing for the orderly replacement and expansion of existing facilities. This fiduciary philosophy of investing in the replacement of old infrastructure greatly enhances the overall value of the District while improving the quality of life for our customers.









Today the filtration system consists of 13.6 mgd of microfiltration (MF) and 6.0 mgd of nanofiltration (NF) processes. The 6.0 mgd NF system capacity allows the District to provide up to 8.0 mgd of drinking water at a blend ratio of 75:25 NF:MF, which is needed to minimize formation of regulated disinfection by products. To increase the production capacity of the facility, an additional NF process should be installed.

The District staff has recognized a distinct benefit of increasing the nanofiltration capacity by 3 mgd with a concentrate recycle process to improve the productivity and efficiency of the system while reducing the volume of the backwash water produced at the facility. This system enhancement will increase the overall drinking water capacity of the facility from 8 mgd to 12 mgd while eliminating about 1.0 mgd of flow to the recycled water system.

The benefit of this project would be to: (1) increase the efficiency of drinking water produced from the filtration facility from 85% to 95%; (2) decrease the amount of recycled water produced from the drinking water facility; (3) enhance the protection of the drinking water supply from increased salinity excursions and an upward overall salinity trend from source water originating from the State Water Project (a recent salinity peak in early 2014 is shown below); and (4) maintain compliance with the Regional Water Quality Control Board Basin Plan objectives for the Yucaipa and Beaumont Management Zones.

**Justification:**

The construction of this reservoir is necessary to augment the District's water supply which will provide a direct benefit to the amount of water managed in local groundwater basins.





## YUCAIPA VALLEY WATER DISTRICT CAPITAL IMPROVEMENT PROGRAM

**Division:** Water **Project Priority:** Important  
**Category:** System Improvements **Construction Year:** FY 2016  
**Project Title:** Second Street Pipeline Project

**COST BY TYPE**

Preliminary Engineering/Design	\$ 75,000
Environmental	\$ 0
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 50,000
Contract Construction	\$ 550,000
Construction Engineering	\$ 75,000
Other: Environmental/Permitting/Misc	\$ 50,000

**FUNDING SOURCE**

Reserves/Depreciation	\$ 400,000
Development Impact Fees	\$ 400,000
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	

Total	\$ 800,000	Total	\$ 800,000
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**Description:**

The Second Street Pipeline Project involves the construction of 960 linear feet of a 30" diameter conveyance pipeline from Persimmon Avenue to Eucalyptus Avenue and 374 linear feet of 12" ductile iron pipe from Well No. 46 to Persimmon Avenue. These pipelines will ultimately be capable of moving water from the Yucaipa Valley Regional Water Filtration Facility southerly to Yucaipa Boulevard. In the future, the District will need to extend the 30" pipeline south to Wildwood Canyon Road.



**Justification:**

The construction of these pipelines will result in lower electrical energy cost due to the need to pump water around the existing undersized pipeline.



This pipeline will enable the District to reduce the amount of drinking water delivered to proposed projects in the City of Calimesa as well as provide an opportunity to exchange recycled water with the Beaumont Cherry Valley Water District. The collaborative operation of this recycled water system interconnection will reduce the long-term drought impacts of both communities and increase the protection of local groundwater resources.