Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Operating Budget and Capital Improvement Program for Fiscal Year 2019

Adopted – June 5, 2018

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Operating Budget and Capital Improvement Program for Fiscal Year 2019

July 1, 2018 to June 30, 2019

Adopted – June 5, 2018

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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.

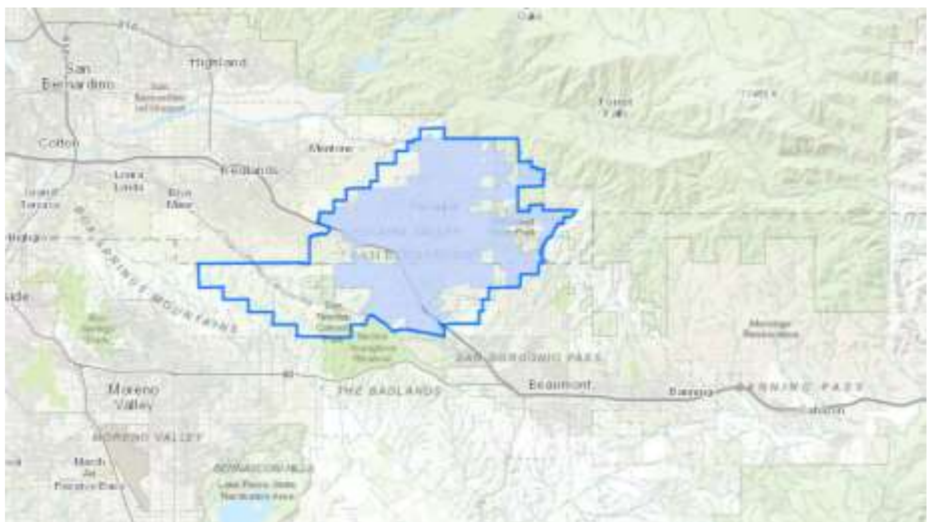
> **Y**ucaipa **V**alley **W**ater **D**istrict is committed to professionally managing the precious potable drinking water, sewer and non-potable water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.
>
> **W**e are entrusted to serve the public for the benefit of the community.
>
> **W**e believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.
>
> **W**e encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.
>
> **W**e treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.
>
> **W**e believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.
>
> **W**e 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.
>
> **W**e 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 54,310. 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 City of Yucaipa.

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.

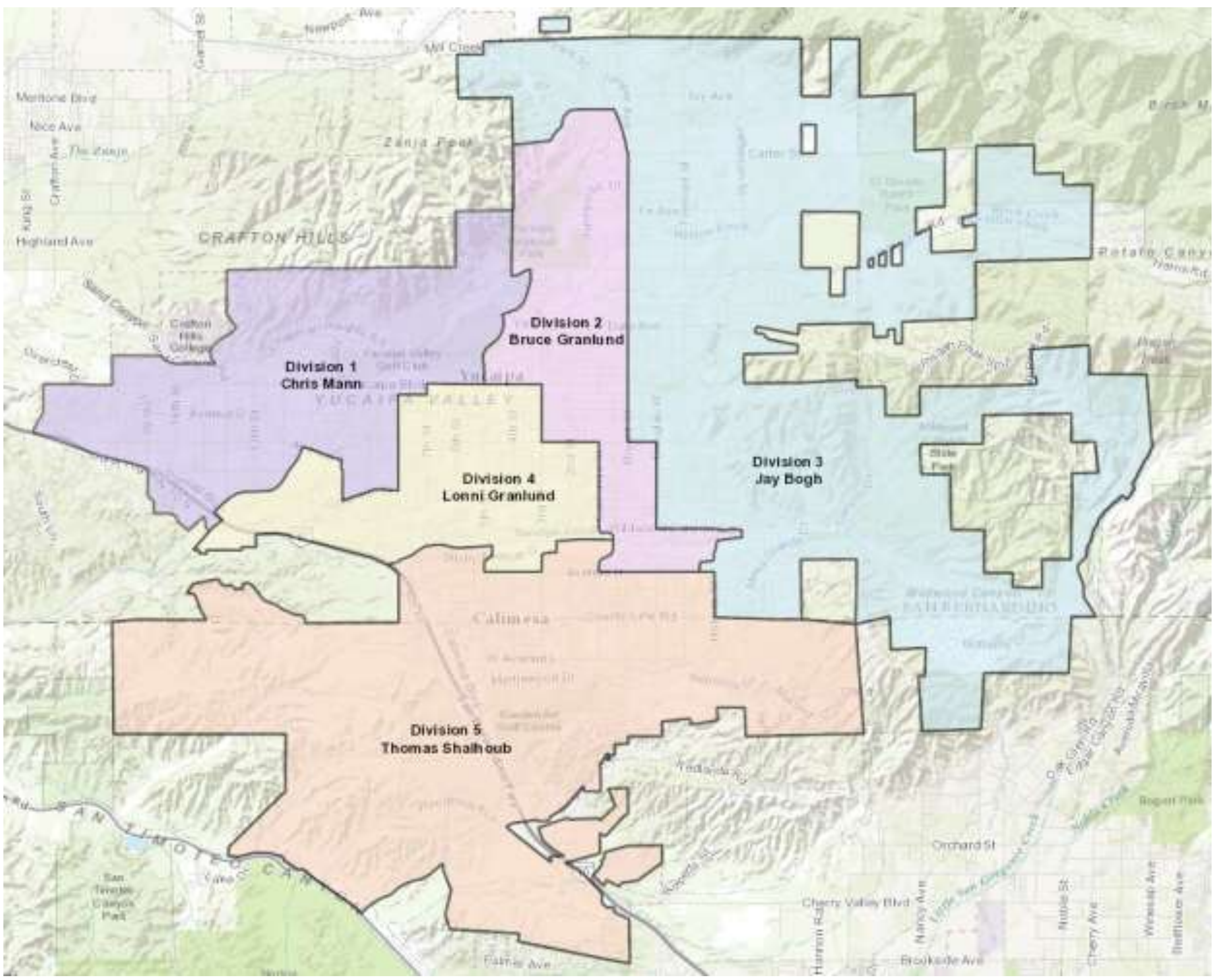
Chris Mann
Division 1

Bruce Granlund
Division 2

Jay Bogh
Division 3

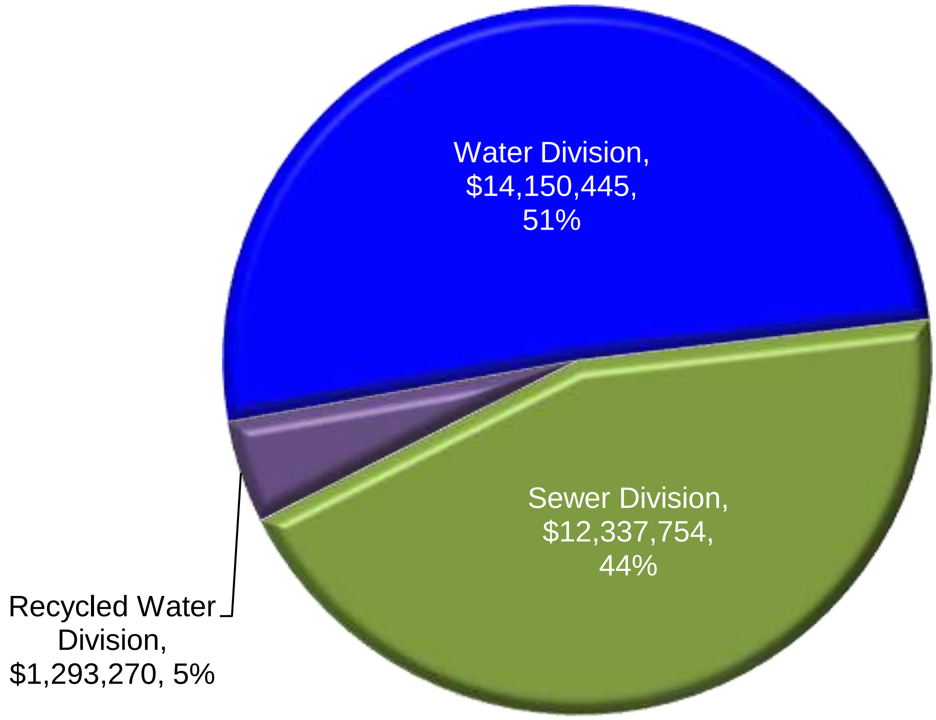
Lonni Granlund
Division 4

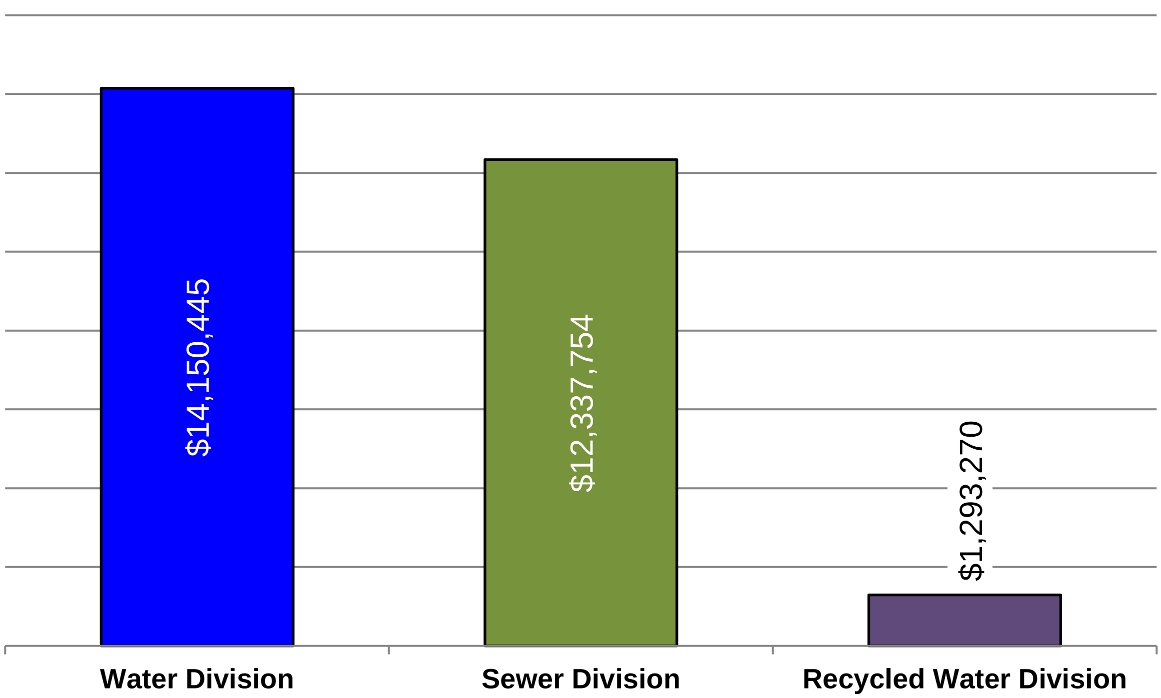
Thomas Shalhoub
Division 5



Budget Overview

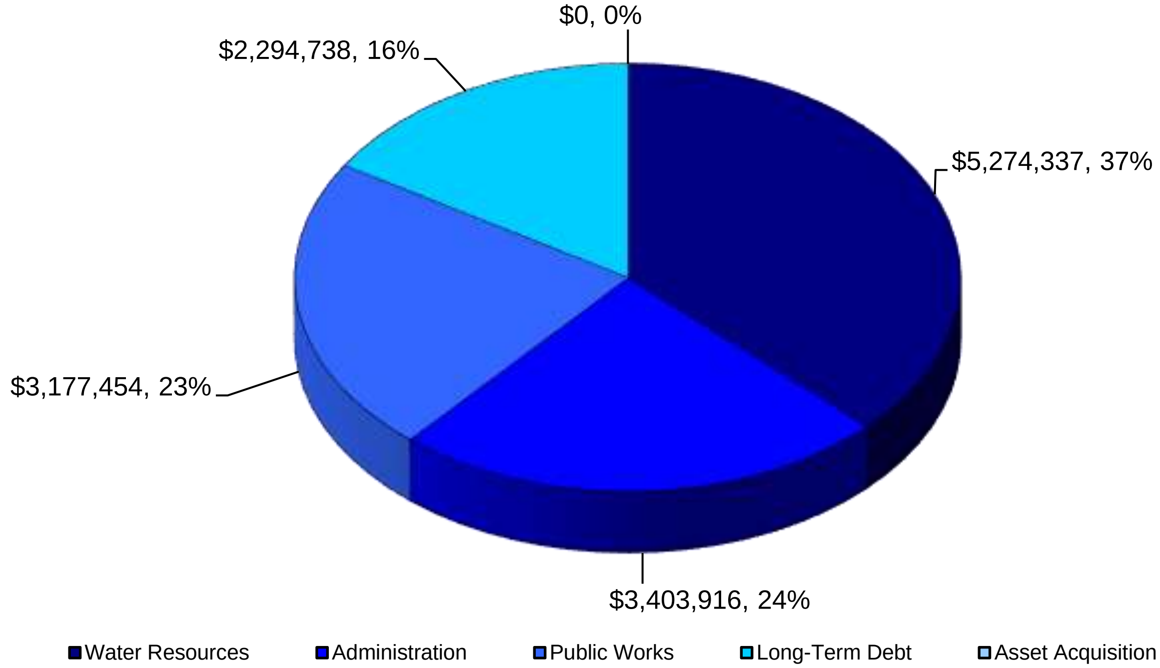
The Fiscal Year 2019 operating budget totals $27,781,469 (excluding capital improvement projects) distinguished by the following three enterprise funds.

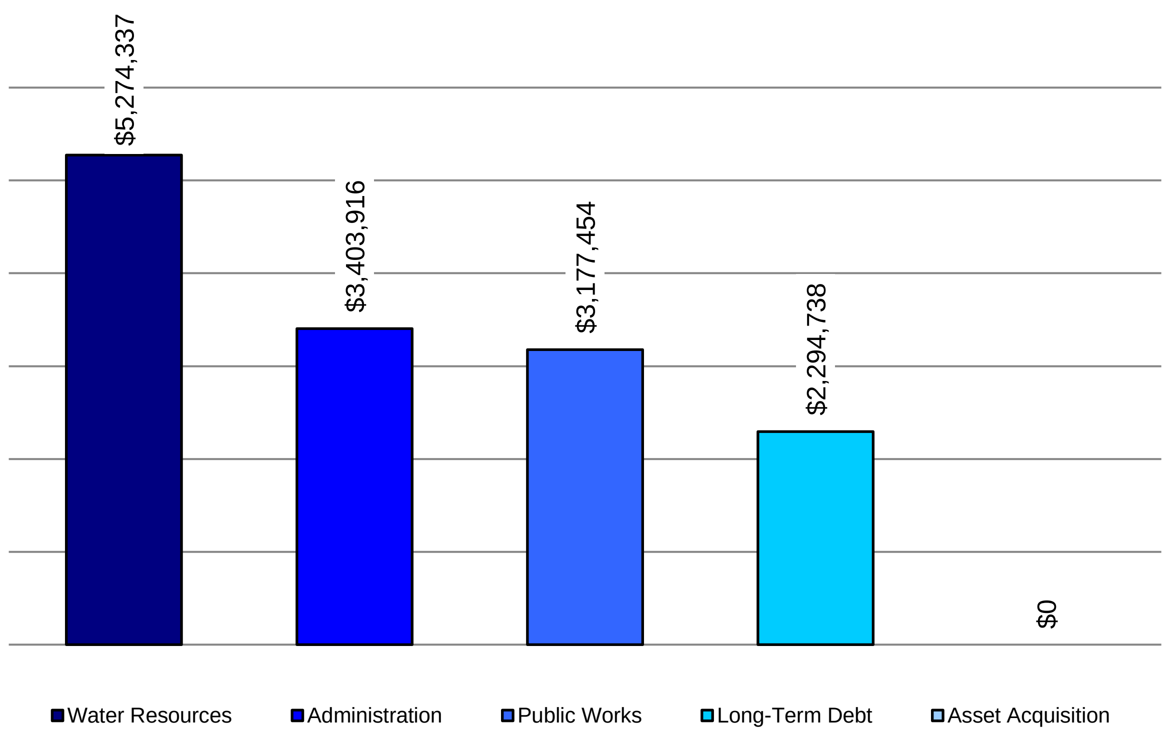




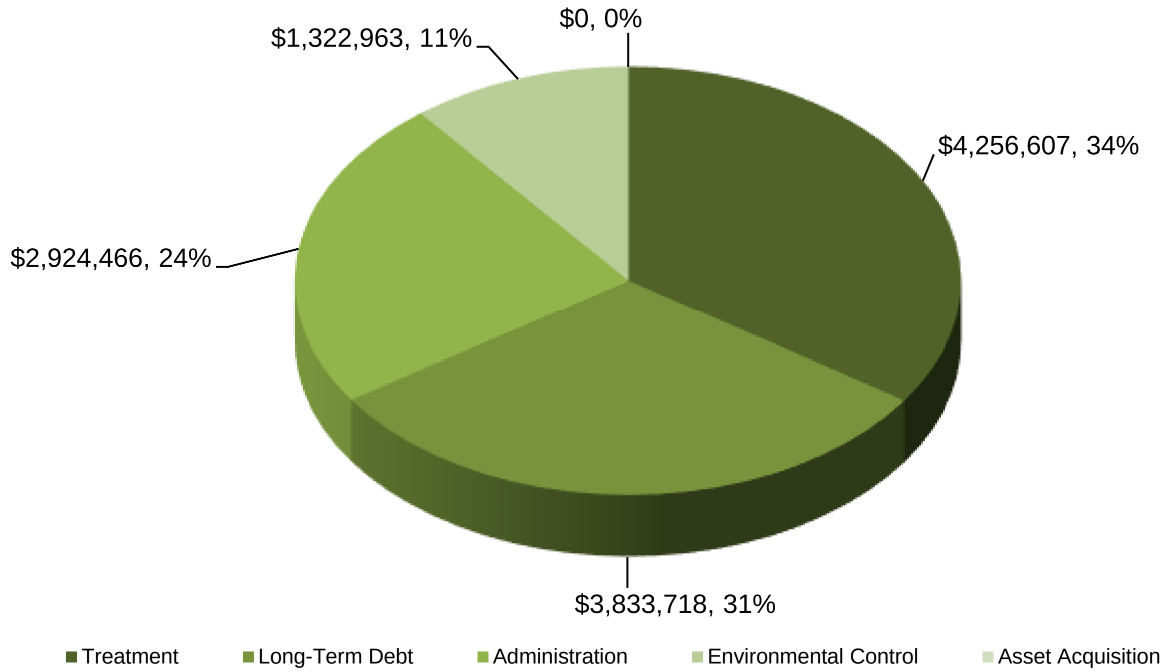
The departmental expenses for each of the enterprise funds are provided below:

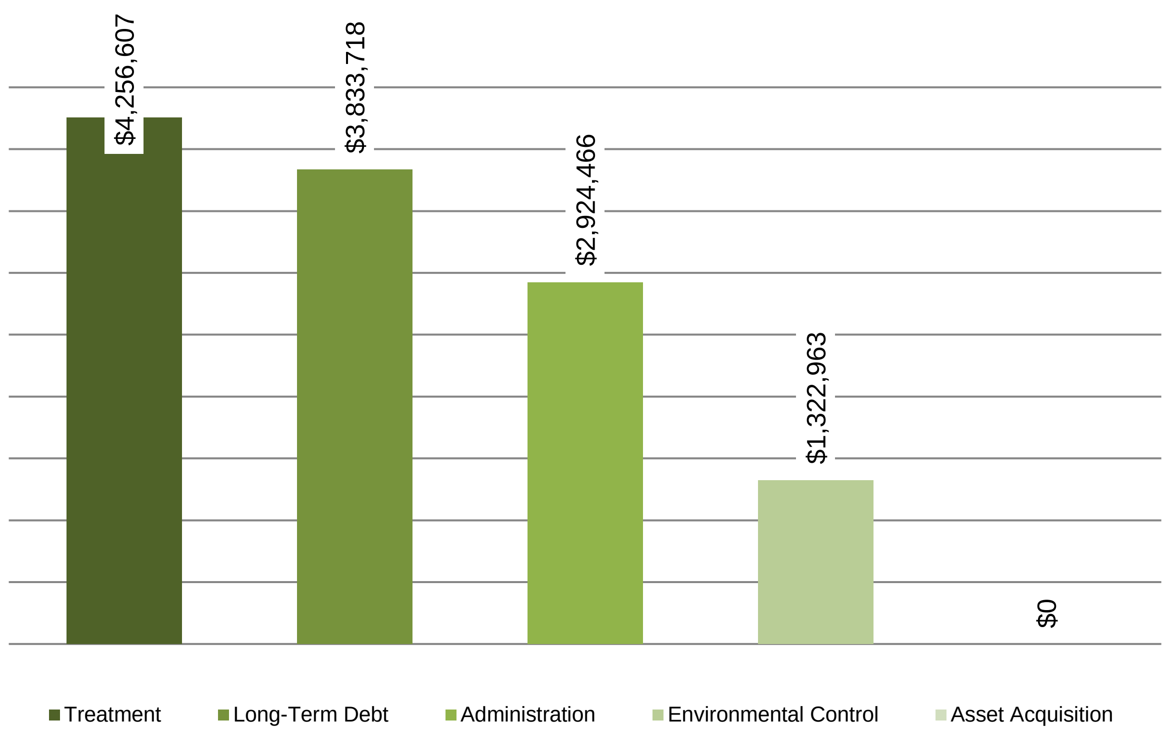
Water Division Expenditures



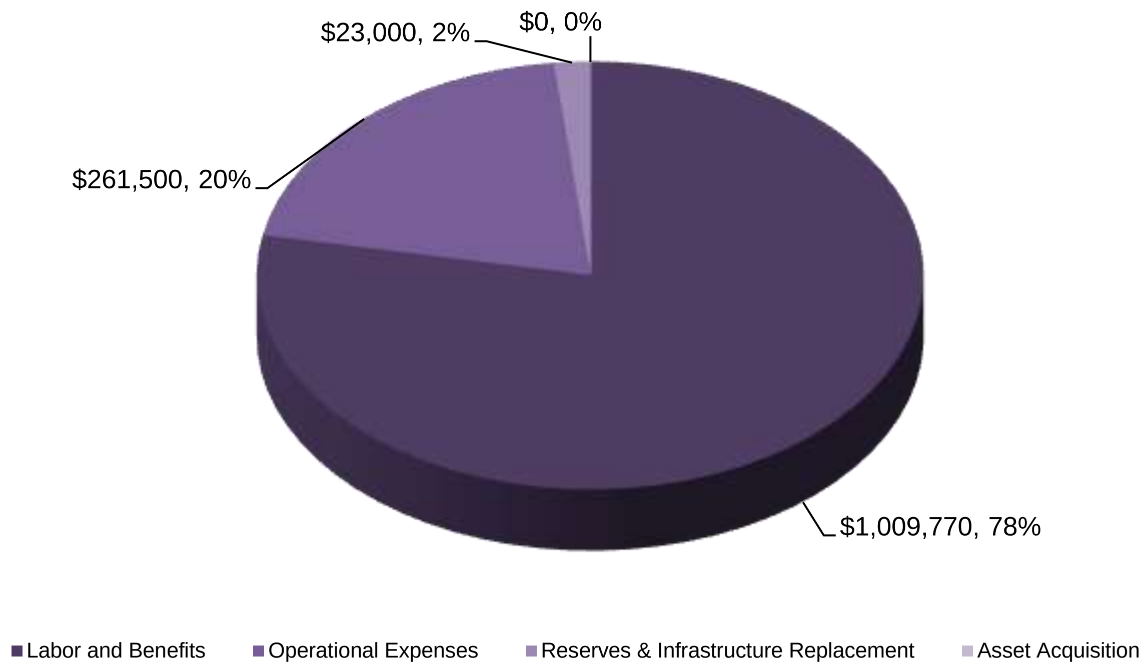


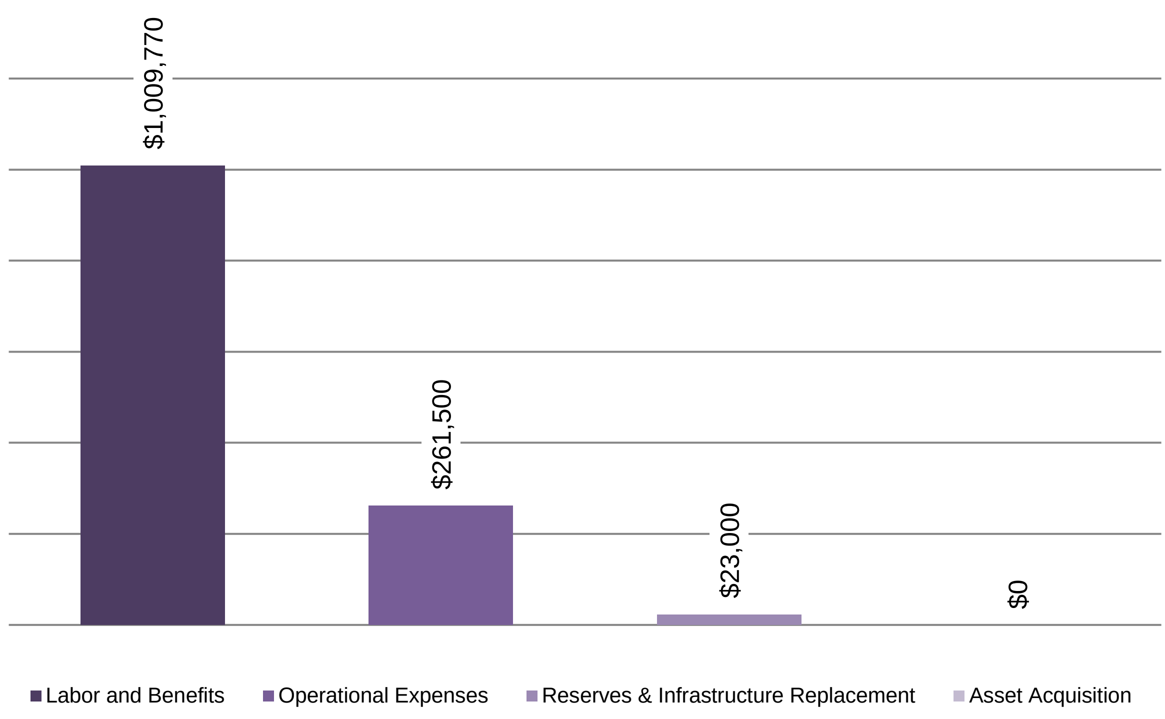
Sewer Division Expenditures

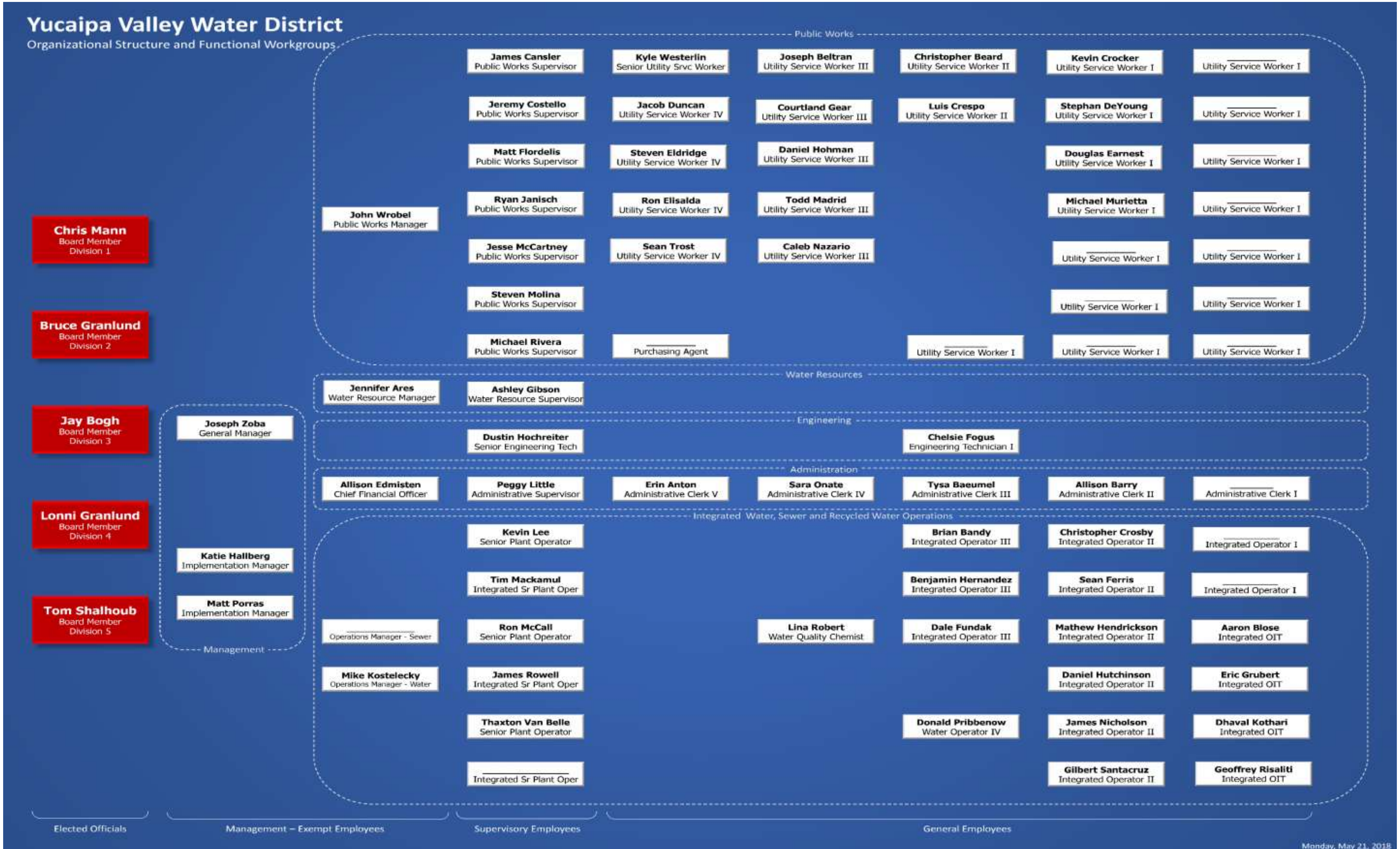




Recycled Water Division Expenditures






Yucaipa Valley Water District
Organizational Structure and Functional Workgroups
Public Works
James Cansler Public Works Supervisor
Kyle Westerlin Senior Utility Srvc Worker
Joseph Beltran Utility Service Worker III
Christopher Beard Utility Service Worker II
Kevin Crocker Utility Service Worker I
Utility Service Worker I
Jeremy Costello Public Works Supervisor
Jacob Duncan Utility Service Worker IV
Courtland Gear Utility Service Worker III
Luis Crespo Utility Service Worker II
Stephan DeYoung Utility Service Worker I
Utility Service Worker I
Matt Flordelis Public Works Supervisor
Steven Eldridge Utility Service Worker IV
Daniel Hohman Utility Service Worker III
Douglas Earnest Utility Service Worker I
Utility Service Worker I
John Wrobel Public Works Manager
Ryan Janisch Public Works Supervisor
Ron Elisalda Utility Service Worker IV
Todd Madrid Utility Service Worker III
Michael Murietta Utility Service Worker I
Utility Service Worker I
Chris Mann Board Member Division 1
Jesse McCartney Public Works Supervisor
Sean Trost Utility Service Worker IV
Caleb Nazario Utility Service Worker III
Utility Service Worker I
Utility Service Worker I
Steven Molina Public Works Supervisor
Utility Service Worker I
Utility Service Worker I
Bruce Granlund Board Member Division 2
Michael Rivera Public Works Supervisor
Purchasing Agent
Utility Service Worker I
Utility Service Worker I
Utility Service Worker I
Water Resources
Jennifer Ares Water Resource Manager
Ashley Gibson Water Resource Supervisor
Jay Bogh Board Member Division 3
Joseph Zoba General Manager
Engineering
Dustin Hochreiter Senior Engineering Tech
Chelsie Fogus Engineering Technician I
Administration
Allison Edmisten Chief Financial Officer
Peggy Little Administrative Supervisor
Erin Anton Administrative Clerk V
Sara Onate Administrative Clerk IV
Tysa Baeumel Administrative Clerk III
Allison Barry Administrative Clerk II
Administrative Clerk I
Integrated Water, Sewer and Recycled Water Operations
Lonni Granlund Board Member Division 4
Kevin Lee Senior Plant Operator
Brian Bandy Integrated Operator III
Christopher Crosby Integrated Operator II
Integrated Operator I
Katie Hallberg Implementation Manager
Tim Mackamul Integrated Sr Plant Oper
Benjamin Hernandez Integrated Operator III
Sean Ferris Integrated Operator II
Integrated Operator I
Tom Shalhoub Board Member Division 5
Matt Porras Implementation Manager
Operations Manager - Sewer
Ron McCall Senior Plant Operator
Lina Robert Water Quality Chemist
Dale Fundak Integrated Operator III
Mathew Hendrickson Integrated Operator II
Aaron Blose Integrated OIT
Management
Mike Kostelecky Operations Manager - Water
James Rowell Integrated Sr Plant Oper
Daniel Hutchinson Integrated Operator II
Eric Grubert Integrated OIT
Thaxton Van Belle Senior Plant Operator
Donald Pribbenow Water Operator IV
James Nicholson Integrated Operator II
Dhaval Kothari Integrated OIT
Integrated Sr Plant Oper
Gilbert Santacruz Integrated Operator II
Geoffrey Risaliti Integrated OIT
Elected Officials
Management – Exempt Employees
Supervisory Employees
General Employees
Monday, May 21, 2018

WATER DIVISION BUDGET
Fiscal Year 2019

OPERATING REVENUE:	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Potable Water - Commodity Charge	02-40010	5,912,971	5,958,445
Construction Water - Commodity Charge	02-40011	20,000	25,000
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	(100,000)	(110,000)
Water Wholesale Revenue	02-40015	300,000	200,000
Water Service Establishment Fee	02-40016	5,000	5,000
Potable Water - Service Demand Charge	02-41000	3,200,000	3,400,000
Fire Service Standby Fee	02-41001	45,000	45,000
Construction Water - Service Charge	02-41003	15,000	15,000
Potable Water - Service Charge Multi-Unit Discount	02-41005	(135,000)	(135,000)
Unauthorized Use of Water Charges	02-41010	2,000	2,000
Water Meter & Service Installation Charges	02-41110	75,000	50,000
Fire Flow Measurements & Reports	02-41112	3,500	4,500
Disconnection and Reconnection Charges	02-41113	125,000	100,000
Delinquent Payment Charges	02-41121	125,000	135,000
Management & Accounting Services	02-42123	189,000	202,500
Bad Debt Write-Off & Recovery	02-42124	(20,000)	(20,000)
Total Operating Revenue		10,862,471	10,977,445
NON-OPERATING REVENUE:			
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	62,000	85,000
Property Tax-Unsecured	02-43110	115,000	80,000
Property Tax-Secured	02-43120	2,600,000	2,700,000
Tax Collection-Prior	02-43130	25,000	25,000
Other Taxes	02-43140	170,000	180,000
Rental Income - Water Stock	02-49110	1,700	3,000
Miscellaneous Non-Operating Revenue	02-49150	100,000	100,000
Total Non-Operating Revenue		3,073,700	3,173,000
TOTAL WATER REVENUE		**13,936,171**	**14,150,445**

OPERATING EXPENSE			
Water Resource Department		5,370,600	5,274,337
Public Works Department		2,550,488	3,177,454
Administration Department		3,719,418	3,403,916
Long-Term Debt Obligations		2,295,665	2,294,738
Asset Acquisition		-	-
Total Operating Expense		13,936,171	14,150,445
TOTAL WATER EXPENSES		**13,936,171**	**14,150,445**

WATER DIVISION BUDGET
Fiscal Year 2019

WATER RESOURCE DEPARTMENT	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Labor	02-5-01-50010	832,563	997,976
Benefits	02-5-01-500xx	399,337	501,361
Repair & Maintenance - Structures	02-5-01-51003	525,000	319,000
Repair & Maintenance - Valves	02-5-01-51011	30,000	20,000
General Supplies & Expenses	02-5-01-51140	2,500	2,000
Power Purchases	02-5-01-51210	1,400,000	1,394,000
Electricity and Fuel	02-5-01-51211	5,000	5,000
Imported Water Purchases	02-5-01-51316	1,206,200	1,200,000
Licenses & Permits	02-5-01-54019	70,000	70,000
Laboratory Services	02-5-01-54110	50,000	65,000
Operation, Repair & Maintenance - YVRWFF	02-5-01-57040	850,000	700,000
Sub-Total Water Resource Department		**5,370,600**	**5,274,337**

PUBLIC WORKS DEPARTMENT			
Labor	02-5-03-50010	1,003,049	1,650,107
Benefits	02-5-03-500xx	757,180	888,847
Repair & Maintenance - Vehicles & Equipment	02-5-03-51001	230,000	200,000
Repair & Maintenance - Valves	02-5-03-51011	10,000	10,000
Repair & Maintenance - Pipelines	02-5-03-51010	225,000	225,000
Repair & Maintenance - Service Lines	02-5-03-51021	175,000	96,000
Repair & Maintenance - Fire Hydrants	02-5-03-51022	40,000	25,000
Repair & Maintenance - Backflow	02-5-03-51029	5,000	20,000
Repair & Maintenance - Water Meters	02-5-03-51030	75,000	30,000
Fire Flow Testing	02-5-03-51031	28,259	30,000
General Supplies & Expenses	02-5-03-51140	7,000	2,500
Sub-Total Utility Services Department		**2,555,488**	**3,177,454**

WATER DIVISION BUDGET
Fiscal Year 2019

ADMINISTRATIVE SERVICES DEPARTMENT	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Labor	02-5-06-50010	542,038	602,359
Director Fees	02-5-06-50012	22,500	25,000
Benefits	02-5-06-500xx	437,080	291,857
Repair & Maintenance - Structures	02-5-06-51003	195,000	30,000
Safety Equipment & Supplies	02-5-06-51120	25,000	25,000
Petroleum Products	02-5-06-51125	106,000	105,000
Office Supplies	02-5-06-51130	30,000	35,000
General Supplies & Expenses	02-5-06-51140	54,000	35,000
Electricity	02-5-06-51211	60,000	65,000
Natural Gas	02-5-06-51213	3,000	1,500
Dues & Subscriptions	02-5-06-54002	16,500	41,500
Computer Expenses	02-5-06-54005	125,000	100,000
Postage	02-5-06-54010	3,500	4,200
Printing & Publications	02-5-06-54011	-	-
Education & Training	02-5-06-54012	15,000	15,000
Utility Billing Expenses	02-5-06-54013	180,000	150,000
Public Relations	02-5-06-54014	50,000	25,000
Travel Related Expenses	02-5-06-54016	15,000	8,000
Certifications & Renewals	02-5-06-54017	7,000	8,000
Meeting Related Expenses	02-5-06-54020	6,000	8,000
Utilities - YVWD Services	02-5-06-54022	50,000	60,000
Waste Disposal	02-5-06-54024	2,500	2,500
Telephone	02-5-06-54025	45,000	45,000
Conservation & Rebates	02-5-06-54099	22,800	30,000
Contractual Services	02-5-06-54104	130,000	100,000
Legal	02-5-06-54107	60,500	50,000
Audit & Accounting	02-5-06-54108	16,000	12,000
Professional Fees	02-5-06-54109	165,000	165,000
Reserve Funds	02-5-06-55500	200,000	200,000
Water Infrastructure Replacement	02-5-06-xxxxx	1,000,000	1,000,000
Insurance	02-5-06-56001	100,000	100,000
Regulatory Compliance	02-5-06-57030	7,000	15,000
Election Related Expenses	02-5-06-57090	-	5,000
Beaumont Basin Watermaster	02-5-06-57096	28,000	44,000
	Sub-Total Administration Department	**3,719,418**	**3,403,916**

LONG-TERM DEBT	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Debt Service - Series 2004A Principal	02-5-40-57201	1,670,000	1,115,000
Debt Service - Series 2004A Interest	02-5-40-57402	625,665	1,179,738
Rate Stabilization Fund	02-5-40-57806	-	-
	Sub-Total Long-Term Debt	**2,295,665**	**2,294,738**
ASSET ACQUISITION			
Water Department	02-5-40-57001	-	-
Utility Services Department	02-5-40-57003	-	-
Administration	02-5-40-57006	-	-
	Sub-Total Asset Acquisition	-	-

SEWER DIVISION BUDGET
Fiscal Year 2019

OPERATING REVENUE:	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Sewer Service Establishment Fee	03-40016	500	500
Sewer Service Demand Charge	03-41000	11,890,265	12,116,254
Sewer Service Demand - Multi-User Discount	03-41005	(200,000)	(200,000)
Sewer Lateral Installation	03-41110	2,500	2,500
Septage Pumping	03-41116	-	-
Penalty Late Charges	03-41121	129,925	135,000
Revenue-Other, Operating	03-42122	1,950	2,000
Bad Debt Write-Off & Recovery	03-41124	(15,000)	(15,000)
Front Footage Fees	03-41131	30,000	30,000
Total Operating Revenue		**11,840,140**	**12,071,254**
NON-OPERATING REVENUE:			
Reserve Fund Transfer - Asset Acquisition		-	-
Reserve Fund Transfer - Operational Expenses		-	-
Rate Stabilization Fund Transfer In		-	-
Interest Earned	03-43010	59,000	95,000
Property Tax-Unsecured	03-43110	50,000	50,000
Property Tax-Secured	03-43120	175,000	100,000
Tax Collection-Prior	03-43130	10,000	10,000
Other Taxes	03-43140	1,500	1,500
Misc. Non-Operating Revenue	03-49150	-	10,000
Total Non-Operating Revenue		**295,500**	**266,500**
TOTAL SEWER REVENUE		**12,135,640**	**12,337,754**

OPERATING EXPENSE		Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Treatment		3,930,743	4,256,607
Administration		3,246,153	2,924,466
Environmental Control		1,124,463	1,322,963
Debt Service		3,834,281	3,833,718
Asset Acquisition		-	-
Total Operating Expense		**12,135,640**	**12,337,754**
TOTAL SEWER EXPENSES		**12,135,640**	**12,337,754**

SEWER DIVISION BUDGET

Fiscal Year 2019

TREATMENT	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Labor	03-5-02-50010	878,548	1,170,711
Benefits	03-5-02-500xx	405,495	577,896
Repair and Maintenance - Structures	03-5-02-51003	483,200	300,000
Automation Control	03-5-02-51010	80,000	70,000
Chemicals	03-5-02-51106	586,000	600,000
Propane	03-5-02-51111	10,000	1,000
Laboratory Supplies	03-5-02-51115	34,500	35,000
General Supplies & Expenses	03-5-02-51140	3,000	2,000
Utilities-Power Purchases	03-5-02-51210	800,000	800,000
Laboratory Services	03-5-02-54110	100,000	85,000
Sludge Disposal	03-5-02-57031	250,000	230,000
Brineline Operating Expenses	03-5-02-57034	300,000	385,000
	Sub-total Treatment	3,930,743	4,256,607

ADMINISTRATION			
Labor	03-5-06-50010	557,579	602,359
Directors Fees	03-5-06-50012	22,500	25,000
Benefits	03-5-06-500xx	395,074	286,857
Safety Equipment	03-5-06-51120	10,000	5,500
Petroleum Products	03-5-06-51125	20,000	18,000
Office Supplies	03-5-06-51130	4,000	10,000
General Supplies & Expenses	03-5-06-51140	25,000	30,000
Dues & Subscriptions	03-5-06-54002	10,000	25,000
Management & Accounting Services	03-5-06-54003	189,000	202,500
Computer Expenses	03-5-06-54005	100,000	100,000
Printing & Publications	03-5-06-54011	-	-
Education & Training	03-5-06-54012	9,000	15,000
Public Relations	03-5-06-54014	50,000	25,000
Travel Related Expenses	03-5-06-54016	17,000	10,000
Certifications & Renewals	03-5-06-54017	7,500	7,500
Licenses & Permits	03-5-06-54019	67,500	65,000
Meeting Related Expenses	03-5-06-54020	5,000	5,000
YVWD Services	03-5-06-54022	2,000	1,500
Waste Disposal	03-5-06-54024	13,000	13,000
Telephone	03-5-06-54025	30,000	45,000
Drinking Water	03-5-06-54030	1,000	1,250
Contractual Services	03-5-06-54104	70,000	50,000
Legal	03-5-06-54107	45,000	45,000
Audit & Accounting	03-5-06-54108	16,000	12,000
Professional Fees	03-5-06-54109	225,000	159,000
Reserve Funds	03-5-06-55500	500,000	500,000
Sewer Infrastructure Replacement	03-5-06-xxxxx	700,000	500,000
Insurance	03-5-06-56001	100,000	115,000
Regulatory Compliance	03-5-06-57030	55,000	50,000
	Sub-Total Administration	3,246,153	2,924,466

SEWER DIVISION BUDGET
Fiscal Year 2019

ENVIRONMENTAL CONTROL	G/L Number	Modified Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Labor	03-5-07-50011	424,161	614,646
Benefits	03-5-07-500xx	272,302	326,817
Repair and Maintenance - Structures	03-5-07-51003	225,000	225,000
General Supplies & Expenses	03-5-07-51140	1,000	1,000
Lift Station No. 1	03-5-07-51241	65,000	55,000
Lift Station No. 2	03-5-07-51242	20,000	14,000
Lift Station No. 3	03-5-07-51243	12,000	9,000
Lift Station No. 4	03-5-07-51244	32,000	14,500
Lift Station No. 8	03-5-07-51248	7,000	3,000
Pretreatment	03-5-07-54111	66,000	60,000
	Sub-Total Environmental Control	**1,124,463**	**1,322,963**

LONG-TERM DEBT			
Debt Service - Principal WRWRF Project	03-5-40-57202	2,199,524	2,252,312
Debt Service - Principal Brineline Project	03-5-40-57203	423,936	435,383
Debt Service - Principal WISE Project	03-5-40-57204	130,782	133,659
Debt Service - Principal R-10.3 Project	03-5-40-57205	38,318	39,161
Debt Service - Principal Crow Street & B-12.1	03-5-40-57206	15,014	15,330
Debt Service - Interest	03-5-40-57403	1,026,707	957,873
Debt Service - Rate Stabilization Fund	57006.03.06	-	-
	Sub-Total Long-Term Debt	**3,834,281**	**3,833,718**

ASSET ACQUISITION			
Sewer Treatment Department	03-5-40-57002	-	-
Sewer Administration Department	03-5-40-57006	-	-
Environmental Control Department	03-5-40-57007	-	-
	Sub-Total Asset Acquisition	**-**	**-**

RECYCLED WATER DIVISION
Fiscal Year 2019

OPERATING REVENUE:	G/L Number	Adopted Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Recycled Water - Commodity Charge	04-40010	565,795	694,270
Construction Recycled Water - Commodity Chrg	04-40011	20,000	65,000
Recycled Water - Service Demand Charge	04-41000	60,000	85,000
Construction Recycled Water - Service Charge	04-41003	5,000	5,000
Meter/Lateral Installation	04-41110	15,000	45,000
Delinquent Payment Charges	04-41121	1,000	5,000
Revenue-Other, Operating	04-41122	500	500
Total Operating Revenue		**667,295**	**899,770**
NON-OPERATING REVENUE:			
Transfer - Reserve Fund	- -	-	-
Interest Earned	04-43010	13,000	20,000
Property Tax-Unsecured	04-43110	10,000	10,000
Property Tax-Secured	04-43120	110,000	350,000
Tax Collection-Prior	04-43130	10,000	10,000
Other Taxes	04-43140	2,500	2,500
Misc. Non-Operating Revenue	04-49150	1,000	1,000
Total Non-Operating Revenue		**146,500**	**393,500**
TOTAL RECYCLED WATER REVENUE		**813,795**	**1,293,270**

RECYCLED WATER DIVISION

Fiscal Year 2019

OPERATING EXPENSES	G/L Number	Adopted Budget Fiscal Year 2018	Adopted Budget Fiscal Year 2019
Labor - Recycled Water	04-5-06-50010	343,507	677,931
Director Fees	04-5-06-50012	5,000	5,000
Benefits - Recycled Water	04-5-06-500xx	91,138	326,839
R&M - Structures	04-5-06-51003	25,000	34,000
R&M - Valves	04-5-06-51011	5,000	5,000
R&M - Pipelines	04-5-06-51020	5,000	2,500
R&M - Service Lines	04-5-06-51021	15,000	2,500
R&M - Fire Hydrants	04-5-06-51022	1,000	1,000
R&M - Meters	04-5-06-51030	4,000	10,000
General Supplies and Expenses	04-5-06-51140	8,500	5,000
Utilities - Power Purchases	04-5-06-51210	70,000	70,000
Dues & Subscriptions	04-5-06-54002	4,000	1,500
Computer Expense	04-5-06-54005	14,000	5,000
Printing & Publications	04-5-06-54011	-	-
Education & Training	04-5-06-54012	5,000	4,000
Public Relations	04-5-06-54014	2,000	6,500
Travel Related Expenses	04-5-06-54016	6,500	2,500
Certifications & Renewals	04-5-06-54017	2,000	1,000
Licenses & Permits	04-5-06-54019	20,000	10,000
Meeting Related Expenses	04-5-06-54020	2,500	1,500
Utilities - YVWD Services	04-5-06-54022	25,000	30,000
Telephone	04-5-06-54025	1,500	2,000
Contractual Services	04-5-06-54104	8,400	5,000
Legal	04-5-06-54107	1,250	1,500
Audit & Accounting	04-5-06-54108	2,500	2,500
Professional Services	04-5-06-54109	61,000	10,000
Laboratory Services	04-5-06-54110	-	-
Reserve Funds	04-5-06-55500	8,000	8,000
Recycled Water Infrastructure Replacement	04-5-06-xxxxx	25,000	15,000
Insurance	04-5-06-56001	20,000	20,000
Regulatory Compliance	04-5-06-57030	25,000	25,000
Environmental Compliance	04-5-06-57040	2,000	2,500
	Total Operating Expense	**808,795**	**1,293,270**
	TOTAL RECYCLED WATER EXPENSES	**808,795**	**1,293,270**

Yucaipa Valley Water District

Chapter Two

Fiscal Year 2019

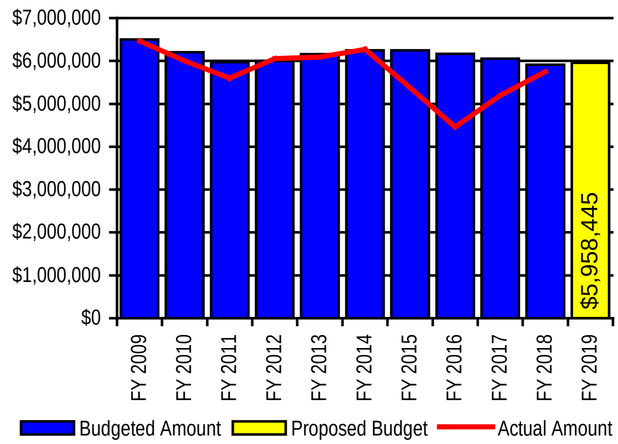
Water Division
Operating Budget

Water Division Revenue Analysis

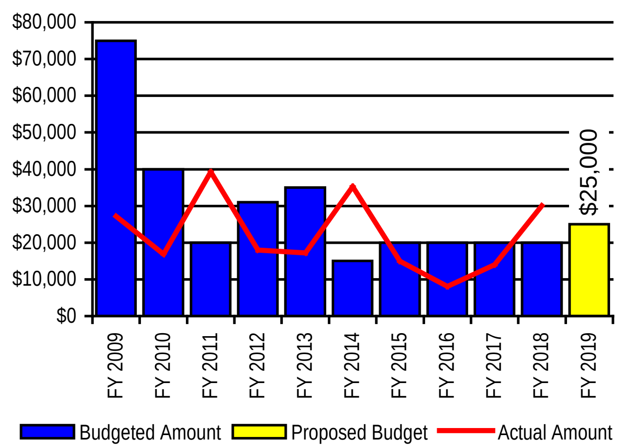
Sources of Revenue

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

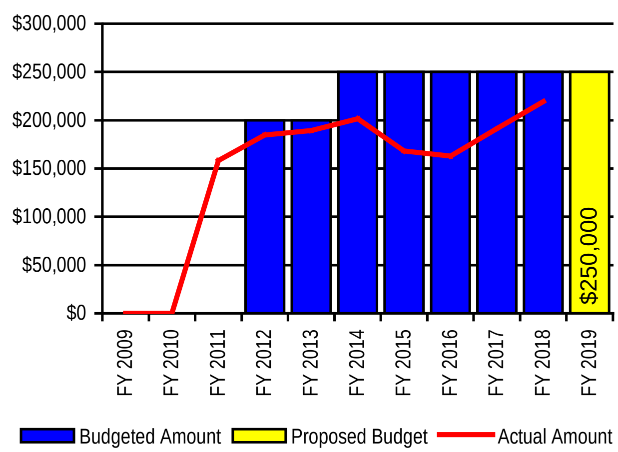
Potable Water - Commodity Charges (02-40010): This revenue source is the variable component of the water sales that is based on the amount of water consumed by our customers. Water sales represent the largest single revenue source in the Water Division. Being a variable cost component of the District's 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.



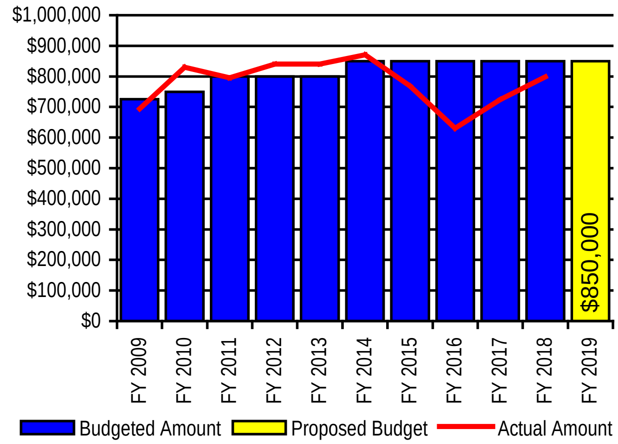
Construction Water – Commodity Charges (02-40011): This highly variable revenue source for potable water consumption is collected from developers and contractors for water used during construction. The amount of water revenue generated from this source is directly dependent on the timing and magnitude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



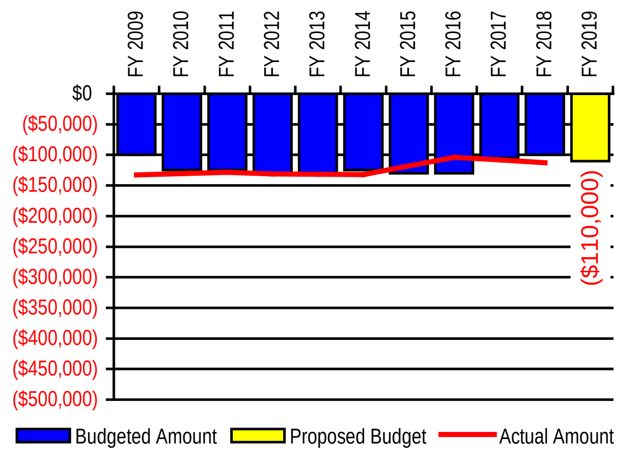
Imported Water Sales - San Gorgonio Pass Water Agency (02-40012): This revenue source is the variable cost associated with the purchase of imported water from the San Gorgonio Pass Water Agency. The water purchased with these funds is used primarily by the Yucaipa Valley Regional Water Filtration Facility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



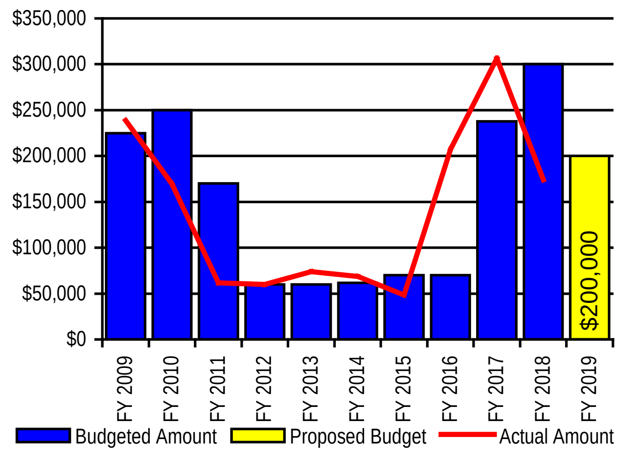
Imported Water - San Bernardino Valley Municipal Water District (02-40013): This revenue source is the variable cost associated with the purchase of imported water from the San Bernardino Valley Municipal Water District. The water purchased with these funds is used primarily by the Yucaipa Valley Regional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



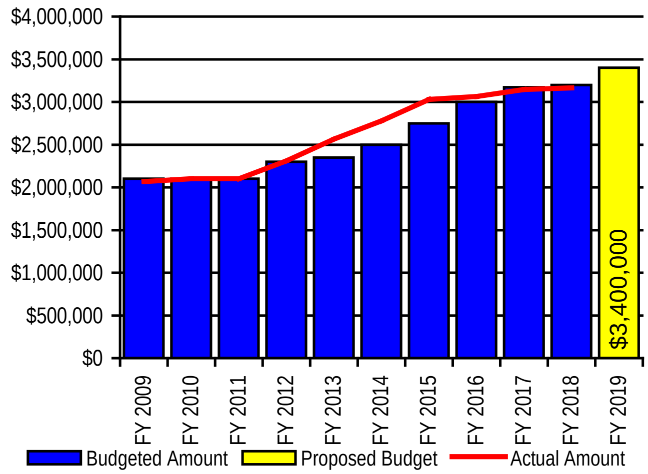
Potable Water – Commodity Charge Multi-Unit Discount (02-40014): The latest version of the District's rate schedule continues to include a discount for the commodity charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects the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



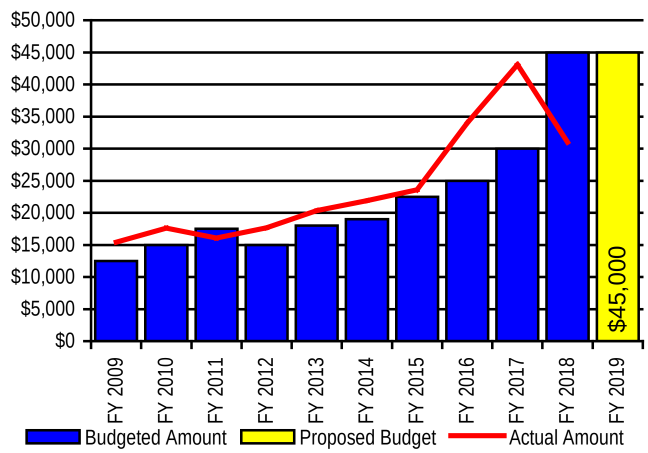
Water Wholesale Revenue (02-40015): This revenue source is generated from both the annual purchase of state water and the sale of filtered imported water delivered to one of several existing and proposed water delivery points. The District is only planning on serving Western Heights Mutual Water Company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



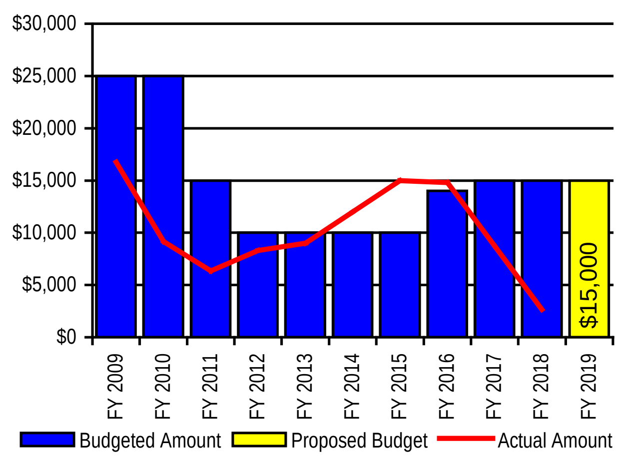
Potable Water - Service Demand Charge (02-41000): This revenue source is the fixed rate component charged to all water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



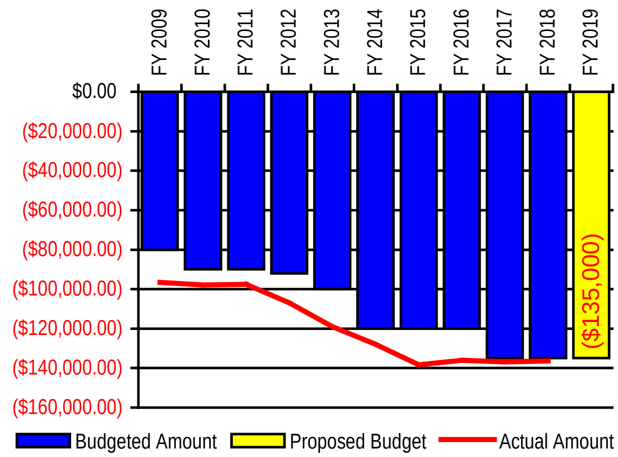
Fire Service Standby Fee (02-41001): This revenue source is the fixed rate component charged to all customers that have an independent fire service to protect their property. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



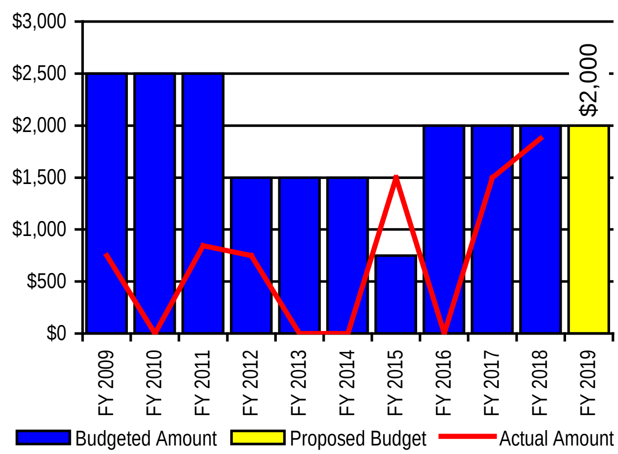
Construction Water – Service Charge (02-41003): This revenue source is the fixed rate component charged to all customers using potable water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



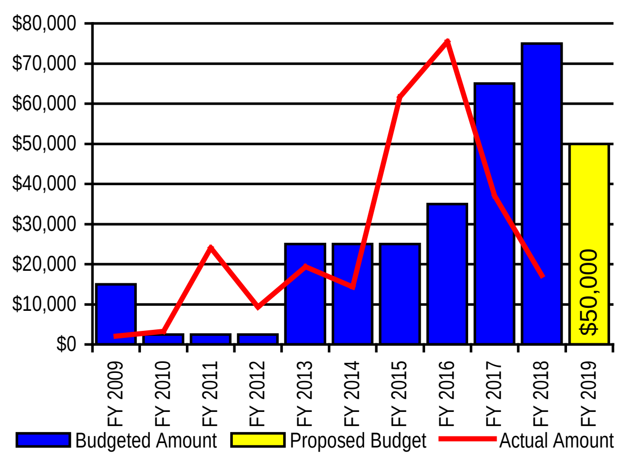
Potable Water – Service Charge Multi-Unit Discount (02-41005): The latest version of the District's rate schedule continues to include a service charge discount for high density developments of more than 30 dwelling units constructed prior to March 2005. This discount reflects the differential in service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



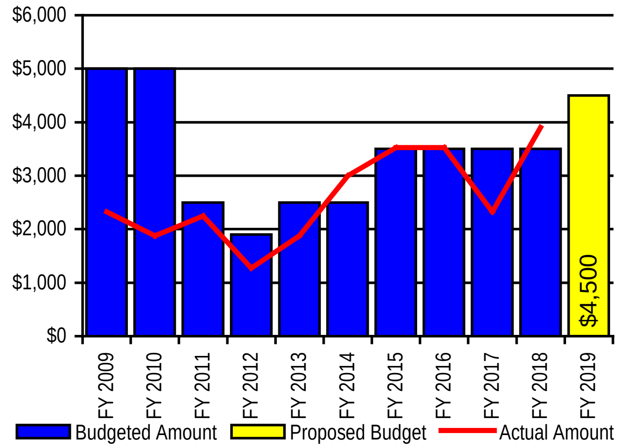
Unauthorized Use of Water Charge (02-41010): This revenue source is associated with the unauthorized use of water. Generally, the penalty costs associated with the unauthorized use of water has not been a budget item due to the high degree of unpredictability, however, with the historical trend information;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



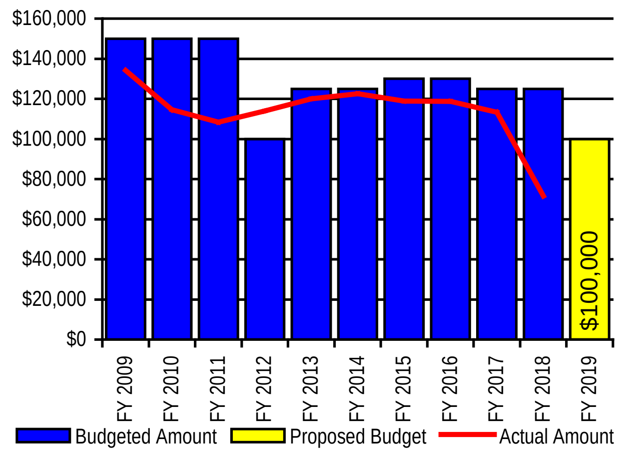
Water Meter & Lateral Installation Charges (02-41110): This revenue source is associated with the cost for installing a water meter and service lateral for a new customer. The revenue generated from this source is directly dependent on the number of new water meter installations that occur as a result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



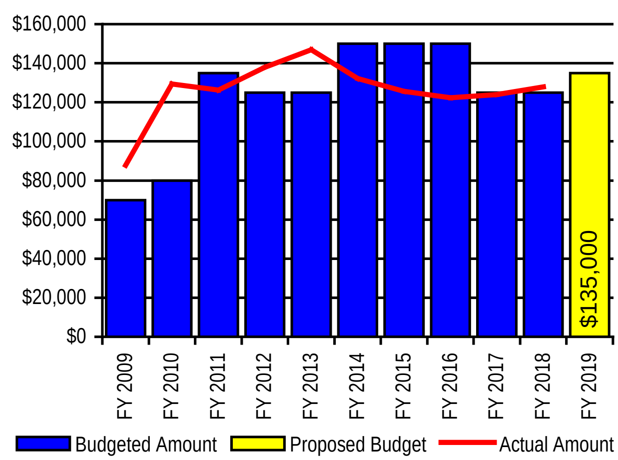
Fire Flow Measurements and Reports (02-41112): This revenue source is associated with the cost of performing fire flow reports in the field and generating fire flow reports for the fire department, cities and customers. This revenue source is dependent on local economic development and refurbishment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



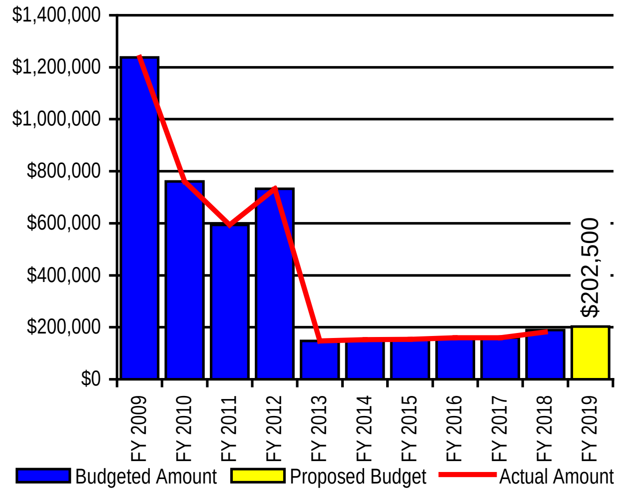
Disconnect & Reconnect Charges (02-41113): This revenue source is generated from turning water service off as a result of delinquent payments or closed accounts. This revenue source is generally fairly constant, except for when the costs were adjusted to reflect the true cost of providing this service. This adjustment was expected to reduce the number of disconnect/reconnect services and therefore reduce the revenue generated from this service.



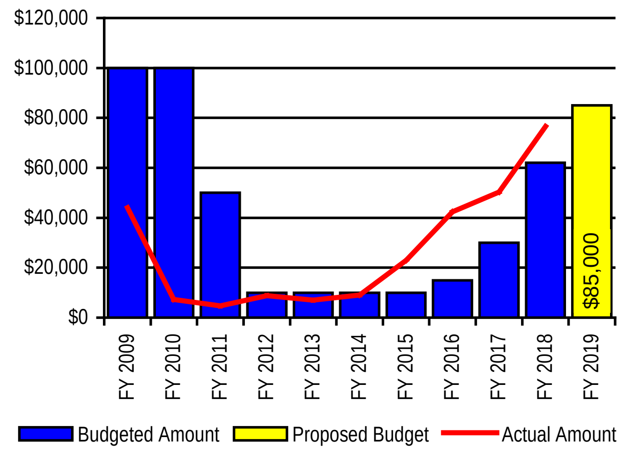
Delinquent Payment Charges (02-41121): This revenue source is generated from late payments of services to the District. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but rather a penalty charge for late payment on an account.



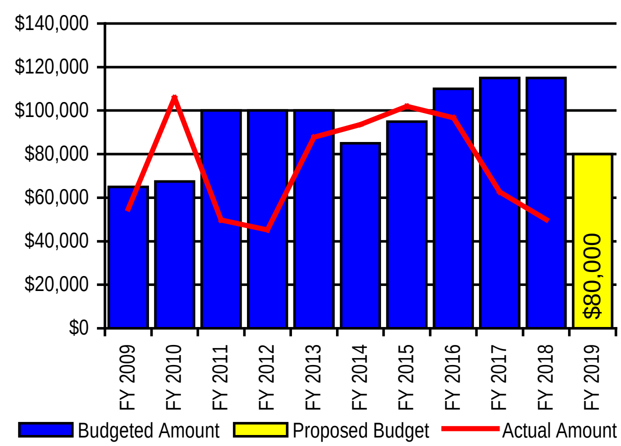
Management and Accounting Services (02-42123): This revenue source is a transfer of funds from the wastewater division to the water division to ensure the water and sewer divisions both pay a fair share of expenses related to administration, accounting, and general services.



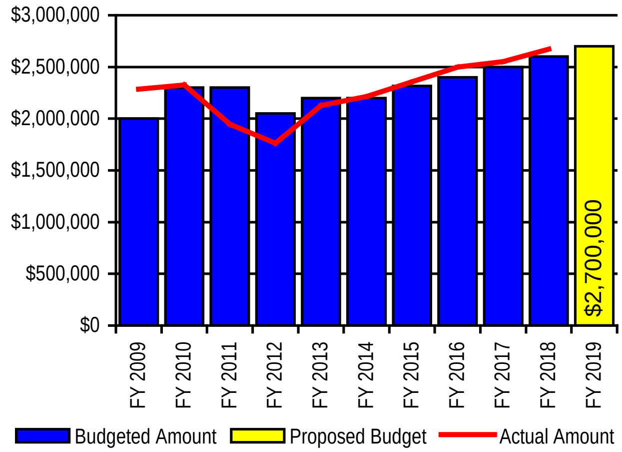
Interest Earned (02-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes Local Agency Investment Fund (LAIF) as the predominant investment vehicle. Significantly lesser amounts are invested in the U.S. Securities and money market funds.



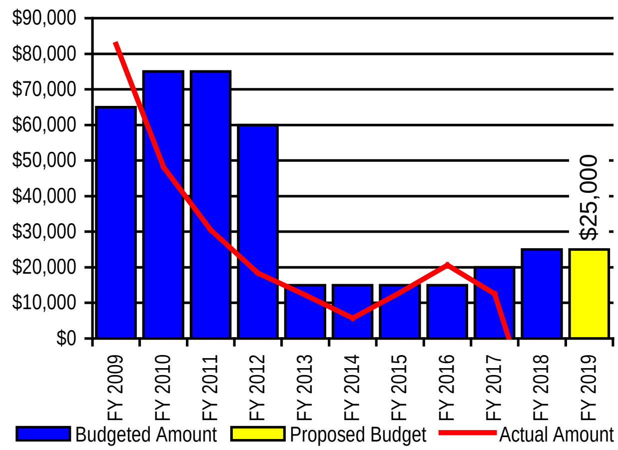
Property Tax – Unsecured (02-43110): This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real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



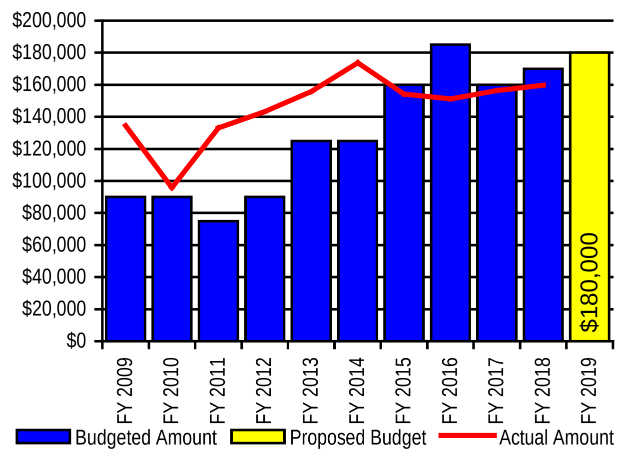
Property Tax – Secured (02-43120): This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District's service area. Secured property taxes are those taxes collected on real property such as land and structures.



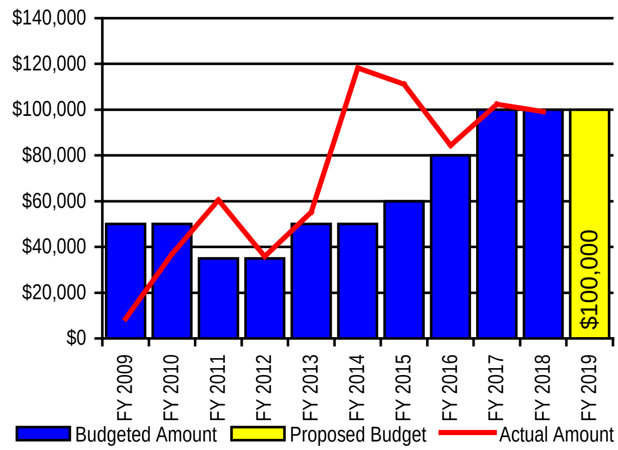
Tax Collection – Prior (02-43130): This revenue source is generated from the property tax increment collected from prior years.



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.



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.

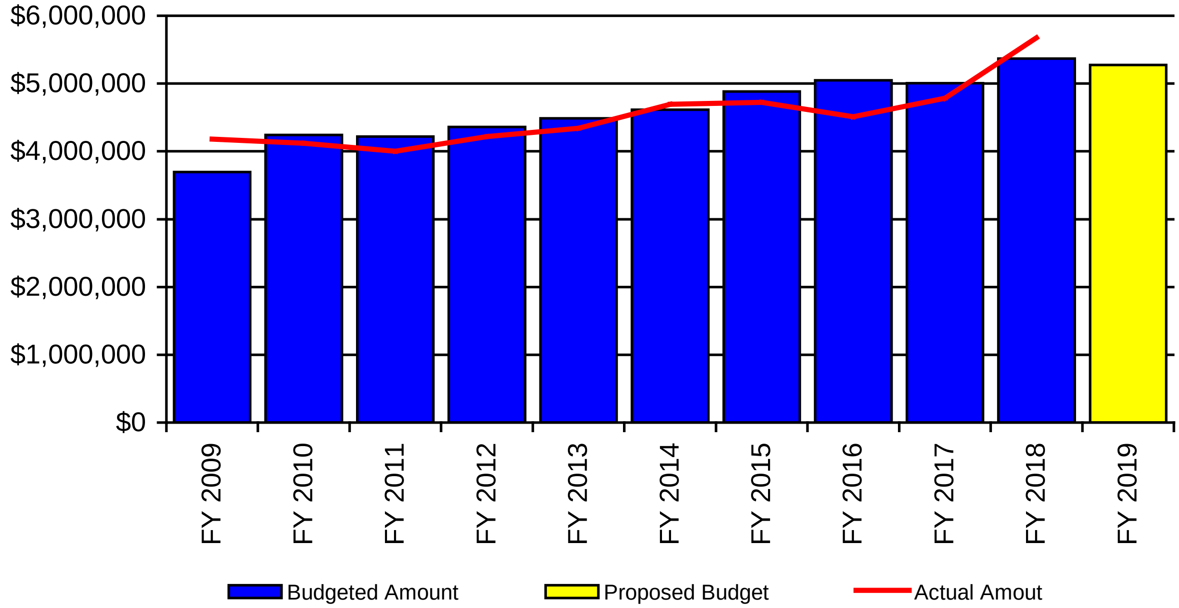
Organizational Structure & Staffing Levels – This year the Water Resources Department has been allocated labor resources of 11.60 Full-Time Equivalent (FTE) employees.

The FTE calculations for this department are as follows:[1]

Title	Range	FTE	*Expense*
Operations Manager	228	1.00	$ 122,434
Senior Plant Operator	114	0.50	$ 56,670
Integrated Senior Plant Operator	114	1.50	$ 160,591
Water Operator IV	50	1.00	$ 92,281
Integrated Operator III	49	1.50	$ 139,971
Integrated Operator II	42	3.00	$ 239,333
Water Quality Chemist	40	0.10	$ 7,946
Integrated Operator I	36	2.50	$ 151,840
Integrated Operator in Training	32	0.50	$ 26,910
	Total	**11.60**	**$ 997,976**

[1] 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 $5,274,337 (not including asset acquisitions & capital improvements), which represents a decrease of $96,263 as compared to the previous year, or a 2% decrease.

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.

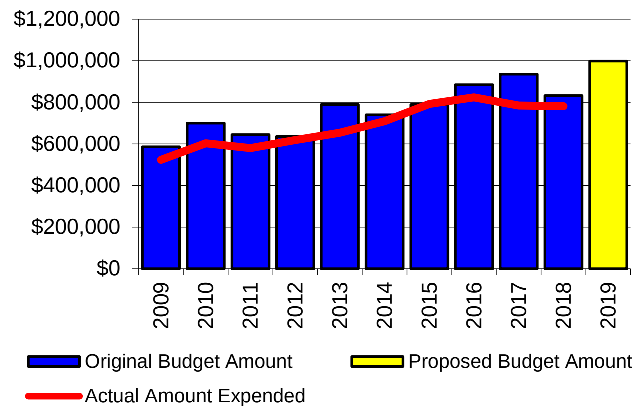
- The District currently needs to review the funding levels for the replacement of water related infrastructure including: wells, reservoirs, pipelines and booster stations. A category of funding has been developed to start the process of project funding. Further evaluation by District staff is necessary 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
2012	$635,700	$619,331
2013	$789,300	$653,536
2014	$740,000	$710,085
2015	$789,245	$792,654
2016	$884,000	$824,060
2017	$935,000	$784,655
2018	$832,563	$781,262

2019	**$997,976**



Description:

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

Line Item Detail:

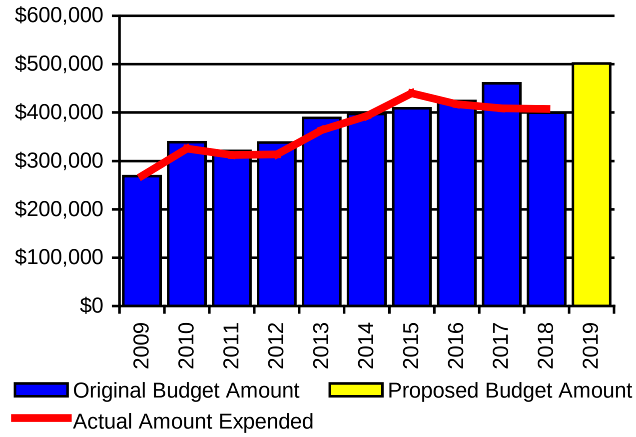
Title	Range	FTE	Expense
Operations Manager	228	1.00	$ 122,434
Senior Plant Operator	114	0.50	$ 56,670
Integrated Senior Plant Operator	114	1.50	$ 160,591
Water Operator IV	50	1.00	$ 92,281
Integrated Operator III	49	1.50	$ 139,971
Integrated Operator II	42	3.00	$ 239,333
Water Quality Chemist	40	0.10	$ 7,946
Integrated Operator I	36	2.50	$ 151,840
Integrated Operator in Training	32	0.50	$ 26,910
	Total	11.60	$ 997,976

Water Division - Water Resource Department 02-5-01-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$338,235	$313,399
2013	$388,985	$364,132
2014	$397,000	$393,244
2015	$408,800	$440,194
2016	$424,200	$417,260
2017	$460,150	$409,095
2018	$399,337	$407,192

2019	**$501,361**



Description:

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

Line Item Detail:

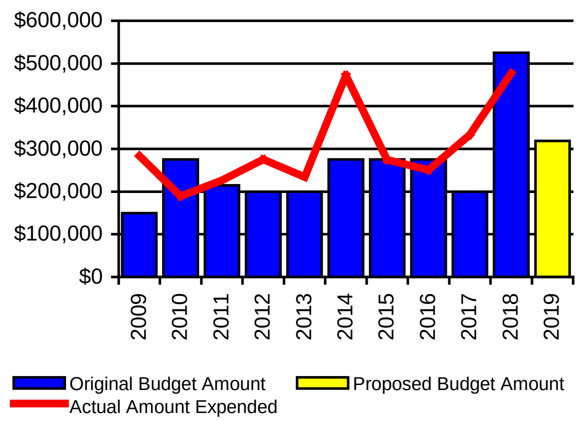
FICA (50013)	$ 76,345
Life Insurance (50014)	$ 5,568
Medical, Dental, Vision & Deferred Comp. (50016)	$ 218,544
Disability Insurance (50017)	$ 8,982
Workers' Compensation (50019)	$ 26,945
PERS Employer (50022)	$ 149,696
Uniforms (50023)	$ 5,800
Vacation/Sick Leave (50024)	$ 6,001
Boot Allowance @ $300/Employee (50025)	$ 3,480
Total	$ 501,361

Water Division - Water Resource Department 02-5-01-51003

Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$200,000	$275,415
2013	$200,000	$234,083
2014	$275,000	$472,434
2015	$275,000	$274,632
2016	$275,000	$250,521
2017	$200,000	$333,125
2018	$525,000	$477,122

2019	**$319,000**



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:

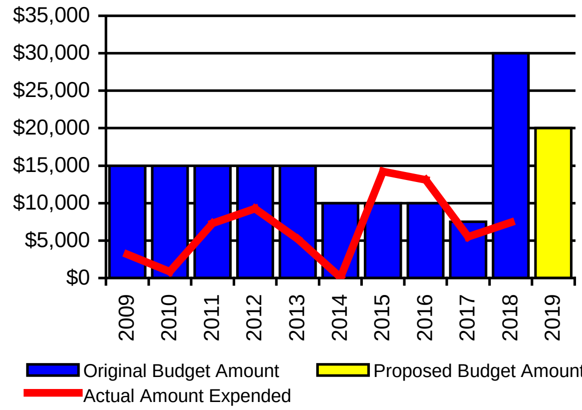
Well and Booster Rehabilitation of Various Facilities		$ 85,000
Reservoir Repair and Inspections		$ 159,000
Electrical Repairs		$ 30,000
Service and Repair Generators		$ 20,000
SCADA Upgrades and Maintenance		$ 21,000
Lubricating Oil		$ 4,000
	Total	$ 319,000

Water Division - Water Resource Department 02-5-01-51011

Repair & Maintenance – Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$15,000	$9,266
2013	$15,000	$5,216
2014	$10,000	$76
2015	$10,000	$14,234
2016	$10,000	$13,100
2017	$7,500	$5,499
2018	$30,000	$7,429

2019	**$20,000**



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:

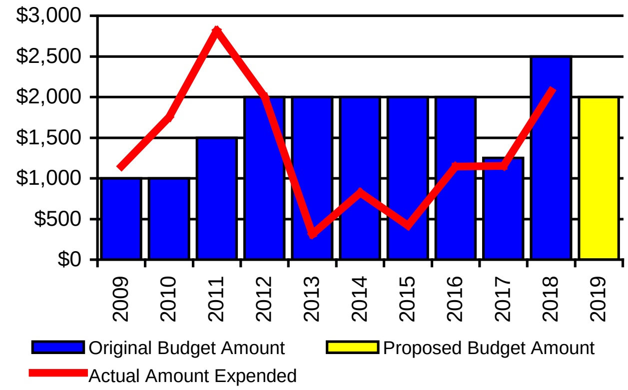
Equipment and parts associated with the maintenance of Cla-valves. This does not include the labor from the Water Resources Department, Engineering Department, or Utility Service Department.	$ 20,000
Total	$ 20,000

Water Division - Water Resource Department 02-5-01-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,000	$2,001
2013	$2,000	$312
2014	$2,000	$822
2015	$2,000	$418
2016	$2,000	$1,144
2017	$1,250	$1,153
2018	$2,500	$2,071

2019	**$2,000**



Description:

This budget includes the miscellaneous supplies and expenses related to the operation of the water resources department.

Line Item Detail:

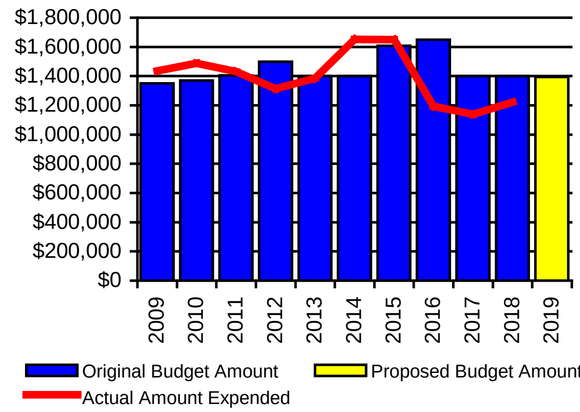
General Supplies and Expenses	$ 2,000
Total	$ 2,000

Water Division – Water Resource Department 02-5-01-51210

Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
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	$1,649,588
2016	$1,650,000	$1,192,680
2017	$1,400,000	$1,138,243
2018	$1,400,000	$1,222,399

2019	**$1,394,000**



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.

Line Item Detail:

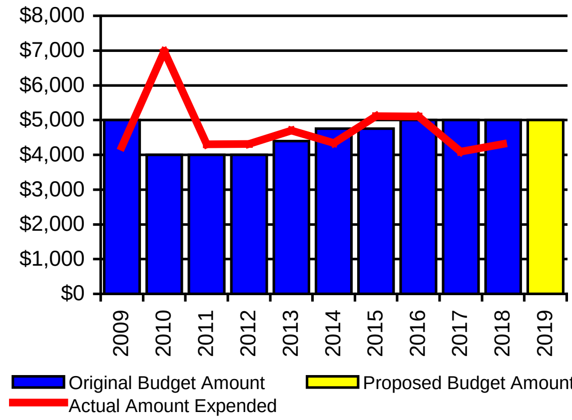
Southern California Edison power purchases for all reservoirs, wells, and booster facilities.	$ 1,394,000
Total	$ 1,394,000

Water Division - Water Resource Department 02-5-01-51211

Electricity & Fuel

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$4,000	$4,313
2013	$4,000	$4,695
2014	$4,750	$4,339
2015	$4,750	$5,116
2016	$5,000	$5,099
2017	$5,000	$4,094
2018	$5,000	$4,312

2019	**$5,000**



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. This line item also includes fuel purchases for natural gas driven engines. It does not include electrical costs necessary to pump or boost water (see Power Purchases 02-5-01-51210).

Line Item Detail:

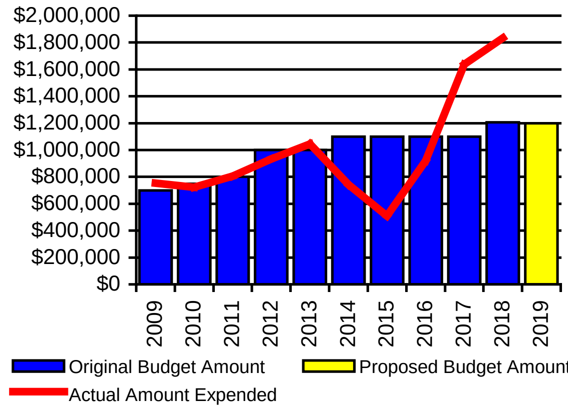
Electrical and Fuel Costs		$ 5,000
	Total	$ 5,000

Water Division - Water Resource Department 02-5-01-51316

Imported Water Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000,000	$933,923
2013	$1,000,000	$1,043,894
2014	$1,100,000	$741,329
2015	$1,100,000	$509,584
2016	$1,100,000	$920,056
2017	$1,100,000	$1,637,696
2018	$1,206,200	$1,834,838

2019	**$1,200,000**



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:

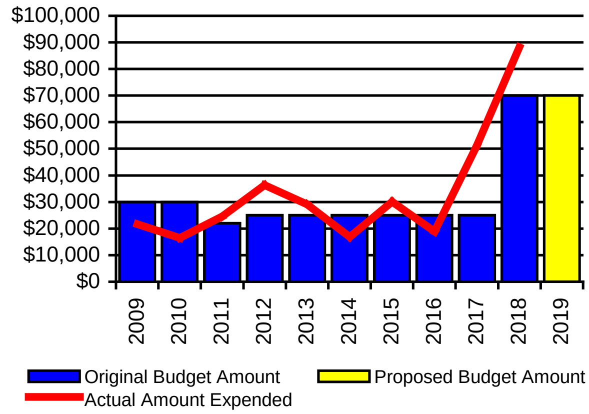
Purchase of Imported Water	$ 1,200,000
Total	$ 1,200,000

Water Division - Water Resource Department 02-5-01-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$25,000	$36,390
2013	$25,000	$29,129
2014	$25,000	$16,866
2015	$25,000	$30,134
2016	$25,000	$18,948
2017	$25,000	$51,283
2018	$70,000	$88,237

2019	**$70,000**



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:

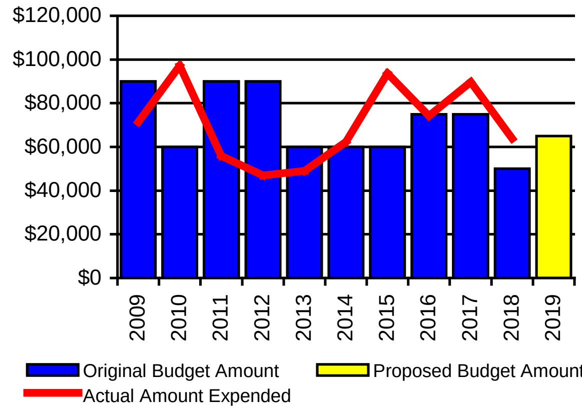
California Department of Drinking Water	$ 25,000
South Cost Air Quality Management District	$ 13,000
San Bernardino Valley Municipal Water District	$ 10,000
San Bernardino County Flood Control District	$ 10,000
United States Fire Service Permit	$ 1,000
State Water Resources Control Board Well Recordation	$ 11,000
Total	$ 70,000

Water Division - Water Resource Department 02-5-01-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$90,000	$46,985
2013	$60,000	$49,034
2014	$60,000	$62,323
2015	$60,000	$93,703
2016	$75,000	$74,202
2017	$75,000	$89,741
2018	$50,000	$63,847

2019	**$65,000**



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:

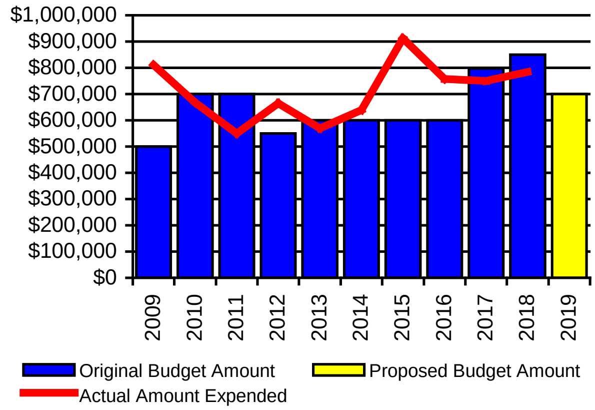
Laboratory Services		$ 65,000
	Total	$ 65,000

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
2012	$550,000	$664,912
2013	$600,000	$570,097
2014	$600,000	$639,177
2015	$600,000	$911,863
2016	$600,000	$751,125
2017	$797,000	$750,060
2018	$850,000	$784,184

2019	**$700,000**



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 and imported water purchase expenses (which are not included in this line item).

Line Item Detail:

Chemicals and Supplies		$ 260,000
Professional Services		$ 110,000
Equipment Repairs and Maintenance		$ 113,000
Instrumentation and Control System		$ 90,000
Utilities – Power, Gas, and Trash		$ 75,000
Communications – Telephone & Internet		$ 22,000
Miscellaneous Expenses		$ 30,000
	Total	$ 700,000

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 22.45 Full-Time Equivalent (FTE) employees.

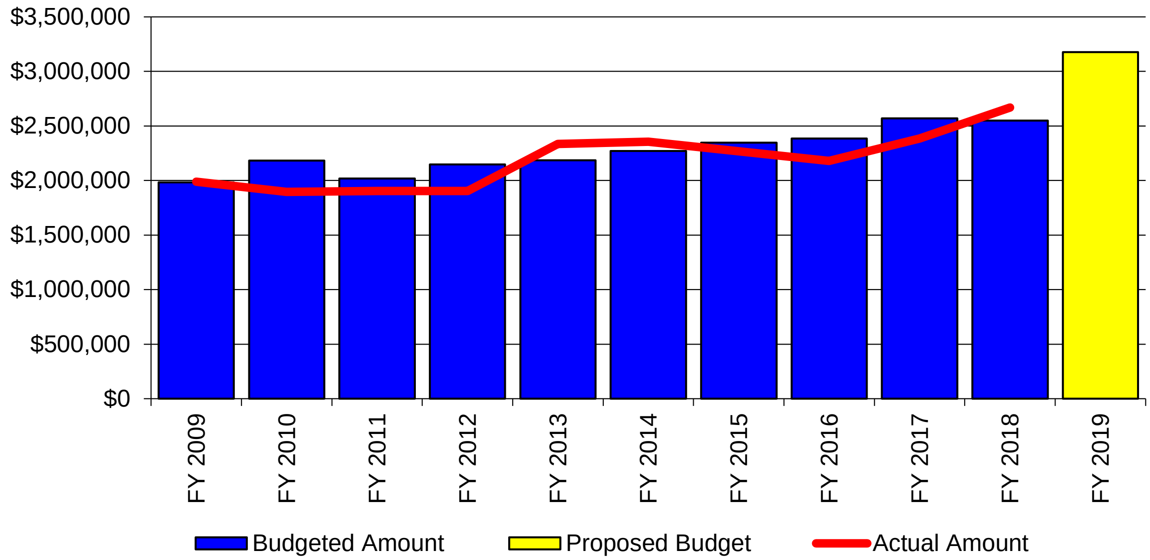
The FTE calculation details for this department are as follows:

Title	Range	FTE	*Expense*
Public Works Manager	234	0.75	$ 91,611
Public Works Supervisors	113	2.80	$ 298,291
Senior Utility Service Worker	49	1.40	$ 121,745
Utility Service Worker IV	44	0.70	$ 55,883
Purchasing Agent	42	0.70	$ 63,167
Utility Service Worker III	40	7.70	$ 530,739
Utility Service Worker II	36	1.40	$ 85,269
Utility Service Worker I	32	7.00	$ 403,402
	Total	**22.45**	**$1,650,107**

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 $3,177,454 (not including asset acquisitions & capital improvements), which represents an increase of $626,966 as compared to the previous year, or a 25% 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[1] 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.

[1] 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.

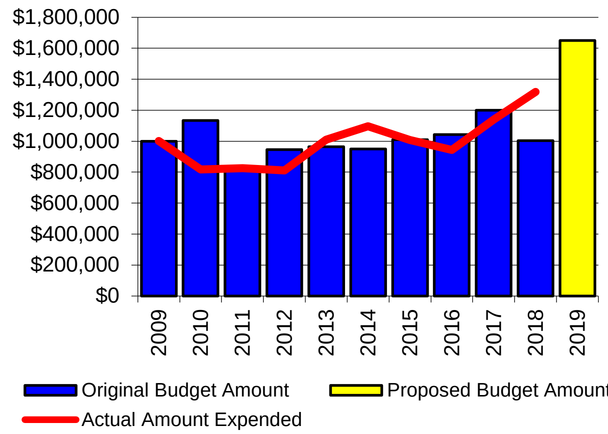
- Fire Hydrant Maintenance Program – Fire hydrant inspections, fire flow tests and pressure readings from the District's fire hydrants will also be a high priority. The fire hydrant maintenance program will be designed throughout the year to inspect all fire hydrants and convey operational data to the 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.
- 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
2012	$945,340	$811,118
2013	$963,140	$1,010,131
2014	$950,000	$1,095,581
2015	$1,009,764	$1,008,475
2016	$1,042,800	$944,126
2017	$1,200,000	$1,139,658
2018	$1,003,049	$1,318,307

2019	**$1,650,107**



Description:

This budget category includes the base salaries and anticipated 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:

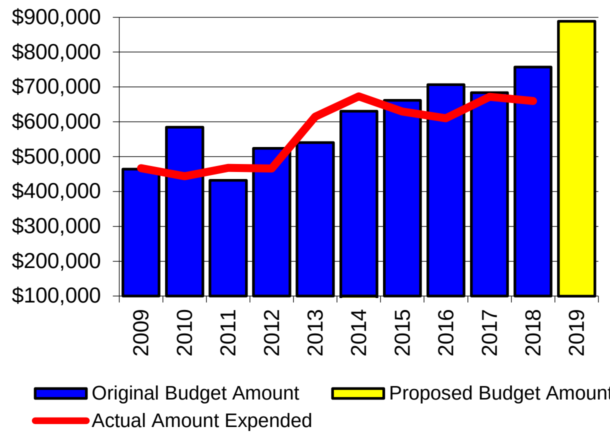
Title	Range	FTE	Expense
Public Works Manager	234	0.75	$ 91,611
Public Works Supervisor	113	2.80	$ 298,291
Senior Utility Service Worker	49	1.40	$ 121,745
Utility Service Worker IV	44	0.70	$ 55,883
Purchasing Agent	42	0.70	$ 63,167
Utility Service Worker III	40	7.70	$ 530,739
Utility Service Worker II	36	1.40	$ 85,269
Utility Service Worker I	32	7.00	$ 403,402
	Total	22.45	$1,650,107

Water Division – Public Works Department 02-5-03-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$523,825	$465,901
2013	$540,800	$614,496
2014	$630,250	$673,044
2015	$662,000	$629,581
2016	$707,000	$610,409
2017	$683,500	$672,238
2018	$757,180	$659,527

2019	**$888,847**



Description:

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

Line Item Detail:

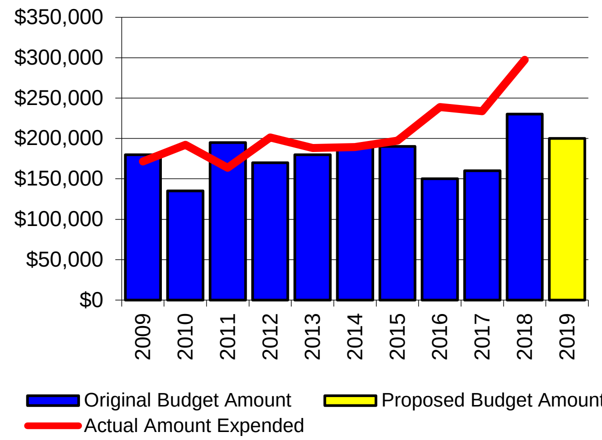
FICA (50013)	$ 126,443
Life Insurance (50014)	$ 10,776
Medical, Dental, Vision & Deferred Comp. (50016)	$ 422,958
Disability Insurance (50017)	$ 14,851
Workers' Compensation (50019)	$ 44,553
PERS Employer (50022)	$ 247,516
Uniforms (50023)	$ 11,225
Vacation/Sick Leave (50024)	$ 4,000
Boot Allowance @ $300/Employee (50025)	$ 6,525
Total	$ 888,847

Water Division – Public Works Department 02-5-03-51001

Repair & Maintenance – Vehicles & Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$170,000	$201,473
2013	$180,000	$188,160
2014	$190,000	$189,322
2015	$190,000	$197,506
2016	$150,000	$239,042
2017	$160,000	$233,571
2018	$230,000	$297,349

2019	**$200,000**



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:

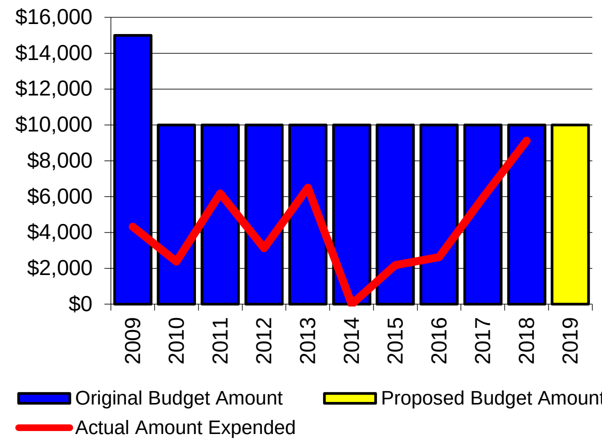
General Repair and Maintenance of Vehicles and Equipment	$ 200,000
Total	$ 200,000

Water Division – Public Works Department 02-5-03-51011

Repair & Maintenance - Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$10,000	$3,117
2013	$10,000	$6,497
2014	$10,000	$0
2015	$10,000	$2,175
2016	$10,000	$2,615
2017	$10,000	$5,949
2018	$10,000	$9,119

2019	**$10,000**



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:

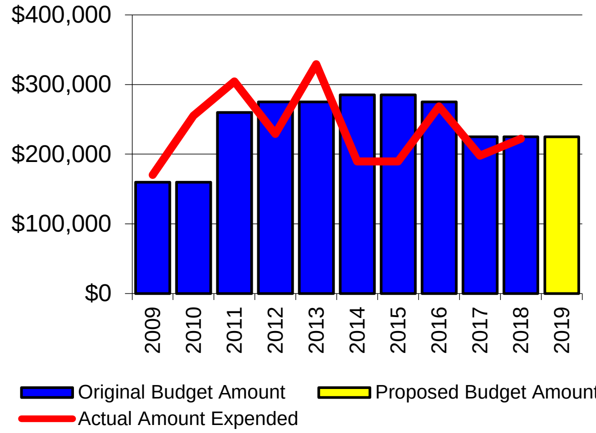
General Repair and Maintenance of Valves		$ 10,000
	Total	$ 10,000

Water Division – Public Works Department 02-5-03-51020

Repair & Maintenance - Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$275,000	$228,957
2013	$275,000	$329,241
2014	$285,000	$189,817
2015	$275,000	$150,918
2016	$275,000	$268,740
2017	$225,000	$197,930
2018	$225,000	$222,231

2019	**$225,000**



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:

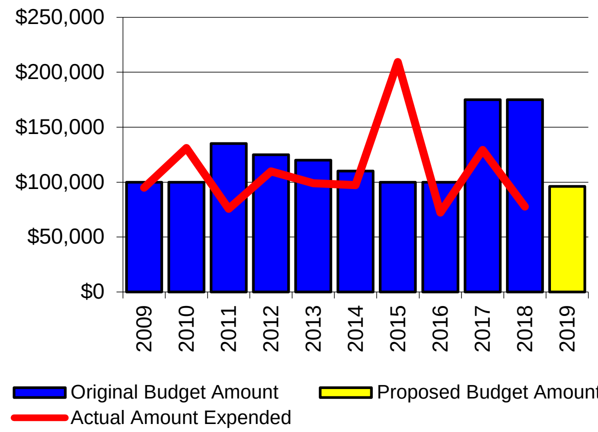
Maintenance of Pipelines (includes paving and outside services)	$ 195,000
Maintenance of Air Releases and Vacuum Valves	$ 15,000
Leak Detection Program – Evaluation of approximately 40 miles of existing older distribution system piping	$ 15,000
Total	$ 225,000

Water Division – Public Works Department 02-5-03-51021

Repair & Maintenance - Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$125,000	$109,749
2013	$120,000	$98,947
2014	$110,000	$97,174
2015	$100,000	$209,283
2016	$100,000	$72,262
2017	$175,000	$129,403
2018	$175,000	$77,632

2019	**$96,000**



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.

Line Item Detail:

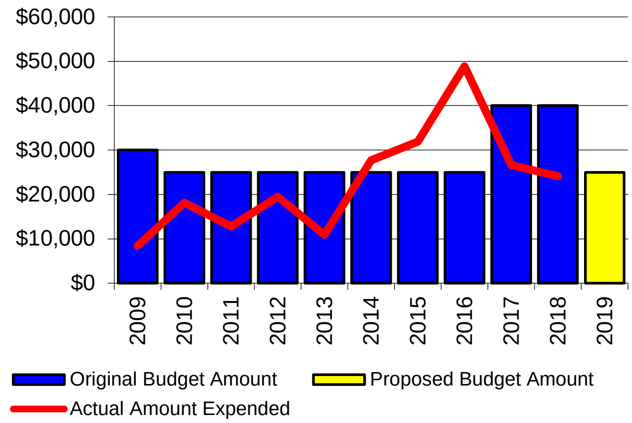
Service Line Replacements	$ 96,000
Total	$ 96,000

Water Division – Public Works Department 02-5-03-51022

Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$25,000	$19,456
2013	$25,000	$10,898
2014	$25,000	$27,678
2015	$25,000	$31,897
2016	$25,000	$48,874
2017	$40,000	$26,619
2018	$40,000	$24,116

2019	**$25,000**



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:

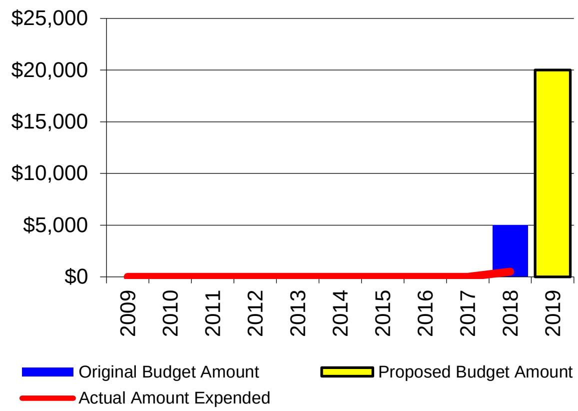
Repair and Maintenance of Fire Hydrants & Services	$ 25,000
Total	$ 25,000

Water Division – Public Works Department 02-5-03-51029

Repair & Maintenance – Backflow

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$0
2018	$5,000	$500

2019	**$20,000**



Description:

This budget category represents the annual projected costs associated with maintaining the District's recycled backflows. In the prior fiscal year, this was included in the Recycled Water Operating budget. However, this expense line item is more appropriately associated with the Water Division.

Line Item Detail:

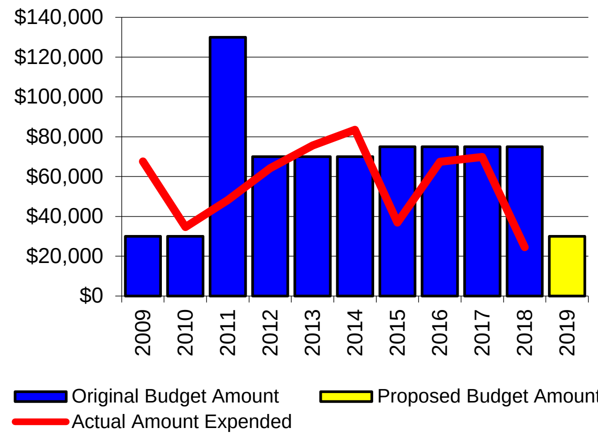
General Maintenance for Backflows	$ 20,000
	$20,000

Water Division – Public Works Department 02-5-03-51030

Repair & Maintenance – Water Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$70,000	$64,269
2013	$70,000	$75,612
2014	$70,000	$83,498
2015	$75,000	$36,819
2016	$75,000	$67,508
2017	$75,000	$69,833
2018	$75,000	$24,543

2019	**$30,000**



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:

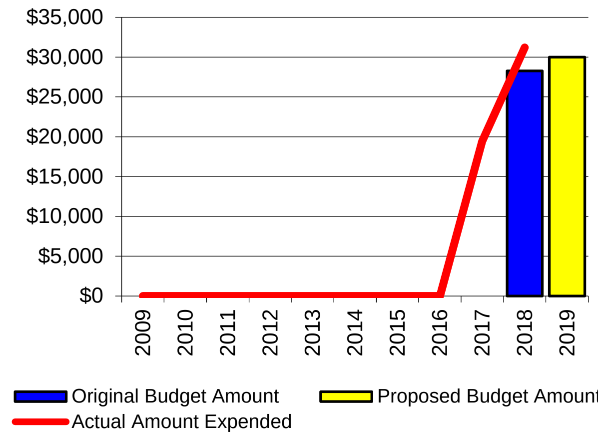
Large Meter Maintenance	$ 5,000
Construction Meter Maintenance	$ 3,500
Water Meter Purchase and Installation	$ 20,000
Miscellaneous Expenditures	$ 1,500
Total	$ 30,000

Water Division – Public Works Department 02-5-03-51031

Fire Flow Testing

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$19,412
2018	$28,259	$31,206

2019	**$30,000**



Description:

This budget category consists of charges incurred by having fire flows tested by an outside source. In the future, this network modeling and system calibration will be performed by District staff.

Line Item Detail:

Fire Flow Testing $30,000

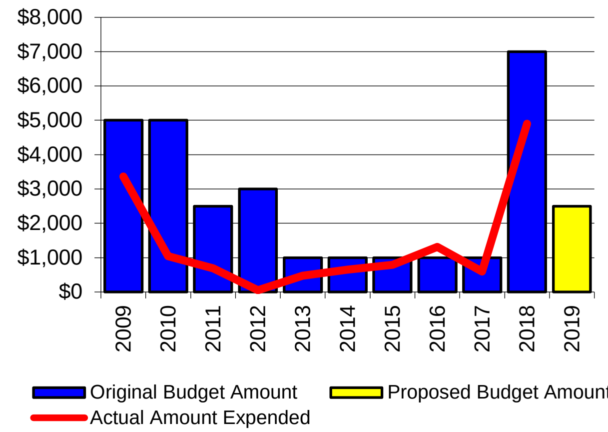
Total $ 30,000

Water Division – Public Works Department	02-5-03-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$3,000	$51
2013	$1,000	$473
2014	$1,000	$647
2015	$1,000	$794
2016	$1,000	$1,311
2017	$1,000	$593
2018	$7,000	$4,900

2019	**$2,500**



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	$ 2,500
Total	$ 2,500

Administrative Services Department

Department Description – The Administrative Services 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 Services Department is responsible for ensuring the following:

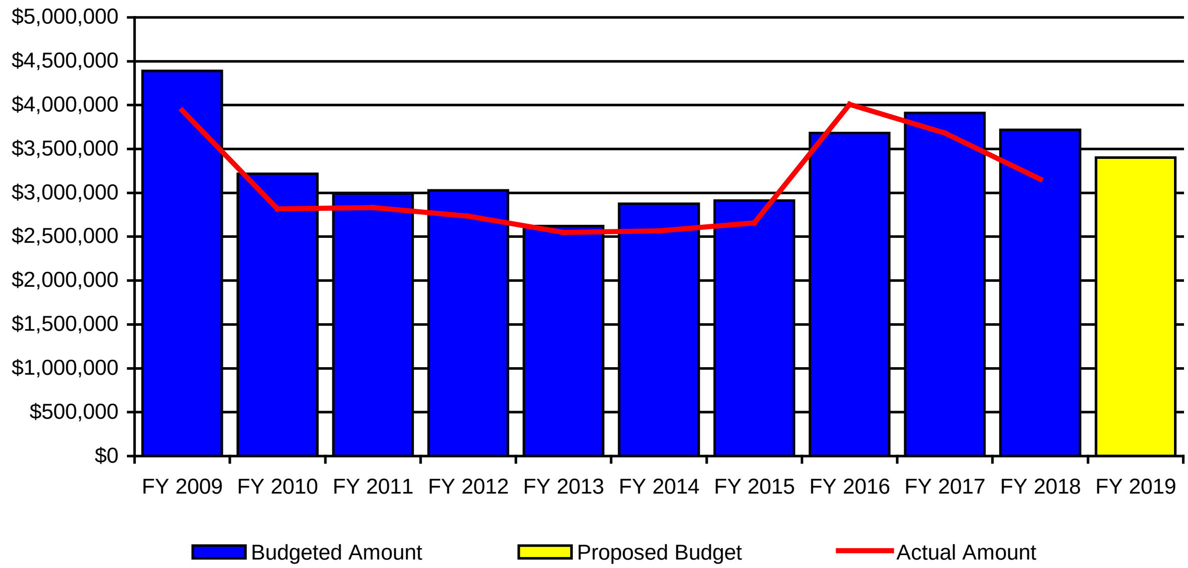
- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, Director information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting 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 Administration Department has been allocated labor resources of 6.15 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

Title	Range	FTE	*Expense*
General Manager	- -	0.45	$ 93,188
Chief Financial Officer	248	0.45	$ 61,193
Implementation Manager	236	0.70	$ 86,872
Water Resource Manager	232	0.35	$ 47,578
Administrative Supervisor	113	0.50	$ 59.678
Water Resource Project Supervisor	113	0.35	$ 34,158
Senior Engineering Technician	110	0.35	$ 30,936
Administrative Clerk V	39	0.50	$ 39,675
Administrative Clerk IV	35	0.50	$ 37,895
Engineering Technician I	33	0.50	$ 35,832
Administrative Clerk III	31	0.50	$ 30,457
Administrative Clerk II	27	0.50	$ 24,881
Administrative Clerk I	23	0.50	$ 20,017
	Total	**6.15**	**$602,359**

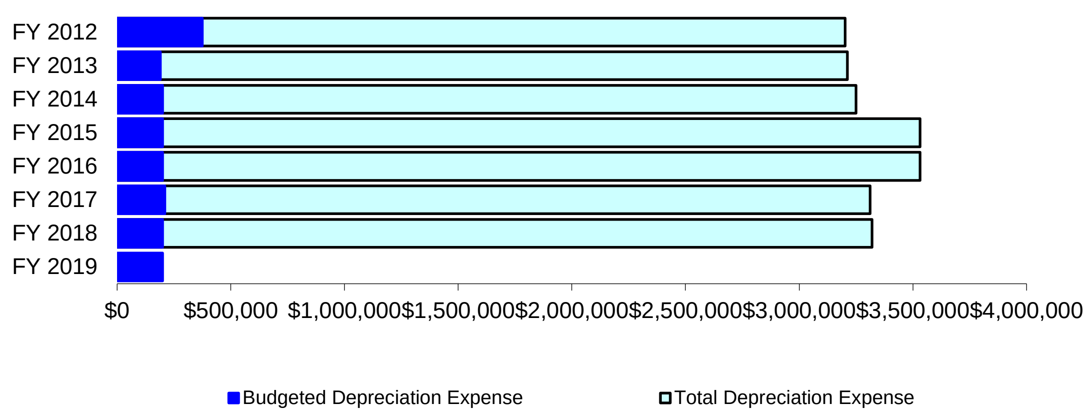
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Administrative Services Department will be allocated $3,403,916 (not including asset acquisitions & capital improvements), which represents a decrease of $315,502 as compared to the previous year, or a 8% decrease.

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.



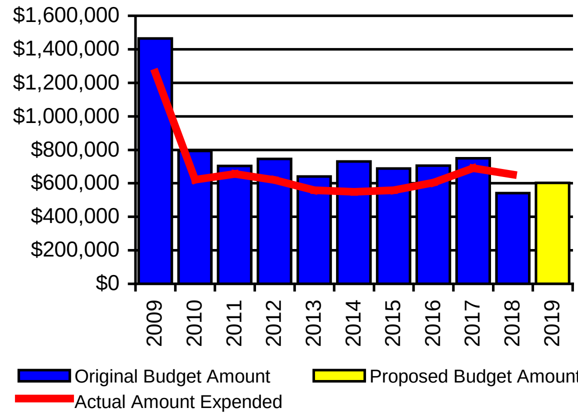
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Water Division – Administrative Services Department 02-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$745,830	$619,099
2013	$641,470	$558,843
2014	$730,000	$549,637
2015	$687,667	$558,458
2016	$705,000	$604,613
2017	$750,000	$691,090
2018	$542,038	$651,810

2019	**$602,359**



Description:

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

Line Item Detail:

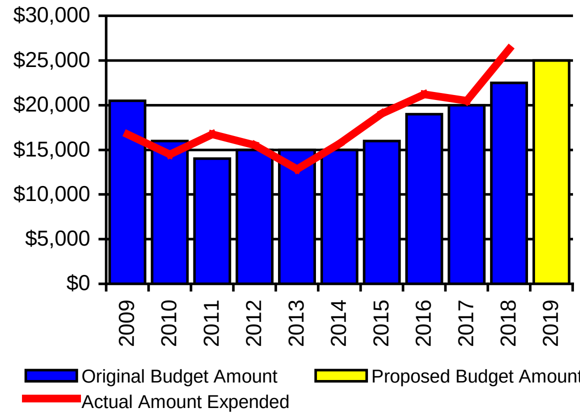
Title	Range	FTE	Expense
General Manager	- -	0.45	$ 93,188
Chief Financial Officer	248	0.45	$ 61,193
Implementation Manager	236	0.70	$ 86,872
Water Resource Manager	232	0.35	$ 47,578
Administrative Supervisor	113	0.50	$ 59,678
Water Resource Project Supervisor	113	0.35	$ 34,158
Senior Engineering Technician	110	0.35	$ 30,936
Administrative Clerk V	39	0.50	$ 39,675
Administrative Clerk IV	35	0.50	$ 37,895
Engineering Technician I	33	0.50	$ 35,832
Administrative Clerk III	31	0.50	$ 30,457
Administrative Clerk II	27	0.50	$ 24,881
Administrative Clerk I	23	0.50	$ 20,017
	Total	6.15	$602,359

Water Division – Administrative Services Department 02-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$15,000	$15,525
2013	$15,000	$12,851
2014	$15,000	$15,699
2015	$16,000	$19,073
2016	$19,000	$21,202
2017	$20,000	$20,490
2018	$22,500	$26,287

2019	**$25,000**



Description:

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

Line Item Detail:

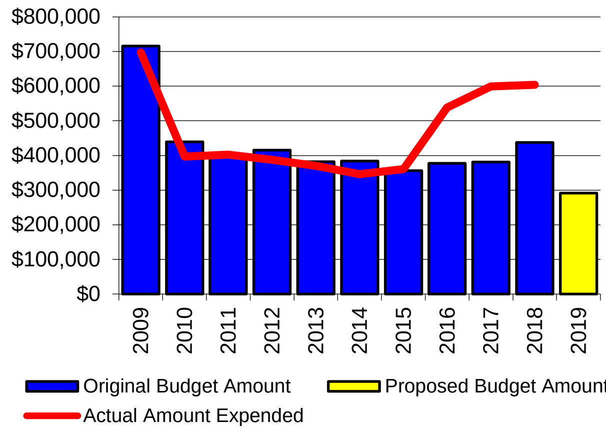
Director Fees, Travel and Other Related Expenses	$ 25,000
	$ 25,000

Water Division – Administrative Services Department 02-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$415,335	$387,181
2013	$382,380	$369,603
2014	$383,450	$349,246
2015	$356,200	$360,580
2016	$377,236	$538,408
2017	$381,000	$599,539
2018	$437,080	$604,283

2019	**$291,857**



Description:

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

Line Item Detail:

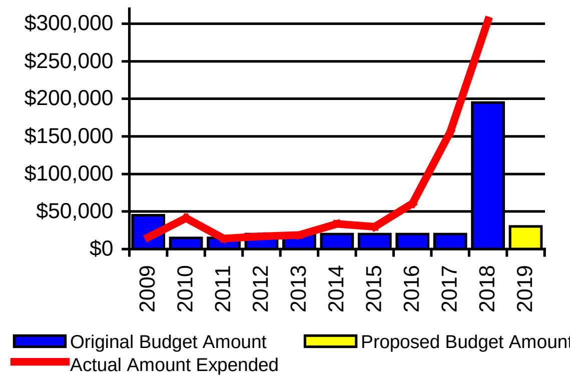
FICA (50013)	$ 46,080
Life Insurance (50014)	$ 2,952
Medical, Dental, Vision & Deferred Comp. (50016)	$ 115,866
Disability Insurance (50017)	$ 5,421
Workers' Compensation (50019)	$ 16,264
PERS Employer (50022)	$ 90,354
Uniforms (50023)	$ 3,075
Vacation/Sick Leave (50024)	$ 10,000
Boot Allowance @ $300/Employee (50025)	$ 1,845
Total	$ 291,857

Water Division – Administrative Services Department 02-5-06-51003

Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$20,000	$16,967
2013	$20,000	$18,573
2014	$20,000	$33,694
2015	$20,000	$29,553
2016	$20,000	$60,756
2017	$40,000	$322,675
2018	$195,000	$304,261

2019	**$30,000**



Description:

This budget category represents the annual projected costs associated with the maintenance and repair of the District administration building and related facilities. In 2017, the District completed remodeling of the interior of the main office to address the deterioration of the building and organizational restructuring due to the retirement of most of the management staff members. In 2018, the District completed a new exterior building for the field staff. This building includes a new meeting area for staff, breakroom, locker rooms and additional space to house equipment and inventory.

Line Item Detail:

General Maintenance for the Administrative facilities $ 30,000

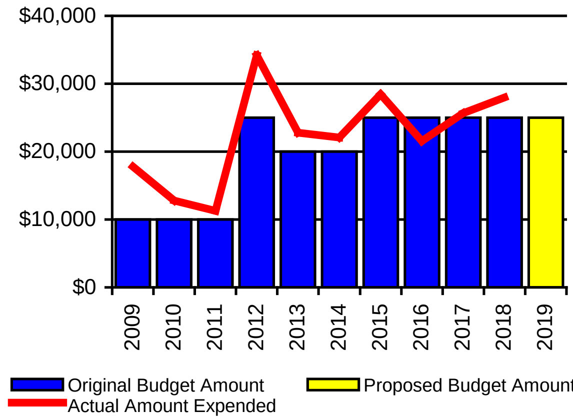
$ 30,000

Water Division – Administrative Services Department 02-5-06-51120

Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$25,000	$34,190
2013	$20,000	$22,799
2014	$20,000	$22,094
2015	$25,000	$28,461
2016	$25,000	$21,555
2017	$25,000	$25,667
2018	$25,000	$27,953

2019	**$25,000**



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:

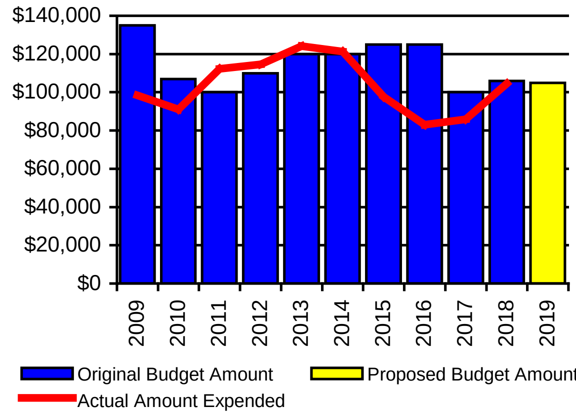
Miscellaneous Safety Equipment and Supplies	$ 25,000
	$ 25,000

Water Division – Administrative Services Department 02-5-06-51125

Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$110,000	$114,682
2013	$120,000	$124,198
2014	$120,000	$121,283
2015	$125,000	$97,555
2016	$125,000	$82,975
2017	$100,000	$85,821
2018	$106,000	$104,650

2019	**$105,000**



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:

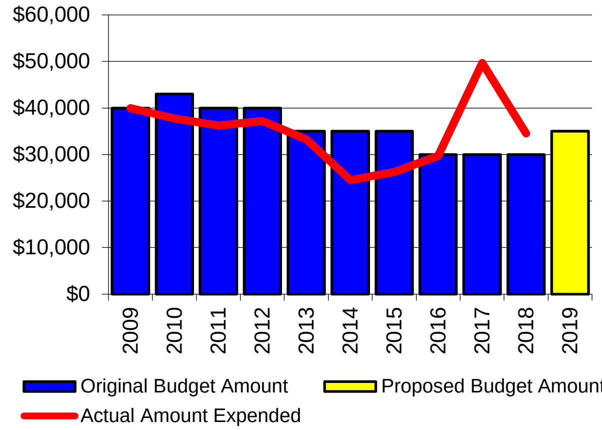
Unleaded Gasoline	$ 55,500
Propane	$ 2,000
Diesel Fuel	$ 45,000
Oil and Disposal Costs	$ 2,500
Total	$105,000

Water Division – Administrative Services Department 02-5-06-51130

Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$40,000	$37,220
2013	$35,000	$33,264
2014	$35,000	$24,528
2015	$35,000	$26,301
2016	$30,000	$29,742
2017	$30,000	$46,689
2018	$30,000	$34,556

2019	**$35,000**



Description:

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

Line Item Detail:

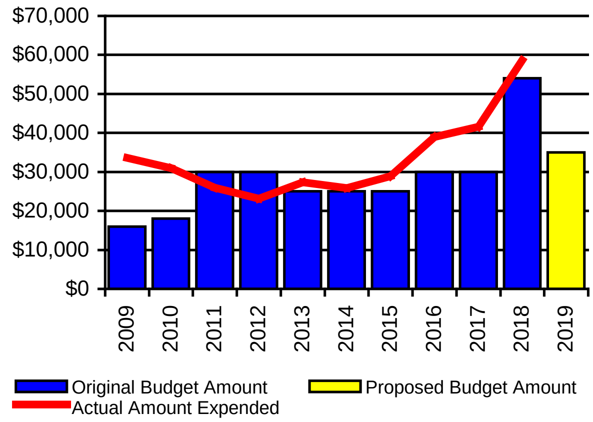
Miscellaneous Office Supplies	$ 35,000
Total	$ 35,000

Water Division – Administrative Services Department 02-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$30,000	$23,163
2013	$25,000	$27,375
2014	$25,000	$25,841
2015	$25,000	$28,929
2016	$30,000	$38,945
2017	$30,000	$41,608
2018	$54,000	$58,660

2019	**$35,000**



Description:

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

Line Item Detail:

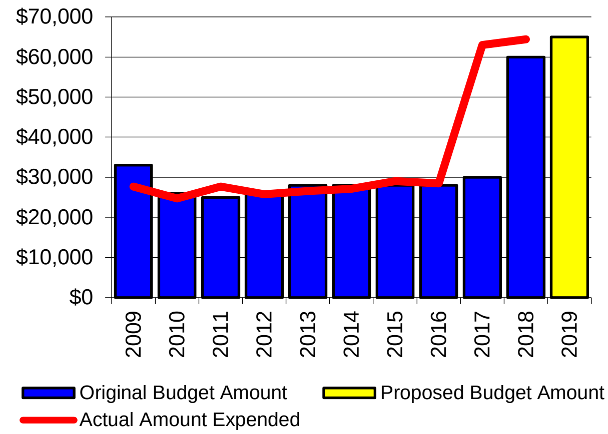
Supplies and Expenses	$ 35,000
Total	$ 35,000

Water Division – Administrative Services Department 02-5-06-51211

Electricity

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$26,000	$25,732
2013	$28,000	$26,579
2014	$28,000	$27,145
2015	$28,000	$29,020
2016	$28,000	$28,469
2017	$30,000	$63,007
2018	$60,000	$64,411

2019	**$65,000**



Description:

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

Line Item Detail:

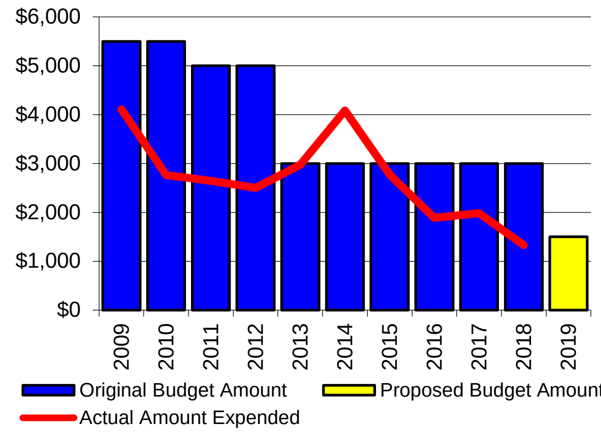
Electrical Costs	$ 65,000
Total	$ 65,000

Water Division – Administrative Services Department 02-5-06-51213

Natural Gas

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,000	$2,501
2013	$3,000	$2,972
2014	$3,000	$4,087
2015	$3,000	$2,152
2016	$3,000	$1,888
2017	$3,000	$1,983
2018	$3,000	$1,330

2019	**$1,500**



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:

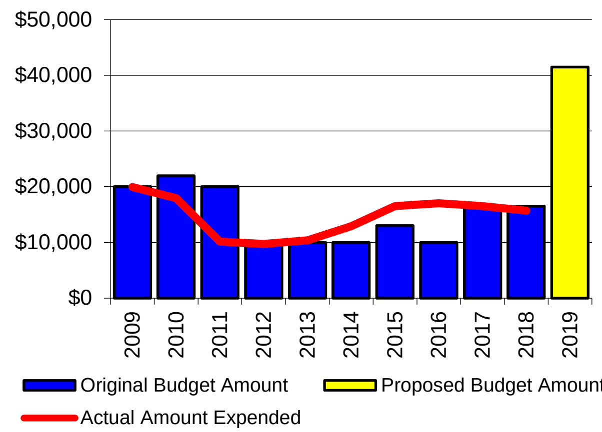
Natural Gas Costs	$ 1,500
Total	$ 1,500

Water Division – Administrative Services Department 02-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$10,000	$9,745
2013	$10,000	$10,402
2014	$10,000	$12,911
2015	$13,000	$16,504
2016	$10,000	$17,025
2017	$16,500	$16,534
2018	$16,500	$15,715

2019	**$41,500**



Description:

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

Line Item Detail:

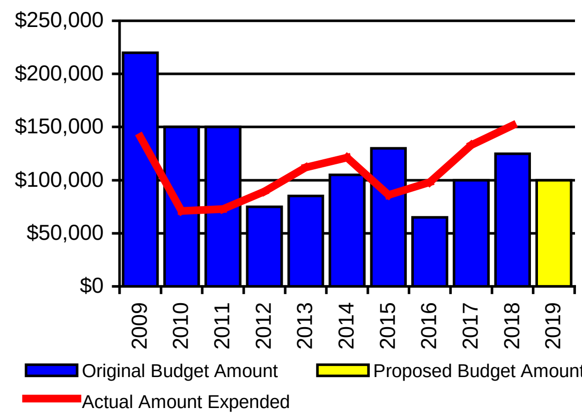
American Water Works Association (AWWA)	$ 4,022
Association of California Water Agencies	$ 25,000
Association of Environmental Professionals	$ 250
Association of San Bernardino County Special Districts	$ 138
California Municipal Treasury Association (CMTA)	$ 78
California Society of Municipal Finance Officers (CSMFO)	$ 55
California Special Districts Association (CSDA)	$ 3,421
California Water Environmental Association (CWEA)	$ 600
Emergency Response Network of the Inland Empire (ERNIE)	$ 200
Groundwater Resources Association of California	$ 315
Society for Human Resource Management (SHRM)	$ 104
Southwest Membrane Operator Association	$ 375
Water ISAC	$ 1,000
Other Subscriptions	$ 5,942
Total	$ 41,500

Water Division – Administrative Services Department 02-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$75,000	$89,374
2013	$85,000	$111,943
2014	$105,000	$121,200
2015	$130,000	$85,899
2016	$65,000	$98,071
2017	$100,000	$132,920
2018	$125,000	$151,751

2019	**$100,000**



Description:

The District staff relies heavily upon the proper operation and integration of our various computer systems. Therefore, this budget category includes the costs related to modifications and improvements in the operation of the computer systems.

Line Item Detail:

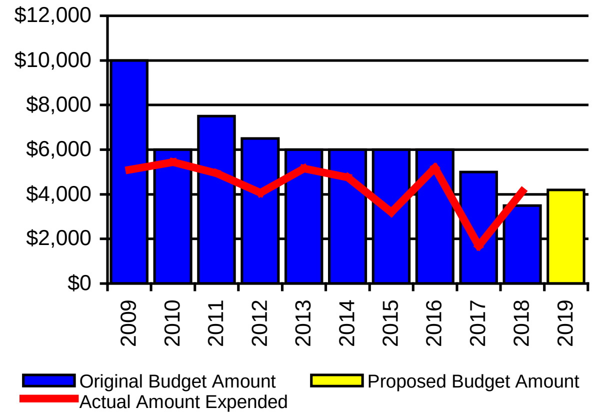
General Accounting and Customer Service Programs	$ 33,000
Computer and Network Maintenance	$ 32,000
Miscellaneous Hardware and Software	$ 35,000
Total	$100,000

Water Division – Administrative Services Department 02-5-06-54010

Postage

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$6,500	$4,072
2013	$6,000	$5,150
2014	$6,000	$4,755
2015	$6,000	$3,197
2016	$6,000	$5,190
2017	$5,000	$1,693
2018	$3,500	$4,120

2019	**$4,200**



Description:

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

Line Item Detail:

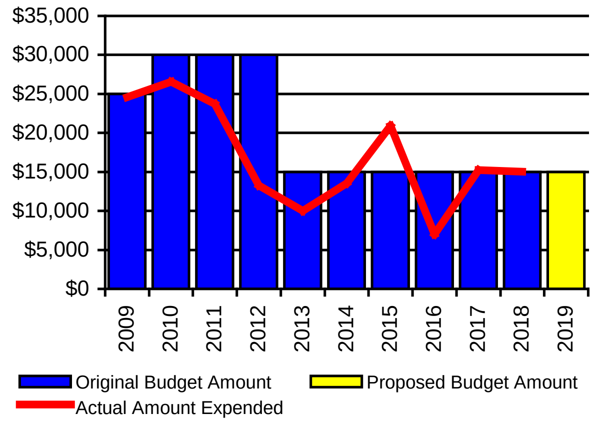
Postage and Overnight Express Charges	$ 4,200
Total	$ 4,200

Water Division – Administrative Services Department 02-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$30,000	$13,254
2013	$15,000	$9,999
2014	$15,000	$13,533
2015	$15,000	$20,937
2016	$15,000	$7,002
2017	$15,000	$15,235
2018	$15,000	$15,029

2019	**$15,000**



Description:

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

Line Item Detail:

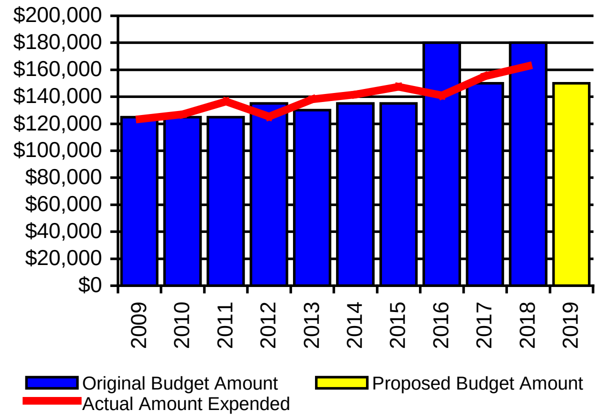
Education and Training Expenses	$ 15,000
Total	$ 15,000

Water Division – Administrative Services Department 02-5-06-54013

Utility Billing Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$135,000	$125,456
2013	$130,000	$138,219
2014	$135,000	$141,606
2015	$135,000	$147,349
2016	$180,000	$141,041
2017	$150,000	$157,466
2018	$180,000	$162,689

2019	**$150,000**



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. The District waives the credit card fees charged to customers to encourage the use of alternative payment methods.

Line Item Detail:

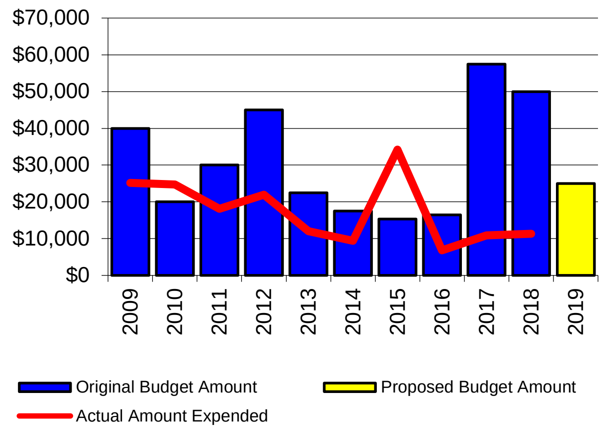
Credit Card Convenience Fees		$ 30,000
Utility Billing Expenses		$ 120,000
	Total	$ 150,000

Water Division – Administrative Services Department 02-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$45,000	$21,900
2013	$22,500	$11,989
2014	$17,500	$9,432
2015	$15,325	$34,211
2016	$16,500	$6,813
2017	$57,500	$10,870
2018	$50,000	$11,321

2019	**$25,000**



Description:

This budget category represents the annual projected costs associated with public relations efforts which include public tours and tours for school children as well as all costs associated with printing business forms and public hearing notices and job announcements. In 2017-18, all historical and future budget data for the Printing and Publications budget category (02-5-06-54011) was combined here.

Line Item Detail:

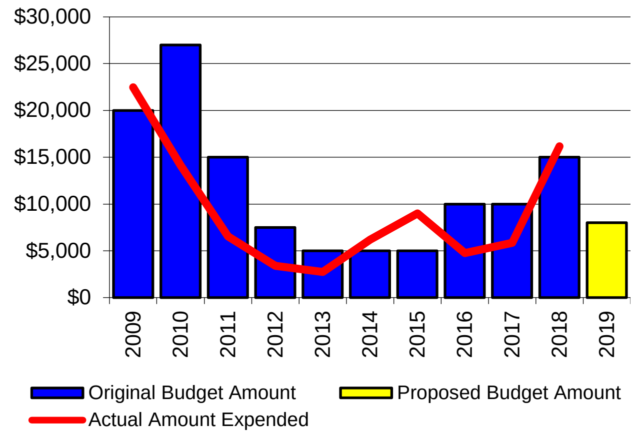
Public Relations		$ 25,000
	Total	$ 25,000

Water Division – Administrative Services Department 02-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$7,500	$3,400
2013	$5,000	$2,741
2014	$5,000	$6,205
2015	$5,000	$8,995
2016	$10,000	$4,697
2017	$10,000	$5,852
2018	$15,000	$16,175

2019	**$8,000**



Description:

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

Line Item Detail:

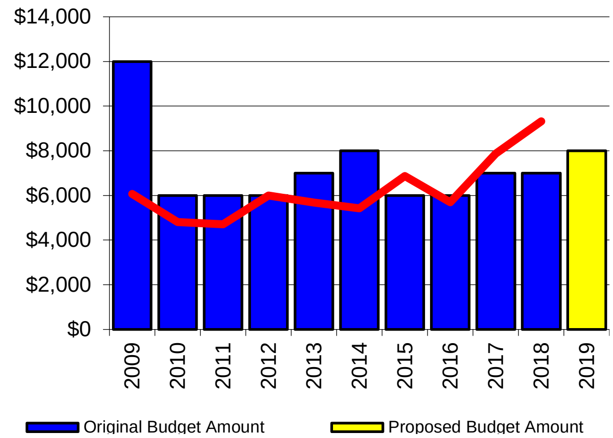
Travel Related Expenses	$ 8,000
Total	$ 8,000

Water Division – Administrative Services Department 02-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$6,000	$6,001
2013	$7,000	$5,674
2014	$8,000	$5,423
2015	$6,000	$6,867
2016	$6,000	$5,702
2017	$7,000	$7,873
2018	$7,000	$9,318

2019	**$8,000**



Description:

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

Line Item Detail:

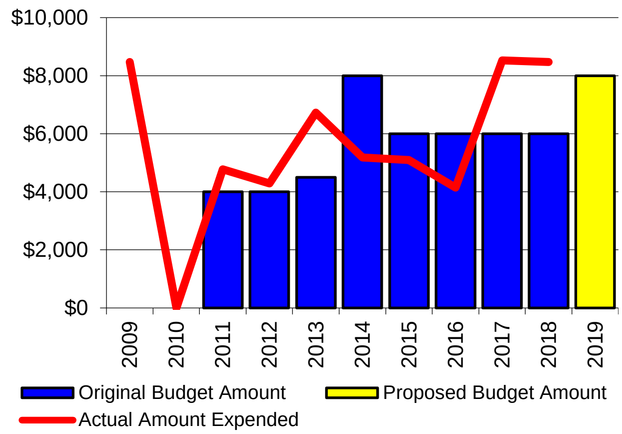
Water Division Certifications	$ 8,000
Total	$ 8,000

Water Division – Administrative Services Department 02-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$4,000	$4,292
2013	$4,500	$6,732
2014	$8,000	$5,183
2015	$6,000	$5,097
2016	$6,000	$4,144
2017	$6,000	$8,527
2018	$6,000	$8,475

2019	**$8,000**



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:

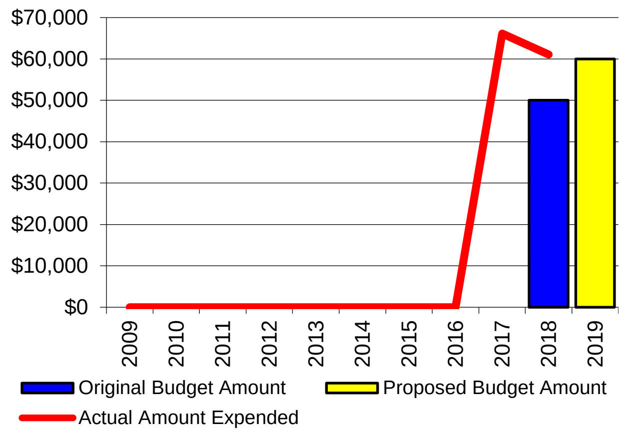
Meeting Related Expenses		$ 8,000
	Total	$ 8,000

Water Division – Administrative Services Department 02-5-06-54022

Utilities – YVWD Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$66,132
2018	$50,000	$61,046

2019	**$60,000**



Description:

This budget category is used for YVWD water and sewer charges billed to the District.

Line Item Detail:

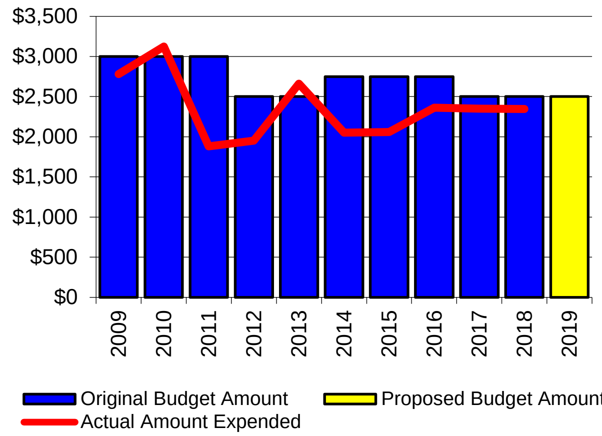
YVWD Services		$ 60,000
	Total	$ 60,000

Water Division – Administrative Services Department 02-5-06-54024

Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$1,953
2013	$2,500	$2,661
2014	$2,750	$2,050
2015	$2,750	$2,060
2016	$2,750	$2,362
2017	$2,500	$2,351
2018	$2,500	$2,347

2019	**$2,500**



Description:

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

Line Item Detail:

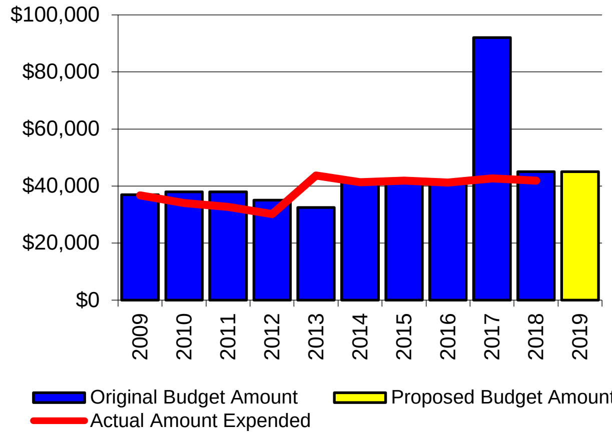
Waste Disposal Costs	$ 2,500
Total	$ 2,500

Water Division – Administrative Services Department 02-5-06-54025

Telephone & Internet

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$35,000	$30,172
2013	$32,500	$43,693
2014	$42,000	$41,282
2015	$42,000	$41,866
2016	$42,000	$41,183
2017	$92,000	$42,688
2018	$45,000	$41,875

2019	**$45,000**



Description:

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

Line Item Detail:

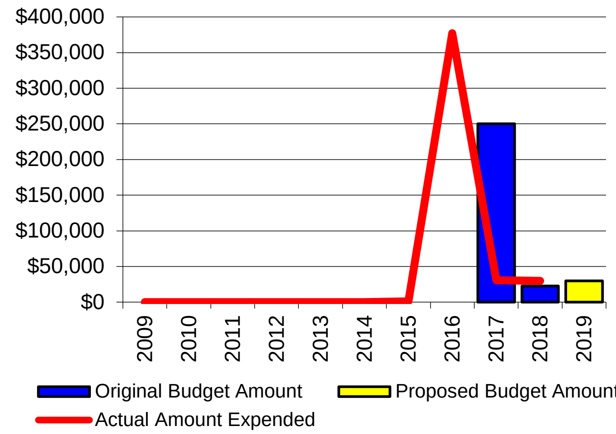
Telephone Services	$ 13,000
Internet Services	$ 32,000
Total	$ 45,000

Water Division – Administrative Services Department 02-5-06-54099

Conservation & Rebates

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$1,089
2016	$0	$429,198
2017	$250,000	$30,643
2018	$22,800	$29,661

2019	**$30,000**



Description:

This budget category represents the costs associated with the May 5, 2015, State Water Resources Control Board adopted emergency regulations to achieve a statewide 25% reduction in potable urban water use. These stringent water use regulations required YVWD to achieve a 36% reduction from the amount of drinking water produced in 2013. Going forward, this category will be associated with water conservation in anticipation of future drought conditions.

Line Item Detail:

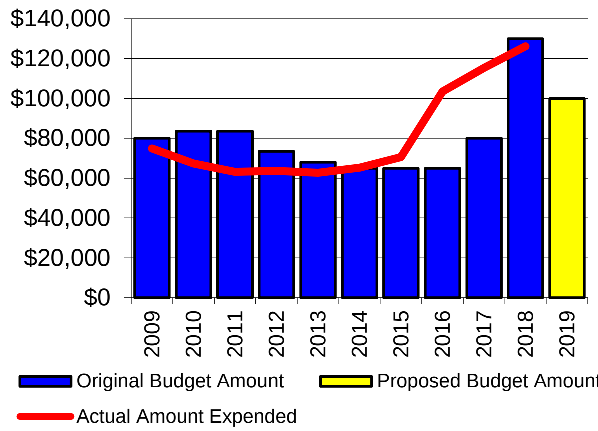
Conservation & Rebates		$ 30,000
	Total	$ 30,000

Water Division – Administrative Services Department 02-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$73,500	$63,575
2013	$68,000	$62,702
2014	$65,000	$65,318
2015	$65,000	$70,617
2016	$65,000	$103,556
2017	$80,000	$115,345
2018	$130,000	$126,188

2019	**$100,000**



Description:

This budget category includes all contract service costs for equipment and services within the water division. These services include: 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:

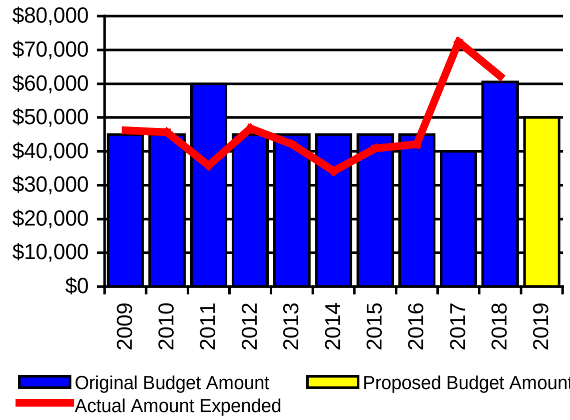
General Contractual Services	$ 100,000
Total	$ 100,000

Water Division – Administrative Services Department 02-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$45,000	$46,793
2013	$45,000	$42,107
2014	$45,000	$34,205
2015	$45,000	$40,845
2016	$45,000	$42,118
2017	$40,000	$72,325
2018	$60,500	$62,203

2019	**$50,000**



Description:

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

Line Item Detail:

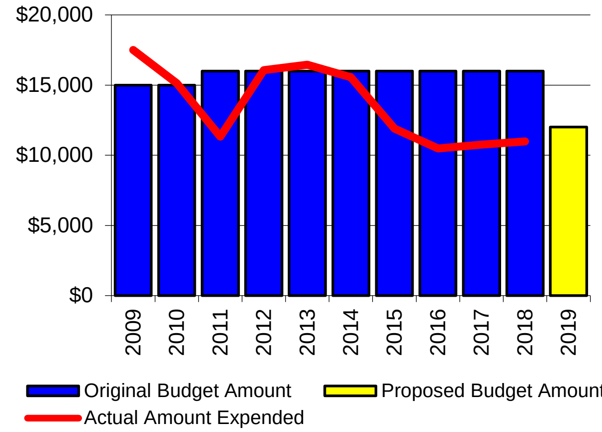
Legal Expenses		$ 50,000
	Total	$ 50,000

Water Division – Administrative Services Department 02-5-06-54108

Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$16,000	$16,073
2013	$16,000	$16,448
2014	$16,000	$15,563
2015	$16,000	$11,900
2016	$16,000	$10,485
2017	$16,000	$10,755
2018	$16,000	$10,975

2019	**$12,000**



Description:

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

Line Item Detail:

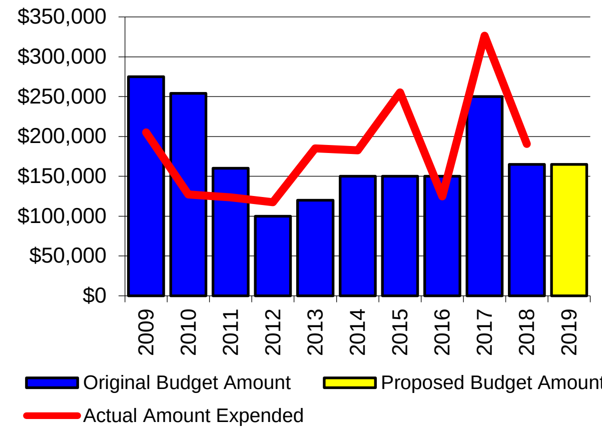
Audit and Accounting Services	$ 12,000
Total	$ 12,000

Water Division – Administrative Services Department 02-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$100,000	$117,456
2013	$120,000	$185,126
2014	$150,000	$182,465
2015	$150,000	$255,161
2016	$150,000	$124,895
2017	$250,000	$326,413
2018	$165,000	$190,805

2019	**$165,000**



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:

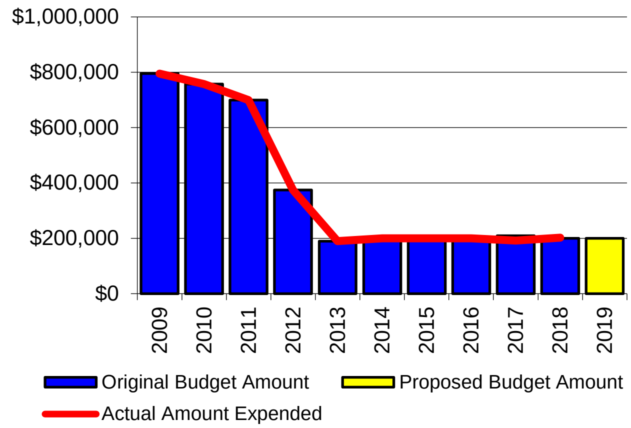
Labor Consulting Services	$ 25,000
Legislative Consulting Services	$ 49,000
Engineering Services	$ 86,000
Miscellaneous Services	$ 5,000
Total	$ 165,000

Water Division – Administrative Services Department 02-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$375,095	$375,095
2013	$190,000	$190,000
2014	$200,000	$200,000
2015	$200,000	$200,000
2016	$200,000	$200,000
2017	$209,235	$191,800
2018	$200,000	$202,305

2019	**$200,000**



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.

These funds will be transferred and designated to fund water division depreciation reserves.

Line Item Detail:

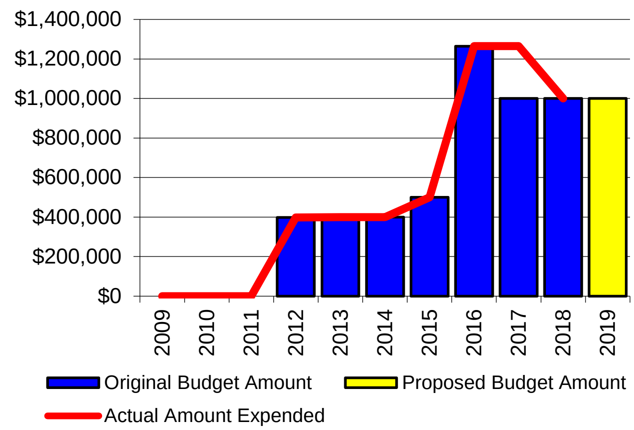
Reserve Funds		$ 200,000
	Total	$ 200,000

Water Division – Administrative Services Department 02-5-06-xxxxx

Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$397,935	$397,935
2013	$400,000	$400,000
2014	$400,000	$400,000
2015	$500,000	$500,000
2016	$1,265,000	$1,265,000
2017	$1,000,000	$1,265,000
2018	$1,000,000	$1,000,000

2019	**$1,000,000**



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, office equipment, shop equipment, radios, construction equipment, and tools relative to the water operations.

These funds will be transferred and designated to fund the replacement of water related infrastructure reserves.

Line Item Detail:

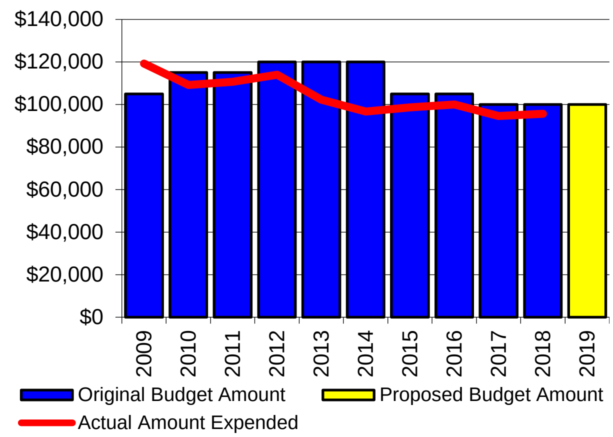
Water Infrastructure Replacement		$ 1,000,000
	Total	$ 1,000,000

Water Division – Administrative Services Department 02-5-06-56001

Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$120,000	$113,943
2013	$120,000	$102,260
2014	$120,000	$96,722
2015	$105,000	$98,685
2016	$105,000	$99,933
2017	$100,000	$94,597
2018	$100,000	$95,617

2019	**$100,000**



Description:

This budget category represents the annual projected 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:

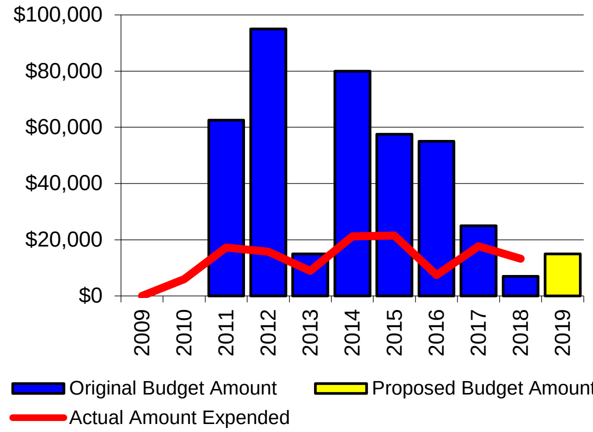
General Liability Insurance		$ 100,000
	Total	$ 100,000

Water Division – Administrative Services Department 02-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$95,000	$15,703
2013	$15,000	$8,863
2014	$80,000	$21,235
2015	$57,500	$21,471
2016	$55,000	$7,390
2017	$25,000	$17,696
2018	$7,000	$13,300

2019	**$15,000**



Description:

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

Line Item Detail:

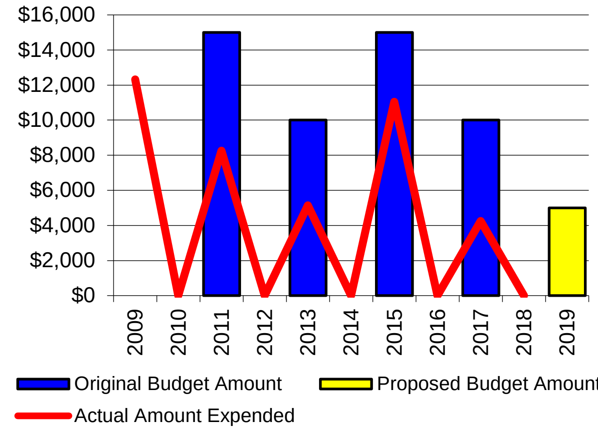
General Regulatory Compliance Expenses	$ 10,000
Water Demand Management Measures (AB 1420)	$ 5,000
Total	$ 15,000

Water Division – Administrative Services Department 02-5-06-57090

Election Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$10,000	$5,141
2014	$0	$0
2015	$15,000	$11,043
2016	$0	$0
2017	$10,000	$4,258
2018	$0	$0

2019	**$5,000**



Description:

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

Line Item Detail:

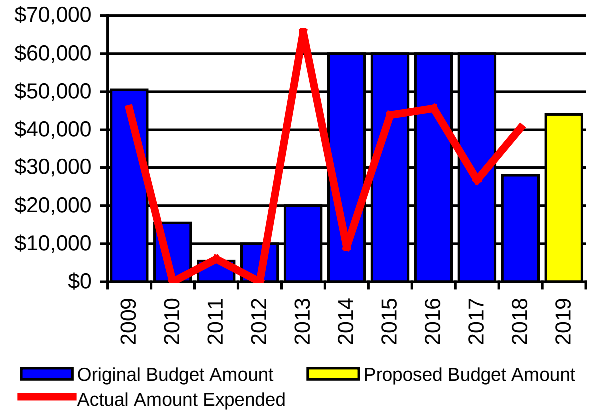
Riverside County & San Bernardino County Election Expenses		$ 5,000
	Total	$ 5,000

Water Division – Administrative Services Department 02-5-06-57096

Beaumont Basin Watermaster

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$10,000	$0
2013	$20,000	$65,659
2014	$60,000	$9,138
2015	$60,000	$43,861
2016	$60,000	$45,607
2017	$60,000	$26,738
2018	$28,000	$40,482

2019	**$44,000**



Description:

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

Line Item Detail:

Beaumont Basin Watermaster $ 44,000

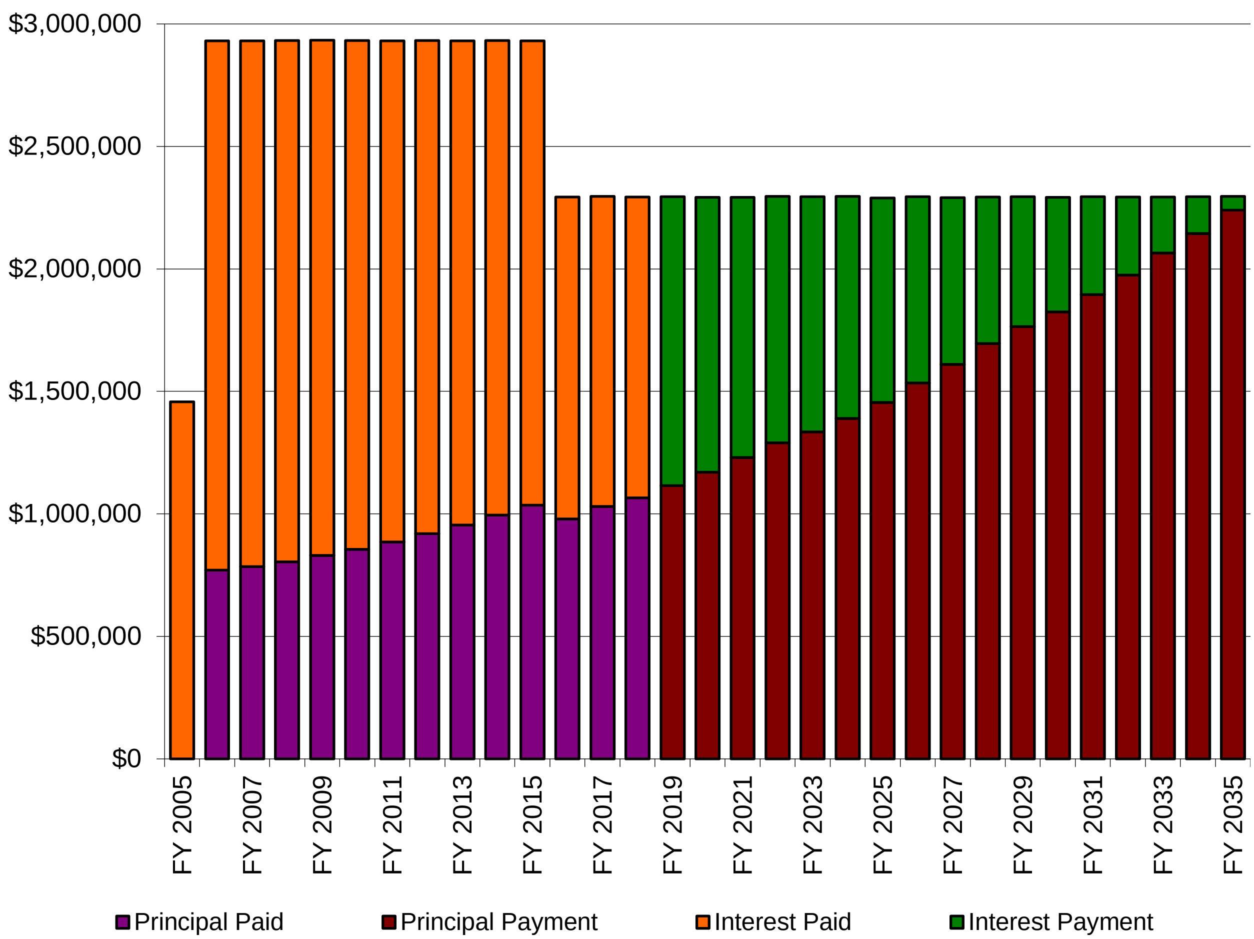
Total $ 44,000

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.

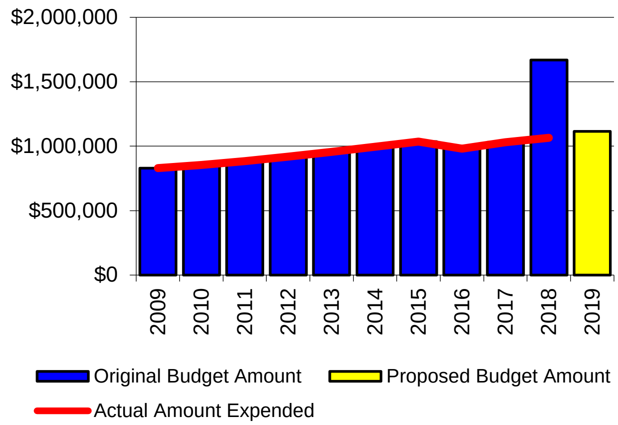


Water Division – Debt Service 02-5-40-57201

Debt Service Principal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$920,000	$920,000
2013	$955,000	$955,000
2014	$995,000	$995,000
2015	$1,035,000	$1,035,000
2016	$980,000	$980,000
2017	$1,030,000	$1,030,000
2018	$1,669,000	$1,065,000

2019	**$1,115,000**



Description:

This budget category is 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:

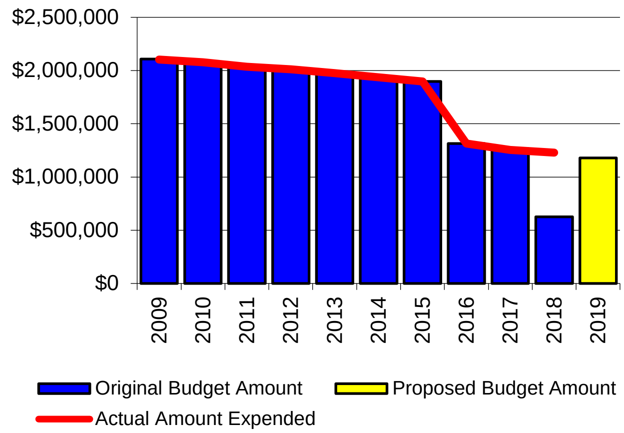
Debt Service Principal Payment	$ 1,115,000
Total	$ 1,115,000

Water Division – Debt Service 02-5-40-57402

Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
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
2016	$1,314,014	$1,314,014
2017	$1,265,665	$1,255,363
2018	$625,665	$1,228,912

2019	**$1,179,738**



Description:

This budget category is 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:

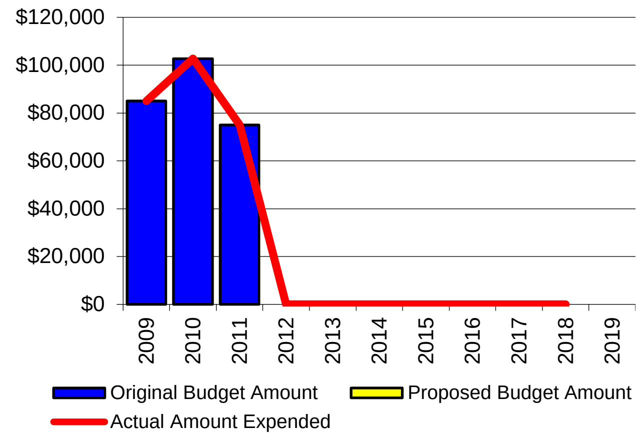
Debt Service Interest Payment		$ 1,179,738
	Total	$ 1,179,738

Water Division – Debt Service Line Item Used for Fund Transfer

Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$0
2018	$0	$0

2019	**$0**



Description:

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

Line Item Detail:

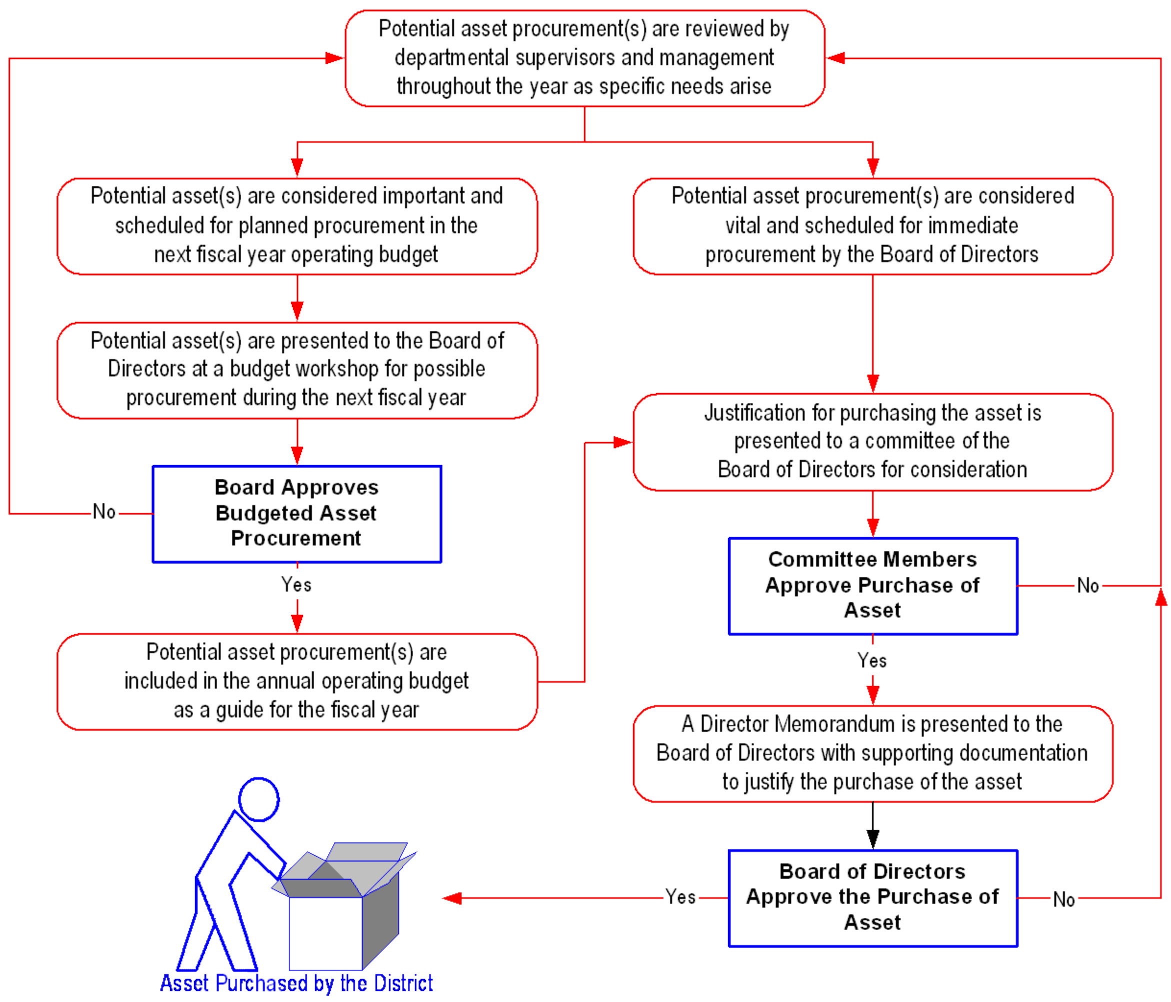
Rate Stabilization Fund Contribution	$ 0
Total	$ 0

Asset Acquisition – Water Division

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

<u>PROCUREMENT METHODOLOGY</u> – 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



[1] 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	- -
Total	**$ 0**	**$ 0**

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		$0
	Total	**$ 0**

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		$0
	Total	**$ 0**

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		$0
	Total	**$ 0**

Yucaipa Valley Water District

Chapter Three

Fiscal Year 2019

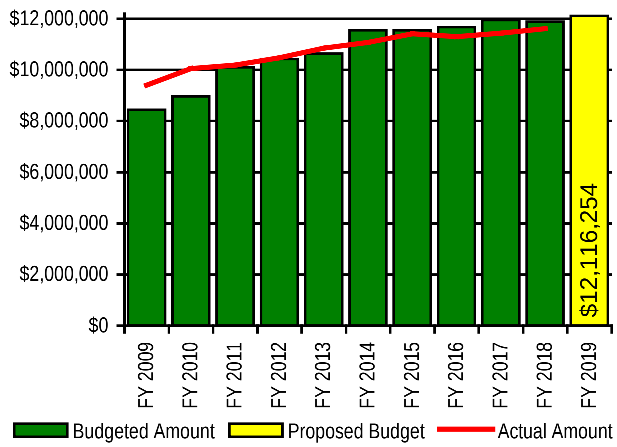
Sewer Division
Operating Budget

Sewer Division Revenue Analysis

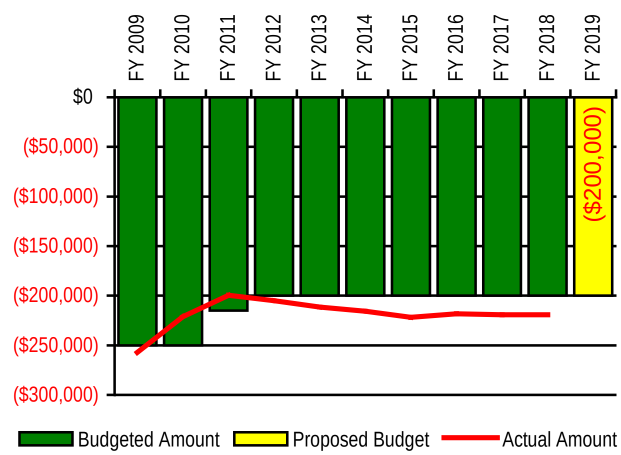
Sources of Operating Revenue

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

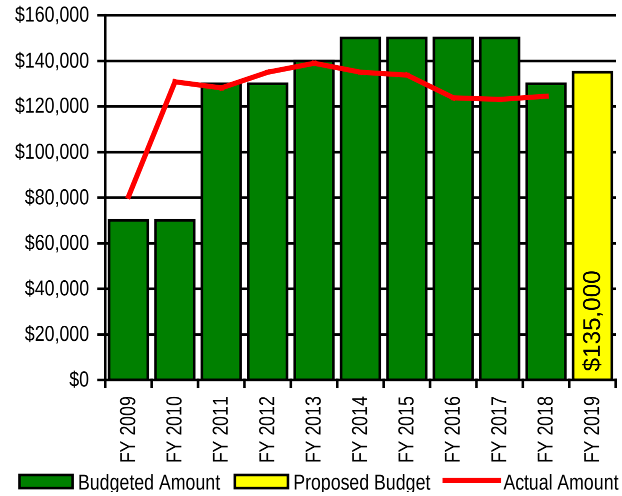
Sewer Service Demand Charge (03-41000): This revenue source is the fixed rate component charged to all sewer customers. Since this is a monthly fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year. This is the single largest revenue source for the sewer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



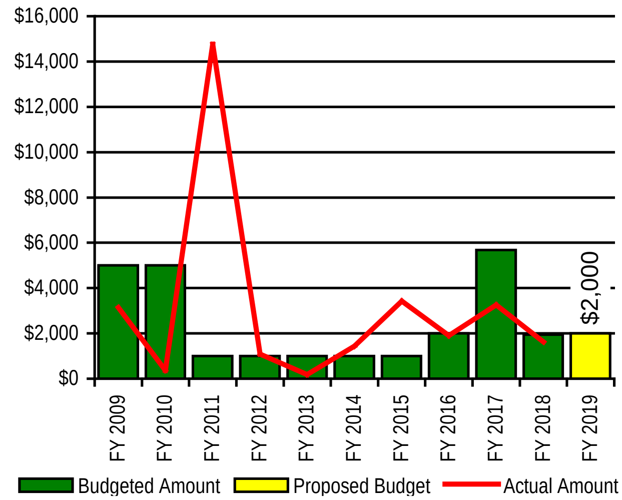
Sewer Service Demand Charge Multi-Unit Discount (03-41005): The latest version of the District's rate schedule continues to include a discount for the sewer service demand charges for those high density developments with more than 30 dwelling units constructed prior to March 2005. This discount reflects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



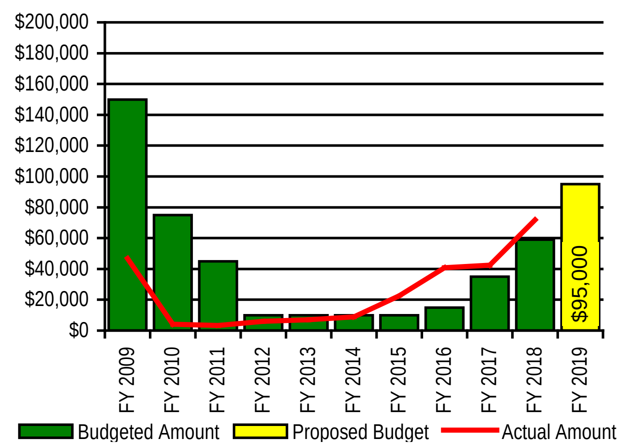
Penalty Late Charges (03-41121): This revenue source is generated from late payments of sewer services. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but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



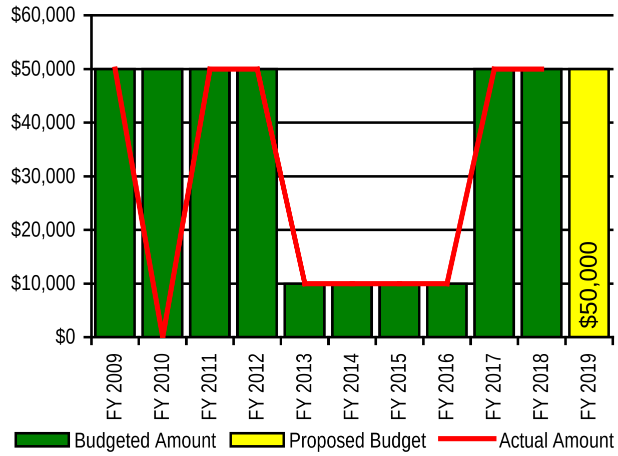
Other Operating Revenue (03-42122): This revenue source is generated from miscellaneous operating revenue sources. This category generally includes inspection and permit fees on existing laterals and other miscellaneous sources of revenue.



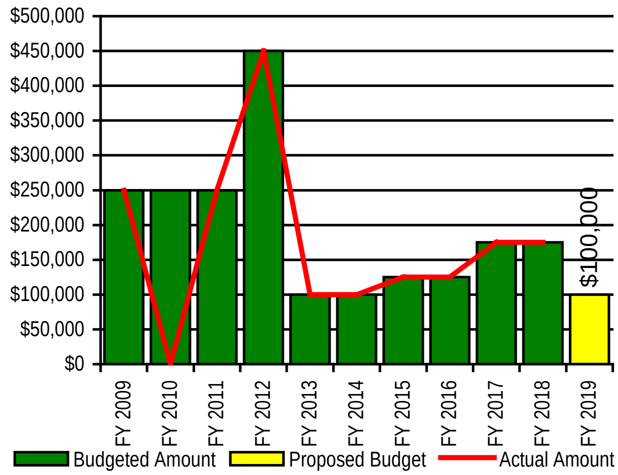
Interest Earnings (03-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes Local Agency Investment Fund (LAIF) as the predominant investment vehicle. Significantly lesser amounts are invested in the U.S. Securities and money market funds.



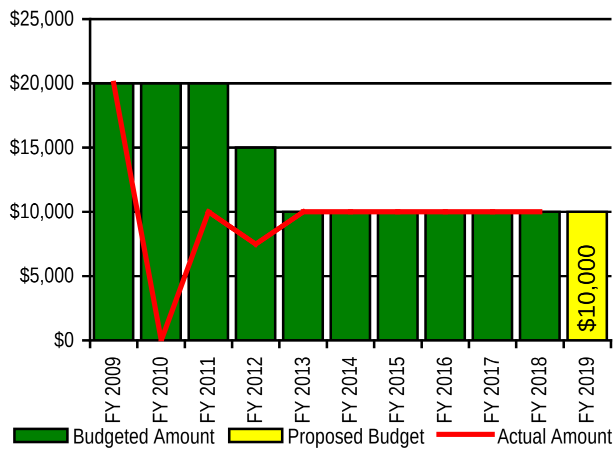
Property Tax – Unsecured (03-43110): This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real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



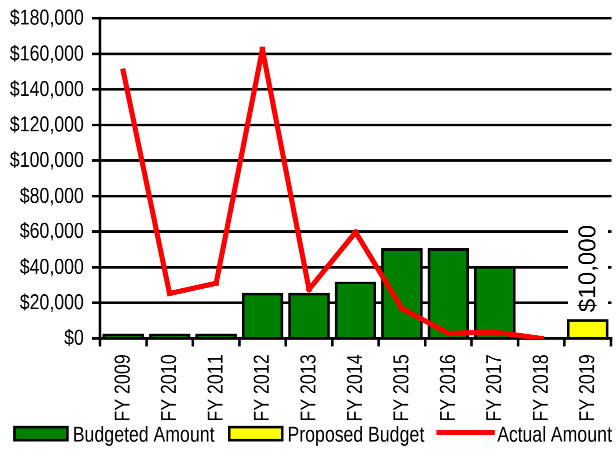
Property Tax – Secured (03-43120): This revenue source is generated from the secured portion of the property tax increment received by the District from properties within the District's service area. Secured property taxes are those taxes collected on real property such as land and structures.



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



Miscellaneous Non-Operating Revenue (03-49150): 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



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)
- Front Footage Fees (03-41131)
- Other Taxes (03-43140)

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.

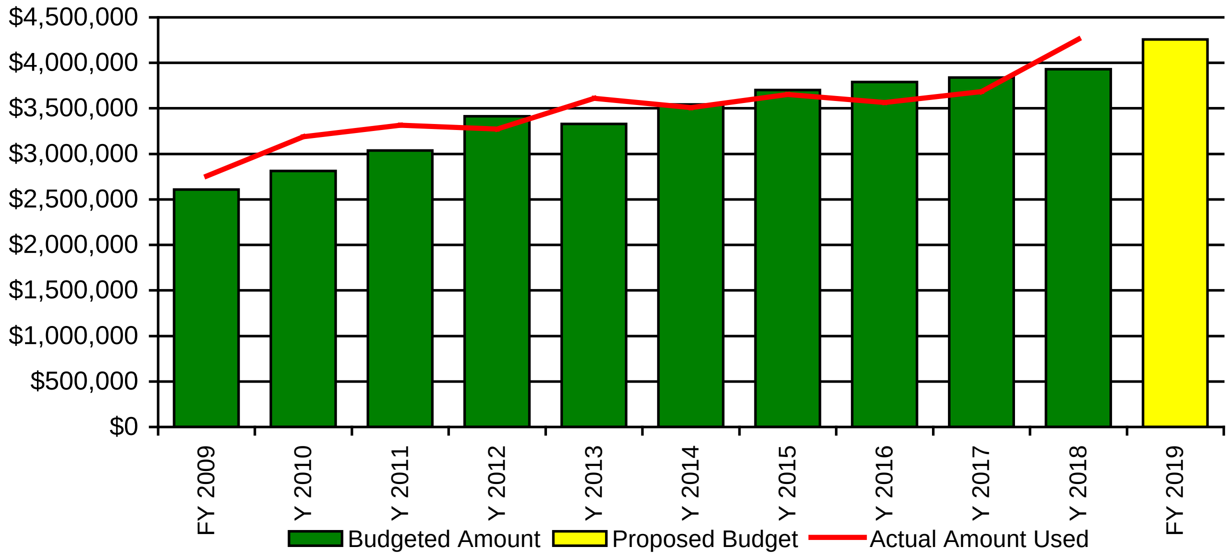
Departmental Responsibilities – The Sewer Treatment Department is responsible for compliance with the conditions of the Clean Water Act, the District's Waste Discharge permit, and with Regional Water Quality Control Board requirements. Responsibilities for this department also include maintaining an 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 13.20 Full-Time Equivalent (FTE) employees to the Sewer Treatment Department. The FTE calculations for this department are as follows:[1]

Title	Range	FTE	Expense
Operations Manager	228	0.80	$ 83,002
Senior Plant Operator	114	2.50	$ 297,549
Integrated Senior Plant Operator	114	1.50	$ 160,591
Integrated Operator III	49	1.50	$ 139,971
Integrated Operator II	42	3.00	$ 239,334
Water Quality Chemist	40	0.90	$ 71,514
Integrated Operator I	36	2.50	$ 151,840
Integrated Operator in Training	32	0.50	$ 26,910
	Total	**13.20**	**$1,170,711**

[1] 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 $4,256,607 (not including asset acquisitions), which represents an increase of $325,864 or an 8% 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.

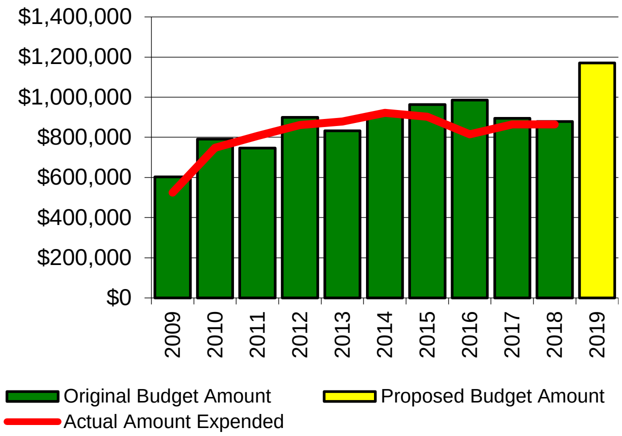
- With the completion of the new biological processes, tertiary membranes, and ultraviolet disinfection process, the District will be able to produce a pristine recycled water supply. The staff members of the Treatment Department are continuing to operate the facilities in conjunction with the newly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

Sewer Division – Treatment Department 03-5-02-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$899,200	$860,776
2013	$833,200	$879,201
2014	$915,000	$912,311
2015	$963,424	$901,086
2016	$985,300	$815,417
2017	$895,000	$865,335
2018	$878,548	$865,315

2019	**$1,170,711**



Description:

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

Line Item Detail:

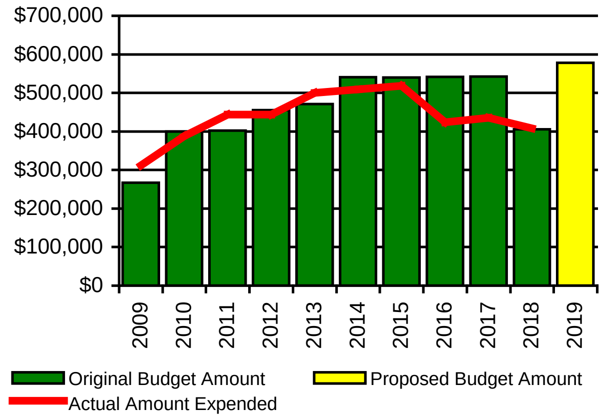
Title	Range	FTE	Expense
Operations Manager	228	0.80	$ 83,002
Senior Plant Operator	114	2.50	$ 297,549
Integrated Senior Plant Operator	114	1.50	$ 160,591
Integrated Operator III	49	1.50	$ 139,971
Integrated Operator II	42	3.00	$ 239,334
Water Quality Chemist	40	0.90	$ 71,514
Integrated Operator I	36	2.50	$ 151,840
Integrated Operator in Training	32	0.50	$ 26,910
	Total	13.20	$1,170,711

Sewer Division – Treatment Department 03-5-02-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$455,525	$443,475
2013	$471,400	$500,417
2014	$540,800	$509,624
2015	$539,800	$518,057
2016	$541,900	$423,601
2017	$542,400	$435,464
2018	$405,495	$407,930

2019	**$577,896**



Description:

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

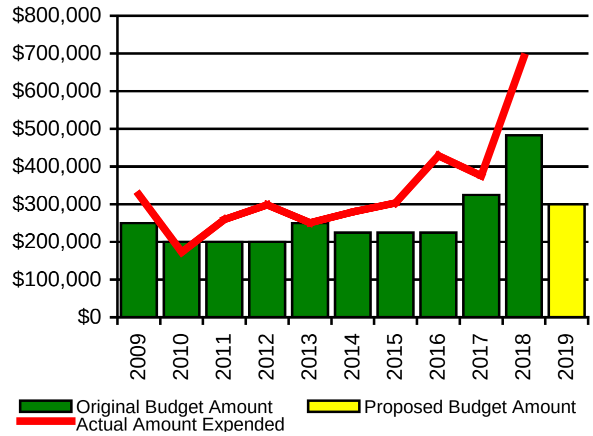
Line Item Detail:

FICA (50013)	$ 89,559
Life Insurance (50014)	$ 6,336
Medical, Dental, Vision & Deferred Comp. (50016)	$ 248,688
Disability Insurance (50017)	$ 10,536
Workers' Compensation (50019)	$ 31,609
PERS Employer (50022)	$ 175,607
Uniforms (50023)	$ 6,600
Vacation/Sick Leave (50024)	$ 5,001
Boot Allowance @ $300/Employee (50025)	$ 3,960
Total	$ 577,896

Sewer Division – Treatment Department 03-5-02-51003

Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$200,000	$298,286
2013	$250,000	$251,078
2014	$225,000	$279,593
2015	$225,000	$303,103
2016	$225,000	$428,437
2017	$325,000	$375,317
2018	$483,200	$690,210



2019	**$300,000**

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 $ 300,000

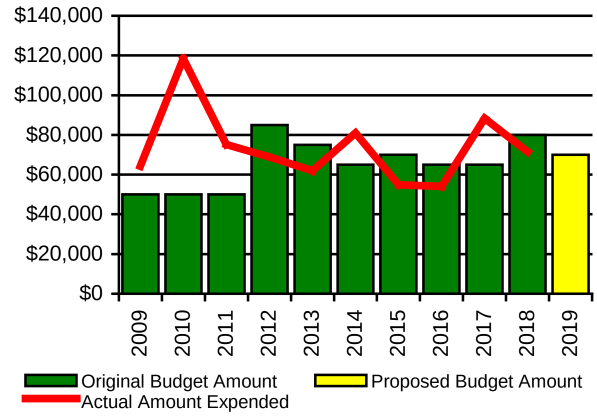
Total $ 300,000

Sewer Division – Treatment Department 03-5-02-51010

Automation Control

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$85,000	$68,938
2013	$75,000	$62,018
2014	$65,000	$80,944
2015	$70,000	$54,841
2016	$65,000	$54,089
2017	$65,000	$88,402
2018	$80,000	$71,440

2019	**$70,000**



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:

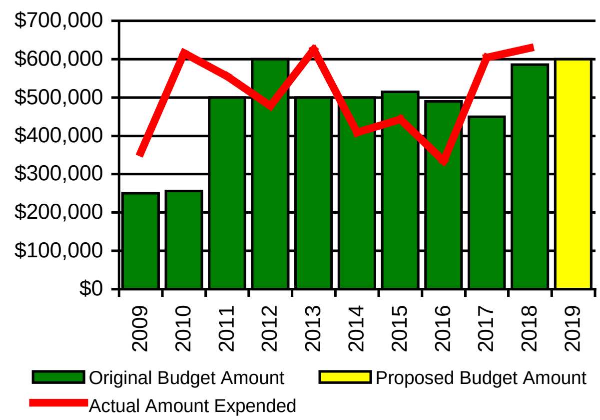
Automation Control Expenses		$ 70,000
	Total	$ 70,000

Sewer Division – Treatment Department 03-5-02-51106

Chemicals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$600,000	$477,965
2013	$500,000	$625,154
2014	$500,000	$409,154
2015	$515,000	$443,062
2016	$490,000	$330,274
2017	$450,000	$603,962
2018	$586,000	$629,218

2019	**$600,000**



Description:

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

Line Item Detail:

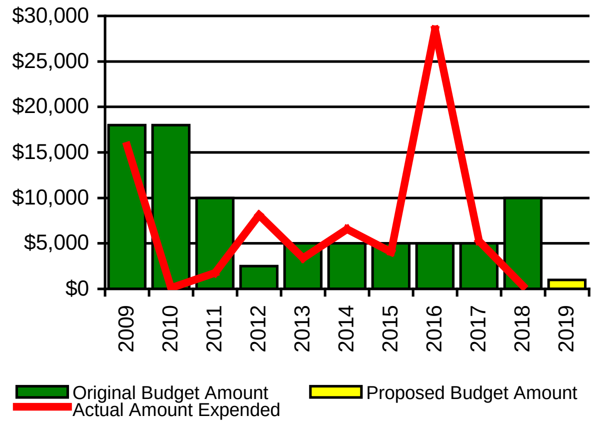
Treatment Chemicals	$ 600,000
Total	$ 600,000

Sewer Division – Treatment Department 03-5-02-51111

Propane

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$8,105
2013	$5,000	$3,371
2014	$5,000	$6,582
2015	$5,000	$4,070
2016	$5,000	$28,733
2017	$5,000	$5,267
2018	$10,000	$316

2019	**$1,000**



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.

The high propane usage in 2016 is attributed to the Digester Rehab Project.

Line Item Detail:

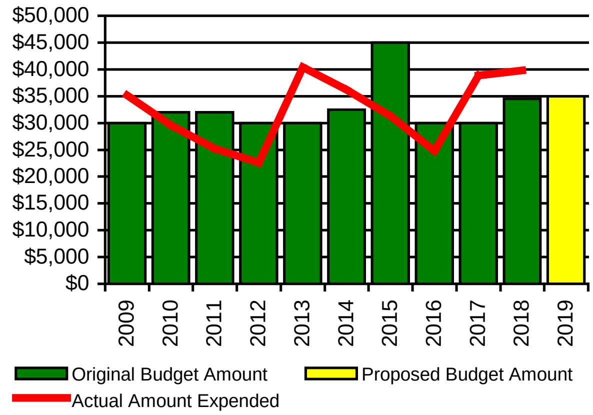
Propane		$ 1,000
	Total	$ 1,000

Sewer Division – Treatment Department 03-5-02-51115

Laboratory Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$30,000	$22,609
2013	$30,000	$40,412
2014	$32,500	$36,150
2015	$45,000	$31,284
2016	$30,000	$24,779
2017	$30,000	$38,881
2018	$34,500	$39,807

2019	**$35,000**



Description:

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

Line Item Detail:

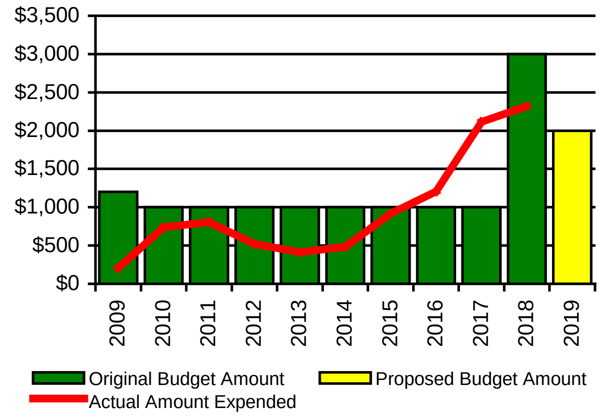
Laboratory Supplies		$ 35,000
	Total	$ 35,000

Sewer Division – Treatment Department 3-5-02-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$522
2013	$1,000	$415
2014	$1,000	$482
2015	$1,000	$918
2016	$1,000	$1,206
2017	$1,000	$1,810
2018	$3,000	$2,321

2019	**$2,000**



Description:

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

Line Item Detail:

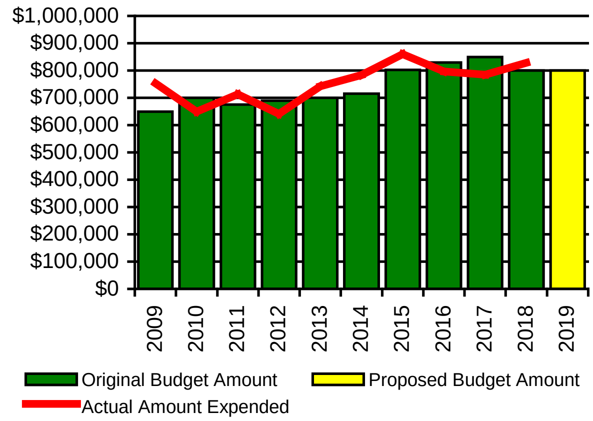
Supplies and Expenses	$ 2,000
Total	$ 2,000

Sewer Division – Treatment Department 03-5-02-51210

Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$690,000	$641,257
2013	$700,000	$742,794
2014	$715,000	$783,106
2015	$802,860	$859,939
2016	$830,000	$796,947
2017	$850,000	$784,821
2018	$800,000	$828,714

2019	**$800,000**



Description:

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

Line Item Detail:

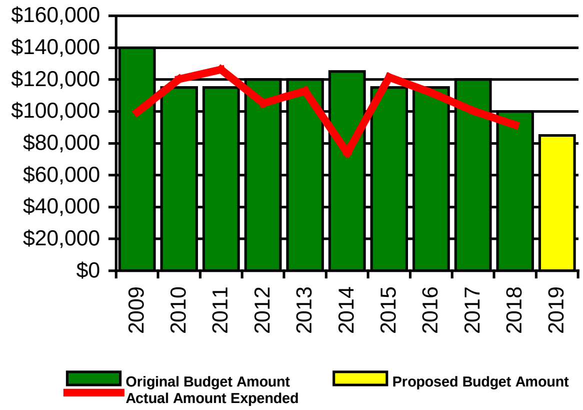
Electrical Power Service for WRWRF Operations	$ 800,000
Total	$ 800,000

Sewer Division – Treatment Department 03-5-02-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$120,000	$105,161
2013	$120,000	$112,918
2014	$125,000	$74,161
2015	$115,000	$121,498
2016	$115,000	$111,837
2017	$120,000	$100,404
2018	$100,000	$91,487

2019	**$85,000**



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:

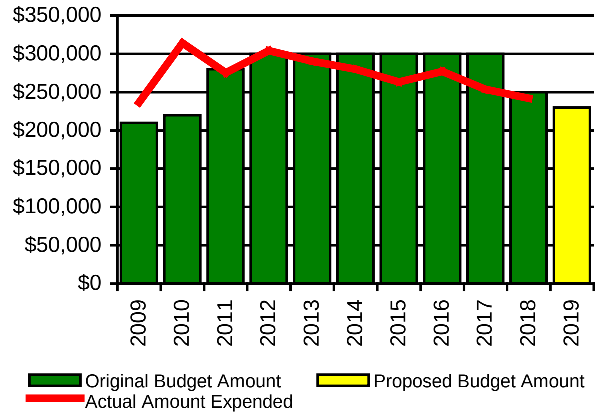
Chemical Analyses Performed by Outside Laboratories	$ 85,000
Total	$ 85,000

Sewer Division – Treatment Department 03-5-02-57031

Sewage Waste Disposal - Solids

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$300,000	$304,118
2013	$300,000	$290,330
2014	$300,000	$280,057
2015	$300,000	$263,188
2016	$300,000	$276,810
2017	$300,000	$253,818
2018	$250,000	$241,784

2019	**$230,000**



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 $ 230,000

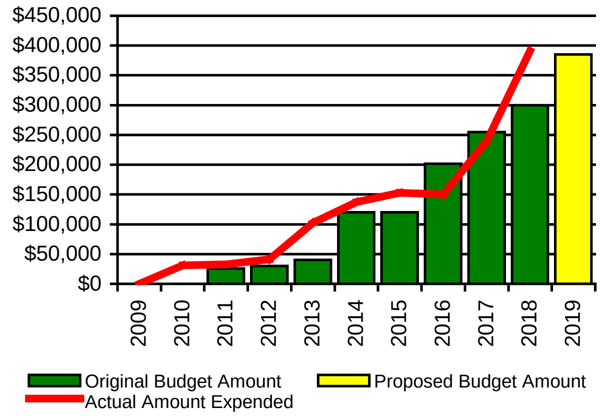
Total $ 230,000

Sewer Division – Treatment Department 03-5-02-57034

Brineline Operating Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$30,000	$41,160
2013	$40,000	$102,375
2014	$120,000	$137,044
2015	$120,000	$152,990
2016	$201,616	$150,194
2017	$255,000	$239,682
2018	$300,000	$391,033

2019	**$385,000**



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	$ 385,000
Total	$ 385,000

Administrative Services Department

Department Description – The 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 Administrative Services Department is responsible for ensuring the following:

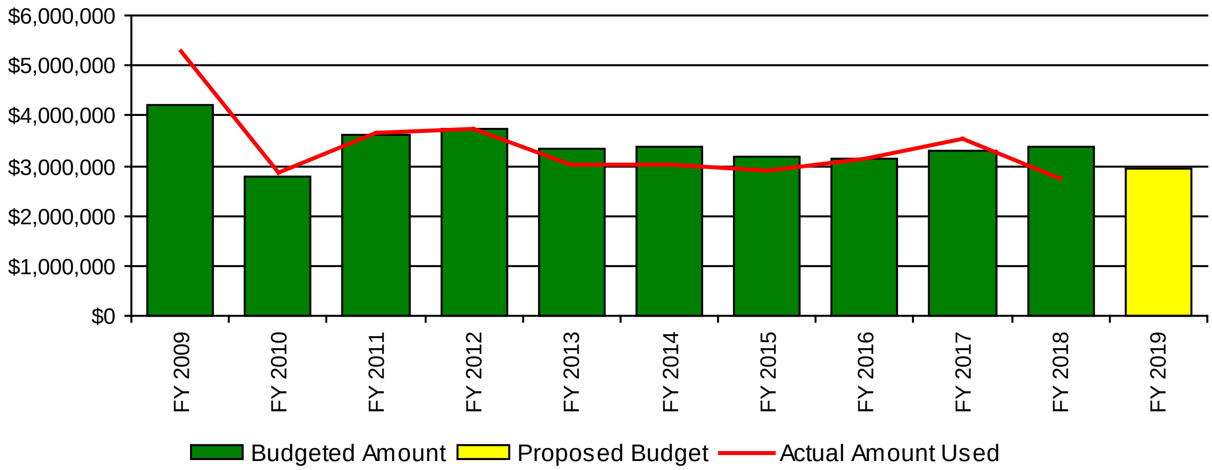
- Management: The individuals in Management are responsible for managing the operational and planning functions of the District. This includes risk management, fund investment, Director information, policy management, human resources, and public relations.
- Accounting: The individuals in Accounting 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 Administrative Department has been allocated labor resources of 6.15 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

Title	Range	FTE	*Expense*
General Manager	- -	0.45	$ 93,188
Chief Financial Officer	248	0.45	$ 61,193
Implementation Manager	236	0.70	$ 86,872
Water Resource Manager	232	0.35	$ 47,578
Administrative Supervisor	113	0.50	$ 59,678
Water Resource Project Supervisor	113	0.35	$ 34,158
Senior Engineering Technician	110	0.35	$ 30,936
Administrative Clerk V	39	0.50	$ 39,675
Administrative Clerk IV	35	0.50	$ 37,895
Engineering Technician I	33	0.50	$ 35,832
Administrative Clerk III	31	0.50	$ 30,457
Administrative Clerk II	27	0.50	$ 24,881
Administrative Clerk I	23	0.50	$ 20,016
	Total	**6.15**	**$ 602,359**

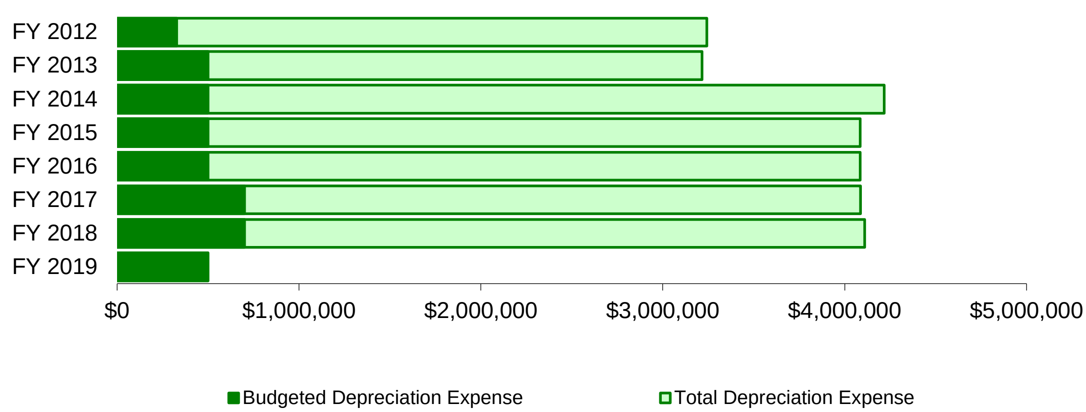
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the Administrative Services Department will be allocated $2,924,466 (not including asset acquisitions & capital improvements), which represents a decrease of $321,687 as compared to the previous year, or a 10% decrease.

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.



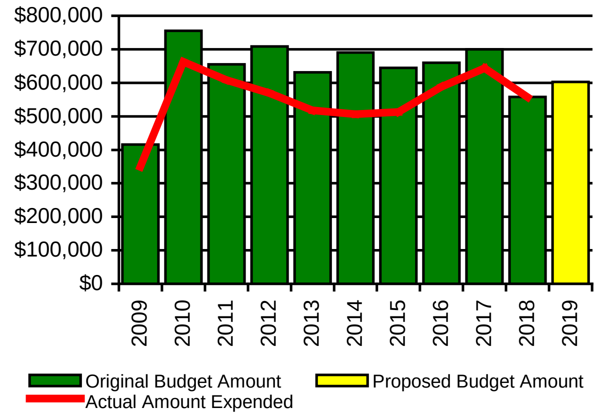
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary.

Sewer Division – Administrative Services Department 03-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$708,050	$569,573
2013	$631,600	$517,369
2014	$690,000	$506,497
2015	$644,309	$512,969
2016	$660,000	$588,771
2017	$700,000	$643,864
2018	$557,579	$556,779

2019	**$602,359**



Description:

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

Line Item Detail:

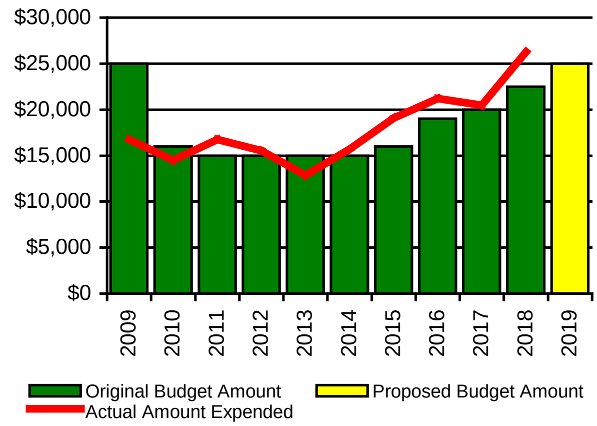
Title	Range	FTE	Expense
General Manager	- -	0.45	$ 93,188
Chief Financial Officer	248	0.45	$ 61,193
Implementation Manager	236	0.70	$ 86,872
Water Resource Manager	232	0.35	$ 47,578
Administrative Supervisor	113	0.50	$ 59,678
Water Resource Project Supervisor	113	0.35	$ 34,158
Senior Engineering Technician	110	0.35	$ 30,936
Administrative Clerk V	39	0.50	$ 39,675
Administrative Clerk IV	35	0.50	$ 37,895
Engineering Technician I	33	0.50	$ 35,832
Administrative Clerk III	31	0.50	$ 30,457
Administrative Clerk II	27	0.50	$ 24,881
Administrative Clerk I	23	0.50	$ 20,016
	Total	6.15	$602,359

Sewer Division – Administrative Services Department 03-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$15,000	$15,525
2013	$15,000	$12,851
2014	$15,000	$15,700
2015	$16,000	$19,072
2016	$19,000	$21,202
2017	$20,000	$20,490
2018	$22,500	$26,287

2019	**$25,000**



Description:

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

Line Item Detail:

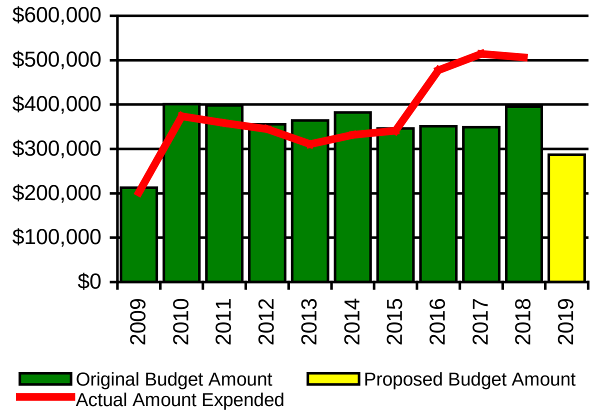
Director Fees, Travel and Other Related Expenses	$ 25,000
Total	$ 25,000

Sewer Division – Administrative Services Department 03-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$355,370	$344,572
2013	$364,020	$310,791
2014	$382,340	$331,547
2015	$346,340	$341,452
2016	$351,340	$477,108
2017	$349,250	$514,457
2018	$395,074	$506,069

2019	**$286,857**



Description:

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

Line Item Detail:

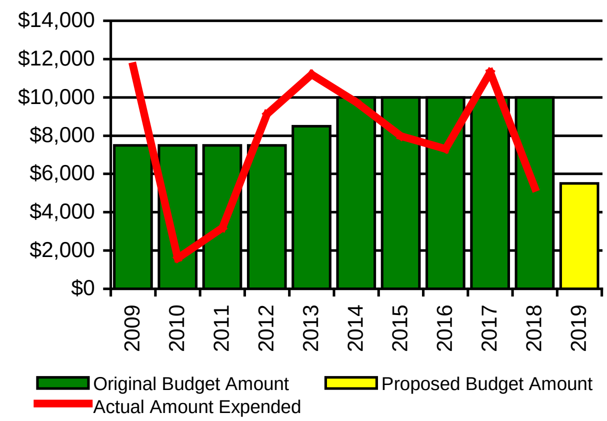
FICA (50013)	$ 46,080
Life Insurance (50014)	$ 2,952
Medical, Dental, Vision & Deferred Comp. (50016)	$ 115,866
Disability Insurance (50017)	$ 5,421
Workers' Compensation (50019)	$ 16,264
PERS Employer (50022)	$ 90,354
Uniforms (50023)	$ 3,075
Vacation/Sick Leave (50024)	$ 5,000
Boot Allowance @ $300/Employee (50025)	$ 1,845
Total	$ 286,857

Sewer Division – Administrative Services Department 03-5-06-51120

Safety Equipment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$7,500	$9,129
2013	$8,500	$11,190
2014	$10,000	$9,742
2015	$10,000	$7,983
2016	$10,000	$7,308
2017	$10,000	$11,313
2018	$10,000	$5,272

2019	**$5,500**



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:

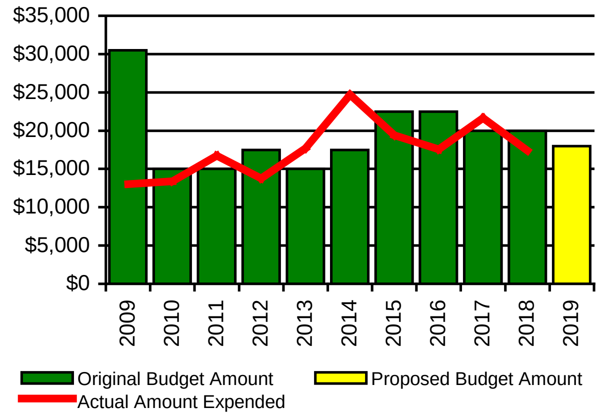
Miscellaneous Safety Equipment and Supplies	$ 5,500
Total	$ 5,500

Sewer Division – Administrative Services Department 03-5-06-51125

Petroleum Products

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$17,500	$13,773
2013	$15,000	$17,705
2014	$17,500	$24,678
2015	$22,500	$19,411
2016	$22,500	$17,562
2017	$20,000	$21,661
2018	$20,000	$17,394

2019	**$18,000**



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:

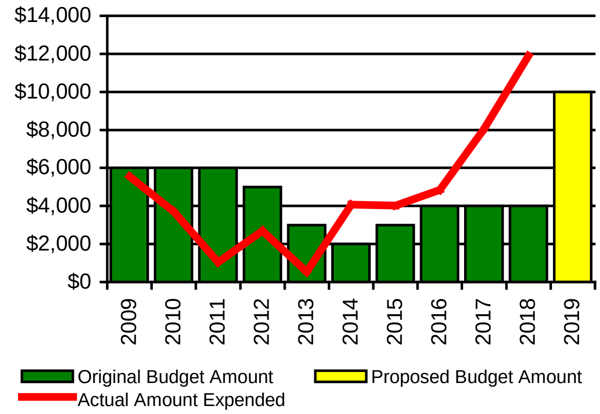
Gasoline, Diesel, and Oil	$ 18,000
Total	$ 18,000

Sewer Division – Administrative Services Department 03-5-06-51130

Office Supplies

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,000	$2,700
2013	$3,000	$544
2014	$2,000	$4,069
2015	$3,000	$4,014
2016	$4,000	$4,845
2017	$4,000	$8,064
2018	$4,000	$11,896

2019	**$10,000**



Description:

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

Line Item Detail:

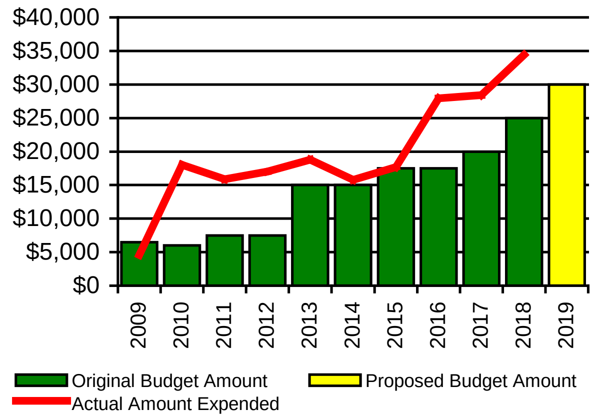
Miscellaneous Office Supplies	$ 10,000
Total	$ 10,000

Sewer Division – Administrative Services Department 03-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$7,500	$17,034
2013	$15,000	$18,786
2014	$15,000	$15,765
2015	$17,500	$17,694
2016	$17,500	$27,949
2017	$20,000	$28,404
2018	$25,000	$34,400

2019	**$30,000**



Description:

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

Line Item Detail:

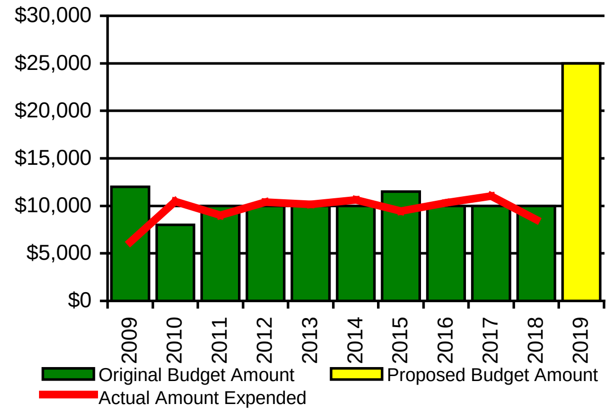
Supplies and Expenses	$ 30,000
Total	$ 30,000

Sewer Division – Administrative Services Department 03-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$10,000	$10,404
2013	$10,000	$10,144
2014	$10,000	$10,633
2015	$11,500	$9,436
2016	$10,000	$10,326
2017	$10,000	$11,019
2018	$10,000	$8,545

2019	**$25,000**



Description:

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

Line Item Detail:

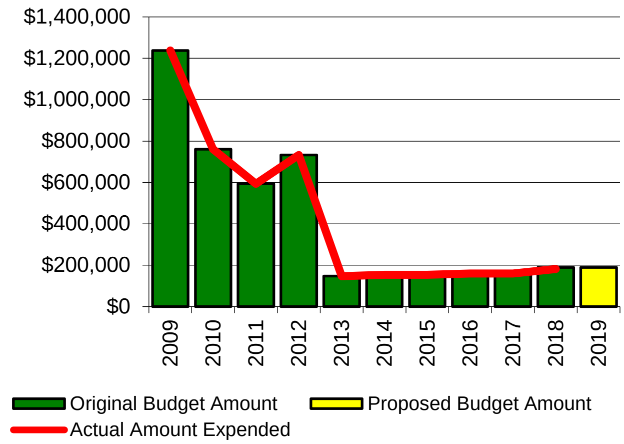
Association of San Bernardino County Special Districts	$ 137
California Association of Sanitation Agencies (CASA)	$ 16,000
California Municipal Treasury Association (CMTA)	$ 77
California Society of Municipal Finance Officers (CSMFO)	$ 55
California Special Districts Association (CSDA)	$ 1,710
California Water Environment Association (CWEA)	$ 600
Emergency Response Network of the Inland Empire (ERNIE)	$ 200
Society for Human Resource Management (SHRM)	$ 105
Southern California Alliance of Publicly Owned Treatment Works (SCAP)	$ 2,616
Southwest Membrane Operator Association	$ 375
Water Environment Federation (WEF)	$ 1,300
Water ISAC	$ 1,000
Western Coalition of Arid States (WESTCAS)	$ 825
Total	$ 25,000

Sewer Division – Administrative Services Department 03-5-06-54003

Management & Administrative Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$733,170	$733,170
2013	$147,000	$147,000
2014	$153,500	$153,500
2015	$153,500	$153,500
2016	$160,000	$160,000
2017	$160,000	$160,000
2018	$189,000	$181,737

2019	**$202,500**



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:

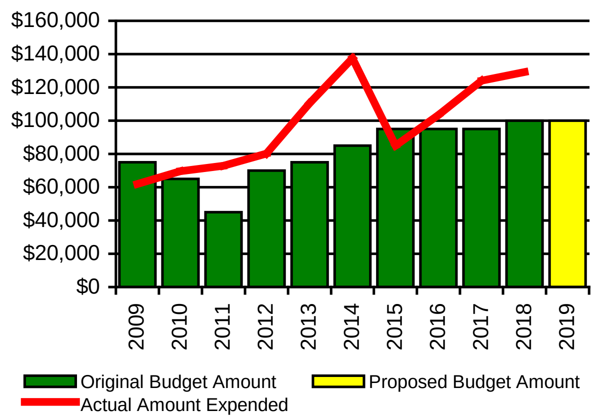
Budget Categories Paid Entirely by the Water Division That Also Provide a Direct Benefit to the Sewer Division	Total Expense Paid by Water Division	Water Division Allocation	Sewer Division Allocation
Admin: Utility Billing Expenses (50%:50%)	$ 150,000	$ 75,000	$ 75,000
Admin: Maintenance - Structures (50%:50%)	$ 15,000	$ 7,500	$ 7,500
Public Works: R & M – Vehicles & Equip (40%:60%)	$ 200,000	$ 80,000	$ 120,000
	$ 370,000	$162,500	$202,500

Sewer Division – Administrative Services Department 03-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$70,000	$80,136
2013	$75,000	$110,384
2014	$85,000	$137,530
2015	$95,000	$84,904
2016	$95,000	$103,462
2017	$95,000	$123,980
2018	$100,000	$129,227

2019	**$100,000**



Description:

The District staff relies heavily upon the proper operation and integration of our various computer systems. Therefore, this budget category includes the costs related to modifications and improvements in the operation of the computer systems.

Line Item Detail:

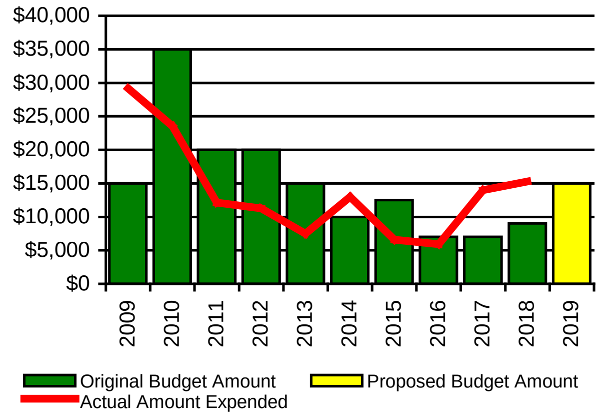
Miscellaneous Computer Hardware and Software	$ 100,000
Total	$ 100,000

Sewer Division – Administrative Services Department 03-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$20,000	$11,261
2013	$15,000	$7,487
2014	$10,000	$12,964
2015	$12,500	$6,569
2016	$7,000	$5,922
2017	$7,000	$13,967
2018	$9,000	$15,277

2019	**$15,000**



Description:

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

Line Item Detail:

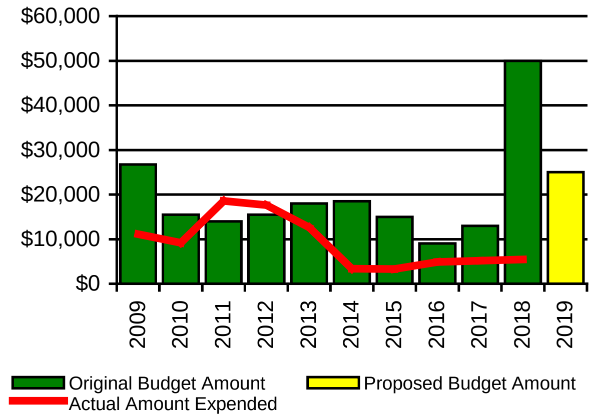
Education and Training Expenses	$ 15,000
Total	$ 15,000

Sewer Division – Administrative Services Department 03-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$15,500	$17,608
2013	$18,000	$12,593
2014	$18,500	$3,338
2015	$15,000	$3,330
2016	$9,000	$4,876
2017	$13,000	$5,181
2018	$50,000	$5,476

2019	**$25,000**



Description:

This budget category represents the annual projected costs associated with public relations efforts which include public tours and tours for school children, as well as all costs associated with printing business forms and public hearing notices and job announcements. In 2017-18, all historical and future budget data for the Printing and Publications budget category (03-5-06-54011) was combined here.

Line Item Detail:

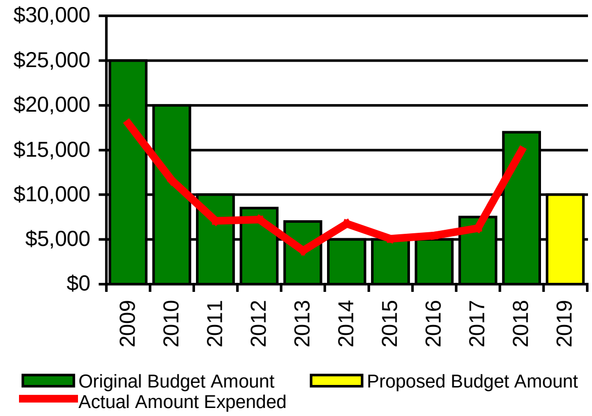
Public Relations		$ 25,000
	Total	$ 25,000

Sewer Division – Administrative Services Department 03-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$8,500	$7,221
2013	$7,000	$3,747
2014	$5,000	$6,759
2015	$5,000	$5,094
2016	$5,000	$5,436
2017	$7,500	$6,248
2018	$17,000	$14,955

2019	**$10,000**



Description:

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

Line Item Detail:

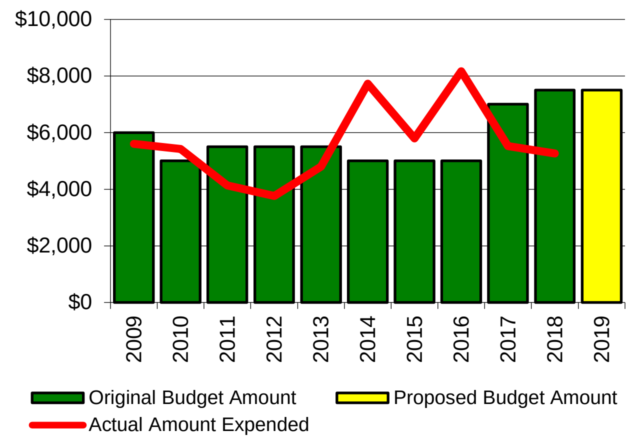
Travel Related Expenses	$ 10,000
Total	$ 10,000

Sewer Division – Administrative Services Department 03-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,500	$3,763
2013	$5,500	$4,806
2014	$5,000	$7,725
2015	$5,000	$5,796
2016	$5,000	$8,168
2017	$7,000	$5,527
2018	$7,500	$5,269

2019	**$7,500**



Description:

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

Line Item Detail:

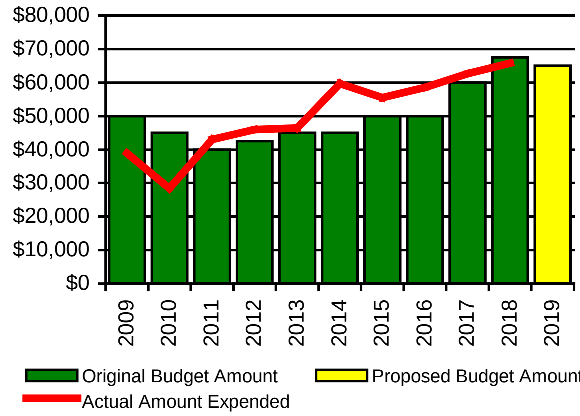
Sewer Division Certifications	$ 7,500
Total	$ 7,500

Sewer Division – Administrative Services Department 03-5-06-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$42,500	$45,987
2013	$45,000	$46,412
2014	$45,000	$59,650
2015	$50,000	$55,521
2016	$50,000	$58,507
2017	$60,000	$62,664
2018	$67,500	$65,809

2019	**$65,000**



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:

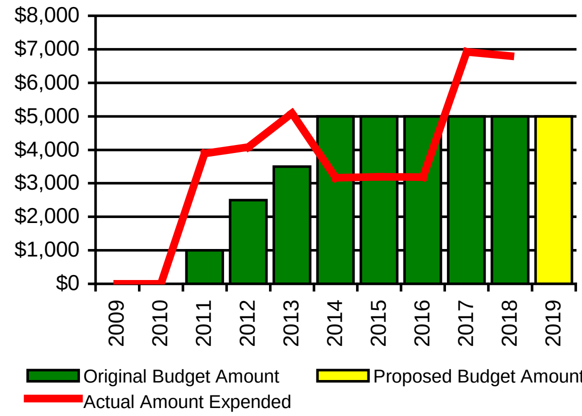
Licenses and Permits		$ 65,000
	Total	$ 65,000

Sewer Division – Administrative Services Department 03-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$4,083
2013	$3,500	$5,094
2014	$5,000	$3,161
2015	$5,000	$3,199
2016	$5,000	$3,185
2017	$5,000	$6,920
2018	$5,000	$6,800

2019	**$ 5,000**



Description:

The District hosts numerous meetings throughout the year which include 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:

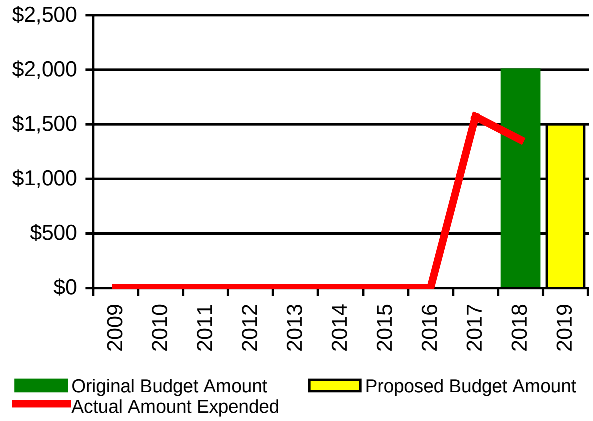
Meeting Related Expenses	$ 5,000
Total	$ 5,000

Sewer Division – Administrative Services Department 03-5-06-54022

Utilities – YVWD Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$1,570
2018	$2,000	$1,358

2019	**$1,500**



Description:

This budget category is used for YVWD water and sewer charges billed to the District.

Line Item Detail:

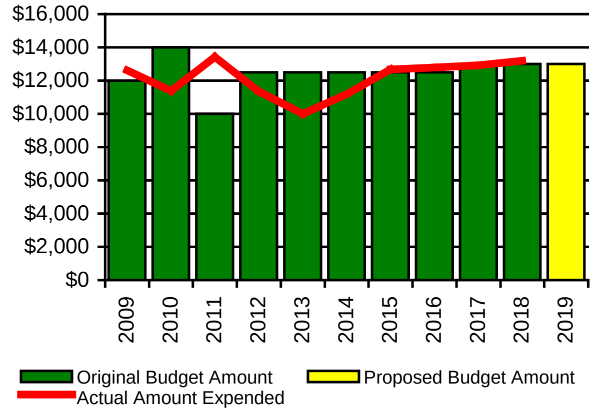
YVWD Services	$ 1,500
Total	$ 1,500

Sewer Division – Administrative Services Department 03-5-06-54024

Waste Disposal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$12,500	$11,355
2013	$12,500	$10,008
2014	$12,500	$11,198
2015	$12,500	$12,664
2016	$12,500	$12,789
2017	$13,000	$12,919
2018	$13,000	$13,185

2019	**$13,000**



Description:

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

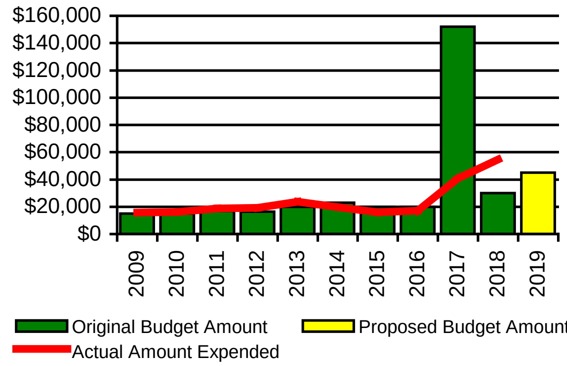
Line Item Detail:

Waste Disposal Costs	$ 13,000
Total	$ 13,000

Sewer Division – Administrative Services Department 03-5-06-54025

Telephone & Internet

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$16,500	$19,245
2013	$20,000	$23,639
2014	$23,000	$19,590
2015	$20,000	$15,849
2016	$20,000	$17,025
2017	$152,045	$40,765
2018	$30,000	$54,582



2019	**$45,000**

Description:

This budget category represents the projected costs associated with business, cellular telephone, and internet usage by the departments within the sewer division.

Line Item Detail:

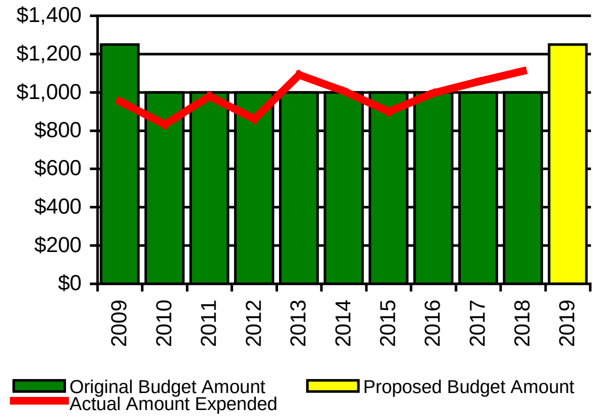
Telephone Services		$ 15,000
Internet Services		$ 30,000
	Total	$ 45,000

Sewer Division – Administrative Services Department 03-5-06-54030

Drinking Water

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$861
2013	$1,000	$1,092
2014	$1,000	$1,007
2015	$1,000	$899
2016	$1,000	$996
2017	$1,000	$1,056
2018	$1,000	$1,112

2019	**$1,250**



Description:

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

Line Item Detail:

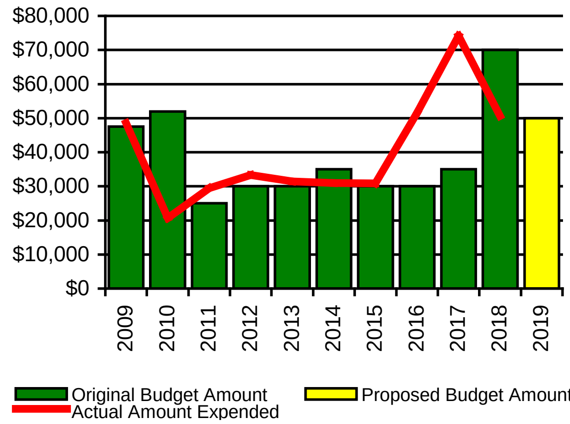
Drinking Water	$ 1,250
Total	$ 1,250

Sewer Division – Administrative Services Department 03-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$30,000	$33,332
2013	$30,000	$31,393
2014	$35,000	$30,923
2015	$30,000	$30,887
2016	$30,000	$51,586
2017	$35,000	$74,138
2018	$70,000	$50,645

2019	**$50,000**



Description:

This budget category includes all contract service costs for equipment and services within the sewer division. These services include: 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:

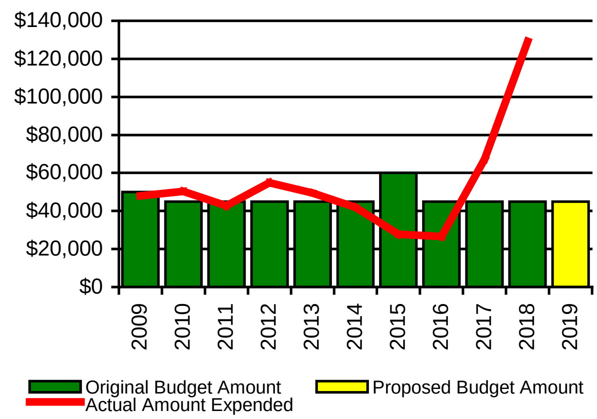
General Contractual Services		$ 50,000
	Total	$ 50,000

Sewer Division – Administrative Services Department 03-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$45,000	$54,886
2013	$45,000	$49,452
2014	$45,000	$41,877
2015	$60,000	$27,694
2016	$45,000	$33,268
2017	$45,000	$67,342
2018	$45,000	$129,186

2019	**$45,000**



Description:

This budget category is used for all sewer related legal costs. Legal fees related to water issues will be expensed in the water budget (see 02-5-06-54107) and legal fees related to recycled water issues will be expensed to the recycled water budget (see 04-5-06-54107).

Line Item Detail:

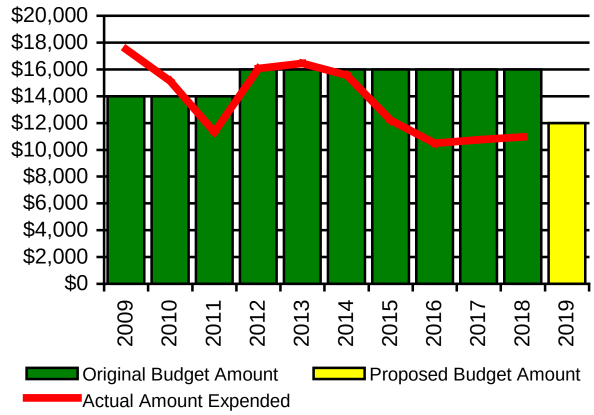
Legal Expenses	$ 45,000
Total	$ 45,000

Sewer Division – Administrative Services Department 03-5-06-54108

Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$16,000	$16,073
2013	$16,000	$16,448
2014	$16,000	$15,563
2015	$16,000	$12,200
2016	$16,000	$10,485
2017	$16,000	$10,755
2018	$16,000	$10,975

2019	**$12,000**



Description:

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

Line Item Detail:

Audit and Accounting Services $ 12,000

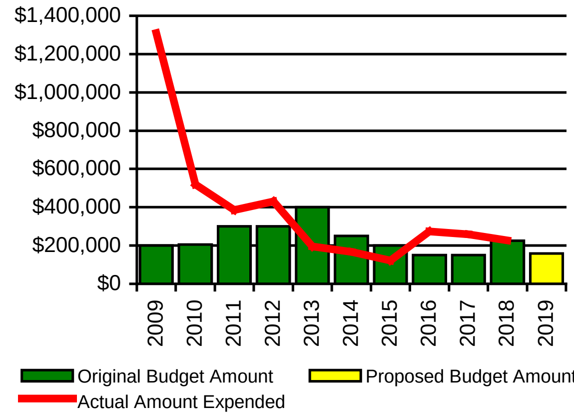
Total $ 12,000

Sewer Division – Administrative Services Department 03-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$300,000	$430,775
2013	$400,000	$195,870
2014	$250,000	$167,542
2015	$200,000	$122,582
2016	$150,000	$273,825
2017	$150,000	$258,873
2018	$225,000	$227,722

2019	**$159,000**



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, property appraisals, surveying and specialized engineering studies.

Line Item Detail:

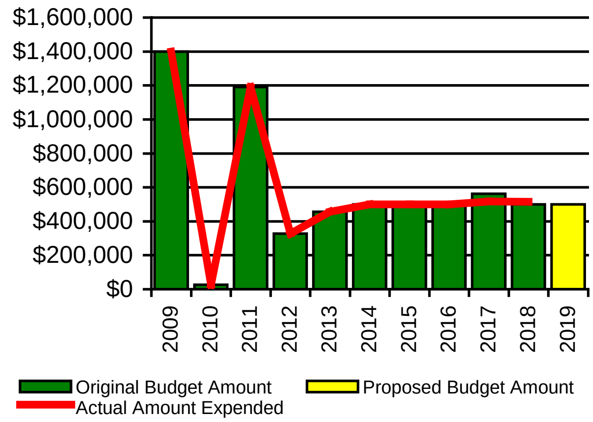
Labor Consulting Services	$ 25,000
Legislative Consulting Services	$ 53,000
Engineering Services	$ 76,000
Miscellaneous Services	$ 5,000
Total	$ 159,000

Sewer Division – Administrative Services Department 03-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$327,260	$327,260
2013	$457,000	$457,000
2014	$500,000	$500,000
2015	$500,000	$500,000
2016	$500,000	$500,000
2017	$563,300	$516,360
2018	$500,000	$515,820

2019	**$500,000**



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.

These funds will be transferred and designated to fund sewer division depreciation reserves.

Line Item Detail:

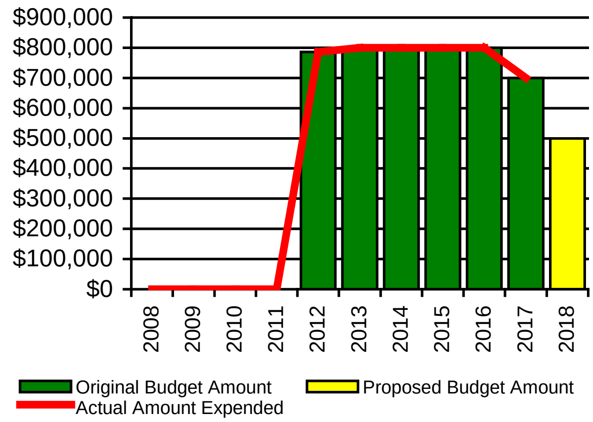
Reserve Funds		$ 500,000
	Total	$ 500,000

Sewer Division – Administrative Services Department — 03-5-06-xxxxx

Sewer Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$786,300	$786,300
2013	$800,000	$800,000
2014	$800,000	$800,000
2015	$800,000	$800,000
2016	$800,000	$800,000
2017	$700,000	$800,000
2018	$700,000	$700,000

2019	**$500,000**



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, office equipment, shop equipment, radios, construction equipment, and tools relative to the sewer operations.

These funds will be transferred and designated to fund the replacement of sewer related infrastructure reserves.

Line Item Detail:

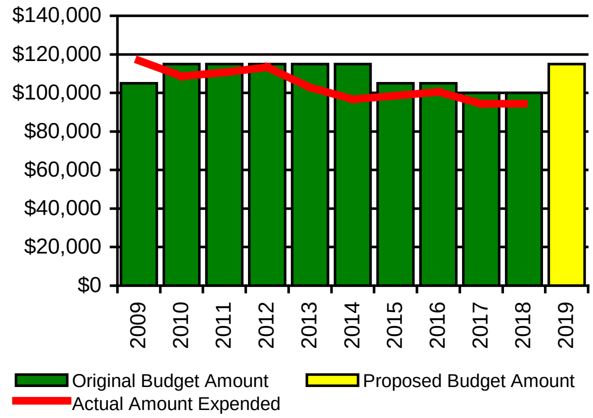
Sewer Infrastructure Replacement		$ 500,000
	Total	$ 500,000

Sewer Division – Administrative Services Department 03-5-06-56001

Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$115,000	$113,290
2013	$115,000	$102,802
2014	$115,000	$96,722
2015	$105,000	$98,535
2016	$105,000	$100,522
2017	$100,000	$94,407
2018	$100,000	$94,426

2019	**$115,000**



Description:

This budget category represents the annual projected costs associated with insurance coverage related to general, auto, and property insurance. This line item also includes insurance for the brineline and sewer collection system.

Line Item Detail:

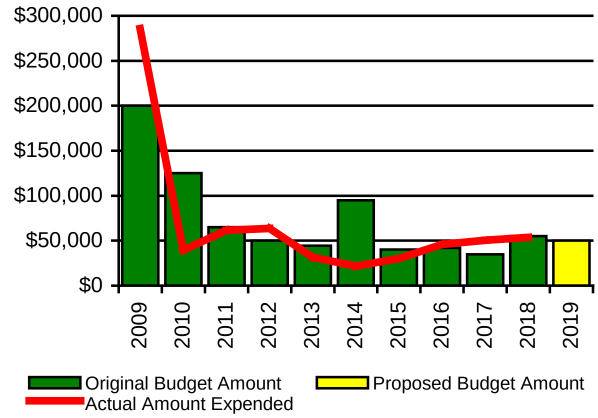
General Liability, Errors and Omission & Automotive	$ 115,000
Total	$ 115,000

Sewer Division – Administrative Services Department 03-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$50,000	$63,738
2013	$44,500	$31,713
2014	$95,000	$21,725
2015	$40,000	$30,302
2016	$42,000	$45,738
2017	$35,000	$50,571
2018	$55,000	$53,653

2019	**$50,000**



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	$ 45,000
Total	$ 50,000

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.

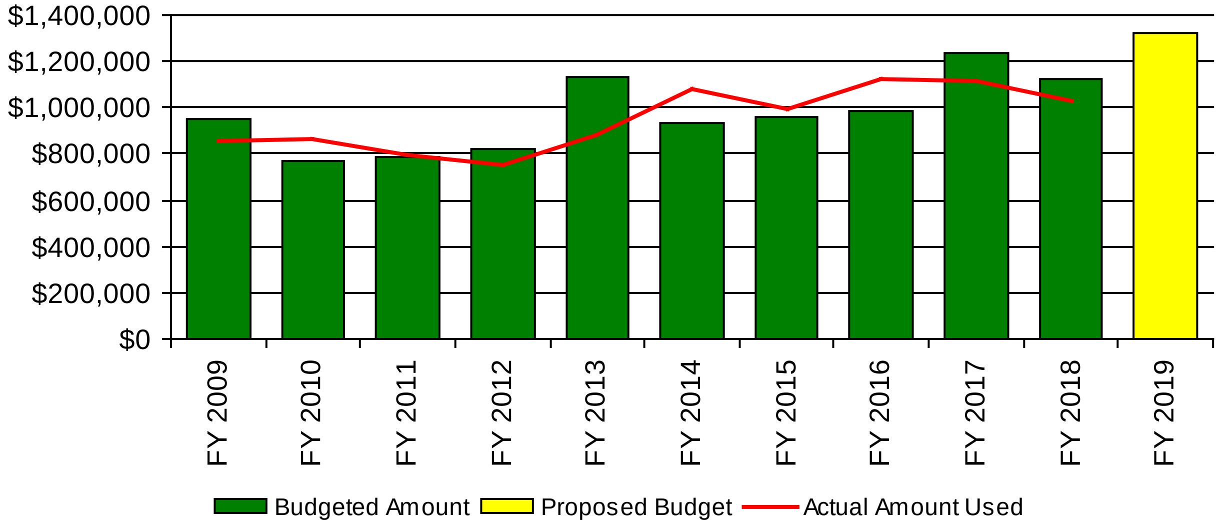
Departmental Responsibilities – The Environmental Control Department is responsible for maintaining the sewer collection system. This includes inspecting each of the District's manholes on a regular basis, preparing the collection system for wet weather conditions, conducting routine cleaning of the 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 brineline related activities.

Organizational Structure & Staffing Levels – This year the Environmental Control Department has been allocated labor resources of 8.10 Full-Time Equivalent (FTE) employees.

The FTE calculation details for this department are as follows:

Title	Range	FTE	*Expense*
Public Works Supervisor	113	1.70	$ 176,314
Senior Utility Service Worker	49	0.40	$ 34,784
Utility Service Worker IV	44	1.20	$ 94,241
Purchasing Agent	42	0.20	$ 18,048
Utility Service Worker III	40	2.20	$ 151,640
Utility Service Worker II	36	0.40	$ 24,362
Utility Service Worker I	32	2.00	$ 115,257
	Total	**8.10**	**$614,646**

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 $1,322,963 (not including asset acquisitions & capital improvements), which represents an increase of $198,500 as compared to the previous year, or a 18% 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.

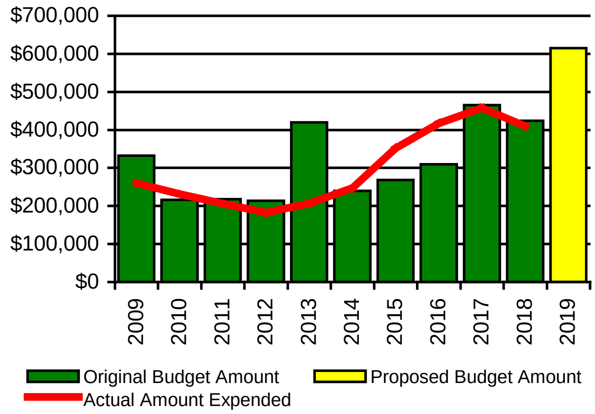
- The District staff continues to improve our ability to respond to various line maintenance situations. The heavy-duty sewer mainline cleaning vehicles allocated to this department significantly improve the maintenance activities throughout the collection system.
- The District staff continues to utilize 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 Department 03-5-07-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$213,570	$182,393
2013	$420,000	$207,279
2014	$240,000	$247,352
2015	$268,053	$351,806
2016	$310,000	$417,516
2017	$465,000	$444,827
2018	$424,161	$409,594

2019	**$614,646**



Description:

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

Line Item Detail:

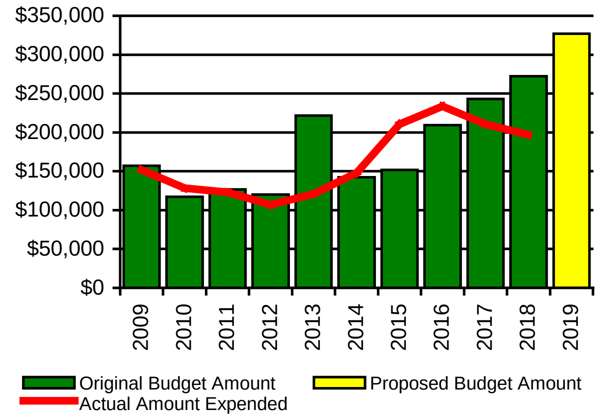
Title	Range	FTE	Expense
Public Works Supervisor	113	1.70	$ 176,314
Senior Utility Service Worker	49	0.40	$ 34,784
Utility Service Worker IV	44	1.20	$ 94,241
Purchasing Agent	42	0.20	$ 18,048
Utility Service Worker III	40	2.20	$ 151,640
Utility Service Worker II	36	0.40	$ 24,362
Utility Service Worker I	32	2.00	$ 115,257
	Total	8.10	$ 614,646

Sewer Division – Environmental Control Department 03-5-07-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$120,205	$107,094
2013	$221,480	$121,047
2014	$142,280	$148,009
2015	$151,780	$210,425
2016	$209,300	$233,548
2017	$243,000	$210,442
2018	$272,302	$196,883

2019	**$326,817**



Description:

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

Line Item Detail:

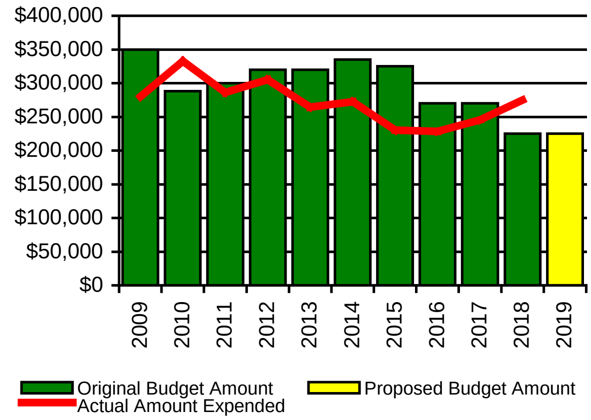
FICA (50013)	$ 47,020
Life Insurance (50014)	$ 3,888
Medical, Dental, Vision & Deferred Comp (50016)	$ 152,604
Disability Insurance (50017)	$ 5,532
Workers' Compensation (50019)	$ 16,595
PERS Employer (50022)	$ 92,197
Uniforms (50023)	$ 4,050
Vacation/Sick Leave (50024)	$ 2,501
Boot Allowance @ $300/Employee (50025)	$ 2,430
Total	$ 326,817

Sewer Division – Environmental Control Department 03-5-07-51003

Repair & Maintenance - Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$320,000	$305,313
2013	$320,000	$264,535
2014	$335,000	$272,718
2015	$325,000	$230,218
2016	$270,000	$228,243
2017	$270,000	$245,376
2018	$225,000	$274,703

2019	**$225,000**



Description:

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

Line Item Detail:

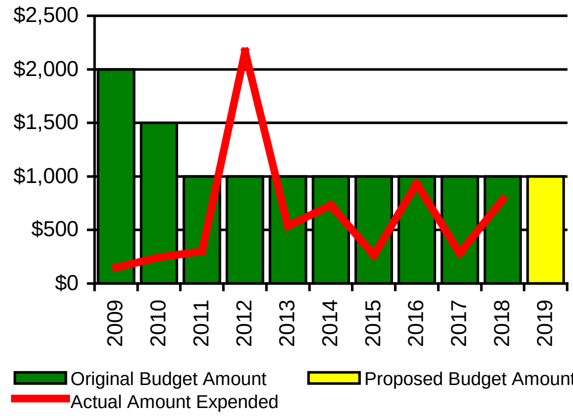
ADS Flow Monitors	$ 48,000
Manhole Repairs	$ 50,000
Video Inspections	$ 75,000
Root Intrusion Control	$ 30,000
Roadway Subsidence Repair - water division labor and benefits, materials, equipment, and contractor paving services.	$ 22,000
	$ 225,000

Sewer Division – Environmental Control Department 03-5-07-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$2,165
2013	$1,000	$536
2014	$1,000	$731
2015	$1,000	$267
2016	$1,000	$934
2017	$1,000	$282
2018	$1,000	$785

2019	**$1,000**



Description:

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

Line Item Detail:

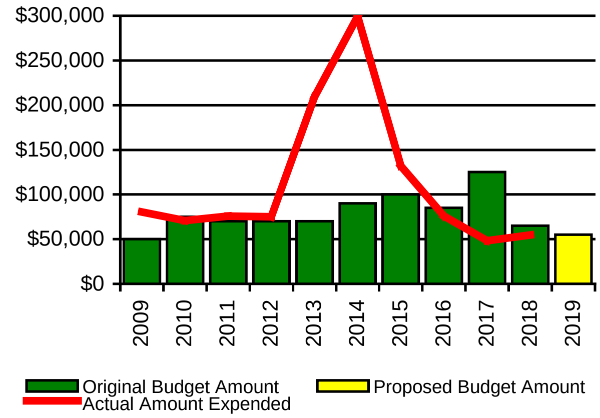
Supplies and Expenses	$1,000
	$1,000

Sewer Division – Environmental Control Department 03-5-07-51241

Lift Station No. 1

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$70,000	$75,257
2013	$70,000	$209,307
2014	$90,000	$299,224
2015	$100,000	$131,989
2016	$85,000	$75,667
2017	$125,000	$48,284
2018	$65,000	$54,566

2019	**$55,000**



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:

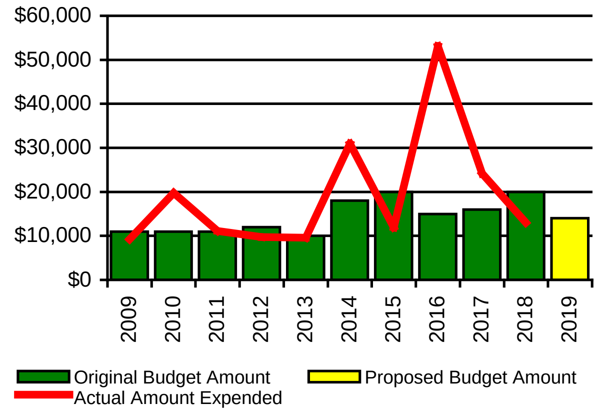
Utilities - Electricity	$ 30,000
Miscellaneous Improvements	$ 25,000
	$ 55,000

Sewer Division – Environmental Control Department 03-5-07-51242

Lift Station No. 2

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$12,000	$9,746
2013	$10,000	$9,596
2014	$18,000	$30,974
2015	$20,000	$11,914
2016	$15,000	$53,122
2017	$16,000	$24,164
2018	$20,000	$12,983

2019	**$14,000**



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:

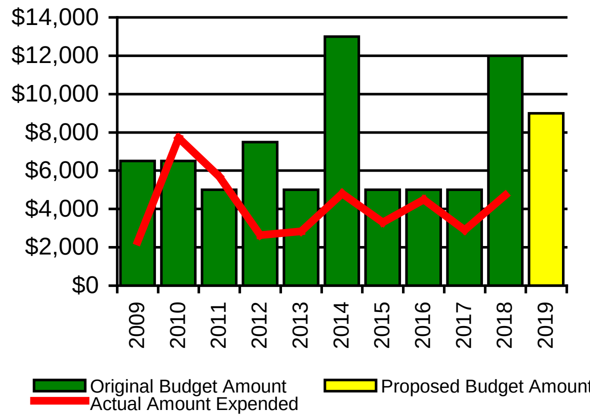
Utilities - Electricity	$ 7,000
Miscellaneous Supplies and Expenses	$ 7,000
Total	$ 14,000

Sewer Division – Environmental Control Department 03-5-07-51243

Lift Station No. 3

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$7,500	$2,644
2013	$5,000	$2,838
2014	$13,000	$4,813
2015	$5,000	$3,297
2016	$5,000	$4,492
2017	$5,000	$2,904
2018	$12,000	$4,730

2019	**$9,000**



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:

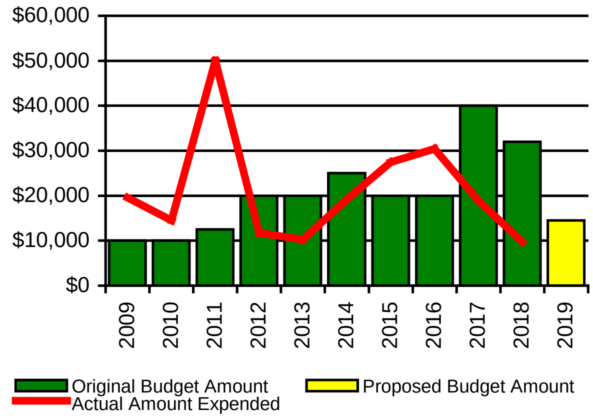
Utilities - Electricity	$ 2,500
Miscellaneous Supplies and Expenses	$ 6,500
Total	$ 9,000

Sewer Division – Environmental Control Department 03-5-07-51244

Lift Station No. 4

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$20,000	$11,764
2013	$20,000	$10,246
2014	$25,000	$19,216
2015	$20,000	$27,447
2016	$20,000	$30,445
2017	$40,000	$18,941
2018	$32,000	$9,715

2019	**$14,500**



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:

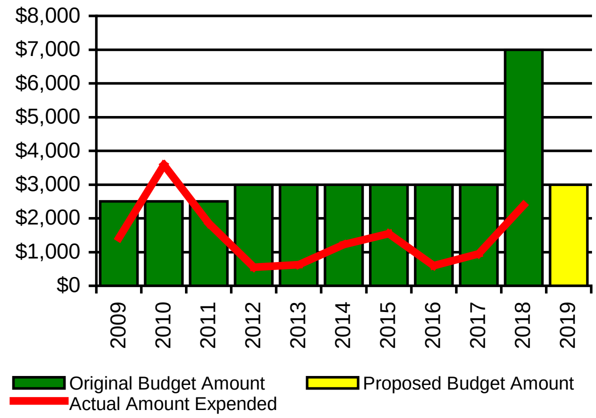
Utilities - Electricity	$ 10,500
Miscellaneous Supplies and Expenses	$ 4,000
Total	$ 14,500

Sewer Division – Environmental Control Department 03-5-07-51248

Lift Station No. 8

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$3,000	$550
2013	$3,000	$623
2014	$3,000	$1,226
2015	$3,000	$1,549
2016	$3,000	$600
2017	$3,000	$944
2018	$7,000	$2,391

2019	**$3,000**



Description:

Lift 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 Lift Station No. 8 include electric service and miscellaneous repairs and maintenance.

Line Item Detail:

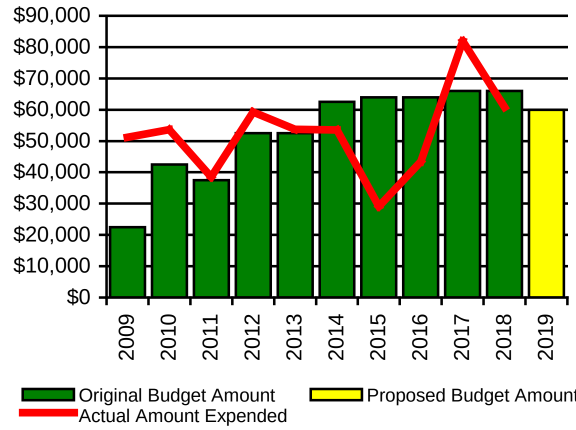
Utilities - Electricity	$1,500
Miscellaneous Supplies and Expenses	$1,500
Total	$ 3,000

Sewer Division – Environmental Control Department 03-5-07-54111

Pretreatment

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$52,500	$59,231
2013	$52,500	$53,712
2014	$62,500	$53,480
2015	$64,000	$29,113
2016	$64,000	$48,283
2017	$66,000	$81,945
2018	$66,000	$60,735

2019	**$60,000**



Description:

This budget category represents the annual projected costs associated with pretreatment for the sewer division. This category includes laboratory services and engineering studies.

This budget line item was new in fiscal year 2017. The history totals are a combination of Professional Services (03-5-07-54109) and Laboratory Services (03-5-07-54110) from prior years.

Line Item Detail:

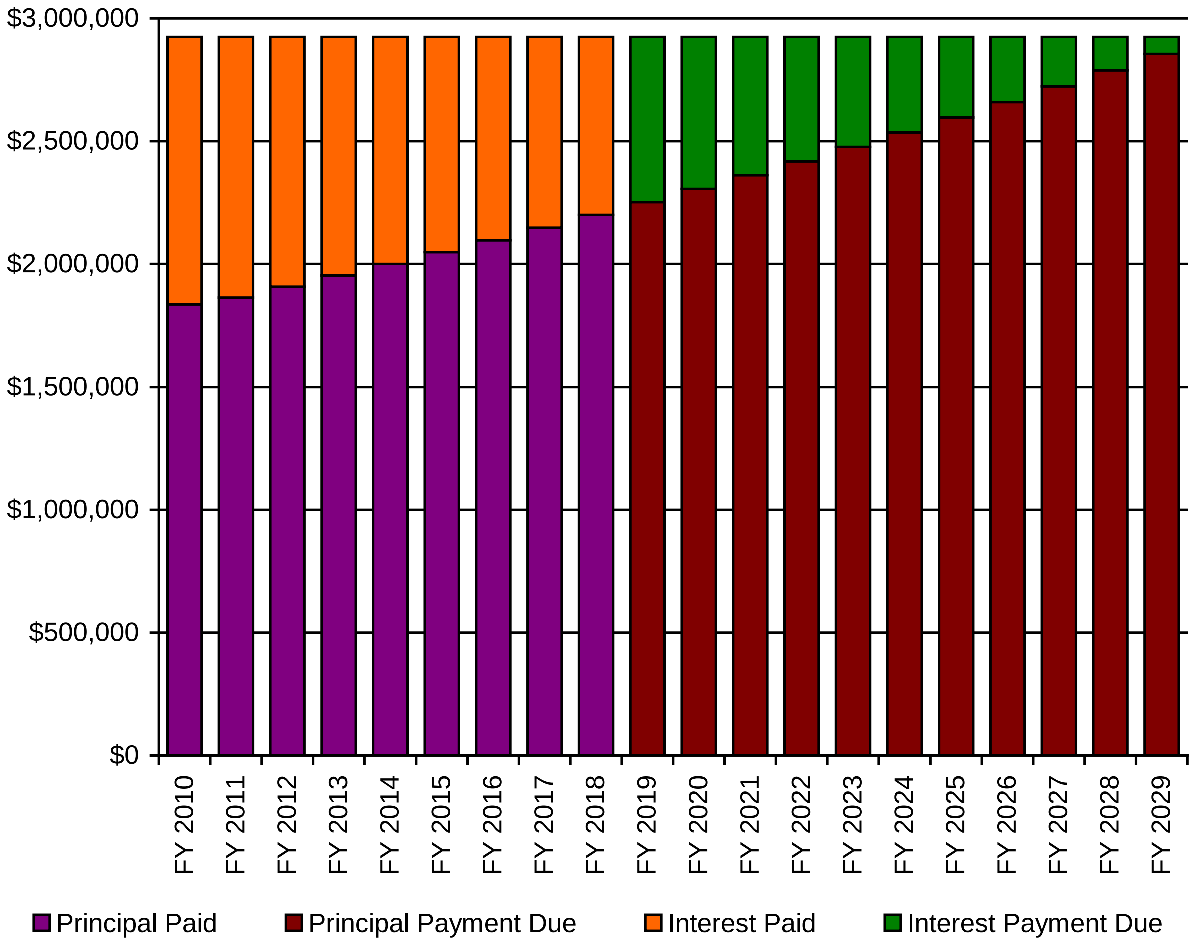
Chemical Analyses Performed by Outside Laboratories	$ 6,000
Pretreatment Program / Engineering Services	$ 54,000
Total	$ 60,000

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.

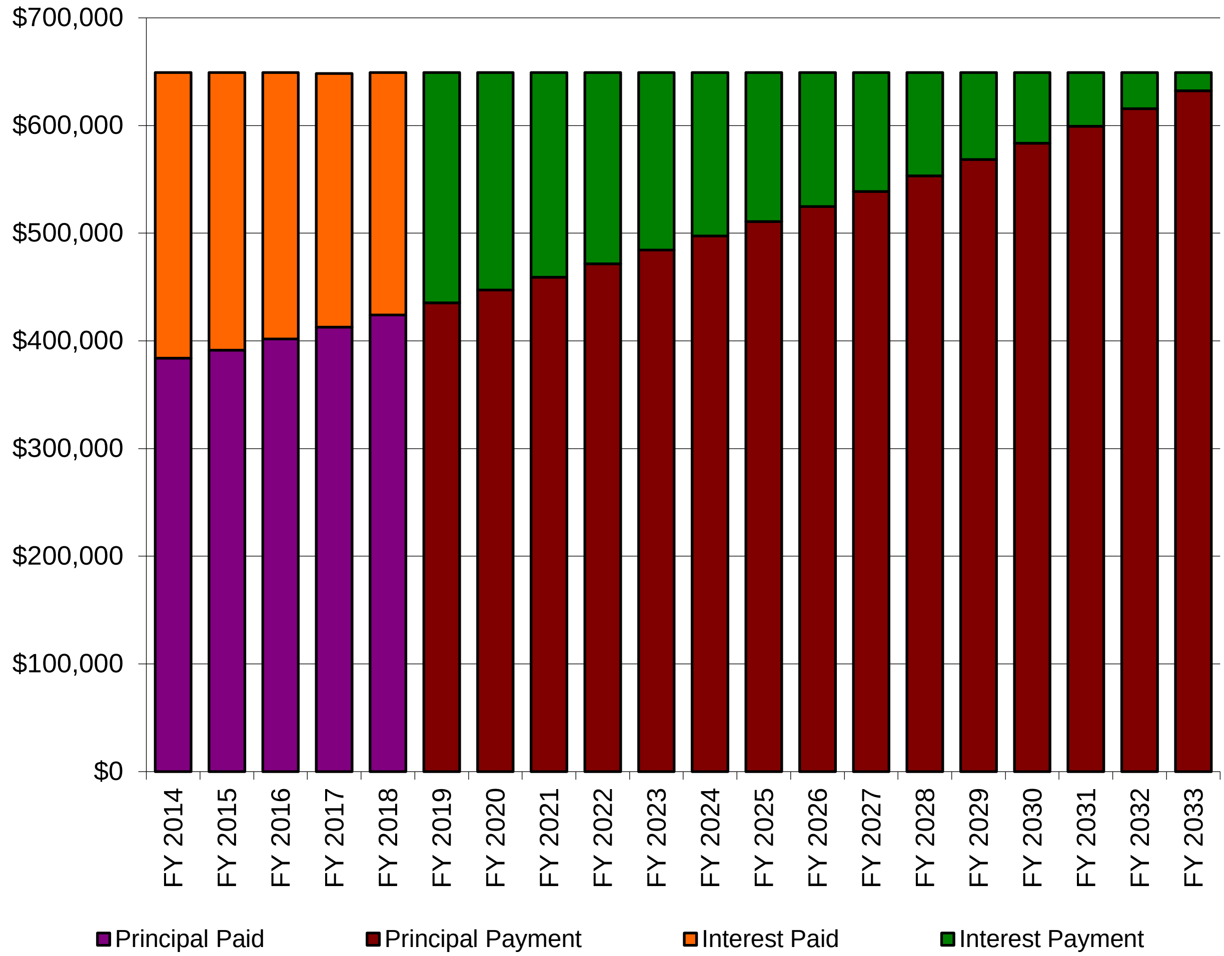
Background of Debt Issuance

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:



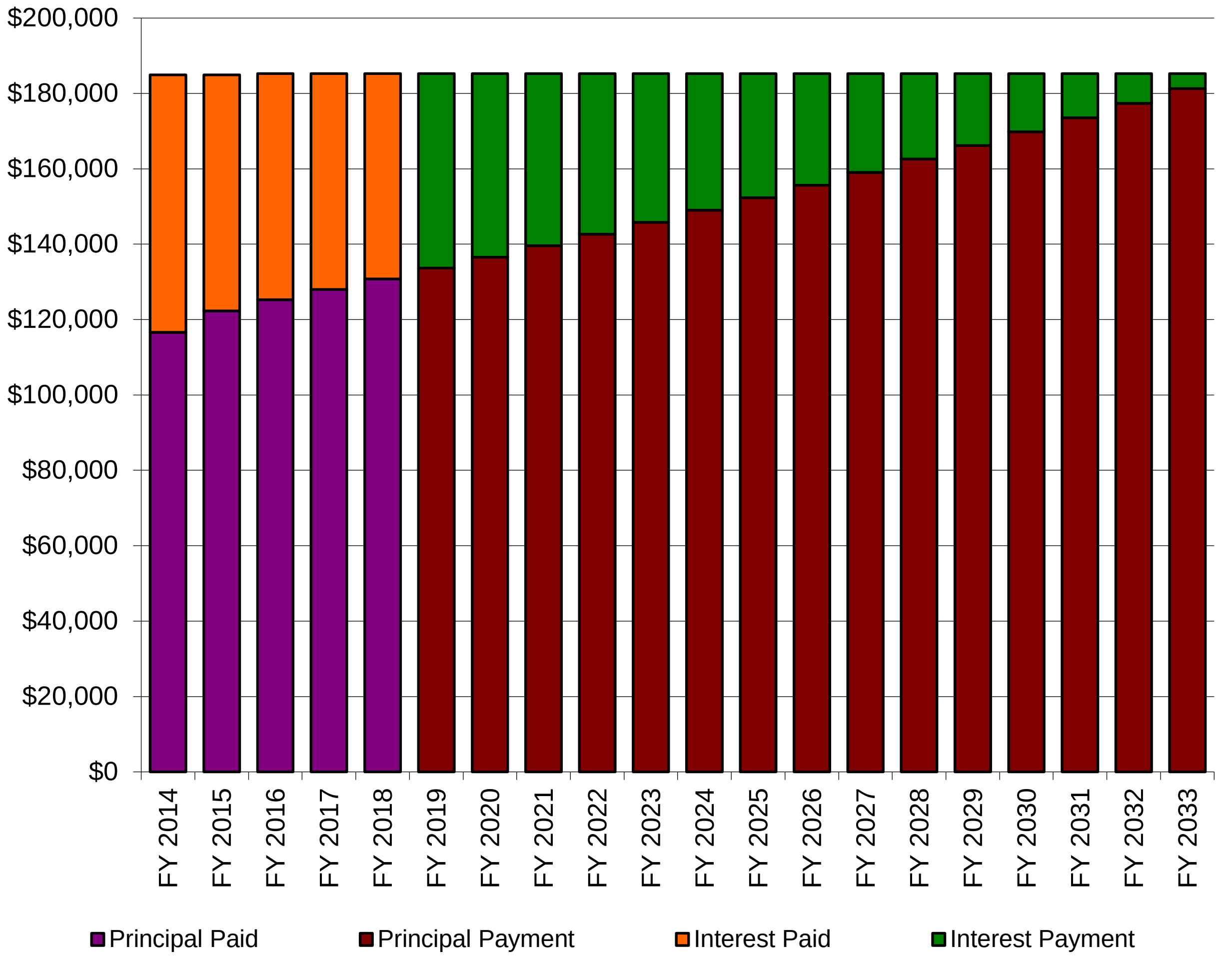
The annual loan payments are due on September 10th. The loan extends until September 10, 2028.

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:



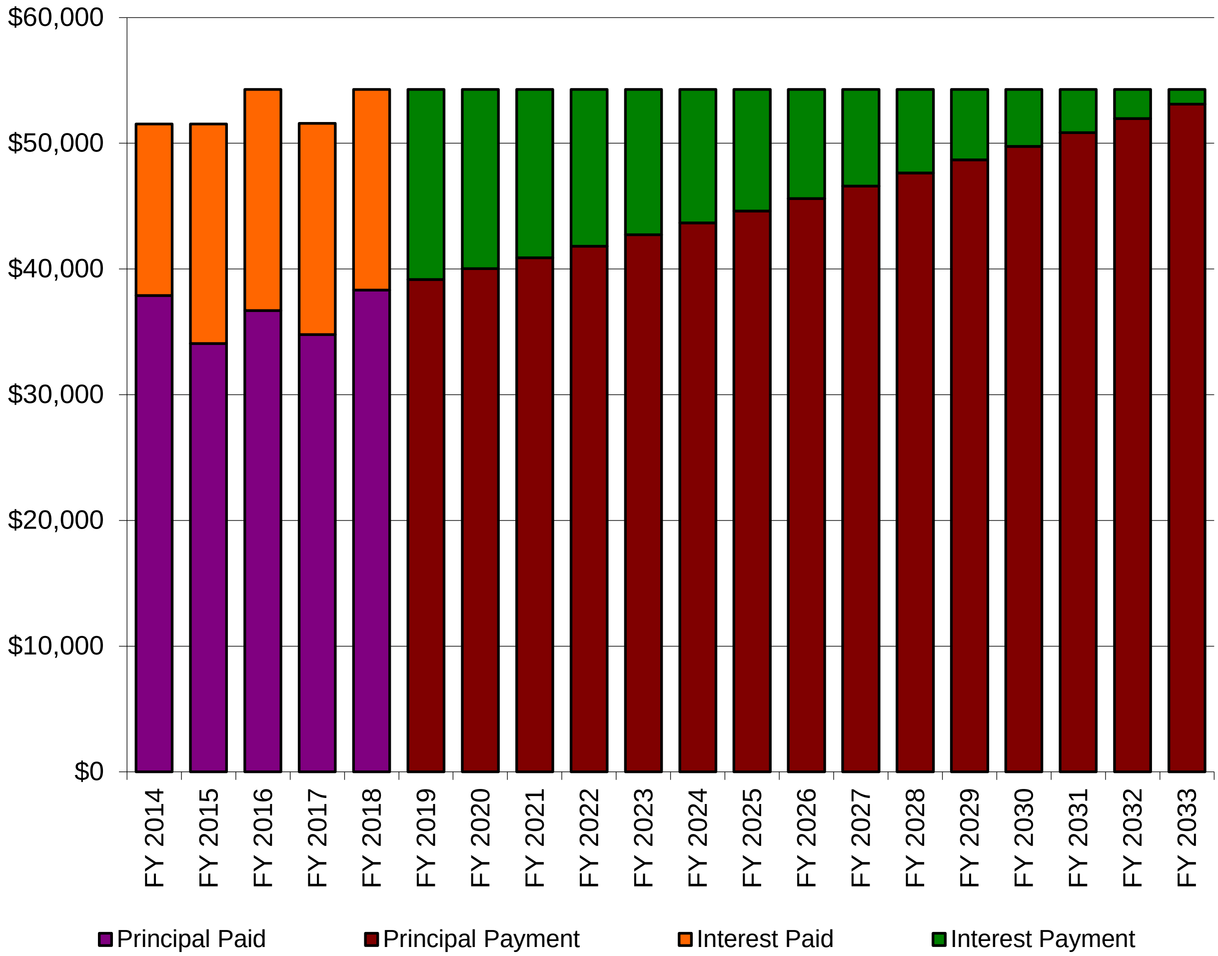
The annual loan payments are due on December 31st. The loan extends until December 31, 2032.

Wochholz Improved Salinity Effluent Project (W.I.S.E.) - The Yucaipa Valley Water District has secured a $2,988,095 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 2015 and annual repayment of $185,251 started in FY 2014 based on the following schedule:



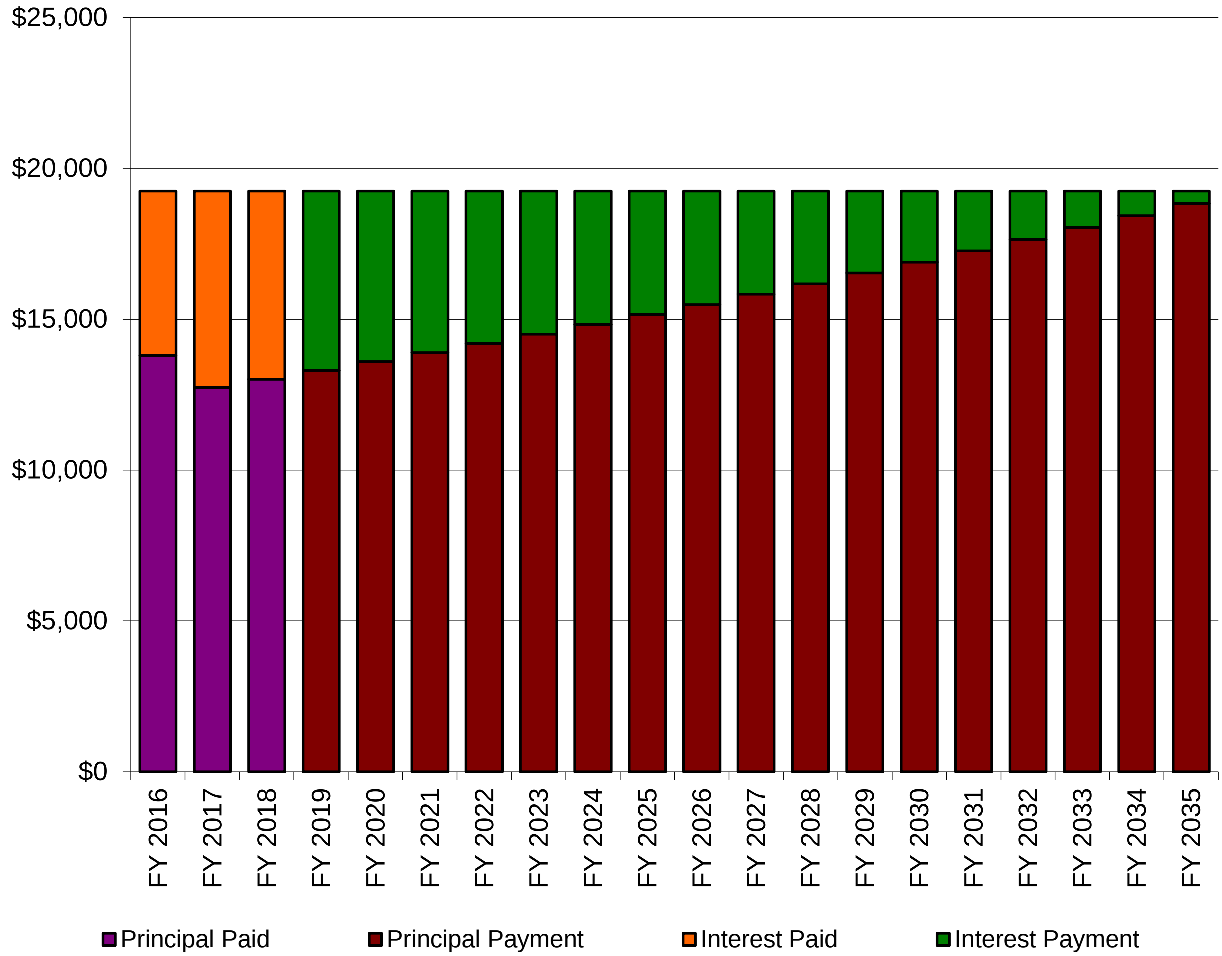
The annual loan payments are due on March 31st. The loan extends until March 31, 2033.

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 $54,277 started in FY 2014 based on the following schedule:



The annual loan payments are due on March 31st. 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 $310,179 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 received full disbursement of the loan fund in FY 2015 and annual repayment of $19,254 started in FY 2016 based on the following schedule:



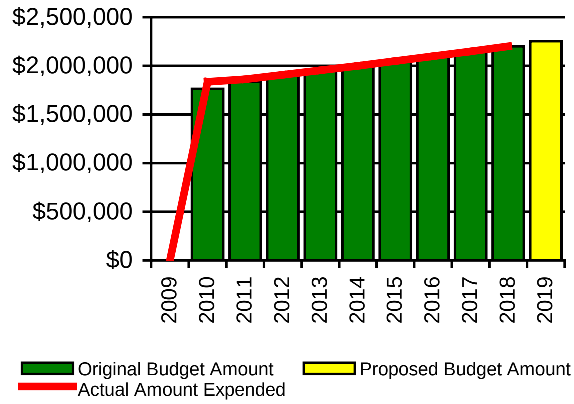
The annual loan payments are due on March 31st. The loan extends until March 31, 2035.

Sewer Division – Debt Service 03-5-40-57202

Debt Service Principal - WRWRF

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
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
2016	$2,097,629	$2,097,629
2017	$2,147,975	$2,147,973
2018	$2,199,524	$2,199,524

2019	**$2,252,312**



Description:

This budget category is 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:

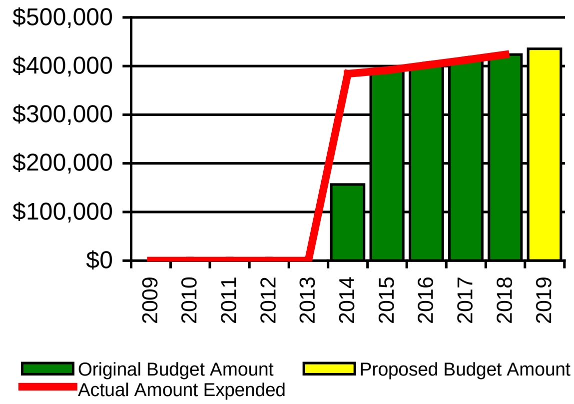
Debt Service Principal Payment	$ 2,252,312
Total	$ 2,252,312

Sewer Division – Debt Service 03-5-40-57203

Debt Service Principal - Brineline

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$156,395	$383,889
2015	$391,372	$391,372
2016	$401,939	$401,939
2017	$412,790	$412,791
2018	$423,936	$423,936

2019	**$435,383**



Description:

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

Line Item Detail:

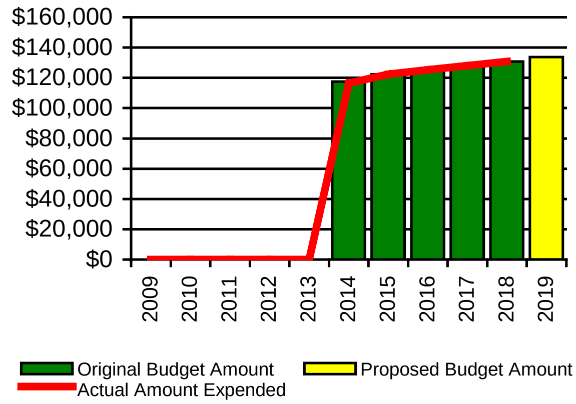
Debt Service Principal Payment	$ 435,383
Total	$ 435,383

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
2012	$0	$0
2013	$0	$0
2014	$117,482	$116,576
2015	$122,303	$122,303
2016	$125,600	$125,283
2017	$127,970	$127,966
2018	$130,782	$130,782

2019	**$133,659**



Description:

This budget category is 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:

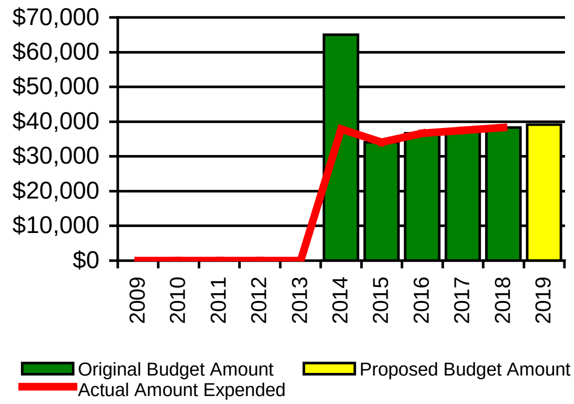
Debt Service Principal Payment	$ 133,659
Total	$ 133,659

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
2012	$0	$0
2013	$0	$0
2014	$65,000	$37,887
2015	$34,080	$34,080
2016	$36,663	$36,691
2017	$37,495	$37,493
2018	$38,318	$38,318

2019	**$39,161**



Description:

This budget category is used for expenses related to the principal payment of the State Revolving Fund Loan for the Reservoir R 10.3 & Booster Station Project.

Line Item Detail:

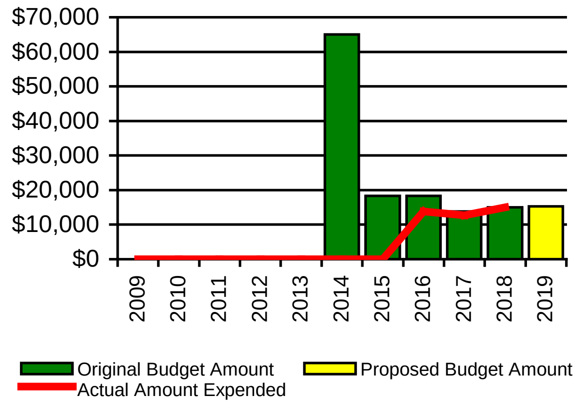
Debt Service Principal Payment		$ 39,161
	Total	$ 39,161

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
2012	$0	$0
2013	$0	$0
2014	$65,000	$0
2015	$18,357	$0
2016	$18,357	$13,795
2017	$13,795	$12,734
2018	$15,014	$14,983

2019	**$15,330**



Description:

This budget category is 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:

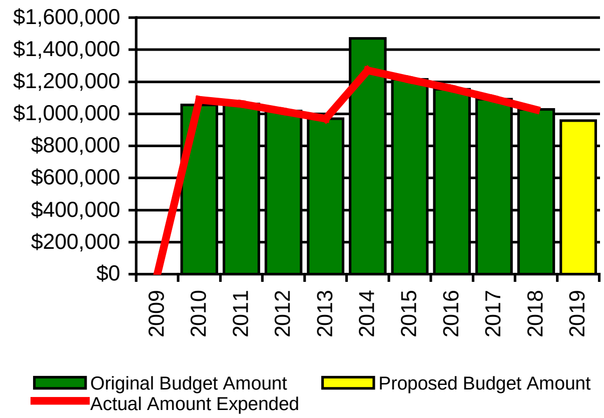
Debt Service Principal Payment	$ 15,330
Total	$ 15,330

Sewer Division – Debt Service 03-5-40-57403

Debt Service Interest

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
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
2016	$1,153,830	$1,156,388
2017	$1,091,707	$1,092,768
2018	$1,026,707	$1,026,151

2019	**$957,873**



Description:

This budget category is 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-12.1facility.

Line Item Detail:

Debt Service Interest Payment - WRWRF	$ 671,320
Debt Service Interest Payment - Brineline	$ 213,891
Debt Service Interest Payment - WISE	$ 51,592
Debt Service Interest Payment – R-10.3 & Booster Station	$ 15,116
Debt Service Interest Payment - Crow St. & B-12.1	$ 5,954
Total	$ 957,873

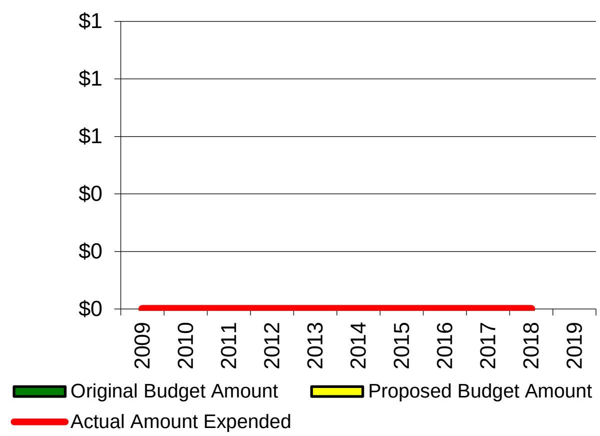
Sewer Division – Debt Service

For Use for Fund Transfers

Rate Stabilization Fund

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$0
2018	$0	$0

2019	**$0**



Description:

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

Line Item Detail:

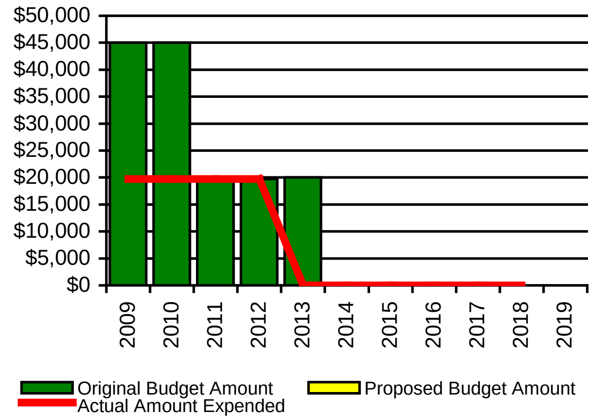
Rate Stabilization Funding	$ 0
Total	$ 0

Sewer Division – Debt Service 03-5-40-57009

Plant Support Facilities

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$19,710	$19,710
2013	$20,000	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$0
2018	$0	$0

2019	**$0**



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 final payment was paid in 2012.

Line Item Detail:

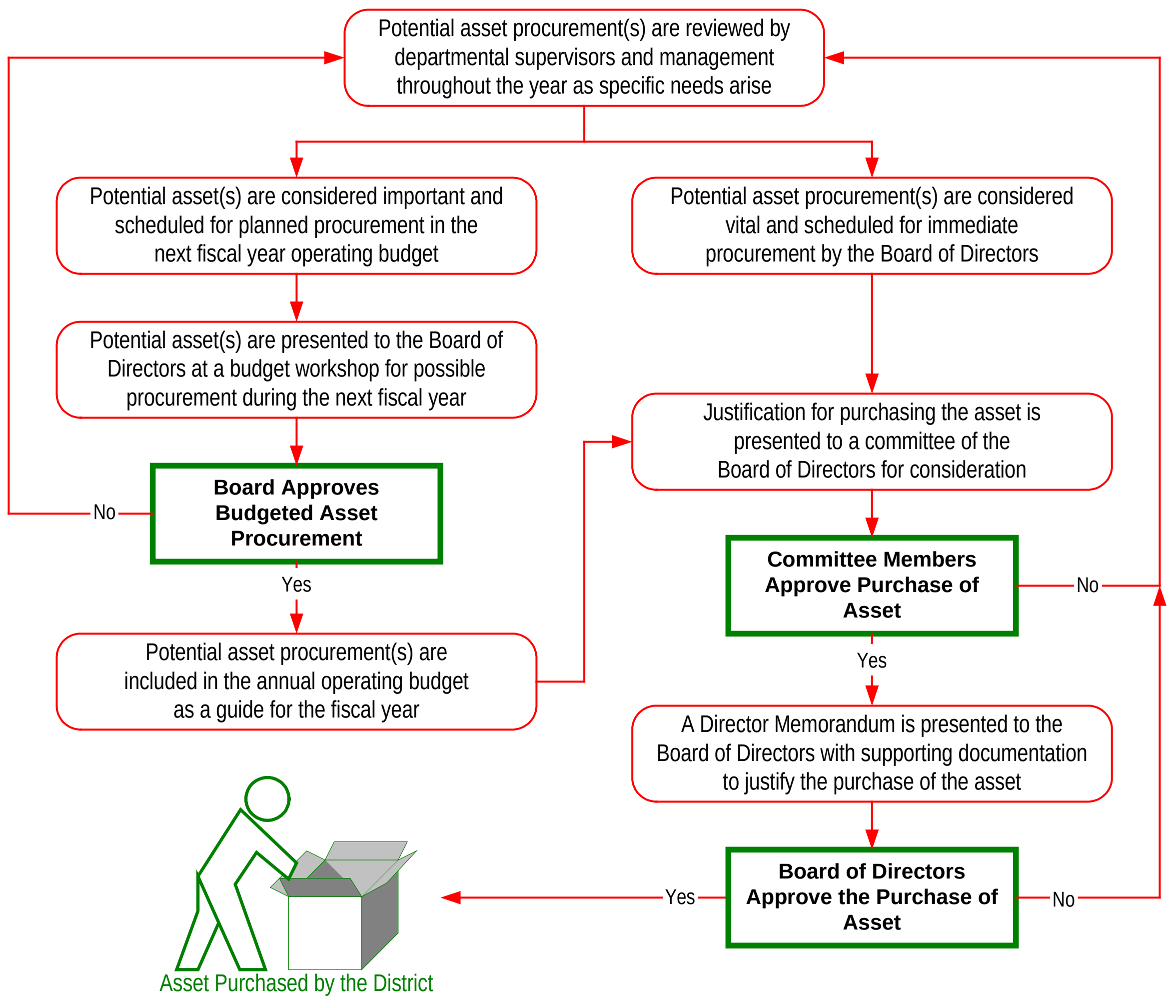
Annual Installment		$ 0
	Total	$ 0

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
Total	**$ 0**

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
	Total	**$ 0**

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
Total	**$ 0**

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
	Total	**$ 0**

Yucaipa Valley Water District

Chapter Four

Fiscal Year 2019

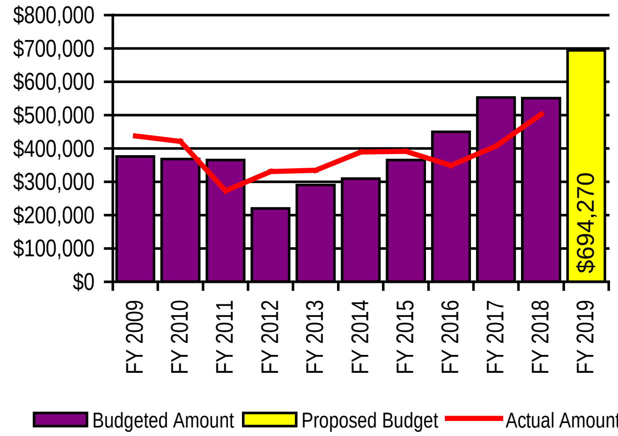
Recycled Water Division
Operating Budget

Recycled Water Division Revenue Analysis

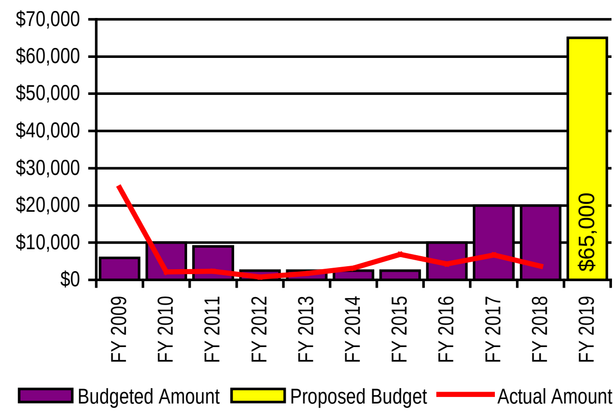
Sources of Revenue

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

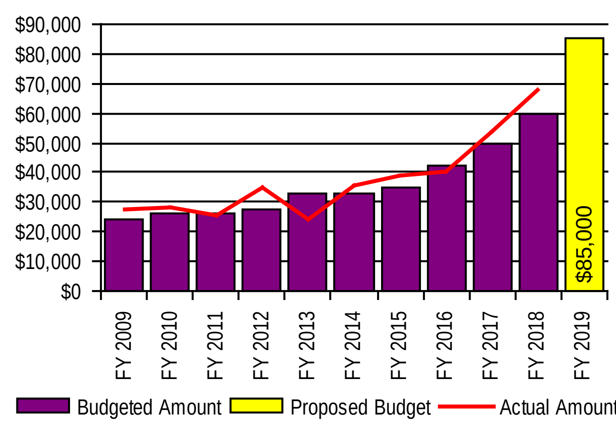
Recycled Water - Commodity Charges (04-40010): This revenue source is the variable component of the recycled water sales that is based on the amount of recycled water consumed by our customers. Recycled water sales represent the largest single revenue source in the Recycled Water Division. However, as 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.



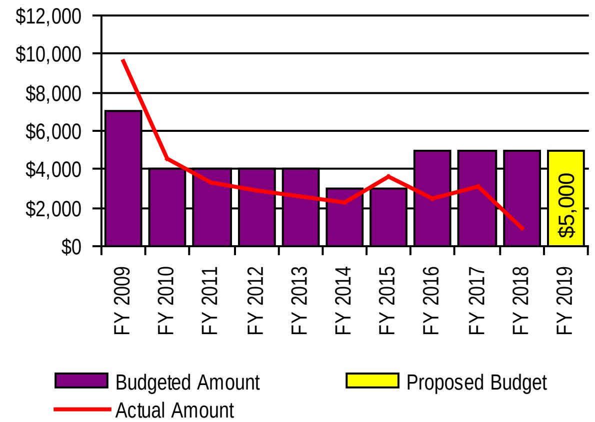
Construction Water – Commodity Charges (04-40011): This revenue source is highly variable recycled water consumption revenue collected from developers and contractors for construction purposes. The amount of revenue generated from this source is directly dependent on the timing and magnitude of new construction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



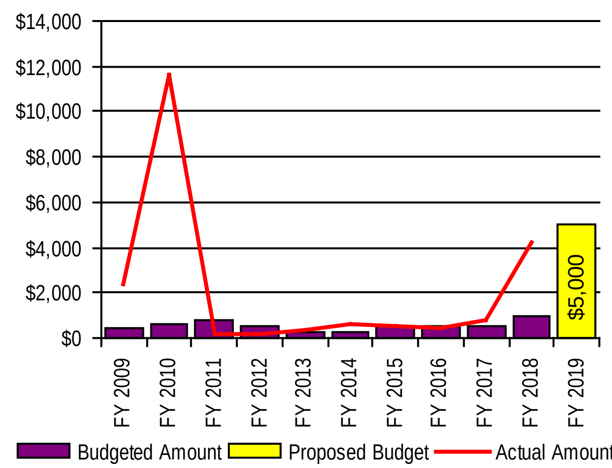
Recycled Water - Service Demand Charge (04-41000): This revenue source is the fixed rate component charged to all recycled water customers. Since this is a fixed charge, the estimated amount of revenue derived from this source is fairly constant year to year.



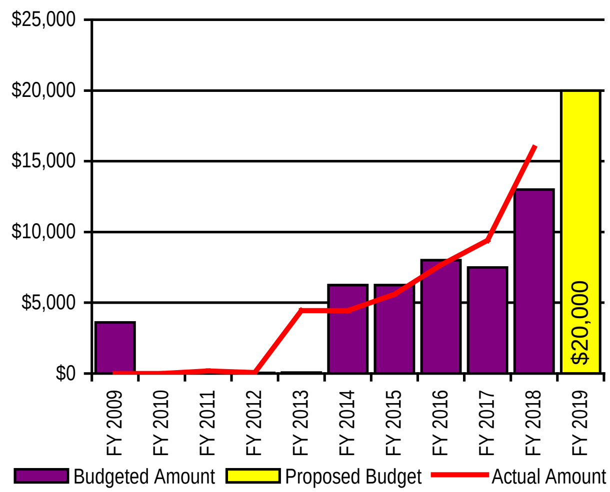
Construction Water – Minimum Charge (02-41003): This revenue source is the fixed rate component charged to all customers using recycled water for construction purposes. Like the commodity charge above, since these costs are associated with development, they are also highly variable.



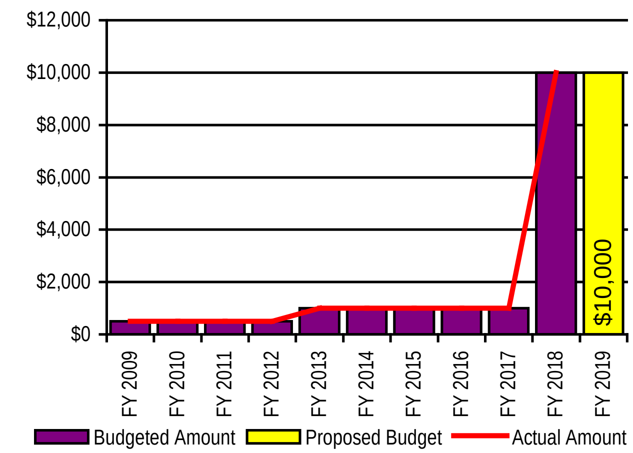
Penalty Late Charges (04-41121): This revenue source is generated from late payments of sewer services. The District's late charges are 10% for the first month and 0.5% for any unpaid balance every month thereafter. This late charge is not intended to represent an interest rate or cost of money, but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



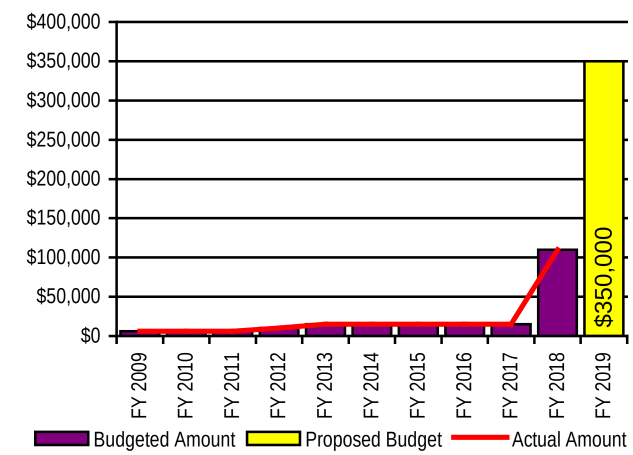
Interest Earnings (04-43010): This revenue source is generated from investment interest earnings. The District's investment policy utilizes Local Agency Investment Fund (LAIF) as the predominant investment vehicle. Significantly lesser amounts are invested in the U.S. Securities and money market funds.



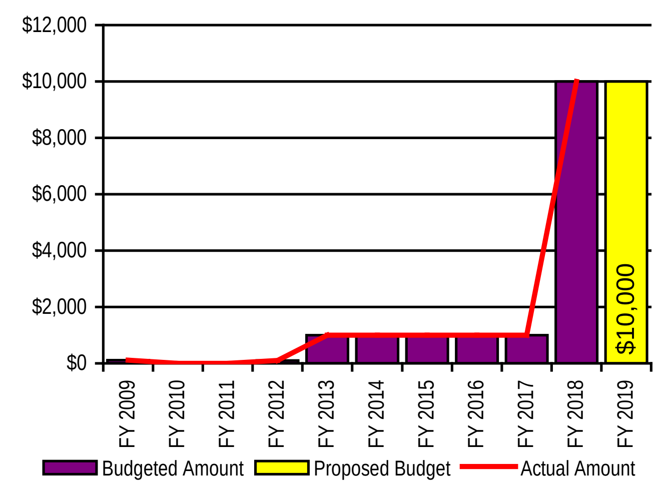
Property Tax – Unsecured (04-43110): This revenue source is generated from the unsecured portion of the property tax increment received by the District from properties within the District's service area. Unsecured property taxes are those taxes collected on property that can be relocated and is not real 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 Department

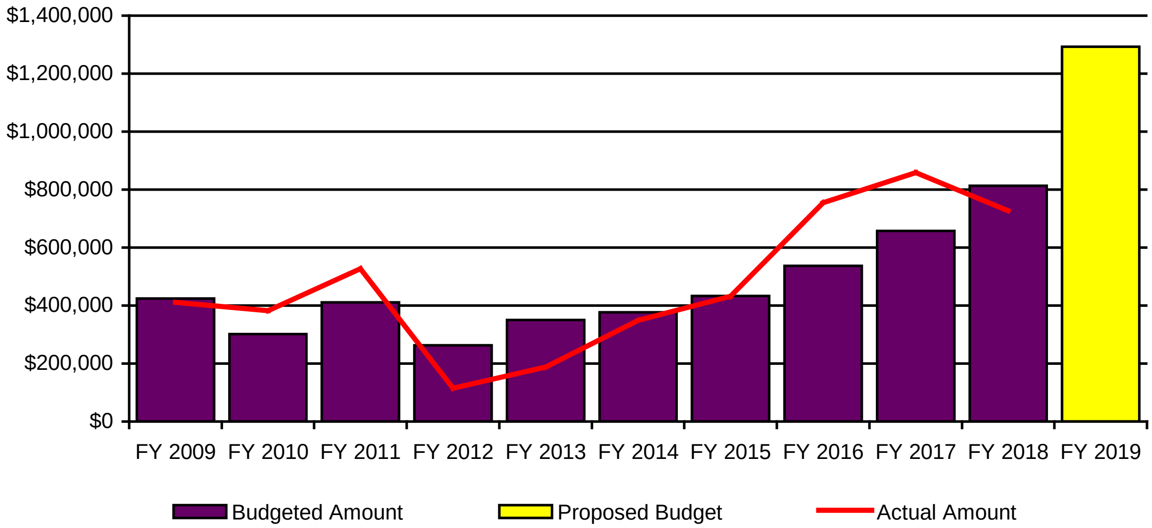
Department Description – The Recycled Water Division consists of individuals assigned to other duties that work together to implement, monitor, inspect, operate and perform the required duties of the recycled water enterprise.

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 7.35 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	- -	0.10	$ 20,708
Chief Financial Officer	248	0.10	$ 13,598
Implementation Manager	236	0.60	$ 74,462
Public Works Manager	234	0.25	$ 30,537
Water Resource Manager	232	0.30	$ 40,781
Operations Manager	228	0.20	$ 20,750
Water Resource Project Supervisor	113	0.30	$ 29,278
Public Works Supervisor	113	2.50	$ 241,270
Senior Engineering Technician	110	0.30	$ 26,517
Senior Utility Service Worker	49	0.20	$ 17,393
Utility Service Worker IV	44	0.10	$ 7,983
Purchasing Agent	42	0.10	$ 9,024
Utility Service Worker III	40	1.10	$ 75,821
Utility Service Worker II	36	0.20	$ 12,182
Utility Service Worker I	32	1.00	$ 57,627
	Total	**7.35**	**$677,931**

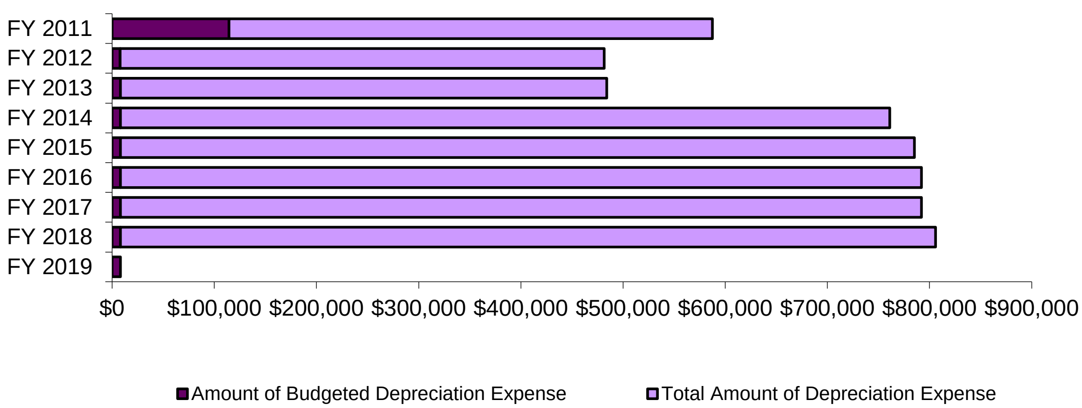
Budget Overview – The following illustration shows the amount of funds budgeted and the actual expenses over the past several years.



This year, the administrative service department will be allocated $1,293,270, which represents an increase of $479,475 as compared to the previous year, or a 59% 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.



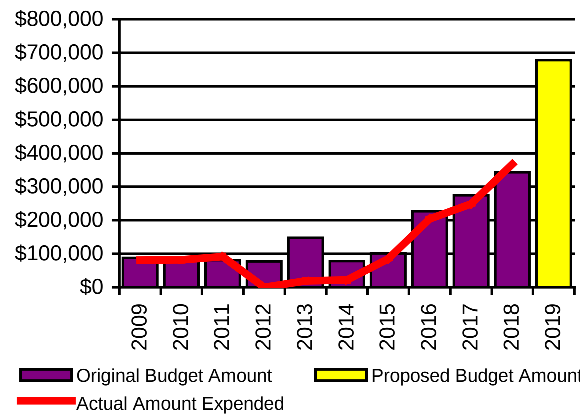
In order to adequately fund the repair and replacement of District facilities, additional funding is necessary in this line item.

Recycled Water Division – Administrative Services Department 04-5-06-50010

Labor

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$76,900	$0
2013	$148,162	$18,839
2014	$78,400	$21,572
2015	$100,632	$85,272
2016	$226,630	$204,284
2017	$275,000	$248,846
2018	$343,507	$367,521

2019	**$677,931**



Description:

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

Line Item Detail:

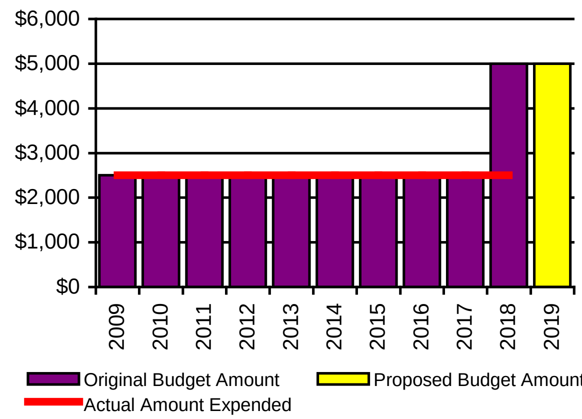
Title	Range	FTE	Expense
General Manager	- -	0.10	$ 20,708
Chief Financial Officer	248	0.10	$ 13,598
Implementation Manager	236	0.60	$ 74,462
Public Works Manager	234	0.25	$ 30,537
Water Resource Manager	232	0.30	$ 40,781
Operations Manager	228	0.20	$ 20,750
Water Resource Project Supervisor	113	0.30	$ 29,278
Public Works Supervisor	113	2.50	$ 241,270
Senior Engineering Technician	110	0.30	$ 26,517
Senior Utility Service Worker	49	0.20	$ 17,393
Utility Service Worker IV	44	0.10	$ 7,983
Purchasing Agent	42	0.10	$ 9,024
Utility Service Worker III	40	1.10	$ 75,821
Utility Service Worker II	36	0.20	$ 12,182
Utility Service Worker I	32	1.00	$ 57,627
	Total	7.35	$ 677,931

Recycled Water Division – Administrative Services Department 04-5-06-50012

Director Fees

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$2,500
2013	$2,500	$2,500
2014	$2,500	$2,500
2015	$2,500	$2,500
2016	$2,500	$2,500
2017	$2,500	$2,500
2018	$5,000	$2,500

2019	**$5,000**



Description:

Director related meeting reimbursement expenses for seminars and related events.

Line Item Detail:

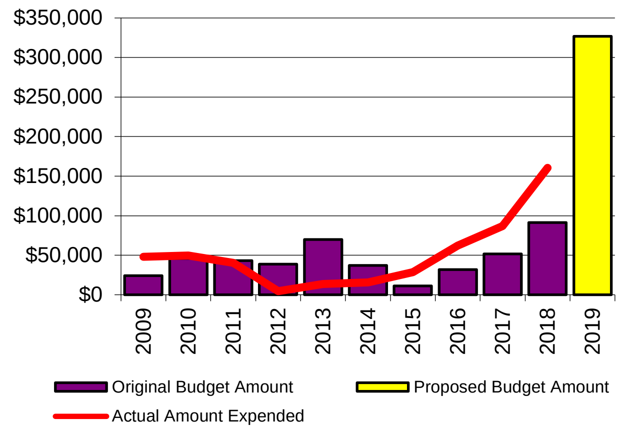
Director Fees, Travel, Seminars and Other Expenses	$ 5,000
	$ 5,000

Recycled Water Division – Administrative Services Department 04-5-06-500xx

Benefits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$38,780	$4,539
2013	$69,913	$13,785
2014	$37,215	$15,597
2015	$11,150	$33,995
2016	$31,900	$62,353
2017	$51,600	$86,810
2018	$91,138	$160,482

2019	**$326,839**



Description:

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

Line Item Detail:

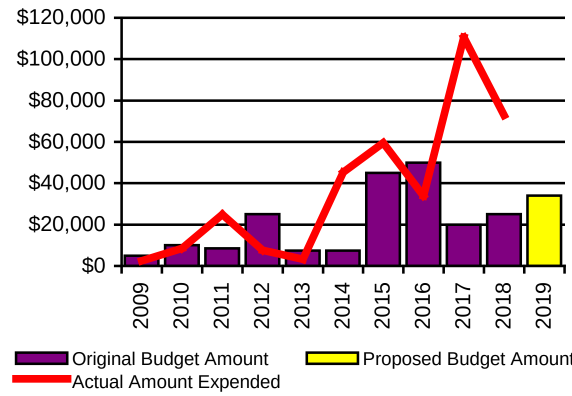
FICA (50013)	$ 51,862
Life Insurance (50014)	$ 3,528
Medical, Dental, Vision & Deferred Comp. (50016)	$ 138,474
Disability Insurance (50017)	$ 6,101
Workers' Compensation (50019)	$ 18,304
PERS Employer (50022)	$ 101,690
Uniforms (50023)	$ 3,675
Vacation/Sick Leave (50024)	$ 1,000
Boot Allowance @ $300/Employee (50025)	$ 2,205
Total	$ 326,839

Recycled Water Division – Administrative Services Department 04-5-06-51003

Repair & Maintenance – Structures

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$25,000	$7,546
2013	$7,500	$3,282
2014	$7,500	$45,381
2015	$45,000	$59,529
2016	$50,000	$21,308
2017	$20,000	$110,538
2018	$25,000	$72,832

2019	**$34,000**



Description:

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

Line Item Detail:

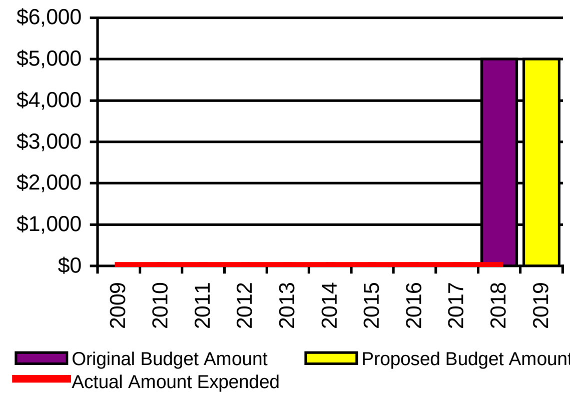
General Maintenance for Recycled Water Facilities	$ 29,000
Reservoir Inspections	$ 5,000
	$ 34,000

Recycled Water Division – Administrative Services Department 04-5-06-51011

Repair & Maintenance – Valves

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$0
2018	$5,000	$0

2019	**$5,000**



Description:

The Recycled Water Division oversees the operation and maintenance of the District's twenty-nine recycled water specialty valves. This program involves the maintenance of the following types of valves:

12 pressure reducing valves;
5 pump control valves;
5 float control valves; and
7 pressure relief valves.

Line Item Detail:

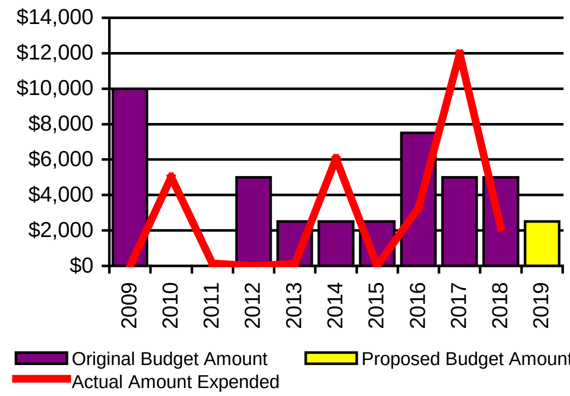
Equipment and parts associated with the maintenance of Cla-valves. This does not include the labor from the Water Resources Department, Engineering Department or Utility Service Department.	$ 5,000
	$ 5,000

Recycled Water Division – Administrative Services Department 04-5-06-51020

Repair & Maintenance – Pipelines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,000	$0
2013	$2,500	$132
2014	$2,500	$6,064
2015	$2,500	$0
2016	$7,500	$3,282
2017	$5,000	$11,981
2018	$5,000	$2,162

2019	**$2,500**



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:

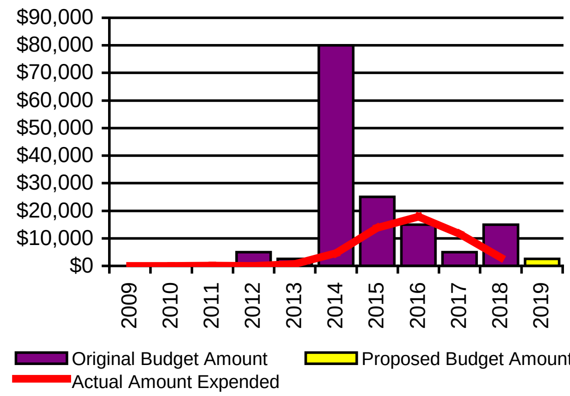
General Maintenance for Recycled Water Pipelines	$ 2,500
	$ 2,500

Recycled Water Division – Administrative Services Department 04-5-06-51021

Repair & Maintenance – Service Lines

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,000	$0
2013	$2,500	$667
2014	$80,000	$4,684
2015	$25,000	$13,766
2016	$15,000	$17,806
2017	$5,000	$11,557
2018	$15,000	$2,999

2019	**$2,500**



Description:

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

Line Item Detail:

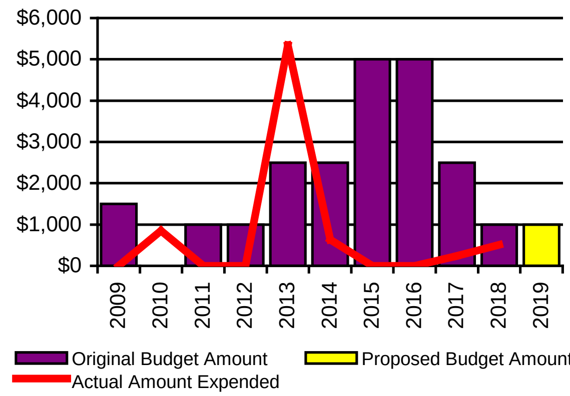
General Maintenance for Recycled Water Service Lines	$ 2,500
	$ 2,500

Recycled Water Division – Administrative Services Department 04-5-06-51022

Repair & Maintenance – Fire Hydrants

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$0
2013	$2,500	$5,343
2014	$2,500	$632
2015	$5,000	$0
2016	$5,000	$0
2017	$5,000	$238
2018	$1,000	$510

2019	**$1,000**



Description:

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

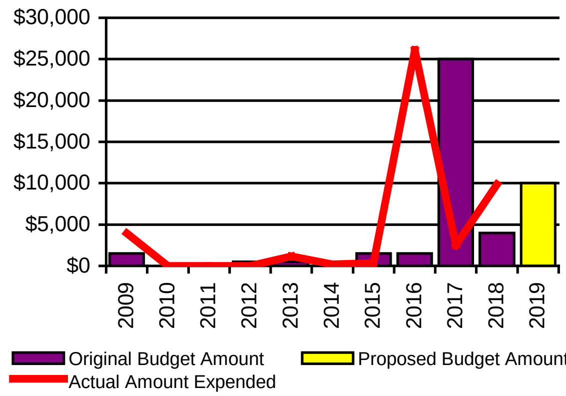
Line Item Detail:

General Maintenance for Recycled Water Fire Hydrants	$ 1,000
	$ 1,000

Recycled Water Division – Administrative Services Department 04-5-06-51030

Repair & Maintenance – Meters

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$500	$0
2013	$500	$1,162
2014	$500	$179
2015	$1,500	$365
2016	$1,500	$26,113
2017	$25,000	$2,500
2018	$4,000	$9,873



2019	**$10,000**

Description:

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

Line Item Detail:

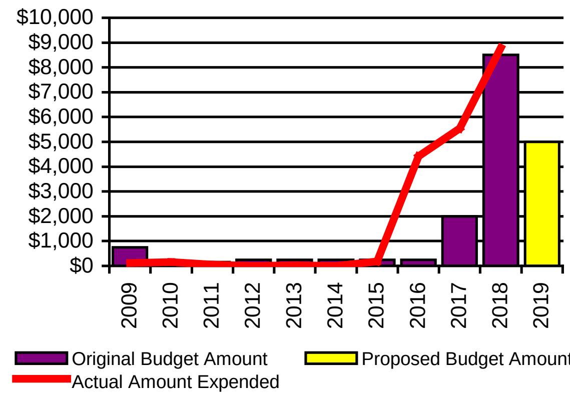
General Maintenance for Recycled Water Meters $ 10,000

$10,000

Recycled Water Division – Administrative Services Department 04-5-06-51140

General Supplies & Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$250	$0
2013	$250	$27
2014	$250	$0
2015	$250	$174
2016	$250	$4,426
2017	$2,000	$5,597
2018	$8,500	$8,795



2019	**$5,000**

Description:

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

Line Item Detail:

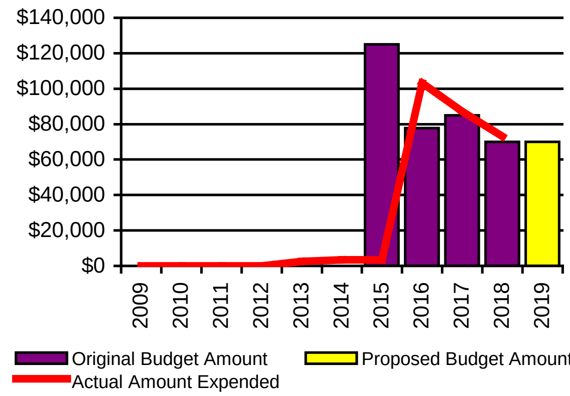
Supplies and Expenses	$ 5,000
	$ 5,000

Recycled Water Division – Administrative Services Department 04-5-06-51210

Utilities – Power Purchases

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$2,524
2014	$0	$3,459
2015	$124,968	$3,459
2016	$77,720	$103,162
2017	$85,000	$87,064
2018	$70,000	$72,982

2019	**$70,000**



Description:

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

Line Item Detail:

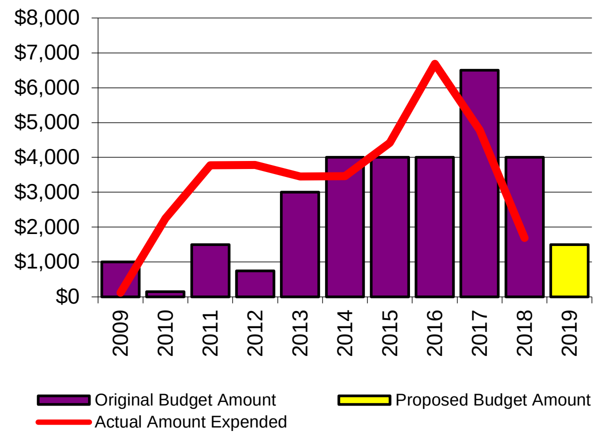
Electrical Power Costs	$ 70,000
	$ 70,000

Recycled Water Division – Administrative Services Department 04-5-06-54002

Dues & Subscriptions

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$750	$3,788
2013	$3,000	$3,453
2014	$4,000	$3,461
2015	$4,000	$4,417
2016	$4,000	$3,556
2017	$6,500	$4,784
2018	$4,000	$1,688

2019	**$1,500**



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:

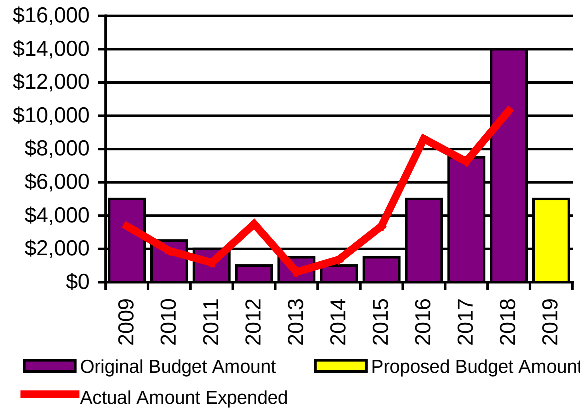
WateReuse Association	$ 1,500
Total	$1,500

Recycled Water Division – Administrative Services Department 04-5-06-54005

Computer Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$3,498
2013	$1,500	$620
2014	$1,000	$1,375
2015	$1,500	$3,361
2016	$5,000	$8,621
2017	$7,500	$7,258
2018	$14,000	$10,298

2019	**$5,000**



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:

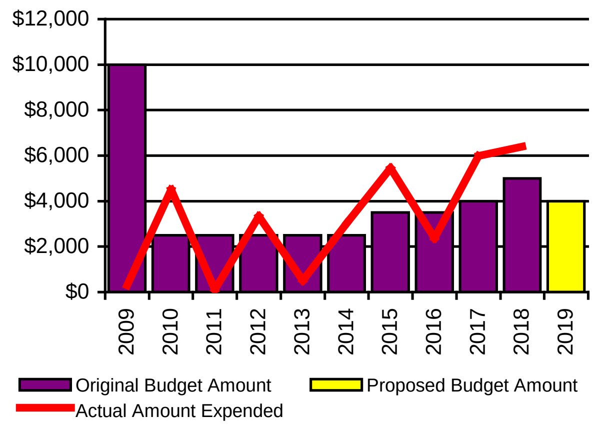
Computer Purchases and Network Maintenance	$ 5,000
Total	$ 5,000

Recycled Water Division – Administrative Services Department 04-5-06-54012

Education & Training

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$3,332
2013	$2,500	$512
2014	$2,500	$3,036
2015	$3,500	$5,453
2016	$3,500	$2,375
2017	$4,000	$5,987
2018	$5,000	$6,400

2019	**$4,000**



Description:

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

Line Item Detail:

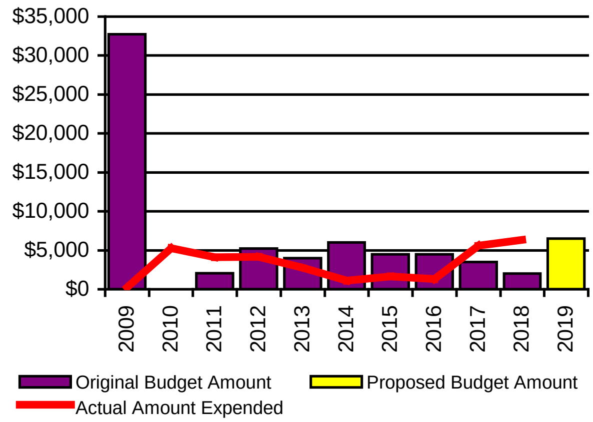
Education and Training Expenses	$ 4,000
Total	$ 4,000

Recycled Water Division – Administrative Services Department 04-5-06-54014

Public Relations

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$5,250	$4,172
2013	$4,000	$2,763
2014	$6,000	$1,118
2015	$4,500	$1,636
2016	$4,500	$1,301
2017	$3,500	$5,600
2018	$2,000	$6,329

2019	**$6,500**



Description:

This budget category represents the annual projected costs associated with public relations efforts, as well as all costs associated with printing business forms and public hearing notices and job announcements. In 2017-18, all historical and future budget data for the Printing and Publications budget category (04-5-06-54011) was combined here.

Line Item Detail:

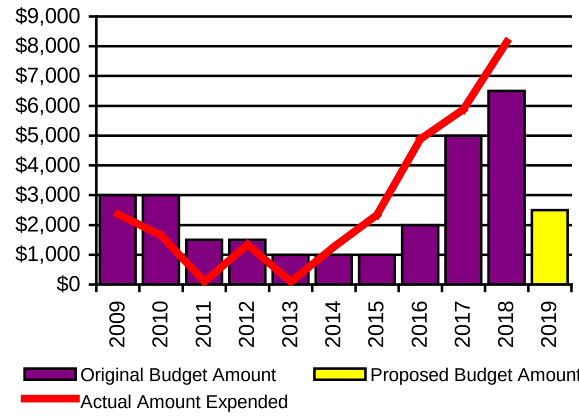
Public Relations	$ 6,500
Total	$ 6,500

Recycled Water Division – Administrative Services Department 04-5-06-54016

Travel Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,500	$1,346
2013	$1,000	$96
2014	$1,000	$1,265
2015	$1,000	$2,336
2016	$2,000	$4,879
2017	$5,000	$5,875
2018	$6,500	$8,140

2019	**$2,500**



Description:

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

Line Item Detail:

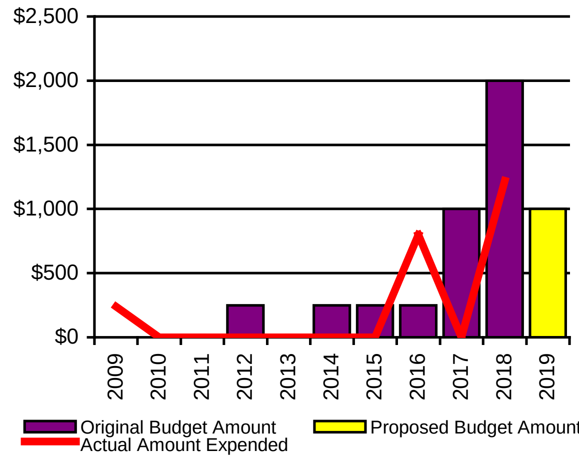
Travel Related Expenses	$ 2,500
Total	$ 2,500

Recycled Water Division – Administrative Services Department 04-5-06-54017

Certifications & Renewals

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$250	$0
2013	$0	$0
2014	$250	$0
2015	$250	$0
2016	$250	$800
2017	$1,000	0
2018	$2,000	$1,221

2019	**$1,000**



Description:

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

Line Item Detail:

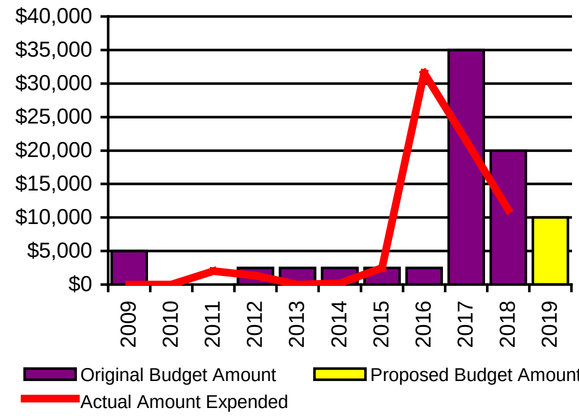
Backflow Certifications	$ 1,000
Total	$ 1,000

Recycled Water Division – Administrative Services Department 04-5-06-54019

Licenses & Permits

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,500	$1,323
2013	$2,500	$0
2014	$2,500	$189
2015	$2,500	$2,496
2016	$2,500	$31,564
2017	$35,000	$21,472
2018	$20,000	$11,156

2019	**$10,000**



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 $ 10,000

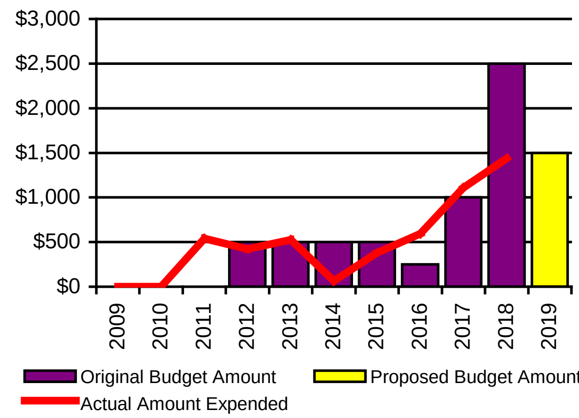
Total $ 10,000

Recycled Water Division – Administrative Services Department 04-5-06-54020

Meeting Related Expenses

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$500	$422
2013	$500	$526
2014	$500	$64
2015	$500	$378
2016	$250	$594
2017	$1,000	$1,107
2018	$2,500	$1,437

2019	**$1,500**



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:

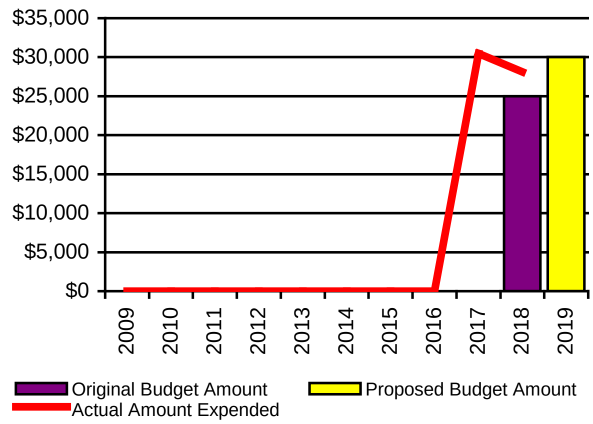
Recycled Division Meeting Related Expenses	$ 1,500
Total	$ 1,500

Recycled Water Division – Administrative Services Department 04-5-06-54022

Utilities – YVWD Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$30,475
2018	$25,000	$28,122

2019	**$30,000**



Description:

This budget category is used for YVWD recycled water charges billed to the District.

Line Item Detail:

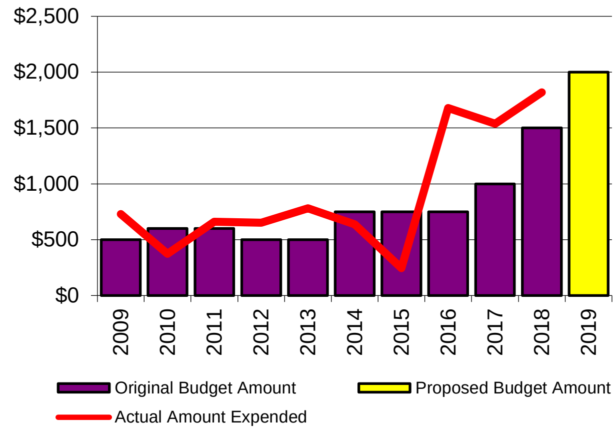
YVWD Services	$ 30,000
Total	$ 30,000

Recycled Water Division – Administrative Services Department 04-5-06-54025

Telephone & Internet

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$500	$651
2013	$500	$781
2014	$750	$637
2015	$750	$245
2016	$750	$1,678
2017	$1,000	$1,620
2018	$1,500	$1,819

2019	**$2,000**



Description:

This budget category will be used for telephone related expenses.

Line Item Detail:

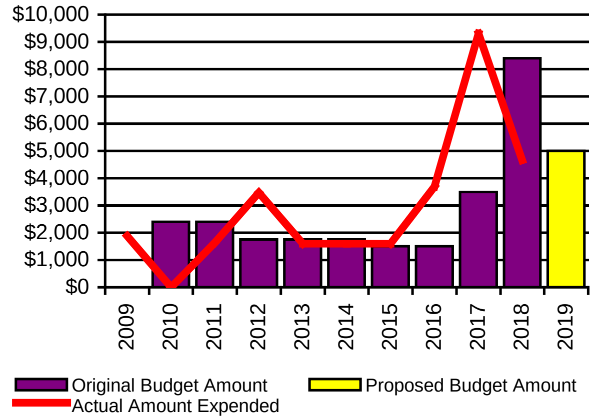
Telephone & Internet	$ 2,000
Total	$ 2,000

Recycled Water Division – Administrative Services Department 04-5-06-54104

Contractual Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,750	$3,470
2013	$1,750	$1,605
2014	$1,750	$1,605
2015	$1,500	$1,605
2016	$1,500	$3,690
2017	$3,500	$9,311
2018	$8,400	$4,661

2019	**$5,000**



Description:

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

Line Item Detail:

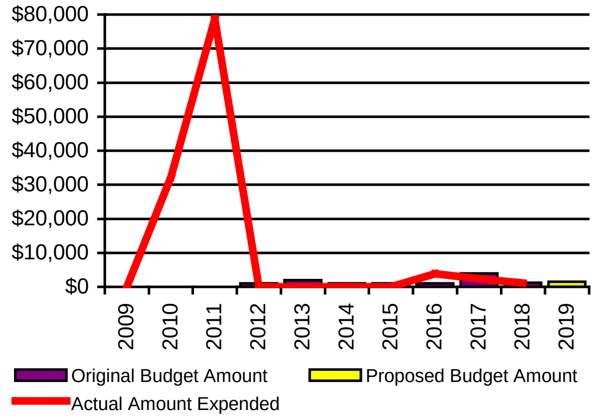
Contractual Services	$ 5,000
Total	$ 5,000

Recycled Water Division – Administrative Services Department 04-5-06-54107

Legal

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$2,000	$0
2013	$2,000	$0
2014	$1,000	$0
2015	$1,000	$0
2016	$1,000	$3,825
2017	$4,000	$2,363
2018	$1,250	$1,088

2019	**$1,500**



Description:

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

Line Item Detail:

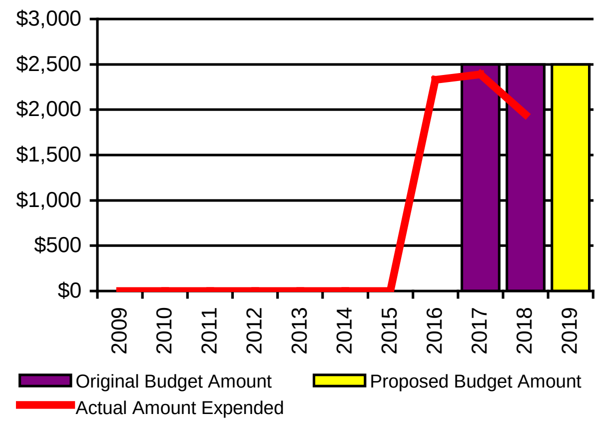
Legal Expenses	$ 1,500
Total	$1,500

Recycled Water Division – Administrative Services Department 04-5-06-54108

Audit & Accounting

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$2,330
2017	$2,500	$2,390
2018	$2,500	$1,950

2019	**$2,500**



Description:

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

Line Item Detail:

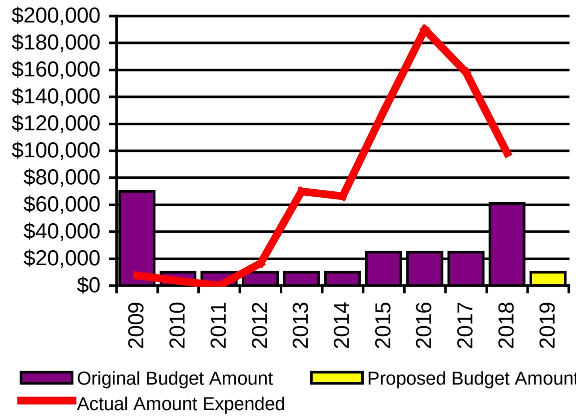
Audit and Accounting Services	$ 2,500
Total	$ 2,500

Recycled Water Division – Administrative Services Department 04-5-06-54109

Professional Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$10,000	$16,604
2013	$10,000	$69,957
2014	$10,000	$66,252
2015	$25,000	$129,635
2016	$25,000	$190,089
2017	$25,000	$158,302
2018	$61,000	$98,243

2019	**$10,000**



Description:

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

Line Item Detail:

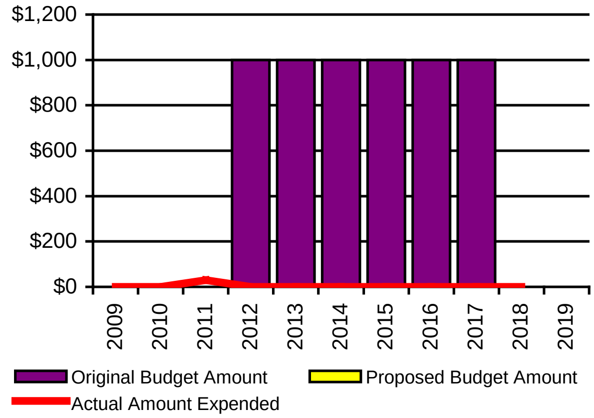
Professional Fees	$ 10,000
Total	$ 10,000

Recycled Water Division – Administrative Services Department 04-5-06-54110

Laboratory Services

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$1,000	$0
2013	$1,000	$0
2014	$1,000	$0
2015	$1,000	$0
2016	$1,000	$0
2017	$1,000	$0
2018	$0	$0

2019	**$0**



Description:

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

Line Item Detail:

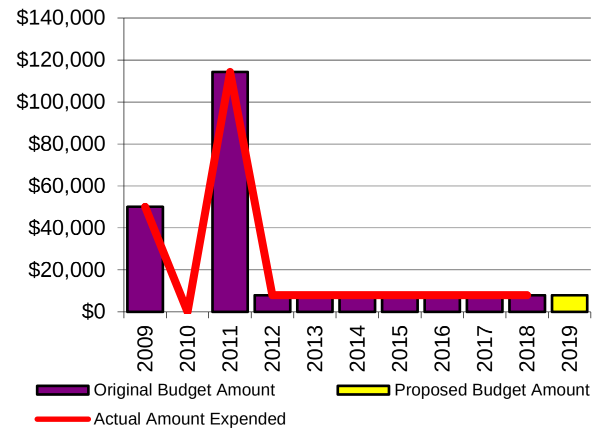
Laboratory Services	$ 0
Total	$ 0

Recycled Water Division – Administrative Services Department 04-5-06-55500

Reserve Funds

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$7,900	$7,900
2013	$8,000	$8,000
2014	$8,000	$8,000
2015	$8,000	$8,000
2016	$8,000	$8,000
2017	$8,000	$8,000
2018	$8,000	$8,000

2019	**$8,000**



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.

These funds will be transferred and designated to fund recycled water division depreciation reserves.

Line Item Detail:

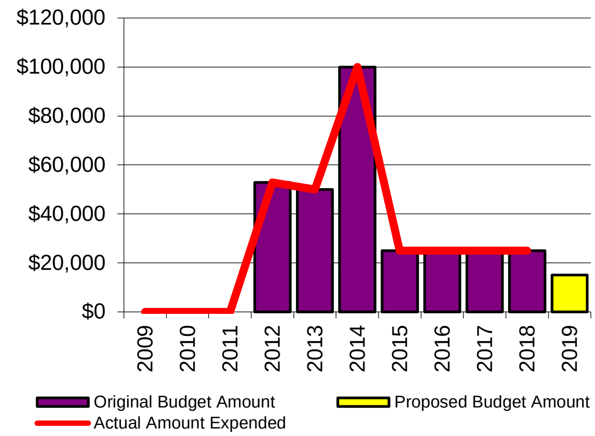
Reserve Funds	$ 8,000
Total	$ 8,000

Recycled Water Division – Administrative Services Department 04-5-06-xxxxx

Recycled Water Infrastructure Replacement

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$52,920	$52,920
2013	$50,000	$50,000
2014	$100,000	$100,000
2015	$25,000	$25,000
2016	$25,000	$25,000
2017	$25,000	$25,000
2018	$25,000	$25,000

2019	**$15,000**



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.

These funds will be transferred and designated to fund the replacement of recycled water related infrastructure reserves.

Line Item Detail:

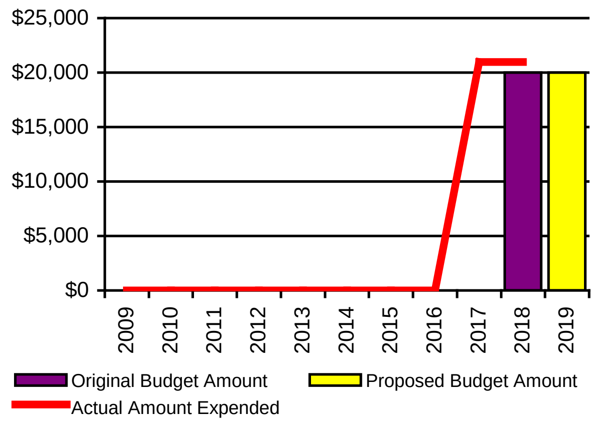
Recycled Water Infrastructure Replacement		$ 15,000
	Total	$ 15,000

Recycled Water Division – Administrative Services Department 04-5-06-56001

Insurance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$0	$0
2014	$0	$0
2015	$0	$0
2016	$0	$0
2017	$0	$20,957
2018	$20,000	$20,978

2019	**$20,000**



Description:

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

Line Item Detail:

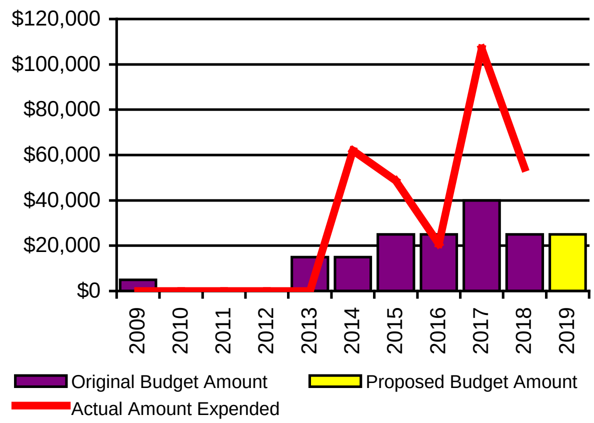
General Liability, Errors and Omission & Automotive	$ 20,000
Total	$ 20,000

Recycled Water Division – Administrative Services Department 04-5-06-57030

Regulatory Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$15,000	$0
2014	$15,000	$62,003
2015	$25,000	$48,671
2016	$25,000	$20,696
2017	$40,000	$107,058
2018	$25,000	$54,328

2019	**$25,000**



Description:

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

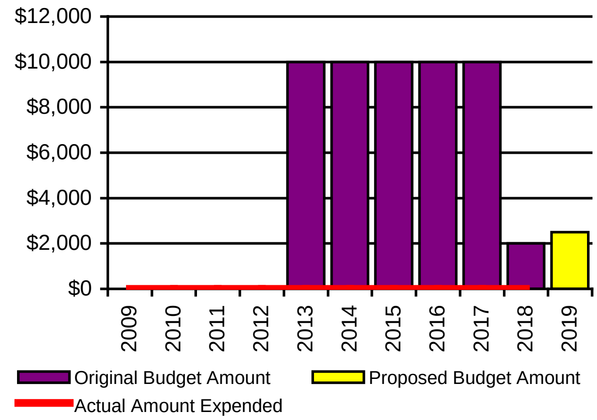
Line Item Detail:

Regulatory Compliance including DPH and Regional Board	$ 25,000
Total	$ 25,000

Recycled Water Division – Administrative Services Department 04-5-06-57040

Environmental Compliance

Prior Year Financial Comparison		
Fiscal Year	Budget Amount	Actual Amount
2012	$0	$0
2013	$10,000	$0
2014	$10,000	$0
2015	$10,000	$0
2016	$10,000	$0
2017	$10,000	$0
2018	$2,000	$0



2019	**$2,500**

Description:

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

Line Item Detail:

Environmental Compliance	$ 2,500
Total	$ 2,500

Chapter Five

Fiscal Year 2019

Capital Improvement Budget

Capital Improvement Program

A systematic, organized approach to planning capital facilities provides several 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 under-building 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 Obligation
- Drinking Water Source of Supply
- Drinking Water System Improvement
- Drinking Water Treatment Facility Construction/Improvement
- Drinking Water Well Improvement
- Groundwater Monitoring Improvement
- Groundwater Recharge Facility Improvement
- Land Acquisition
- Recycled Water Source of Supply
- Recycled Water System Improvement
- Regulatory Requirement
- Sewer Collection System Improvement
- Sewer Lift Station Improvement
- Sewer Treatment Facility Construction/Improvement
- Other

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 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.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Salinity Concentrate Reduction and Management (SCRAM) Project at the Yucaipa Valley Regional Water Filtration Facility			
Division	Drinking Water Division		**Project Priority**	Important
Category	Water Source of Supply		**CMMS Code**	
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 175,000
Environmental	$ 0
Right-of-Way/Land Acquisition	$ 0
Labor, Equipment, Administration	$ 50,000
Contract Construction	$ 4,500,000
Construction Engineering	$ 525,000
Other: Environmental/Permitting/Misc	$ 50,000
Total	$ 5,300,000

FUNDING SOURCE	
Reserves/Depreciation	$ 1,800,000
Development Impact Fees	$ 1,500,000
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	$ 2,000,000
Total	$ 5,300,000

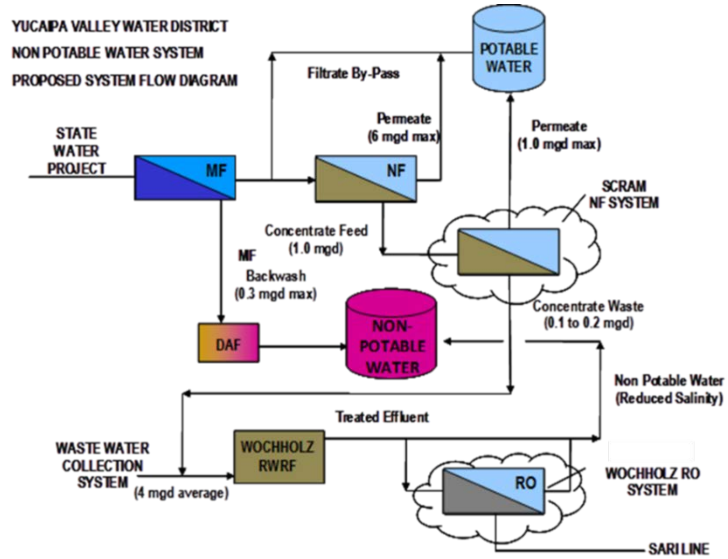
Project Description:

The Yucaipa Valley Water District operates the Yucaipa Valley Regional Water Filtration Facility (YVRWFF) for production of drinking water. The drinking water filtration facility is designed for an ultimate capacity of 36 million gallons per day (mgd) using the latest membrane barrier technology for the removal of macro, micro and molecular constituents that are commonly found in surface water streams and lakes.

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, additional MF and NF processes 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

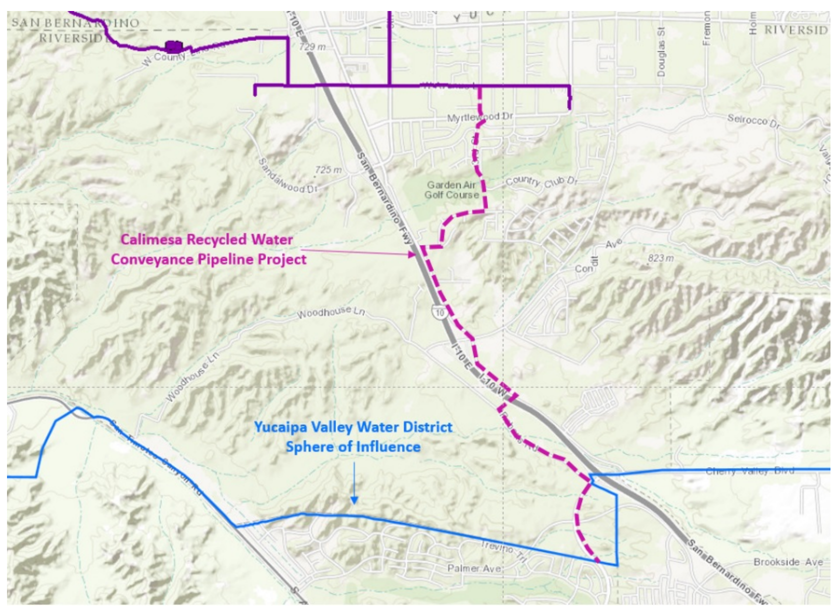
Project	Calimesa Recycled Water Conveyance Pipeline Project			
Division	Recycled Water Division		**Project Priority**	Important
Category	System Improvement		**CMMS Code**	P-04-223
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 150,000
Environmental	$ 0
Right-of-Way/Land Acquisition	$ 0
Labor, Equipment, Administration	$ 50,000
Contract Construction	$ 5,400,000
Construction Engineering	$ 425,000
Other: Environmental/Permitting/Misc	$ 50,000
Total	$ 6,075,000

FUNDING SOURCE	
Reserves/Depreciation	$ 2,375,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	$ 3,700,000
Total	$ 6,075,000

Description:

The Calimesa Recycled Water Conveyance Pipeline Project that will consist of approximately 18,500 linear feet of 24” recycled water pipeline that will provide recycled water to the southern Calimesa service area. This project, and the use of recycled water will reduce the long-term drought impacts and increase the protection of local groundwater resources.



YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Yucaipa Boulevard Sewer Main		
Division	Sewer Division	**Project Priority**	Important
Category	Collection System Improvement	**CMMS Code**	P-03-247

Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 550,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 550,000

FUNDING SOURCE	
Reserves/Depreciation	$ 550,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 550,000

The City of Yucaipa is preparing to proceed with the Yucaipa Boulevard Widening Project that involves the widening and reconstruction of Yucaipa Boulevard from 18th Street to Avenue E/Hampton Road. In conjunction with this project, the District is preparing to proceed with sewer construction consisting of approximately 2,400 linear feet of 8-inch main line in Yucaipa Boulevard between 18th Street and Avenue E/Hampton Road as well as Ridgecrest Drive between Yucaipa Boulevard and Sierra Linda Street.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Pisgah Peak Pipeline			
Division	Drinking Water Division		**Project Priority**	Important
Category	Drinking Water System Improvement		**CMMS Code**	P-02-307
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 20,000
Environmental	$ 0
Right-of-Way/Land Acquisition	$ 0
Labor, Equipment, Administration	$ 5,000
Contract Construction	$ 300,000
Construction Engineering	$ 25,000
Other: Environmental/Permitting/Misc	$ 0
Total	$ 350,000

FUNDING SOURCE	
Reserves/Depreciation	$ 350,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 350,000

Installation of 1,560 LF of 8" DIP booster pipeline from a temporary booster to a northerly PRV station. A temporary high-line will be installed and connected to the temporary booster during the construction of the 8" DIP booster pipeline.

Degradation of sources for the R22.1 reservoir have increased the urgency of this effort. The ability to boost from the R20.2 reservoir will provide an alternative source to wells that are the sole source of supply to the R22.1 reservoir and provide a more stable solution to demand.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Oak Hills Pipeline – Phase 1			
Division	Drinking Water Division		**Project Priority**	Important
Category	Drinking Water System Improvement		**CMMS Code**	P-65-24544
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 20,000
Environmental	$ 0
Right-of-Way/Land Acquisition	$ 0
Labor, Equipment, Administration	$ 5,000
Contract Construction	$ 300,000
Construction Engineering	$ 25,000
Other: Environmental/Permitting/Misc	$ 0
Total	$ 350,000

FUNDING SOURCE	
Reserves/Depreciation	$ 350,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 350,000

Installation of approximately 5,000 Linear Feet of 8” DIP mainline to replace the aging PVC mainline that is at the end of its useful life.

This is Phase 1 of 3, totaling approximately 15,000 Linear Feet of pipeline replacement.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Douglas, Cornell, Auburn, Citi-Bank Pipeline Improvements			
Division	Drinking Water Division		**Project Priority**	Important
Category	Drinking Water System Improvement		**CMMS Code**	P-02-301
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 50,000
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 1,000,000
Construction Engineering	$ 50,000
Other: Environmental/Permitting/Misc	
Total	$ 1,100,000

FUNDING SOURCE	
Reserves/Depreciation	$ 1,100,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 1,100,000

This bundle of pipeline replacements has been selected due to the frequency and severity of failures to the existing pipelines. Replacement of these pipelines will result in reduced water loss and increased reliability of service.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Reservoir R-18.4 Power and Paving Project			
Division	Drinking Water Division		**Project Priority**	Important
Category	Drinking Water System Improvement		**CMMS Code**	P-65-354
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 15,000
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 110,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 125,000

FUNDING SOURCE	
Reserves/Depreciation	$ 125,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 125,000

This project involved improvements to the electrical service at Reservoir R-18.4 to provide power to the reservoir site and an AMI communication portal. The project involved the installation of 1,400 LF of electrical conduit and wire to serve the R18.4 reservoir. The service line will be installed in an access road that will need to be repaved after the work is complete.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Primary Clarifier Equipment Replacement			
Division	Sewer Division		**Project Priority**	Important
Category	Sewer Treatment Facility Construction / Improvement		**CMMS Code**	P-88-331
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	$ 10,000
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	$ 10,000
Contract Construction	$ 330,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 350,000

FUNDING SOURCE	
Reserves/Depreciation	$ 350,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 350,000

The District staff has been preparing for the replacement of primary clarifier equipment at the Wochholz Regional Water Recycling Facility. The equipment is needed to replace the existing system currently in operation.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Automated Meter Infrastructure			
Division	Drinking Water Division		**Project Priority**	Important
Category	Drinking Water System Improvement		**CMMS Code**	P-65-354
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	$ 365,000
Contract Construction	
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 365,000

FUNDING SOURCE	
Reserves/Depreciation	$ 365,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 365,000

The Automated Meter Infrastructure (AMI) is the system that is capable of reading water meters, identifying leaks and backflow conditions, and compiling drinking water / recycled water consumption data using radio frequency communications.

The District staff has started the installation of the new AMI equipment and will continue to install the AMI equipment over the next several fiscal years.

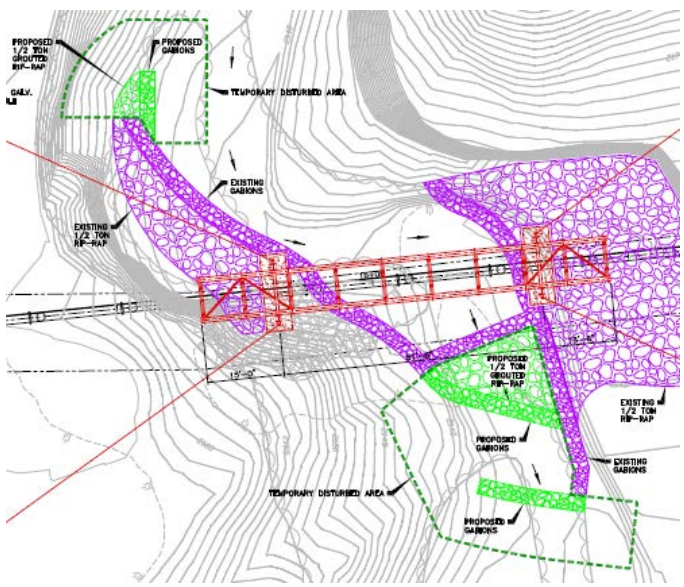
YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Yucaipa Creek Erosion Repair			
Division	Sewer Division		**Project Priority**	Important
Category	Sewer Collection System Improvements		**CMMS Code**	P-03-327
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 27,500
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 27,500

FUNDING SOURCE	
Reserves/Depreciation	$ 27,500
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 27,500

Over the past few years, storm events have undercut the erosion control in multiple areas. The amount of repair work at its current state is relatively small, at 65 linear feet of 3'x3' Gabions and 230 square feet of grouted rip-rap. The plan is to make the repairs now and maintain the erosion control structures before the condition degrades further.



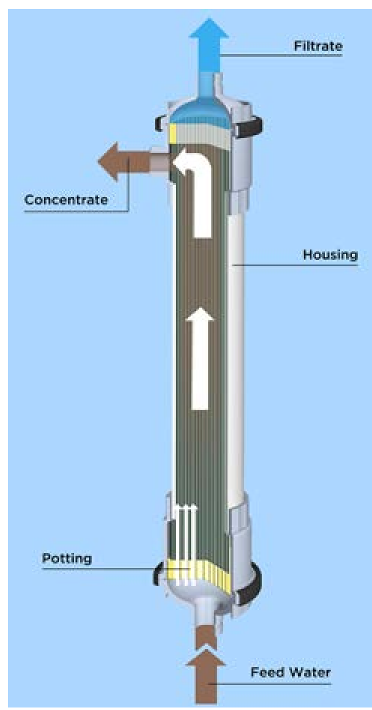
YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Scinor Replacement Membrane Modules			
Division	Sewer Division		**Project Priority**	Important
Category	Sewer Treatment Facility Construction / Improvement		**CMMS Code**	P-03-xxx
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 275,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 275,000

FUNDING SOURCE	
Reserves/Depreciation	$ 275,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 275,000

The Yucaipa Valley Water District is analyzing the potential replacement of microfiltration membranes at the Wochholz Regional Water Recycling Facility. This project would also include the replacement of the pre-strainer associated with the new membranes. While the replacement strainer would add about $60,000 to the project cost for equipment and installation, the new strainer would provide a 200-micron mesh instead of the existing 320-micron slits. The new strainer would be tested and ultimately part of a larger contract to install new strainers for the remaining microfiltration membranes.



YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Reservoir R-16.2 Structural Upgrades		
Division	Drinking Water Division	**Project Priority**	Important
Category	Drinking Water System Improvement	**CMMS Code**	P-02-xxx

Phase			
Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 90,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 90,000

FUNDING SOURCE	
Reserves/Depreciation	$ 90,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 90,000

The drinking water reservoir R16.2 is an aging steel bolted tank that needs a new roof and other structural repairs.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Well Rehabilitations - Upper Dickenson			
Division	Drinking Water System		**Project Priority**	Critical
Category	Drinking Water System Improvements		**CMMS Code**	P-02-xxx
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 22,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 22,000

FUNDING SOURCE	
Reserves/Depreciation	$ 22,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 22,000

The District staff has been evaluating the rehabilitation of drinking water wells in the Upper Dickenson area. These improvements are critical for upper-elevation water supplies.

YUCAIPA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM

Project	Wilson Creek Recycled Water Recharge			
Division	Drinking Water Division Recycled Water Division		**Project Priority**	Critical
Category	Drinking Water Source of Supply Recycled Water System Improvement		**CMMS Code**	P-02-xxx
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminiary Engineering/Design	
Environmental	
Right-of-Way/Land Acquisition	
Labor, Equipment, Administration	
Contract Construction	$ 600,000
Construction Engineering	
Other: Environmental/Permitting/Misc	
Total	$ 600,000

FUNDING SOURCE	
Reserves/Depreciation	$ 600,000
Development Impact Fees	
Federal Participation	
State Participation	
Bond Financing	
Local Matching	
Other Funds	
Total	$ 600,000

The Wilson Creek Recycled Water Recharge Project will provide additional recharge of the Yucaipa groundwater subbasin by surface application of highly treated recycled water from the Wochholz Regional Water Recycling Facility (WRWRF) at the Wilson Creek Basins.